

# The Consumer Behavior in Financial Constraints Circumstances of Food Micro-Enterprises in Vigan City, Ilocos Sur

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## Article Details:

Received: 25 February 2026

Revised: 27 February 2026

Accepted: 04 March 2026

Published: 06 March 2026

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## Recommended Citation:

Lappay, H. P. (2026). The Consumer Behavior in Financial Constraints Circumstances of Food Micro-Enterprises in Vigan City, Ilocos Sur. *The International Review of Multidisciplinary Research*, 1 (3), 62-79.

<https://doi.org/10.5281/zenodo.18888345>

## Index Terms:

consumer behavior; financial constraints; food micro-enterprises; consumer profiles; business profiles

**Abstract.** This study examined consumer behavior under financial constraint circumstances among food micro-enterprises in Vigan City. Using a quantitative descriptive-correlational research design, the study investigated how consumer profiles, consumer behavior dimensions, business characteristics, and financial constraints interact within the local food sector. Data were gathered through expert-validated questionnaires administered to consumers and to owners, managers, and staff of food micro-enterprises. Statistical tools, including frequency and percentage distribution, mean, and simple correlational analysis, were used to determine significant relationships among the variables. Findings showed that consumers were mostly adults aged 35 to 45, female, earning monthly incomes above Php 30,000, and employed in professional, business, or finance-related occupations. Demographic characteristics, specifically age, sex, and household size, significantly shaped spending habits, purchase decision-making factors, consumer awareness and financial literacy, and consumption priorities. Results further indicated that food micro-enterprises experienced financial constraints related to cash flow stability, access to credit and capital, sales revenue trends, profitability challenges, and financial management skills. Many businesses operated with monthly revenues below Php 10,000 and had seating capacities of one to ten seats, although some generated gross profits above Php 40,000. Correlational analyses confirmed significant relationships between consumer behavior dimensions and financial constraints, with business structural characteristics, such as seating capacity and average revenue, also influencing financial outcomes. The study concludes that consumer demographics, behavioral patterns, and business profiles collectively shape financial constraints among food micro-enterprises. Strengthened financial literacy, improved financial planning for long term growth, and consumer-responsive strategies are essential to enhancing resilience, supporting stability, and promoting sustainable development within Vigan City's food sector.

## Introduction

Food micro-enterprises are vital to local economies, providing livelihoods, accessible food, and cultural identity. In tourism-driven and semi-urban areas, small eateries, casual dining restaurants, and coffee shops support both economic activity and community heritage. However, these businesses are vulnerable to shifts in consumer spending. Financially constrained households often reduce discretionary purchases, skip dine-in meals, or opt for lower-cost alternatives, which can significantly affect the daily revenue and operational stability of small food enterprises.

Research has shown that micro-enterprises operate under fragile financial conditions, facing limited access to credit, rising input costs, and fluctuating demand. Studies from Nepal, Kenya, and Latin America indicate that inflationary pressures and declining consumer spending often compel these businesses to adopt survival strategies, including menu modifications, downsizing, flexible credit, and informal delivery networks. While these findings highlight food micro-enterprises' adaptability, they also underscore their susceptibility to economic shocks.

Despite these insights, few studies examine the local interplay between consumer behavior and food micro-enterprise financial conditions, particularly in culturally and tourism-dependent areas like Vigan City, Ilocos Sur. Understanding how households adjust spending under financial constraints and how enterprises respond is critical for both business resilience and policy planning. Specifically, this study explores how consumers alter their dining habits and priorities when budgets tighten, how micro-enterprises adapt operationally and financially, and how these patterns intersect to influence enterprise sustainability.

The primary goal is to analyze the relationship between consumer behavior and the financial conditions of food micro-enterprises. Secondary objectives include identifying coping strategies employed by both consumers and businesses, assessing their effects on sustainability, and comparing patterns across demographic and enterprise profiles. Using surveys administered to consumers and food micro-enterprises owners, managers, and staff, this study integrates behavioral and economic perspectives to provide insights relevant for entrepreneurs, policymakers, and local communities.

The following sections present the research design and survey methods, the behavioral and financial findings, and their implications for micro-enterprise resilience, consumer welfare, and local economic policy.

## Methodology

This section presented a detailed description of the methodology and procedures that were utilized in the study. Specifically, it provided a discussion on the context of the study, participants, methodology employed, specific methods, data collection techniques, step-by-step procedures followed, and data analysis techniques.

### *Research Design*

This study employed a quantitative descriptive-correlational research design to examine how consumer behavior influences financial constraints among food micro-enterprises in Vigan City, Ilocos Sur. The descriptive component profiled both consumers and food micro-enterprises, capturing demographic characteristics, consumer behavior dimensions, business profiles, and financial constraints. The correlational component investigated the relationships between consumer behavior, financial constraints, and business characteristics. This design enabled the researcher to identify patterns, describe current conditions, and explore associations without manipulating variables.

### *Population*

The study involved two groups of respondents: owners, managers, and staff of food micro-enterprises, and consumers in Vigan City. Eligible food micro-enterprises included casual dining restaurants, eateries, and coffee shops classified under DTI's micro-enterprise category, operating for at least one year, renting their business space, and employing no more than nine workers. Consumers were at least 18 years old and had patronized the selected establishments at least twice in the past month.

A total enumeration approach was used for the micro-enterprises, while convenience sampling was employed for consumers who were available, willing, and familiar with the establishments. Exclusion criteria included non-patron consumers, underage participants, and enterprises operating for less than one year or exceeding DTI's asset threshold.

In total, the study included 77 micro-enterprise owners, 441 managers and staff, and 256 consumers across nine barangays in Vigan City, Ilocos Sur.

### *Data Gathering Instrument*

Two structured questionnaires were used, developed specifically for this study. The Consumer Questionnaire gathered demographic information, including age, sex, monthly income, educational attainment, civil status, occupation, and household size, and assessed consumer behavior across dimensions such as spending habits, purchase decision-making, financial literacy, and consumption priorities. The Food Micro-Enterprise Questionnaire collected information on business profiles, including location, years of operation, monthly revenue, seating capacity, operating hours, and gross profit, and assessed financial constraints such as cash flow stability, access to credit, sales trends, profitability challenges, and financial management skills.

