

# THE PLIGHT of Micro-Enterprise Owners in RXI in Accessing Financial Inclusion: A Multiple Case STUDY

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## ABSTRACT

This multi-case study aimed to investigate the obstacles microbusiness owners and managers in Region XI face in achieving financial inclusion. Five individuals were selected using maximum variation sampling, and in-depth interviews were conducted to examine their experiences and coping mechanisms. To ensure reliability, data were triangulated through employee and family interviews. Three key themes emerged from the thematic analysis of experiences with financial inclusion: impediments to financial inclusion, attractive interest rates, and the convenience of loan availability. Four coping mechanisms also surfaced: using marketing mix tactics, depending on divine providence, investigating alternative financing sources, and establishing financial credibility. One participant used insurance investments as an additional tactic, but most participants had similar experiences. In every situation, the marketing mix was a helpful coping strategy.

**KEYWORDS:** *Business management, access to finance, financial inclusion, microenterprise owners/managers, multiple case study*

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## INTRODUCTION

It is often acknowledged that MSMEs have a significant role in promoting economic expansion and wealth generation (Sindhvani et al., 2022). MSMEs in developing nations, such as the Philippines, need help gaining access to financial inclusion despite their contributions to GDP and employment (Le Tan, 2018). Their stability and expansion are hampered by this lack of financial adaptability (Rajamani et al., 2022; Biswas, 2014). Nibigira (2022) highlighted MSMEs' susceptibility to failure due to insufficient financing, while Brancati

(2014) contended that inaccessibility to capital jeopardizes their operational stability and development potential.

Lack of collateral and small firm size are the leading causes of financial exclusion (Francisco & Canare, 2019). MSMEs frequently need more resources to get loans from official financial institutions (Ika, 2023). According to a 2019 World Bank estimate, worldwide unmet financing needs for MSMEs amount to \$5.2 trillion annually. Research shows these issues are common throughout East and South Asia, including the Philippines (Islam, 2016) (Wiid & Cant, 2021; Banerjee, 2017).

Financial exclusion persists despite programs such as the MSME Development Plan 2017–2022 (DTI, 2017) and digital financing efforts (Tanael, 2023). These difficulties are exacerbated by structural problems, such as uncontrolled digital lending and onerous loan procedures. MSMEs accounted for only 3.6% of all loans in the first quarter of 2023, according to data from the Bangko Sentral ng Pilipinas (BSP, 2023), underscoring the seriousness of the problem.

Comparative statistics further show the discrepancy. Only 5% of loans were given to Filipino MSMEs between 2007 and 2019, whereas Thailand and Malaysia received 30–34% and 20–24%, respectively (Daily Tribune, 2023). During crises like the COVID-19 pandemic, which led to the closure and operating decrease of 87% of MSMEs, constraints, including a lack of finance, difficulties getting bank financing, and sluggish government help (UNDP, 2020), grew worse (Tambunan, 2018).

By examining the difficulties and coping mechanisms faced by microbusiness owners and managers in Region XI, this study seeks to fill a gap in qualitative research on financial inclusion for microenterprises, particularly in the Philippine retail industry. Peer-reviewed journals, conferences, and research forums will all be used to share the results. Specifically, the study aimed to answer the following questions.

- 1) What are the experiences of micro-enterprise owners or managers of the retail sector in accessing financial inclusion in Region XI?
- 2) How do they cope with the challenges and difficulties in accessing their financial inclusion?
- 3) What explains the similarities and differences of each

case?

## **METHODS**

The study used a qualitative multiple-case study methodology to accomplish its goals. The selection of this design was based on its capacity to provide comprehensive, contextualized, and comparative knowledge of the financial inclusion issues faced by microbusiness owners. The study's objectives are also met, as it provides a thorough framework for examining and documenting the many approaches and experiences in the microenterprise industry.

