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Research Article

Determinants of Financial Planning of the Merchandising Business

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Abstract: Financial planning is one of the key steps towards business success. Yet, there are many factors influencing it. Hence, this study was conducted to determine the factors that may affect the merchandising businesses in Lipa City. The study tried to assess the internal and external factors as the determinants of financial planning of 93 merchandising businesses yet only 65 answered the survey questionnaire, which is the primary tool used in data gathering. Thus, a descriptive research was used in the study. The data gathered was analyzed and described using frequency and percentage, weighted mean and composite mean and One-Way ANOVA. Results revealed that merchandising businesses in Lipa City are stable and can survive for long years since majority of the respondents proved that they have a characteristic of making the business of making the business profitable founded effective financial strategies. The respondents highly consider internal and external factors as the determinants of financial planning for it have the same impact to the business when it occurred as revealed by the grand composite mean of 3.31.The study also proved that there is a significant difference on determinants of the financial planning of the merchandising business when grouped according to capitalization and forms of business ownership. However, there is no significant difference in terms of the number of years in operation, average gross monthly income and number of employees. In addition, the findings of the study were used as the basis in proposing financial management practices to enhance the financial planning of the merchandising business.
Keywords: Financial planning, merchandising business, internal factors and external factors.

Introduction

The world of business is a playful atmosphere. It is like Mathematics for there is a probability of gaining or losing returns or much even like investing in stocks in which you have to take risks without knowing if it will win or not. Starting its operations and earning profitably are the challenges that every business is encountering while sustaining and maintaining successfully through the years is another thing. Today, many investors from different countries take risks in investing in the Philippines thus, contributing to the growth in the number of businesses in the country. As cited in the government site of Department of Trade and Industry (DTI) 2016, list of establishments of the Philippine Statistics Authority (PSA) recorded a total of 915,726 business enterprises operating in the Philippines. This was 1.64 percent more than 900,914 business establishments reported in 2015. Micro, small and medium enterprises (MSMEs) account for 99.57 percent (911,768) of the total establishments. It was noted that the largest number sector in MSMEs having 420,638 establishments in 2016 is in wholesale and retail trade industry which are both under merchandising business.

Merchandising business is an entity that buys goods and then resells them, generally for a higher price than it purchased (Hill, 2013). Managing the allocation of money in the merchandising business is very tough and challenging because it involves budgeting, analyzing and forecasting projected expenses and also the factors that affect the profitability of the business. In this case, businesses should know how to plan. Planning is knowing what to do, how to do it and what to expect in the future. No matter how small or big the merchandising business is, it requires planning. It should not only plan its production and operation but also, it should take into their mind to plan also their finances. Thus, financial planning plays a vital role in business strategic operations. Financial planning helps businesses to manage income or revenue efficiently, to increase cash flow and monitor spending habits and expenses, to build long-term capital base and shape financial future, to identify invest opportunities relevant to financial situation, to provide community financial security with proper coverage to get a whole new approach to budgeting and to gain control over financial lifestyle (Carribean Union Bank, 2012).

Yearly, there are thousands of businesses created in the country and one of the regions having a large number of business sectors is Region IV-A (CALABARZON) which has 131,011 establishments in 2016. It was noted by DTI that it is the second to the highest number of businesses in the country. Cities in this region are rapidly urbanizing and developing like Lipa City which is located at the center of Region IV-A and it is almost at the heart of the province Batangas. The city became the home for new settlers such as Koreans, Taiwanese and Chinese who established their own businesses around the town. Business establishments mushroomed in the city starting in the 1980s. It increased several fold that in a span of 14 years the number of registered business establishments in Lipa more than doubled. At the same point, the increase was over 240 establishments in a year (Dorado, 2014). That is why Lipa City chose as the research locale of the study because the researchers believe that the greater number will give them extensive data that could provide reliable facts and best results. The researchers also predict that the chosen research locale will be the key to the success of conducting the study. The research study entitled "Determinants of Financial Planning of the Merchandising Business" is very important not only to fulfill the researchers' requirements but also to widen their knowledge about financial planning that will be used in the future. As future financial managers, it is a must to know financial planning because apart of knowing these things this can be a help to the businesses to plan their finances efficiently. Additional to this, the researchers foresee that this study will be a great help for the merchandising owners and managers to broaden their knowledge in financial planning and lastly to recommend them ways, guidelines, and strategies on how to finance their business efficiently and effectively.

