Retail Marketing Competencies in an Omnichannel World: A Post-Pandemic Shopping Revolution

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ABSTRACT

The pandemic has significantly impacted Metro Manila's local businesses in the Philippines. A series of lockdowns and government-imposed restrictions incapacitated the micro, small, and medium enterprises (MSMEs) because no customers could shop physically. Consequently, traditional or legacy brands shifted online alongside web-born companies or digital native vertical brands (DNBV). There has been a surge in internet marketing activity, especially on social media. In the post-pandemic era, online and offline activities underwent a metamorphosis beyond brand engagement. This study examined the elements that led to the redirection of MSMEs' marketing competencies, omnichannel strategies, and brand engagement using Kahn's success matrix via survey research. One hundred two (102) retailers from different MSMEs in Metro Manila participated in the survey, which consisted of sixteen cities and a municipality. Multivariate analysis, path analysis, and t-tests were used to analyze the results. The shopping revolution goes beyond shifting from physical stores to online as customers increasingly demand seamless integration across all channels. Therefore, marketing capabilities must align with firms' omnichannel initiatives to reimagine engagement and maximize opportunities in the new normal. Since the study was limited to Metro Manila, findings may not apply elsewhere. Indeed, businesses frequently face crises, whether a natural disaster, an economic slump, or a health issue. However, the COVID-19 pandemic accelerated specific processes, making it difficult for MSMEs to recover and regain pace as they cannot stay purely online or offline. The study's findings had essential implications for MSME operations in Metro Manila as local businesses attempt to bounce back and regain momentum in the post-pandemic phase.

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Introduction

The Philippines has been severely affected by the global pandemic. It created new tensions for businesses, particularly the micro, small, and medium enterprises or MSMEs (Guillen, 2021). Nevertheless, the

disruption encourages firms to embrace omnichannel strategies, which has fostered creativity, particularly on social media. Digital platforms were optimized and developed in response to changing market demands and new business prospects. COVID-19 brought about alterations in buying behavior. Consumers are significantly inclined to shop more via the internet than they were in the past. Come post-COVID-19, the propensity to shop online is still high (Kahn, 2021). The country moved to the post-pandemic period in October 2021, when most customers were vaccinated and permitted to travel (Suplico-Jeong et al., 2021). However, businesses are still obliged to practice proper hygiene, wear masks, have hand sanitizers, abide by social distancing guidelines, and maintain a low-touch atmosphere. In addition, flexible work schedules are implemented, and more individuals will have the option to work from home (Kahn, 2021).

The internet has affected people's lives in various ways during the pandemic. Everything from how we search for information to how we buy products has changed. Nothing can stop the rapid development of this immersion in new technology, which has now reached the point where we cannot envisage our lives without it (eMarketing Institute, 2021). In such a situation, customers attempt to adapt and make the best of their lifestyles. Even at home, they strive to improve their lives and become more efficient.

Social media marketing was essential for Filipino businesses during the pandemic. Given the country's massive internet presence and the population's social media engagement, it is currently the top marketing strategy for almost all firms (Chatterjee & Kumar, 2020). MSMEs in the Philippines, particularly in the e-commerce industry, benefited from internet marketing and paid social media advertising. Indeed, social media marketing has grown and continues to thrive in popularity, providing local businesses with a variety of options for expanding and improving brand engagement (Fatima & Bilal, 2019).

Many businesses across the country failed as a result of the pandemic. MSMEs implemented a critical recovery plan when the rest of the world moved their marketing and operations online to meet their demands (DTI, 2021). MSMEs generated 35.7% of the nation's total GDP in 2018, according to DTI. MSMEs were critical to job creation, accounting for roughly 62% of total employment (5.5 million jobs) in 2018. Since then, the figure has only risen. These figures show that MSMEs are the economic backbone and that it is even more critical to maintain or restore their value through online marketing in these difficult times (DTI, 2021). The ability of these businesses to shift their operations, consumer engagement, and promotions online to stay open and keep employing desperately needed workers demonstrates the vital role of social media connectivity for such enterprises (Elbanna et al., 2019). No one, however, predicted the devastating COVID-19 pandemic. From March to September 2021, most non-essential retail was temporarily closed, resulting in the closure of 250,000 stores. More than 15,000 stores in the United States were shuttered by the end of 2020 (Kahn, 2021). Although it may be impossible to know the precise number of retail stores that have closed in Metro Manila, COVID-19 has undoubtedly had a considerable negative impact countrywide. Now that the economy is slowly recovering, MSMEs are beginning to reassess their approaches, as they cannot rely solely on the internet or offline channels. Consumers are eager to move and explore as their shopping habits are gradually altering.

This research study aims to comprehend the marketing competencies in an omnichannel strategy context and brand engagement, focusing on how MSME retailers thrive in a post-pandemic phase. It attempts to answer the question:

How do Marketing Competencies and Omnichannel strategies contribute to retail brand engagement?

Literature Review

The literature review was structured into four (4) primary areas that describe: 1) the Omnichannel strategy, 2) the Marketing competencies, 3) the omni-adoption and social media, and 4) brand engagement. The sections on the research philosophy, conceptual framework, and creation of hypotheses were proposed after the section on the literature review.