Both instruments used a five-point Likert scale to measure responses, where 1 represented "Strongly Disagree" and 5 represented "Strongly Agree," allowing respondents to indicate the degree of agreement or frequency for each item. The questionnaires were validated by experts in business management, consumer behavior, and financial management. A pilot

test was conducted in Bantay, Ilocos Sur, to ensure clarity and reliability, resulting in high internal consistency, with Cronbach's Alpha values of 0.880 for the food micro-enterprise questionnaire and 0.809 for the consumer questionnaire.

*Data Gathering Procedure*

The researcher followed a systematic procedure to ensure accurate, reliable, and ethical data collection. Approval was first obtained from local authorities, and coordination with food micro-enterprise owners, managers, and staff was conducted to explain the study objectives, voluntary participation, and confidentiality measures. Respondents were oriented about the study, their rights, and how their data would be used, and written informed consent was secured. The researcher personally administered the questionnaires: for micro-enterprises, questions focused on business profile and financial constraints, while for consumers, items covered demographics and consumer behavior. Assistance was provided as needed to clarify items and ensure accurate responses. Completed questionnaires were collected, checked for completeness, and any missing or inconsistent data were immediately addressed. All responses were coded and entered for statistical analysis. The data were anonymized and securely stored, ensuring ethical standards, minimizing bias, and capturing reliable information on both consumer behavior and the financial circumstances of food micro-enterprises.

*Statistical Treatment of Data*

Data were analyzed using a combination of descriptive and inferential statistical procedures. Frequency and percentage distributions were employed to describe consumer demographics and the characteristics of micro-enterprises, providing a clear overview of the sample profiles. The mean was calculated to determine the levels of consumer behavior dimensions, such as spending habits, purchase decision-making factors, and consumption priorities, as well as key indicators of financial constraints experienced by food micro-enterprises. To examine the relationships among consumer behavior, financial constraints, and business profiles, the Pearson Correlation Coefficient was applied, allowing for the identification of significant associations and patterns. Together, these analyses offered comprehensive insights into the factors influencing the financial stability of food micro-enterprises in Vigan City and the ways in which consumer behavior interacts with enterprise performance.

**Results and Discussion**

Table 1 shows the demographic and socio-economic profile of consumers in Vigan City, Ilocos Sur, including age, sex, income, education, occupation, civil status, and household size. These variables help explain how consumer backgrounds influence purchasing behavior, financial decisions, and spending priorities.

Items	Consumers	
	f	%
<b>Age</b>		
35-45 years old	110	42.97
26-35 years old	62	24.22
18-25 years old	84	32.81
<b>Total</b>	<b>256</b>	<b>100.00</b>
<b>Sex</b>		
Female	150	58.59
Male	106	41.41
<b>Total</b>	<b>256</b>	<b>100.00</b>
<b>Monthly Income</b>		
Above Php 30,000.00	100	39.06
Php 20,001.00-Php 30,000.00	11	4.30
Php 10,001.00-Php 20,000.00	62	24.22
Php 5,001.00-Php 10,000.00	30	11.72
Below Php 5,000.00	53	20.70
<b>Total</b>	<b>256</b>	<b>100.00</b>
<b>Educational Attainment</b>		
High School Graduate	20	7.81
College Level	44	17.19
College Graduate	169	66.02
Post-Graduate Level	22	8.59

Post-Graduate Degree	1	0.39
<b>Total</b>	<b>256</b>	<b>100.00</b>
<b>Civil Status</b>		
Single	191	74.61
Married	65	25.39
<b>Total</b>	<b>256</b>	<b>100.00</b>
<b>Occupation</b>		
Unemployed	20	7.81
Student	44	17.19
Hospitality and Tourism	43	16.80
Business/Finance/Professional Services	54	21.09
Government/Administration	42	16.41
Education	22	8.59
Trade and Commerce (Retail/Wholesale)	31	12.11
<b>Total</b>	<b>256</b>	<b>100.00</b>
<b>Household Size</b>		
9 persons and above	20	7.81
5-6 persons	150	58.59
3-4 persons	86	33.59
<b>Total</b>	<b>256</b>	<b>100.00</b>

*Table 1. Profile of the Food Micro-Enterprises Consumers*

As shown in table 1, a great number of the consumers in Vigan City, Ilocos Sur, are aged 35–45 years (42.97%), female (58.59%), earn above Php 30,000.00 per month (39.06%), are college graduates (66.02%), work in Business/Finance/Professional Services (21.09%), are single (74.61%), and belong to households with 5–6 members (58.59%). Table 2 shows the financial constraints of food micro-enterprises in Vigan City, Ilocos Sur. The analysis highlights key areas such as cash flow stability, access to credit and capital, sales revenue trends, profitability challenges, and financial management skills, providing insight into how these factors influence the operations, stability, and sustainability of small food businesses.

Financial Constraints Circumstances	Owners		Managers and Staff		Overall	
	Mean	DR	Mean	DR	Mean	DR
1. Cash Flow Stability	4.02	E	4.02	E	4.02	E
2. Access to Credit and Capital	4.01	E	4.01	E	4.01	E
3. Sales Revenue Trends	4.01	E	4.01	E	4.01	E
4. Profitability Challenges	4.01	E	4.01	E	4.01	E
5. Financial Management Skills	4.01	E	4.01	E	4.01	E
<b>Overall</b>	<b>4.01</b>	<b>E</b>	<b>4.01</b>	<b>E</b>	<b>4.01</b>	<b>E</b>

*Note: Statistical range for descriptive ratings: 4.21–5.00 = Strongly Agree/Highly Evident; 3.41–4.20 = Agree/Evident; 2.61–3.40 = Neutral/Undecided/Moderately Evident; 1.81–2.60 = Disagree/Less Evident; 1.00–1.80 = Strongly Disagree/Not Evident*

*Table 2. Financial Constraints Circumstances*

Overall, the financial constraints experienced by food micro-enterprises operating within the core zone of Vigan City are “Evident,” as indicated by the overall mean rating of 4.01. This indicates that food micro-enterprises in Vigan City, Ilocos Sur, consistently face multiple financial difficulties that limit their ability to achieve sustainable operations and growth. The result implies that financial instability, manifested in areas such as cash flow, credit access, sales revenue trends, profitability, and financial management skills, poses a substantial barrier to their operational resilience. According to the Financial Constraints Theory, firms facing financial limitations often struggle to access sufficient internal or external funding, thereby restricting their investment opportunities, innovation, and capacity to sustain operations. This theory explains that when financial constraints persist, they not only affect liquidity but also reduce competitiveness and long-term business survival, especially among food micro-enterprises operating with limited resources.

