



A Causal Relationship Model of 7P's Marketing Strategy and Business Innovation Capability Influencing the Business Success of Micro-Enterprises in Chanthaburi Province

โมเดลความสัมพันธ์เชิงสาเหตุของกลยุทธ์การตลาด 7P's และความสามารถทางนวัตกรรม
ธุรกิจที่มีอิทธิพลต่อความสำเร็จในการดำเนินธุรกิจของวิสาหกิจรายย่อยในจังหวัดจันทบุรี

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การวิจัยครั้งนี้มีวัตถุประสงค์เพื่อตรวจสอบความสอดคล้องของโมเดลความสัมพันธ์เชิงสาเหตุของกลยุทธ์การตลาด 7P's และความสามารถทางนวัตกรรมธุรกิจ และอิทธิพลทางตรง อิทธิพลทางอ้อม อิทธิพลรวมของตัวแปรที่มีอิทธิพลต่อความสำเร็จในการดำเนินธุรกิจของวิสาหกิจรายย่อยในจังหวัดจันทบุรี เป็นการวิจัยเชิงปริมาณ ในรูปแบบของการวิจัยเชิงสำรวจ ประชากร คือ ผู้ประกอบวิสาหกิจรายย่อย ในจังหวัดจันทบุรี สุ่มตัวอย่างโดยใช้วิธีแบบแบ่งชั้นภูมิตามสัดส่วนของภาคธุรกิจ และได้ทำการคัดเลือกตัวอย่างโดยการสุ่มตัวอย่างแบบง่าย ด้วยวิธีการจับฉลาก ได้ตัวอย่างจำนวน 280 ตัวอย่าง ทดสอบสมมติฐานด้วยสถิติแบบจำลองสมการโครงสร้าง การวิเคราะห์องค์ประกอบเชิงยืนยันและการวิเคราะห์เส้นทางอิทธิพล ผลการวิจัยพบว่า 1) โมเดลความสัมพันธ์เชิงสาเหตุมีความสอดคล้องกับข้อมูลเชิงประจักษ์ 2) กลยุทธ์การตลาด 7P's มีอิทธิพลทางตรงเชิงบวกต่อความสามารถทางนวัตกรรมธุรกิจ ความสามารถทางนวัตกรรมธุรกิจมีอิทธิพลทางตรงเชิงบวกต่อความสำเร็จในการดำเนินงานของวิสาหกิจรายย่อย และกลยุทธ์การตลาด 7P's มีอิทธิพลทางตรงต่อความสำเร็จในการดำเนินงานของวิสาหกิจรายย่อย และมีอิทธิพลทางอ้อมโดยส่งผ่านความสามารถทางนวัตกรรมธุรกิจ ประโยชน์ที่ได้รับจากการวิจัยในด้านวิชาการคือสามารถบูรณาการมุมมองด้านการตลาด และความสามารถเชิงนวัตกรรมสู่ความสำเร็จในการดำเนินงานของวิสาหกิจรายย่อย ส่วนในด้านการนำไปปฏิบัติ คือ แนวทางในการดำเนินงานสำหรับวิสาหกิจรายย่อย เพื่อบรรลุถึงเป้าหมายของธุรกิจตนเองต่อไปได้

คำสำคัญ : กลยุทธ์การตลาด 7P's ; ความสามารถทางนวัตกรรมธุรกิจ ; ความสำเร็จในการดำเนินธุรกิจ ; ผู้ประกอบการ ; วิสาหกิจรายย่อย