The Omnichannel Strategy

Consumers were forced to embrace e-commerce as they responded to the pandemic. As a result, people who had bought online bought more, while people who had never shopped online before bought for the first time. This shift hastened the transition to e-commerce. In just a few months, e-commerce shopping reached penetration and frequency levels not expected for another 2 to 10 years (HubSpot & Talkwalker, 2021; Kahn, 2021; Meta, 2021). The practice of omnichannel retail is defined as the simultaneous integration of multiple sales channels with the goal of providing customers with a single experience with the brands they purchase, irrespective of the channel they employ or the point they are at in the buying cycle. Customers rarely make purchases either in-store or online. They prefer to shop in a variety of ways (Lee et al., 2019). The distribution landscape has shifted over the past decade due to developments in internet technology. New channels impact how consumers purchase (Juaneda-Ayensa et al., 2016). This development, however, was hastened by the 2020 pandemic (Kahn, 2021). By connecting stores, websites, and mobile apps in real-time, retailers can provide a more personalized shopping experience for their target audience with an omnichannel strategy. As stated by Juaneda-Ayensa et al. (2016), it bridges the gap between digital and physical spaces. Digital Native Vertical Brand (DNBV) gained popularity among entrepreneurs and marketers during the pandemic because the setup was purely online. Legacy brands or traditional firms that sold directly to customers were severely impacted. They no longer needed to rely on alternative channels of distribution because of the pandemic disruption. DNBVs' strengths lie in their data and direct client access. In order to compete with DNBVs, legacy brands with antiquated supply chains must reinvent their ways.

For example, the target customers of companies such as Apple and Nike can now buy products directly from the company, skipping the intermediaries who traditionally handled such transactions (Dubbelink et al., 2021; Kahn, 2021). In October 2021, the Inter-Agency Task Force or IATF declared Alert Level 1 in Metro Manila, where it entered the post-pandemic phase. This allows people to move and shop within certain parameters. Both DNBV and legacy brands have recognized the significance of seizing this opportunity by adopting omnichannel strategies in conjunction with marketing capabilities to effectively attract, engage, and satisfy customers through online and offline channels. (Kahn, 2021).

The Marketing Competencies: Retail Success

The marketing competencies elucidate the retailing success strategies proposed by Kahn (2020), emphasizing their relevance to micro, small, and medium enterprises (MSMEs). The existing conventional frameworks utilized for elucidating retail marketing tend to overlook a crucial aspect: the viewpoint of the customer. What are the primary consumer preferences and desires when engaging in the act of shopping? Additionally, it is imperative for the product to offer a substantial competitive edge in relation to other market players. The Kahn Retailing Success Matrix serves as a framework for classifying and analyzing the efficacy of retailing tactics that are presently employed. Additionally, it functions as a valuable resource for MSMEs to strategize and evaluate their marketing capabilities. As shown in Figure 1 below, MSMEs positioned in the upper left quadrant, also known as the leading brand quadrant, are characterized by their ability to offer products or services that exhibit a higher level of differentiation, value, and customer satisfaction than their competitors.

The goal is for MSMEs to instill greater confidence among a specific segment of clients (Kahn, 2020). According to Kahn (2020), retailers in the upper right quadrant, characterized by their emphasis on experiential aspects, offer consumers a more pleasurable and interactive shopping experience compared to traditional brick-and-mortar stores. Another quadrant is "low price," where customers can achieve cost savings by obtaining reliable products or services at the most affordable price. The term "lead on frictionless" describes MSMEs that offer seamless consumer transactions. These enterprises excel in eliminating pain points associated with payments and prioritize providing customers with the utmost convenience in their shopping experience (Kahn,

2020). Overall, MSMEs can incorporate these successful approaches by excelling in two quadrants and achieving a minimum level of proficiency in one.
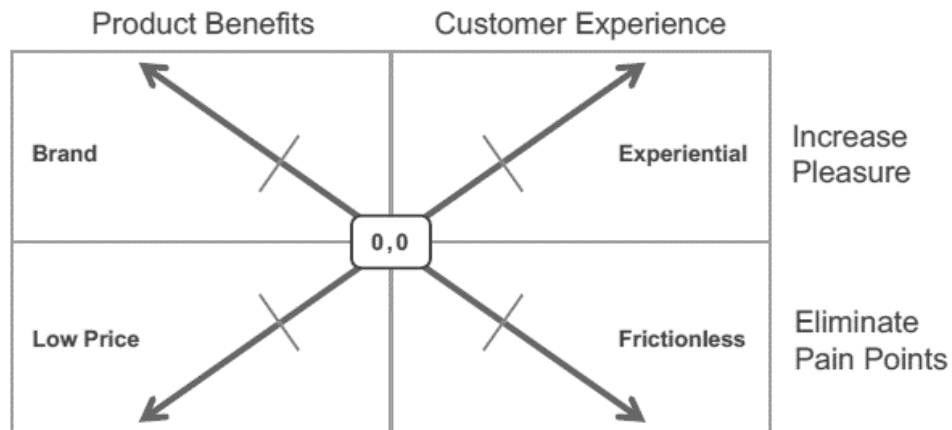

Figure 1: Kahn's Success Matrix (Kahn, 2020)

Nevertheless, retailers who demonstrate exceptional proficiency in directing their omnichannel initiatives must still confront the harsh reality that delivering a cohesive shopping experience often entails exorbitant costs. For retailers attempting to catch up, substantial financial resources can be allocated to equalize opportunities rather than to establish a genuine advantage or yield a favorable return on investment (Dennis, 2018). Furthermore, even if a company can bear the significant capital expenditures, the comparative financial performance of e-commerce is generally subpar compared to traditional brick-and-mortar operations. This is primarily attributed to the substantial costs associated with acquiring customers and/or the increasing expenses related to order fulfillment.

