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Analysis of the Effect of Debt Level, Market Orientation, and Financial Literacy on Microenterprise Financial Performance: The Mediating Role of Consumer Behaviour

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Abstract

In business and consumer behaviour, this paper explores the impact of Debt Level, Market Orientation, and Financial Literacy on Consumer Behavior and Microenterprise Financial Performance. The purpose of this study is to examine the role of Debt Level, Market Orientation, and Financial Literacy in managing financial risk, shaping consumer behaviour, and improving the financial performance of small firms. The study utilizes a comprehensive analysis of critical elements, including Debt Level (Amount of Debt, Debt Interest Rate, Duration of Debt, and Debt to Asset Ratio), Market Orientation (Market et al., and Customer Satisfaction Level), and Financial Literacy (Knowledge of Interest and Interest Rates, Understanding of Investments, and Ability to Manage Budgets). The study examines the managerial and consumer implications of these factors. The findings suggest that wise debt management is crucial for maintaining positive consumer relationships and achieving good financial performance. Similarly, understanding the market, employing relevant marketing strategies, and focusing on customer satisfaction is essential for shaping consumer behaviour and improving financial performance. Additionally, improving financial literacy at both individual and organizational levels positively impacts consumer behaviour and financial performance. This study highlights the importance of Debt Level, Market Orientation, and Financial Literacy in the business and consumer ecosystem. It emphasizes the need for awareness, education, and wise management to achieve positive consumer relations and financial success. The study provides valuable insights for firms to improve their financial performance while meeting consumer needs and encourages consumers to make wiser financial decisions.

Keywords: Debt Level, Market Orientation, Financial Literacy, Microenterprise Financial Performance.

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Introduction

In the contemporary business landscape, marked by its rapid evolution, microenterprises have risen as pivotal agents of economic growth, both on a global and local scale (Liedholm & Mead, 2013). These small-scale businesses, often characterized by constrained resources and susceptibility to market dynamics, hold a significant role in bolstering a nation's economic development (Lin, 2011); (Setyaningrum et al., 2023). However, sustaining a commendable financial performance remains a formidable challenge for micro-enterprises, owing to their inherent limitations. It is in this context that the concept of financial literacy becomes an essential factor (Dragomir, 2010); (Zindiye, 2008). Financial literacy, the knowledge and understanding of economic principles and practices, is vital for micro-enterprises to navigate the complexities of their financial operations successfully (Morales, 2023). As they face the multifaceted challenges of managing debt levels, cultivating a strong market orientation, and comprehending consumer behaviour, the role of financial literacy becomes more pronounced (Lusimbo, 2016); (Eniola & Entebang, 2016). High debt levels, while often necessary for micro-enterprises to fund their operations, can become a hindrance if not managed with financial literacy (Derbyshire, 2016). Excessive debt can burden these businesses, making it difficult for them to generate adequate revenue to cover their operational costs and loan repayments (Durand, 1952); (Becker et al., 2020); (Jafree & Mustafa, 2023). With a solid foundation in financial literacy, micro-enterprises can make informed decisions regarding debt management, optimizing their financial performance.

Market orientation, a crucial aspect of financial success for micro-enterprises, is enhanced with financial literacy (Engström & McKelvie, 2017). A strong market orientation means aligning the business with the needs and desires of customers rather than solely focusing on internal operations (Engström & McKelvie, 2017); (Gounaris, 2006); (Jaworski & Kohli, 1993). Financial literacy equips micro-enterprises with the ability to assess market trends and customer preferences and adapt their products and services accordingly (Sabana, 2014). This not only fosters a sustainable market orientation but also augments their financial performance by capturing a more extensive customer base and boosting sales (Sin et al., 2002); (Wang et al., 2019). Consumer behaviour, the cornerstone of business success, can be effectively harnessed with financial literacy (Cohen & Nelson, 2011). Micro-enterprises that comprehend the intricacies of consumer attitudes, preferences, and decision-making processes can tailor their marketing strategies, product offerings, and pricing mechanisms (Gopaul, 2019); (Taylor & Murphy, 2004). This tailored approach allows them to align themselves effectively in the market, stand out from competitors, and elevate customer satisfaction (Taylor & Murphy, 2004). Financial literacy empowers micro-enterprises to understand and leverage consumer behaviour, ultimately strengthening their financial performance (Ssekakubo et al., 2022).

While traditional research has focused primarily on assessing the direct impact of debt levels, market orientation, and consumer behaviour on financial performance, financial literacy opens the door to exploring the mediating role of consumer behaviour. By understanding how financial literacy can influence consumer behaviour as an intermediary variable through which debt levels and market orientation affect financial performance, policymakers and practitioners can formulate strategies tailored to enhance the financial health of micro-enterprises. In this ever-evolving business landscape, financial literacy becomes the linchpin in the growth and sustainability of micro-enterprises. Armed with financial knowledge, these small businesses can navigate the complex interplay of factors that impact their financial performance, thereby contributing to economic development on both local and global scales. In the journey towards economic progress, financial literacy is the compass that guides micro-enterprises towards financial success.

Literature Review

In today's rapidly changing business landscape, microenterprises have emerged as important drivers of economic growth, both on a global and local scale. These small-scale businesses, characterized by limited resources and vulnerability to market fluctuations, are crucial in supporting a country's economic development (Müller & Korsgaard, 2018); (Mariam et al., 2023). However, maintaining sound financial performance remains a significant challenge for micro-enterprises due to their natural limitations (Murigi, 2014); (Gichuki et al., 2014). Therefore, understanding the factors that influence the financial performance of micro-enterprises has become an increasingly important focus of research.

Debt level, market orientation, and consumer behaviour are three essential factors that have been extensively studied concerning the financial performance of micro-enterprises (Baker & Sinkula, 2009); (Sandvik & Sandvik, 2003). This literature review examines the existing research on these factors and their impact on micro-enterprises. Debt level is a critical factor for micro-enterprises due to their limited financial resources and reliance on external financing. Ključnikov (2017) highlights the significance of debt level in shaping the financial performance of micro-enterprises. Loans can provide much-needed capital for these businesses to fund their operations and fuel growth (Sapienza et al., 2003). However, excessive debt levels can pose significant challenges as companies struggle to generate sufficient revenue to cover operating costs and loan repayments (Didier et al., 2021). Several studies have investigated the relationship between debt level and financial performance in micro enterprises (Orua, 2009); (Mendoza, 2015); (Kazemian et al., 2017). For instance, Kazemian et al (2017) found that high debt levels are associated with lower profitability and higher financial distress among microbusinesses. This suggests that an optimal debt level is crucial for sustaining financial performance in the micro-enterprise sector (Kazemian et al., 2017). Market orientation is another influential factor that affects the financial performance of micro-enterprises (Vega Rodríguez & Rojas Berrio, 2011); (Kazemian et al., 2021). Market orientation refers to the extent to which a business focuses on understanding and responding to customer needs and preferences (Narver et al., 2004); (Esteban et al., 2002). Micro enterprises with strong market orientation are likelier to identify and exploit market opportunities, leading to enhanced financial performance (Jaworski & Kohli, 1993).

