

The Causal Relationship Factors Affecting to Performance for Luxury Business Operations Through Online Channels in Beijing Areas Republic of China

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Abstract

This article aimed to 1) study causal factors affecting fashion luxury business operations through online channels, 2) study the relationship of causal factors influencing the operation of fashion luxury business through online channels, and 3) develop a correlation pattern of causal factors affecting fashion luxury business operations through online channels. Quantitative research: The sample was Chinese luxury business entrepreneurs operating fashion items online, including 800 Chinese luxury goods dealers from 2016 to 2022. Four hundred samples were obtained through the Taro Yamane method of sample size calculation. Qualitative research: The sample comprised 11 telemarketers operating a luxury fashion business in Beijing, China. It mainly has three enterprise management personnel, two managers from the enterprise's human resources management department, and six senior employees with over ten years of experience in the marketing management department of the enterprise. There are two instruments for collecting data: questionnaires and in-depth interviews. Analysis of data by descriptive statistics and content analysis. The research results were found as follows:

1. Service quality, innovation, and seller marketing efforts impacted the buyer-seller relationship and the company's performance.

2. Service quality, innovation, and sellers' marketing efforts impacted the organization's performance and helped build a positive brand image and authenticity.

3. Businesses should prioritize service quality and relationship building to enhance buyer-seller relationship quality and overall performance. Companies can foster mutually beneficial customer relationships and achieve higher performance by focusing on these factors.

Keywords: Product Innovation; Marketing 7p; Service Quality; Relationship Quality; Buyer and Seller; Performance

Introduction

Luxury goods (luxury goods), or non-daily necessities, are defined nationally as "consumer goods with unique, scarce, and other characteristics beyond the scope of people's survival and development needs." In economics, luxury goods have the highest value-to-quality

ratio. It is the highest-quality and most expensive product, including high-end clothing, jewelry, luxury yachts, private jets, etc. Luxury Business Launched in September 2016, TikTok is a social media platform for short music videos created by ByteDance. It is a music, short film, and video community platform founded by Liang Lubo for all ages. Users can record or upload videos and photos through TikTok to form their work. TikTok classifies the works uploaded by users and pushes them to the browsing users on the site. TikTok supports multi-terminal viewing and use, including mobile, computer, network, TV, intelligent terminal (speaker, car), etc.

In the Chinese mainland's luxury market, the three fashion groups known to consumers are throughout the luxury fashion circle. This is a three-way confrontation. Globally, they cover the most established brands through continuous integration. Old giants include Louis Vuitton, Givenchy, Gran, Bulgari, and other brands; the most famous are Gucci, Balenciaga, Saint Laurent, Richecc Cartier, Van Cleef, Arappel, and Montblanc. Consumers on the Chinese mainland are interested in all other brands. The consumption of luxury goods has a vital role in modern lifestyles, both in industrialized nations in the West and in developing markets in the East. Luxury is a growing and significant economic sector that improves the welfare of many individuals worldwide.

Along with their reliance on unequal wealth and income distribution and their adverse effects, luxury businesses generate significant positive effects for the economy and society by encouraging economic growth, cultural enrichment, innovation, and environmentally sustainable business practices (Batat, 2019). The luxury market is related to luxury-branded products and services. Consumerism's growth and the democratization of luxury have prompted marketers' use of luxury branding strategies to demonstrate tangible or intangible benefits of their brands and persuade customers to upgrade in various industries, specifically consumer items (He & Sun, 2023). Customers can choose various luxury products, including watches, apparel, jewelry, cosmetics, cars, and hotels (Willersdorf et al., 2020). Physical characteristics include hedonic and utilitarian components like uniqueness, durability, or expensiveness, while psychological characteristics include aesthetic components like elegance or innovativeness.

As a result, those items are considered luxury items with high cost and exceptional quality, and they can exclusively show off the owner's status but are not essentials for daily living (Gutsatz & Heine, 2018). In recent years, research on the consumption of luxury items has expanded along with the remarkable growth trend in luxury items. Compared to earlier research that concentrated on the market for luxury products in industrialized nations, recent studies have addressed the rising consumption of luxury goods in China. This shift in the research focus is a solid indicator of how the global market for luxury products is evolving (Wang & Foosiri, 2018). Chinese customers choose luxury brands mainly from Paris, Milan, and London as they are less interested in domestic luxury goods. This may be because Chinese luxury brands have less history and cannot satisfy customer demands for high-quality and reputable products (Xinyang & Phakdeephrot, 2023). China's market for luxury goods has fluctuated in size in recent years (Ke & Yu, 2023), and the luxury consumption market in China is predicted to exceed those in Europe and America soon (Jiang et al., 2019).