The Role of Social Media in Omnichannel Strategy

MSMEs have the opportunity to utilize social media platforms, such as Facebook, with its dynamic features to establish a strong brand presence that effectively appeals to customers, fosters their loyalty, and ultimately enhances the company's long-term prospects. In light of the current economic recession, there is an increased significance for MSMEs to recover and sustain their relevance (Alhakimi & Mahmoud, 2020).According to the Department of Trade and Industry (DTI, 2021), Facebook marketing channels are widely favored by MSMEs for the purposes of expanding their audience, fostering interaction, and generating conversions. Facebook provides a diverse range of options and tools tailored to meet the advertising requirements of individual businesses, enabling them to execute a prosperous campaign effectively. Conveniently, the process can be carried out directly on the business page, regardless of whether it is a paid or organic approach (Meta, 2021). The multifaceted marketing ecosystem of Facebook applications allows businesses to engage in various promotional activities, such as page promotion, post boosting, local business promotion, generating significant website traffic, promoting business applications, acquiring more leads, promoting the send message button, and ultimately driving sufficient website traffic that leads to conversions. There exists a wide array of alternatives.

Brands that have been impacted by the global pandemic have implemented a metric for measuring engagement. Social media marketers engage in open communication with customers while simultaneously cultivating relationships with potential customers through private channels or virtual communities, such as Facebook groups. The future of Facebook in the realm of social media marketing is increasingly characterized by exclusivity as the company endeavors to integrate prominent platforms like Messenger, Instagram, and WhatsApp to cater to the growing need for exceptional social interactions. The introduction of Threads by

Instagram has provided users with the ability to engage in private interactions with their friends through the sharing of images (HubSpot & Talkwalker, 2021). Brands accrue equity through the establishment of social trust and active advocacy on significant social matters. Contemporary individuals like Gen Zs tend to embrace global perspectives instead of adhering to rigid dogmas. Despite the ongoing global pandemic, the modern generation maintains a sense of optimism and eagerly awaits advancements and positive developments. According to a study conducted by HubSpot and Talkwalker (2021), individuals exhibit a sense of joy and satisfaction when they achieve minor accomplishments.

TikTok has emerged as a significant catalyst for MSMEs, introducing a novel dimension to their business operations due to its remarkable user base and followers surge. Nevertheless, it has not undergone complete optimization due to the utilization of an alternative algorithm. The predominant focus in the realm of social media has revolved around establishing and promoting one's brand. However, due to the decline in organic reach, it has become increasingly advantageous to shift towards enhancing social performance in order to garner attention, facilitate conversion, drive sales, or generate leads. In addition, the advent of big data has provided MSMEs with increased capabilities and opportunities (McLean & Wilson, 2016). Attribution models have been integrated into social advertising platforms, leading to the emergence of social media commerce and introducing a novel aspect to the sales funnel and customer journey. Despite the notable progress made in the realm of social media and omnichannel marketing, the task of accurately measuring the efficacy of conversions continues to pose a significant challenge for the majority of businesses.

The COVID-19 pandemic has significantly contributed to the increased popularity of social media, particularly in conjunction with metaverse innovation. Notably, social media management currently ranks as the third most sought-after marketing occupation. Due to these heightened obligations, enterprises increasingly depend on their social media campaigns. Indeed, 90% of MSMEs today express their intention to recruit additional members for their social media marketing teams in the coming two years (Guillen & Lim, 2023). Furthermore, more than half of these companies anticipate creating up to six new positions within this timeframe. According to Geyser (2020), The aim is to identify individuals who possess expertise in domains that contribute to the augmentation of the brand's social media marketing strategy.

Figure 2: The Social Media Landscape of 2020 (HubSpot & Talkwalker, 2021)

Omnichannel and Attribution Modelling

The allocation of marketing resources across multiple channels poses challenges for practitioners and remains a subject of scholarly inquiry (Gaur & Bharti, 2020). An attribution model refers to a systematic approach to allocating a proportionate amount of credit to each touchpoint in a customer's journey towards making a purchase. There are two primary categories into which attribution models can be classified: point-of-sale and web analytics. The Last Interaction model, as observed in Analytics, attributes full credit for a sale or conversion exclusively to the final touchpoints, commonly referred to as clicks, immediately preceding it.

Google has developed heuristic techniques to determine the most effective return on investment (ROI) for various advertising sources and mediums. Google Inc. has developed a total of seven attribution models, namely linear, last interaction, first interaction, time decay, position-based, last non-direct interaction, and last AdWords interaction. The aforementioned attribution models hold prominence within the realm of online marketing practitioners and scholars (Gaur & Bharti, 2020; Meta, 2021). Attribution primarily focuses on analyzing individual user interactions, while media mix modeling takes a broader perspective by incorporating marketing and sales data, income, benchmarks, costs, and external factors. In theory, utilizing attribution can be a strategic approach that yields favorable outcomes when investing in new initiatives and enhancing the performance of underperforming ones. Identifying the referrers of profitable advertising campaigns may pose challenges in practical implementation (Varountas, 2019).

All About Brand Engagement

In light of contemporary business conditions, the utilization of social media marketing aligns with the omnichannel strategies employed by micro, small, and medium enterprises (MSMEs) with the aim of fostering brand engagement (Dubbelink et al., 2021). Furthermore, brand engagement pertains to behaviors associated with social media or online brand communities. Consumers exhibiting a heightened degree of brand involvement demonstrated a more robust inclination towards brand loyalty, greater levels of product satisfaction, and a heightened perception of brand value. The examination of brand engagement is typically carried out in two main domains: (1) involvement in digital aspects of the brand, including online communities and brand-related content on social media platforms, and (2) involvement that extends beyond online activities (Razmus, 2021). Establishing positive experiences can enhance brand recall and the perceived value among the intended customer base. The correlation between brand engagement and sales volume is evident, as consumers tend to gravitate towards products that possess a favorable reputation and provide a satisfactory user experience (Distanont & Khongmalai, 2018).