When the items are taken singly, the highest mean rating of 4.02, interpreted as “Evident,” is observed in the dimension of Cash Flow Stability. This suggests that the most pressing issue among food micro-enterprises in Vigan City, Ilocos Sur, is maintaining consistent cash inflows to meet operational demands. Frequent fluctuations in cash availability hinder their ability to pay suppliers, manage expenses, and support day-to-day operations. This finding aligns with Delas Nieves et al. (2023), who emphasized that effective cash flow management significantly influences the financial performance of micro and small businesses, as unstable cash flows lead to financial strain and reduced growth potential. Similarly, the Financial Constraints Theory underscores that inadequate cash flow represents one of the clearest indicators of liquidity constraints, reflecting a firm’s inability to balance operational expenditures and revenues effectively.

Meanwhile, the lowest mean ratings of 4.01, all described as “Evident,” are recorded for Access to Credit and Capital, Sales Revenue Trends, Profitability Challenges, and Financial Management Skills. Although these values are only slightly lower, they still reveal that financial constraints remain evident across these dimensions. Limited credit access and weak profitability directly reduce the capacity of these enterprises to innovate, expand, and withstand external shocks. This is supported by Francisco and Flaminiano (2021), who found that small and medium enterprises in the Philippines often face persistent credit barriers due to limited collateral and high perceived risks by lenders. Consequently, these constraints perpetuate a cycle of limited investment and weak financial performance. The Financial Constraints Theory supports this notion, explaining that such structural financial limitations prevent firms from capitalizing on profitable opportunities, thereby reinforcing stagnation in growth and performance.

As a whole, the financial constraints experienced by food micro-enterprise owners within the core zone of Vigan City are “Evident,” as reflected by the overall mean rating of 4.01. This signifies that owners continuously encounter a range of financial difficulties that hinder business sustainability, profitability, and expansion. The findings reveal that instability in cash flow, limited access to capital, inconsistent sales, and underdeveloped financial management skills collectively constrain operational efficiency. Grounded in the Financial Constraints Theory, these results suggest that when firms lack sufficient financial resources, their ability to invest, innovate, and pursue growth-oriented strategies becomes limited. Such financial barriers force owners to focus on short-term survival rather than long-term strategic goals, resulting in slower business growth and reduced competitiveness.

Among the dimensions, the highest mean rating of 4.02 “Evident” is observed in Cash Flow Stability, indicating that the most significant challenge faced by owners is maintaining consistent liquidity. Cash flow instability restricts their capacity to pay operational expenses, settle supplier obligations, and allocate funds for reinvestment. This finding is consistent with Delas Nieves et al. (2023), who found that cash flow fluctuations significantly weaken the financial performance and survival of small enterprises, as inadequate liquidity hampers their ability to operate efficiently. The Financial Constraints Theory also underscores that unstable cash inflows reflect liquidity shortages, which impede operational continuity and heighten financial vulnerability.

In contrast, the lowest mean ratings of 4.01 “Evident” appear across Access to Credit and Capital, Sales Revenue Trends, Profitability Challenges, and Financial Management Skills. Although these ratings are marginally lower, they still demonstrate that financial limitations are pervasive across multiple areas. Restricted access to financing limits owners’ capacity to implement expansion strategies or upgrade equipment, while weak profitability and inconsistent sales trends reduce available capital for reinvestment. Francisco and Flaminiano (2021) noted that small enterprises in the Philippines face persistent credit access issues due to a lack of collateral and perceived high lending risks, which in turn perpetuate financial stagnation.

For the managers and staff, the findings also show that financial constraints are “Evident” with an overall mean rating of 4.01. This reflects that employees are equally aware of the ongoing financial challenges affecting their respective enterprises, such as unstable cash inflows, low profitability, and restricted funding opportunities. The results suggest that staff members experience the operational impacts of these financial difficulties firsthand—manifested in limited resources, inconsistent work scheduling, and constrained operational budgets.

Among all indicators, the highest mean rating of 4.02 “Evident” corresponds to Cash Flow Stability, indicating that staff members perceive cash flow instability as the most pressing financial issue. Irregular cash inflows often result in delayed payments for supplies or wages, which negatively affect employee morale and productivity. This aligns with Delas Nieves et al. (2023), who emphasized that effective cash management is critical not only for business continuity but also for ensuring workforce stability and efficiency.

Meanwhile, the lowest mean ratings of 4.01 “Evident” in the remaining four dimensions, Access to Credit and Capital, Sales Revenue Trends, Profitability Challenges, and Financial Management Skills, show that staff also recognize the interrelated nature of these financial constraints. When enterprises cannot access sufficient capital or improve profitability, it limits

their ability to expand operations and invest in staff training or better financial systems. As highlighted by Francisco and Flaminiano (2021), such persistent financial barriers reinforce a cycle of restricted investment and reduced competitiveness among micro-enterprises. Interpreted through the Financial Constraints Theory, these results confirm that both owners and staff operate within an environment of constrained financial capacity, where limited capital access and weak management skills create a self-reinforcing cycle of financial vulnerability and slow business growth.

Table 3 shows the profile of food micro-enterprises in Vigan City, Ilocos Sur, including their location, years in operation, average monthly revenue, seating capacity, operating hours, and gross profit, providing a concise overview of their business characteristics and operational capacity.

Items	Food Micro-Enterprises	
	f	%
<b>Location</b>		
Barangay I	20	25.97
Barangay II	2	2.60
Barangay III	12	15.58
Barangay IV	4	5.19
Barangay V	2	2.60
Barangay VI	2	2.60
Barangay VII	3	3.90
Barangay VIII	27	35.06
Barangay IX	5	6.49
<b>Total</b>	<b>77</b>	<b>100.00</b>
<b>Number of Years in Operation</b>		
More than 5 years	26	33.77
4-5 years	19	24.68
2-3 years	25	32.47
1 year	7	9.09
<b>Total</b>	<b>77</b>	<b>100.00</b>
<b>Average Monthly Revenue</b>		
Above Php 50,000.00	15	19.48
Php 30,001.00-Php 50,000.00	21	27.27
Php 10,001.00-Php 30,000.00	13	16.88
Below Php 10,000.00	28	36.36
<b>Total</b>	<b>77</b>	<b>100.00</b>
<b>Seating Capacity</b>		
Above 30 seats	3	3.90
21-20 seats	6	7.79
11-20 seats	28	36.36
1-10 seats	40	51.95
<b>Total</b>	<b>77</b>	<b>100.00</b>
<b>Operating Hours</b>		
12-18 hours	10	12.99
6-12 hours	67	87.01
<b>Total</b>	<b>77</b>	<b>100.00</b>
<b>Average Monthly Gross Profit</b>		
Above Php 40,000.00	24	31.17
Php 25,001.00-Php 40,000.00	17	22.08
Php 10,001.00- Php 25,000.00	18	23.38
Below Php 10,000.00	18	23.38
<b>Total</b>	<b>77</b>	<b>100.00</b>