In recent years, research on the consumption of luxury items has expanded along with the remarkable growth trend in luxury items. Compared to earlier research that concentrated on the market for luxury products in industrialized nations, recent studies have addressed the rising consumption of luxury goods in China. Nowadays, China's rapid development has demonstrated its ability to overtake Western developed nations as the world's largest consumer of luxury goods. Additionally, as China's economy has developed quickly in recent years, people's income and consumption levels have steadily climbed, and Chinese consumers' purchases of luxury products have proliferated.

What are the common factors affecting running a luxury fashion business online from the research question? What are the general factors that influence the online luxury fashion business? Moreover, how does the development of casual factors affect the online luxury fashion business? Therefore, the researcher set the research objectives to study causal factors that affect luxury fashion business operations through online channels. Study the relationship of causal factors influencing luxury fashion business operations through online channels and develop a correlation model of causal factors affecting the luxury fashion business. It is operated through online channels.

This research paper presents the causal relationship factors affecting the performance of luxury business operations through online channels in the Beijing Area of the Republic of China.

Research Objectives

1. To study causal factors affecting fashion luxury business operations through online channels.
2. To study the relationship between causal factors influencing the operation of fashion luxury businesses through online channels.
3. To develop a correlation pattern of causal factors affecting fashion luxury business operations through online channels.

Literature Review

Theory of Relationship Marketing

According to relationship marketing theory, an organization's relationship with an organization will get stronger as it provides value, which will boost customer retention and organizational performance. The theory postulates that an organization's procurement strategy can be the critical component in its capacity to provide buyers with superior value, and partner selection is becoming an increasingly significant component of competitive strategy (Hunt et al., 2006). Relationship marketing describes a transaction between buyer and seller motivated to make a satisfying exchange (Liu & Leepreecha, 2023). By offering a more customized purchase and leveraging the interaction to build stronger bonds (Boonyapraropchai & Premthongsuk, 2023), this strategy seeks to go beyond the post-buy-exchange procedure with a customer (Stavros & Westberg, 2009). This theory is based on the tenets of customer experience management, which helps improve customer interaction and the organization's performance. However, as online connections differ significantly from offline ones, marketing managers and academic researchers are particularly interested in establishing, cultivating, and maintaining successful consumer relationships in this relatively new setting (Steinhoff et al., 2019). Recently, many studies have adopted relationship marketing theory to examine the organization's performance. For instance, Bilgihan and Bujisic (2015) examined relationship marketing theory in online hotel booking.

As a result, this study will rely on relationship management theory to understand the value-driven relationships between buyers and sellers of luxury fashion brands in China and their impact on a firm's performance.

Theory of Innovation

Innovation is the application of concepts in a way that results in the creation of new products or services or enhances the provision of existing ones. Innovation reflects a novel marketing idea or approach that has never been employed before, typically incorporating a product or service's design, packaging, promotion pricing, sale strategy, and other elements.

In literature, "innovation" refers to creating new products using new information, technology, procedures, or the novel product itself. It is the capability to change and adapt while successfully executing new ideas, procedures, goods, or services (Lee & Trimi, 2018). In the innovation theory, the concept has been classified into four categories: product, organizational, process, or marketing. Product innovation refers to significant modifications in the characteristics of products; process innovation is significant modifications in the production or distribution process; organizational innovation refers to changes in business practice in the company's internal and external settings; and marketing innovation refers to changes in product design, packaging, and pricing (Berry & Berry, 2018). The launch of a new product is the first area, followed by the introduction of a new method or production process (Yoosuk et al., 2023), the opening of a new market, the acquisition of a new source of raw materials or semi-manufactured goods, and the establishment of a new industry-specific organization (Dziallas & Blind, 2019).

Moreover, innovation can be classified into dimensions depending on the novelty involved. Incremental innovation occurs when novelty only benefits the organization, and innovation involves enhancing the performance of components or processes (Jiaksungnoen & Rattanapongpinyo, 2023). On the other side, radical innovation refers to a significant or advanced modification, such as the development of a component that is also novel to the market (Grashof et al., 2019). However, this incremental or radical innovation division is separate from Schumpeter's initial idea. For Schumpeter, innovation has never been done before and is new to the market. As a result, incremental innovation exists outside Schumpeter's idea of innovation, and the emphasis, according to his view, is on radical innovation (Gomes et al., 2019).

Theory of 7P Marketing

7P marketing is the marketing technique businesses use to promote their goods or brand in a marketplace. This includes the product, pricing, place, promotion, people, process, and physical evidence. Product refers to the unique selling factors of the product offered; pricing is the product's long-term price plan; the place is the placing of the product for customers; promotion is the method to advertise a product; people are the target clients; the process is the delivery of the product to clients; and physical evidence refers to the experience of convincing clients to purchase the product.