The Conceptual Framework

MSMEs have the potential to experience unforeseen benefits in the aftermath of the pandemic, primarily due to the substantial resources and expenditures previously allocated to the operation and maintenance of physical business locations (Kahn, 2021). An opportunity to implement a more effective communication campaign encompassing both digital and traditional channels. The global pandemic presented a potential avenue for MSMEs to foster growth, enhance flexibility, and refine their strategies. This study employed Kahn's retail success matrix to assess the impact of marketing competencies in the omnichannel decision-making process of MSMEs as a necessary condition for establishing brand engagement (Gaur & Bharti, 2020; Razmus, 2021).
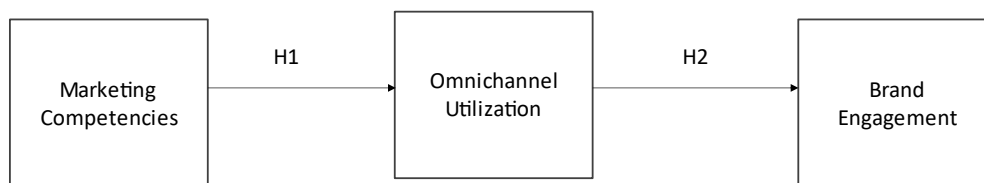

Figure 3: The MSME Success Matrix (Extended)

Past research has found that marketing capabilities influence a firm's ability to effectively leverage multiple sales channels, known as omnichannel utilization (Taiminen & Karjaluoto, 2015). Specifically, competencies in areas like market research, pricing strategies, and digital marketing enable firms to develop

integrated omnichannel approaches that align online and offline customer touchpoints (Verhoef et al., 2015). Thus, it is hypothesized that *Marketing competencies significantly predict Omnichannel Utilization* (H1).

Additionally, omnichannel strategies have been linked to positive brand engagement outcomes for firms. Omnichannel utilization creates a seamless and consistent customer experience across channels, which strengthens brand attachment (Valos et al., 2016). By meeting customer needs through integrated channels, omnichannel strategies also cultivate brand loyalty and advocacy (Kahn, 2021; Melero et al., 2016). Therefore, it is hypothesized (H2) that increased *omnichannel utilization will significantly predict higher levels of positive brand engagement* (Kahn, 2021). Testing these hypothesized relationships will provide valuable insights into how marketing capabilities and omnichannel approaches affect key performance metrics for firms.

Methodology and Research Philosophy

This study employed a pragmatic-critical realism epistemological framework, which acknowledges the active and forward-looking role of MSMEs, whose interactions are constrained by their tolerance for reality. The evaluation of knowledge is contingent upon its capacity to effectively address a real-world issue within a context characterized by openness and practicality. Pragmatism-critical realism is widely regarded as an amalgamation of pragmatism and critical realism. The epistemological framework at hand emerges from the amalgamation of the positivist proposition advocating for a fundamental and unequivocal standpoint and the postmodernist counterargument promoting a state of disorderly relativism. Critical realists hold a contrasting perspective to "empirical realism," asserting that truth should not be limited to the outcomes of a language game and that it cannot be considered absolute (Khin & Fui, 2012).

The study employed a survey research methodology where it gathered data from various populations of interest in the form of questionnaires (Check & Schutt, 2012). This particular study design facilitates the implementation of different strategies as well as the use of a wide variety of instrumentation methods. Surveys are a prevalent tool in social sciences due to their frequent application in describing and investigating evolving human activities (Singleton & Straits, 2009). The survey was limited to MSME retailers that are actively adopting and integrating an omnichannel strategy to increase brand engagement. Primary data was obtained through a purposive sampling technique, namely an online survey that targeted 102 MSMEs located in the Metropolis from October 9 to November 10, 2022. In accordance with the conceptual framework, the study incorporated three distinct components that aimed to examine the perspectives of marketing personnel and entrepreneurs concerning various aspects, including platforms, types of posts (organic or paid), marketing capabilities, omnichannel strategies, and brand engagement. The questions in Table 1 were primarily derived from Gordon's (2016) marketing scales handbook. The findings were supported by secondary data from scholarly journals and similar studies. The Jamovi software program was used for descriptive statistics, while Onyx was used for path analysis. Additionally, JASP was employed to perform Reliability Tests, ANOVA, and Parameter Estimates.

Table 1. Sources of Questionnaire

Constructs	Items	Sources
Marketing Competencies	7	Marketing Scales Handbook (Gordon, 2016; Kahn, 2021)
Omnichannel Utilization	8	Researcher crafted
Brand Engagement	5	Marketing Scales Handbook (Gordon, 2016)

Table 2 shows the series of arranged questions based on how the conceptual framework was crafted.

Table 2. Questionnaire Design using a 4-point Likert Scale

Variables	Questions
Marketing Competencies (MC)	• The company still tried to outperform competitors • The company still feels it has strong prospects for growth

	• The company seems to have a clear vision of the future
	• Presents premium and differentiated products
	• Tends to lower the costs of making products move
	• Consistency in delivering outstanding customer service
	• Embrace contemporary payment channels, providing convenience and flexibility to customers
Omnichannel Adoption (OA)	• We utilized email marketing to attract and retain customers?
	• We utilized social media to complement physical store offers?
	• We utilized social media, particularly Facebook, to understand my target market further.
	• We utilized SEO/SEM tools to complement physical store offers
	• We utilized offline tools to understand our competitors.
	• We utilized online tools to understand where to place ads.
	• We utilized social media, particularly Facebook, to understand our customers' journey.
	• Overall, omnichannel adoption helped us to execute online and offline campaigns efficiently.
Brand Engagement (BE)	• We spend more than an hour checking reviews and sharing info in the group.
	• We access our social media page daily to check information.
	• We access our website to check customer engagements
	• If reviews and comments are mostly negative, we feel down and sorry.
	• If reviews and comments are positive, we feel confident and empowered.