Empirical studies have demonstrated a positive relationship between market orientation and financial performance in micro enterprises (Jamaludin et al., 2022); (Spillan et al., 2013); (Sciascia et al., 2006). For example, Sciascia et al. (2006) found that micro-enterprises with a higher market orientation are more likely to achieve superior financial outcomes. This suggests that a customer-centric approach and a deep understanding of the market can positively impact the financial performance of micro-enterprises. Consumer behaviour is a third crucial factor influencing the financial performance of micro-enterprises (Akbar, 2021); (Eze et al., 2020). Consumer behaviour refers to the actions, attitudes, and preferences displayed by individuals or groups when purchasing and consuming goods and services (Sharma et al., 2021); (Singh et al., 2023). Understanding consumer behaviour is essential for micro-enterprises to tailor their products, services, and marketing strategies accordingly to attract and retain customers (Beckett et al., 2000). Research on consumer behaviour in the context of micro-enterprises has revealed valuable insights. For example, Fečiková (2004) found that micro-enterprises that effectively understand and respond to consumer behaviour are more likely to meet customer expectations and achieve higher customer satisfaction and loyalty. This, in turn, positively impacts their financial performance (Fečiková, 2004). Market orientation plays a critical role in the sustainability and success of micro-enterprises (Nuryakin & Maryati, 2022). This concept refers to the extent to which a business is focused on and aligned with the needs and preferences of the marketplace (Matthyssens & Vandenbempt, 2008). Research has shown that businesses with a strong market orientation are better equipped to respond effectively to changing consumer demands and market trends, resulting in improved financial performance (Jaworski & Kohli, 1993). One key benefit of market orientation for micro-enterprises is attracting a larger market share. When businesses understand the needs and wants of their target customers, they can tailor their products or services to meet those demands (Chen & Popovich, 2003). This customer-centric approach not only helps in retaining existing customers but also helps in attracting new ones. By aligning their offerings with market demands, micro-enterprises can differentiate themselves from competitors and gain a competitive edge in the marketplace (Farrell & Oczkowski, 2002).

Moreover, market orientation is also linked to higher sales volumes. By accurately understanding consumer preferences and staying informed about market trends, micro-enterprises can develop products or services in high demand (Mariam & Aryani, 2023). This enables them to increase their sales volumes and generate higher revenues. Thus, businesses with a market-oriented approach are more likely to experience financial growth and improve their overall financial position (McNaughton et al., 2002). Additionally, market orientation enhances a business's ability to adapt to changes in the market environment. In today's dynamic and competitive business landscape, consumer preferences and market trends can change rapidly (Lynch et al., 2012); (Kumar et al., 2011). By being market-oriented, micro-enterprises can proactively identify and respond to these changes, thereby staying ahead of the competition. This agility and flexibility in adapting to market dynamics are key factors in ensuring the sustainability and success of micro-enterprises (Javalgi et al., 2006).

Furthermore, market orientation also plays a role in fostering innovation within micro-enterprises. When businesses are closely attuned to the needs and desires of their target customers, they are more likely to identify new opportunities for innovation (Andriopoulos & Lewis, 2010). This can lead to the developing of new products, services, or business models that meet customer demands in unique and valuable ways (Teece, 2010). Innovation can be a powerful driver of growth and competitive advantage for micro-enterprises, and a market-oriented approach provides the foundation for such innovation (Herman et al., 2018); (Boso et al., 2013). It is important to note that market orientation is not a one-time process but an ongoing commitment. Continuous market research, customer feedback, and monitoring of market trends are essential activities for maintaining a solid market orientation (Slater & Narver, 1994). Additionally, businesses need internal systems and processes to effectively respond to market insights and integrate them into their decision-making processes (Kester et al., 2011). Without a sustained focus on market orientation, businesses may lose touch with customer needs and market dynamics, putting their sustainability and success at risk (Baker & Sinkula, 2005); (Naidoo, 2010).

Consumer behaviour plays a crucial role in influencing the financial performance of businesses. Understanding consumer attitudes, preferences, and decision-making processes is essential for micro-enterprises to develop effective marketing strategies, product offerings, and pricing mechanisms (Young et al., 2010). This knowledge enables businesses to meet the needs and wants of their target market, differentiate themselves from competitors, and ultimately enhance customer satisfaction, thereby strengthening their financial performance (Ofek & Sarvary, 2001). Oke et al. (2016) highlight the significance of consumer behaviour by emphasizing that it encompasses various aspects, such as attitudes, preferences, and decision-making processes. These elements collectively influence how consumers perceive and respond to marketing efforts (Varadarajan & Yadav, 2009). Therefore, gaining insights into consumer behaviour is essential for businesses to engage effectively with their target market. By understanding consumer attitudes, businesses can determine the most compelling messaging and positioning strategies to create a positive consumer perception (Bhattacharya & Sen, 2003). Consumer preferences also play a pivotal role in shaping business strategies. Preferences refer to the subjective choices that consumers make based on their tastes, needs, and desires (Font-i-Furnols & Guerrero, 2014). Understanding these preferences allows businesses to align their offerings with consumer expectations, increasing customer satisfaction and loyalty (Alzoubi et al., 2022). For instance, businesses can use consumer preference data to develop products that cater to specific demographic groups or align with current market trends.

Furthermore, decision-making processes significantly impact consumer behaviour. Consumers go through several steps, including problem recognition, information search, evaluation of alternatives, purchase decisions, and post-purchase evaluation (Dudovskiy, 2013). By comprehending this decision-making journey, businesses can optimize their marketing efforts at each stage and actively influence consumer choices. For instance, targeted advertising and strategic pricing strategies can nudge consumers towards purchasing (Petcharat & Leelasantitham, 2021); (Panwar et al., 2019). The ability to effectively position themselves in the market is an essential outcome of understanding consumer behaviour (Petty & Cacioppo, 1996); (Jaiswal & Gupta, 2015). By (Jaiswal & Gupta, 2015) studying consumer attitudes, preferences, and decision-making processes, businesses can develop a unique value proposition that differentiates them from competitors. This positioning allows businesses to occupy a distinct space in the minds of consumers, increasing their brand loyalty and market share (Beverland et al., 2010). Moreover, well-positioned businesses can leverage this advantage to command premium pricing and achieve higher financial performance (Rosenbusch et al., 2013); (Tokarczyk et al., 2007). In addition to positioning, understanding consumer behaviour also helps businesses achieve higher customer satisfaction. By aligning their offerings with consumer needs and wants, businesses can create a more personalized and tailored customer experience (Ansari et al., 2019). This personalized approach enhances customer satisfaction, leading to repeat purchases, positive word-of-mouth, and increased customer loyalty. Consequently, businesses that prioritize understanding consumer behaviour can benefit from long-term customer relationships, ultimately impacting their financial performance positively (Vickery et al., 2003).