The first element, product mix, comprises product-related elements like product type, design, quality, packaging, or service. Price is a marketing mix component that determines how much people will spend to purchase the product to satisfy their requirements. Place refers to the market location where the vendor sells or distributes his goods to consumers. Promotion is interacting with customers to spread knowledge and inspire and persuade them to generate demand for the goods sellers provide (Loo & Leung, 2018). The element of people refers to the function of people in the supply of goods that might influence customer views.

In contrast, the process element generates a promised value for the customer and explains the service method. Lastly, physical evidence relates to the physical aspects of the business location in the surroundings (Yuliantine et al., 2018). These seven elements effectively position a company in the market and can be applied with varied degrees of force. Each of these 7Ps has historically played a significant role in differentiating businesses from competitors. Since products, consumer markets, and demands change quickly, businesses frequently review these 7Ps to ensure they are on track and achieve the best results in the current marketplace (Saidani & Sudiarditha, 2019).

In addition, Nason and Wiklund (2018) highlighted that the early conceptual work on resource-based theory had gained excellent support due to empirical investigations showing

that firm-specific factors matter more than environmental or industry-related factors in determining an organization's performance. Most recent research examining the research-based view's ability to predict performance has endorsed it. In recent years, many studies have been conducted that have relied on this theory to explain an organization's performance in different contexts, like entrepreneurial organizations (e.g., Alvarez et al., 2017), banks (e.g., Soewarno & Tjahjadi, 2020), or hotels (e.g., Zhang et al., 2018). As a result, in the present study's context, the resource-based view theory will facilitate in understanding how the internal and external resources of China's fashion market, like innovation, 7P Marketing, service quality, and buyer-supplier relationship, affect its performance in both financial and non-financial contexts.

Theory of Service Quality

The essential step in any organization's growth is service quality. It measures how well an organization understands and meets the demands of customers. It is an assessment by the customer of the service quality the service provider offers. The concept of service quality often comprises the evaluation of five service-related factors: reliability, responsiveness, assurance, compassion, and physical evidence.

Service quality is conceptualized by comparing the perceived expectation of a service with its perceived performance. Enhancing service quality has become a significant challenge for businesses striving to thrive in competitive marketplaces and satisfy customers (Prakash, 2018). The five critical components of service quality are reliability, tangibility, empathy, responsiveness, and assurance. Reliability is the capacity and consistency of an organization to deliver a specific service that meets its customers' needs. Tangibility refers to an organization's ability to convey service quality to its customers. Empathy is how a business provides services to appeal to customers' needs and wants. An organization's responsiveness can be defined as its commitment and capacity to offer customers prompt services such as receiving, evaluating, and promptly responding to customer requests, feedback, and queries. Lastly, a customer's confidence and trust in a specific business is assurance (Palese & Usai, 2018). Service quality is a component that defines customer satisfaction, resulting in better organizational performance. High-quality goods and services increase customer satisfaction, which in turn increases profitability. Besides, good service quality makes consumers feel valued, and this positive experience frequently leads to word-of-mouth promotion of an organization and an increase in brand awareness (Fatima et al., 2019).

Theory of Relationship Quality between Buyer and Seller

The relationship quality between buyer and seller reflects a shared loyalty and desire to support one another. In order to achieve success, establishing and maintaining quality relationships between buyer and seller is crucial. The four types of relationships between buyers and sellers are transactional, functional, affiliative, and strategic.

Relationship quality is regarded as a general evaluation of a relationship's strength and is crucial in maintaining long-term relationships. It is a collection of intangible values expected to lead to a long-term relationship between connected parties (Dadzie et al., 2018). The concept of buyer-seller relationships is a complex and multifaceted subject that academics have researched over the years. Various theories and models around relationship quality offer helpful insights into how long-lasting relationships between buyers and sellers might be created (Che et al., 2018). In terms of buyer and seller, the relationship quality between buyer and seller is determined by ongoing buyer and seller interaction and the history of interaction, representing each party's viewpoint, intention, and attitude. This degree of quality relationship between buyer and seller depends on various elements like trust, promise, satisfaction, and cooperation of each party (Butt, 2019). The literature has identified trust as a critical element influencing a

customer to establish and maintain a relationship with the service provider. It is considered a significant factor in determining the quality of the relationship between buyer and seller (Handfield, 2019).

Additionally, one of the critical elements in determining the quality of a buyer-seller relationship is satisfaction with the relationship. Customer satisfaction is a crucial cornerstone for customer-related businesses across various industries. It is the key to success in a fiercely competitive business environment (Gupta et al., 2019). Apart from that, the promise of justice and equity is the cornerstone of a quality relationship between a buyer and seller. The perceived fairness of the exchange relationship, including the perceived equity of rewards and benefits, determines the quality of this relationship. Besides, cooperation in a buyer-seller relationship allows one to handle better the interdependent tasks of buying and selling, ensuring a quality relationship between both parties (Hussain et al., 2020).