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ABSTRACT

This research aimed to examine the consistency of the causal relationship model of 7P's marketing strategy and business innovation capability and to study the direct, indirect, and overall effects of variables that influence the business success of micro-enterprises in Chanthaburi province. This research was quantitative in the form of a survey. The population consisted of micro-enterprise entrepreneurs in Chanthaburi province. The sample was randomly selected using a stratified sampling method based on the proportion of the business sector and simple random sampling using the lottery technique, resulting in 280 samples analyzed. The hypotheses were tested using structural equation modeling statistics, confirmatory factor analysis, and path analysis. The findings indicated that 1) the causal relationship model was consistent with the empirical data and 2) 7P's marketing strategy positively influenced business innovation capability directly. Business innovation capability positively influenced the business success of micro-enterprises directly, and 7P's marketing strategy had a positive direct effect on the business success of micro-enterprises and had an indirect effect through business innovation capability. The theoretical contribution is that it can integrate marketing perspectives and innovative ability to succeed in micro-enterprise operations. As for the implementation aspect, it can be used as a guideline for small enterprises to achieve their business goals.

Keywords : 7P's Marketing Strategy ; Business Innovation Capability ; Business Success ; Entrepreneur ; Micro-Enterprise

Introduction

According to the Office of Small and Medium Enterprises Promotion (OSMEP), the GDP of small and medium-sized enterprises (SMEs) is projected to grow by 4-5% by 2024, with positive trends in the tourism and export sectors. Nevertheless, certain challenges, such as high household debt levels, persist, along with the impact of steady high interest rates on consumer spending power and climate change. These challenges pose a significant obstacle for SMEs as they strive to ensure the sustainability of their business operations (MGR Online, 2023).

Thailand has long supported small and medium-sized enterprises (SMEs), empowering entrepreneurs to create products, services, and manufacturing processes. According to Jintana & Boonlab (2022), these individuals have a lot of inventive and innovative ideas. The Small or Medium Enterprises Promotion Act of 2000 defines SMEs, which have not yet been classified as micro-enterprises. In 2019, a new announcement was made to establish the defining characteristics of micro-enterprises (ME). The announcement specifies that ME are businesses engaged in manufacturing, services, wholesale, or retail industries with a workforce of no more than 5 people and an annual income of no more than 1,800,000 baht (Office of Small and Medium Enterprises Promotion, 2019). Despite the benefits of commercial registration, numerous ME still operate without it. This leaves them without proper marketing and assistance from the government and funding sources. Therefore, a systematic approach to consistently providing support and aid in various areas is crucial to strengthening these ME. This allows them to grow sustainably and make a more effective contribution to the country's economy (Sukpoka et al., 2023).

The government expects SMEs to be a source of income and job creation to help the country's economy recover. However, the policy's practical implementation falls short of its full potential. Aid is highly concentrated and cannot be distributed fairly among local areas, preventing SMEs from attaining their full potential, as the government desires. In particular, ME development should be stable and progressive, improving product quality, increasing corporate innovation capability, assisting with organizational restructuring,

and boosting marketing strategy such as product development, promotion, distribution networks, and international market expansion. This entails encouraging the government to subsidize ME's products and services, developing innovations and new technologies, and driving innovation to commercialization. (Jittimongkon, 2020).

Business success is the capability to conduct business to create positive results or meet the business's goals. It is essential to evaluate the operational success of ME by considering success in each area based on the organization's goals and factors. This leads to fulfilling operational objectives (Khamboonchoo & Rojanatrakul, 2022). The balanced scorecard (BSC) is a method of evaluating success that provides an in-depth analysis of a business's operations to meet the goals and objectives that define and support success in the business. The success evaluation will cover four areas: financial, customer, internal business processes, and learning and growth. (Ferber et al., 2021 ; Rojas-Lema et al., 2021 ; Pohthong, 2021).

A marketing strategy is a criterion used to accomplish the goal of marketing. It is a method of using marketing tools together to achieve marketing goals in the target market. A smart marketing strategy for ME will lead to commercial success (Azra & Salfiya, 2021). The 7P's marketing strategy consists of product, price, place, promotion, people, process, and physical evidence and is a marketing approach for increasing business and market success. It is a tool for business marketing planning to make the products or services of the firm appealing to clients (Astuti, 2022). In the digital and technological era, many consumer-related factors have changed. It impacts people's daily lives and purchasing habits, causing them to demand better service and a more gratifying experience. As a result, the ME must discover as many ways as possible to deliver convenience to their customers to generate a positive experience (customer experience) and encourage those customers to return and buy again.