Materials and Methods

The quantitative research approach was used in this study which aimed to assess the determinants of financial planning of the merchandising businesses in Lipa City. This study made use of descriptive research method as the research method in order to achieve at a more precise conclusion. The motive of using descriptive method was to achieve the main objectives of the study. It seeks to describe systematically, factually, accurately, and objectively a situation, problem or phenomenon and also seeks to describe what is (Garcia-Vivar *et al.,* 2010). In addition, it was used because it is the most qualified method in order to It was used to broaden the understanding and interpretation of data gathered. The researchers used different books and previous researches and collect information from electronic sources to formulate information and questions in the study. Questions used for were made by the researchers and validated by panel of examiners and experts in the field of business.

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Data Collection

The researchers used the self-constructed questionnaire as their primary tool in gathering data and secondary data to determine the number of merchandising business. The researchers gathered the list of registered general merchandising business in Tanauan and Lipa City.

The researchers assisted the pre-survey test in Tanauan City to ensure the reliability and validity of the survey questionnaire which obtained 78%, marked as passed. Data collected throughout the actual and pre-survey test were tabulated, interpreted and analyzed with the help of the statistician.

Ethical Issues

The researchers observed neutrality in conducting the study. They make sure that before the actual conduct of the study, the merchandising business owners and managers understood the objectives of the research. They assured that the data gathered were accurate through validation. The researchers personally disseminated and retrieved the survey questionnaires and validated the result from the respondents and assured that all information provided were treated with utmost confidentiality and were used for research purposes. Acknowledgement of the sources was considered through proper citation.

The researchers ensured that the research design and statistical tools are appropriate to the data as they collaborated with efforts of experts in the field of research and statistics.

Data Analysis

The data from retrieved questionnaires were statistically treated, encoded, tabulated and interpreted using different statistical treatment tools such as percentage and frequency, mean and composite mean and One Way ANOVA. To analyze the significant difference between the profile of the respondents and determinants of financial planning of the merchandising business, One Way ANOVA was used in order to test the null hypothesis of the study.

Results and Discussion

Each group of data was analyzed and interpreted based on the problems raised in the study, with the corresponding tables presented sequentially to give clarity on data presentation analysis.

1. What is the profile of the merchandising business in terms of:

1.1 Business Capitalization: The profile of the respondents in terms of business capitalization was determined and interpreted using frequency and percentage. Table 1.1 presents the respondents' profile according to its business capitalization.

Table 1.1. Distribution of Merchandising Business in terms of Business Capitalization

Capitalization	Frequency	Percentage
Below Php 100,000	17	26
Php 100,001-500,000	22	34
Php 500,000-1,000,000	9	14
Php 1,000,001-5,000,000	6	9
Php 5,000,001 and above	11	17
Total	**65**	**100%**

As shown in the table, the majority of the respondents' business capitalization ranging from Php 100,001-500,000 with a frequency of 22 or 34% of the total population. It was followed by below Php 100,000 which obtained the frequency of 17 or 26%. Respondents who had a business capitalization of Php 5,000,000 and above have the frequency of 11 or 17%. Those who had a range of Php 500,001- 1,000,000 got the frequency of 9 or 14% and lastly, businesses that have a capital of Php 1,000,001- 5,000,000 have the frequency of 6 or 9%. The result implies that majority of the respondents were able to finance their merchandising business using small starting capital. It means that in this nature of the business, it does not require high capital since there is less operating cost as compared to other nature of the business.

