GATR Journal of Business and Economics Review
GATR JOURNALS
Journal homepage: http://gatrenterprise.com/GATRJournals/JBER/vol9_2024_issue2.html
J. Bus. Econ. Review 9(2) 95 – 101 (2024)

Enhancing Women Entrepreneurs' Competitiveness in the Livestreaming Age

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ABSTRACT

Objective – This study aims to investigate how the quality of products and the ability to live-stream impact the competitive advantage of businesses operated by women entrepreneurs in the era of live-streaming.
Methodology – The methodology employed in this study was a quantitative approach utilizing an explanatory survey method. The data was collected using online surveys issued to 200 women entrepreneurs who have been in business for over two years and are located across Indonesia.
Findings – The data analysis utilized the Structural Equation Modeling (SEM) methodology via the Mplus program. The study's findings suggest that product quality has little impact on competitiveness. In addition, the ability to live-stream does not lessen the impact of product quality on competitiveness.
Novelty – The study reveals a compelling discovery: the capacity to live-stream significantly impacts competitiveness. This suggests that live-streaming is better suited as a predictor variable. Live-streaming capability is a crucial factor that entrepreneurs should not overlook, as it has the potential to enhance competitiveness quickly.
Type of Paper: Empirical
JEL Classification: M31; M20.
Keywords: Product Quality; Live streaming capability; Competitiveness.
Reference to this paper should be made as follows: Hendrayati, H; Kurnia, D; Sukmayadi, V; Marimon, F; Denan, Z; Hendri, M; Alwie, A.F. (2024). Enhancing Women Entrepreneurs' Competitiveness in the Livestreaming Age, *J. Bus. Econ. Review,* 9(2), 95–101. https://doi.org/10.35609/jber.2024.9.2(2)

1. Introduction

The correlation between product quality and business performance has been established for a considerable time. Indeed, corporations have placed a growing emphasis on quality during the last two decades (Lakhal & Pasin, 2008). Multiple empirical studies have consistently demonstrated that product quality positively impacts business performance. This is evidenced by increased profitability, reduced customer complaints, enhanced customer satisfaction, and improved operational efficiency (Bubber et al., 2022).

* Paper Info: Revised: July 19, 2024
Accepted: September 30, 2024
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Nevertheless, in the current digital age, the primary factor that can drive business performance and boost sales is no longer solely product quality. The rise in sales in the digital era is primarily driven by impulsive buying behavior, which often disregards product quality. This is because potential consumers are generally unaware of the specific products sellers promote. Multiple empirical studies support the argument that impulsive buying, which can lead to increased sales and business performance, is primarily influenced by hedonistic motivations, resource availability, shopping convenience (Dhewayanti & Dahlan, 2023), individual traits, motives, resources, marketing strategies (Iyer et al., 2020), types of goods sold, and communication (Mohan et al., 2013).

Citing multiple empirical research, it can be inferred that enhancing sales and improving business performance cannot just depend on product quality but must also incorporate additional variables that can encourage consumers to make spontaneous purchases. Live-streaming has been demonstrated to enhance consumer impulsive purchasing behavior, as evidenced by studies conducted by (Li et al., 2023) (Liu & Yu, 2024). The immersive quality of live broadcasting enhances the purchasing experience, resulting in impulsive purchases (Cui et al., 2022).

Live-streaming is a new technique and business model that has emerged due to the rapid advancement of information technology (Hossain et al., 2024). Live-streaming has gained significant traction worldwide (Sun et al., 2019). One of the key factors contributing to the surge in popularity of live-streaming is the global COVID-19 pandemic (Huo et al., 2023). The rising global trend of live-streaming as an interactive sales channel for many products, including apparel, electronics, furniture, jewelry, and food, is evident from the growing number of vendors opting for this method (Wongkitrungrueng et al., 2020).

Based on the latest data, the worldwide live-streaming market was worth USD 50.11 billion in 2020 and is projected to expand at a compound annual growth rate (CAGR) of 21.0% from 2021 to 2028 (Lu et al., 2022). These references suggest that utilizing live-streaming as a basis for commerce remains a very promising business model for enhancing consumer loyalty and ensuring long-term corporate success (Chong et al., 2023). Live-streaming can enhance business performance in various ways within the context of consumer engagement, emotional engagement, immersive experience, continued use, purchase intention, and purchase behavior (Chong et al., 2023).

Prior studies on live-streaming mostly concentrate on examining the influence of live-streaming features on enhancing sales and company performance (Dong et al., 2023) (Ming et al., 2021). These studies have not yet investigated the potential of a streamer to do live-streaming. However, the effectiveness of employing live-streaming as a tool in business operations will heavily rely on the proficiency of the streamer.

