

Most Filipino MSMEs start businesses to support family — BCG

MOST micro, small and medium enterprises (MSMEs) in the Philippines start a business to support their families, according to Boston Consulting Group (BCG).

“Our main finding is that most Filipino MSMEs are in business for deeply personal reasons,” Jamie Bawalan, a principal at BCG, told *BusinessWorld*. “Sixty-four percent say they started their business to achieve financial independence for their family.”

Filipinos also go into business to pursue their passion (41%), while 38% do so to support their children’s education, according to BCG’s survey with the Trade department conducted in the last quarter of last year.

These motivations set Filipino MSMEs apart from their Southeast Asian counterparts. For instance, a similar survey in Indonesia found that 77% of MSMEs there were motivated by a desire to empower their communities.

“Filipino MSMEs see business as a way to protect their families and secure their future,” Ms. Bawalan said. “It’s less about building empires and more about building stability.”

BCG surveyed more than 3,000 local MSMEs across various sectors including manufacturing, retail and food services.

For many Filipino MSMEs, growth is predominantly measured by revenue, with 60% of entrepreneurs identifying it as their primary indicator of success. Other growth strategies such as cost reduction, technology investment or workforce expansion were less frequently cited.

“This suggests many MSMEs are still in survival mode,” Ms. Bawalan said. “They’re focused on staying afloat and keeping the business moving. Profit margins are tight. Cashflow is still king.”

She noted that market volatility has made local MSMEs more cautious in their business decisions — whether it’s managing expenses, expanding operations or even taking out loans.

Despite the central role that access to financing plays in business growth, only 33% of Filipino MSMEs are positive about the financial support available for their ventures.

Ms. Bawalan said many continue to rely on personal savings, family and friends or informal lenders despite the fact that formal loans often come with low and reasonable interest rates.

Forty-two percent of MSMEs have not applied for loans, citing fear of debt, while others cited high interest rates (34%) or the belief that borrowing is unnecessary (21%).

“We didn’t expect the gap between fear and reality when it comes to financing,” she said, citing the widespread hesitancy toward formal financial institutions.

To address this gap, Ms. Bawalan suggested offering tailored credit solutions such as small, low-risk loans linked to business behavior.

These loans could help MSMEs gradually build trust in formal financial channels, ultimately bridging the financing gap that many businesses face, she added. — **Edg Adrian A. Eva**

Philippine brands told to adapt content for AI-enhanced search

PHILIPPINE BRANDS should tailor their online content to align with artificial intelligence (AI)-driven search algorithms to stay visible in an increasingly competitive digital landscape, according to digital marketing firm Truelogic, Inc.

“We have come to a period when brands are going to have to create content to satisfy the learning objective of the bot, so that the bot will feature them,” said Bernard N. San Juan III, managing partner at Truelogic, told *BusinessWorld* via Zoom.

He noted that while brands should still focus on creating top-funnel content aimed at building awareness and attracting potential customers, the structure of this content should be more competitive and engaging than that of their rivals, he added.

Mr. San Juan said AI has complicated top-of-funnel marketing, which is traditionally focused on engaging and educating potential customers during the awareness phase of the buying journey.

“If they’re not producing that [kind of content], their potential customer is getting intercepted at the AI level by their competing brand, not them,” he pointed out.

He also cited the impact on the bottom funnel, where leads are near the purchasing stage. Failure to optimize for AI in the top funnel could result in lost sales opportunities downstream, he added.

“The brand has to get concerned when they realize that losses in the top funnel are affecting the bottom funnel,” he said.

Since the launch of Google Search’s AI Overviews feature last year, businesses have been compelled to reassess how they approach online visibility.

The feature, which generates summaries above traditional search results, is rapidly gaining traction. A recent Truelogic study found that AI Overviews now appear in 13% of Google searches, up from 6.5% earlier in the year.

Mr. San Juan said brands that use clear, straightforward lan-

guage — free from jargon — are more likely to be featured in these AI-generated summaries.

“Right now, most people are interacting with the AI at the ninth-grade level — that’s the level of language that we’re using with the AI,” he said. “So, it will look for that [kind of] language to satisfy questions.”

Truelogic’s study also found that brands cited in Google’s AI Citations — direct references and hyperlinks included in AI Overviews — tend to experience an increase in web traffic.

“The problem with brands is that they’re using so much legalese, and the AI does not like that,” he said, noting that complex language could hinder a brand’s chances of being featured in AI-generated content.

To help brands improve their digital presence, Truelogic has launched a search optimization service aimed at improving brand visibility through AI search algorithms. Mr. San Juan predicts that

brands using this service could see a 10% increase in feature snippets and citation volume.