Business innovation is a novel concept for making a living or conducting a business and can be conducted in many ways, and everyone is aware of this truth. Innovative capability predates development, while innovation ability demonstrates an organization's potential to innovate (Daronco et al., 2023). Thus, innovation capability is an organizational strategy that prioritizes the organization's competitiveness and business innovation capability. Organizations utilize innovation as a potent tool to maintain a competitive advantage. It is critical to continually build innovation capabilities because they help businesses create and keep their competitive edge. According to research, improved performance and innovation capability are critical strategic drivers for long-term success (Sawaeen & Ali, 2020).

Chanthaburi's economy is outstanding, contributing to the nation's revenue in various ways. (Katchwattana, 2021). It is known for its fruit cultivation and hosts one of the largest fruit processing facilities in Thailand (Tonglim, 2022). Additionally, it is a major source of gemstones, bolstering the Thai economy (Nakthim et al., 2021). The tourism industry in Chanthaburi is also flourishing, thanks to numerous attractions that generate substantial income (Aungsutheerakul et al., 2023). Consequently, the province's economic potential is considerable on a national scale, as indicated by the presence of up to 21,597 ME. (Office of Small and Medium Enterprises Promotion (OSMEP), 2024). The business sector encompasses four distinct sectors: trade, services, manufacturing, and agribusiness, with contributions of 11,010, 7,667, 2,695, and 225 ME, respectively. Nevertheless, many ME still lack the capacity to adapt to changes in external environmental factors, leading to various business challenges. It is the responsibility of government agencies to find ways to assist these ME, ensuring they can continue to operate successfully, conduct their business professionally, and remain competitive (Pokanarumit & Suksom, 2022 ; Kerdruk, 2022).

The issues described above affect the commercial operations of ME across the country, not just in Chanthaburi. The ME in Chanthaburi province should likewise expect success in their commercial operations. According to preliminary assessments, no research has been conducted on this issue of 7P's marketing



strategy, and business innovation capability influences the business success of ME. Therefore, the researcher was interested in investigating factors that affect the business success of ME, 7P's marketing strategy, and business innovation capability. The business's success in achieving the organization's goals includes finance, customers, internal business processes, and learning and growth. To increase competitiveness, generate income, build a career, and create career stability. This will create prosperity and sustainability for the ME.

Objectives

1. To examine the consistency of the causal relationship model of 7P's marketing strategy and business innovation capability that influence the business success of micro-enterprises in Chanthaburi province.
2. To study variables with direct, indirect, and total effects on the business success of micro-enterprises in Chanthaburi province.

Literature Review

7P's Marketing Strategy and Business Innovation Capability

7P's Marketing strategy is a company's comprehensive plan for contacting potential customers and converting them into paying clients for its products or services tailored to its target customers' demands to satisfy them (Lamb et al., 2000). The 7P's marketing mix is a conceptual framework that helps businesses develop comprehensive and effective 7P's marketing strategy, product, price, place, promotion, people, process, and physical evidence (Tabelessy et al., 2023 ; Ali et al., 2024). The marketing mix is the most crucial aspect of developing a 7P's marketing strategy, particularly in an era of strong market competition and fast-changing customer behavior (Olazo, 2022). This forces businesses to adapt their marketing techniques to cope with the circumstances (Trieu et al., 2023). Goods and services are priced so that customers are willing and able to pay and can utilize them. Businesses that address these seven factors will be able to attract and engage customers, drive sales, and increase income, all of which will influence business innovation capability: entrepreneurial orientation, learning orientation, and market orientation (Khan et al., 2021 ; Hutahayan, 2021). In addition to various methods of creating incentives to arouse customer interest and make decisions to purchase products and services, good business innovation capability will help. Innovation capability is one variable that describes an organization's environment or culture (Song, 2023). Business innovation capability is an organization-wide trend that promotes innovation and the willingness to create and/or embrace novel products (Hanaysha et al., 2022). It is an acceptance of new ideas as if they were part of the business with a desire to try out new ideas, find new ways to do things, be inventive in operations, and increase the frequency of new product releases. Businesses can use it for innovation, which is the presentation of new processes, products, or ideas within an organization. That is, if the ME has effective 7P's marketing strategy, they will be able to innovate their businesses (Jassim & Ridha, 2022 ; Kuncoro et al., 2021 ; Boonthawee et al., 2021). The following hypothesis is proposed:

