

Entrepreneurial Risk Management Strategies, Competitiveness, And Customer Retention

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Abstract - This study assessed entrepreneurial risk management strategies, competitiveness, and customer retention among 204 owners and managers of small enterprises in Iloilo City during Fiscal Year 2026. The respondents of barbershops, beauty salons, and spa clinics across the seven districts, were selected through purposive sampling based on Department of Trade and Industry registration. A validated and reliability-tested researcher-made questionnaire from relevant literature served as the primary instrument, and data were analyzed using frequency, percentage, mean, Kruskal-Wallis H-Test, and Spearman's rho at the 0.05 level of significance. Results revealed that the small enterprises had entrepreneurial risk management strategies rated "Mostly Employed," competitiveness rated "Very High," and customer retention rated "Very High." There were no significant differences in risk management strategies when classified according to educational attainment and nature of business, but significant differences were found when grouped by years in operation, type of ownership, and district. There were no significant differences in competitiveness when classified by educational attainment, but significant differences were observed when grouped by nature of business, years in operation, type of ownership, and district. There were no significant differences in customer retention when classified by educational attainment, nature of business, type of ownership, and district, but significant differences were noted when grouped by years in operation. Finally, there were significant relationships among entrepreneurial risk management strategies, competitiveness, and customer retention.

Keywords: Entrepreneurial Risk Management Strategies, Competitiveness, and Customer Retention

I. INTRODUCTION

Background of the Study

Entrepreneurial risk management, competitiveness, and customer retention are critical drivers that enable small enterprises to innovate, build resilience, and achieve sustainable success in dynamic markets. Entrepreneurial risk management involves identifying, assessing, and mitigating uncertainties

that affect business performance. It helps entrepreneurs anticipate setbacks, protect investments, and sustain growth. By preparing firms to adapt to changing environments, effective risk management strengthens resilience and supports long-term sustainability (Meegle, 2024).

Competitiveness, meanwhile, is the ability of a business to perform more efficiently than rivals, driving productivity, income growth, and quality of life. Modern strategies such as cost leadership, differentiation, and dynamic capabilities allow firms to adapt to globalization and technological change. Indicators like market share, profitability, and export performance reflect true competitive capacity (Campbell, 2024).

Customer retention complements these dimensions by sustaining long-term relationships with existing clients, maximizing their lifetime value through loyalty and repeat purchases. It emphasizes trust, satisfaction, and commitment rather than relying solely on new customer acquisition (Caldwell, 2025).

Costales, Veloz, and Salmingo (2025) noted that Philippine MSMEs remain vulnerable due to limited resources and management tools. While risk management practices are often effective, their integration with competitiveness and customer retention has not been sufficiently examined. This gap highlights the need for localized research to understand how entrepreneurial risk management, competitiveness, and customer retention interact to collectively shape resilience and sustainability.

In Iloilo City, the researcher sought to evaluate whether small enterprises face the same resource constraints and market volatility identified among Philippine MSMEs, making this gap relevant. Thus, this study examined the interplay of entrepreneurial risk management, competitiveness, and customer retention among small enterprises in Iloilo City. The

findings will provide strategies to strengthen sustainability and help policymakers and support organizations foster innovation, loyalty, and competitive advantage in the region.

II. STATEMENT OF THE PROBLEM

This study aimed to examine the entrepreneurial risk management strategies, competitiveness, and customer retention among small enterprises in Iloilo City, Philippines, for the Year 2025.

Specifically, this study sought to answer the following questions:

1. What is the profile of respondents in terms of educational attainment, nature of business, years in operation, type of ownership, and district?
2. What are the entrepreneurial risk management strategies among small enterprises when taken as a whole and when classified according to educational attainment, nature of business, years in operation, type of ownership, and district?
3. What is the level of competitiveness among small enterprises when taken as a whole and when classified according to educational attainment, nature of business, years in operation, type of ownership, and district?
4. What is the level of customer retention among small enterprises as assessed by the respondents when taken as a whole and when classified according to educational attainment, nature of business, years in operation, type of ownership, and district?
5. Are there significant differences in the entrepreneurial risk management strategies when classified according to educational attainment, nature of business, years in operation, type of ownership, and district?
6. Are there significant differences in the level of competitiveness among small enterprises when classified according to educational attainment, nature of business, years in operation, type of ownership, and district?
7. Are there significant differences in the level of customer retention among small enterprises as assessed by the respondents when classified according to educational attainment, nature of business, years in operation, type of ownership, and district?
8. Are there significant relationships among entrepreneurial risk management strategies,

competitiveness, and customer retention among small enterprises in Iloilo City?

Hypotheses

1. There are no significant differences in the entrepreneurial risk management strategies when classified according to educational attainment, nature of business, years in operation, type of ownership, and district.
2. There are no significant differences in the level of competitiveness among small enterprises when classified according to educational attainment, nature of business, years in operation, type of ownership, and district.
3. There are no significant differences in the level of customer retention among small enterprises as assessed by the respondents when classified according to educational attainment, nature of business, years in operation, type of ownership, and district.
4. There are no significant relationships among entrepreneurial risk management strategies, competitiveness, and customer retention among small enterprises in Iloilo City.

Theoretical Framework

This study was anchored on three theories, each relating to entrepreneurial risk management, competitiveness, and customer retention among small enterprises. These included the Prospect Theory of Risk Decision-Making, Porter's Competitive Strategy Theory, and the Commitment-Trust Theory of Relationship Marketing.

For entrepreneurial risk management strategies, this study was anchored on Prospect Theory by Kahneman and Tversky (1979). This theory posits that individuals evaluate potential losses and gains differently, often being more sensitive to losses than equivalent gains. It emphasizes that risk-taking behavior is shaped by perceived probabilities and outcomes, making it highly relevant to entrepreneurial decision-making.

Applied to small enterprises, Prospect Theory explained how entrepreneurs assessed uncertainties and adopted strategies such as avoidance, reduction, or diversification to minimize losses while pursuing opportunities in volatile markets.

For competitiveness, this study adopted Porter's Competitive Strategy Theory (1980). Porter identifies three generic strategies- cost leadership,

differentiation, and focus as pathways for firms to achieve and sustain competitiveness. He also highlights industry forces such as rivalry, supplier power, buyer power, substitutes, and new entrants as determinants of competitive positioning.

Applied to small enterprises, Porter's Theory underscored how innovation, adaptability, and strategic positioning enabled firms to survive and thrive despite globalization and market saturation.

For customer retention, this study was linked on the Commitment-Trust Theory of Relationship Marketing by Morgan and Hunt (1994). This theory posits that long-term customer relationships are built on trust and commitment, which drive loyalty and reduce customer turnover. It emphasizes that retention is more cost-effective than acquisition and is essential for sustainable business success.

Applied to small enterprises, the Commitment-Trust Theory explains how service quality, satisfaction, and ethical practices foster customer loyalty, reduce acquisition costs, and strengthen competitiveness in resource-constrained environments.

