EMERGENCE OF ONLINE CLOTHING BUSINESS AND ITS EFFECT ON LOCAL BUSINESSES IN TUGUEGARAO CITY

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ABSTRACT: *E-commerce has become a disruptive force in the retail and distribution sectors. E-commerce sales are increasing at a rate of 15% every year. Traditional brick and mortar retail establishments are struggling to compete as e-commerce grows in popularity, which can lead to closure or bankruptcy. (Grosman, 2020). This study aimed to determine the effects of the emergence of online clothing business to local businesses in Tuguegarao City. The study utilized a descriptive research design to explore on the effects of the emergence online clothing business on local businesses. The respondents of the study were local entrepreneurs or owners of clothing businesses in Tuguegarao City using the purposive sampling technique in the selection of the respondents whereas the participants are consecutively selected according to their convenient accessibility. The researchers used questionnaires with five (5) parts. The data gathered was analyzed using descriptive and inferential statistics. The profile of the respondents and the business profile were analyzed using frequency and percentage. Meanwhile, to determine the financial performance before and during the emergence of online clothing businesses, the researchers used the 5-point Likert scale with its corresponding value and to determine the extent of effects of the emergence of online clothing business to the financial performance of the local businesses, the researchers used 3-point Likert scale with its corresponding value. It can be concluded based on the results of the study, the emergence of the online clothing businesses had*

significantly affected the financial performance of the local businesses to a negative effect as reflected in the significant decrease in their financial performance indicators such as sales, profit, working capital, demand for customers and keeping existing customers. In order to cope up with the emergence of the online clothing businesses, the local business used coping strategies such as sales talk, providing discounts and conducting exclusive bargains. In view of the findings of the study, it is respectfully recommended that locall business owners may consider venturing into online clothing business such as the use of various social media platforms in selling their products and local business may consider expanding their business' channel of distribution by resorting to various marketing strategies that may keep their financial performance stable.

Keywords: *emergence, online clothing, local business, financial performance, coping strategies, e-commerce, online business*

INTRODUCTION

E-commerce has become a disruptive force in the retail and distribution sectors. E-commerce sales are increasing at a rate of 15% every year. Traditional brick and mortar retail establishments are struggling to compete as e-commerce grows in popularity, which can lead to closure or bankruptcy. (Grosman, 2020)

Bakos, 2001. explored in their study the expected benefits of e-commerce are manifold. Electronic markets allow sellers to efficiently transfer relevant product information to potential buyers, which reduce their search costs. Moreover, firms can use digital technologies to increase product differentiation and soften price competition; to differentiate themselves by superior interfaces with respect to competitors and create switching costs. Furthermore, electronic-mediated transactions offer new ways to gauge customer preferences more truthfully and hence offer opportunities for targeted advertising, personalized marketing, product customization and price discrimination. Hence, numerous reasons suggest that e-commerce can positively affect social welfare, although the question of who benefits more remains a matter of empirical analysis

The rise of Internet of Things has led to many game changing efforts to create new business models and opportunities in various domains of industry. In this paper, we look into the impact that the concept of IoT will bring in Retail Industry in coming years with the point of view of new business outlook based upon parameters of security, reliability, integration, discoverability, and interoperability. The paper also presents new concepts that can be implemented for business profitability using various IoT Technologies with prime focus on the areas of embedded systems, cyber physical systems, generic sensors and security. In relation to the Retail Industry, the focus areas of development and support of IoT technology will shift from a mere data collection to knowledge creation which can enable value chain development using a framework concentrating more from a legal point of view. Not only has the technology paradigm shifted from a certain POV but businesses also change in terms of scalability, dynamicity, heterogeneity and interconnectivity. The paper discusses about newer ideas and their business and social impact on the industry in terms of profitability and adaptability.

Jones, N., Borgman, R. and Ulusoy, E. (2015) explored in their study the role and economic impact that the internet, specifically websites and social media, have on small businesses. It showed that a web presence integrated with meaningful and sustained social media promotion can have a positive impact on business success in terms of increased traffic, awareness and revenues. And has the potential to shed light on how internet technologies and social media can help struggling small businesses to communicate cost effectively with customers on a global scale, opening new opportunities for sales and growth.