H1: 7P's Marketing strategy have a direct positive effect on the business innovation capability of micro-enterprises in Chanthaburi Province.

Business Innovation Capability and Business Success

Businesses' methods for measuring success may vary depending on their specific aims or goals. Nonetheless, the Balanced Scorecard is an excellent and widely used success measurement approach (Sibarani, 2023). This model emphasizes four key perspectives: financial, customer, internal business processes, and growth and learning (Abrokwah-Larbi & Awuku-Larbi, 2023 ; Santoso et al., 2023). The ability to innovate is a critical factor in the success of ME, business innovation capability is considered one of the characteristics that

keep businesses alive and successful in the long run while also improving operational performance (Arshad et al., 2023 ; Pradana & Safitri, 2023). The integration of business innovation capability can be viewed as a realistic strategy for promoting effective innovation development inside an organization (Mendoza-Silva, 2021). Entrepreneurial orientation is a set of work practices and decision-making processes that result in the formation of new businesses. It is more of a cultural phenomenon within businesses than a value-creating event (Clark et al., 2024). Learning orientation refers to the ability to generate, acquire, transfer, and integrate knowledge to enhance, adapt, and build management that will improve business efficiency. This strategy encourages employee knowledge development, which improves business efficiency. (Meekaewkunchorn et al., 2021). Marketing orientation is a highly effective business culture that encourages critical activities for the business. Its primary goal is to encourage the creation of business plans and offer additional value for customers while enhancing profitability (Yin & Li, 2023). This approach leads to the successful implementation of business activities, resulting in greater success for individual businesses (Matyas et al., 2019). Therefore, if ME has a strong business innovation capabilities, it will significantly impact the success of business management (Syafi'i et al., 2023 ; Hikmawati et al., 2022 ; Takwi, 2020 ; Supprasert & Nurittamont, 2024). The following hypothesis is proposed:

H2: Business innovation capability have a direct positive effect on the business success of micro-enterprises in Chanthaburi Province.