Conceptual Framework

This study aimed to explain the relationships among variables using the conceptual framework shown in Figure 1. The independent variables were the respondents' demographic profiles: educational attainment, years in operation, nature of business, type of ownership, and district classification. The dependent variables were entrepreneurial risk management strategies, competitiveness, and customer retention among small enterprises in Iloilo City.

As to educational attainment, respondents were classified as "High School Graduate," "College Graduate," and "Post Graduate." Entrepreneurs with higher educational attainment were presumed to have greater access to advanced training, managerial skills, and leadership opportunities, which strengthened their ability to adopt effective risk management strategies, sustain competitiveness, and foster customer loyalty.

As to nature of business, respondents were limited to barbershops, beauty salons, and spa clinics. These

enterprises represented common small businesses in Iloilo City, where customer retention and competitiveness were closely tied to service quality, trust, and personalized engagement.

As to years in operation, respondents were classified into "10 years and below," "11–20 years," and "21 years and above." Enterprises with longer years of operation demonstrated resilience through established risk management practices and stronger customer loyalty, while newer enterprises showed ongoing adaptation to market conditions.

As to type of ownership, respondents were grouped into "Sole/Single Proprietorship," "Partnership," and "Corporation." Sole proprietorships emphasized direct management and personalized engagement with customers, partnerships combined resources and shared responsibilities to sustain competitiveness, while corporations demonstrated stronger organizational structures and greater capacity to adopt advanced risk management strategies. These ownership distinctions shaped how enterprises sustained competitiveness and retained customers.

As to district classification, respondents were grouped according to the seven districts of Iloilo City: City Proper, Arevalo, Molo, Jaro, Mandurriao, La Paz, and Lapuz. Enterprises located in the City Proper faced higher competition and greater customer expectations, requiring stronger risk management and competitiveness. Enterprises in less urbanized districts encountered different challenges, with customer retention shaped by accessibility, trust, and community reputation.

Lastly, the researcher believed that entrepreneurial risk management strategies were closely connected to competitiveness, as effective risk management strengthened resilience and adaptability. In turn, both risk management and competitiveness were directly associated with customer retention, since enterprises excelling in these areas were more likely to sustain loyalty, reduce acquisition costs, and achieve long-term success in resource-constrained environments.

These concepts were illustrated in Figure 1.

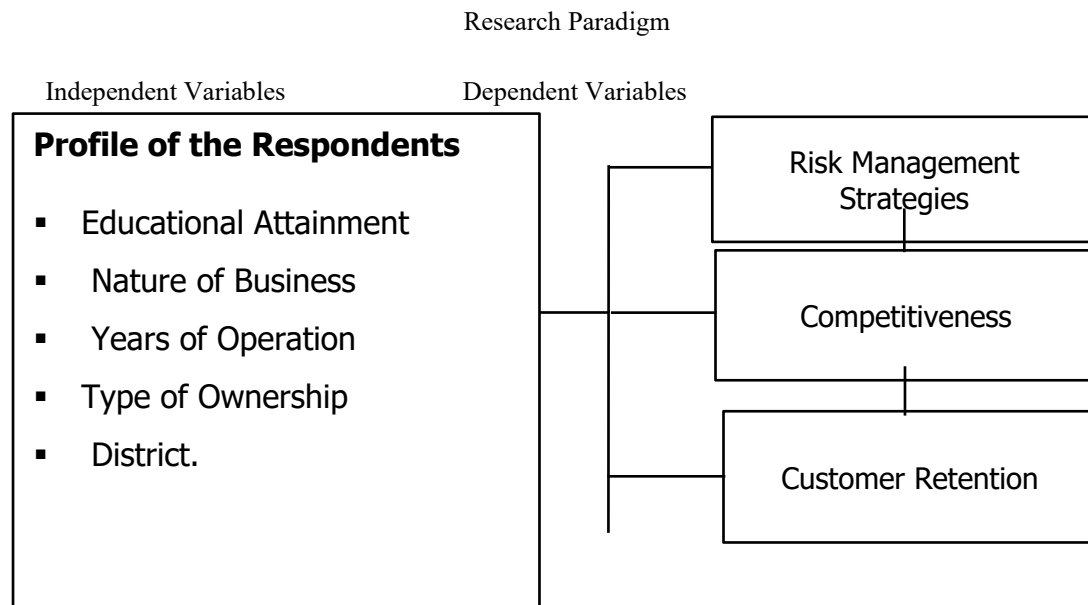


Figure 1. Schematic Diagram Showing the Relationship between the Independent and the Dependent Variables of the Study

III. SIGNIFICANCE OF THE STUDY

The findings of this study hold substantial significance for various stakeholders, including Department of Trade and Industry officials, policymakers, school administrators, small enterprise owners, small enterprise managers, entrepreneurs, customers, researchers, and future researchers.

Department of Trade and Industry (DTI) Officials. The results of the study can assist DTI officials in designing support programs, training initiatives, and regulatory frameworks that strengthen resilience, competitiveness, and customer loyalty among registered enterprises. By providing localized insights into the challenges and opportunities faced by small enterprises in Iloilo City, the study helps DTI officials create more responsive and effective interventions.

Policy Makers. The results of the study can provide policymakers with evidence-based guidance for revising business regulations, entrepreneurial support programs, and industry guidelines. By focusing on risk management practices, competitiveness, and customer retention, policymakers can develop frameworks that promote sustainable growth among small enterprises.

School Administrators. The study can assist school administrators, particularly those in business schools and entrepreneurship programs, in updating curricula and training modules. By integrating entrepreneurial risk management strategies, competitiveness, and customer retention into instruction, administrators can better prepare students for the realities of small enterprise management.

Small Enterprise Owners. The results of the study can help small enterprise owners understand how risk management, competitiveness, and customer retention contribute to long-term sustainability. These insights can guide owners in making informed investment decisions, adopting proactive risk avoidance strategies, and ensuring resilience in volatile markets.

Small Enterprise Managers. The study can provide managers with practical knowledge on strengthening operational strategies, customer engagement, and competitive positioning. The findings can serve as a basis for designing day-to-day practices that enhance resilience, customer loyalty, and competitiveness.

Entrepreneurs. The results of the study can highlight how entrepreneurs apply risk avoidance, diversification, and contingency planning to reduce potential losses. By demonstrating how proactive risk

management enables enterprises to seize opportunities while minimizing vulnerabilities, the study offers valuable lessons for entrepreneurial practice.

Customers. The study can demonstrate how customers benefit from improved risk management, competitiveness, and customer retention practices. These findings emphasize the importance of responsive, reliable, and personalized services that strengthen trust and long-term relationships between enterprises and their clients.

Researchers. The study can enhance researchers' understanding of how entrepreneurial risk management, competitiveness, and customer retention contribute to sustainability among small enterprises. This knowledge can guide professional practice and inform strategies for improving customer satisfaction and enterprise resilience.