MBA Knowledge Base (2018) affirmed that capitalization is an important constituent of the financial plan. Capitalization determines the quantum of funds that a firm would require to run its business. Blasingame (2014) added that capitalization is required just to stay in business beyond what was necessary to start the business. So without capitalization plan, it can grow out of business.

1.2 Forms of Business Ownership: The profile of the respondents in terms of forms of business ownership was determined and interpreted using frequency and percentage. Table 1.2 presents the respondents' profile according to its forms of business ownership.

Table 1.2. Distribution of Merchandising Business in terms of Forms of Business Ownership

Forms of Business Ownership	Frequency	Percentage
Sole Proprietorship	48	74
Partnership	4	6
Corporation	13	20
Total	**65**	**100%**

As shown in Table 1.2, the merchandising business that is sole proprietorship form garnered first with a frequency of 48 or 74%, followed by a corporation with a frequency of 13 or 20%. A frequency of 4 or 6%, the least, was garnered by a partnership. When it comes to the legal form of business, most of the merchandising businesses were under sole proprietorship. The result implies that most of the respondents chose to organize a business which is very easy to organize and to start with. Anastacio *et al.,* (2010) tackled that sole proprietorship is considered as the oldest, most common and simplest form of business organization. This is a form of business entity, where there is only one owner. The owner is liable to pay with his personal properties, liabilities not covered by their assets.

1.3 Number of Years in Operation: The profile of the respondents in terms of number of years in operation was determined and interpreted using frequency and percentage. Table 1.3 presents the respondents' profile according to its number of years in operation.

Table 1.3. Distribution of Merchandising Business in terms of Number of Years in Operation

Number of Years in Operation	Frequency	Percentage
Less than 2 years	9	14
More than 2 years to 5 years	11	17
More than 5 years to 10 years	13	20
More than 10 years	32	49
Total	**65**	**100%**

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As shown in Table 1.3, the majority of the respondents operate their business of more than 10 years with 32 or 49%. The second highest number of frequency of 13 or 20% is within 5 years to 10 years, followed by more than 2 to 5 years with a frequency of 11 or 17%. The merchandising businesses, which operate for less than 2 years, garnered the least frequency of 9 or 14%.

The table shows that more than 10 years of existence ranked top in the number of years in operation. This means that majority of the respondents are stable enough to sustain their businesses over years and they have survived the most critical years of their business operations. It is also found out that many merchandising businesses in Lipa City operated for more than 10 years probably because the city's economy is rich that many businesses can survive and expand their businesses for the past years.

Galban (2012) added that short years in operation denote newly engaged establishments in the field of business and their findings revealed that most merchandising businesses was newly formed. He also stated that the number of years of a business operating was largely considered in determining the degree of its stability.

The length of time that establishment operates was just an implication of the effectiveness of the management and applications of strategies in the operation. It was also noted in the study of Brigham and Houston (2009) explained that it is the term used to pertain to the life of the business since it started until the current operation. It describes the overall flow of how they improve, develop and reach out. As time or and years passed by, it justified now effective and efficient the business is.

1.4 Average Gross Monthly Income: The profile of the respondents in terms of average gross monthly income was determined and interpreted using frequency and percentage. Table 1.4 presents the respondents' profile according to its average gross monthly income.

Table 1.4. Distribution of Merchandising Business in terms of Average Gross Monthly Income

Average Gross Monthly Income	Frequency	Percentage
Below Php 100,000	31	48
Php 100,001-500,000	23	35
Php 500,001-1,000,000	5	8
More than Php 1,000,000	6	9
Total	**65**	**100%**

As shown in Table 1.4, it is clearly stated that majority of the respondents falls under the frequency of below 100,000 monthly income having a frequency of 31 or 48%. It was followed by a frequency of 23 or 35% within the bracket of Php 100,001- 500,000 monthly income. Next are the merchandising businesses earning more than 1,000,000 with a frequency of 6 or 9%. Lastly, the bracket of Php 500,001- 1,000,000 monthly income with a frequency of 5 or 8%.

