

BUSINESS AND MARKETING

Platform-Based Trade and Enterprise Performance among Small and Medium Enterprises in the Digital Marketplace

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Abstract

This study examined the relationship between platform-based trade and enterprise performance among small and medium enterprises (SMEs) in Pagsanjan, Lumban, Paete, Pakil, and Siniloan, Laguna. An explanatory sequential mixed-methods approach involved a survey of 120 respondents and interviews with five business owners. Data covered demographic profiles, platform-based trade dimensions, and enterprise performance. Quantitative data were analyzed using descriptive statistics, the Chi-Square Test of Independence, and Spearman's rank correlation, while qualitative data underwent thematic analysis. Findings revealed no significant relationships between demographic profiles and either platform-based trade utilization or enterprise performance. However, ease of use, payment options, customer reviews, and delivery efficiency were positively and significantly associated with enterprise performance. Customer reviews showed the strongest relationship, followed by delivery efficiency, payment options, and ease of use. Qualitative findings indicated that digital platforms supported transactions, customer communication, market expansion, business management, and adaptation. Overall, platform-based trade was relevant to SME operations and performance. These findings may guide SME owners in improving digital commerce practices and provide a foundation for future research on digital platform utilization and business performance.

Keywords: digital marketplace; enterprise performance; platform-based trade; small and medium enterprises (SMEs)

1 Introduction

In today's digital marketplace, small and medium enterprises (SMEs) face increasing pressure to remain competitive and respond to changing customer needs. Digital platforms provide opportunities to promote products, reach wider markets, communicate with buyers, and conduct transactions beyond local communities.

Online advertising has now become an essential part of business. Platform-based trade enables SMEs to integrate digital technology into their business activities. Through online platforms and applications, enterprises can manage transactions, interact with customers, and coordinate order fulfillment. These practices may influence how businesses operate and respond to market demands.

Enterprise performance reflects how effectively businesses achieve their objectives and manage their activities. For SMEs, business growth, customer engagement, and operational efficiency provide important indicators for examining performance in an increasingly digital business environment.

However, adopting digital platforms does not necessarily guarantee improved business performance. Although digital commerce has received increasing attention, further localized research is needed to

understand how specific dimensions of platform-based trade relate to SME performance in the Fourth District of Laguna, where business practices and available resources may vary.

This study examines the relationship between platform-based trade and SME performance in Pagsanjan, Lumban, Paete, Pakil, and Siniloan, Laguna. Specifically, it assesses platform-based trade and examines its relationship with business growth, customer engagement, and operational efficiency, providing localized evidence on digital business practices among SMEs.

2 Methods

This study employed an explanatory sequential mixed-methods design to examine the relationship between platform-based trade and enterprise performance among small and medium enterprises (SMEs). The design involved collecting and analyzing quantitative data first, followed by qualitative data collection to provide additional context and a deeper understanding of the survey findings. As Oranga [3] explains, integrating quantitative and qualitative approaches can provide a more comprehensive understanding of a research problem.

The study was conducted in five municipalities in the Fourth District of Laguna, Philippines: Pagsanjan, Lumban, Paete, Pakil, and Siniloan. The quantitative phase involved 120 respondents, while the qualitative phase included five purposively selected SME owners or operators with experience using digital platforms for business transactions, marketing, and customer engagement.

Data were collected through a structured questionnaire using a four-point Likert scale and face-to-face interviews. Quantitative data were analyzed using frequency, percentage, rank distribution, weighted mean, the Chi-Square Test of Independence, and Spearman's rank correlation. Qualitative data were analyzed using thematic analysis, and findings from both phases were integrated during interpretation.

3 Results and discussion

3.1 Profile of the respondents

The findings showed that most respondents were aged 26–35, with males slightly outnumbering females. Business owners comprised the majority, representing individuals directly involved in SME management and operations. Most enterprises belonged to the food and beverage sector, followed by retail and service businesses. Most earned below ₱50,000 monthly, while the largest group had operated for one to two years. These findings summarized the respondents' demographic and business characteristics and operating conditions.

Regarding platform preference, Facebook Marketplace was the most commonly used platform, followed by Shopee. This indicated that Facebook Marketplace was the primary digital channel for business activities, while fewer enterprises used Shopee. Overall, the findings described SMEs' demographic profiles, business sectors, revenues, and operating experience. They also identified preferred platforms among SMEs in Pagsanjan, Lumban, Paete, Pakil, and Siniloan, Laguna, providing insight into platform-based trade practices in these municipalities.