Future Researchers. The results of the study can serve as a foundation for further inquiry in the field of entrepreneurship and small business research. Future researchers may use the findings to explore additional variables and methodologies that expand knowledge of risk management, competitiveness, and customer retention, thereby supporting sustainable enterprise practices.

Definition of Terms

To provide clarity on key terms used in this study, the following definitions are presented both conceptually and operationally:

Entrepreneurial risk management. refers to the systematic process of identifying, assessing, and mitigating uncertainties that may affect the success of a business venture. It emphasizes proactive strategies such as risk avoidance, reduction, transfer, and acceptance to ensure sustainability and resilience in entrepreneurial activities (International Organization for Standardization, 2018).

In this study, entrepreneurial risk management referred to the strategies that were employed by barbershops, beauty salons, and SPA clinics in Iloilo City in 2025 to minimize financial, operational, and market risks. These strategies were measured using a five-point scale, where responses were categorized as "Most Employed," "Slightly Employed," and "Least Employed."

Competitiveness. refers to the ability of a firm to achieve and sustain superior performance compared to rivals. It is determined by productivity, innovation, and the effective use of resources. Updated perspectives emphasize dynamic capabilities, which highlight the firm's ability to integrate, build, and reconfigure competencies to address rapidly changing environments (Teece, 2020).

In this study, competitiveness referred to the capacity of barbershops, beauty salons, and spa clinics in Iloilo City in 2025 to sustain market presence, attract and retain customers, and differentiate themselves from competitors. The level of competitiveness was measured using a five-point scale categorized as "Very High," "High," "Moderate," "Low," and "Very Low."

Customer Retention. refers to an organization's ability to keep customers buying their products and prevent them from switching to other providers. It is increasingly important in a world where consumers are more likely to switch products than ever before (International Business Machines Corporation-IBM), 2020).

In this study, customer retention referred to the ability of barbershops, beauty salons, and spa clinics in Iloilo City in 2025 to maintain customer loyalty and repeat patronage through effective service delivery, trust-building, and competitive practices. Its level was assessed using a five-point scale categorized as "Very High," "High," "Moderate," "Low," and "Very Low."

Scope and Limitations of the Study

This study focused on assessing entrepreneurial risk management strategies, competitiveness, and customer retention among small enterprises in Iloilo City, Philippines, for the year 2026. The 204 respondents were the owners and managers of small enterprises, specifically those engaged in barbershops, beauty salons, and spa clinics, located across the seven districts of Iloilo City, namely City Proper, Jaro, La Paz, Molo, Mandurriao, Arevalo, and Lapuz. These enterprises served as the primary source of data to determine how demographic attributes and business characteristics shaped assessments of risk management strategies, competitiveness, and customer retention.

Respondents were selected through purposive sampling. They represented small enterprises with capitalization ranging from ₱3,000,001 to ₱15,000,000, as defined under the Magna Carta for Micro, Small, and Medium Enterprises (MSMEs) Republic Act No. 6977 (1991), as amended by RA 8289 (1997) and RA 9501 (2008), based on data provided by the Department of Trade and Industry (DTI), and local government. A researcher-made questionnaire, adopted from relevant literature and previous studies, served as the primary data-gathering instrument. The questionnaire consisted of four parts: Part I gathered the personal profile of the respondents (educational attainment, type of enterprise, nature of business, years in operation, and district); Part II measured the extent of entrepreneurial risk management strategies; Part III assessed the level of competitiveness (adopted from Belarmino and Janaban, 2023); and Part IV evaluated customer retention among small enterprises.

The instrument was validated by university panelists, experts in entrepreneurship and business management. It was also subjected to reliability testing. To establish reliability, the questionnaire was pilot-tested on 30 small enterprises in the province of Iloilo, which were not included as respondents in the main study.

Data were collected, tabulated, and analyzed using appropriate statistical tools, including frequency count, percentage, mean, Kruskal-Wallis H test, and Spearman's rho correlation coefficient. All statistical computations were performed using the Statistical Package for the Social Sciences (SPSS) software, with the margin of error set at the 0.05 alpha level.

The study was limited to small enterprises located in the seven districts of Iloilo City City Proper, Jaro, La Paz, Molo, Mandurriao, Arevalo, and Lapuz as its geographic coverage.

IV. REVIEW OF RELATED LITERATURE AND STUDIES

This section presents the literature and research, relevant to the study on entrepreneurial risk management strategies, competitiveness, and customer retention in small enterprise

Conceptual Literature

On Entrepreneurial Risk Management Strategies in Small Enterprise

A small enterprise is defined by the Organisation for Economic Co-operation and Development (OECD, 2020) as a business entity with limited employees and resources that plays a vital role in local economic development, innovation, and employment creation. Within this entrepreneurial context, risk management strategies are recognized as a critical concept.

Krüger and Meyer (2021) define entrepreneurial risk management as the systematic process of identifying, assessing, and mitigating risks in small and medium-sized enterprises. More than a defensive mechanism, risk management establishes responsibilities, sets rules for monitoring uncertainties, and creates a repeatable system that ensures resilience and sustainability.

In a similar vein, Falkner and Hiebl (2021) describe risk management in SMEs as a structured approach that integrates financial, operational, and strategic safeguards to minimize vulnerabilities. They emphasize its role in anticipating disruptions and embedding foresight into entrepreneurial planning. Risk management is further defined as a strategic capability that balances exploration and exploitation to sustain innovation under uncertainty (Liu and Atuahene-Gima, 2020). Gatzert and Schmit (2021) highlight its contribution to firm value, noting that effective enterprise risk management builds rare and inimitable resources that enhance competitiveness.

Expanding this perspective, Zhu, et. al, (2022) define risk prevention ability as a strategic competence that directly influences entrepreneurial performance, moderated by team management ability. Ahmad and Teo (2024) situate enterprise risk management frameworks within small and medium enterprises, noting that structured strategies help overcome challenges such as limited financial resources and informal business processes. Mwangi, et. al, (2024) further argue that entrepreneurial risk management is not only defensive but also an enabling mechanism for innovation and competitiveness.

Risk management is also defined as a learning process where entrepreneurs adapt strategies based on evolving market conditions (Henschel, 2020). García-Granero et al. (2022) emphasize its role in enabling innovation, linking risk management strategies to competitiveness and long-term sustainability. Hoffmann and Schlosser (2020) stress

its relational dimension, highlighting collaboration with stakeholders as a means to mitigate uncertainty.

Recent scholarship introduces new dimensions of entrepreneurial risk management. Verbano and Venturini (2020) describe it as a cross-functional process that integrates operational, financial, and strategic risks into decision-making. Altuntas and Dereli (2021) highlight its importance in emerging economies, where SMEs face volatile market conditions and survival depends on proactive risk strategies. Finally, Teece (2020) situates entrepreneurial risk management within dynamic capabilities theory, noting that effective strategies enable firms to reconfigure competencies, discover opportunities, and sustain competitiveness in rapidly changing environments.