Results and Discussion

The following tables below provide an overview of the respondents' profiles, which include DNBVs and traditional brands. Table 1 displays the age range of respondents largely responsible for MSMEs' marketing campaigns and strategies. Based on Wharton's cohort study, it suggests that the bulk of respondents are young millennials (53.9%), ages 25-33, followed by older millennials and gen-Z individuals, ages 21-24 and 34-42, respectively. The table shows that the broad spectrum of Millennials is mostly in charge of managing MSMEs.

Table 3. Ages of MSME Personnel

Age Range	Counts	% of Total	Cumulative %
21-24 years old	20	19.6 %	19.6 %
25-33 years old	55	53.9 %	73.5 %
34-42 years old	20	19.6 %	93.1 %
43-60 years old	6	5.9 %	99.0 %
61 years old and above	1	1.0 %	100.0 %

Table 4 indicates the location of the business, as the scope of the study is confined to MSMEs in Metro Manila. 25.5% The majority of responders (25.5%) are located in Manila, followed by Caloocan (16.5%). This study included all cities in Metro Manila.

Table 4. Business Location

Business Location	Counts	% of Total	Cumulative %
Caloocan	17	16.7 %	16.7 %
Las Pinas	1	1.0 %	17.6 %
Makati	1	1.0 %	18.6 %
Malabon	9	8.8 %	27.5 %
Mandaluyong	2	2.0 %	29.4 %
Manila	26	25.5 %	54.9 %
Marikina	9	8.8 %	63.7 %
Muntinlupa	2	2.0 %	65.7 %
Navotas	8	7.8 %	73.5 %
Paranaque	2	2.0 %	75.5 %
Pasay	2	2.0 %	77.5 %
Pasig	3	2.9 %	80.4 %
Pateros	3	2.9 %	83.3 %
Quezon City	2	2.0 %	85.3 %
San Juan	2	2.0 %	87.3 %
Taguig	4	3.9 %	91.2 %
Valenzuela	9	8.8 %	100.0 %

The Greatest Generation
1901-1924

Silent Generation
1925-1945

Baby Boomers
1946-1964

Generation X
1965-1979

Generation Y/ Millennials
1980-1999

Generation Z
2000- Present

Figure 4: Generation Analysis based on Wharton's Cohort Study

Table 5 shows that 82.4% of respondents are business owners, while the rest work, particularly in marketing, as regular or seasonal workers but are well-versed in operations.

Table 5. Designation of the Respondents

Designation	Counts	% of Total	Cumulative %
Entrepreneur/ Business Owner	84	82.4 %	82.4 %
Project Manager	1	1.0 %	83.3 %
Marketing Assistant	4	3.9 %	87.3 %
Marketing Manager/ Sales Manager	4	3.9 %	91.2 %
Marketing Officer	4	3.9 %	95.1 %
Marketing Supervisor	5	4.9 %	100.0 %

Cronbach's Alpha

The reliability of the MC Omni scale consisting of MC, OA, and BE was analyzed using Cronbach's alpha. As recommended by George and Mallery (2018), an alpha value greater than 0.9 is excellent, greater than 0.8 is good, greater than 0.7 is acceptable, greater than 0.6 is suspect, greater than 0.5 is bad, and less than 0.5 is acceptable. The Cronbach's alpha for this study was 0.814, exceeding the threshold of 0.7, indicating appropriate reliability. The results of this reliability analysis are shown in Table 6.

Table 6. Reliability Table for MC_Omni

Scale	No. of Items	α	Lower Bound	Upper Bound
MC_Omni	20	.814	.76	.88

Note. Using a 95.00% confidence interval, the lower and upper limits of Cronbach's were computed.

Frequentist Scale Reliability Statistics

Estimate	Cronbach's α
Point estimate	0.814
95% CI lower bound	0.757
95% CI upper bound	0.879

Frequentist Individual Item Reliability Statistics

Item	If item dropped Cronbach's α	Item-rest correlation	sd
MC Adoption	0.698	0.711	1.246
Omni Adoption	0.797	0.617	1.208
Brand Engagement	0.736	0.688	1.008

Frequent univariate reliability analyzes assess the ability of a scale to consistently measure a single construct. In other words, it indicates the amount of measurement error that exists.

ANOVA

Analysis of variance (ANOVA) was performed to test for significant differences in brand engagement across factors such as age, location, and status. The researcher tested assumptions before running the ANOVA. Normality was tested by plotting the model residuals against the quantiles of the chi-square distribution in a QQ scatterplot.