Table 1. Extent of platform-based trade.

Aspect	Mean	SD
Ease of Use	3.22	0.24
Payment Options	3.23	0.21
Customer Reviews	3.25	0.20
Delivery Efficiency	3.18	0.19

Based on the results, Customer Reviews received the highest mean score of 3.25, with a standard deviation of 0.20, indicating that respondents rated this aspect most favorably. Payment Options followed with a mean of 3.23 and a standard deviation of 0.21, suggesting that respondents also valued available payment methods. Ease of Use obtained a mean of 3.22 and a standard deviation of 0.24, indicating that respondents generally found digital platforms easy to use. Meanwhile, Delivery Efficiency received the lowest mean of 3.18, with a standard deviation of 0.19. Overall, ratings across all four dimensions were relatively consistent.

The results of the Extent of using Platform-Based Trade in terms of Ease of Use can be seen in Table 2.

Table 2. Ease of use.

Statement	Weighted mean	Interpretation
1. Experience ease when navigating platforms.	3.29	Strongly Agree
2. Access platform features easily to manage products.	3.18	Agree
3. Use platform tools to improve customer communication and increase sales.	3.18	Agree
4. Manage business transactions smoothly through user-friendly platform.	3.24	Agree
5. Perform business activities more efficiently due to the simplicity of using digital platforms.	3.23	Agree
Total	3.22	To a Moderate Extent

Table 2 shows the extent of platform-based trade in terms of ease of use. The highest mean (3.29) indicates that respondents find it easy to navigate digital platforms. The second-highest mean (3.24) highlights the importance of managing business transactions smoothly through user-friendly platforms. Other factors, such as performing business activities efficiently (3.23) and accessing platform features easily (3.18), also contribute to ease of use. The lowest mean (3.18) indicates that using platform tools to improve customer communication and increase sales remains an area for improvement. Overall, the mean of 3.22 suggests that ease of use is an important aspect of platform-based trade among SMEs.

The results of the Extent of using Platform-Based Trade in terms of Payment Options can be seen in Table 3.

Table 3. Payment options.

Statement	Weighted mean	Interpretation
1. Use multiple payment options provided by platforms.	3.20	Agree
2. Offer secure and convenient payment options for customers.	3.28	Strongly Agree
3. Experience faster transactions through digital payment systems.	3.21	Agree
4. Ensure secure payment options that build customer trust.	3.25	Strongly Agree
5. Facilitate easier financial transactions through platforms.	3.20	Agree
Total	3.23	To a Moderate Extent

Table 3 shows the extent of platform-based trade in terms of payment options among SMEs. Secure and convenient payment methods received the highest mean of 3.28, highlighting the importance of reliable and accessible transactions. Payment security ranked second, with a mean of 3.25, emphasizing the need to protect transactions and build customer trust. Faster digital transactions obtained a mean of 3.21, reflecting the value of efficient payment processing. Meanwhile, multiple payment methods and easier financial transactions both received a mean of 3.20, indicating the importance of flexible payment choices. Overall, the mean of 3.23 suggests that secure, convenient, and efficient payment options are important aspects of platform-based trade among SMEs.

The results of the Extent of using Platform-Based Trade in terms of Customer Reviews can be seen in Table 4.

Table 4. Customer reviews.

Statement	Weighted mean	Interpretation
1. Consider customer reviews in improving products and services.	3.34	Strongly Agree
2. Address customer feedback to improve business reputation.	3.34	Strongly Agree
3. Utilize positive reviews to improve sales performance.	3.20	Agree
4. Improve business strategies based on customer feedback.	3.18	Agree
5. Build customer trust through reliable reviews.	3.17	Agree
Total	3.25	To a Moderate Extent

Table 4 shows the extent of platform-based trade in terms of customer reviews. The highest mean (3.34) indicates that, for SMEs, considering customer reviews to improve products and services and addressing customer feedback to strengthen business reputation are important. Utilizing positive reviews to improve sales performance obtained a mean of 3.20, while improving business strategies based on customer feedback received a mean of 3.18. Building customer trust through reliable reviews recorded the lowest mean of 3.17. Overall, the mean of 3.25 suggests that customer reviews play a valuable role in helping SMEs improve their products, services, and business practices.

The results of the Extent of using Platform-Based Trade in terms of Delivery Efficiency can be seen in Table 5.

Table 5. Delivery efficiency.