On Competitiveness in Small Enterprise

A small enterprise is defined by the Organisation for Economic Co-operation and Development (OECD, 2020) as a business entity with limited employees and resources that contributes significantly to innovation, employment, and local economic development. Within this entrepreneurial context, competitiveness is recognized as a critical concept.

Teece (2020) defines competitiveness as the ability of firms to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments. More than market positioning, competitiveness establishes dynamic capabilities, sets rules for resource allocation, and creates a repeatable system that ensures sustained advantage.

In a similar vein, Falkner and Hiebl (2021) describe competitiveness in SMEs as a structured approach that integrates innovation, productivity, and strategic foresight. Competitiveness is further defined as the capacity to leverage valuable, rare, inimitable, and non-substitutable resources (Barney, 2020). Gatzert and Schmit (2021) emphasize its role in firm value creation, noting that competitive strategies build resilience against market volatility.

Expanding this perspective, Nguyen et al. (2021) define competitiveness as the ability of SMEs to improve customer satisfaction and retention by leveraging analytics and personalized services. Choudhury and Harrigan (2021) highlight competitiveness in digital transformation,

particularly in small enterprises where digital platforms streamline communication and market access. Kumar and Reinartz (2021) describe competitiveness as a comprehensive strategy that balances customer acquisition, retention, and profitability.

Competitiveness is also defined as a cross-functional process that integrates marketing, innovation, and operations to maximize enterprise value (Payne & Frow, 2020). Rahimi and Köseoglu (2021) identify competitiveness as a knowledge management tool that enables firms to capture, analyze, and use data effectively, while Sigala (2021) emphasizes its role in service innovation, noting that digital competitiveness enhances personalization and market differentiation.

Recent scholarship introduces new dimensions of competitiveness. Ferrer Estevez and Chalmeta (2022) define sustainable competitiveness as a combination of business strategy, customer-oriented processes, and computer systems that integrate sustainability into enterprise management, ensuring long-term viability. Guerola Navarro et al. (2022) highlight competitiveness as a key driver of entrepreneurial marketing, enabling firms to discover and capitalize on new opportunities by satisfying evolving customer needs.

Finally, Hargrave (2025) defines competitiveness as “the combination of strategies, practices, and technologies that companies use to manage and analyze market interactions and data throughout the business lifecycle,” with the goal of improving customer relationships, assisting in retention, and driving growth.

On Customer Retention in Small Enterprise

International Business Machines Corporation (2020) defines customer retention as the ability of a business to keep existing customers purchasing its products or services over time, thereby reducing churn and encouraging loyalty. More than a marketing tactic, customer retention establishes responsibilities, sets rules for managing customer relationships, and creates a repeatable system that ensures consistency in customer experiences.

In a similar vein, Kumar and Reinartz (2021) describe customer retention as a comprehensive strategy that balances acquisition, loyalty, and profitability.

Zeithaml et al. (2020) emphasize its role in enhancing service quality by aligning customer expectations with organizational capabilities, while Payne and Frow (2020) situate retention within relationship marketing, noting that effective customer management builds rare and inimitable resources.

Expanding this perspective, Nguyen et al. (2021) define retention systems as tools that improve satisfaction and loyalty by leveraging analytics and personalized services. Choudhury and Harrigan (2021) highlight retention's role in digital transformation, particularly in small enterprises where digital platforms streamline communication. Rahimi and Köseoglu (2021) identify retention as a knowledge management tool that enables firms to capture, analyze, and use customer data effectively.

Sigala (2021) emphasizes its role in service innovation, noting that digital retention platforms enhance personalization and competitiveness. Ferrer Estevez and Chalmeta (2022) define sustainable customer retention as a combination of business strategy, customer-oriented processes, and computer systems that integrate sustainability into customer relationship management, ensuring long-term competitiveness. Guerola Navarro et al. (2022) highlight retention as a key driver of entrepreneurial marketing, enabling firms to discover and capitalize on new opportunities by satisfying evolving customer needs.

Hargrave (2025) defines customer retention as “the combination of strategies, practices, and technologies that companies use to manage and analyze customer interactions and data throughout the customer lifecycle,” with the goal of improving customer service relationships, assisting in loyalty, and driving growth.

In small retail and service settings, Balaji, et. al, (2020) show that trust and recovery performance are pivotal for loyalty, especially when resources are constrained. In hospitality SMEs, Rather (2021) demonstrates that brand experience and engagement foster retention through strengthened relationships.

In platform and subscription contexts relevant to small digital businesses, Hsu and Lin (2021) find that perceived value and habit formation drive continued use key mechanisms for retention. In emerging markets, Aksoy (2020) synthesizes loyalty metrics and cautions that retention strategies must adapt to

cultural and market differences. Finally, Verhoef, Kannan, and Inman (2020) argue that omnichannel integration when executed coherently improves satisfaction and loyalty, giving small enterprises a pathway to compete through seamless experiences.

Related Studies

Foreign Studies

Krüger and Meyer (2021) in South Africa developed a risk management intervention tool for small and medium-sized enterprises, showing that structured identification and mitigation routines improve resilience and performance in resource-constrained contexts. Building on this, Falkner and Hiebl (2021) in Austria and Germany conducted a systematic review of SME risk management, concluding that proactive, integrated approaches spanning operational, financial, and strategic risks are essential for competitiveness in volatile environments. Similarly, Gatzert and Schmit (2021) in Germany and the United States examined enterprise risk management's link to firm value, finding that formal ERM practices correlate with improved market performance and stakeholder confidence.

Zhu, et. al, (2022) in China demonstrated that risk prevention ability moderated by team management enhances entrepreneurial performance, suggesting that small firms can strengthen retention by stabilizing delivery and reducing service failures. Ahmad and Teo (2024) in Malaysia reviewed enterprise risk management frameworks in SMEs and found that tailored, lightweight implementations overcome resource constraints, enabling small enterprises to embed risk thinking without bureaucratic overhead. In Germany, Henschel (2020) framed SME risk management as a learning process, where iterative adaptation to market signals and customer feedback reduces uncertainty and supports long-term retention through consistent service quality.

Verbano and Venturini (2020) in Italy mapped SME risk practices and proposed cross-functional integration linking operations, finance, and strategy to improve decision quality and competitiveness under uncertainty. Altuntas and Dereli (2021) in Turkey highlighted the importance of risk strategies for SMEs in emerging economies, showing that volatility necessitates proactive hedging, diversification, and digitalization to sustain

competitive positions. Complementing these firm-level insights, the Organisation for Economic Co-operation and Development (2020) in France emphasized SME competitiveness as a policy priority, noting that productivity, innovation, and capability development underpin small-firm performance and market survival across member economies.