Kim et al. (2003) emphasize the crucial role of consumer behaviour in strengthening financial performance. Their research supports that businesses that effectively understand and respond to consumer behaviour are more likely to succeed in the marketplace (Bhattacharya & Sen, 2003). By tailoring their marketing strategies, product offerings, and pricing mechanisms in line with consumer needs and wants, businesses create a competitive advantage that directly impacts their financial performance (Reimann et al., 2010). However, it is essential to note that consumer behaviour is a complex and multifaceted field of study. The factors influencing consumer behaviour can vary based on cultural, social, psychological, and economic contexts. Therefore, businesses must conduct thorough and continuous research to stay updated with evolving consumer trends and habits (Sheth, 2020); (Constantiou & Kallinikos, 2015). Despite a significant amount of research being conducted on the direct impact of various factors on financial performance, there needs to be more exploration of the mediating role of consumer behaviour in this relationship (Boujbel & d'Astous, 2012). This literature review aims to fill this research gap by investigating the potential role of consumer behaviour as an intermediary variable through which debt levels and market orientation influence financial performance. To begin, it is essential to define debt levels, market orientation, consumer behaviour, and financial performance (Woller, 2002). Debt levels refer to the debt a micro-enterprise carries on its balance sheet. Market orientation represents how much a firm focuses on understanding and meeting customers' needs and preferences (Deshpandé & Farley, 1998). Consumer behaviour encompasses the actions and decision-making processes in selecting, purchasing, and using products or services (Madhavan & Kaliyaperumal, 2015); (Moutinho, 2000). Finally, financial performance refers to the relative success of a company in generating profits and creating value for its shareholders. Based on previous research, Glaveli & Geormas (2018) proposed that consumer behaviour can mediate the relationship between debt levels, market orientation, and financial performance. Consumer behaviour is influenced by various factors such as personal preferences, income level, social influence, and marketing strategies implemented by a company (Khandpur et al., 2020). These factors, in turn, can impact the financial performance of micro-enterprises. One key aspect of consumer behaviour influencing financial performance is purchasing behaviour (Peña-García et al., 2020). Studies have shown that consumers' buying decisions can be influenced by a company's debt levels and market orientation (Grewal & Tansuhaj, 2001); (Sundström & Ahmadi, 2019); (Haugland et al., 2007). For example, consumers may perceive a company with high levels of debt as financially unstable, leading to a decrease in their confidence in the company's products or services. On the other hand, a company that demonstrates a strong market orientation and understands its customers' needs can build trust and loyalty, positively impacting consumer purchasing behaviour (Grewal & Tansuhaj, 2001).

Additionally, consumer behaviour can also affect a company's pricing strategy. Research has shown that consumers are willing to pay a premium for products or services that align with their values and preferences (Frank et al., 2015); (Miller et al., 2011). Companies that understand their target market and tailor their offerings can achieve a competitive advantage and higher financial performance. Furthermore, consumer behaviour plays a crucial role in brand perception and reputation. A company with a positive brand image and reputation can attract more customers and generate higher sales (Weiwei, 2007).

On the other hand, negative consumer behaviour, such as spreading negative word-of-mouth or posting negative reviews online, can have a detrimental impact on a company's financial performance (Verhagen et al., 2013). Understanding the mediating role of consumer behaviour in the relationship between debt levels, market orientation, and financial performance is of utmost importance for policymakers and practitioners (Aminu, 2015). By recognizing the impact of consumer behaviour, policymakers can design effective policies to support micro-enterprises in improving their financial performance (Stella et al., 2022). For instance, they can provide financial literacy training or access to credit options to help micro enterprises manage their debt levels more effectively (Siekei et al., 2013). Practitioners, on the other hand, can use the insights gained from this research to develop strategies aimed at enhancing consumer behaviour. By focusing on market orientation and understanding their target market, companies can improve customer satisfaction and loyalty, ultimately leading to financial success. By focusing on the mediating role of consumer behaviour, this study aims to uncover the complex dynamics and interactions between debt levels, market orientation, consumer behaviour, and financial performance in micro-enterprises. This knowledge can provide valuable guidance for the development and implementation of customized policies and initiatives aimed at supporting the growth and sustainability of micro-enterprises.

Research Methods

Participants

The participants in this study were micro-enterprise owners and managers from various industries and sectors. A total of 257 micro-enterprises were selected using a purposive sampling technique. The selection criteria included businesses that had been in operation for at least two years and had a maximum of 20 employees. The sample was geographically diverse and included micro-enterprises from urban and rural areas.

Procedures

Data for this study was collected through a structured questionnaire administered to micro-enterprise owners and managers. The questionnaire consisted of three sections:

1. Debt level: This section assessed the debt levels of micro-enterprises by asking participants to provide information on their current outstanding debt and the interest rates they were paying.
2. Market orientation: This section measured the market orientation of micro-enterprises by asking participants to rate their focus on meeting customer needs, identifying market trends, and adapting to changing consumer preferences.
3. Consumer behaviour: This section examined consumer behaviour by asking participants to provide information on their target market, customer preferences, and marketing strategies.

The questionnaire was pilot-tested with a small group of micro-enterprise owners and managers to ensure clarity and comprehensibility (See. Table 1). Based on the pilot test, minor modifications were made to improve the questionnaire's readability and flow.

Table 1. Variables Measurement

Variables	Item	Dimensions	Scale
Debt Level of SMEs	Amount of Debt	The level of debt that the company has.	1 (Very Low) – 5 (Very High)
	Debt Interest	The interest rate charged on	

Variables	Item	Dimensions	Scale
	Rate	debt.	
	Duration of Debt	The duration of the debt to be pai d.	1 (Very Short) – 5 (Very Long)
	Debt to Asset Ratio	The ratio between total debt and total assets of the company.	1 (Very Low) – 5 (Very High)
Market Orientation	Market Segmentati on Used	Suitability of the market segment u sed to customer needs.	1 (non-compati ble) - 5 (Highly Compatible)
	Marketing Strategies Used	The effectiveness of marketing strat egies in reaching the target market.	1 (Ineffective) – 5 (Very Effective)
	Customer Satisfaction Level	The level of customer satisfaction with the product or service.	1 (Very Dissati sfied) - 5 (Very Satisfied)
Financial Literacy	Knowledge of Interest and Interest Rates	The level of knowledge about interest and interest rates.	1 (Very Low) – 5 (Very High)
	Understanding investment	The level of understanding of the different types of investments.	1 (Very Low) – 5 (Very High)
	Ability to Manage Budgets	Level of ability in managing financ ial budgets.	1 (Very Low) – 5 (Very High)
Consumer Behavior	Purchase Motivation	The extent to which consumer mot ivation influences purchasing decisi ons.	1 (Does Not A ffect) - 5 (Stro ngly Affects)
	Attitude towards Brand	Positive attitude of consumers towa rds a particular brand or product.	1 (Very Negati ve) – 5 (Very Positiv e)
	Decision-Making Process	The extent to which consumers co nsider various factors in the decisi on-making process.	1 (Not Conside ring) – 5 (Strongly Considering)
Financial Performance of Micro Enterprises	Annual Revenue	Financial performance in terms of annual revenue.	1 (Low) – 5 (High)
	Annual Net Profit	Financial performance in terms of net profit generated.	1 (Low) – 5 (High)
	Return on Investm ent (ROI)	Rate of return on investment earne d by micro business owners.	1 (Low) – 5 (High)