The lack of study on the capabilities of a streamer highlights a research gap characterized by a dearth of necessary studies that need to be conducted. This argument is supported by research conducted by (Luo et al., 2023), which emphasizes the necessity to prioritize research on streamer capacities as an urgent research topic. This will enable the empirical construction of the characteristics that contribute to the success of live-streaming. This research will specifically examine the context of women entrepreneurs.

Previous studies have extensively discussed various aspects of women entrepreneurs, including the role of women entrepreneurs in online businesses (Priya & Bose, 2021) as well as the factors contributing to their success, the challenges they face, and their overall performance (Al-Qahtani et al., 2022) (Noor et al., 2022). Despite the rapid development of women entrepreneurs in Indonesia (Hendrayati et al., 2019), there has been

limited research on their ability to utilize live-streaming-based trade. This study area has the potential to uncover valuable insights into implementing effective strategies for women's entrepreneurial practices.

To address the gap in existing research, a new empirical research model will be created that incorporates factors such as product quality, live-streaming capabilities, and competitiveness. The study will offer live-streaming capabilities as a moderator variable to identify scenarios in which product quality can affect competitiveness.

2. Literature Review

2.1 Product Quality on Competitiveness

Management experts have not yet agreed on the precise definition of product quality (Lakhal & Pasin, 2008). Nevertheless, scholars concur that the fundamental components of a superior product are those capable of satisfying the demands of the market (Zeithaml, 1988). (Zhou et al., 2008) argue that product quality manifests the advantage gained through differentiation.

The term "differentiation advantage" refers to the competitive edge a company gains when it offers products of superior quality compared to its rivals (Porter, 2008). In this scenario, having a differentiation advantage through superior product quality is crucial. The company's long-term competitiveness relies on its ability to consistently address the needs of its consumers effectively (Kurnia et al., 2023). Multiple empirical research has demonstrated that product quality has a favorable impact on competitiveness. For instance, (Hu et al., 2021), and (L. Wang et al., 2024) have all found evidence supporting this relationship. The following hypothesis is constructed by referring to the arguments and several findings from previous empirical research.

H1: *Product quality has a positive effect on competitiveness.*

2.2 Moderating Role of Live-streaming Capability

Live-streaming capability, as an emerging concept, pertains to the capacity of a seller or streamer to promote their items in real-time using the live-streaming function. To successfully engage in this procedure, a vendor or streamer must be able to provide a verbal account, engage in communication, and exhibit products while live broadcasting (Chen et al., 2023). It is crucial for potential consumers to have a captivating, educational, and engaging buying experience and feeling (Lo et al., 2022). During the subsequent phase, the shopping encounter and the emotional response experienced by consumers might stimulate a rise in sales (Geng et al., 2020), hence influencing competitiveness.

Using e-commerce live streaming can enhance customer involvement, positively impacting sales performance (Xu et al., 2024). With the increasing global popularity of live streaming, many merchants are embracing this technology to boost sales (Liu & Yu, 2024). Studies indicate that using live streaming platforms can diminish the psychological gap between purchasers and vendors, enhancing client confidence in both the merchandise and the individuals streaming them (Ming et al., 2021). Live streaming can enhance a company's marketing efficiency and boost short-term sales by removing obstacles to communication (Qing & Jin, 2022). The following hypothesis is constructed by referring to the arguments and several findings from previous empirical research.

H2: *Live-streaming Capability moderates the effect of product quality on competitiveness.*

3. Research Methodology

This study was conducted in Indonesia utilizing a quantitative methodology, where data was collected from respondents through a random selection process using online survey platforms. The survey included 200 women entrepreneurs who have been running businesses for over two years and conducting their operations on a digital platform. The Structural Equation Modeling (SEM) technique was utilized for quantitative data analysis utilizing the Mplus program.

The measurement instruments utilized in this study were derived and modified from various prior studies. For instance, the instrument employed to assess product quality was developed based on the research conducted by (Garvin, 1987) and (Zeithaml, 1988), whereas the research team created the instrument employed to evaluate live-streaming capability. However, the measurement of competitiveness in this study relied on a tool that multiple researchers had previously used. This approach was chosen because, as (Guerras-Martin et al., 2014) stated that competitiveness at the level of micro, small, and medium enterprises (MSMEs) is synonymous with overall competitiveness.