At the global level, the World Economic Forum (2020) in Switzerland documented national competitiveness driver innovation ecosystems, infrastructure, and skills that cascade to SME contexts, shaping the environment in which small enterprises compete and retain customers. Nguyen, et. al, (2021) in the United Kingdom defined retention systems as tools that improve satisfaction and loyalty by leveraging analytics and personalized services, highlighting their importance for small enterprises. Choudhury and Harrigan (2021) in the United Kingdom showed that digital transformation omnichannel communication and marketing automation streamlines touchpoints and strengthens retention in small enterprises.

Rahimi and Köseoglu (2021) in the United Kingdom and Turkey identified knowledge management as a driver of retention, with SMEs that capture and use customer insights designing better experiences and reducing defection. Sigala (2021) in Greece emphasized retention's role in service innovation, noting that digital platforms enhance personalization and competitiveness in small service firms. Ferrer et. al, (2022) in Spain defined sustainable customer retention as a combination of business strategy, customer-oriented processes, and computer systems that integrate sustainability into client management, ensuring long-term competitiveness. Guerola-Navarro, et. al, (2022) in Spain highlighted retention as a key driver of entrepreneurial marketing, enabling firms to discover and capitalize on new opportunities by satisfying evolving customer needs.

Rather (2021) in India demonstrated that brand experience and engagement foster retention in hospitality SMEs, showing that emotional connection and service quality drive loyalty. Balaji, et. al, (2020) in Australia and India found that trust and effective recovery performance are pivotal for loyalty in small service firms, underscoring the retention value of transparent policies and swift remediation. Aksoy

(2020) in Turkey synthesized loyalty metrics and cautioned that retention strategies must adapt to cultural and market differences, offering insights for SMEs in emerging economies. Finally, Verhoef, et. al, (2020) in the Netherlands and the United States argued that omnichannel integration when executed coherently improves satisfaction and loyalty, giving small enterprises a pathway to compete through seamless experiences.

Local Studies

Navales and Badoy (2022) in Davao del Norte examined the influence of enterprise risk management on the perceived organizational performance of SMEs. Their study found that adoption of ERM components significantly improved resilience and competitiveness, highlighting the importance of structured risk practices in local enterprises. Similarly, Palacol (2021) in Laguna assessed risk management practices and success rates of SMEs, revealing that firms with proactive risk awareness achieved higher survival and growth rates. Santos (2020) in Manila explored entrepreneurial risk management among micro-enterprises, noting that informal practices such as reliance on family networks were common, but formalized strategies improved sustainability. Villanueva (2020) in Pampanga investigated risk management in agribusiness SMEs, showing that diversification and cooperative membership reduced vulnerability to market and climate risks. Fernandez (2020) in Cebu studied risk management practices in transport SMEs, emphasizing that compliance with safety regulations and insurance coverage improved resilience and customer trust. Mendoza (2020) in Manila examined risk management in small construction firms, finding that project diversification and financial planning reduced exposure to market risks.

Building on risk management, several studies focused on competitiveness. Francisco et. al, (2019) in Quezon City investigated obstacles faced by SMEs in participating in global value chains, concluding that limited access to finance, technology, and skills hinder competitiveness. Reyes (2021) in Cebu City analyzed competitiveness among food SMEs, highlighting innovation in product offerings and digital marketing as critical strategies for sustaining competitiveness in a saturated market. Delos Reyes (2021) in Cavite studied competitiveness of manufacturing SMEs, emphasizing that investment

in technology and employee training enhanced productivity and market positioning. Lopez (2021) in Davao City examined competitiveness of tourism SMEs, showing that digital presence and service innovation were vital for attracting and retaining customers. Aquino (2022) in Manila analyzed competitiveness of SMEs in the retail sector, finding that digitalization and e-commerce adoption were key drivers of competitiveness during the pandemic. Castro (2022) in Bacolod studied competitiveness of SMEs in the food processing industry, emphasizing that branding and packaging innovations strengthened market competitiveness. De Guzman (2022) in Quezon City investigated competitiveness of SMEs in the creative industries, highlighting that innovation and collaboration with local government units enhanced sustainability.

Finally, several studies addressed customer retention. Manalo (2020) in Batangas studied customer retention strategies of local retail SMEs, finding that personalized service and community engagement were key drivers of loyalty. Garcia (2022) in Iloilo City examined customer retention in service-oriented SMEs, showing that consistent service quality and trust-building were essential for maintaining loyal customers. Cruz (2022) in Quezon City analyzed customer retention in small tech startups, revealing that responsiveness and after-sales support were critical to sustaining customer loyalty. Torres (2020) in Baguio City studied customer retention in handicraft SMEs, finding that market diversification and collaboration with cooperatives reduced financial risks and improved competitiveness. Ramos (2021) in Iloilo investigated customer retention strategies in small restaurants, showing that loyalty programs and personalized service enhanced repeat patronage. Salazar (2021) in Iloilo City examined customer retention in small retail enterprises, finding that community engagement and personalized promotions were effective in sustaining customer loyalty. Domingo (2021) in Quezon Province studied customer retention in agricultural SMEs, revealing that consistent product quality and fair pricing were essential for sustaining customer loyalty.

Relevance of the Related Literature and Studies

The reviewed conceptual literature and empirical studies are highly relevant to the present investigation, as they collectively emphasize the interconnected roles of entrepreneurial risk management strategies, competitiveness, and

customer retention in shaping the sustainability of small enterprises. These themes were explored through both foreign and local studies, providing a strong foundation for understanding how SMEs sustain growth and adapt to evolving market conditions.

Foreign studies such as those by Krüger and Meyer (2021) in South Africa and Falkner and Hiebl (2021) in Austria and Germany highlighted risk management as a structured and proactive approach that strengthens resilience and competitiveness in small enterprises. Similarly, Zhu, et. al, (2022) in China and Gatzert and Schmit (2021) in Germany and the United States examined entrepreneurial performance and firm value, showing that risk prevention and enterprise risk management directly enhance competitiveness and customer trust. These works underscore that risk management and competitiveness are not isolated practices but integral to building dynamic capabilities and sustaining long-term growth.

Local studies reinforce these insights within the Philippine context. Navales and Badoy (2022) in Davao del Norte and Palacol (2021) in Laguna demonstrated how enterprise risk management adoption and proactive risk awareness improved SME resilience and survival rates. Likewise, Garcia (2022) in Iloilo City and Manalo (2020) in Batangas examined customer retention strategies, showing that consistent service quality, personalized engagement, and community involvement were critical in sustaining loyalty and competitiveness among local enterprises. These findings highlight that Filipino SMEs, much like their foreign counterparts, rely on integrated risk management and customer-focused strategies to remain competitive in dynamic markets.

Together, these studies provide essential insights into the variables central to the present research: entrepreneurial risk management, competitiveness, and customer retention. They reveal how organizational practices, market conditions, and customer relationships shape SME performance and resilience, while also identifying gaps such as limited sample sizes, fragmented retention research, and the need for expanded competitiveness frameworks.

Ultimately, this body of literature offers a credible and contextually relevant foundation for examining how small enterprises can leverage risk management

and customer retention to enhance competitiveness in both local and global contexts.