Apăvăloaie (2014) has highlighted the impact of the Internet on business, focusing on the changes brought by the Internet. The enormous potential brought in the development of a business, stimulated the appearance and promotion of new concepts, such as electronic business (e-business) and electronic commerce (e-commerce). This has proved to be not only viable electronic alternatives, but also extremely profitable alternatives, of the traditional way of doing business or commerce that electronic businesses are not only a trend, they represent a revolutionary approach of the "making business" concept and

changes in how information is used, in contacting the customers, suppliers and employees, in marketing, promotion mode, and so on and a proliferation of the commercial application that take advantages on public operating standards that the Internet offers. It also proved that online businesses are not simply build on rapid distribution of information. There is also a premise for the continuous change that, by its nature, requires constant improvement and innovation.

The face of retail has changed. The advent of technology in recent period being the primary reason for it. Today, retailing means going into shopping centers, going online and going mobile. With all of these, small retailers missed out somewhere. But the nearby store is always the most important concern for all reason and seasons. It needs to revive not just survive. The retail stores need to simply uplift its pattern of business and face the competitive world with a more positive outlook. E-stores and retail stores both have to survive, none at the cost of the other. It's not just about the livelihood it gives to the thousands of people but also the convenience and the steadfastness of a fixed retail store. (Saha, 2015)

The growth of online business has posed a great threat to local businesses. Products and services purchases over the internet have acquired immense popularity over the years. In contemporary society, online business plays a critical role in defining the marketing platforms of various industries as opposed to the retail industry in the traditional set up where local businesses were the key concerns. Due to the proliferation of the various ecommerce websites and the current trends in consumer preference to online business, the growth of online business has been one of the most acute issues of interest amongst the various local business in the Philippines particularly in Tuguegarao City where the focus of this study in terms of the online clothing business and its effect to the local business. This increase in the use of online business has since been coupled with reduction in the total sales realized by local businesses since customers tend to shift their focus to online business platforms.

According to Campos, (2018, as many as 91% of Filipino internet users searched for goods and services to purchase during the quarantine period. Of all those who searched, 76% consummated the transaction. This is a clear indication that Filipinos are finally warmingup to e-commerce. From a sales turnover of $500 million in 2015, e-commerce in the Philippines is seen to top $12 billion by the year 2025. It already realized $3 billion in 2019. In the first six months of 2020, growth has already doubled in terms of number of buyers and the peso value of purchases, when compared to 2019. A survey conducted by Global Web shows that 48% of Filipinos plan to do more online shopping after the pandemic is over. Whereas during the pre-COVID era, fashion apparel, sporting goods, and footwear were the best sellers at 54%, 18%, and 10% of the sales mix respectively, a new category has emerged in the post-COVID era. Nowadays, essentials that include personal protective equipment, sanitary goods, and groceries have emerged as brisk sellers. In just four months, essentials now comprise 6% of Zalora's sales mix. This is why the country's biggest internet merchant is adding more food and grocery items to its product offerings.

STATEMENT OF THE PROBLEM

This study aimed to determine the effects of the emergence of online clothing business to local businesses in Tuguegarao City. Specifically, it aimed to answer the following questions:

1. What is the profile of the respondents in terms of:

    1.1 Age

    1.2 Sex

    1.3 Civil Status

    1.4 Highest Educational Attainment

    1.5 Related Seminar to Entrepreneurial Activities

2. What is the profile of Business in terms of;

    2.1 Nature of the business

    2.2 Number of employees

    2.3 Years of operation

    2.4 Average monthly Income

2.5 Capitalization

3. What is the financial performance of the local businesses?

4. What is the extent of effects on the emergence of online clothing business to the performance of local businesses?

5. What are the coping strategies of the local businesses on the emergence of online clothing business?

6. Is there a significant difference between the financial performances of the local businesses before and during the emergence of online clothing businesses when grouped according to profile variables?

7. Is there a significant difference between the extent of effects of the emergence of online clothing business to the performance of local businesses when grouped according to business profile variables?

8. Is there a significant difference between the coping strategies of the local businesses on the emergence of online clothing business when grouped according to profile variables?

HYPOTHESIS

The study was guided by the following hypotheses:

1. There is no significant difference between the financial performances of the local businesses before and during the emergence of online clothing businesses when grouped according to profile variables.

2. There is no significant difference between the extent of effects of the emergence of online clothing business to the performance of local businesses when grouped according to business profile variables.

3. There is no significant difference between the coping strategies of the local businesses on the emergence of online clothing business when grouped according to profile variables.