*Table 3. Profile of the Food Micro-Enterprises*

As shown in Table 3, a great percentage of the food micro-enterprises (27 or 35.06%) are located in Barangay VIII. Most of the respondents (26 or 33.77%) have been operating for more than five years. In terms of average monthly revenue, a substantial number (28 or 36.36%) generate below Php 10,000.00. The majority of establishments (40 or 51.95%) have a

seating capacity of 1-10 seats, and most (67 or 87.01%) operate for 6-11 hours daily. Regarding average monthly gross profit, a notable portion of the respondents (24 or 31.17%) earn above Php 40,000.00.

Table 4 shows the consumer behavior dimensions affecting the financial conditions of food micro-enterprises in Vigan City, Ilocos Sur, focusing on spending habits, purchase decisions, financial literacy, and consumption priorities, which directly influence sales, profitability, and business stability.

<b>Consumer Behavior Dimensions</b>	<b>Consumers</b>	
	<b>Mean</b>	<b>DR</b>
1. Spending Habits	4.03	E
2. Purchase Decision-Making Factors	4.02	E
3. Consumer Awareness and Financial Literacy	4.02	E
4. Consumption Priorities	4.03	E
<b>Overall</b>	<b>4.02</b>	<b>E</b>

*Table 4. Consumer Behavior Dimensions*

As a whole, the consumer behavior dimensions that influence the financial constraints and circumstances of food micro-enterprises in Vigan City are “Evident,” as reflected by the overall mean rating of 4.02. This indicates that consumers consistently engage in financial decision-making processes that reflect planning, evaluation, awareness, and prioritization of purchases. The result implies that consumer behavior, including spending habits, purchase decision-making, financial literacy, and consumption priorities, plays a significant role in shaping the operational and financial dynamics of local food micro-enterprises. In line with the Consumer Decision-Making Process Model, these behaviors encompass the stages of need recognition, information search, evaluation of alternatives, purchase decision, and post-purchase evaluation, suggesting that consumers actively consider financial implications in their buying decisions. According to Mariam et al. (2023), understanding consumer behavior dimensions helps enterprises anticipate demand patterns and align business strategies to enhance financial stability and sustainability.

When analyzed individually, the highest mean ratings of 4.03, described as “Evident,” are observed in both Spending Habits and Consumption Priorities. This indicates that consumers emphasize careful budgeting, value-oriented purchases, and practical prioritization of needs. Such behavior corresponds to the information search and evaluation stages of the Consumer Decision-Making Process Model, where consumers assess the affordability, usefulness, and overall benefit of products before making decisions. Mariam et al. (2023) emphasized that consumer focus on practical spending and prioritization enhances predictable consumption patterns, which can support consistent sales and operational planning for micro-enterprises.

Meanwhile, the lowest mean ratings of 4.02, still interpreted as “Evident,” are recorded for Purchase Decision-Making Factors and Consumer Awareness and Financial Literacy. Although slightly lower, these values reveal that consumers still demonstrate deliberate decision-making and financial knowledge, albeit with minor variations in the application of informed evaluation or financial planning. This reflects the role of rational assessment and awareness in the purchase decision and post-purchase evaluation stages of the Consumer Decision-Making Process Model. According to Mariam et al. (2023), even marginal differences in consumer financial literacy or evaluation can affect spending efficiency and the stability of demand, underscoring the importance of enhancing financial education and decision-making capacity to strengthen both consumer resilience and enterprise sustainability.

Table 5 shows the correlation coefficients between the consumer behavior dimensions and the consumer profile of food micro-enterprises in Vigan City.

<b>Consumer Profile</b>	<b>Consumer Behavior Dimensions</b>				<b>Overall</b>
	<b>Spending Habits</b>	<b>Purchase Decision-Making Factors</b>	<b>Consumption Awareness and Financial Literacy</b>	<b>Consumption Priorities</b>	
<b>Age</b>	.009	<b>.134*</b>	-.114	.052	.038
<b>Sex</b>	<b>-.143*</b>	.065	-.031	-.069	-.086
<b>Monthly Income</b>	-.004	.038	-.054	.050	.014

<b>Educational Attainment</b>	.019	.038	-.063	.064	.027
<b>Civil Status</b>	.002	.095	-.082	.001	.006
<b>Occupation</b>	-.037	-.085	.024	-.010	-.052
<b>Household Size</b>	<b>.165**</b>	.085	-.068	.077	<b>.124*</b>

*Note: \*\*. Correlation is significant at the 0.01 level (2-tailed), Correlation is significant at the 0.05 level (2-tailed).*

*Table 5. Correlation Coefficient on the Consumer Behavior Dimensions and the Consumer Profile of Food Micro-Enterprises*

*On Consumer Behavior Dimensions and Household Size*

As a whole, the results reveal that there is a significant relationship between consumer behavior dimensions and household size among consumers in Vigan City ( $r = .124, p < 0.05$ ). This implies that the number of family members significantly influences how consumers behave in terms of spending priorities and purchasing decisions, especially under financial constraints. Given that the majority of respondents (58.59%) belong to households with five to six (5-6) family members, a larger family size appears to encourage more cautious and strategic consumption. This finding is supported by the Theory of Planned Behavior, which suggests that behavior is guided by perceived control and contextual pressures such as family obligations. Larger households tend to develop a stronger sense of financial control due to the need to allocate limited resources efficiently. Bautista and Cruz (2023) also found that Filipino households with more than five (5) members exhibit stronger budgeting discipline and delayed gratification tendencies during periods of economic instability. Similarly, Kim and Park (2022) observed that family composition significantly affects consumer priorities and purchase frequency, as households with more dependents are compelled to focus on essential goods rather than luxury items. These findings underscore the influence of household size as both a structural and behavioral factor in shaping financially prudent consumption patterns.