Five managers or owners of micro businesses in the retail sector, ages 25 to 50, comprised the participants. Retailers of eco-friendly and organic goods, artisans and woodcarvers, food vendors, mini-bazaar operators, and small-scale rice merchants were among the enterprises in which eligible participants owned, operated, and actively participated. They were cooperatives, partnerships, and sole proprietorships operating in Region XI and had obtained funding for the start-up, development, or expansion of their operations. To guarantee case diversity, participants were chosen using maximum variation sampling.

Data collection began after receiving ethical clearance from the UIC Research and Ethics Committee and permission and support from the Graduate School Dean. Informed consent forms and letters of invitation were sent to participants approached in person. After they agreed to participate, interviews were planned, and their answers would be kept private.

Participants completed an informed consent form after reading the materials and hearing about the study's goal.

A semi-structured, in-depth, one-hour in-person interview was conducted with each participant, and with their consent, it was videotaped. When required, the researcher clarified and repeated questions to ensure accuracy, verifying participants' replies to reduce the risk of misunderstanding. In-depth field notes recorded the actions and observations made during the interviews. Extra interviews were conducted with people directly linked to the participants, including spouses, friends, business partners, or workers, to achieve triangulation and validation.

Audio recordings, field notes, interview transcripts, and other pertinent

materials must be methodically arranged and summarized as part of the data analysis process. Patterns, similarities, and differences across instances were identified through cross-case analysis and theme analysis of the data. Comparative knowledge of events, methods, and experiences was enabled by cross-case analysis, while each case was examined separately to identify distinctive themes. By capturing the complex tactics and experiences in the industry, this meticulous method enabled a thorough investigation of the financial inclusion issues microbusiness owners face.

## **RESULTS**

The similarities and variations in the experiences and coping mechanisms across the five research cases are examined in the cross-analysis. The five research cases were categorized by their coping mechanisms and experiences, which highlighted their difficulties in achieving financial inclusion.

The microenterprise owners and managers who participated in the study had positive experiences with loan availability, particularly home credit and cooperative loans, because of their low prerequisites. While other instances did not address it, Case C said she had easy access to additional assets through other financial services, such as Cocolife and Sunlife insurance. This shows that participants chose or favored the less formal financial institution because it was easy to use, had few prerequisites, and was approved quickly. It also draws attention to the onerous regulations and stringent procedures imposed by commercial banks.

Cooperatives and Card Bank offered advantageous interest rates in both Cases A and B, which helped the borrowers arrange their loan repayments more efficiently and with less stress. However, Case A has also had to deal with unfavorable interest rates, as shown in the home credit report, which highlights the high fees and penalties for late payments. This has made it difficult for her to meet payback schedules and increased her financial burden. When Case D requested a bank loan, they had a similar experience to Case A, feeling trapped with no alternative but to accept the exorbitant interest rates. In contrast, Cases C and E demonstrated positive, adaptable experiences with cooperative loan terms, highlighting the simplicity of negotiating payment plans, the flexibility to modify loan amounts to meet business requirements, and the potential for loan restructuring without incurring significant penalties.

Cases A, D, and E discussed the participants' experiences with financial

inclusion obstacles and negative experiences, particularly when applying for bank loans, due to burdensome procedures and high criteria. However, cases B and C avoided the hassle of applying for a bank loan due to the onerous requirements and complicated process. Instead, they sought financial aid from cooperatives and microfinance organizations, offering more straightforward and convenient options.

**Table 4**  
*Similarities and Differences of Experiences and Coping Strategies of Micro-enterprise Owners/Managers.*

Themes on Experiences and Coping Strategies	Case Unit		Remarks
	Similar	Different	
A. Experiences			
Ease of Loan Access	A, B, C, D, E		All the case informants shared favorable experiences in availing loans from home credit and cooperatives due to minimal requirements.
		C	Case C has other easy access like Cocolife and Sunlife.
Favorable Interest Rates	A, B		Only Cases A & B mentioned the low interest rates they enjoy from cooperatives and Card Bank.
		A	Case A faced unfavorable interest rates with home credit but had no choice but to continue applying for loans with them, due to a lack of alternative sources of funding.
		C, E	Cases C & E revealed