RESEARCH METHODOLOGY AND STATISTICAL TOOLS

The study utilized a descriptive research design to explore on the effects of the emergence online clothing business on local businesses. Descriptive research is a method used to obtain information relating to the current status of an issue or phenomenon to describe "what exists" within the variable or conditions of the situation. Since the study aims to the effect of the emerging online clothing business on local businesses, and as stated the method used was the descriptive method for this helped the researcher to describe people who take apart in the study.The respondents of the study were local entrepreneurs or owners of clothing businesses in Tuguegarao City using the purposive sampling technique in the selection of the respondents whereas the participants are consecutively selected according to their convenient accessibility.

To gather the data of the study, the researchers used questionnaires with five (5) parts. The first part of the questionnaire consists of the profile of the respondents such as age, sex, civil status, highest educational attainment, and related seminar to entrepreneurial activities attended. The second part consists of the profile of the business, such as the nature of the business, number of employees, years of operation, average monthly income and capitalization. The part three of the questionnaire consists of the financial performance of the local businesses before and during the emergence of online clothing businesses. The part four is the tool used to determine the extent of effects on the emergence of online clothing business to the performance of local businesses. The last part of the questionnaire is the tool to determine the coping strategies of the local businesses on the emergence of online clothing business.

The data gathered was analyzed using descriptive and inferential statistics. The profile of the respondents and the business profile were analyzed using frequency and percentage. Meanwhile, to determine the financial performance before and during the emergence of online clothing businesses, the researchers used the 5-point Likert scale with its corresponding value and to determine the extent of effects of the emergence of online

clothing business to the financial performance of the local businesses, the researchers used 3-point Likert scale with its corresponding value, the weighted mean is calculated by:

$$\bar{X} = \frac{\sum xw}{N}$$

wherein: $\bar{X}$ = weighted mean
x = number of measurement
w = measurement, value, weighing factor
N = population

RESULTS AND DISCUSSIONS

Table 1a. Frequency and Percentage Distribution of the Respondents' Profile as to Age

Age	Frequency (f)	Percentage (%)
35 to 40yrs.old	2	6.67
41yrs.old and above	28	93.33
Total	**30**	**100**

The table showed the frequency and percentage distribution of the profile of the respondents as to age, where majority or 93.33% of the respondents belong the age bracket of 41 years and above.The data imply that the highest frequency of the respondents is in their middle adulthood, the period when they become more aware of their own morality and are at the height of their careers and attain their leadership position, and often start with a leg up on wisdom, financial capital and business connections – a view that could help overturn some stereotypes about aging and entrepreneurships are particularly poignant today. (Robert Roy Britt, 2020)

Table 1b. Frequency and Percentage Distribution of the Respondents' Profile as toSex

Sex	Frequency (f)	Percentage (%)
Female	25	83.33
Male	5	16.67
Total	**30**	**100**

The table showed the frequency and percentage distribution of the profile of the respondents as to sex, where majority or 83.33% of the respondents are female business owners. The data imply that business owners is female-dominated because many women started their business in order to break free from social constraints. Women who are business owners can achieve financial independence without status quo. Women-owned business are so much more than a hobby. Also, this percentage is strongly opposing the old assumption that women entrepreneurs are more likely to run lifestyle business than those which provide additional income. (Jenifer Kuadli, 2021)

Table 1c. Frequency and Percentage Distribution of the Respondents' Profile as toCivil Status

Civil Status	Frequency (f)	Percentage (%)
Single	1	3.33
Married	28	93.33
Separated	1	3.33
Total	**30**	**100**

The table showed the frequency and percentage distribution of the profile of the respondents as to civil status, where majority or 93.33% of the respondents are married business owners. The data imply that majority of the respondents are married with increased responsibility that having a business is more valuable and important.

Table 1d. Frequency and Percentage Distribution of the Respondents' Profile as to Highest Educational Attainment

Highest Educational Attainment	Frequency (f)	Percentage (%)
High School Graduate	8	26.67
Bachelor's Degree	21	70.00
Master's Degree	1	3.33
Total	**30**	**100**

The table showed the frequency and percentage distribution of the profile of the respondents as to highest educational attainment, where majority or 70.00% of the respondents finished their bachelor's degree. The data implies that majority of the

respondents have a bachelor's degree. It implies that a solid education can give you skills and connections that may help you make strides with your business ventures.

