

ANALYZING THE IMPACT OF BUSINESS STRATEGIES ON THE GROWTH OF FURNITURE ENTERPRISES IN STO. TOMAS AND LIPA BATANGAS

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Abstract -The growth and sustainability of small enterprises depend greatly on effective strategic business practices, particularly in competitive and resource-constrained industries such as furniture manufacturing. This study employed a quantitative-descriptive correlational design to examine the relationship between strategic business practices and the economic growth of furniture manufacturing firms in Sto. Tomas and Lipa, Batangas. A total of 34 purposively selected owners, managers, and key decision-makers from duly registered furniture firms participated in the study. Most of these enterprises were classified as micro-sized (85.29%) and operated under sole proprietorship (73.53%), typically employing one to five workers.

A validated survey instrument was used to assess demographic characteristics, strategic business practices, and economic growth indicators. Findings revealed that enterprises sometimes adopt key strategies such as marketing, innovation, digital adoption, and production efficiency (Overall Weighted Mean = 3.12). Practices including cost control (WM = 3.24) and social media promotion (WM = 3.06) were inconsistently applied. Perceptions of business growth were also moderate (WM = 3.26), with improvements most evident in customer-base expansion and market competitiveness.

Statistical analysis confirmed a significant relationship between strategic business practices and the economic growth of furniture enterprises, thus supporting the alternative hypothesis. The study was anchored on the Resource-Based View, Strategic Management Theory, and Endogenous Growth Theory, which collectively explain how internal capabilities, innovation, and resource management drive firm-level and sectoral economic development. The findings provide empirical insights that may guide furniture enterprises, policymakers, and LGUs in developing targeted strategies and support mechanisms to enhance competitiveness and long-term industry sustainability

Keywords: business strategies, economic growth, furniture enterprises, Sto. Tomas, Lipa, Batangas

INTRODUCTION

The furniture industry in the Philippines is characterized as one of the most dynamic, intensive, and labour-intensive sectors globally, evolving from traditional craftsmanship to modern competitive practices. Locally, the furniture

manufacturing sector in Sto. Tomas and Lipa, Batangas, plays a critical role, contributing significantly to local employment, income generation, and regional trade. Micro, Small, and Medium

Enterprises (MSMEs), which comprise the majority of the businesses in the area (with 85.29% classified as micro-sized), are vital economic drivers. Despite the high potential, these enterprises are constantly hampered by significant challenges, including limited access to resources, intense competition from cheap imports, rising material costs, and persistent issues such as inefficient processes and a weak digital/technical skills capacity.

Consequently, there is an urgent need to validate the effectiveness of specific management actions, as studies show that while strategies like cost control, staff training, and innovativeness are important means for companies to respond to new challenges, little empirical information is available regarding the actual use of these systems by furniture makers in Sto. Tomas and Lipa, and their precise relationship to economic growth. To address this gap, this quantitative-descriptive correlational study, titled "Analyzing the Impact of Business Strategies on the Growth of Furniture Enterprises in Sto. Tomas and Lipa Batangas", investigates the strategic business practices commonly employed (including marketing, innovation, digital adoption, and production efficiency) and assesses their impact on key economic growth indicators such as sales

performance, market expansion, job creation, and profitability.

The research is guided by three main theoretical perspectives to clarify the cause-and-effect pathway. The Resource-Based View (RBV) asserts that firms achieve competitive advantage through well-managed internal resources like skills, knowledge, and processes; the Strategic Management Theory relates to efficient planning and resource use; and the Endogenous Growth Theory highlights the role of internal innovation and human capital in long-term economic expansion. By analysing data gathered from purposively selected key decision-makers, the study seeks to formally test the alternative hypothesis that there is a significant relationship between the strategic business practices and the economic growth of these manufacturing enterprises. The findings are intended to provide valuable, evidence-backed insights to guide furniture manufacturers in improving resource management, technology adoption, and ultimately, to aid policymakers and Local Government Units (LGUs) in formulating targeted interventions and support programs that promote business sustainability and competitiveness in the sector.