			favorable/flexible terms of loans with cooperatives.
		D	Case D experienced unfavorable interest rates with the bank, but had no choice but to accept it because of a lack of other alternatives.
Financial Inclusion Barriers	A, D, E		Three informants revealed their negative experiences with bank loans due to excessive requirements and an onerous process.
		B, C	Cases B & C did not avail loans from banks.
<b>B. Coping Strategies</b>			
Financial Credibility	A, C, D, E		Four cases had embraced the need to establish their business's legality by complying with legal requirements and good bank standing (savings).
		B	Case B has a different strategy. He ensures that the store is always full or well-stocked to create a positive impression on customers and credit investigators in case he applies for a loan.
Exploring Sources Other than Loans	B, C, E		Another alternative that B, C, & E had used to reduce the requirement for additional

			funds was a consignment contract and trade credit.
		A	Case A used her credit card to buy additional stocks.
		D	Case D used local radio advertisement and promotional tactics like sponsoring event prizes to foster a better business reputation and opportunities to increase sales, thus minimizing the need for external credit.
God's Providence	A, B, E		Recognizing God's critical role in their business through consistent prayer and sustained trust in Him is innate among the three micro-owners–A, B, & E
		C, D	Case C relied heavily on her husband's help and support to manage the business, while Case D depended on her employer for guidance in sustaining and growing the business.
Marketing Mix	A, B, C, D, E		All micro-owners used either to enhance their public relations/networks to develop loyal customers or provide a variety of distinctive quality products/services.

Microbusiness owners and managers face various challenges in running

small businesses. They had to deal with stringent procedures and numerous requirements for bank loans, among other difficulties. They overcame these obstacles by gradually building financial credibility through assiduous adherence to legal regulations, up-to-date financial records, and positive bank relations by opening savings accounts. This approach increases the likelihood that Cases A, C, D, and E will be granted larger loan amounts with more advantageous and flexible conditions by progressively fostering confidence with financial institutions. In contrast, Case B employs a different tactic. He ensures the store is constantly, or at least fully, stocked to impress customers and credit investigators if he applies for a loan. This strategy increases customer satisfaction and sales, demonstrating to prospective lenders that the company is stable and reliable. This increases the likelihood that the loan will be approved and that the credit conditions will be acceptable.

To get beyond the many criteria and complex procedures for bank loans, participants also used coping mechanisms, such as seeking alternative sources of financing. In cases B, C, and E, alternative strategies were used to reduce the need for additional funding and prevent immediate monetary spending. Trade credit and consignment contracts are two of their tactics. They can avoid traditional loans thanks to this tactic, which reduces the need to meet onerous loan conditions while preserving enough inventory to run their firm continuously. Case A purchased stocks with her credit card, utilizing other options. This prevented her from waiting for loan clearance to maintain inventory levels, ensuring their company's operations ran smoothly and that they did not miss out on potential sales opportunities. It also offered a prompt financial solution in an emergency, saving her time and avoiding the drawn-out bank loan process.

Additionally, Case D minimized the need for outside financing by promoting its firm through local radio advertising and promotional strategies such as sponsoring event prizes. This helped them build a better reputation and improve sales. Along with increasing the company's exposure in the neighborhood and attracting new clients, this tactic also helped foster loyalty and trust among current clients, boosting revenues and stabilizing cash flow.

Regarding the participants' difficulties in maintaining and expanding their businesses, they firmly believed in God, recognizing His omnipotence as crucial for navigating turbulent times, providing the insight and fortitude they needed to overcome challenges and ultimately succeed in their ventures. The

testimonies of Cases A, B, and E demonstrated how God had supported them during the highs and lows of their business. They also disclosed that they felt the key to overcoming their business obstacles was constant prayer and faith in the Lord's divine direction. Case C depended significantly on her husband's assistance and support in running the firm, particularly in daily operations and decision-making, and prioritized maintaining a strong family bond. Using her employer's knowledge and strategic counsel to help them overcome operational and financial obstacles, Case D relied on her employer for direction in maintaining and expanding her company.