7P's Marketing Strategy and Business Success

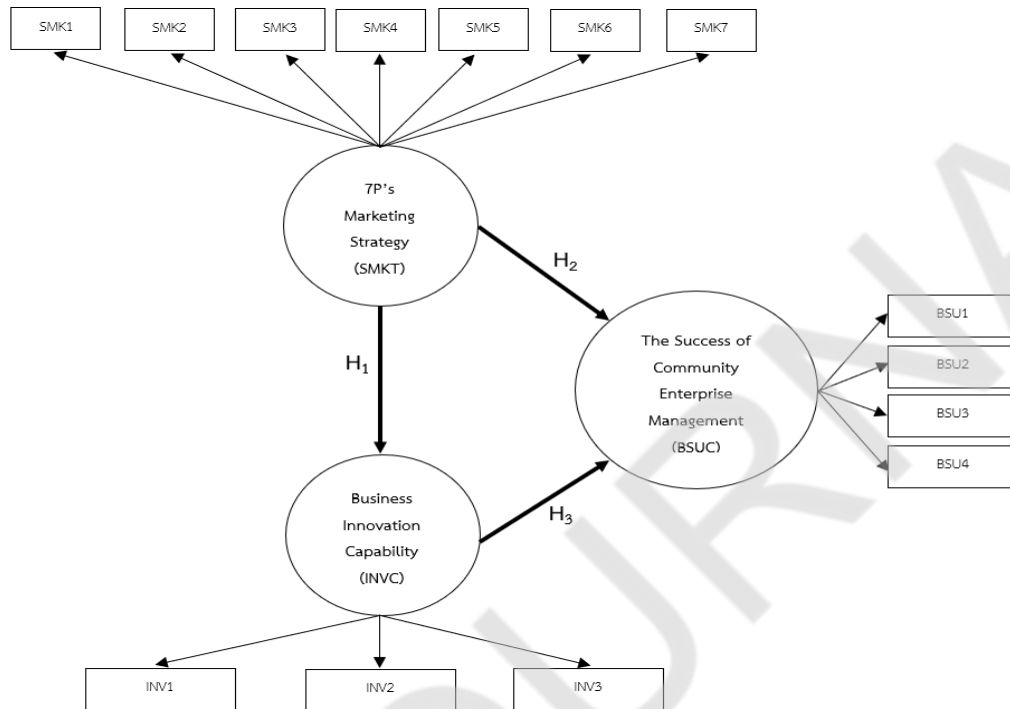
The purpose of business success is to grow profits. They can produce as many goods and services as possible while still meeting the requirements that are essential for any business's success (Kotler & Armstrong, 2009). To attain success, businesses must be motivated to accomplish things better than before. The concept of the balanced scorecard is a management tool that supports strategy implementation through an assessment approach to maintain consistency and focus on what is vital to the organization's performance, these are 4 perspectives: 1) financial, 2) customer, 3) internal business process, and 4) learning and growth (Silalahi, 2023 ; Bandoni & Nugroho, 2023). If the business employs a successful marketing plan, entrepreneurs must employ a variety of management strategies to ensure that their business has potential and meets its objectives. Sales and market share gain an advantage over competitors (Techanirattisai & Tunpow, 2019). A well-thought-out 7P's marketing strategy is critical for business success. This strategy allows for planned expansion and adaptation to economic changes as well as competition for a product or brand (Techanirattisai, 2021). To develop an obvious market position, the ME must identify the exact product or brand category and target clients. This leads to effective strategies (Akkapin et al., 2022). Developing a good 7P's marketing strategy provides a road map for businesses to connect with their target audience and convert leads into loyal customers, which is the foundation of a successful business. It helps to increase growth opportunities suitably and is an important aspect of the success of the ME. (Wirunphan, 2024). While deciding on a 7P's marketing strategy, businesses should analyze objectives and considerations to determine which 7P's marketing strategy is most suited to their needs. (Inteacha & Tiptipakorn, 2023). Therefore, to consider the details mentioned above, it is evident that the 7P's marketing strategy significantly influences the success of ME management (Tabelessy et al., 2023 ; Mispandi et al., 2024 ; Virit, 2023). The following hypothesis is proposed:

H3: 7P's Marketing strategy have a direct positive effect on the business success of micro-enterprises in Chanthaburi Province.



Conceptual Framework

After analyzing concepts, theories, and relevant studies from a variety of sources, it is obvious that 7P's marketing strategy and business innovation capability have a crucial part in ME' business success. Figure 1 depicts a summary of the research concept framework.



Hypothesis

We proposed the following hypothesis

H1: 7P's Marketing strategy have a direct positive effect on the business innovation capability of micro-enterprises.

H2: Business innovation capability have a direct positive effect on the business success of micro-enterprises.

H3: 7P's Marketing strategy have a direct positive effect on the business success of micro-enterprises.

Research Methodology

This is quantitative with survey research examining the relationship between 1) 7P's Marketing Strategy (SMKT), with 7 observable variables: product (SMK1), price (SMK2), place (SMK3), promotion (SMK4), people (SMK5), process (SMK6), and physical evidence (SMK7) 2) Business innovation capability (INVC), with 3 observable variables: the orientation of entrepreneur (INV1), learning (INV2), and market (SMK3) and 3) Business success (BSUC), with 4 observable variables: financing (BSU1), customer (BSU2), internal business process (BSU3) and learning and growth (BSU4).