Statement	Weighted mean	Interpretation
1. Deliver products to customers on time through digital platforms.	3.17	Agree
2. Provide reliable delivery services to improve customer satisfaction.	3.11	Agree
3. Utilize efficient delivery services to support business operations.	3.15	Agree
4. Manage deliveries efficiently to build customer trust.	3.26	Strongly Agree
5. Improve business operations through efficient delivery operations.	3.22	Agree
Total	3.18	To a Moderate Extent

Table 5 presents the findings on delivery efficiency in platform-based trade. Managing deliveries efficiently to build customer trust obtained the highest mean of 3.26, highlighting the importance of effective order handling. Improving business operations through efficient delivery processes followed with a mean of 3.22, while timely product delivery received 3.17. Utilizing delivery services to support business operations obtained 3.15, whereas providing reliable delivery services to improve customer satisfaction recorded the lowest mean of 3.11. The overall mean of 3.18 indicates that respondents generally agreed that delivery efficiency contributes to SME operations.

Presented below are the statements gathered from the SME owners or Enterprise Owner (EO) during the interview regarding the extent of platform-based trade in terms of ease of use, payment options, customer reviews, and delivery efficiency:

EO1: Supports product promotion through Facebook, while alternative digital payments, customer feedback, and delivery services help improve business operations and customer reach.

EO2: Facilitates product advertising through Facebook, faster transactions through GCash, customer feedback through Shopee reviews, and convenient delivery services.

EO3: Speeds up business communication through Facebook and Messenger, facilitates payments through GCash, and enables products to reach customers in distant areas.

EO4: Simplifies product posting, customer communication, ordering, inventory management, and delivery tracking while providing multiple payment options and using customer reviews to improve products and services

EO5: Increases customer inquiries and orders through social media, facilitates digital payments, uses customer feedback to improve products, and expands customer reach through delivery.

The business owners highlighted the usefulness of platform-based trade in their operations. Enterprise Owners 1, 2, and 3 emphasized social media promotion, digital payments such as GCash, customer reviews, and delivery services. They also noted that Facebook and Messenger improved customer communication, while delivery services helped reach distant customers. Enterprise Owners 4 and 5 highlighted the role of digital platforms in simplifying product posting, ordering, inventory management, delivery tracking, and customer interactions. They also reported that social media increased customer inquiries and orders, while digital payments and customer feedback supported business improvements.

The results of the Level of Enterprise Performance among Small and Medium Enterprises in the Digital Marketplace can be seen in Table 6.

Table 6. Level of enterprise performance among small and medium enterprises in the digital marketplace.

Statement	Weighted mean	Interpretation
1. Improve business productivity by maximizing the efficient use of available resources.	3.28	Strongly Agree
2. Increase sales performance through consistent growth in business transactions.	3.16	Agree
3. Enhance operational efficiency by improving the management of business activities.	3.15	Agree
4. Increase business profitability through improved financial performance.	3.23	Agree
5. Strengthen the financial stability of the enterprise to support long-term operations.	3.26	Strongly Agree
6. Improve the sustainability of the enterprise through continuous business growth.	3.24	Agree
7. Enhance the reputation of the enterprise within the competitive marketplace.	3.20	Agree
8. Expand the enterprise's competitiveness in the digital marketplace.	3.17	Agree
9. Increase the overall growth of the enterprise through improved business performance.	3.20	Agree
10. Strengthen the overall performance of the enterprise in achieving its business goals.	3.18	Agree

The findings indicated that respondents generally viewed enterprise performance favorably. Business productivity was highly valued, emphasizing the importance of effective resource utilization in supporting business operations. Financial stability, sustainability, and profitability were also considered important, highlighting the need for sound financial management and continuous business growth.

Meanwhile, operational efficiency received the lowest assessment, suggesting opportunities to improve daily operations and management practices. Overall, effective resource utilization, financial stability, profitability, and continuous improvement were important considerations in supporting SME performance in the digital marketplace.

Concerning the level of enterprise performance, the following statements were gathered from the business owners during the interviews:

EO1: Maintains financial stability through reliable income, budgeting, and consistent business operations.

EO2: Supports daily needs through regular income, careful spending, and continued business efforts.

EO3: Manages financial needs through product diversification, savings, and effective financial practices.

EO4: Provides financial stability through business reputation, market presence, quality products, and control over decision-making.

EO5: Manages daily expenses through steady income, adapts to market trends, and supports financial freedom.