V. RESEARCH METHODOLOGY

This part encompasses a thorough discussion of the research design, study's respondents, data gathering instrument, data gathering procedure, and the statistical tools to be employed.

Research Design

This study aimed to examine the relationships among entrepreneurial risk management strategies, competitiveness, and customer retention of small enterprises in Iloilo City, Philippines, for the year 2025. A descriptive correlational research design was employed to systematically describe existing practices and analyze the relationships among the variables without manipulating them. According to Saunders, Lewis, and Thornhill (2019), descriptive research seeks to provide an accurate profile of events, persons, or situations, serving either as an extension of exploratory research or as a precursor to explanatory studies. Descriptive research requires a clear understanding of the phenomenon under investigation before data collection begins.

As Hamaker, Schreurs, and Bosker (2020) explain, descriptive research outlines the characteristics of a group or individual, predictive research projects future outcomes, and explanatory research seeks to understand causal mechanisms. The primary objective of descriptive studies is to depict individuals, events, or conditions as they naturally exist. Researchers do not alter variables but instead describe the sample being studied (Siedlecki, 2020).

This research design was appropriate for the present study, as it enabled the researcher to observe and analyze the existing conditions within small enterprises. It provided a comprehensive understanding of how entrepreneurial risk management strategies and customer retention practices contributed to organizational competitiveness.

Respondents of the Study

The respondents of the study were 204 owners and managers of small enterprises located in the seven districts of Iloilo City, Philippines, namely Arevalo, Molo, Jaro, La Paz, Lapuz, Mandurriao, and City Proper. The study, conducted in the year 2025,

specifically included barbershops, beauty salons, and spa clinics, all of which were duly registered with valid business permits issued by the Iloilo City Government and permits from the Department of Trade and Industry (DTI).

Respondents were selected through purposive sampling, as they met the criteria of being registered small enterprises with capitalization ranging from ₱3,000,001 to ₱15,000,000, as defined under the Magna Carta for Micro, Small, and Medium Enterprises (MSMEs), Republic Act No. 6977 (1991), as amended by RA 8289 (1997) and RA 9501 (2008). This sampling method ensured that only enterprises relevant to the study's objectives were included, thereby providing reliable data on entrepreneurial risk management strategies, competitiveness, and customer retention practices. The distribution of respondents is presented in Table 1.

Table 1. Distribution of Respondents

District	N	%
City Proper	50	24.5
Arevalo District	20	9.8
Molo District	7	3.4
Jaro District	60	29.4
Mandurriao District	42	20.6
La Paz District	17	8.3
Lapuz District	8	3.9
Total	204	100%

Data Gathering Instrument

The researcher utilized a modified, researcher-made questionnaire, adapted from relevant literature and previous studies, to gather data for the investigation. The instrument consisted of four parts. Part I collected the profile and relevant information of the respondents, including years of operation, number of employees, nature of business (barbershops, beauty salons, and spa clinics), type of ownership, and district in Iloilo City. Part II obtained responses from owners and managers regarding their evaluations of entrepreneurial risk management strategies. Respondents for this part answered using a three-point Likert scale of agreement, with the following numerical weights and descriptions: 3 – Always, 2 – Sometimes, 1 – Never.

Part III assessed the level of competitiveness of small enterprises, adapted from Belarmino and Janaban (2023). Part IV evaluated customer retention among

small enterprises. For Parts III and IV, the items were selected and refined to ensure applicability to the small enterprise setting in Iloilo City. Respondents answered using a five-point Likert scale of

agreement, with the following numerical weights and descriptions: 5 – Strongly Agree, 4 – Agree, 3 – Uncertain, 2 – Disagree, and 1 – Strongly Disagree.

Entrepreneurial Risk management Strategies

Scale of Means	Description	Interpretation
2.21 – 3.00	Most Employed	All small enterprises consistently apply risk identification, assessment, and mitigation; they stay resilient, stable, and competitive in dynamic markets.
1.68 – 2.34	Slightly Employed	Some small enterprises consistently apply risk identification, assessment, and mitigation; they stay resilient, stable, and competitive in dynamic markets.
1.00 – 1.67	Least Employed	Very few small enterprises consistently apply risk identification, assessment, and mitigation; they stay resilient, stable, and competitive in dynamic markets.

Competitiveness

Scale of Means	Description	Interpretation
4.21 – 5.00	Very High	All small enterprises innovate, adapt, and remain resilient, thriving in changing market conditions as they strategically position themselves in the market.
3.41 – 4.20	High	Most small enterprises innovate, adapt, and remain resilient, thriving in changing market conditions as they strategically position themselves in the market.
2.61 – 3.40	Moderate	Some small enterprises innovate, adapt, and remain resilient, thriving in changing market conditions as they strategically position themselves in the market.
1.81 – 2.60	Low	Few small enterprises innovate, adapt, and remain resilient, thriving in changing market conditions as they strategically position themselves in the market.
1.00 – 1.80	Very Low	Very few small enterprises innovate, adapt, and remain resilient, thriving in changing market conditions as they strategically position themselves in the market.

Customer Retention

Scale of Means	Description	Interpretation
4.21 – 5.00	Very High	All customers remain loyal to small enterprises, demonstrating their trust through consistent quality service, active engagement, and lasting satisfaction.
3.41 – 4.20	High	Most customers remain loyal to small enterprises, demonstrating their trust through consistent quality service, active engagement, and lasting satisfaction.
2.61 – 3.40	Moderate	Some customers remain loyal to small enterprises, demonstrating their trust through consistent quality service, active engagement, and lasting satisfaction.
1.81 – 2.60	Low	Few customers remain loyal to small enterprises, demonstrating their trust through consistent quality service, active engagement, and lasting satisfaction.

1.00 – 1.80	Very Low	Very few customers remain loyal to small enterprises, demonstrating their trust through consistent quality service, active engagement, and lasting satisfaction.
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Validity of the Research Instrument

The questionnaire used in this study was adopted and modified from established instruments and prior research to ensure relevance and validity. The section on Risk Management Strategies was adapted from literature on entrepreneurial risk identification, assessment, and mitigation. The section on Competitiveness was drawn from Belarmino and Janaban (2023), highlighting efficiency, innovation, adaptability, and customer satisfaction. The section on Customer Retention was developed by the researcher, integrating insights from related literature on loyalty, service quality, and engagement.

The instrument was refined to align with the study's objectives and structured to gather respondent profiles, evaluations of risk management, assessments of competitiveness, and measures of customer retention. Its validity was established through panel review using Good and Scates' Criteria, with three subject-matter experts providing feedback. Their comments and recommendations were incorporated to produce the final version of the questionnaire.

Reliability of the Research Instrument

The validated questionnaire was pilot-tested on 30 owners and managers of registered small enterprises in Iloilo Province. The objective of the pilot study was to refine the instrument by identifying unclear items, irrelevant statements, and difficulties with instructions, sequence, and format, as well as to determine the average time required for completion.