Data Analysis

The data collected from the questionnaire were analyzed using descriptive statistics, correlation analysis, and structural equation modelling (SEM). Descriptive statistics were used to summarize the demographic characteristics of the participants and to provide an overview of the variables of interest, including debt level, market orientation, consumer behaviour, and financial performance. Correlation analysis was conducted to examine the relationships between the variables of interest. Pearson's correlation coefficient was used to determine the strength and direction of the relationships between debt level, market orientation, consumer behaviour, and financial performance. Structural equation modelling (SEM) with SMARTPLS 3 was employed to investigate the mediating role of consumer behaviour in the relationship between debt level, market orientation, and financial performance. SEM allows for the simultaneous analysis of multiple relationships and provides a more comprehensive understanding of the complex interactions among variables.

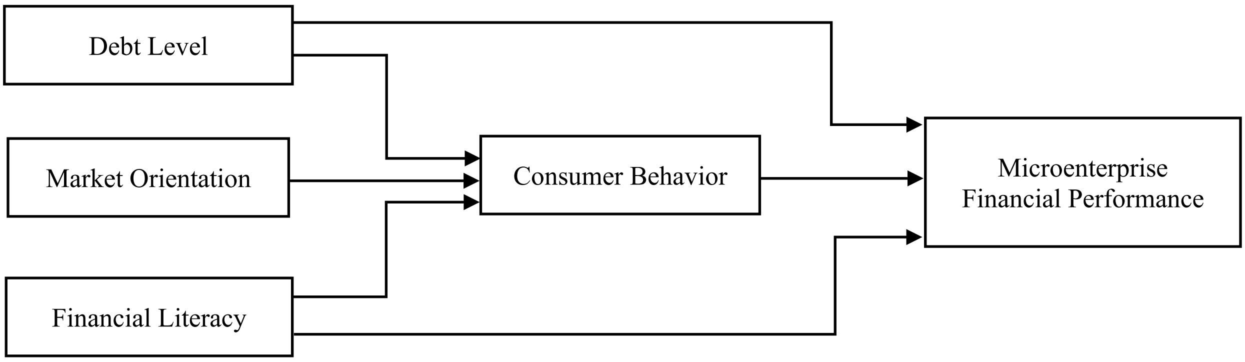

Figure 1. Conceptual Framework

Results and Discussion

Demographic Data

Table 2. Number of Sample Criteria Representing the Population

No	Category	n = Sample	Percent (%)
1	Beverages	10	3,92
2	Snacks	16	6,14
3	Sweets	33	12,92
4	Rice	51	19,84
5	Chicken & Duck	22	8,49
6	Fast Food	6	2,48
7	Bakery	6	2,22
8	Japanese	6	2,35
9	Bakso & Soto	10	3,92
10	Noodles	24	9,53
11	Korean	1	0,52
12	Coffee	6	2,48
13	Martabak	6	2,22
14	Pizza & pasta	8	3,13
15	Chinese	6	2,48
16	Satay	2	0,91
17	Western	3	1,04
18	Seafood	14	5,35
19	Middle Eastern	24	9,53
20	Thai	0	0,13
21	Indian	1	0,39
Total		**257**	**100,00**

Table 2 describes the Number of Criteria Samples representing the Population, which provides information on the number of samples used to represent the various food and beverage categories. Table 2 also provides the percentage of each category to the total sample size.

Table 3. Characteristics of respondents based on demographic data (n = 257)

Demographics	Total	%
Genap		
• Man	144	56
• Woman	113	43.9
Age *(Years)*		
• 18 – 25	30	15.2
• 26 – 33	32	15.8
• 34 – 41	106	53.2
• 41 - 48	87	14.6
• Up to 48	2	1.2
Marital Status		
• Married	177	68.8
• No / Unmarried	80	31.1
Education Level		
• Senior High School	86	33.4
• Diploma	15	5.8
• Bachelors	100	38.9

Table 3, "Characteristics of Respondents by Demographic Data," provides information on the demographic profile of the 257 respondents who participated in the study or research. In this table, four main demographic aspects are presented, namely gender, age, marital status, and latest education, along with the number of respondents in each category and their percentage of the total number of respondents. First, the respondents' gender is divided into two categories, namely male and female. Of the total respondents, 144 respondents (56%) were male, while 113 respondents (43.9%) were female. This illustrates a balanced ratio between the two genders in the study. Secondly, the age of the respondents was also broken down into groups. The 18-25 age group had 30 respondents (15.2%), the 26-33 age group had 32 respondents (15.8%), the 34-41 age group was the largest group with 106 respondents (53.2%), the 41-48 age group had 87 respondents (14.6%), while the over 48 age group had only two respondents (1.2%). Thus, most respondents are between 34 and 41 years old, the dominant age group in this study. Third, the table presents information on the respondents' marital status. 177 respondents (68.8%) are married, while 80 respondents (31.1%) are not or have not been married. This illustrates that most of the respondents in the study are married individuals. Fourth, the last education of the respondents was also distributed in three categories. There were 86 respondents (33.4%) with a high school education, 15 respondents (5.8%) with a diploma, and 100 respondents (38.9%) with an undergraduate education. This shows that most respondents have an undergraduate level of education, with a significant number also coming from high school graduates.