*On Spending Habits and Sex*

In terms of spending habits and sex, the results reveal a significant negative correlation ( $r = -.143, p < 0.05$ ), indicating that gender differences play a critical role in shaping spending behavior among consumers in Vigan City. With a majority of respondents being female (58.59%), it can be inferred that women are generally more cautious and deliberate in financial decisions compared to men, who tend to be more impulsive or leisure-oriented in their consumption choices. This observation aligns with the subjective norms aspect of the Theory of Planned Behavior, which emphasizes how social expectations and gender roles influence behavioral intentions. In Filipino households, women often assume the role of financial managers, ensuring the budget is spent on household necessities rather than on non-essential goods. This is consistent with the findings of De Leon and Mariano (2024), who reported that female consumers display greater financial discipline and risk aversion compared to their male counterparts. Similarly, Ramos et.al. (2022) found that Filipino women are more likely to engage in price comparisons and value-driven purchases, reflecting a cautious and goal-oriented spending attitude that supports household financial stability.

*On Spending Habits and Household Size*

Regarding the relationship between spending habits and household size, the data show a strong positive correlation ( $r = .165, p < 0.01$ ), suggesting that larger families exhibit greater attentiveness to budgeting and spending control. Since most respondents belong to households with five to six (5-6) family members, their spending behavior is likely influenced by the collective needs of family members, emphasizing practicality over individual wants. This aligns with the perceived behavioral control component of the Theory of Planned Behavior, which posits that individuals are more likely to exhibit planned and conscious behaviors when faced with situational constraints. Lopez and Garcia (2023) found that household size significantly predicts financial prudence, as larger families tend to allocate funds more efficiently through cost-saving measures like bulk purchasing and prioritization of necessities. Similarly, Mendoza and Yu (2022) highlighted that Filipino families facing financial constraints develop adaptive strategies such as budgeting, expense monitoring, and delayed consumption to sustain household stability. These results suggest that as household size increases, consumers become more financially disciplined, resourceful, and mindful in managing their expenditures.

*On Purchase Decision-Making Factors*

The relationship between purchase decision-making factors and age was found to be significant and positive ( $r = .134, p < 0.05$ ), implying that age influences the rationality and deliberation of purchase choices. The majority of respondents (42.97%) belong to the 35-45 age bracket, indicating that middle-aged consumers tend to be more analytical and informed

in their decision-making process. As individuals mature, they acquire greater financial literacy, experience, and long-term planning capability, which contribute to rational purchase behavior. This corresponds with the attitude component of the Theory of Planned Behavior, where learned experiences shape more deliberate and goal-oriented attitudes toward consumption. Nguyen and Santos (2023) found that older consumers, especially those in their 30s and 40s, are more likely to compare alternatives and assess product quality before buying, especially in times of economic uncertainty. Similarly, Villanueva (2022) reported that Filipino adults in this age range exhibit higher financial responsibility and rational spending tendencies, reflecting the role of life stage in promoting financially stable and informed consumer behavior.

Table 6 shows the correlation coefficients between the consumer behavior dimensions and the financial constraints circumstances experienced by food micro-enterprises in Vigan City.

Financial Constraints Circumstances	Consumer Behavior Dimensions				
	Spending Habits	Purchase Decision-Making Factors	Consumer Awareness and Financial Literacy	Consumption Priorities	Overall
Cash Flow Stability	.628**	.034	-.054	.099	.337**
Access to Credit and Capital	.024	.879**	-.190**	-.200**	.251**
Sales Revenue Trends	.049	-.106	.091	.111	.072
Profitability Challenges	-.018	-.098	.602**	.080	.290**
Financial Management Skills	.070	-.155*	.092	.613**	.304**
<b>Overall</b>	<b>.335**</b>	<b>.259**</b>	<b>.251**</b>	<b>.314**</b>	<b>.570**</b>

*Table 6. Correlation Coefficient on the Consumer Behavior Dimensions and the Financial Constraints Circumstances Experienced by Food Micro-Enterprises*

*On Consumer Behavior Dimensions and Financial Constraints Circumstances*

As a whole, the results reveal a strong and significant overall relationship between consumer behavior dimensions and the financial constraints of food microenterprises in Vigan City ( $r = .570, p < 0.01$ ). This implies that consumer behavior, ranging from spending habits to financial literacy, greatly shapes the financial stability and resilience of small enterprises. The finding aligns with the Resource Dependency Theory (RDT), which posits that organizations are reliant on external agents, such as customers, for critical resources like capital and revenue. When consumers alter their purchasing behavior due to financial limitations or shifting priorities, the dependent enterprises experience corresponding changes in liquidity, credit access, and profitability. This interdependence underscores the vulnerability of food microenterprises to consumer sentiment, as these businesses depend heavily on regular spending to sustain daily operations. Consistent with this, Santos and Dela Cruz (2023) reported that fluctuations in consumer purchasing power significantly influenced the liquidity performance of Ilocos-based microenterprises, while Rodriguez and Tan (2022) emphasized that small firms in Northern Luzon exhibit financial fragility when consumer confidence declines. Therefore, the strength of this relationship underscores that sustaining consumer trust and adaptive marketing strategies can mitigate financial instability among microenterprises.

*On Consumer Behavior Dimensions and Cash Flow Stability*

A significant positive correlation was found between consumer behavior dimension and cash flow stability ( $r = .337, p < 0.01$ ), indicating that consistent consumer spending patterns ensure a smoother inflow of cash and improved liquidity among food microenterprises. When consumers maintain regular purchase behavior, such as habitual dining or repeat transactions, enterprises experience predictable revenue cycles, allowing for timely payment of operating expenses and supplier obligations. Conversely, reduced or delayed spending among customers directly interrupts cash flow continuity. Within the RDT framework, this reflects how dependency on consumer-generated revenue determines a firm's ability to sustain operational viability. Del Rosario (2022) found that food microenterprises in Ilocos Region experienced cyclical

cash shortages during low-consumption periods, underscoring their dependence on consumer liquidity. Similarly, Flores and Yu (2023) reported that regular consumer transactions positively correlate with efficient cash flow turnover in micro dining establishments. This finding implies that maintaining customer engagement through promotions, loyalty programs, and digital payment systems can help stabilize cash flow and strengthen financial resilience.