Cronbach's alpha was used to assess the internal consistency of the questionnaire. The reliability analysis yielded the following results: 0.87 for Risk Management Strategies, 0.91 for Competitiveness, and 0.89 for Customer Retention. With coefficients of 0.80 and above considered acceptable (Saunders, Lewis, & Thornhill, 2019), the results indicated that the items under all three constructs were highly reliable.

Data Gathering Procedure

After the validity and reliability of the data-gathering instrument had been established, the questionnaire on Risk Management Strategies, Competitiveness, and

Customer Retention among registered small enterprises was reproduced and prepared for distribution. The researcher personally administered the instrument to the identified respondents to ensure accuracy and completeness of data collection.

To uphold ethical standards throughout the research process, the researcher guaranteed that respondents' names and personal identifiers did not appear in any part of the study. Respondents were assured that they would not be subjected to any emotional or physical harm during the conduct of the research. Proper documentation of dates, procedures, and materials used in the study was maintained to avoid issues of copyright infringement and plagiarism.

A formal communication letter was presented to individuals who assisted in the validation and verification of the questionnaire items, ensuring that the final instrument was systematically organized, ethically sound, and aligned with the objectives of the study.

Statistical Tools Used

This study employed several statistical tools to analyze the data gathered from the respondents. These tools included frequency count, percentage, mean, Kruskal-Wallis H-Test, and Spearman's rho. Each tool was applied to address specific aspects of the research problem and to ensure accurate interpretation of the results.

Frequency Count. This was used to determine the distribution of respondents based on their profile, such as educational attainment, nature of business, years in operation, type of ownership, and district. It also identified the frequency of responses for each item in the questionnaire.

Percentage. This was applied to present the proportion of respondents within each demographic category, offering a comparative view of the sample composition and the rate index of the given variables.

Mean. This was employed to determine the overall assessment of the respondents' Risk Management Strategies, Competitiveness, and Customer Retention when taken as a whole and when classified according

to demographic variables such as educational attainment, nature of business, years in operation, type of ownership, and district.

Kruskal-Wallis H-Test. This was applied to assess significant differences in the respondents' assessments of Risk Management Strategies, Competitiveness, and Customer Retention when classified according to nature of business, years in operation, type of ownership, and district.

Spearman's rho. This was utilized to measure the significant relationships among the study's key variables, specifically Risk Management Strategies, Competitiveness, and Customer Retention among small enterprises in Iloilo City.

All statistical analyses were conducted at the 0.05 level of significance to ensure statistical reliability.

VI. RESULTS AND DISCUSSIONS

This section presents the results summary of the study, the discussions of conclusions drawn based on the findings, and the recommendations offered for future action and policy direction for the study on the entrepreneurial risk management strategies, competitiveness, and customer retention in small enterprises.

Summary

This study aimed to examine the entrepreneurial risk management strategies, competitiveness, and customer retention among small enterprises in Iloilo City, Philippines, for the Year 2025.

Specifically, this study sought to answer the following questions:

1. What is the profile of respondents in terms of educational attainment, nature of business, years in operation, type of ownership, and district?
2. What are the entrepreneurial risk management strategies among small enterprises when taken as a whole and when classified according to educational attainment, nature of business, years in operation, type of ownership, and district?
3. What is the level of competitiveness among small enterprises when taken as a whole and when classified according to educational attainment, nature of business, years in operation, type of ownership, and district?

4. What is the level of customer retention among small enterprises as assessed by the respondents when taken as a whole and when classified according to educational attainment, nature of business, years in operation, type of ownership, and district?
5. Are there significant differences in the entrepreneurial risk management strategies when classified according to educational attainment, nature of business, years in operation, type of ownership, and district?
6. Are there significant differences in the level of competitiveness among small enterprises when classified according to educational attainment, nature of business, years in operation, type of ownership, and district?
7. Are there significant differences in the level of customer retention among small enterprises as assessed by the respondents when classified according to educational attainment, nature of business, years in operation, type of ownership, and district?
8. Are there significant relationships among entrepreneurial risk management strategies, competitiveness, and customer retention among small enterprises in Iloilo City?

This study assessed entrepreneurial risk management strategies, competitiveness, and customer retention among 204 owners and managers of small enterprises in Iloilo City for the year 2026. Respondents were engaged in barbershops, beauty salons, and spa clinics across the seven districts: City Proper, Jaro, La Paz, Molo, Mandurriao, Arevalo, and Lapuz. Enterprises were classified by educational attainment, nature of business, years in operation, type of ownership, and district. Respondents were selected through purposive sampling, and data were gathered using a validated researcher-made questionnaire. Statistical analyses were conducted using frequency count, percentage, mean, Mann-Whitney U-Test, Kruskal-Wallis H-Test, and Spearman's rho at the 0.05 level of significance. The study was limited to small enterprises within Iloilo City.

VII. FINDINGS

1. The profile of respondents in this study consisted of 204 DTI-registered small enterprise owners and managers in Iloilo City. Most were college graduates (56.9%), followed by high school graduates (39.7%), and a small proportion with

postgraduate qualifications (3.4%). In terms of nature of business, 57.8% operated beauty salons, 34.8% spa clinics, and 7.4% barbershops. For years in operation, 75.5% had been in business for 10 years and below, 22.1% for 11–20 years, and 2.5% for more than 21 years. By type of ownership, 53.4% were sole/single proprietorships, 33.3% partnerships, and 13.2% corporations. When classified according to district, 29.4% were from Jaro, 24.5% from City Proper, 20.6% from Mandurriao, 9.8% from Arevalo, 8.3% from La Paz, 3.9% from Lapuz, and 3.4% from Molo.