For normality to hold, the residual quantiles should closely match the theoretical quantiles. Major deviations could mean unreliable parameter estimates. Figure 5 shows the scatterplot of residuals.
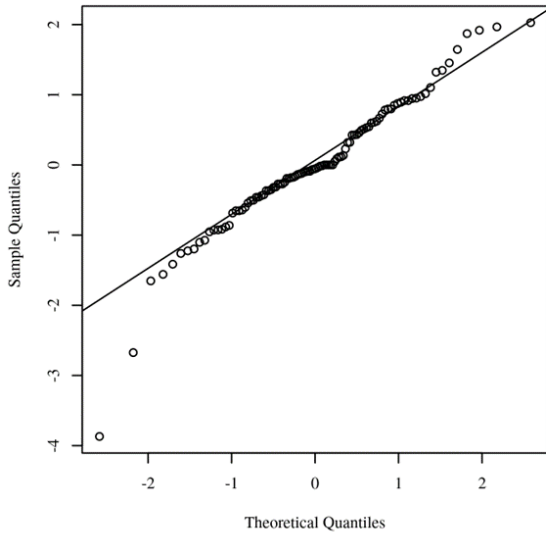
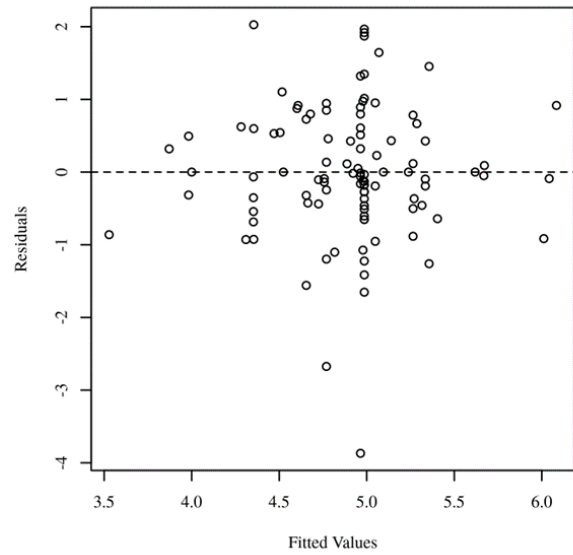*Figure 5: Q-Q scatterplot for normality of the residuals for the regression model.*

Figure 6: Residuals scatterplot testing homoscedasticity

A factorial analysis of variance was employed to investigate the influence of age, location, and status on brand engagement. The analysis employed a significance level of 0.05. The overall model did not yield statistically significant results (F(25, 76) = 0.65, p = 0.890). This finding suggests that there is a lack of statistically significant variations in brand engagement when considering different combinations of age, location, and destination groups. Looking at the main effects, age did not have a significant impact on brand engagement, F(4, 76) = 0.94, p = .445. Similarly, location did not significantly influence brand engagement, F(16, 76) = 0.73, p = .754. Finally, designation did not significantly affect brand engagement either, F(5, 76) = 0.99, p = .431. Means and standard deviations for each group are presented in Table 7. In summary, age, location, and designation did not have significant main or interaction effects on brand engagement.

Table 7. Analysis of Variance Table for Brand Engagement by Age, Location, and Designation

Term	SS	df	F	p	η_{p}^{2}
Age	4.19	4	0.94	.445	0.05
Location	13.03	16	0.73	.754	0.13
Designation	5.50	5	0.99	.431	0.06
Residuals	84.63	76			

Post-hoc

The statistical model showed no significant main or interaction effects. Therefore, post hoc tests comparing specific groups were not necessary and were not conducted.

Parameter Estimates

A 95% confidence interval implies that if the we took 100 random samples and computed a 95% CI for each sample, we would expect approximately 95 of the 100 CIs to contain the true population parameter (Kline, 2015). As shown in Table 8, the 95% CI gives the range of plausible values for the population mean with 95% confidence. Stated another way, there is a 95% probability that the confidence interval captures the

true mean. Thus, a 95% CI reflects an acceptable z-score of at least 1.96, indicating statistical significance. In this analysis, the parameter estimates such as factor loadings, variances, and residual variances had z-values exceeding 1.96 for a 95% CI. This suggests the parameter estimates differ significantly from zero.

Table 8. Parameter Estimates

Factor Loadings

						95% Confidence Interval	
Latent	Indicator	Estimate	Std. Error	z-value	p	Lower	Upper
MSMEs	MC	1.000	0.000			1.000	1.000
	OA	0.781	0.120	6.531	< .001	0.546	1.015
	BE	0.758	0.107	7.060	< .001	0.548	0.968
Factor Variances							
MSMEs		1.111	0.242	4.591	< .001	0.637	1.586
Residual Variances							
MC		0.425	0.139	3.055	0.002	0.152	0.698
OA		0.768	0.132	5.816	< .001	0.509	1.027
BE		0.368	0.089	4.142	< .001	0.194	0.542

Path Analysis

Path analysis was conducted using maximum likelihood estimation to evaluate the fit of the regression model and obtain standard errors for the parameter estimates.

Multivariate Normality

This was assessed by plotting the Mahalanobis distance square of the data against the quantiles of the chi-square distribution (DeCarlo, 1997; Field, 2017). The straight lines represent theoretical quantiles under normality. The scatterplot in Figure 6 shows points that generally follow a normal line, indicating that the assumption of multivariate normality is met.

Path analysis tests hypothesized relationships between variables and evaluates model fit statistics to determine how well the model fits the observed data. Maximum likelihood estimation provided standard errors that were used to assess the statistical significance of the path coefficients.

Multicollinearity

In factor analysis, variables must be related to each other, but if collinearity is high, problems may occur in path analysis. To test for multicollinearity, the researcher examined the squares of multiple correlations and estimated the determinant of the correlation matrix. If the R^2 of any variable is greater than 0.90, multicollinearity may exist (Kline, 2015). Variables with high collinearity should be removed or combined. In this analysis, no variable had an R^2 value greater than 0.90. The determinant of the correlation matrix was also evaluated. Values less than 0.00001 indicate multicollinearity (Field, 2017). The determinant is 0.34, further showing that multicollinearity is not a problem in this data. In general, correlation diagnostics have shown that a certain degree of collinearity between variables is acceptable for path analysis.
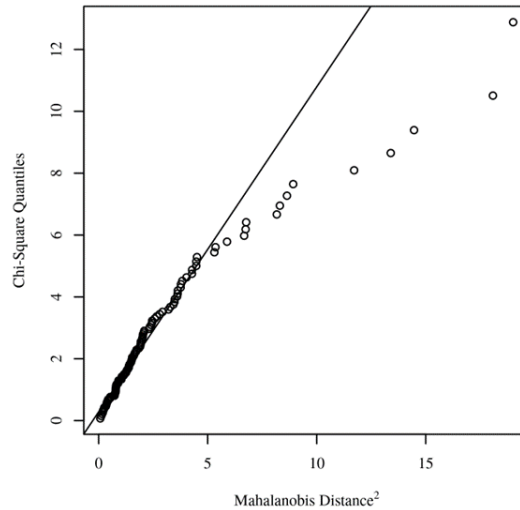
Figure 6: Mahalanobis distance scatterplot testing multivariate normality