#### *On Consumer Behavior Dimensions and Access to Credit and Capital*

Regarding the relationship between consumer behavior and access to credit and capital, results reveal a significant positive relationship ( $r = .251, p < 0.01$ ), showing that consumer purchasing stability enhances a firm's capacity to attract financial support and credit. When consumer demand is stable, microenterprises can present consistent sales records, increasing their credibility in the eyes of financial institutions and lenders. The RDT suggests that enterprises that effectively manage resource dependencies, such as consumer demand, gain more leverage to access external financial resources. Navarro and Santos (2023) found that food microenterprises with consistent clientele and predictable income cycles were more likely to be approved for microloans and cooperative funding. Similarly, Garcia and Lopez (2022) emphasized that customer retention rates directly correlate with perceived creditworthiness, as lenders consider steady consumer patronage a sign of enterprise reliability. This indicates that sustained customer loyalty serves not only as a market advantage but also as an indirect financial resource that strengthens access to capital and investment.

#### *On Consumer Behavior Dimensions and Profitability Challenges*

The correlation between consumer behavior and profitability challenges ( $r = .290, p < 0.01$ ) suggests that consumer prudence and selective purchasing contribute to reduced profit margins among food microenterprises. When consumers limit spending or opt for cheaper alternatives, businesses face difficulties in maintaining profit consistency despite stable operations. In RDT terms, profitability represents a function of how effectively an organization converts its dependent resources, mainly customer spending, into sustainable outcomes. Cruz and Dizon (2023) observed that the profitability of food micro-enterprises in Ilocos Sur fluctuates with consumer sentiment and local inflation, where even small declines in discretionary spending reduce net earnings. Reyes (2022) also noted that middle-income consumers' tendency to economize during high-cost periods results in tighter margins for local eateries.

#### *On Consumer Behavior Dimensions and Financial Management Skills*

The significant correlation between consumer behavior and financial management skills ( $r = .304, p < 0.01$ ) indicates that consumer financial discipline often mirrors the business's own capacity for financial planning and management. When consumers are budget-conscious and financially aware, microenterprises are encouraged to refine their accounting systems, cash tracking, and expense controls to align with reduced yet deliberate spending patterns. In line with RDT, an organization's adaptability to changing resource inflows (consumer demand) determines its long-term viability. Mendoza and Bautista (2024) found that microenterprises that monitored consumer trends and aligned budgeting practices accordingly reported improved financial stability. Torres and Ramos (2023) similarly noted that responsiveness to consumer frugality fostered better inventory control and expenditure optimization. These findings suggest that external behavioral cues from consumers act as indirect stimuli for internal financial learning and adaptive management within enterprises.

#### *On Financial Constraints Circumstances and Spending Habits*

The relationship between financial constraints and spending habits ( $r = .335, p < 0.01$ ) reveals that when consumers exercise spending caution, food microenterprises experience tighter liquidity and reduced sales. Consumers' tendency to limit purchases under financial pressure affects the enterprises' revenue streams, amplifying financial constraints. Delos Reyes and Chua (2022) found that Filipino consumers' reduced spending during inflationary periods decreased small business cash reserves and increased borrowing dependency. Under the RDT, this dynamic represents a form of "resource scarcity" arising from reduced external flows, forcing enterprises to renegotiate their economic dependency by cutting costs or seeking alternative income streams.

#### *On Financial Constraints Circumstances and Purchase Decision-Making Factors*

A significant relationship between financial constraints and purchase decision-making factors ( $r = .259, p < 0.01$ ) indicates that the rationality and price sensitivity of consumer choices influence the level of financial strain experienced by enterprises. Consumers who evaluate price and quality more thoroughly may delay or reduce spending, limiting enterprise revenue. Tan and Villanueva (2023) reported that heightened consumer price sensitivity during economic uncertainty led

to revenue volatility in Philippine food businesses. This aligns with RDT's proposition that organizations are subject to external evaluative behaviors that constrain their resource access.

*On Financial Constraints Circumstances, and Consumer Awareness and Financial Literacy*

The positive correlation between financial constraints and consumer awareness and financial literacy ( $r = .251, p < 0.01$ ) suggests that more financially literate consumers tend to be strategic in spending, prompting enterprises to innovate and adapt financially. Gomez and Lee (2023) observed that higher consumer financial awareness encourages selective purchasing behavior, forcing firms to maintain competitive pricing and improve operational efficiency. Within RDT, this represents a form of environmental dependency that drives organizational adaptation to consumer intelligence and market scrutiny.

*On Financial Constraints Circumstances and Consumption Priorities*

The significant relationship between financial constraints and consumption priorities ( $r = .314, p < 0.01$ ) shows that consumer prioritization of essential needs under financial limitations greatly influences enterprise revenue. As consumers shift focus to necessities, microenterprises offering discretionary food items experience declining patronage. Panganiban (2022) reported that during economic downturns, Filipino households reduced dining-out frequency, impacting micro dining establishments' financial flow. This mirrors RDT's concept that external environmental changes directly affect resource inflows and operational outcomes.

*On Spending Habits and Cash Flow Stability*

The strong correlation between spending habits and cash flow stability ( $r = .628, p < 0.01$ ) reaffirms that consistent consumer expenditure is essential to maintaining steady liquidity among enterprises. Aguilar (2023) emphasized that microenterprises serving habitual consumers, such as daily diners, experience fewer cash flow fluctuations. From an RDT perspective, this stability reflects a strong and sustained external resource dependency where consumer continuity ensures internal equilibrium.

*On Purchase Decision-Making Factors and Access to Credit and Capital*

The significant positive relationship between purchase decision-making factors and access to credit and capital ( $r = .879, p < 0.01$ ) reveals that when consumers make consistent, rational purchases, enterprises gain reputational credibility that facilitates better credit access. Lim and Rivera (2023) found that consistent sales driven by rational consumer demand improved the likelihood of loan approvals for small food businesses. This supports the RDT premise that firms' external legitimacy and reliability as resource receivers affect their access to capital.

*On Purchase Decision-Making Factors and Financial Management Skills*

The negative correlation between purchase decision-making factors and financial management skills ( $r = -.155, p < 0.05$ ) suggests that irrational or unpredictable consumer purchasing behavior pressures microenterprises to strengthen financial control mechanisms. David and Tan (2022) confirmed that erratic consumer choices lead businesses to adopt stricter budget monitoring and risk reduction strategies. Within RDT, this illustrates the organization's reactive adaptation to the volatility of external resource sources.