Statistical Result

Table 4. Outer Loadings

	Consumer Behavior	Debt Level	Financial Literacy	Market Orientation	Microenterprise Financial Performance
CB1	0.780				
CB2	0.880				
CB3	0.805				
DL1		0.794			
DL2		0.726			
DL3		0.793			
DL4		0.749			
FL1			0.737		
FL2			0.839		
FL3			0.777		
FPSME1					0.791
FPSME2					0.864
FPSME3					0.807
MO1				0.761	
MO2				0.881	
MO3				0.848	

Table 4 presents the "Outer Loadings" used in factor analysis or principal component analysis (PCA) to measure the relationship between the variables in the study and the factors that may influence them. This table shows the loadings for each variable concerning specific factors. In Table 4, the observed variables are Consumer Behavior (CB), Debt Level (DL), Financial Literacy (FL), Market Orientation (MO), and Microenterprise Financial Performance (FPSME). Each variable has numbered sub-indices or sub-variables (such as CB1, CB2, CB3, DL1, DL2, etc.) representing specific aspects of the primary variable. The results of this analysis show the extent to which each sub-variable contributes to the factors in this study. High loading values indicate a strong relationship between the sub-variables and the relevant factor. For example, if we look at the Financial Literacy (FL) variable, we can see that the FL2 sub-variable has a loading of 0.839. This indicates that FL2 strongly contributes to the factor related to Financial Literacy. Likewise, the Microenterprise Financial Performance (FPSME) variable shows that FPSME2 has a loading of 0.864, which strongly contributes to the relevant factor. In addition, some sub-variables may not have a loading on a particular factor, indicating that the sub-variables may not be related to the factor. For example, in Market Orientation (MO), the MO1 sub-variable has no loading on any factor, which may indicate that this sub-variable has no significant influence on the factor analyzed in this study.

Table 5. Construct Reliability and Validity

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Consumer Behavior	0.698	0.718	0.834	0.628

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Debt Level	0.766	0.772	0.850	0.587
Financial Literacy	0.687	0.686	0.828	0.617
Market Orientation	0.776	0.786	0.870	0.692
Microenterprise Financial Performance	0.758	0.761	0.861	0.674

Table 5, which explains "Construct Reliability and Validity", presents the results of measurements that are important in factor analysis or construct development in research. It includes various metrics used to evaluate the reliability and validity of each of the constructs measured in this study. Cronbach's Alpha is one of the metrics used to measure construct reliability. A high Cronbach's Alpha value indicates that the construct has good consistency. In this table, all the constructs, such as Consumer Behavior, Debt Level, Financial Literacy, Market Orientation, and Microenterprise Financial Performance, have good Cronbach's Alpha values, ranging from 0.687 to 0.776. This indicates that all the constructs have an acceptable level of reliability. rho_A is another metric to measure construct reliability and indicates the consistency between the sub-variables used in measuring the construct. The rho_A values are also relatively high for all the constructs in the table, indicating that the measurement of these constructs is reliable. Composite reliability measures the reliability of a construct by combining all the sub-variables used in the construct.

The results show that all constructs have a high Composite Reliability, ranging from 0.828 to 0.870. This indicates that the constructs are reliable and consistent measurement tools. Average Variance Extracted (AVE) is a metric that measures construct validity. A high AVE value indicates that the construct strongly correlates with the sub-variables used to measure it. In this table, all constructs have relatively high AVE values, ranging from 0.587 to 0.692. This indicates that the constructs have adequate validity. Overall, the results in this table indicate that all constructs in this study have adequate reliability and validity, so the measurements used can be considered accurate and reliable. These results support the integrity of the analysis conducted in the study and provide confidence that the constructs can be used to describe the variables under study effectively.

Table 6. Fornell-Larcker Criterion

	Consumer Behavior	Debt Level	Financial Literacy	Market Orientation	Microenterprise Financial Performance
Consumer Behavior	0.792				
Debt Level	0.546	0.766			
Financial Literacy	0.596	0.542	0.785		
Market Orientation	0.596	0.649	0.581	0.832	
Microenterprise Financial Performance	0.570	0.550	0.477	0.472	0.821

Table 6 describes the "Fornell-Larcker Criterion", which is a tool used to evaluate construct validity in factor analysis or principal component analysis (PCA). This table allows researchers to assess the extent to which the constructs measured in this study have discriminatory validity, meaning how well they can be distinguished. In Table 6, the matrix shows the relationship between the constructs in the form of correlations between one construct and another. The diagonal value of the matrix is the square root of the Average Variance Extracted (AVE) for each construct. AVE is a measure of construct validity that has been described in the previous table. The results in Table 6 show that the main diagonal of the matrix (from top left to bottom right) is the AVE value for each construct, which is a measure of the internal validity of the construct. The results show that the AVE of each construct is greater than the correlation between the construct and other constructs in the same column. In other words, each construct has more substantial internal validity than its correlation with other constructs in this table. This indicates that the constructs in this study can be well distinguished from each other, and this result supports the discriminative validity of the constructs. In other words, the constructs measured in this study can describe different aspects of the phenomenon under study and do not overlap in their measurements. The results in Table 6 validate that the constructs used in this study have good validity and are reliable in measuring different aspects of the phenomenon under study. This gives confidence that the measurement tools used in this study are effective in distinguishing between different constructs and can provide deeper insights into the relationship between the variables in the study.

Table 7. R Square

	R Square	R Square Adjusted
Consumer Behavior	0.467	0.458
Microenterprise Financial Performance	0.414	0.403

Table 7 lists two essential metrics, namely R Square and Adjusted R Square, which are commonly used in linear regression analysis. These metrics refer to how well the constructed linear regression model can explain the variation in the dependent variable (in this case, Consumer Behavior and Microenterprise Financial Performance). The R Square value, first, measures the extent to which the variation in the dependent variable (Consumer Behavior and Microenterprise Financial Performance) can be explained by the regression model that has been built. The R Square values listed are 0.467 for Consumer Behavior and 0.414 for Microenterprise Financial Performance. This indicates that the regression model can explain about 46.7% of the variation in Consumer Behavior and about 41.4% in Microenterprise Financial Performance. In other words, about 46.7% and 41.4% of the variation in the two variables can be explained by the independent variables in the regression model. The Adjusted R Square value, secondly, is a variation of the R Square that has been adjusted for the number of predictors in the model. It provides a more conservative estimate of the extent to which the regression model explains variation in the dependent variable. The Adjusted R Square values are 0.458 for Consumer Behavior and 0.403 for Microenterprise Financial Performance. These values tend to be lower than the R Square due to accounting for the number of predictors in the model. This suggests that although the regression model can explain most of the variation in Consumer Behavior and Microenterprise Financial Performance, there is potential to consider other factors that might affect these two variables. Overall, the results from Table 7 provide an overview of the extent to which the regression model constructed can explain variation in Consumer Behavior and Microenterprise Financial Performance. While the model can explain most of the variation, there is still variation that the model cannot explain. This suggests that other factors influence Consumer Behavior and Microenterprise Financial Performance that need to be considered in further analysis.

Table 8. F-Square

	Consumer Behavior	Debt Level	Financial Literacy	Market Orientation	Micro-enterprise Financial Performance
Consumer Behavior					0.111
Debt Level	0.033				0.101
Financial Literacy	0.128				0.012
Market Orientation	0.077				
Microenterprise Financial Performance					

Table 8 explains that "F-Square" is a tool used in regression analysis to measure the effect of predictors on the dependent variable. This table shows the F-Square value for each combination of the dependent variable (i.e., Consumer Behavior, Debt Level, Financial Literacy, Market Orientation, and Microenterprise Financial Performance) and a particular predictor. In the context of Table 7, we see that the F-Square value on the table's diagonal (from top left to bottom right) is zero. This is because the dependent variable does not predict itself. That is, the Consumer Behavior variable does not predict Consumer Behavior, Debt Level does not predict Debt Level, etc.