Finally, every member understands how crucial it is to use a marketing mix to maintain and expand their businesses. To build a devoted clientele, this approach highlights the need to further improve public relations and networks, offer a range of unique, high-quality goods and services, and employ competitive pricing. This all-encompassing strategy has enabled them to adapt to market changes, attract new clients, and retain existing ones, ensuring the stability and growth of their company in the long run. They are also able to stay competitive in their particular markets.

## **DISCUSSION**

A detailed analysis of the results is presented in this chapter, highlighting the key patterns and insights derived from the participants. The study's significant findings were elaborated and supported by the literature, providing a robust context for understanding the plight of microentrepreneurs in accessing financial inclusion. Hence, the implications of these findings are carefully examined, emphasizing their contributions to the existing body of knowledge and identifying potential areas for future research.

### **Experiences of Micro-enterprise Owners in Accessing Financial Inclusion**

Three essential themes emerged from the experiences of microenterprise owners and managers in accessing financial inclusion: ease of loan access, favorable interest rates, and financial inclusion barriers.

The first theme, ease of loan access, reflects the participants' ability to secure loans efficiently through cooperatives and home credit providers. Participants noted that these sources offered loans with minimal requirements and expedited approval processes. This finding aligns with Miklaszewska

(2017), who identified cooperatives as effective providers of micro-enterprise loans due to their simplified requirements and favorable terms. Similarly, Kebede and Abera (2014) emphasized that cooperatives are significant sources of start-up and working capital for micro and small enterprises (MSEs) due to their accessible lending criteria and quick processing times. Okenna (2022) further corroborated this, stating that microcredit institutions cater to financially disadvantaged borrowers who often lack the formal documentation required by traditional banking institutions.

The second theme, favorable interest rates, highlights microentrepreneurs' preference for informal lending sources such as home credit, microfinance institutions, and cooperatives. These sources offer quick access to funds and manageable repayment terms. This finding is consistent with Mushonga et al. (2019), who noted that cooperatives aim to provide loans at competitive interest rates to support micro-businesses. Jain (2022) similarly emphasized the role of microfinance institutions in offering lower interest rates to alleviate the financial burden on microenterprise borrowers, thereby encouraging investment, business expansion, and sustainability. Participants also highlighted additional benefits of cooperative membership, including dividends, rebates, and lower interest rates. This observation supports the work of Benos et al. (2015) and Münkner (2015), who noted that active participation in cooperative services enhances the potential for receiving higher dividends and rebates. Tita (2017) further explained that members who contribute more to the cooperative's growth enjoy better financial inclusion opportunities and more significant economic incentives.

The third theme, financial inclusion barriers, captures the challenges microentrepreneurs face when applying for loans from formal banking institutions. Participants cited excessive documentation requirements and complex application processes as significant obstacles. This finding aligns with Rao (2015), who identified collateral requirements as a substantial barrier to microenterprise owners seeking financial inclusion. Demirgüç-Kunt et al. (2022) also noted that banks' reliance on collateral to mitigate lending risks limits the borrowing capacity of micro, small, and medium enterprises (MSMEs), thereby impeding business growth and sustainability. Osano and Languitone (2016) confirmed that many micro-business owners struggle to secure loans due to stringent collateral requirements. Additionally, Mader (2017) found that cumbersome documentation and verification processes deter small business owners from applying for loans, further restricting access to financial services.

Karimi (2023) highlighted the need for alternative forms of collateral, as many MSEs lack the formal titles and financial reports typically required by financial institutions.

These findings underscore the importance of simplifying access to formal financial services and promoting alternative financing mechanisms to enhance financial inclusion for microenterprise owners. Addressing these barriers is essential for supporting microenterprise growth, sustainability, and economic development.