The robustness of the model was first tested based on the sample size used for development. The researcher assessed model fit using the chi-square test and other goodness-of-fit statistics. Finally, the squared multiple correlation (R2) was tested for each endogenous variable. The path analysis results are shown in Table 9, and the path diagram is shown in Figure 7. In this evaluation, the stability of the model was examined according to sample size, how well the hypothesized model fits the actual data, and the percentage of variance. It is explained by endogenous variables. Together, these provide an indication of the overall model quality.

Table 9. Unstandardized Loadings (Standard Errors), Standardized Loadings, and Significance Levels for Each Parameter in the path analysis Model (N = 102)

Parameter Estimate	Unstandardized	Standardized	p
Regressions			
MC_Adoption → Omni_Adoption	0.56(0.08)	0.58	< .001
Omni_Adoption → Brand_Engagement	0.45(0.07)	0.55	< .001
Errors			
Error in MC_Adoption	1.54(0.22)	1.00	< .001
Error in Omni_Adoption	0.96(0.13)	0.66	< .001
Error in Brand_Engagement	0.71(0.10)	0.70	< .001

Note. $\chi^2(1) = 33.38$, $p < .001$; -- indicates the test was not conducted as the observed variance/covariance values were used.

Figure 7. *Node diagram for the path analysis model*

Goodness of fit test

A chi-square goodness-of-fit test was conducted to evaluate model fit, as is standard practice for path analysis. However, the chi-square test is highly sensitive to sample size, and will almost always reject the null

hypothesis of good fit with large samples (Hooper et al., 2008). In this case, the chi-square test was significant, $\chi^2(1) = 33.38$, $p = .001$, suggesting poor model fit according to conventional criteria. However, given the sensitivity of this test, other fit indices should be examined before drawing definitive conclusions about model fit. Additional statistics provide complementary information on model fit quality.

Table 10. Fit Indices for the path analysis model

NFI	TLI	CFI	RMSEA	SRMR
0.70	0.11	0.70	0.56	0.15

Note. RMSEA 90% CI = [0.41, 0.73]; -- indicates that the statistic could not be calculated.

Squared Multiple Correlations

The R^2 values for each endogenous variable can be examined to evaluate the model's regression paths. The R^2 indicates how much variance in the endogenous variable is explained by the regressions. An R^2 less than 0.20 suggests the endogenous variable may not be well accounted for by the model regressions and those paths could be reconsidered for removal (Hooper et al., 2008). In this analysis, no endogenous variables had R^2 values below 0.20, as shown in Table 11. This provides support for the adequacy of the regressions predicting the endogenous variables in the model. The R^2 values and error variances for each endogenous variable are reported in Table 11.

Table 11. Estimated Error Variances and R^2 Values for Each Endogenous Variable

Endogenous Variable	Standard Error	R^2
Omni_Adoption	0.96	.34
Brand_Engagement	0.71	.30

Note. -- indicates the statistic could not be calculated.

Interpretation of Regression

The regressions were evaluated using an alpha of 0.05. The path from MC to OA was significant, B = 0.56, z = 7.23, p < .001. This indicates that a 1 unit increase in MC is associated with a 0.56 unit increase in OA, on average. Similarly, the path from OA to BE was significant, B = 0.45, z = 6.57, p < .001. A 1 unit increase in OA predicts a 0.45 unit increase in BE, on average. In summary, the regressions show that MC positively predicts OA, and OA positively predicts BE, with all paths being statistically significant at the .05 level.

Critical Realism Application

Critical realism conforms to both anti-positivism and anti-relativism. Pragmatism employs a nonfunctional approach to comprehending and producing human interactions mediated by society with a non-transitive ontological background (Bygstad et al., 2016; Khin & Fui, 2012). On the other hand, pragmatists argue that researchers should utilize whatever works best for them, and that the most important factor in deciding which research method or methodologies to adopt should be the research subject at hand. Worldviews and technique preferences should be set aside, and the researcher should select the research strategy that most readily reveals the study (Fraenkel, 2012). Indeed, this research has incorporated the idea of affordance, which alludes to the potential for actions connected to the acquisition of an immediate tangible goal and resulting from the connection of two objects. Accessibility refers to the opportunity provided by a specific relationship to an action or action that leads to a specific immediate and specific outcome (Bygstad et al., 2015).
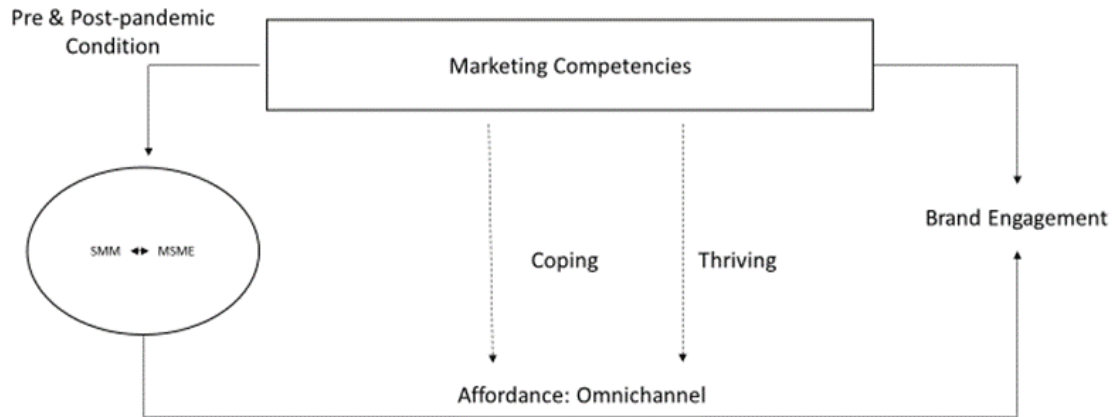
Figure 8. Concept of Affordance (Bygstad et al., 2015).