Table 1e. Frequency and Percentage Distribution of the Respondents' Profile as toRelated Seminar to Entrepreneurial Activities

Related Seminar to Entrepreneurial Activities	Frequency (f)	Percentage (%)
With Related Seminar to Entrepreneurial Activities	2	6.67
Without Related Seminar to Entrepreneurial Activities	28	93.33
Total	**30**	**100**

The table showed the frequency and percentage distribution of the profile of the respondents as to related seminar to entrepreneurial activities, where majority or 93.00% of the respondents have not attended any related seminar as to entrepreneurial activities. The data imply that majority of the business owners are not attending seminars related to entrepreneurial activities. "One of the worst things about modern business is having to attend meetings. Although some meetings are necessary and beneficial to go to, the majority of them are pointless. You spend two hours sat listening to people talking about things which you mostly already know about or that aren't relevant to you. Two hours which you could have used more productively (i.e. doing your job)". (Clayton, 2018)

Table 2a. Frequency and Percentage Distribution of the Business' Profile as toNature of the Business

Nature of the Business	Frequency (f)	Percentage (%)
Retailing	29	96.67
Wholesaling	1	3.33
Total	**30**	**100**

The table showed the frequency and percentage distribution of the profile of the business as to nature of business, where majority or 96.67% are engaged in retailing business. This includes selling of clothes in a retail or piece-by-piece basis. This includes selling of clothes in a retail or piece-by-piece basis. This imply that almost all the business refers to operate their business in retail. Operating as a retailer is ideal if you want to retain complete control of

your product lines and you enjoy having a hands-on relationship with your customers. There is a lot to think about if you're in this position, but you are able to be responsive to the demands of your customers and their potentially changing needs and desires. (Brightpearl,2022)

Table 2b. Frequency and Percentage Distribution of the Business' Profile as toNumber of Employees

Number of Employees	Frequency (f)	Percentage (%)
1-3	29	96.67
4-6	1	3.33
Total	**30**	**100**

The table showed the frequency and percentage distribution of the profile of the business as to number of employees, where majority or 96.67% had employed 1-3 employees in their business. This implies that the business respondents are operating in a small-scale since there are only few employees in the business. One positive view of having fewer employees is that it has convinced many business owners to embrace a more flexible and agile way of operating their business. (Alice's Blog, 2021)

Table 2c. Frequency and Percentage Distribution of the Business' Profile as toYears of Operation

Years of Operation	Frequency (f)	Percentage (%)
1-4 years	4	13.33
5-8 years	7	23.33
9-12 years	2	6.67
13 years and above	17	56.67
Total	**30**	**100**

The table showed the frequency and percentage distribution of the profile of the business as to years of operation, where majority or 56.67% are operating for more than 13 years. This implies that the business respondents are operating for more than a decade in the industry of selling clothes. According to William, (2018), strive to have a constant attitude of learning if you want your business to last. As the market changes, change with it. The longer

you are in the industry, the more challenges and competitions you will experience and the only thing to survive your business is to adapt changes.

Table 2d. Frequency and Percentage Distribution of the Business' Profile as to Average Monthly Income

Average Monthly Income	Before the emergence of online clothing businesses		During the emergence of online clothing businesses	
	Frequency	Percentage	Frequency	Percentage
5,000-20,000	11	36.67	28	93.33
20,001-40,000	9	30.00	1	3.33
40,001-60,000	5	16.67	0	0.00
60,001-80,000	2	6.67	0	0.00
80,001-100,000	0	0.00	1	3.33
100,000 and above	3	10.00	0	0.00
Total	**30**	**100**	**30**	**100**

The table showed the frequency and percentage distribution of the profile of the business as to the average monthly income. It can be seen in the table that before the emergence of online clothing businesses, most or 36.67% of the business respondents are generating an average income of P5,000-P20,000.00 on a monthly basis while some or 10% are generating income of more than P100,000 on the average per month and few are generating an average monthly income of P40,001-P60,000 and P60,001-P80,000.00 However, it can be further gleaned that during the emergence of online clothing businesses, majority or 93.33% are earning an average monthly income of P5000.00-P20,000.00. This implies that during the emergence of the online clothing businesses, most of the business respondents had a decline in their average monthly income. The impact on consumer retail sectors has varied with clothing and fuel volume sales seeing large falls of negative 21.5% and negative 22.2% respectively in 2020 and remain below pre-pandemic levels while online sales rose to a record high 33.9%. (Muhammed, 2021)