Despite the potential benefits for brands, Google’s AI Overviews have faced criticism, particularly from publishers.

The Independent Publishers Alliance recently filed an anti-trust complaint against Google, accusing the company of misusing web content to the detriment of independent publishers’ readership, traffic and revenues.

The group said publishers are unable to opt out of having their content used in AI summaries.

As AI continues to reshape search engine results, Mr. San Juan advised brands to regularly archive and update outdated information to avoid what is known as AI “hallucinations” — inaccurate or misleading AI-generated content.

Erroneous information affects brand integrity, he said, citing the importance of maintaining accurate and current content online. — **Beatriz Marie D. Cruz**

Google

What is top of funnel marketing?

All

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AI Overview

Top of funnel (TOFU) marketing refers to the initial stage of the marketing funnel, focusing on raising brand awareness and attracting potential customers who are not yet aware of your product or service. It's about casting a wide net to capture the attention of a broad audience who might be interested in what you offer.



Here's a more detailed explanation:

Key Objectives of TOFU Marketing:

Increase brand awareness:

Make your brand known to a wider audience.

What is Top-of-Funnel Marketing? Tactics & Tips - Iterable

For example, you might offer an email newsletter, tips via SMS, a YouTube channel, ...

Iterable

How Top-of-Funnel Marketing Works and Top 3 Tactics to Try - Outbrain

Dan Martin. 2 years ago. Top-of-funnel marketing is a lot like fishing. You 'plaise' your...

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Meta, X and LinkedIn appeal VAT claim by Italy

MILAN — US tech giants Meta, X and LinkedIn have lodged an appeal against an unprecedented value-added tax (VAT) claim by Italy that could influence tax policy across the 27-nation European Union (EU), four sources with direct knowledge of the matter said on Monday.

This is the first time that Italy has failed to reach a settlement agreement after bringing tax cases against tech companies, resulting in a fully-fledged judicial tax trial being launched.

According to the sources, this came about because the case went beyond agreeing on a settlement figure and sought to establish a broader approach focused on how social networks provide access to their services.

Italian tax authorities argue that free user registrations with X, LinkedIn and Meta platforms should be seen as taxable transactions as they imply the exchange of a membership account in return for a user’s personal data.

The issue is especially sensitive given wider trade tensions between

the EU and the administration of US President Donald J. Trump.

Italy is claiming €887.6 million (\$1.03 billion) from Meta, €12.5 million from X and around €140 million from LinkedIn.

Meta, the parent company of Facebook and Instagram, Elon Musk’s social network X and Microsoft’s LinkedIn filed their appeals with a first instance tax court after mid-July, when the deadline for responding to a tax assessment notice issued by Italy’s Revenue Agency in March passed.

According to several experts consulted by Reuters, the Italian approach could affect almost all companies, from airlines to supermarkets to publishers, who link access to free services on their sites to users’ acceptance of profiling cookies.

It could also eventually be extended across the EU where VAT is a harmonized tax.

In a statement to Reuters, Meta said that it had cooperated “fully with the authorities on our obligations under EU and local law.”

It added that the company “strongly disagrees with the idea that providing access to online platforms to users should be subject to VAT.”

LinkedIn said it had “nothing to share at this time.”

X did not respond to a request for comment from Reuters.

ROME SEEN SEEKING EU ADVISORY

It is uncertain whether a full trial of the matter, which involves three levels of judgement and takes an average of 10 years, will go ahead.

Following discussions with the three companies, Italy is preparing as a next step to seek an advisory opinion from the European Commission, the sources said.

The Italian Revenue Agency will have to prepare specific questions, which the Economy Ministry will then send to the EU Commission’s VAT Committee, which meets twice a year.

Rome aims to submit its questions for the meeting scheduled

to be held by early November, in order to receive the EU’s comments in time for the following meeting in spring 2026.

Italy’s Economy Ministry and Revenue Agency declined to comment.

The EU Commission’s VAT Committee is an independent advisory group. While its assessment will be non-binding, a “no” could prompt Italy to halt the case and ultimately drop the criminal investigation by Italian prosecutors, according to the sources.

The dispute is one of several between Europeans and US Big Tech.

On July 11 Reuters exclusively reported that Meta would not be tweaking its pay-or-consent model further despite the risk of EU fines.

According to a *Financial Times* report on July 17, the European Commission has stalled one of its investigations into Mr. Musk’s platform X for breaching its digital transparency rules while it seeks to conclude trade talks with the US. — **Reuters**

SoftBank and OpenAI’s Stargate aim building small data center by yearend

STARGATE, a multibillion-dollar effort by ChatGPT’s creator OpenAI, SoftBank and Oracle to supercharge the US’ artificial intelligence (AI) ambitions is now setting the more modest goal of building a small data center by the end of the year, likely in Ohio, the *Wall Street Journal* reported on Monday.