Itani et al. (2020) recently adopted this theory to understand buyer-seller information exchanges. They examined how salespeople working in the business-to-business sector use various tools to fulfill their responsibilities across borders. Figure 2.2 depicts the general social exchange model that Cropanzano et al. (2017) adopted. Panel 1 represents a positive hedonic value resulting in a high-quality relationship, while Panel 2 represents a negative hedonic value resulting in a low-quality relationship. Hence, due to the significance of this theory in understanding the buyer-supplier relationship, the current study will rely on this theory to understand the buyer-supplier relationship, particularly in China's luxury fashion market.

Theory of Performance

Performance refers to the ability of a business to meet its goals while adapting constantly to improve results. This performance can be measured in two ways: either financially or non-financially. Indicators such as profit, turnover, or market share can be used to measure financial performance; at the same time, customer satisfaction, word of mouth, brand awareness, and the success of marketing campaigns are non-financial performance indicators.

Depending on the context, the concept of performance is a multi-dimensional one. In general, performance denotes the extent to which a person or an organization satisfies particular objectives or standards. It refers to an organization's capacity to achieve its objectives and maximize its goals. It can be evaluated in different ways, such as through self-report assessments, objective performance metrics, or subjective evaluation (Navimipour et al., 2018). Setting and controlling three performance levels—organizational, process, and performer—is necessary for effective performance management. Goal setting, task difficulty, feedback, motivation, and environmental elements like stress are a few variables that can impact performance. In addition, external environmental elements like working conditions, organizational culture, organizational assets, HR management, organizational structure, economic or technological considerations, and leadership quality can impact an organization's performance (Yousaf & Majid, 2018). Generally, an organization's performance is measured in both financial and non-financial aspects. A stronger focus on long-term success than short-term financial performance can be achieved through integration and well-designed financial and non-financial metrics.

Both performance measures help track financial and non-financial indicators, capturing the strengths and weaknesses of an organization (Albuhisi & Abdallah, 2018). An organization's financial health can be determined by measuring its financial performance. These metrics are used to assess the effectiveness of a business in utilizing its resources to produce stable revenue and operational profitability. These metrics primarily concern the organization's revenues, profitability, and cash flows (Malinda et al., 2019). A measure of establishing non-financial indicators of an organization is non-financial performance measurement. These metrics

concentrate on an organization's overall quality and long-term success. These metrics primarily concern customer happiness and retention, brand growth, staff engagement, organizational capability, and market share (Refmasari & Supriyono, 2019).

Conceptual Framework

This research study combines business-related factors such as innovation, 7P marketing, service quality, and the quality of the buyer-supplier relationship. on the organization's performance, especially luxury online fashion brands in China. The details are as follows.

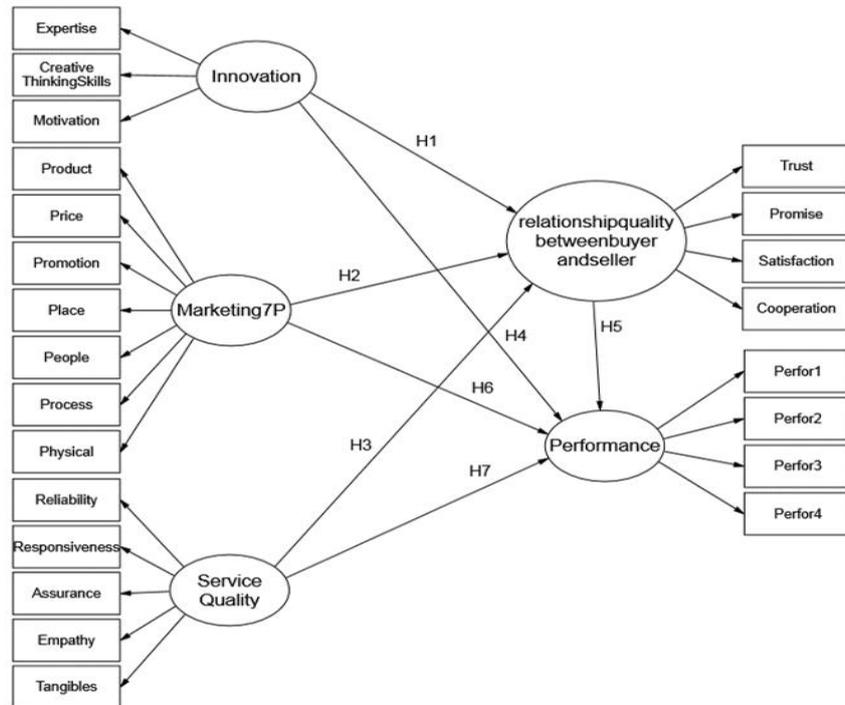


Fig.1. Conceptual Framework

Research Methodology

This research is a combined method research. The research area is the Chinese fashion luxury business, Beijing City, the capital of China, located in Hebei province. The quantitative research population is Chinese luxury business entrepreneurs who are operating fashion items on online mediums. The sample group consisted of 400 Chinese luxury business entrepreneurs who are operating fashion items on online mediums. In simple randomization qualitative research, the sample was 11 entrepreneurs operating fashion luxury businesses in Beijing, China. There are two types of research tools: 1) The questionnaire is divided into two parts: (1) general data and (2) factors affecting consumers' online purchase of luxury goods, which are used to study the impact of business models.