2. The entrepreneurial risk management strategies among small enterprises in Iloilo City as a whole were “Mostly Employed” with an overall mean of 2.92. By educational attainment, high school graduates ($M = 2.90$), college graduates ($M = 2.93$), and postgraduates ($M = 2.98$) all reported strategies as mostly employed. By nature of business, beauty salons ($M = 2.94$), spa clinics ($M = 2.90$), and barbershops ($M = 2.89$) consistently practiced risk management strategies at a comparable level. In terms of years in operation, enterprises with 10 years and below ($M = 2.94$) and 11–20 years ($M = 2.92$) were rated mostly employed, while those with more than 21 years ($M = 2.30$) were rated employed, showing lower adoption among longer-established enterprises. By type of ownership, sole proprietorships ($M = 2.89$), partnerships ($M = 2.93$), and corporations ($M = 2.99$) all reported strategies as mostly employed, with corporations recording the highest mean. Across districts, City Proper ($M = 2.93$), Arevalo ($M = 2.93$), Molo ($M = 2.91$), Jaro ($M = 3.00$), Mandurriao ($M = 2.85$), La Paz ($M = 2.82$), and Lapuz ($M = 2.81$) were consistently rated mostly employed, with Jaro District reporting the highest mean score.
3. The level of competitiveness among small enterprises in Iloilo City as a whole was “Very High” with an overall mean of 4.90. By educational attainment, high school graduates ($M = 4.89$), college graduates ($M = 4.91$), and postgraduates ($M = 4.85$) all reported very high competitiveness, with college graduates recording the highest mean. By nature of business, beauty salons ($M = 4.92$), spa clinics ($M = 4.88$), and barbershops ($M = 4.77$) were all rated very high, with beauty salons reporting the highest mean score. In terms of years in operation, enterprises with 10 years and below ($M = 4.93$) and 11–20 years ($M = 4.89$) were rated very high, while those with more than 21 years ($M = 4.10$) were still very high but relatively lower compared to newer and mid-aged enterprises. By type of ownership, sole proprietorships ($M = 4.87$), partnerships ($M = 4.91$), and corporations ($M = 4.97$) all reported very high competitiveness, with corporations recording the highest mean. Across districts, City Proper ($M = 4.86$), Arevalo ($M = 4.79$), Molo ($M = 4.94$), Jaro ($M = 5.00$), Mandurriao ($M = 4.87$), La Paz ($M = 4.84$), and Lapuz ($M = 4.83$) were consistently rated very high, with Jaro District reporting the highest mean score.
4. The level of customer retention among small enterprises in Iloilo City as assessed by the respondents was “Very High” with an overall mean of 4.92. By educational attainment, high school graduates ($M = 4.92$), college graduates ($M = 4.93$), and postgraduates ($M = 4.92$) all reported very high retention, showing consistency across educational backgrounds. By nature of business, beauty salons ($M = 4.94$), spa clinics ($M = 4.90$), and barbershops ($M = 4.89$) were all rated very high, with beauty salons recording the highest mean. In terms of years in operation, enterprises with 10 years and below ($M = 4.94$) and 11–20 years ($M = 4.92$) were rated very high, while those with more than 21 years ($M = 4.88$) were still very high but relatively lower compared to newer and mid-aged enterprises. By type of ownership, sole proprietorships ($M = 4.91$), partnerships ($M = 4.92$), and corporations ($M = 4.94$) all reported very high retention, with corporations recording the highest mean. Across districts, City Proper ($M = 4.91$), Arevalo ($M = 4.90$), Molo ($M = 4.93$), Jaro ($M = 4.95$), Mandurriao ($M = 4.92$), La Paz ($M = 4.91$), and Lapuz ($M = 4.90$) were consistently rated very high, with Jaro District reporting the highest mean score.
5. There were no significant differences in the entrepreneurial risk management strategies among small enterprises when classified by educational attainment ($p = .120$) and nature of business ($p = .081$). However, significant differences were found when classified by years in operation ($p = .002$), type of ownership ($p = .011$), and district ($p = .000$).
6. There were no significant differences in the level of competitiveness among small enterprises

when classified by educational attainment ($p = .061$). However, significant differences were observed when classified by nature of business ($p = .014$), years in operation ($p = .002$), type of ownership ($p = .049$), and district ($p = .000$).

7. There were no significant differences in the level of customer retention among small enterprises when classified by educational attainment ($p = .120$), nature of business ($p = .273$), type of ownership ($p = .439$), and district ($p = .438$). However, significant differences were observed when classified by years in operation ($p = .000$).
8. There were significant relationships among entrepreneurial risk management strategies, competitiveness, and customer retention among small enterprises. Risk management strategies and competitiveness showed a moderate positive relationship ($\rho = .595$; $p = .000$), risk management strategies and customer retention had a weak but significant relationship ($\rho = .281$; $p = .000$), and competitiveness and customer retention demonstrated a moderate positive relationship ($\rho = .403$; $p = .000$).

VIII. CONCLUSIONS

1. Majority of small enterprise owners and managers in Iloilo City are college graduates, operating mainly beauty salons and spa clinics, with most businesses running for less than 10 years under sole proprietorship, and concentrated in Jaro and City Proper districts.
2. All small enterprises in Iloilo City consistently apply risk identification, assessment, and mitigation; they stay resilient, stable, and competitive in dynamic markets.
3. All small enterprises in Iloilo City innovate, adapt, and remain resilient, thriving in changing market conditions as they strategically position themselves in the market.
4. All customers remain loyal to small enterprises, demonstrating their trust through consistent quality service, active engagement, and lasting satisfaction.
5. Small enterprises in Iloilo City experienced similar levels of risk management strategies regardless of their educational attainment and nature of business, but differed significantly when years in operation, type of ownership, and district were considered.
6. Small enterprises in Iloilo City showed similar levels of competitiveness across educational

attainment, but significant differences were observed when classified by business type, years in operation, ownership, and district.

7. Small enterprises in Iloilo City demonstrated similar levels of customer retention across educational attainment, business type, ownership, and district, but differed significantly when years in operation were considered, with older enterprises showing lower retention.
8. Entrepreneurial risk management strategies, competitiveness, and customer retention among small enterprises in Iloilo City are closely interrelated. Enterprises with stronger risk management strategies are more competitive and better able to retain customers, while competitiveness itself enhances customer loyalty.

IX. RECOMMENDATIONS

Based on the findings and conclusions, the following actionable recommendations are proposed for key stakeholders to strengthen entrepreneurial practices, competitiveness, and customer retention among small enterprises in Iloilo City:

1. Department of Trade and Industry officials may expand training and capacity-building programs focused on entrepreneurial risk management strategies, particularly targeting older enterprises and sole proprietorships that showed lower adoption. They may also provide district-specific support, especially in areas where competitiveness and retention are relatively weaker.
2. Policymakers may design evidence-based policies that encourage innovation, collaboration, and sustainability among small enterprises. They should also create incentives for corporations and partnerships to share best practices with sole proprietorships, ensuring equitable growth across ownership types.
3. School administrators may integrate entrepreneurship, risk management, and customer retention strategies into business curricula. They may also strengthen industry-academic linkages by offering immersion programs with local enterprises to prepare future entrepreneurs for dynamic market conditions.

4. Small enterprise owners may continue applying risk management strategies consistently while adopting innovative practices to sustain competitiveness and customer retention. Older enterprises may modernize their approaches to remain resilient in changing markets.
5. Small enterprise managers may focus on enhancing customer engagement through loyalty programs, service quality improvements, and feedback mechanisms. They may also strengthen operational resilience by adopting structured risk management frameworks.
6. Entrepreneurs may embrace continuous learning and adaptability to remain competitive, especially in districts like Jaro where competitiveness is highest. They may explore collaborative ventures and diversification to sustain growth and stability.
7. Customers may continue supporting small enterprises by patronizing their services, providing constructive feedback, and engaging in loyalty programs. Their active participation can encourage enterprises to maintain quality and innovation.
8. Researchers and future researchers may further investigate why older enterprises show lower competitiveness and retention, and explore interventions to address this gap. Comparative studies across districts and regions can deepen understanding of entrepreneurial resilience and sustainability.

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