Table 2e. Frequency and Percentage Distribution of the Business' Profile in terms of Capitalization

Capitalization	Frequency (f)	Percentage (%)
Below 100, 000	12	40.00
100, 000 to 200,000	12	40.00
200,001 to 300,000	4	13.33
300,001 to 400,000	1	3.33
400, 001 and above	1	3.33
Total	**30**	**100**

The table showed the frequency and percentage distribution of the profile of the business as to capitalization, where most or 40% have started their business with a capitalization of P200,000 and below. This implies that some of the business respondents have started their business with huge amount. According to Marc, (2020), Money is the foundation of any business, especially a sustainable business. You can't start a business without assessing important financial issues that will protect you and enable you to create a strong and profitable business.

Table 3. Financial Performance of the Local Business Before and During the Emergence of Online Clothing Businesses

Financial Performance	Before the emergence of online businesses		During the emergence of online businesses	
	Weighted Mean	Qualitative Description	Weighted Mean	Qualitative Description
The business was bringing more cash than its expenditures	4.0000	High Extent	1.6667	Very Low Extent
The business generates enough cash to run its operations	3.9333	High Extent	1.9333	Low Extent
The business generates enough cash to fund its expenses	3.9333	High Extent	1.9000	Low Extent
The business generates enough cash to pay its liabilities	3.9000	High Extent	1.8333	Low Extent

The business was able to increase net income	3.8667	High Extent	1.6667	Very Low Extent
Category Mean	**3.9267**	**High Extent**	**1.8000**	**Very Low Extent**

The table revealed the financial performance of the business before and during the emergence of online clothing businesses. It can be gleaned that the financial performance of the business before pandemic along areas of bringing more cash than its expenditures (weighted mean of 4.000), generating enough cash to run its operations (weighted mean of 3.9333), generating enough cash to fund its expenses (weighted mean of 3.9333), generating enough cash to pay its liabilities (weighted mean of 3.9000) and being able to increase net income (weighted mean of 3.8667) are achieved to a *high extent* (category mean of 3.9267). However, during the emergence of the online clothing business, the financial performance of the local businesses along the given areas are now achieved to a *very low extent* (category mean of 1.8000). This implies that during the emergence of the online clothing businesses, the financial performance of the local businesses is affected negatively as these results to a *very low extent* of bringing more cash than its expenditures (weighted mean of 1.667) and being able to increase net income (weighted mean of 1.667). While resulting to a *low extent* along generating enough cash to run its operations (weighted mean of 1.9333), generating enough cash to fund its expenses (weighted mean of 1.9000) and generating enough cash to pay its liabilities (weighted mean of 1.8333). This implies that during the emergence of the online clothing businesses, the financial performance of the local businesses is affected negatively due to the shifting of customers to online shopping. It is not surprising that local businesses are enduring hardship, but these data quantify the magnitude and variation of the effects of online business to the local entrepreneurs impacted. For these small businesses, recovery may be even more challenging than it already is. (Gomez, 2020)

Table 4. Extent of Effects of the emergence of online clothing businesses to the performance of the local business

Performance of the local business	Weighted Mean	Qualitative Description
Sales	2.8333	Significantly Decreased
Profit	2.7333	Significantly Decreased
Working capital	2.6333	Significantly Decreased
Demand of the customers	2.7667	Significantly Decreased
Keep existing customers	2.6667	Significantly Decreased
Category Mean	**2.7267**	**Significantly Decreased**

Table 4 shows the extent of effects on the emergence of online clothing businesses to the performance of the local business. It can be gleaned from the table that the emergence of online clothing businesses had caused a significant decrease (category mean of 2.7267) in the performance of the local businesses along their sales (weighted mean of 2.8333), profit (weighted mean of 2.7333), working capital (weighted mean of 2.6333), demand of the customers (weighted mean of 2.7667) and keeping existing customers (weighted mean of 2.6667). Online business impacted of all types. This couple, with shoppers beginning to purchase products online. And because of the fear of contacting the coronavirus in public, and it is easy to buy online with just a click. Consumers shifting online cause the business sales, profit, working capital, demand of the customers and keeping existing customers significantly decreased.