MSMEs face a dramatically altered economy that presents enormous obstacles that must be solved to compete and avoid the terrible cycle of shop closings and bankruptcy, given the country is experiencing drastic inflation. Despite the fact that the pandemic constituted a sudden disruption to business as usual, necessitating a "new normal," many adjustments were long needed. Analyses revealed that the changes in shopping behavior reported at crucial periods of COVID-19 were just an acceleration of habits that had previously been in place for 5 to 10 years. And in order to cope and thrive in the so called "new normal," MSMEs should amplify their marketing competencies by embracing omnichannel strategies in line with a desirable brand engagement. Using the affordance model by Bygstad (2015), as an analytical construct, it provides the researcher with a mechanism of analyzing processes. MSMEs regardless of age, location, and industry, cope and thrive with disruption by revisiting their marketing competencies. Thus, the survey results showed that omnichannel adoption was fully embraced. However, gauging the number of potential and existing customers who like and follow a post may not always be a prerequisite to conversion. Engagement is a measurement of how well a piece of content attracts attention. Word-of-mouth marketing, regardless of the channel, remains relative.

Consequently, MSMEs covered by the study suffered a loss or decrease in sales. Nevertheless, there are two unique benefits to using an affordance perspective. First, it streamlines the process of identifying a mechanism, and second, it enables a deeper dive into the function of technology in a specific mechanism. What has not been seen is whether the aforementioned mechanism translates to sales.

Conclusion, Recommendations, and Entrepreneurial Implications

Can traditional retailing among MSMEs continue to exist? Without a doubt, though, retail as we know it will undergo significant transformations. To remain competitive and to prevent the vicious cycle of shop closures and bankruptcy, MSMEs must surmount major obstacles posed by a market that has undergone a profound transformation. Although the pandemic was a sudden disruption to business, necessitating a "new normal," a number of long-overdue reforms were inevitable. The analyses revealed that the reported changes in shopping behavior at critical times of COVID-19 were just a five- to a ten-year acceleration of behaviors already in progress. Brand engagement levels across Age, Location, and Designation were all similar and not statistically significant. It confirms the findings of (Kahn, 2021) that marketing competencies (MC) are necessary for online or offline retail success or simply being omnichannel. Marketing competencies significantly predicted omnichannel utilization, and omnichannel significantly predicted brand engagement. The parameter estimates, which include the Z-value and confidence interval, provide evidence for rejecting the null hypothesis. Indeed, the conclusion suggests that there was a significant difference between the means of Brand Engagement and omni-adoption, indicating that the difference was not due to chance.

The MSME retailing concept is undergoing a significant transformation. COVID-19 has been the most immediate disruptor in the sector, hastening the move toward e-commerce shopping. But, even before that, MSMEs were undergoing transition due to the widespread use of smartphones, which enabled 24-hour interconnection between offline and online communities and altered shopping behaviors exhibited by digitally native Gen Z and Millennial consumers (Dubbelink et al., 2021; HubSpot & Talkwalker, 2021; Kahn, 2021). Innovative entrepreneurs are exploring new retail models in response to these fundamental developments. Subscription models, leveraging brick-and-mortar retail locations as showrooms rather than selling places, web rooming, and novel renting and sharing paradigms are examples of these. In addition to the aforementioned industry disruption, there exist other macro trends that encompass notable technological advancements in both in-store and online retailing. These advancements encompass the utilization of augmented and virtual reality, as well as the adoption of contactless payment methods.; the introduction of big data powered by AI; and a reaction to the Great Recession and COVID-19, which has made consumers more price-sensitive. The Kahn Retailing Success Matrix enables methodical mapping of diverse marketing competencies on the same axis for easy comparison. This creates a shared lexicon for discussing various successful strategy approaches. It also enables measurement of the underlying axes over time and includes a graphing tool for tracking progress.

With the adoption and utilization of omnichannel retailing among MSMEs, the shopping revolution is no longer about the shift from brick-and-mortar stores to online retailers. Instead, customers increasingly demand all channels to be seamlessly integrated. The data from offline, mobile, and online interactions must be combined, and innovative merchants must use this complete data to personalize in-store experiences in real-time. Customers anticipate the ability to navigate online products and in-store pick-up or search in-store and purchase online. This is the "new normal." These are undeniably positive steps, but the crucial question is whether MSMEs can succeed and regain their former status, or will it be too little or too late?

Limitation and Future Direction

Because the study was limited to 102 MSMEs in Metropolitan Manila in the Philippines through survey research, the findings may not be applicable outside of the National Capital Region. Future researchers may, however, look for provincial and regional disparities in how local firms deal with disruption, or they may further validate the NCR study with mixed-method research. Future research can also test and evaluate other developing apps, such as TikTok, X, Facebook, and LinkedIn, to augment marketing competencies and omnichannel utilization, yielding brand engagement.

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Data Availability Statement: The data supporting the findings are available upon request from the author.

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