Moreover, 2) an in-depth interview to understand and interpret complex phenomena by examining subjective experiences, perspectives, and social contexts. The researcher collected data between November 2022 and April 2023. Descriptive analysis: Descriptive statistics will be generated to summarize and describe the main characteristics of the variables under investigation. This includes mean, median, mode, standard deviation, frequency, and percentages. Inferential analysis: The inferential statistical techniques will be used to test

hypotheses, examine relationships, and determine the significance of findings. Qualitative: Use document research, analyze and synthesize data, and then write a descriptive narrative.

Research Results

Objective 1. The results showed that service quality, innovation, and sellers' marketing efforts impacted the buyer-seller relationship and even the company's performance.

Table 1. The mean and standard deviation of the opinion level of innovation

Variable Innovation	Statistics	\bar{x}	S.D.	Comment level
I provide support and assistance to the creation of new products or services		3.0750	1.24831	Neutral
I vigorously promote the use of new technology and innovative processes		3.3230	1.37780	Neutral
I have developed and promoted a culture that appreciates and promotes creative problem-solving and thinking		3.2000	1.49015	Neutral
I encourage staff collaboration to generate innovation		3.2050	1.23360	Neutral
I often allocate resources and funds to encourage innovative initiatives		3.2800	1.29646	Neutral
I often provide training and development opportunities to enhance employees' innovative skills and knowledge		3.0900	1.31386	Neutral
I am okay with taking calculated risks and experimenting with new ideas or approaches to promote organizational innovation.		3.1725	1.37202	Neutral
Total		3.1921	1.13744	

From Table 1, the descriptive statistics were conducted to find the respondents' opinions about innovation with a mean of 3.192, SD = 1.137. The mean values are from 3.075 for the first item to 3.280 for the fifth item. The table presents various innovation-related statements, their corresponding mean scores, standard deviations, and an interpretation of the comment level as "Neutral." The mean scores indicate the average level of agreement or disagreement with each statement on a Likert scale.

Table 2. The mean and standard deviation of the opinion level of 7P marketing

7P Marketing	Statistics Variable	\bar{x}	S.D.	Comment Level
Our customer is happy with our product quality		3.2100	1.32865	Neutral
We offer pricing which has good value for money		3.2200	1.30992	Neutral
Our products are made available in all parts of China easily		3.1750	1.37990	Neutral
We have used various advertising strategies to express the product's benefits and features		3.2050	1.33320	Neutral
Our brand representatives are trained to be polite and informative.		3.1725	1.27939	Neutral
We have kept our purchasing through online mediums straightforward.		3.2225	1.34070	Neutral
Our products are made physically appealing and attractive for potential customers		3.1750	1.39974	Neutral
Total		3.1971	1.04029	

Table 2 presents the mean and standard deviation values of respondents' opinion levels regarding the 7P marketing factors. The table comprises various statements related to different

aspects of marketing, accompanied by their corresponding mean scores, standard deviations, and an interpretation of the comment level as "Neutral." The overall mean score for the total responses is 3.1971, indicating a neutral stance towards the 7P marketing factors.

Table 3. The mean and standard deviation of the opinion level of service quality

Service Quality	Statistics Variable	\bar{x}	S.D.	Comment Level
The physical structures and technology used by our organization are modern and visually appealing		3.1125	1.27039	Neutral
We try to deliver services on time and as promised, consistently		3.1525	1.28389	Neutral
We try to be as responsive as possible in addressing customer requests and inquiries		3.2375	1.43570	Neutral
Our staff possess knowledge, professionalism, and the ability to build trust and confidence		3.1425	1.22103	Neutral
Our staff remains attentive to individual customer needs and requirement		3.2550	1.30354	Neutral
Our staff is trained to show courtesy and respect and treat clients with dignity		3.1850	1.28838	Neutral
We have our services and products accessible quickly and effortlessly		3.2050	1.33320	Neutral
Total		3.1843	0.97376	

Table 3 displays the mean and standard deviation values of respondents' opinion levels regarding service quality. The table presents various statements related to different aspects of service quality, along with their corresponding mean scores, standard deviations, and an interpretation of the comment level as "Neutral." The overall mean score for the total responses is 3.1843, indicating a neutral opinion toward service quality among the respondents. A standard deviation of 0.97376, indicating a relatively low level of variability or dispersion in respondents' opinions regarding service quality, suggesting a certain degree of consistency in their perceptions.