### **Coping Strategies on the Challenges of the Experience**

The coping strategies of microenterprise owners/managers to address their challenges include establishing financial credibility, exploring sources beyond loans, relying on God's providence, and using the marketing mix. The participants tried to become credible borrowers by building savings accounts and establishing the legality of their businesses. The findings are consistent with the findings of Atandi et al. (2017), who reported that building a strong savings status enhances financial credibility. It is also consistent with Sabana's (2014) findings, which emphasize the importance of maintaining substantial savings to improve entrepreneurs' reputation and credibility in the eyes of investors and lenders. Similarly, Pakroo (2018) found that participants' coping strategies aligned with the view that establishing business legality is essential for business owners aiming to improve their financial credibility. Abor (2016) states that microentrepreneurs not only build trust with financial institutions by registering their businesses and complying with local regulations, but also increase their access to various government benefits and incentives.

Participants resort to exploring sources other than loans to avoid the challenges posed by numerous requirements and rigorous loan application processes at formal financial institutions. Exploring other alternatives is comparable to the study by Cunningham et al. (2017), which reported that many microentrepreneurs are increasingly using consignment of goods as a business strategy to avoid immediate cash outlays. Mungal (2015) also noted that it will enhance cash flow management for microenterprise owners, allowing them to allocate their financial resources to other parts of the business that require more funding. The result is similar to Omozusi's (2020) findings, which revealed that trade credit is an alternative source of capital for microentrepreneurs who lack collateral to access formal loans. This is supported by the findings of Nel & Nel (2019), who suggested that trade credit is used as a backup source of funding to

help microentrepreneurs overcome difficult situations when other financing options are unavailable.

Moreover, participants shared their prayerful lives and intimate relationships with God in times of hardship and in running their businesses as a whole. They shared that, through the Lord's wisdom, guidance, and favor, they managed and overcame the challenges they faced. The result aligns with Smith's (2024) findings that business owners draw strength from God and seek His wisdom and guidance in times of challenge. This is also consistent with Iremadze's (2020) findings, which emphasize the importance of fervent prayer before making significant business decisions. Strachan-Proudfit (2019) also highlighted the importance of a spiritual foundation that instills confidence in business owners, reduces anxiety and stress, and enables microentrepreneurs to manage complexity with a sense of direction.

Furthermore, participants have used the marketing mix to sustain and grow their business. They emphasized the importance of enhancing public relations to build customer loyalty, offering unique products, diverse food choices, and competitive pricing to increase sales and maintain market relevance. This revelation parallels the findings of Doorley and Garcia (2015) that a good public image of an enterprise fosters customer relationships and creates a better customer base that supports and advocates for the business within the community. This is also consistent with Ogot's (2014) findings, which state that offering unique and varied commodities can improve market position and carve out niche markets to build lasting customer relationships. This is also in line with the results of Dominique-Ferreira et al. (2016), which highlight the importance of a pricing strategy that emphasizes the benefits of attracting price-sensitive customers.

## **Similarities and Differences between Cases**

**Experiences Manifesting their Access to Financial Inclusion.** The themes from micro-business owners' experiences show clear variations across the examples. In contrast to the other examples, Case C revealed more convenient ways to obtain money through her parents' investments in Cocolife and Sunlife insurance when she was a student. This conclusion is consistent with Woldehanna's (2017) identification of credit, savings, and insurance cooperatives as semi-formal financing sources that provide financial services to microenterprises with fewer criteria and quicker approvals.

Conversely, commercial banks and home credit providers offered unfavorable interest rates in Cases A and D. Despite a lack of other financial sources, they nevertheless continued to request loans. This discovery supports the findings of Gichuki et al. (2014), who observed that microenterprise operations are adversely affected by rising interest rates, leading to cash flow issues, payback defaults, and discouraged borrowing. According to Akotey and Adjasi (2015), high interest rates also compel entrepreneurs to use their revenues to repay loans, thereby limiting their ability to reinvest and expand their businesses.