Insights from SME owners highlighted financial practices and strategies supporting enterprise performance. Enterprise Owners 1 and 2 emphasized reliable income, budgeting, careful spending, and consistent operations to maintain financial stability. Enterprise Owner 3 highlighted product diversification, savings, and effective financial management. Enterprise Owner 4 emphasized business reputation, market presence, quality products, and independent decision-making. Enterprise Owner 5 noted that steady income and adapting to market trends helped manage expenses and achieve financial freedom. These findings align with Bar-Gill et al. (2024), who found that digital platform tools and analytics can improve decision-making, increase revenues, and enhance small business performance.

The Relationship between the Profile of the Respondents and the Extent of Platform-Based Trade can be seen in Table 7.

Table 7. Relationship between the profile of the respondents and the extent of platform-based trade.

Variable	p-value	Relationship
Age	0.336	Not Significant
Sex	0.849	Not Significant
Position in the enterprise	0.245	Not Significant
Nature of the Business	0.761	Not Significant
Monthly Business Revenue	0.983	Not Significant
Years of Business Operation	0.573	Not Significant
Preferred Platform-Based Trade	0.347	Not Significant

The findings revealed that age, sex, enterprise position, business type, monthly revenue, years of operation, and preferred platform had no statistically significant relationship with the extent of platform-based trade. This indicated that SMEs with different demographic and business profiles used digital platforms similarly. The results suggested that digital platform adoption may depend more on entrepreneurs' willingness and readiness to embrace technology than on their personal or enterprise characteristics. This aligns with Fan et al. [2], who highlighted the importance of entrepreneurial orientation in social media adoption and SME performance.

The Relationship between the Profile of the Respondents and the Level of Enterprise Performance among Small and Medium Enterprises in the Digital Marketplace can be seen in Table 8.

Table 8. Relationship between the profile of the respondents and the level of enterprise performance among small and medium enterprises in the digital marketplace.

Variable	p-value	Relationship
Age	0.091	Not Significant
Sex	0.300	Not Significant
Position in the enterprise	0.722	Not Significant
Nature of the Business	0.078	Not Significant
Monthly Business Revenue	0.360	Not Significant
Years of Business Operation	0.079	Not Significant

Variable	p-value	Relationship
Preferred Platform-Based Trade	0.454	Not Significant

The findings revealed no statistically significant relationships between respondents' demographic and enterprise profiles and their reported enterprise performance. Age, sex, enterprise position, business type, monthly revenue, years of operation, and preferred platform were not significantly associated with performance. This suggests that SMEs with different personal and business backgrounds reported comparable performance levels. Overall, business management practices, effective resource utilization, and the strategic use of digital technologies may be more important in supporting enterprise performance in the digital marketplace.

The Relationship between the Extent of Platform-Based Trade and the Level of Enterprise Performance among Small and Medium Enterprises in the Digital Marketplace can be seen in Table 9.

Table 9. Relationship between the extent of platform-based trade and the level of enterprise performance among small and medium enterprises in the digital marketplace.

Variable	Spearman's rho	p-value	Relationship
Ease of Use	0.469	<.001	Highly Significant
Payment Options	0.617	<.001	Highly Significant
Customer Reviews	0.775	<.001	Highly Significant
Delivery Efficiency	0.669	<.001	Highly Significant

The findings indicated that customer reviews, delivery efficiency, payment options, and ease of use were significantly and positively related to enterprise performance among small and medium enterprises in the digital marketplace. Customer reviews showed the strongest relationship, followed by delivery efficiency, payment options, and ease of use. These findings emphasized the importance of customer feedback in improving services, reliable delivery in supporting operations, convenient payment options in simplifying transactions, and user-friendly platforms in managing online transactions and customer interactions. Overall, effective use of these platform-based trade features was closely associated with the reported performance of small and medium enterprises.

4 Conclusion

Based on the analysis and interpretation of the findings, the study arrived at the following conclusions:

1. The study found no significant relationship between the respondents' profiles and the extent of platform-based trade. Age, sex, position, nature of the business, monthly business revenue, years of operation, and preferred platform showed no significant association, indicating that platform-based trade was utilized across SMEs with different demographic and business characteristics.
2. The study found no significant relationship between the respondents' profiles and enterprise performance. Demographic and business characteristics did not significantly distinguish SMEs' reported performance levels, suggesting that other factors may be relevant to understanding enterprise performance in the digital marketplace.

3. There was a positive and highly significant relationship between platform-based trade and enterprise performance. Customer reviews showed the strongest relationship, followed by delivery efficiency, payment options, and ease of use. These findings highlighted the importance of customer feedback, reliable deliveries, convenient payments, and user-friendly platforms in supporting SME performance. Factors may be relevant to understanding enterprise performance in the digital marketplace.

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