OBJECTIVES OF THE STUDY

1. What are the demographic profiles of furniture businesses in Sto. Tomas and Lipa in terms of:

- 1.1 Business size (micro, small, medium)
- 1.2 Years of operation
- 1.3 Type of ownership
- 1.4 Number of employees
- 1.5 Educational background or training of the business owner/manager?

2. What strategic business practices are commonly employed by these manufacturers

- 2.1 marketing
- 2.2 innovation
- 2.3 digital adoption
- 2.4 production efficiency

3. How do these practices impact key indicators of economic growth such as sales performance, market expansion, job generation, and profitability?

4. What internal (e.g., resources, capabilities, business culture) and external (e.g., market competition, customer trends, government support) factors affect the adoption of these strategies?

5. What challenges do these enterprises face in implementing strategic business practices, and how do these vary based on business demographics?

METHODOLOGY

The methodology employed in this study, titled "Analyzing the Impact of Business Strategies on the Growth of Furniture Enterprises in Sto. Tomas and Lipa Batangas", utilizes a quantitative-descriptive correlational research design. This design was chosen as the quantitative method that allows for objective measurement of variables and statistical testing of the hypothesis, while the descriptive portion was used to profile the demographic information of the firms. The study aimed to assess the relationship between the independent variable, Strategic Business Practices, and the dependent variable, Economic Growth, the latter measured by indicators such as sales growth, customer growth, net margin, and firm survival. The study consisted of furniture manufacturer owners and/or managers in Sto. Tomas and Lipa. A total of 34 respondents were selected using purposive sampling, a non-probability technique deemed appropriate for selecting individuals—such as CEOs, general managers, or other key decision-makers—who are most informed and actively involved in the strategic and operational affairs of their respective organizations. Firms included in the sample had to be duly registered entities with the Government or the DTI and actively engaged in furniture manufacturing.

Data collection was carried out using a validated survey questionnaire that was pre-tested and pilot tested before deployment to ensure reliability and accurate reflection of the research objectives. The instrument was divided into five parts, covering the Respondent and Business Profile (Part I), Strategic Business Practices (Part II), Indicators of Business Growth (Part III), Factors Affecting Strategy Implementation (Part IV), and an optional Open-Ended Question (Part V). Strategic practices (Part II) were measured using a 5-point Likert scale (1 = Never to 5 = Always), while growth indicators (Part III) utilized a 4-point Likert scale (1 = Strongly Disagree to 4 = Strongly Agree). The data gathering procedure involved personal contact with local entrepreneurs, utilizing both in-person and electronic means (telephone and e-mail) to solicit participation. Participants were given approximately 10–15 minutes to complete the questionnaire. The collected data were processed and analyzed using several statistical tools, including Frequency and Percentage (for demographic data), Weighted Mean (to determine the extent of practice application and perceived growth), Pearson Product-Moment Correlation Coefficient (Pearson's r) (to test the relationship between strategies and growth), and Analysis of Variance (ANOVA) (to test for differences based on

demographic groupings). All statistical tests were performed at 0.05

level of significance. Throughout the process, strict ethical principles were observed, ensuring voluntary participation and maintaining the strict confidentiality of all respondent information.

RESULTS AND DISCUSSION

1. Profile of the Respondents

Table 1: Business Location of Respondents

Location	Frequency	Percent
Sto. Tomas	17	50.00
Lipa City	17	50.00
Total	34	100.00

The table shows an equal distribution of respondents between Sto. Tomas and Lipa City, each comprising 50% of the total respondents. This balance ensures that the data reflect insights from both key areas within the study's scope, allowing for a fair comparison and generalization of findings across the two cities

Table 2: Years of Business Operation

Tables of Frequency & Percentage of Respondents according to Business to Year of Operation.

No of Years	Frequency	Percent
1-3 yrs	3	8.82
4-7 yrs	7	20.59
8-10 yrs	16	47.06
over 10 yrs	8	23.53
Total	34	100.00

Most respondents (47.06%) have operated their businesses for 8 to 10 years, followed by those with over 10 years in operation (23.53%). This indicates that most of the furniture enterprises in Sto. Tomas and Lipa are well-established, having survived beyond the startup phase. It suggests stability and the potential for applying long-term strategic business practices.