Population and Sample

The population of the research is the number of ME. There were 21,597 ME in Chanthaburi province (Office of Small and Medium Enterprises Promotion (OSMEP), 2024), classified by business sector, including four sectors: trade, services, manufacturing, and agribusiness, with 11,010, 7,667, 2,695, and 225 ME, respectively.

The sample size was determined by applying the Rule of Thumb (Comrey, 1973), which asserts that statistical analysis involves multiple variables. Statisticians often use a sample size of 10–20 for each observed variable. (Schumacker & Lomax, 2010 ; Hair, Anderson et al., 1998), and a minimum sample size of 200 (Kline, 2010). The researcher determined a sample size of 20 for each observed variable, resulting in 280 samples. Samples were chosen using a stratified method based on business sector proportions as well as simple sampling using the lottery technique. Samples were produced and sorted by business sector. There were 143 in the trade industry, 99 in the service sector, 35 in manufacturing, and 3 in agribusiness.

Research Instrument

This research used a questionnaire with a 5-level Likert scale. 7P's Marketing strategy questions were developed from the research of Soonthonsmai et al., (2023). Business innovation capability questions were developed from the research of Kaewjomnong (2023) ; Boonmasongsung, Inthasang et al. (2021). Business success questions were developed from the research of Pongpittaya et al. (2023). The validity test was conducted with 5 experts. The questions' consistency with the objectives (IOC) was 0.67–1.00, which was greater than 0.50. (Kanchanawasi, 2002). Cronbach's alpha coefficient was used to evaluate reliability via 30 sets of ME in Rayong Province, a value of 0.99, which was greater than 0.70. (Petcharot & Chamniprasat, 2002). This indicates that the model is reliable within acceptable limits.

Data Collection

The researcher coordinated with the Office of Small and Medium Enterprises Promotion, Chanthaburi Province (OSMEP Chanthaburi) to request information about ME in Chanthaburi. Once the data has been obtained, it will be sorted by district and business sector through a random lottery method without replacement until the specified number of sample groups is achieved. Data collection was conducted through an online questionnaire via Google Forms, disseminated through OSMEP Chanthaburi, as well as through offline methods, which included field visits for in-person data gathering and postal submissions. The collected results were then verified for completeness before further data analysis.

Data Analysis

Data analysis with descriptive statistics including frequency, percentage, mean, standard deviation, skewness, and kurtosis. Inferential statistics include structural equation analysis (SEM), with the consistency criteria as follows (Bollen, 1989 ; Diamantopoulos & Siguaw, 2000) 1) p-value > 0.05 (2) CMIN/df < 2 (3) goodness of fit index (GFI) and adjusted goodness of fit index (AGFI) > 0.95 (4) root mean square residual (RMR) and root mean square error of approximation (RMSEA) < 0.05. Determine both direct and indirect effects using the path analysis.

Results and Discussion

1. The Consistency Examination of the Causal Relationship Model

General information of 280 respondents, found that 169 (60.36%) were female, 126 (45.00%) were aged 30-40 years, 164 (58.57%) had undergraduate, 130 (46.43%) had 1-5 years of work experience, and 119 (42.50%) had supervisory positions. Information from ME showed that 134 (47.86%) have a business duration between 3-5 years, 145 (51.79%) have 4-5 employees, 137 (48.93%) have an annual income of 500,000-1,000,000 baht, 256 (91.43%) have 100% Thai shareholders, 218 (77.86%) have sole proprietorship, and 178 (63.57%) have an initial capital of 50,000 – 100,000 baht. Results of the study of 7P's marketing strategy factors, business innovation capability factors, and business success of ME perform data testing according to the initial conditions. To analysis of SEM for a causal relationship model of 7P's marketing strategy and business innovation capability influencing the business success of ME in Chanthaburi Province is shown in Table 1.