*On Consumer Awareness and Financial Literacy, and Access to Credit and Capital*

The negative correlation between consumer awareness and financial literacy and access to credit and capital ( $r = -.190, p < 0.01$ ) implies that as consumers become more financially cautious, enterprises experience slower revenue turnover, reducing their eligibility for external financing. Santiago (2023) reported that consumer frugality correlates with decreased microenterprise loan approvals due to inconsistent earnings. This reflects RDT's emphasis on how external behavioral shifts can constrain the availability of critical resources.

*On Consumer Awareness and Financial Literacy and Profitability Challenges*

Meanwhile, the strong positive correlation between consumer awareness and financial literacy and profitability challenges ( $r = .602, p < 0.01$ ) highlights that financially informed consumers demand higher product value, creating competitive pressures that challenge small businesses' profitability. Cruz and Morales (2024) found that firms facing financially literate

consumers must continuously innovate or risk margin erosion, a phenomenon consistent with RDT's notion of environmental dependency.

*On Consumption Priorities and Access to Credit and Capital*

The negative correlation between consumption priorities and access to credit and capital ( $r = -.200, p < 0.01$ ) reveals that when consumers focus more on essentials, discretionary food enterprises experience slower cash inflows, weakening their financial standing and creditworthiness. Ortega and Santos (2022) found that during economic contractions, reduced discretionary spending led to a decline in small business loan approvals. This highlights how consumer prioritization behavior directly mediates enterprises' access to financial support.

*On Consumption Priorities and Financial Management Skills*

The strong positive correlation between consumption priorities and financial management skills ( $r = .613, p < 0.01$ ) suggests that microenterprises adapt their financial strategies in response to consumer preferences for essential items. Gonzales and Ramos (2023) noted that businesses serving price-conscious consumers developed more effective cost-control and adaptive budgeting systems, thereby improving financial resilience. This reflects RDT's assertion that strategic adaptation to external dependencies fosters organizational survival amid constrained environments.

Table 7 presents the correlation coefficients between the business profile and the financial constraints circumstances experienced by food micro-enterprises in Vigan City.

Business Profile	Financial Constraints Circumstances					Overall
	Cash Flow Stability	Access to Credit and Capital	Sales Revenue Trends	Profitability Challenges	Financial Management Skills	
Location	.006	.022	-.007	.042	.033	.041
Number of Years in Operation	.085	-.003	.212	.117	.033	.182
Average Monthly Revenue	-.056	-.126	-.057	<b>-.288*</b>	-.192	<b>-.304**</b>
Seating Capacity	.134	-.084	.186	<b>.249*</b>	-.023	.186
Operating Hours	.128	.116	.035	.153	.031	.195
Average Monthly Gross Profit	-.125	-.074	-.127	-.008	.059	-.112

*Table 7. Correlation Coefficient on the Business Profile and the Financial Constraints Circumstances Experienced by Food Micro-Enterprises*

*On Financial Constraints Circumstances and Average Monthly Revenue*

The results reveal a significant negative relationship between average monthly revenue and overall financial constraints circumstances faced by food micro-enterprises ( $r = -.304, p < 0.01$ ). This indicates that food micro-enterprises in Vigan City with higher average monthly revenue experience fewer overall financial constraints, whereas those with lower revenue are more financially vulnerable. A substantial portion of respondents (28 or 36.36%) generate below ₱10,000 in monthly revenue, while only 13 (16.88%) earn between ₱10,001–₱30,000. Limited revenue restricts the ability of these micro-enterprises to cover operational costs, reinvest in business expansion, and manage day-to-day financial obligations, thus heightening financial constraints. From the perspective of the Financial Constraint Theory, enterprises with limited financial resources encounter more difficulties in financing operations and sustaining growth. Similarly, the Resource Dependency Theory emphasizes that businesses depend on internal financial resources to reduce reliance on external funding sources. Gonzales (2021) noted that food micro-enterprises in Northern Luzon with low revenue experienced recurring liquidity shortages, while Santos and Villanueva (2022) reported that low-income micro-enterprises in Ilocos Region often struggle with access to credit and operational stability.

#### *On Average Monthly Revenue and Profitability Challenges*

A significant negative relationship was also observed between average monthly revenue and profitability challenges ( $r = -.288, p < 0.05$ ). This suggests that enterprises with higher monthly revenue face fewer profitability challenges, while low-revenue businesses are more prone to profit instability. Limited revenue hinders the capacity to manage costs, invest in quality ingredients or services, and maintain competitive pricing, all of which exacerbate profitability issues. The Financial Constraint Theory explains that firms with lower internal financial capacity are more susceptible to profit challenges because they cannot adequately fund essential operations or absorb shocks. In line with the Resource Dependency Theory, enterprises with insufficient revenue are more dependent on external financing, which can increase vulnerability and reduce profit margins. Santos and Villanueva (2022) found that low-revenue micro food businesses frequently face unpredictable profits due to cash flow limitations, while Gonzales (2021) observed that higher-income establishments manage profitability more effectively through better cost allocation and resource management.

#### *On Seating Capacity and Profitability Challenges*

The analysis also indicates a significant positive relationship between seating capacity and profitability challenges ( $r = .249, p < 0.05$ ). This means that food micro-enterprises with larger seating capacities tend to encounter greater profitability challenges compared to smaller establishments. Most respondents (40 or 51.95%) cater to 1–10 seats, while only 3 (3.90%) have more than 30 seats. Larger seating capacities result in higher fixed and variable costs, such as rent, utilities, and labor, which can reduce profit margins, especially during periods of low customer turnout. The Resource Dependency Theory suggests that physical resources, such as seating capacity, must be efficiently managed to prevent over-dependence on external financing and ensure profitability. Similarly, the Financial Constraint Theory explains that higher operating costs relative to financial capacity can intensify profitability constraints. Local studies corroborate these findings: Garcia and Agcaoili (2021) reported that micro food enterprises with larger seating capacities in Ilocos Sur faced reduced profit margins due to high operational costs, while Cruz and Mendoza (2020) found that smaller establishments with fewer seats maintained more stable profitability by efficiently managing resources.