Table 3: Business Size of Respondents

Tables of Frequency & Percentage of Respondents according to Business size.

Size	Frequency	Percent
Micro	29	85.29
Small	4	11.76
Medium	1	2.94
Total	34	100.00

Most respondents (85.29%) operate micro-sized furniture businesses, while a few fall under the small (11.76%) and medium (2.94%) categories. These finding highlights that most furniture enterprises in Sto. Tomas and Lipa are small-scale operations. It emphasizes the importance of strategic practices suited to micro-business environments where resources are typically limited.

Table 4: Type of Business Ownership

Tables of Frequency & Percentage of Respondents according to type of

Type	Frequency	Percent
Sole Proprietorship	25	73.53
Partnership	9	26.47
Corporation	0	0.00
Total	34	100.00

ownership

The data reveal that most of the respondents (73.53%) operate under sole proprietorship, while 26.47% are in partnerships. None of the furniture enterprises surveyed is registered as a corporation. This suggests that most businesses in the area are individually owned and managed, which may impact on how strategic decisions are made, particularly in relation to risk, investment, and long-term planning.

Table 5: Number of Employees

Tables of Frequency & Percentage of Respondents according to number of employees.

No of employees	Frequency	Percent
1-5	29	85.29
6-10	5	14.71
11-20	0	0.00
21 and above	0	0.00
Total	34	100.00

Most businesses employ 1 to 5 workers (85.29%), consistent with the micro-enterprise classification. Limited manpower suggests that owners and managers may assume multiple roles within the organization.

Table 6: Educational Attainment of Owners/Managers

Tables of Frequency & Percentage of Respondents according to Educational Attainment.

Attainment	Frequency	Percent
High School	11	32.35
Vocational	15	44.12
College Graduate	8	23.53
Postgraduate	0	0.00
Total	34	100.00

Most owners/managers completed vocational training (44.12%), followed by high school graduates (32.35%). College graduates make up 23.53%. This shows that while formal education levels vary, vocational and practical skills are highly valued in this sector.

Table 7: Weighted Mean of Strategic Business Practices

The respondents generally agreed to sometimes implement strategic business practices. Areas such as customer customization, planning, and trade participation received higher ratings. However, there remains room for improvement in digitalization and innovation.

This table details the frequency and extent to which furniture enterprises implement various strategic business practices. The findings indicated that, overall, strategic practices were implemented only "SOMETIMES" (Overall Weighted Mean 3.12, using the 5-point scale where 2.61–3.40 equals "Sometimes"). Key practices such as promoting products on social media (3.06), attending trade fairs (3.15), implementing cost control (3.24), and providing training and development (3.18) all fall within the "Sometimes" category

Table 7: Weighted Mean of Strategic Business Practices

INDICATORS	WEIGHTED MEAN	VERBAL INTERPRETATION
We promote our products on social media.	3.06	SOMETIMES
We attend trade fairs and business expos.	3.15	SOMETIMES
We offer product customization based on customer needs.	3.26	SOMETIMES
We implement cost control and budgeting practices.	3.24	SOMETIMES
We regularly review or update our business plans.	3.26	SOMETIMES
We provide training and development for employees.	3.18	SOMETIMES
We use financial tools such as ledgers or accounting systems.	3.00	SOMETIMES
We adopt digital tools (inventory system, POS, etc.).	3.03	SOMETIMES
We collect and use customer feedback to improve services.	3.06	SOMETIMES
We innovate processes to improve productivity.	3.00	SOMETIMES
OVER ALL WEIGHTED MEAN	3.12	SOMETIMES

Table 8: Weighted Mean of Economic Growth Indicators

This table presents the current level of perceived economic growth experienced by the furniture enterprises, measured by key indicators. The overall data showed that respondents generally "Agree" (Weighted Mean 3.42) with the statements regarding economic growth.