Table 5. Coping Strategies of Local Businesses on the Emergence of Online Clothing Business

Coping Strategies	Frequency	Percentage	Rank
Sales Talk	30	100.00	1st
Giveaways or Free Gifts	5	16.67	5th
Discounts	29	96.67	2nd
Offering Trendy Products/Services	1	3.33	6th
Buy 1 Take 1 Promo	7	23.33	4th
Exclusive Bargains	21	70.00	3rd

The table reveals the coping strategies used by local business on the emergence of online clothing businesses. It can be seen from the table the top coping strategy used by local businesses is through sales talk, followed by offering discounts and exclusive bargains. This implies that the local businesses resorted to these strategies in order to increase their financial performance. This implies that having sales talk presentation can build connection with potential customers (Duarte, 2020) and provision of discounts and conduct of exclusive bargains is a very prevalent strategy to attract consumers by providing an extra value or incentive, which encourages consumers to purchase the promoted products immediately Chen-yu, J.H, 2018)

Table 6a. Test of Significant Difference Between the Financial Performance of the Local Businesses Before the Emergence of Online Clothing Business When Grouped According to Profile of the Respondents' Variables

Profile of the Respondents Variables	t/f value	P-value	Decision
Age	.698	.491	No Significant
Sex	-.555	.583	No Significant
Civil Status	.827	.576	No Significant
Highest Educational Attainment	3.394	.013	Significant
Related Seminar to Entrepreneurial Activities	-.032	.975	No Significant

The table shows the test of significant difference between the financial performance of the local businesses before the emergence of online business when grouped according to profile of the respondents' variables. Using an independent sample t-test and one-way ANOVA, it can be gleaned from the table the acceptance of the hypothesis when the financial performance of the local business before the emergence of the online clothing business is grouped according to age, sex, civil status and related seminar to entrepreneurial activities. This implies that there is no significant difference on the financial performance before the emergence of the online clothing businesses when grouped according to these variables as reflected in their p-values of .491, .583, .576 and .975, respectively. However, it can be gleaned that when grouped according to highest educational attainment, there is a significant difference since the p-value is 0.013 which is lower than the .05 level of

significance, thus the rejection of hypothesis. This implies that there is no significant difference on the financial performance before the emergence of the online clothing businesses when grouped according to profile of the respondents. This study is attributed the fact that age, sex, civil status, and related seminar to entrepreneurial activities of the business has nothing to do with regards to their financial performances in the course of operation of the business. (Karadag, 2015). However, when grouped according to highest educational attainment, there is a significant difference. Higher education of individuals produces good financial performance. Their knowledge of how to manage finance resulting financial performance optimal. This result contrasted the study of Purboyo et al, (2012) which stated that field has negative effect on financial performance because the inflexibility of SMEs owner in dealing with variable of habits and field. Hence the expectation to reach the performance has not been achieved yet.

Table 6b. Test of Significant Difference Between the Financial Performance of the Local Businesses Before the Emergence of Online Clothing Business When Grouped According to Business Profile Variables

Business Profile Variables	t/f value	P-value	Decision
Nature of the business	-.229	.820	No Significant
Number of employees	2.768	.010	Significant
Years of operation	.798	.597	No Significant
Average monthly income before the emergence of online clothing business	4.988	.002	Significant
Average monthly income during the emergence of online clothing business	98.476	.000	Significant
Capitalization	.829	.574	No Significant

Table 6b shows the test of significant difference between the financial performance of the local businesses before the emergence of online business when grouped according to business profile variables. Using an independent sample t-test and one-way ANOVA, it can be seen from the table that when grouped according to nature of business (P-value of 0.820), years of operation (P-value of .597) and capitalization (P- value of .574), there is an

acceptance of hypothesis since their p-values are greater than the .05 level of significance. This implies that there is no significant difference on the financial performance of the local businesses before the emergence of the online clothing businesses when grouped according to these variables. However, when grouped according to number of employees (P-value of .010), average monthly income before the emergence of online clothing businesses (P-value of .002) and average monthly income during the emergence of online clothing businesses (P-value of 0.000), it shows a rejected hypothesis since their p-values are below the accepted .05 level of significance. This implies that when grouped according to these variables, there is a significant difference on the financial performance of the local business before the emergence of the online clothing businesses. According to Bartik, A.W. et.al 2020, their study shows how small businesses specially in retail sector are deeply affected by crisis resulting to financial fragility. They also found that 43% of businesses, particular in retail sector, were temporarily closed and the employment had fallen by 40%. The results imply that many of these firms had little cash on hand toward the beginning of the pandemic, which means that they will either have to dramatically cut expenses, take on additional debt, or declare bankruptcy. This highlights the ways in which the immediacy of new funding might impact medium term outcomes.