In contrast, F-Square values outside the main diagonal indicate the effect of the predictor (independent variable) on the corresponding dependent variable. For example, if we look at the cells in the row "Debt Level" and the column "Consumer Behavior," we can see an F-Square value of 0.033. This indicates that the Debt Level variable has an effect of 0.033 on the Consumer Behavior variable. In the context of regression analysis, this illustrates the extent to which Debt Level affects or predicts Consumer Behavior. Similarly, we see the off-diagonal F-Square values for other combinations of variables, such as "Debt Level" and "Microenterprise Financial Performance", with a value of 0.101, indicating the effect of Debt Level on Microenterprise Financial Performance. It is important to note that the F-Square value illustrates the statistical significance of the effect of the predictor on the dependent variable. The higher the F-Square value, the more significant the effect of the predictor on the dependent variable. Using the F-Square table, the researcher can evaluate and understand the extent to which specific predictors affect the dependent variable in the regression analysis, helping identify the factors most significant in predicting or influencing the dependent variable in the research context.

Table 9. Model Fit

	Saturated Model	Estimated Model
SRMR	0.084	0.084
d_ULS	0.968	0.968
d_G	0.386	0.386
Chi-Square	390.174	390.007
NFI	0.683	0.683

Table 9 describes the "Model Fit" used to evaluate how the statistical model used in the data analysis fits the resulting data. This table compares two models, the "Saturated Model" and the "Estimated Model", using various model evaluation metrics.

1. SRMR (Standardized Root Mean Square Residual) is one of the metrics used to measure the extent to which the model fits the observed data. In this table, both models have an SRMR of 0.084. This indicates that both models have a similar fit to the resulting data. A lower SRMR indicates a better fit.
2. d_ULS is a metric that measures the difference between the singular value decomposition (SVD) value of the correlation matrix in the model and the SVD value of the correlation matrix in the actual observed data. The d_ULS value is 0.968 for both models, which indicates that they have a similar level of fit to the observational data.
3. d_G is a metric that measures the difference between the correlation matrix of the model and the correlation matrix in the actual observation data. The d_G value is 0.386 for both models, indicating that they also have a similar level of fit to the observational data.
4. Chi-square is a test statistic that measures how much the statistical model fits the data. In this table, the Chi-Square is 390.174 for the saturation model and 390.007 for the estimated model. As this difference is minimal, the two models are almost identical regarding fit to the data. The smaller the Chi-Square value, the better the statistical model fits the data, but this difference is often insignificant in the context of statistical analysis.
5. NFI (Normed Fit Index) is a metric used to measure how much the model fits the data. The NFI value was 0.683 for both models, indicating a similar fit to the observational data.

Overall, this table shows that the saturation model and the estimated model have similar levels of fit to the resulting data. These results indicate that the estimated models fit well with the data and can be used in statistical analysis to describe the relationship between the variables in the study.

Table 10. F-Square

	Consumer Behavior	Debt Level	Financial Literacy	Market Orientation	Microenterprise Financial Performance
Consumer Behavior					0.111
Debt Level	0.033				0.101
Financial Literacy	0.128				0.012
Market Orientation	0.077				
Microenterprise Financial Performance					

In this context, the matrix in Table 10 measures the influence or relationship between the variables of Consumer Behavior, Debt Level, Financial Literacy, Market Orientation, and

Microenterprise Financial Performance. When we look at the cells that have values, such as the cell in the row "Debt Level" and column "Consumer Behavior" with a value of 0.033, it indicates that the Debt Level variable has a positive influence of 0.033 on the Consumer Behavior variable. In other words, an increase in Debt Level corresponds to an increase in Consumer Behavior of 0.033. In addition, the cell in the row "Financial Literacy" and column "Consumer Behavior" with a value of 0.128 indicates that Financial Literacy has a positive influence of 0.128 on Consumer Behavior. This indicates that an increase in Financial Literacy is associated with an increase in Consumer Behavior of 0.128. Furthermore, the cell in the row "Market Orientation" and column "Consumer Behavior" with a value of 0.077 indicates that Market Orientation has a positive influence of 0.077 on Consumer Behavior. This indicates that an increase in Market Orientation is associated with an increase in Consumer Behavior of 0.077.

Furthermore, the cell in the row "Debt Level" and column "Microenterprise Financial Performance" with a value of 0.101 indicates that Debt Level has a positive influence of 0.101 on Microenterprise Financial Performance. This indicates that an increase in Debt Level is associated with an increase in Microenterprise Financial Performance by 0.101. Furthermore, the cell in the row "Financial Literacy" and column "Microenterprise Financial Performance" with a value of 0.012 indicates that Financial Literacy has a positive influence of 0.012 on Microenterprise Financial Performance. This indicates that an increase in Financial Literacy is associated with an increase in Microenterprise Financial Performance by 0.012. Furthermore, the cells in the row "Market Orientation" and column "Microenterprise Financial Performance" are blank, indicating that in the context of this analysis, there is no significant effect of Market Orientation on Microenterprise Financial Performance. This matrix provides insight into how the variables influence each other in this study and allows the researcher to understand how changes in one variable may affect the other. It also helps identify the factors that are most significant in predicting or influencing other variables in the study.

Table 11. Direct Effect

	Sample Mean	Standard Deviation	T Statistics	P Values
Consumer Behavior → Microenterprise Financial Performance	0.332	0.091	3.693	0.000
Debt Level → Consumer Behavior	0.193	0.083	2.166	0.031
Debt Level → Microenterprise Financial Performance	0.377	0.086	4.267	0.000
Financial Literacy → Consumer Behavior	0.326	0.091	3.652	0.000
Financial Literacy → Microenterprise Financial Performance	0.222	0.079	2.803	0.005
Market Orientation → Consumer Behavior	0.287	0.075	3.809	0.000
Market Orientation → Microenterprise Financial Performance	0.095	0.036	2.665	0.008

In Table 11, the results of hypothesis testing for several relationships between variables are shown. Let us interpret the results:

1. Consumer Behavior → Microenterprise Financial Performance has a coefficient value of 0.337, more significant than the mean value (0.332) with a very small p-value

(0.000). This indicates that the relationship between Consumer Behavior and Microenterprise Financial Performance is statistically significant and positive.