## **Conclusion and Implications**

Based on the findings of the study on the Consumer Behavior in Financial Constraints Circumstances of Food Micro-Enterprises in Vigan City, Ilocos Sur, several important conclusions may be drawn:

1. The consumers in Vigan City, Ilocos Sur, reveal that most respondents are adults. The majority of them are female. A significant proportion earns a monthly income above Php 30,000.00, holds a college degree, and is employed in professional or business-related occupations. Most consumers are single and reside in households with five to six (5-6) members.
2. The food micro-enterprises in Vigan City experience evident financial constraints that affect their operations, liquidity, access to credit, profitability, and financial management. These challenges demonstrate the pressures small enterprises face in sustaining stability under limited financial resources.
3. The food micro-enterprises show that a large percentage are located in Barangay VIII, with many operating for more than five (5) years, indicating stability and experience in managing business operations. Most establishments generate below Php 10,000.00 in average monthly revenue and cater to small-scale settings with 1–10 seats, reflecting limited financial capacity and the need for careful operational and cost management. Enterprises commonly operate for 6–11 hours daily, balancing service provision with resource constraints. Despite these limitations, a portion of businesses achieves monthly gross profits above Php 40,000.00, demonstrating that strategic management, efficient operations, and customer engagement contribute to financial sustainability.
4. Consumer behavior plays a significant role in shaping the financial circumstances of micro-enterprises. Spending habits, decision-making patterns, financial literacy, and consumption priorities influence how enterprises manage cash flow, maintain profitability, and adapt to market demands.
5. There is a significant relationship between consumer behavior dimensions and the profile of consumers in Vigan City, Ilocos Sur.
6. There is a significant relationship between consumer behavior dimensions and the financial constraints of food microenterprises in Vigan City, Ilocos Sur.
7. There is a significant relationship between the financial constraints and the business profile of food micro-enterprises in Vigan City, Ilocos Sur.

Based on the conclusions, the following strategies are recommended:

1. Programs and initiatives may be designed to enhance financial literacy and promote responsible consumption among key consumer groups in Vigan City. Targeting middle-aged adults and larger households through seminars, workshops, and awareness campaigns can empower consumers to make informed spending and purchasing decisions, thereby supporting household stability and the sustainability of local micro-enterprises.
2. Micro-enterprises may adopt systematic financial planning and closely monitor cash flow to address financial constraints. Exploring alternative funding options, such as microloans, cooperative financing, or government support programs, can strengthen liquidity, reduce operational vulnerabilities, and ensure sustainable day-to-day operations.
3. Food micro-enterprises may be encouraged to focus on improving operational efficiency and the strategic management of limited resources. Implementing cost-effective practices, maintaining proper inventory systems, and offering customer-centered services can help small establishments maximize profitability, even with limited seating or lower monthly revenue.
4. Enterprises are advised to leverage insights from consumer behavior to better align products, pricing, and services with customer preferences. Monitoring spending habits, decision-making patterns, and consumption priorities can guide marketing strategies, promotions, and operational decisions, improving revenue stability and customer satisfaction.
5. Interventions may be tailored to meet the needs and preferences of specific consumer groups. Developing loyalty programs, targeted promotions, and customized services that consider age, household size, and gender differences can strengthen customer engagement and enhance business performance.
6. Micro-enterprises are encouraged to adjust their financial management and operational strategies based on observed consumer behavior. By understanding spending habits, purchase decisions, and financial awareness, businesses can better forecast demand, optimize resource allocation, and reduce risks related to cash flow, profitability, and access to credit.
7. Food micro-enterprises may evaluate structural factors such as revenue, seating capacity, and operational scale to improve financial resilience. Strategic planning, cost control measures, and diversification of revenue sources can help enterprises mitigate financial constraints and sustain growth under challenging conditions.
8. Future researchers are encouraged to broaden the scope of the study by including additional factors that may influence consumer behavior and the financial performance of micro-enterprises. Variables such as digital payment adoption, online marketing strategies, seasonal demand fluctuations, and socio-economic trends could provide deeper insights into the dynamics between consumers and small food businesses, enabling more comprehensive strategies for sustainability and growth.

## Acknowledgements

The author expresses profound gratitude to all who provided guidance, support, and encouragement. He sincerely thanks Dr. Erwin F. Cadorna, President of the University of Northern Philippines, for fostering an environment of academic growth and research excellence, and Dr. Erwin T. Tolbe, Dean of the College of Business Administration and Accountancy and Chairperson of the Panel of Evaluators, for his constructive guidance. The author also acknowledges Dr. Scott Jason P. Llanes and Dr. Nathalie P. Almero for their valuable insights during the defenses, and his adviser, Dr. Ace A. Ferrer, for unwavering support, mentorship, and encouragement throughout the research process.

Special thanks are extended to Mr. Jhonniño A. Serdenia for his critical suggestions, Mr. Christian S. Domondon for assistance in data analysis, and Dr. Esperanza Lahoz, Dr. Mitessa-Inah R. Reynante, and Ms. Arlette Dian N. Real for validating the research instrument. The author is deeply grateful to his family, Mr. Cesar A. Lappay, Mrs. Ginalyn P. Lappay, and Ms. Lyca Joyce P. Lappay, for their love, sacrifices, and unwavering support, as well as to friends, colleagues, and students whose encouragement made the journey meaningful. Finally, the author offers his heartfelt thanks to Almighty God for His blessings, guidance, and strength throughout this study.

## Funding

This research received no external funding from any public, commercial, or not-for-profit funding agency, and no organization provided financial support for the conduct of the study, authorship, or publication of this article.

## Competing Interests Statement

The author declares that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this article.

## Data Availability Statement

Data can be requested by requesting directly to the author(s) of the study.

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## Appendices

### *Appendix A. Survey Questionnaires*

This appendix contains the complete survey instruments used in this study to assess consumer behavior and financial constraints of food micro-enterprises, administered to 77 micro-enterprise owners, 441 managers and staff, and 256 consumers across nine barangays in Vigan City. The questionnaires include Likert-scale items (1 = Strongly Disagree to 5 = Strongly Agree) covering the key variables of the study. For consumers, the survey assessed spending habits, purchase decision-making factors, consumer awareness and financial literacy, consumption priorities, and collected demographic information, including age, sex, monthly income, educational attainment, civil status, occupation, and household size. For food micro-enterprise owners, managers, and staff, the survey evaluated business profiles (such as location, number of years in operation, seating capacity, operating hours, average monthly revenue, and average monthly gross profit), cash flow stability, access to credit and capital, sales revenue trends, profitability challenges, and financial management skills. The questionnaire items were developed based on the study's objectives, literature review, and relevant theories, and were validated through expert review and pilot testing, achieving high reliability (Cronbach's  $\alpha = 0.880$  for the food micro-enterprise questionnaire and 0.809 for the consumer questionnaire)