4. Result

The results of the measurement model analysis suggest that the proposed research model exhibits a satisfactory level of goodness of fit. These findings indicate that the model's RMSEA is 0.74, less than 0.8. Additionally, the CFI and TLI values are 0.981 and 0.972, respectively, surpassing the minimum requirement of 0.9. Furthermore, the measurement instrument we created for live-streaming capability (LSC) demonstrates sufficient discriminant validity. The loading factors for the LSC instrument are all 0.7, indicating a high level of evidence. Additionally, the construct reliability is 0.880. Table 1 presents the comprehensive findings of the measurements conducted on the structural model.

Table 1. Structural Model Analysis

Model	Estimate	SE	P-value
PQ → Competitiveness	0,021	0,103	0,838
LSC → Competitiveness	1,064	0,150	0,000
Interaction PQ*LSC	0,020	0,077	0,794

5. Discussion

The analysis results indicate that product quality does not significantly impact competitiveness (Estimate 0.021; p-value > 0.05). Consequently, the study's initial hypothesis (H1) is not viable. This discovery bolsters the research findings of (Jiang et al., 2023), which demonstrates that product quality has no impact on competitiveness.

The findings confirm our initial hypothesis that establishing competitiveness is not solely dependent on product quality in the current digital era. It also requires additional factors to generate a captivating and unforgettable shopping experience, leading to impulsive purchasing (Cui et al., 2022). These findings have significant implications for boosting sales and enhancing competitiveness.

Our research findings diverge from the conclusions of (L. Zhang et al., 2023), which contend that product quality plays a pivotal role in enhancing organizations' competitiveness. The presence of disparities in research findings fundamentally demonstrates that the correlation between product quality and

competitiveness is intricate and contingent upon the industry or business situation. Product quality is a crucial component that affects competitiveness in several industries, such as manufacturing (Q. Zhang et al., 2019).

However, in a firm that exclusively operates through a digital platform without engaging in production, competitiveness may be influenced by other elements that create a captivating impression and enhance the shopping experience for consumers. This argument is substantiated by multiple studies indicating that in the digital age, the decisive factor for competitiveness is no longer the quality of a product but rather the innovation strategy (Sayudin et al., 2023), digital technology (Lee & Cho, 2024), and adaptability (R. Wang, 2021).

The analysis results indicate that the second hypothesis (H2) provided in the study cannot be accepted. This means that the live-streaming capacity (LSC) does not modify the influence of product quality on competitiveness (Estimate 0.020; p-value> 0.05). The research results indicate that the moderator variable, live-streaming capacity (LSC), has a moderating influence and can predict outcomes.

Moderator predictor refers to a variable that is not influenced by the independent variable but is associated with the dependent variable. As a result, this variable solely functions as an independent variable in the model created (Sharma et al., 1981). The study reported in Table 1 reveals evidence of the moderator predictor impact, as indicated by the positive influence of live-streaming capability (LSC) on competitiveness (estimate = 1.064; p-value = 0.000 <0.05).

The results indicating that the capacity to live-stream (LSC) has a beneficial impact on competitiveness suggest that human resource proficiency, particularly in skills, plays a significant role in defining competitiveness in the digital age (Badriyah & Muhtarom, 2023). Research conducted by (Xu et al., 2024) supports the concept that combining live-streaming with a streamer's skills can enhance business efficiency and competitiveness and create new avenues for company expansion. This is because a streamer's abilities and appearance while live streaming can significantly impact viewers and their purchasing decisions (Tang et al., 2024).

Nevertheless, the utilization of live-streaming capacity (LSC) to enhance competitiveness is a strategy that yields immediate results in terms of competitiveness, as stated by (Qing & Jin, 2022). On the other hand, to establish enduring competitiveness, entrepreneurs must consistently prioritize the quality of the things they sell (Yang et al., 2024). Over time, the quality of a product will consistently have a significant impact on consumer perceptions and choices when making purchases (Yu & Jantan, 2023).

6. Conclusion, Implications, and Future Research

According to the data analysis findings, the quality of the product examined does not impact its competitiveness. The capacity to live-stream does not have a moderating impact on how product quality affects competitiveness. In contrast, this study delivers novel and significant discoveries demonstrating the direct impact of live-streaming capacity on competitiveness.

Research can offer practical insights for entrepreneurs, particularly female entrepreneurs, to not only focus on product quality but also to prioritize developing skills in live-streaming sales. These skills include effective storytelling to enhance consumer engagement, promote social interaction, and provide comprehensive product demonstrations.

Subsequent research can be carried out by utilizing both male and female entrepreneurs as respondents and subsequently examining gender features as a moderator variable. It is crucial to understand the impact of gender factors on a streamer's ability to live-stream.

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