2. Debt Level → Consumer Behavior has a coefficient value of 0.181, smaller than the mean value (0.193) with a p-value of 0.031. This indicates that the relationship between Debt Level and Consumer Behavior is statistically significant but negative.
3. Debt Level → Microenterprise Financial Performance has a coefficient value of 0.367, smaller than the mean value (0.377) with a very small p-value (0.000). This indicates that the relationship between Debt Level and Microenterprise Financial Performance is statistically significant and positive.
4. Financial literacy → Consumer Behavior has a coefficient value of 0.332, greater than the mean (0.326) with a very small p-value (0.000). This indicates that the relationship between Financial Literacy and Consumer Behavior is statistically significant and positive.
5. Financial Literacy → Microenterprise Financial Performance has a coefficient value of 0.222, which is like the mean value (0.222) with a p-value of 0.005. This indicates that the relationship between Financial Literacy and Microenterprise Financial Performance is statistically significant, but this relationship appears to be quite weak.
6. Market Orientation → Consumer Behavior has a coefficient value of 0.286, almost like the mean value (0.287) with a very small p-value (0.000). This indicates that the relationship between Market Orientation and Consumer Behavior is statistically significant and positive.
7. Market Orientation → Microenterprise Financial Performance has a coefficient value of 0.096, almost like the mean value (0.095) with a p-value of 0.008. This indicates that the relationship between Market Orientation and Microenterprise Financial Performance is statistically significant, but this relationship appears to be relatively weak.

This result provides a deeper understanding of the relationship between the variables in the study, the extent to which the relationship is statistically significant, and whether the relationship is positive or negative. This helps the researcher assess whether the hypotheses proposed in the study have been statistically proven.

Table 12. Indirect Effect

	Standard Deviation	T Statistics	P Values
Debt Level → Consumer Behavior → Microenterprise Financial Performance	0.036	1.700	0.090
Financial Literacy → Consumer Behavior → Microenterprise Financial Performance	0.042	2.649	0.008
Market Orientation → Consumer Behavior → Microenterprise Financial Performance	0.036	2.665	0.008

Table 12 describes the "Indirect Effect" used to evaluate the indirect effects of independent variables on the dependent variable through intermediate variables. Each row in this table details the indirect effect of a particular independent variable on the dependent variable through an intermediate variable, along with the relevant statistics. Let us interpret the results one by one:

1. Debt Level → Consumer Behavior → Microenterprise Financial Performance: The indirect effect value is 0.065. This indicates that part of the effect of Debt Level on Microenterprise Financial Performance is explained through the mediation of Consumer Behavior. This value is the result of statistical testing with a T-statistic of 1.700 and a p-value of 0.090. A p-value more significant than the 0.05 significance level indicates that this indirect effect is not statistically significant. In other words, the relationship between Debt Level and Microenterprise Financial Performance is not fully explained by Consumer Behavior.
2. Financial literacy → Consumer Behavior → Microenterprise Financial Performance: The indirect effect value is 0.108. This indicates that part of the effect of Financial Literacy on Microenterprise Financial Performance is explained through the mediation of Consumer Behavior. This value results from statistical testing with a T-statistic of 2.649 and a p-value of 0.008. The p-value is smaller than the 0.05 significance level, indicating that this indirect effect is statistically significant. In other words, the relationship between Financial Literacy and Microenterprise Financial Performance is partially explained by Consumer Behavior.
3. Market Orientation → Consumer Behavior → Microenterprise Financial Performance: The indirect effect value is 0.095. This indicates that part of the effect of Market Orientation on Microenterprise Financial Performance is explained through the mediation of Consumer Behavior. This value results from statistical testing with a T-statistic of 2.665 and a p-value of 0.008. The p-value is smaller than the 0.05 significance level, indicating that this indirect effect is statistically significant. In other words, the relationship between Market Orientation and Microenterprise Financial Performance is partially explained by Consumer Behavior.

The results from Table 12 provide information on the extent to which the intermediate variable (Consumer Behavior) mediates the relationship between the independent variables (Debt Level, Financial Literacy, and Market Orientation) and the dependent variable (Microenterprise Financial Performance). A statistically significant result indicates that the intermediary variable explains part of the effect of the independent variable on the dependent variable. Conversely, statistically insignificant results indicate that the intermediate variables may not play a significant role in explaining the relationship. This provides a deeper insight into the relationship dynamics in statistical analysis.

Discussion

a) *Correlation between Debt Level, Consumer Behavior, and Microenterprise Financial Performance*

Debt Level in Small and Medium Enterprises (SMEs) is a critical factor that can have a significant impact on Consumer Behavior as well as Microenterprise Financial Performance. In this analysis, we will look at four critical aspects of Debt Level, including Amount of Debt, Debt Interest Rate, Duration of Debt, and Debt to Asset Ratio, and their impact on consumer behaviour and small enterprise financial performance. The amount of debt is a critical factor influencing SMEs' financial decisions. If SMEs have a high debt, they may experience pressure to maintain sufficient cash flow to service the debt. The impact on consumer behaviour is that consumers may become more cautious in their purchases. They may feel hesitant to deal with businesses that have large debts, fearing the uncertainty of the business' sustainability. High amounts of debt may also limit flexibility in pricing products or services, which may affect consumers' Purchase Motivation. In terms of Microenterprise Financial Performance, a high debt can increase financial risk. Fulfilling debt obligations becomes a priority, which may interfere with investment in business development or innovation. This can reduce Annual Revenue, Net Profit, and Return on Investment (ROI).

Debt interest rate is an essential factor in determining the cost of debt. High-interest rates can increase the cost of borrowing for SMEs, which can affect the price of their products or services. Consumers may look for lower-priced alternatives, affecting Purchase Motivation and Attitude towards Brand. On the financial side, high-interest rates can increase a company's interest expense, reducing Annual Net Profit and ROI. This may hamper the company's ability to allocate funds for development and growth. Debt duration is a factor that affects the payment schedule and financial stability of the company. A short debt duration can provide financial stability and help a company maintain competitive product or service prices.

Consumers may feel confident in transacting with businesses with consistent payment schedules, which can increase Attitude towards the Brand and support purchase decisions. In terms of Microenterprise Financial Performance, short debt duration can reduce financial risk and stress. However, a short duration may ensure the enterprise's liquidity is maintained. The optimal duration should be chosen based on the financial condition and objectives of the enterprise. The debt-to-asset ratio reflects the extent to which a firm's assets are funded through debt. This ratio can give an idea of the company's financial risk. If the debt-to-asset ratio is high, consumers may become more cautious in interacting with the company, worrying about their financial stability. Attitudes towards the brand may be affected by this perception. In terms of Microenterprise Financial Performance, a high debt-to-asset ratio can increase financial risk. It can reduce Annual Revenue, Annual Net Profit, and ROI, as the company must bear a more significant debt burden.

b) Correlation between Market Orientation, Consumer Behavior, and Microenterprise Financial Performance

Market Orientation is a business approach that focuses on a deep understanding of the market and consumer needs. In this framework, we will explain how the three critical elements of Market Orientation, namely Market Segmentation Used, Marketing Strategies Used, and Customer Satisfaction Level, affect Consumer Behavior and Microenterprise Financial Performance.