Table 4. The mean and standard deviation of the opinion level of relationship quality

Relationship Quality	Statistics Variable	\bar{x}	S.D.	Comment Level
Our regular buyers trust us and our products		3.1725	1.27939	Neutral
We and our buyers rely on each other to fulfill our commitments		3.2225	1.34070	Neutral
We try to cooperate with our buyers to improve the relationship		3.1125	1.27039	Neutral
Our customers are highly satisfied with their interactions with our staff members.		3.1525	1.28389	Neutral
We have long-term relationships with most of our customers.		3.2375	1.43570	Neutral
We have established an open communication between our manufacturers and the customers.		3.3225	1.37777	Neutral
We have developed value and respect for each other's opinions and perspectives		3.2000	1.49015	Neutral
Total		3.2029	1.02562	

Table 4 presents the mean and standard deviation values for respondents' opinion levels regarding relationship quality. The table consists of statements addressing various aspects of

relationship quality, accompanied by their respective mean scores, standard deviations, and an interpretation of the comment level as "Neutral." The overall mean score for the total responses is 3.2029, indicating a neutral opinion toward relationship quality among the respondents. A relatively low standard deviation of 1.02562 indicates moderate consistency and limited variability in respondents' perceptions regarding relationship quality.

Table 5. The mean and standard deviation of the opinion level of performance

Performance	Statistics Variable	\bar{x}	S.D.	Comment level
We have gradually improved our revenue and profitability since the start of the organization.		3.2050	1.23360	Neutral
Most of our customers are retained and satisfied		3.2800	1.29646	Neutral
Our processes and performance as an organization are improving every year.		3.3225	1.37777	Neutral
The growth in our organization has allowed for effective targeting and personalization of marketing efforts.		3.2000	1.49015	Neutral
Total		3.2519	1.12967	

Table 5 presents the mean and standard deviation values for respondents' opinion levels regarding performance. The table consists of statements that assess various aspects of performance, along with their respective mean scores, standard deviations, and an interpretation of the comment level as "Neutral." The overall mean score for the total responses is 3.2519, indicating a neutral opinion regarding performance among the respondents, with a standard deviation of 1.12967, indicating a moderate level of variability.

Objective 2. The results showed that service quality, innovation, and sellers' marketing efforts impacted the organization's performance and helped build a positive brand image and authenticity.

Table 6. Reliability analysis for all items

Variables of measurement	Items	Corrected item correlation	a if item is deleted	a
Innovation (IV)	INN1	.863	.921	0.937
	INN2	.895	.917	
	INN3	.820	.925	
	INN4	.721	.933	
	INN5	.555	.948	
	INN6	.850	.922	
	INN7	.871	.920	
7P marketing (IV)	PM1	.486	.898	0.890
	PM2	.662	.877	
	PM3	.635	.881	
	PM4	.816	.858	
	PM5	.615	.883	
	PM6	.789	.862	
	PM7	.809	.859	
Service quality (IV)	SQ1	.587	.855	0.867
	SQ2	.637	.848	
	SQ3	.792	.825	
	SQ4	.534	.861	
	SQ5	.664	.844	
	SQ6	.648	.847	
	SQ7	.611	.852	
Relationship quality (MV)	RQ1	.558	.869	0.875
	RQ2	.587	.866	
	RQ3	.611	.863	
	RQ4	.665	.856	
	RQ5	.756	.843	
	RQ6	.687	.853	
	RQ7	.723	.848	
Performance (DV)	PER1	.683	.823	0.867
	PER2	.558	.870	
	PER3	.797	.772	
	PER4	.771	.784	

Table 6 provides the corrected item correlations and Cronbach's alpha coefficients if each item is deleted for the respective variables. For the variable "Innovation," the corrected item correlations range from .555 to .895.

Objective 3. The results showed that businesses should prioritize service quality and relationship building to enhance the quality of the buyer-seller relationship and overall performance. Companies can foster mutually beneficial customer relationships and achieve higher performance by focusing on these factors.