Based on the result, it can be deduced that since the majority of the respondents were operating as a sole proprietorship, it is quite anticipated that their income will be constrained by their ability to acquire additional financial resources. In the business context, the higher the capital being invested, the higher the rate of return to be expected.

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As supported in the study of Atienza *et al.,* (2017) most of their respondents are engaged on sole proprietorship that is why it has a lower average monthly income compared to other forms of business organization.

The income earned by a sole proprietorship is income earned by its owner. Sole proprietors are personally liable for all debts of a sole proprietorship business.

1.5 Number of Employees: The profile of the respondents in terms of number of employees was determined and interpreted using frequency and percentage. Table 1.5 presents the respondents' profile according to its number of employees.

Table 1.5. Distribution of the Merchandising Business in terms of Number of Employees

Number of Employees	Frequency	Percentage
1 to 5 employees	43	66
6 to 10 employees	10	15
11 to 15 employees	7	11
16 to 20 employees	1	2
More than 20 employees	4	6
Total	**65**	**100%**

As shown in Table 1.5, it is clearly stated that the majority of the merchandising businesses hire 1 to 5 employees with a frequency of 43 or 66%. It was followed by a frequency of 10 or 15% within the bracket of 6 to 10 employees. Next, are the merchandising businesses hiring employees of 11 to 15 employees with a frequency of 7 or 11%.

More than 20 employees rank fourth with a frequency of 4 or 6% and last are 16 to 20 employees with a frequency of 1 or 2%.

The result affirms the previous findings relative to the form of business ownership and average monthly income. It can be gleaned that since they are under the smallest and simplest type of business organization, the number of employees or worker is limited or few. They will only hire the most qualified employees with exemplary skills and knowledge.

The finding is supported by Gallup Small Business Index survey (2016) which revealed that the top reason why many small business owners are hiring fewer employees than they need is that they are worried they won't have sales or revenues to justify more employees. It was also supported by Peaveler (2013) former About.com guide, stated that business that has not more than 1 to 10 employees have the advantages of simplicity of record keeping and organizational cost and management advantage of ease in decision making.

2. How do the following factors influence and determine the respondents' financial planning:

2.1 Internal Factors: This part presents the influence of internal factors on the respondents' financial planning and was determined and interpreted using weighted mean.

Table 2.1 presents the respondents 'assessment of internal factors on their financial planning such as personal characteristics, planning and organizing and financial management.

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Table 2.1. Determinants of Internal Factors in Financial Planning of the Merchandising Business

Statements	WM	VI
The business… 1. has sufficient capital to maintain the enterprise	3.48	Agree
2. employs competent and competitive employees who provides satisfactory work in finance areas	3.28	Agree
3. total sales is affected by the unforeseeable or unexpected costs	3.17	Agree
4. manager/owner possess good entrepreneurial competencies and full market knowledge that contributes to the success of the business	3.63	Strongly Agree
5. does not struggle to get credit from banks	2.83	Agree
6. has sufficient capital to expand the enterprise	3.37	Agree
7. plans and organizes a written budget to determine operating and non-operating costs	3.32	Agree
8. size of sales affects the gross monthly income of the business	3.32	Agree
9. income is affected by unforeseeable or unexpected costs	3.19	Agree
10. performance is affected by good managerial and financial strategies	3.54	Strongly Agree
Composite Mean	**3.31**	**Considered to a GE**

It is indicated in Table 2.1 that the statement "The business manager/owner possess good entrepreneurial competencies and full market knowledge that contributes to the success of the business" gathered the highest weighted mean of 3.63 with an interpretation of strongly agree or to a very great extent. This means that business owners and managers' characteristics affect the overall success of the business. If the owner or manager is incompetent and not goal-reacher then the business will not perform well. Successful entrepreneurs possess certain characteristics that are unique and different from those having other occupations (Medina, 2010). Bambacas and Patrickson (2008) told how interpersonal skills affect organizational commitment. The managers' ability to listen, clarify the message and ability to lead were of highest importance to the managers.