The use of market segmentation is an essential step in understanding consumers better. Through segmentation, companies can identify groups of consumers with similar characteristics, preferences, and needs. This allows companies to design more appropriate marketing strategies and products or services that align with consumer preferences. In this case, the selected segment can be an essential factor in influencing Purchase Motivation, as products tailored to specific segments tend to be more attractive to consumers in those segments. Good market segmentation can help companies allocate resources more efficiently. It can reduce unnecessary marketing costs and increase promotional effectiveness. As a result, it can increase Annual Revenue and Net Profit and optimize ROI. The marketing strategies companies use can shape consumers' perceptions of brands and products. For example, marketing strategies focusing on product quality can increase Attitude towards Brand, while competitive pricing strategies can influence Purchase Motivation. Marketing strategies can also influence consumers' Decision-Making Process, such as the choice of brand or product they are considering. The selection of the right marketing strategy will affect the success rate of the marketing campaign and, ultimately, the company's financial results. An effective strategy can increase revenue and profitability, while an inappropriate strategy may only consume resources if it delivers satisfactory results. Customer satisfaction levels are a key factor in developing an Attitude towards a Brand. Satisfied consumers tend to have a more positive view of the brand and are likelier to make repeat purchases. Customer satisfaction can also shape the Decision-Making Process, where satisfied customers may be more loyal and less likely to seek alternatives. Customer satisfaction is a key element in maintaining and expanding market share. Satisfied customers tend to be more loyal, which can increase revenue through repeat sales. Conversely, dissatisfied customers can reduce sales and negatively impact Annual Revenue and Net Profit. Increased Customer Satisfaction can also support increased ROI through sustainable business development. Overall, an innovative and practical Market Orientation approach has a significant impact on consumer behaviour and the financial performance of small businesses. When companies understand the market and consumers better, they can design more relevant marketing strategies and more suitable products. This can lead to an increase in consumers' Purchase Motivation, Attitude towards Brand, and Decision-Making Process while also increasing the company's Annual Revenue, Annual Net Profit, and Return on Investment (ROI). Customer satisfaction is critical in maintaining positive and sustainable consumer relationships, supporting growth and sound financial performance for small businesses.

c) *Correlation between Financial Literacy, Consumer Behavior, and Microenterprise Financial Performance*

Financial literacy is the ability of an individual or company to understand and manage financial aspects properly. In the consumer context, the level of financial literacy can have a significant impact on consumer behaviour, which in turn affects microenterprise financial performance. Let us discuss in more depth the impact of three critical aspects of financial literacy, namely Knowledge of Interest and Interest Rates, Understanding of Investment, and Ability to Manage Budgets on Consumer Behavior and Microenterprise Financial Performance.

Knowledge of interest and interest rates is fundamental to financial decision-making. Individuals or companies that have good knowledge in this regard will be better able to understand concepts such as loan interest or savings interest. This can affect Purchase Motivation, as they will be more likely to compare banking, lending, or investment products favourably. They can also avoid the pitfalls of high-interest rates, which might reduce impulse purchases or loans. Knowledge of interest and interest rates is essential in debt and investment management. Companies that understand this aspect can make wiser decisions in choosing financing and investment options that optimize Return on Investment (ROI) and Annual Net Profit.

An understanding of investments allows individuals to make smarter financial decisions. Consumers knowledgeable about different types of investments are more likely to invest long-term and look for products or services that match their investment goals. This can also affect Attitude towards Brand, as brands that offer quality investment products will be more desirable. An understanding of investments is important in managing a company's investment portfolio. Companies that have a good understanding of investments will be able to manage funds more efficiently and optimize ROI. Managing a budget is an important skill in personal spending control. Consumers who can manage budgets well will be more likely to make rational purchasing decisions based on their priorities and financial goals. This can influence consumers' Decision-Making Process, as they will be more likely to choose products or services that fit within their budget. The ability to manage a budget is a key element in managing a company's finances. Companies that are efficient in budget management will be able to control costs, increase Annual Net Profit, and support sustainable growth. Overall, financial literacy plays a vital role in shaping consumer behaviour and the financial performance of small firms. Individuals or firms with a good knowledge of interest and interest rates, an understanding of investments, and the ability to manage budgets will be more likely to make wise financial decisions. This can affect Purchase Motivation, Attitude towards Brand, Decision-Making Process, and ultimately, Microenterprise Financial Performance, which includes Annual Revenue, Annual Net Profit, and Return on Investment (ROI). Therefore, efforts to improve financial literacy can bring significant benefits to individuals and small businesses.

Conclusion

In conclusion, this paper has explored the role of Debt Level, Market Orientation, and Financial Literacy in shaping consumer behaviour and Microenterprise Financial Performance. These three factors have been identified as key elements that significantly impact the success of small firms and their relationships with consumers. Debt Level is an important factor that small firms must consider in managing their financial risk. Wise debt management, which includes factors such as the amount of debt, debt interest rate, duration of debt, and debt-to-asset ratio, is crucial for maintaining positive relationships with consumers and achieving good financial performance. Firms should strive to understand the appropriate capital structure and manage debt carefully. By doing so, they can build trust and support from consumers who appreciate companies with wise debt management practices.

Market Orientation is another critical element that strongly influences consumer behaviour and financial performance. Small firms must understand the market and consumer needs and implement relevant marketing strategies and customer satisfaction initiatives. Effective market segmentation, targeted marketing strategies, and high customer satisfaction levels are all essential for attracting and retaining consumers. It is crucial for companies to continuously monitor changes in consumer behaviour, identify relevant market segments, and improve customer satisfaction levels. Likewise, consumers should consider supporting brands that place a high emphasis on customer satisfaction and offer products and services that meet their specific needs. Financial literacy plays a significant role in both consumer behaviour and financial performance. Individuals and small firms must possess a basic understanding of interest rates, investments, and budget management to make informed financial decisions. Improving financial literacy at both the individual and organizational levels is crucial. Firms should prioritize providing financial training and education to their employees and consumers to enhance their understanding of financial matters. On the other hand, consumers should take the initiative to improve their knowledge and understanding of interest rates, investments, and personal budget management. A more financially literate consumer base can make wiser financial decisions and contribute to a healthier business and consumer ecosystem. Overall, this paper suggests that a comprehensive understanding and effective management of Debt Level, Market Orientation, and Financial Literacy are paramount for achieving good financial performance and positive consumer relations. By fostering awareness, education, and wise management of these factors, all parties involved in the business and consumer ecosystem can reap significant benefits. Companies can enhance their financial performance while meeting consumer needs, and consumers can make more informed financial decisions. This symbiotic relationship is the key to success in today's increasingly complex and competitive world of business and consumers.

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