Table 7. Relationship quality between buyer and seller confirmatory component statistics

Factor	Factor Loading	Estimate	S.E.	C.R.	P	R ²	
RQ7 <-- Relationship quality Between buyer and seller	.708	.727	.035	20.613	***	50.2%	AVE
RQ6 <-- Relationship quality Between buyer and seller	.585	.556	.038	14.497	***	34.2%	0.990
RQ5 <-- Relationship quality Between buyer and seller	.997	1.000				99.5%	CR
RQ4 <-- Relationship quality Between buyer and seller	.639	.573	.033	17.081	***	40.9%	0.938
RQ3 <-- Relationship quality Between buyer and seller	.699	.622	.046	13.344	***	48.9%	
RQ2 <-- Relationship quality Between buyer and seller	.641	.599	.034	17.146	***	41.2%	
RQ1 <-- Relationship quality	.641	.584	.049	11.910	***	41.1%	

Factor	Factor Loading	Estimate	S.E.	C.R.	P	R ²
Between buyer and seller						

From Table 7, There was a good concordance with the empirical data with Chi – Square= 14.704, df = 5, P-Value = 0.012, and CMIN/df. = 2.941 < 3.0 and had a relative conformity index (CFI) of 0.994 > 0.90 and a GFI of 0.990 > 0.90 index. Corrected Conformity Index (AGFI) of 0.942 > 0.80. Root Mean Square Error Index (RMSEA) of 0.07 < 0.05. The type versus free form fit index (NFI) was 0.991 > 0.90, and the dependent form fit index (IFI) was 0.994 > 0.90. These indices met all nine indices, indicating that the model was consistent with the empirical data. There was a statistical significance level of 0.001 with component weight between 0.585 - 0.997, more significant than 0.40, the Multi-square Correlation Coefficient (R²), between 40.9% - 99.5%, the Average Variance Extracted: AVE was equal to 0.990, more significant than 0.50, Construct Reliability: CR was equal to 0.938, greater than 0.06.

Discussions

1. Innovation enhances buyer-seller relationships in three ways: providing a competitive edge leads to better buyer-seller relationships, enhancing experience and better buyer-seller relationships, offering better product offerings, and improving buyer-seller relationships. The study also showed that innovation positively influences the firm's performance. In order to look at both the effect of innovation over performance and the buyer-seller relationship, a few studies were reviewed to discuss the findings of current research in light of others. A study was done to see if the supplier's innovation can boost the firm's innovation performance and improve the critical modulators of the buyer-seller relationship (Elking et al., 2022). The study made use of social embeddedness theory. The research authors used Negative binomial regression to analyze the observations they had collected for manufacturing firms in the USA. The firms under study were CompStat, LexisNexis, and Bloomberg. The study's findings aligned with the two themes found in the current study (Elking et al., 2022). The innovation positively impacted the buyer's perception of innovation and the fact that they are getting something new, giving a competitive edge to the firm. Secondly, the buyer and seller relationship improved yet again, improving the performance of the firms.

2. Service quality also affected the buyer-seller relationship and the organization's performance. The themes that emerged were that merging reality strengthens the buyer-seller and that eqbuyer-seller effective communication helps to enhance service quality. Consistent and Reliable Service Delivery is an effective strategy to improve service quality. The findings of the earlier studies were reviewed to discuss the research findings in light of previous studies. The goal of the reviewed research was to investigate the impact of service quality on consumer satisfaction in the vehicle care business (Zygiaris et al., 2022). This approach measures service quality using five criteria: compassion, dependability, assurance, adaptability, and tangibles. The study's findings demonstrated that all five categories of service quality (empathy, dependability, assurance, responsiveness, and tangibles) had a substantial positive link with customer satisfaction and the buyer-seller relationship (Zygiaris et al., 2022). These findings aligned with the results of the current study, as both of them suggest that with increased quality, the b, buyer, and the se relationship increases.

3. The buyer and seller relationship was significant; it was the key to the firm's good performance. The results revealed two main themes: Increased Revenue and Market Share and the positive influence on the company's financial performance. Competitive Advantage and better performance of the company. Customer Satisfaction. The findings of the earlier studies were reviewed to discuss the research findings in light of previous studies. A study highlighted the importance of relationship quality, mainly focusing on trust and satisfaction (Crosby et al.,

1990). The study made use of a quantitative approach. The data after the collection was analyzed statistically. The study's findings showed the results obtained in this study the buyer-seller relationship improved as it improved, as did the level of trust and satisfaction in the buyers. A better satisfaction level and trust level were observed to increase the sales level and improve the company's performance related to the finances, another finding that correlates with the theme of the current study (Crosby et al., 1990).

Knowledge from Research

The link between innovation service quality relationship quality and efficiency is the foundation for future research initiatives on the key factors affecting organizational performance. This will be a helpful insight for organizations working in similar situations.