Table 6c. Test of Significant Difference Between the Financial Performance of the Local Businesses during the Emergence of Online Clothing Business When Grouped According to Profile of the Respondents' Variables

Profile of the Respondents Variables	t/f value	P-value	Decision
Age	-.742	.464	No Significant
Sex	-.494	.625	No Significant
Civil Status	.000	1.000	No Significant
Highest Educational Attainment	.526	.823	No Significant
Related Seminar to Entrepreneurial Activities	-.742	.464	No Significant

The table shows the test of significant difference between the financial performance of the local businesses during the emergence of online business when grouped according to profile of the respondents' variables. Using an independent sample t-test and one-way ANOVA, it can be seen from the table that the financial performance of the local businesses during the

emergence of online clothing businesses when grouped according to all the profile of the respondents' variables do not significantly differ since all their p-values are greater than the accepted .05 level of significance, thus the acceptance of the hypothesis. Several studies have investigated the influence of entrepreneur characteristics on the business performance by utilizing a personality trait approach (Frese et al., 2002; Pearson & Chatterjee, 2001) or emphasized more on the demographic characteristics of the entrepreneurs (Bates, 1995; Davidsson, 1995). According to Resource Based View (RBV), most research papers also argues that the entrepreneurs' characteristics are the valuable resources of the firms that contribute towards their sustainable competitive advantage and superior performance. Because all the entrepreneurs may not have the essential characteristics that lead towards the firm's competitive advantage. Thus, entrepreneurs' characteristics assumed as not a valuable, unique, rare and imitable resources for the firm's performance and success.

Table 6d. Test of Significant Difference Between the Financial Performance of the Local Businesses during the Emergence of Online Clothing Business When Grouped According to Business Profile

Business Profile Variables	t/f value	P-value	Decision
Nature of the business	-1.409	.170	No Significant
Number of employees	-.341	.736	No Significant
Years of operation	.906	.530	No Significant
Average monthly income before the emergence of online clothing business	2.510	.044	Significant
Average monthly income during the emergence of online clothing business	.293	.961	No Significant
Capitalization	5.831	.000	Significant

Table 6d reveals the test of significant difference between the financial performance of the local businesses during the emergence of online business when grouped according to business profile. Using an independent sample t-test and one-way ANOVA, it can be seen that when grouped according to average monthly income before the emergence of online clothing business and capitalization, the null hypothesis is rejected. Implying that there is a

significant difference between the financial performance of the local businesses during the emergence of online clothing business since their p-values are .044 and .000 respectively, which is below the accepted .05 level of significance. Meanwhile, when grouped according to the nature of business, number of employees, years of operation and average monthly income during the emergence of online clothing businesses, there is no significant difference on the financial performance of the local business during the emergence of online clothing business, since the p-values are 0.170, 0.736, 0.530 and 0.961, respectively which is greater than the .05 accepted level of significance, thus the acceptance of null hypothesis. At the forming and introductory stage of having a business, the internal social network of an entrepreneur tends to affect its financial performance having very limited financial resources to start up the business (Stam et al., 2014). Meanwhile, when grouped according to the nature of business, number of employees, years of operation and average monthly income during the emergence of online clothing businesses, there is no significant difference on the financial performance of the local business during the emergence of online clothing business. For instance, with regards to the years of operation of business, based on the study of Legesse, (2018) analysis of a developing economy, specifically Ethiopia fails to establish a substantial effect of firm age on financial performance. Moreover, firm age for family-owned enterprises negatively influences performance, whereas such ownership has a statistically significant effect (Lwango et al., 2017). Firms age is also a critical determinant of firm survival based on the industry (sector) life cycle (Esteve-Pérez et al. 2018).