In January, US President Donald J. Trump hosted top tech chief executive officers at the White House to highlight the \$500-billion Stargate Project, which would create more than 100,000 jobs in the country.

SoftBank and OpenAI, which jointly lead the joint venture, have been at odds over crucial terms of the partnership, including where to build the sites, the report said, citing people familiar with the matter.

In a joint statement, the two companies told Reuters they were moving “with urgency

on site assessments” and were also advancing projects in multiple states.

When the project was unveiled, the companies involved, along with other equity backers of Stargate, had committed \$100 billion for immediate deployment, with the remaining investment expected to occur over the next four years.

Oracle Chairman Larry Ellison said at the time that the first of the project’s data centers was already under construction in Texas.

Mr. Trump has prioritized winning the AI race against China and declared, on his first day in office, a national energy emergency aimed at removing all regulatory obstacles to oil and gas drilling, coal and critical mineral mining, and building new gas and nuclear power plants to bring more energy capacity online. — **Reuters**

Microsoft server hack hits about 100 organizations

WASHINGTON/LONDON — A sweeping cyber espionage operation targeting Microsoft server software compromised about 100 organizations as of the weekend, two of the organizations that helped uncover the campaign said on Monday.

Microsoft on Saturday issued an alert about “active attacks” on self-hosted SharePoint servers, which are widely used by organizations to share documents and collaborate within organizations. SharePoint instances run off of Microsoft servers were unaffected.

Dubbed a “zero-day” because it leverages a previously undisclosed digital weakness, the hacks allow spies to penetrate vulnerable servers and potentially drop a backdoor to secure continuous access to victim organizations.

Vaisha Bernard, the chief hacker at Eye Security, a Netherlands-based cybersecurity firm, which discovered the hacking campaign targeting one of its clients on Friday, said that an internet scan carried out with the Shadowserver Foundation had uncovered nearly 100 victims altogether — and that was

before the technique behind the hack was widely known.

He declined to identify the affected organizations, saying that the relevant national authorities had been notified.

The Shadowserver Foundation confirmed the 100 figure. It said most of those affected were in the United States and Germany, and the victims included government organizations.

Another researcher said that, so far, the spying appeared to be the work of a single hacker or set of hackers.

Microsoft said it had “provided security updates and encourages customers to install them,” a company spokesperson said in an e-mailed statement.

It was not clear who was behind the ongoing hack, but Alphabet’s Google, which has visibility into wide swaths of internet traffic, said it tied at least some of the hacks to a “China-nexus threat actor.”

The Chinese Embassy in Washington didn’t immediately respond to a message seeking

comment; Beijing routinely denies carrying out hacking operations.

The FBI said on Sunday it was aware of the attacks and was working closely with its federal and private-sector partners, but offered no other details. Britain’s National Cyber Security Center said in a statement that it was aware of “a limited number” of targets in the United Kingdom. A researcher tracking the campaign said that the campaign appeared initially aimed at a narrow set of government-related organizations.

The pool of potential targets remains vast. According to data from Shodan, a search engine that helps to identify internet-linked equipment, over 8,000 servers online could theoretically have already been compromised by hackers. Shadowserver put the number at a little more than 9,000, while cautioning that the figure was a minimum.

Those servers include major industrial firms, banks, auditors, healthcare companies, and several US state-level and international government entities. — **Reuters**

UK and ChatGPT maker OpenAI sign new strategic partnership

LONDON — Britain and ChatGPT maker OpenAI have signed a new strategic partnership to deepen collaboration on artificial intelligence (AI) security research and explore investing in British AI infrastructure, such as data centers, the government said on Monday.

“AI will be fundamental in driving the change we need to see across the country — whether that’s in fixing the NHS (National Health Service), breaking down barriers to opportunity or driving economic growth,” Peter Kyle, secretary of state for technology, said in a statement.

The government has set out plans to invest £1 billion in computing infrastructure for AI development, hoping to increase

public compute capacity 20 fold over the next five years.

The partnership with OpenAI, whose tie-up with Microsoft once drew the scrutiny of Britain’s competition regulator, will see the company possibly increase the size of its London office, and explore where it can deploy AI in areas such as justice, defense, security and education technology.

In the same statement, OpenAI head Sam Altman praised the government for being the first to recognize the technology’s potential through its “AI Opportunities Action Plan” — an initiative by Prime Minister Keir Starmer to turn the UK into an AI superpower. — **Reuters**