It was followed by the statement "The business performance is affected by good managerial and financial strategies" which has a second highest mean score of 3.54 and interpreted as strongly agree. This means that the businesses were affected by owners and managers that use different strategies in the business that make the planning of their finances in a good state of growth. If there are no strategies obtained by the managers and owners then the business operations will not function well for there is no plan.

It was supported by Chavez (2016) which stated that entrepreneurship has an important role in the creation and growth of businesses and in the growth and success of countries. It is the key driver for economic development. Governments and academics intend to encourage entrepreneurship due to its importance to employment creation and GDP. Dan (2017) defined that the running of the business is influenced by the personal characteristics of the owner. A short-tempered owner mouthing profanities will have ill-behaved employees. A friendly, patient well-mannered employer will influence his staff to be courteous.

Next is "The business has sufficient capital to maintain the enterprise" which ranked third to the highest mean score of 3.48 and interpreted as agree. The business without capital will not be able to survive for years. This implies that the business has sufficient capital so that the planning of their finances will be in a good state. It was supported in the study made by Barra *et al.,* (2014) that the assessment of their respondents in terms of equity management is employed because the capital provided by the business owners is limited only for business purposes. As stated by Coleman that no business enterprises can survive without proper funding and it was agreed by Armire that capital is the lifeblood of a business. Businesses must have sufficient capital to organize business, to provide the necessary buildings, machines, and equipment to buy raw materials and to take care of a host of other expenses incurred in being established. Enough capital must be available to carry the business until it shows more income than outgo.

Lastly, it is reflected in the table that the statement "The business does not struggle to get credit from banks" acquired the lowest mean score of 2.83 with an interpretation of agree. This means that there are no problems to speak of in acquiring loans from the banks since the majority of the respondents are not availing loans from financial institutions. This is due to the numerous number of requirements to be submitted and the fear of having a hard time paying loans.

The findings are affirmed by the study of Chavez *et al.,* (2016) that most of the business cannot easily acquire money or capital from financial agencies and banks because of high interests and requirements and standards when applying for credit and loans. In connection to this, business owners tend to acquire funds from other sources other than financial agencies and banks. It was also supported in a study of Barra *et al.,* (2014) that most of the business respondents acquire their funds through personal savings and using proceeds of the sale of assets and some of the respondents do not usually borrow from usurers. If they choose to acquire funds from outside sources there is a tendency for business not to grow because the money earned will be allocated for the payment of these debts imposed with high interest.

In general, determinants of financial planning of the merchandising business in terms of internal factors received a composite mean of 3.31 with a verbal interpretation of considered to a great extent. The result shows that majority of the respondents are highly considering the internal factors in their financial planning. Since the internal factors are those which can be controlled by the business, it is necessary for them to determine factors and analyze its effects on the strategic operations of the business.

2.2 External Factors: This part presents the influence of external factors on the respondents' financial planning and was determined and interpreted using weighted mean. Table 2.2 presents the respondents 'assessment of external factors on their financial planning such as economic and infrastructure factors, social support, governments support and informal factors It is indicated in Table 2.2 that the statement "The business is providing a good customer relationship which leads to the increase of sales" gathered the highest weighted mean of 3.68 with an interpretation of strongly agree. This means that the majority of merchandising businesses increase their sales because they build a good relationship with their customers. It only means that they value their customers very well and established a good relationship for years.

As supported by Kulpa (2017) that customer relationship management (CRM) is all of the activities, strategies, and technologies that companies use to manage their interactions with

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their current and potential customers and "the customer is king". Since customer loyalty and revenue are both qualities that affect a company's revenue, CRM is a management strategy that results in increased profits for a business.