Table 7. Test of Significant Difference Between the Extent of Effects of the Emergence of Online Clothing Business to the Performance of Local Businesses When Grouped According to Business Profile Variables

Business Profile Variables	t/f value	P-value	Decision
Nature of the business	-.663	.513	No Significant
Number of employees	-.663	.513	No Significant
Years of operation	.909	.506	No Significant
Average monthly income before the emergence of online clothing business	.809	.573	No Significant

Average monthly income during the emergence of online clothing business	1.505	.221	No Significant
Capitalization	.863	.536	No Significant

The table shows the test of significant difference between the extent of effectsof the emergence of online clothing business to the performance of local businesses when grouped according to business profile variables. Using an independent sample t-test and one-way ANOVA, it can be seen from the table that the extent of effects of the emergence of online clothing businesses when grouped according to all the business profile variables do not significantly differ since all their p-values are greater than the accepted .05 level of significance, thus the acceptance of the hypothesis. This implies that the extent of effects of the emergence of online clothing businesses when grouped according to all the business profile variables show that this relation is not significant one. Actually, the extent of effect of online business and the type of internet sales channels does not matter when examining the relationship between online business and the profile of the business. The findings reveal that the relationship between online business and the profile of the business is not direct since it depends on the additional factors that determine this relationship. (Vujovic, 2020)

Table 8a. Test of Significant Difference Between the Coping Strategies of the Local Businesses on the Emergence of Online Clothing Business When Grouped According to Profile of the Respondent's Variables

Profile of the Respondents Variables	t/f-value	P-value	Decision
Age	-.263	.795	No Significant
Sex	1.361	.184	No Significant
Civil Status	1.620	.217	No Significant
Highest Educational Attainment	1.259	.300	No Significant
Related Seminar to Entrepreneurial Activities	-1.651	.110	No Significant

Table 8a shows the test of significant difference between the coping strategies of the local businesses on the emergence of online clothing business when grouped according to profile of the respondent's variables. Using an independent sample t-test and one-way ANOVA, it can be gleaned from the table that the coping strategies of the local businesses on the emergence of online clothing businesses do not significantly vary when grouped according to profile of the respondent's variables such as age, sex, civil status, highest educational attainment and related seminar to entrepreneurial activities. The null hypothesis is accepted because their p-values are greater than the accepted .05 level of significance. This implies that the coping strategies of the local businesses on the emergence of online clothing businesses do not significantly vary when grouped according to profile of the respondent's variables. This confirmed a similar finding which states that age, sex, civil status, highest educational attainment has no significant relationship with the coping strategies of the business which indicates that the demographic profile of the respondents does not affect the coping strategies of the Local Businesses (Dig.et al, 2017)

Table 8b. Test of Significant Difference Between the Coping Strategies of the Local Businesses on the Emergence of Online Clothing Business When Grouped According to Business Profile Variables

Business Profile Variables	t/f-value	P-value	Decision
Nature of the business	.183	.856	No Significant
Number of employees	-1.727	.095	No Significant
Years of operation	.497	.614	No Significant
Average monthly income before the emergence of online clothing business	2.080	.145	No Significant
Average monthly income during the emergence of online clothing business	.305	.740	No Significant
Capitalization	.875	.428	No Significant

Table 8b shows the test of significant difference between the coping strategies of the local businesses on the emergence of online clothing business when grouped according to business profile variables. Using an independent sample t-test and one-way ANOVA, it can

be gleaned from the table that the coping strategies of the local businesses on the emergence of online clothing businesses do not significantly vary when grouped according to the business profile variables such as nature of business, number of employees, years of operation, average monthly income before and during the emergence of online clothing businesses and capitalization. The null hypothesis is accepted because their p-values are greater than the accepted .05 level of significance. According to the study of Dube et al. (2020) they observed some coping strategies: adopting personalized measures so that businesses can return under the new normal; taking care of customers and employees; developing and/or adopting health protocols; aiming to obtain certain certifications; making business adjustments such as resizing businesses; networking and collaborating; and accessing financial stimulus packages.

CONCLUSION

It can be concluded based on the results of the study, the emergence of the online clothing businesses had significantly affected the financial performance of the local businesses to a negative effect as reflected in the significant decrease in their financial performance indicators such as sales, profit, working capital, demand for customers and keeping existing customers. In order to cope up with the emergence of the online clothing businesses, the local business used coping strategies such as sales talk, providing discounts and conducting exclusive bargains.

RECOMMENDATIONS

In view of the findings of the study, the following are respectfully recommended

- Local business owners may consider venturing into online clothing business such as the use of various social media platforms in selling their products.
- Local business may consider expanding their business' channel of distribution by resorting to various marketing strategies that may keep their financial performance stable.

- Since they experienced a significant decreased in their financial performance due to the emergence of online clothing businesses, they may be encouraged to adapt with the current trends because nowadays almost everything is going online, same is absolutely true with business.
- A similar study on the effects of online clothing business to local businesses may be conducted to cover variables that are not covered in these studies.

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