INDICATORS	WEIGHTED MEAN	VERBAL INTERPRETATION
Our business has experienced an increase in revenue.	3.18	SOMETIMES
We have expanded our customer base.	3.32	SOMETIMES
We have expanded our operations (e.g., new branches, services).	3.26	SOMETIMES
We have hired more employees over the past year.	3.24	SOMETIMES
Our business competitiveness has improved in our local market.	3.32	SOMETIMES
OVER ALL WEIGHTED MEAN	3.26	SOMETIMES

Table 9: Correlation Between Strategic

Business Practices and Economic Growth

The positive and statistically significant correlation ($r = 0.72$, $p = 0.001$) suggests that enterprises employing higher levels of strategic practices are more likely to achieve superior economic growth. This supports the hypothesis that effective business strategies substantially contribute to enterprise performance. The table offers the essential empirical evidence confirming the study's hypothesis: there is a significant relationship between strategic business practices and the economic growth of

furniture manufacturing enterprises in Sto. Tomas and Lipa.

VARIABLES	CORRELATION COEFFICIENT (r)	p- value	VERBAL INTERPRETATIO N
Strategic Business Practices vs Economic Growth Indicators	0.72	0.001	Significant Positive Correlation

CONCLUSION AND RECOMMENDATION

The demographic profiling established a clear context, showing that the businesses surveyed were predominantly micro-sized (85%) and primarily operated as sole proprietorships (74%). Regarding the key independent variable, strategic practices—which encompassed marketing, innovation, digital adoption, and production efficiency—the overall mean score was 3.12, leading to the verbal interpretation that these practices were implemented only "Sometimes". While marketing and innovation were used more frequently, the implementation of digital adoption remained less consistent. Conversely, the enterprises generally perceived moderate economic growth in terms of sales, job

creation, and profitability, with the strongest perceived gains occurring in customer base expansion and market competitiveness. The core statistical conclusion confirmed the alternative hypothesis, indicating that there is a significant relationship between strategic business practices and the economic growth of the furniture manufacturing enterprises. This finding validates that the consistent and effective application of business strategy contributes meaningfully to enterprise performance in this sector

Since the study confirmed a significant positive relationship between strategic practices and economic growth, and found that several key practices are implemented only "Sometimes" (Overall WM: 3.12), owners are recommended to:

- 1. Strengthen Marketing Strategies:** Although marketing received high overall agreement, its application is inconsistent. Enterprises should adopt consistent, year-round promotions and implement customer loyalty programs to ensure sustained revenue and growth.
- 2. Adopt Digital Tools:** Addressing the finding of low digital adoption is crucial. Business owners should introduce affordable e-commerce platforms and utilize social media campaigns more frequently to expand market reach and overcome the

digital divide. The literature supports that digital adoption, such as using platforms like Facebook Marketplace, can significantly boost revenues.

3. Enhance Innovation and Customer

Focus: Implement formal processes to collect and utilize customer feedback to drive the development of new product designs. This aligns with the finding that innovation supports competitiveness and is linked to faster rates of expansion.

For Local Government Units (LGUs) and Policy Makers

The LGUs and policymakers should use the evidence provided by the study to formulate targeted support programs that address the specific needs of these predominantly micro-sized, sole proprietorship businesses:

1. Provide Targeted Training Programs:

Offer training focused on areas where implementation is weakest or inconsistent, such as strategic planning, financial management (e.g., proper use of ledgers and accounting systems), and digital skills. This is vital for helping micro-enterprises overcome resource and skill limitations, especially given that many owners have vocational or high school education.

2. Offer Incentives and Grants: Develop incentive programs or grants specifically aimed at assisting furniture manufacturers in adopting necessary technology for

production and marketing, thereby improving overall efficiency and quality.

For Academic Institutions and Future Researchers

The academic community and future researchers are encouraged to build upon the findings of this study:

1. Integrate Localized Case Studies:

Academic institutions should incorporate localized furniture business case studies into entrepreneurship courses. This would link theoretical concepts to the real-world practices and challenges faced by MSMEs in Batangas.

2. Conduct Further Research: Future researchers should consider exploring additional sectors or regions and utilizing mixed-methods approaches (combining quantitative data with qualitative insights) to capture deeper knowledge regarding strategy implementation and growth patterns

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