Table 1 Descriptive statistics for 7P's marketing strategy, business innovation capability, and the business success of micro-enterprises

| Factors | Mean (\bar{X}) | Standard Deviation (S.D.) | Description | Skew ness | Kurtosis | VIF | Tolerance |
|--|-----------------------|---------------------------------|-----------------|--------------|----------|------|-----------|
| 7P's Marketing Strategy | 4.27 | 0.51 | high opinion | -1.72 | 3.28 | 6.08 | 0.16 |
| Business Innovation Capability | 4.35 | 0.52 | High opinion | -1.64 | 2.99 | 6.08 | 0.16 |
| The business success of micro-enterprises | 4.32 | 0.47 | High opinion | -1.55 | 2.35 | - | - |

Table 1 shows that all factors have a high of respondents' opinions. The business innovation capability factor has the highest level of opinion (\bar{X} = 4.35, S.D. = 0.52). This is followed by the business success of micro-enterprises. (\bar{X} = 4.32, S.D. = 0.47) and 7P's marketing strategy factors (\bar{X} = 4.27, S.D. = 0.51). Business operations rely on business innovation capability to accomplish tasks inventively. Further development entails altering thinking, management, organizational structure, systems, and business models to produce new value for customers and returns (Pundang, 2021 ; Kuljittree & Khumsamart, 2020).

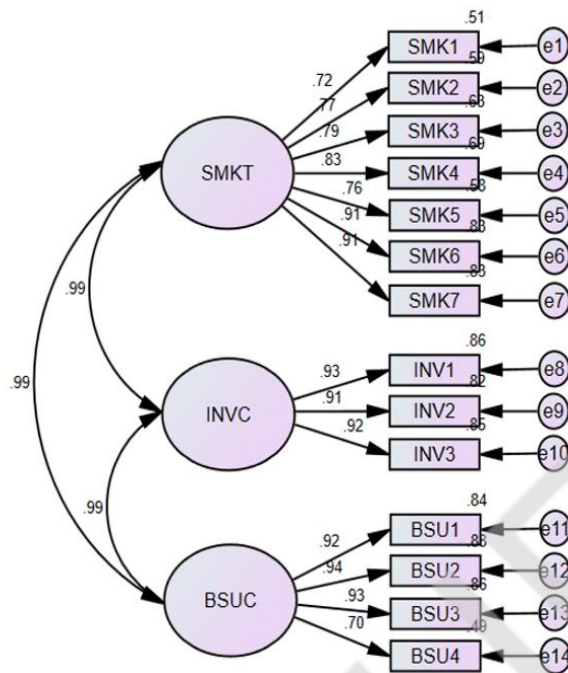
The preliminary analysis for SEM found that 1) skewness values ranged from -1.72 to -1.55 (less than 3), and kurtosis values ranged from 2.35 to 4.04 (less than 10), they have a normal distribution (Kline, 2010). 2) the redundant relationships found that there were no VIF values greater than 10 and tolerance values greater than 0.1 for all variables. (Hartono & Wicaksana, 2023). Before analyzing SEM, the appropriate data was examined, 14 observable variables in 91 pairs with a correlation value of no more than 0.80. As a result, multicollinearity and observed variables do not share a common component, suitable for SEM analysis (Byrne, 2010). Bartlett's test for Sphericity of data was 5078.26, df = 91, p = 0.00, and the identity matrix correlation coefficient had a significance level of 0.01. This allows us to continue studying the elements (factor analysis). Table 2 displays the results of the data appropriateness assessment.