It was followed by the statement "The business inflow and outflow of cash are affected by the daily changes of purchasing power of consumers" which has a second highest mean score of 3.46 and interpreted as an agreement. This means that merchandising businesses are affected by purchasing power which results into an increase or decrease of its cash flows. When there is low purchasing power the cash inflow of business will decrease which result into the decrease in sales whereas, if there is high purchasing power then the business cash inflow will increase which result into increase in sales and a high profit.

Table 4.2.2. Determinants of External Factors in Financial Planning of the Merchandising Business

Statements	WM	VI
The business… 1. is affected by government regulation and Tax laws	3.23	Agree
2. inflow and outflow of cash is affected by the daily changes of purchasing power of consumers	3.46	Agree
3. analyzes the population growth and age structure to know the consumers' demands	3.17	Agree
4. performance is affected by the increase and decrease of interest rates imposed by the government	3.15	Agree
5. is focused in building its identity in the market through considering consumers' wants and needs	3.40	Agree
6. good public infrastructure is a contributor of success	3.40	Agree
7. is affected by the frequent purchase behavior of consumers when it comes to managing its finances	3.23	Agree
8. income is affected by the behavior, culture and values of the customer	3.12	Agree
9. is providing a good customer relationship which leads to the increase of sales	3.68	Strongly Agree
10. repair in the infrastructure area increases business expenses	3.20	Agree
Composite Mean	**3.30**	**Considered to a GE**

WM- Weighted Mean VI- Verbal Interpretation GE-Great Extent

It was supported by Cabrera (2013) that defined purchasing power is difficult to recognize. It is easy to observe the decline in the price of a stock or bond, but it is often more difficult to recognize that the purchasing power of the return you have earned on an investment has declined (risen) as a result of inflation (deflation).

Next are the statements "The business is focused on the building its identity in the market through considering consumers' wants and needs" and "The business good public

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infrastructure is a contributor of success" they got the same mean and third to the highest mean score 3.40 and interpreted as an agreement. This means that majority of the respondents are really considering their image to their customers as one of the building blocks of their success.

In the marketing context, customers only buy products and services to the firms that are known and establish a good image for years. In addition, a good infrastructure is one of the factors to achieve success. When the business has a good and large infrastructure, many customers are captivated to go and buy things that are in there. Increase in infrastructure or putting up branches pave the way to increase in sales and profitability because businesses have more target places to sell.

It was supported by Camposano (2018), establishing an "image" is important because it will influence everything they do in sales promotion. Selecting an image, like choosing the personality for their business. If the personality is easy recognized and pleasing their business image is established. In the book of Luna (2016) that new research from Mintel, a market intelligence agency, reveals that 56% of US consumers stop buying from companies they believe are unethical.

ScopeGater (2018) explained that infrastructure relates to things like the road network, communication network, power supply network, state of buildings etc. It refers to the physical structures that are required to sustain the operations of a business although a business doesn't have much control over them e.g. you can't repair the entire road network or power supply network.

Lastly, it is reflected in the table that the statement "The business income is affected by the behavior, culture and values of the customer" acquired the lowest mean score of 3.12 with an interpretation of agree. This implies that the changes in behavior, culture, and values of customers greatly affect their financial planning. Customers have unlimited wants and needs and their wants and need may change over time. This means that a variety of changes of the customers greatly affect the businesses for they are the one who will buy and consume their goods and services.

It was supported by Medina (2015) that for a retail business to be successful, it's must have a perspective that goes beyond demographics, because it helps identify not only the people who comprise its client base, but also how they live, and how these factors may influence the business relationship with them. It was also proved in the book of Young and Pagoso (2008) that when consumers purchase a product, their decisions are essentially their own. Understanding consumer behavior is the primary task of marketing management. Companies and businesses need to know what are the variables and factors that influence the customers to make a purchase.

In general, determinants of financial planning of the merchandising business in terms of external factors received a composite mean of 3.30 with a verbal interpretation of considered to a great extent.

The result shows that majority of the respondents are highly considering the external factors in their financial planning. Since the external factors are those that cannot easily be predicted by the business, it is necessary for them to foresee these factors and analyze its effects on the strategic operations of the business.