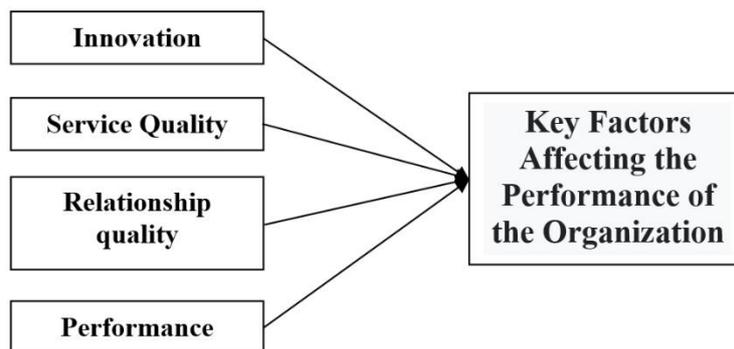


Fig. 2. New Knowledge

Conclusion

To conclude, the study's results highlighted important themes regarding these questions. Service quality, innovation, and seller marketing efforts impacted the buyer-seller relationship and even the company's performance. The buyer-seller relationship was significant for the performance of the organization. The results suggested that, according to the entrepreneur's implementation of the innovation, 7P marketing strengthens the buyer-seller relationship. The improvement in service quality also helped to improve the quality of the relationship. Secondly, it was seen that these variables also impacted the organization's performance; the interviewees gave examples of instances where incorporating these led to positive financial or brand performance; it also helps to build a positive brand image and authenticity.

Furthermore, the quantitative findings have revealed that Innovation, 7P Marketing, and Service Quality significantly influence the buyer-seller relationship quality. This suggests that innovative approaches, comprehensive marketing strategies encompassing the 7Ps (Product, Price, Place, Promotion, People, Process, and Physical Evidence), and high levels of service quality contribute to building and maintaining strong relationships between buyers and sellers. Furthermore, the study found that Innovation, Service Quality, and Relationship Quality were significant predictors of performance. This implies that businesses prioritizing innovation, delivering exceptional service quality, and fostering positive relationship dynamics are more likely to achieve better performance outcomes. Interestingly, the analysis revealed that Innovation and 7P Marketing did not significantly impact performance, suggesting that while comprehensive marketing strategies are essential for establishing and maintaining buyer-seller relationships, they may not directly translate into improved performance outcomes. However, it is worth noting that marketing efforts still play a crucial role in influencing relationship quality. Based on these findings, businesses should prioritize service quality and relationship

building to enhance the quality of the buyer-seller relationship and overall performance. Companies can foster mutually beneficial customer relationships and achieve higher performance by focusing on these factors.

Suggestions

The current research offers insightful information on the connections between performance, relationship quality, service quality, and innovation in buyer-seller relationships. However, several directions for future study might add to our grasp of this complicated connection and broaden our understanding of this subject. The moderating impacts of contextual variables on the link between innovation, service quality, relationship quality, and performance might be the first area of future study. The connections that have been identified may be significantly influenced by variables including industry type, organizational size, cultural influences, and market dynamics. A more thorough knowledge of the dynamics at work and practical applications suited to particular organizational settings would result from examining how these contextual factors interact with the significant variables of interest.

Second, longitudinal research might examine the causal links between performance, relationship quality, service quality, and innovation. Researchers may investigate these associations' chronological sequence and directionality by collecting data over a long period. This would make it possible to comprehend performance outcomes more thoroughly and how changes in innovation, service quality, or relationship quality affect them over time. Long-term studies help identify crucial organizational intervention points and provide insightful information on the nature of these relationships. Future studies can also examine the mediating processes that connect innovation, service quality, relationship quality, and performance. A more in-depth knowledge of the mechanisms underpinning these variables' interactions and influences would result from looking into the underlying processes that underlie these interactions and influences. Research could examine, for instance, how organizational learning, trust, or customer happiness mediate the link between performance and service quality. Such research would provide insight into the underlying psychological and behavioral processes influencing the observed results.

Furthermore, comparison research across various sectors, regions, and organizational settings may provide insightful information about the generalizability and application of the results. The external validity of the results would be strengthened, and a broader viewpoint on the subject would be provided by investigating if the associations found in this research hold in other contexts. Furthermore, cross-cultural research may reveal cultural differences in the performance-enhancing benefits of innovation, service quality, and relationship quality, emphasizing the significance of cultural subtleties in buyer-seller interactions.

According to future studies, technological developments such as digital platforms, artificial intelligence, or blockchains may influence the link between innovation, service quality, relationship quality, and performance. In the modern corporate environment, examining these technological developments affects buyer-seller interactions and their effects on performance results. Such would be essential. Studies would aid businesses in adapting to new technologies and using them to strengthen their competitive position and client connections.

By revealing the connections between innovation, service quality, relationship quality, and performance in buyer-seller interactions, this study lays the groundwork for future research. Future studies that consider contextual elements, longitudinal views, mediating processes, comparative analyses, cross-cultural dynamics, and the impact of technology improvements may deepen our knowledge of this complex connection. Exploring these options

would further our understanding of the subject and provide helpful guidance for businesses looking to boost productivity via relationship-building, innovation, and high-quality services.

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