Cooperatives provided advantageous and adaptable borrowing conditions in cases C and E. This result bolsters the claim made by Twesiime et al. (2024) that favorable loan terms and flexible repayment plans significantly reduce repayment stress. Additionally, Twesiime et al. clarified that, under such advantageous circumstances, microentrepreneurs are more likely to innovate, grow, and expand their businesses. Due to lengthy procedures and onerous documentation requirements, Cases B and C refrained from applying for bank loans. This result is consistent with research by Nibigira (2022) and Chipeta and Kanyumbu (2018), who found that microbusiness owners frequently choose self-exclusion to reduce the costs and hassles of applying for bank loans.

Regarding advantageous interest rates, Cases A and B stated that they have benefited from cheap interest rates provided by Card Bank and cooperatives. This demonstrates how access to such institutions gives microbusiness owners more affordable borrowing options, facilitating effective cost control and enabling investment in expansion opportunities. Reduced lending rates stimulate sustainable financial growth, foster entrepreneurship, and improve financial inclusion for micro and small enterprises, according to Naser (2018).

These results show the variety of experiences microbusiness owners have when seeking financial services and underscore the importance of promoting flexible, affordable, and easily accessible financing options to support the expansion and sustainability of microenterprises.

**Coping Strategies on the Challenges of the Experience.** Owners and managers of microenterprises used various coping mechanisms to address the difficulties associated with financial inclusion. Financial credibility, alternative financing

sources, the marketing mix, and faith-based resilience were among the main categories into which these tactics fell.

Cases A, C, D, and E highlighted the significance of adhering to legal standards and maintaining a solid banking relationship through savings, all of which shared a common approach to financial credibility. The claim made by Atandi et al. (2017) that a sound savings status improves financial credibility is supported by this study. While Fung (2014) noted that adherence to legal criteria demonstrates a commitment to public openness, Sane (2019) emphasized that legitimate business registration establishes the owner's legitimacy.

To demonstrate financial stability to both clients and potential lenders, Case B focused on keeping the store neat and well-stocked. This strategy aligns with the findings of Dalton et al. (2019), who highlighted that structured company establishments improve perceived financial trustworthiness. Hossain and Khan (2016) provided further evidence, noting that a store's inventory levels and physical appearance give credit inspectors a sense of financial responsibility, thereby increasing the probability that a loan would be approved.

Cases B and C implemented consignment contracts to lessen their need for conventional loans, and Case E used trade credit. This tactic supports Carroll's (2017) finding that consignment is a low-cost inventory management method. Mungal (2015) also noted that consignment reduces upfront expenses and inventory risks, thereby improving cash flow management. Omozusi (2020) supported these conclusions by highlighting how trade credit serves as an alternative funding source and builds confidence between suppliers and company owners.

Case A used credit cards to buy goods in bulk, mainly when there were sales. The results of Saxena et al. (2024), who recommended credit cards as a practical substitute for conventional loans, are consistent with this tactic. According to Afjal (2023), credit cards provide flexibility and faster access to funds, which are crucial for managing the financial flows of small businesses. According to Shirono (2024), credit cards offer a valuable source of finance when conventional bank loans are unwieldy.

Case D used regional marketing and promotional strategies, such as sponsoring event awards, to boost sales and improve the company's reputation. The findings of Kelley et al. (2012), who discovered that event sponsorships and

radio advertising increase brand awareness and community involvement, are consistent with this strategy. Cupido and Nduna (2023) supported this, highlighting how community engagement increases consumer loyalty and reduces the need for outside loans. According to Urban Events, Place, Branding, and Promotion (2019), supporting neighborhood events may increase foot traffic and a company's legitimacy.

Cases A, B, and E also used faith-based resilience as a coping mechanism, attributing their economic success to God's providence via trust and prayer. This aligns with Leider's (2015) statement that prayer helps company leaders focus and gain knowledge. Divine direction was also highlighted by Hammond (2017) as a source of hope amid adversity. According to Habermas (2023), entrepreneurs may overcome obstacles by relying on divine providence, which provides direction and answers.