3. Is there any significant difference on the respondents' assessment on the determinants of financial planning when they are grouped according to profile?

Profile of the Respondents	Computed F-value	p-value	Decision Ho	Verbal Interpretation
Business Capitalization	4.0324	0.0058	Reject	Significant
Forms of Ownership	3.3087	0.0431	Reject	Significant
Number of Years in Operation	0.5269	0.6655	Failed to reject	Not significant
Average Gross Monthly Income	2.4882	0.0688	Failed to reject	Not significant
Number of employees	2.1825	0.0817	Failed to reject	Not significant

The respondents' business capitalization obtained a p-value of 0.0058 greater than its level of significance that means that there exists a significant difference between them. Hence, this implied that the merchandising business is not the same when they are grouped according to business capitalization. It indicates that business capitalization can affect the determinants of financial planning in such a way that the intensity or complexity of their financial planning will be based on the range of capital they have. It means that if a business has a high capital, financial planning will be practiced at its best since there are many financial resources to be planned and considered.

It was affirmed by Asor (2012) that capital is a crucial factor in the formation of a business enterprise, therefore, it is significant in financial practices. Coleman (2000) said that no enterprise could survive without proper funding. It is a common saying that "money begets money".

Also, when the merchandising business are compared when they are grouped according to forms of ownership, it got a p-value of 0.0431 is found to be lower than its level of significance. This means that there exists the significant difference between them. The result implies that the financial planning of merchandising businesses varies with the forms of ownership. This indicates that the more complex the type of business ownership will be, the more that it requires comprehensive financial planning. On the other hand, when the ownership is simple, it requires only brief but concise financial planning.

Owners use different business organization and management processes to plan financial, human and other business related sources before the establishment of their business (Messersmith and Wales, 2011). Kraus *et al.,* (2008) added that operating a small business with strategic planning is a contributing factor in the successful management of a small business.

Meanwhile, it can be observed from the table that when the respondents' assessment of the determinants of financial planning are compared when they are grouped according to their years in operation, the p-value of 0.6655 is found greater than its level of significance which means that there is no significant difference between them. Hence, this implied that the merchandising businesses are the same when they are grouped according to years in operation. It indicates that the number of years in operation cannot affect the determinants of financial planning because there is no distinction when it comes to financial planning based on its years in operation. However, it was negated in the study of Islam *et al.,* (2011) that the

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duration of an organization operated has significant effect towards the business success of SME's. SME's that are operated longer period have been more successful in comparison to those who have been in operation for a shorter period.

Average gross monthly income obtained a p-value of 0.0688, which is found to be greater than its level of significance. This means that there is no significant difference between them. Hence, this implied that the merchandising businesses are the same when they are grouped according to their gross monthly income. It indicates that business capitalization cannot affect the determinants of financial planning because there is no distinction when it comes to financial planning based on their monthly income.

However, the results are contrary to the study of Mwaura (2013) that the level of risk that the firms of Kenya are willing to accept affects the level of returns they can achieve. This implies that financial planning has an impact on the financial performance of a firm. The financial performance of the firms in the automobile industry in Kenya was measured using the return on capital employed. It was clear that the firms performing poorly indicated that they did not have financial planning strategies in place and they thought that financial planning strategies are not important to their firm's performance.

Lastly, when the merchandising business are compared when they are grouped according to the number of employees, the p-value of 0.0817 is found greater than its level of significance which means that there is no significant difference between them. Hence, this implied that the merchandising businesses are the same when they are grouped according to the number of employees. It indicates that the number of employees can affect the determinants of financial planning because there is a distinction when it comes to financial planning based on its employees. It was negated by Management Study Guide (2018) that when the engagement level among employees increases, it increases their productivity which in turn, improves the financial standing of the organization.

When employees are engaged in their jobs and fully satisfied with their career as well as their organization, they grow with it. Novus Health (2018) stated that employees play an important role in providing money management information and assistance to their employees. This not only improves the lives of their employees, but it directly benefits the company.

In general, the respondents' capitalization and forms of ownership were found to have a significant difference in determinants of financial planning which leads to rejecting the null hypothesis. On the other hand, the respondents' years in operation, average gross monthly income, and number of employees were found to have no significant difference on determinants of financial planning which leads to accepting the null hypothesis.

4. Based on the findings, what financial management practices maybe proposed to enhance the financial planning of merchandising business?

After the result of the study had been gathered, analyzed and interpreted, the proposed financial management strategies to improve the financial planning of merchandising business is presented as follows:

In order for the merchandising business owners and managers to deal with factors that may affect their financial planning, the researchers proposed financial management practices to enhance it. In terms of internal factors, entrepreneurial characteristics and managerial and financial strategies are the main concerns. In order to enhance the characteristics of the

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manager/owner to contribute to the success of the merchandising business, the researchers proposed that merchandising business owners and managers may attend seminars. In order to succeed in a competitive field in realigning principles and giving perspective on the management, the researchers proposed that managers/owners may conduct a monthly meeting and annual team building with the employees and may develop program based budgets and dashboard. Whereas, in terms of external factors, the main concerns are customer relationship and purchasing power.

In order to solidify client relationships and to create a strong foundation, the researchers proposed that merchandising business may ask customers for feedback regarding on their perception to business' identity and then implement countermeasures based on consumer feedback. In order to prevent overstock in the business due to low customer purchasing, the researchers proposed to decrease the price when buying power is low and increase the quality of services or products offered.

Conclusions and Recommendations

The following are the conclusions drawn from the findings of the research:

1) Since the respondents financed their business with a capital of 100,001-500,000, under a sole proprietorship, operating for more than 10 years, earning an average gross monthly income of less than 100,000 and employing less than five (5) employees. Therefore, merchandising businesses in Lipa City are stable and can survive for long years, this is because the majority of the respondents are Chinese and Taiwanese owners/managers. Chinese proved that they have a characteristic of making the business rich before their own selves and as well as they plan their finances effectively.

2) Internal and external factors were both considered to a great extent by the merchandising business in their financial planning and acquired a grand composite mean of 3.31. For that reason, merchandising businesses are affected by these factors regardless if they are internal and external for it have the same impact to the business when it occurred.

3) Business capitalization and forms of business owners have significant differences in the determinants of financial planning of the merchandising business as to the assessment of the respondent. However, the number of years in the operation, average gross monthly income, and the number of employees has no significant differences as perceived by the merchandising business owners and managers, when it comes to the determinants of the financial planning of the merchandising business.

4) Proposed financial management practices were given to the merchandising business owners and managers in order to enhance their financial planning. These will help managers/owners of the merchandising business to take an action with some factors that may affect their financial planning.

Based on the findings and conclusions of this study, the following recommendations are hereby presented:

1) Merchandising business owners and managers may study the internal and external factors that may affect their businesses. They may apply the proposed Financial Management Practices by the researchers such as attending seminars, conducting monthly meetings and annual team building with the employees, developing program based budgets and dashboard, asking customers' feedback and decreasing price when the purchase is low.

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2) Entrepreneurs are encouraged to review and to analyze this study before establishing their business regardless in the type of business they are into and may use this as a guide on the factors that may affect on their financial planning.

3) The Local Government of Lipa may provide notifications about the changes in the regulations and policies of the governments that will enhance the knowledge of the business owners/managers.

4) Academic institutions may make this research available for those who wanted to enter into business as well as for those who are in the business world. They may provide this research study as the reference for the future researchers.

5) Present researchers may use this as their guide for future study and may use this to broaden their knowledge when they become financial managers or owners in the future.

6) Future researchers may conduct a similar study about the determinants of the financial planning of the merchandising business to other localities and the higher number of respondents and may also use it as their reference to their study.

Conflicts of interest
The authors declare no conflicts of interest.

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