On the other hand, Case D relied on her employer's advice, while Case C relied on her husband's support. These results support those of Cunningham (2023), who emphasized the value of community and family networks in building resilience. According to Sorenson and Milbrandt (2023), collective community support fortifies individual viewpoints and promotes cooperative development. Fazal et al. (2022) also highlighted that microentrepreneurs may overcome obstacles with the aid of their families, communities, and tenacity.

Finally, all participants used the marketing mix to maintain and expand their businesses. This approach included competitive pricing, producing unique, high-quality items, offering a variety of product options, and improving public relations. According to Khan et al. (2019), consistent with these approaches, the marketing mix enhances financial inclusion and business sustainability. Payne et al. (2017), Hallberg (2017), and Hendrayani et al. (2022) all reached the same conclusion: competitive pricing and good PR promote financial inclusion. Understanding client demands enables microentrepreneurs to successfully customize goods and services, fostering development and sustainability, according to Leisch et al. (2018).

These coping mechanisms demonstrate how flexible microbusiness owners can be in addressing financial inclusion issues, underscoring the value of credibility, alternative sources of capital, community support, and effective marketing for the expansion and longevity of their companies.

## IMPLICATION

Microentrepreneurs are essential for creating jobs, stimulating innovation, and accelerating economic progress in their communities. It is critical to the success of microenterprise owners and managers to understand their experiences and coping mechanisms in achieving financial inclusion. In addition to helping microentrepreneurs directly, this knowledge provides insightful analysis and helpful advice for both current and prospective company owners. New generations of entrepreneurs may benefit from these lessons by using them to overcome obstacles and create winning plans to maintain and expand their companies.

The government, financial institutions, and legislators may use these insights to create regulations more grounded in the actual experiences of microentrepreneurs. By removing obstacles to financial inclusion and making loans more easily accessible, these parties may create an environment more conducive to expanding micro businesses. The findings can help academic institutions, research communities, industry experts, and economic leaders develop policies and tools to encourage entrepreneurial endeavors.

The study's findings influence microentrepreneurs' knowledge of the financial system, which could lead to social and economic transformation. With this knowledge, microentrepreneurs can choose between financing solutions and other funding sources. Greater financial inclusion can lead to more economic opportunity, innovation, productivity, and reduced inequality. As a result, the economy becomes more robust and inclusive, achieving social equality and sustainable growth.

The broader economy gains from a vibrant, creative entrepreneurial sector by enabling microentrepreneurs to have better access to financial services. This knock-on impact improves job generation, encourages community growth, and builds long-term economic viability.

## Recommendation for Future Research

This study provided important new information about microbusiness owners' difficulties in the Davao region's retail industry in obtaining financial inclusion. Future studies should expand the geographic reach to other locations and investigate more businesses run by microentrepreneurs to build on these

findings and address the limitations of the current study. A wider range of experiences may be documented with such an extension, thereby confirming the validity and generalizability of the results in other settings.

Small, medium, and large businesses should be included in future research samples. This broader scope would provide more thorough insights into the difficulties and coping mechanisms associated with financial inclusion, while also assisting in evaluating the study's findings' applicability and consistency across various company sizes.

Surveys and focus groups with other lending institutions, including banks, cooperatives, and microfinance groups, might also be used in future studies. These approaches would ultimately guide the creation of specialized resources and support networks for microentrepreneurs by helping identify typical obstacles to financial inclusion and effective coping mechanisms.

This study's failure to achieve generalizability due to its qualitative methodology is a notable limitation. Future studies might use mixed-methods or quantitative approaches to investigate the connections between financial inclusion accessibility, financial credibility, legal status, firm age, size, and geography. Examining these connections would yield empirical data that may help managers and owners of microenterprises address financial difficulties more effectively.

Future studies can advance a more complex understanding of financial inclusion and aid in creating interventions and policies that promote the expansion and sustainability of microenterprises by examining these directions.

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