Table 2 The strength of the relationship with Pearson correlation analysis between the observed variable

| Factors | SKM1 | SKM2 | SKM3 | SKM4 | SKM5 | SKM6 | SKM7 | INV1 | INV2 | INV3 | BSU1 | BSU2 | BSU3 | BSU4 |
|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------|
| SKM1 | 1.00 | | | | | | | | | | | | | |
| SKM2 | 0.59** | 1.00 | | | | | | | | | | | | |
| SKM3 | 0.56** | 0.77** | 1.00 | | | | | | | | | | | |
| SKM4 | 0.60** | 0.77** | 0.79** | 1.00 | | | | | | | | | | |
| SKM5 | 0.60** | 0.67** | 0.62** | 0.70** | 1.00 | | | | | | | | | |
| SKM6 | 0.68** | 0.71** | 0.68** | 0.74** | 0.78** | 1.00 | | | | | | | | |
| SKM7 | 0.63** | 0.68** | 0.77** | 0.72** | 0.68** | 0.64** | 1.00 | | | | | | | |
| INV1 | 0.80** | 0.71** | 0.74** | 0.77** | 0.72** | 0.65** | 0.72** | 1.00 | | | | | | |
| INV2 | 0.66** | 0.64** | 0.66** | 0.72** | 0.69** | 0.63** | 0.79** | 0.66** | 1.00 | | | | | |
| INV3 | 0.67** | 0.69** | 0.71** | 0.76** | 0.73** | 0.73** | 0.74** | 0.65** | 0.73** | 1.00 | | | | |
| BSU1 | 0.63** | 0.65** | 0.73** | 0.76** | 0.68** | 0.72** | 0.73** | 0.64** | 0.72** | 0.67** | 1.00 | | | |
| BSU2 | 0.66** | 0.69** | 0.73** | 0.79** | 0.71** | 0.74** | 0.75** | 0.69** | 0.75** | 0.77** | 0.69** | 1.00 | | |
| BSU3 | 0.66** | 0.78** | 0.77** | 0.79** | 0.71** | 0.75** | 0.68** | 0.75** | 0.72** | 0.76** | 0.66** | 0.67** | 1.00 | |
| BSU4 | 0.51** | 0.61** | 0.61** | 0.59** | 0.51** | 0.64** | 0.61** | 0.71** | 0.64** | 0.63** | 0.62** | 0.63** | 0.66** | 1.00 |
| Means | 4.29 | 4.26 | 4.27 | 4.29 | 4.11 | 4.31 | 4.34 | 4.32 | 4.35 | 4.36 | 4.29 | 4.31 | 4.34 | 4.33 |
| S.D. | 0.73 | 0.66 | 0.62 | 0.55 | 0.48 | 0.59 | 0.56 | 0.55 | 0.55 | 0.53 | 0.54 | 0.56 | 0.56 | 0.41 |

**Correlation is significant at the 0.01 level (2-tailed), Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) = 0.96, Bartlett's Test of Sphericity = 5078.26, df = 91, sig = 0.00, SKM1 = product, SKM2 = price, SKM3 = place, SKM4 = promotion, SKM5 = people, SKM6 = process, SKM7 = physical evidence, INV1 = orientation of entrepreneur, INV2 = learning, INV3 = market, BSU1 = financing, BSU2 = customer, BSU3 = internal business process, BSU4 = learning and growth

Table 2 shows the results of confirmatory factor analysis (CFA) of a causal relationship model of 7P's marketing strategy, business innovation capability, and the business success of micro-enterprises obtained from a review of relevant literature. As presented in Figure 2.



chi-square = 56.80, df = 53, chi-square/df = 1.07, P-value = 0.33, SMSEA = 0.02, CFI = 0.99, TLI = 0.99, GFI = 0.97, AGFI = 0.94, RMR = 0.00

Figure 2 Confirmatory Factor Analysis (CFA) of a Causal Relationship Model of 7P's Marketing strategy, Business innovation capability, and the Business Success of Micro-enterprises

Figure 2 shows that the model corresponds to the empirical data quite well with Chi-Square = 56.80, Sig. = 0.33 (> 0.05) and CMIN/df = 1.07 (< 2.0), Comparative Fit Index (CFI) = 0.99 (> 0.90), Goodness of Fit Index (GFI) = 0.97 (> 0.95), Adjusted Goodness of Fit Index (AGFI) = 0.94 (> 0.90), Root Mean Square Error of Approximation (RMSEA) = 0.02 (< 0.05), Root Mean Square Residual (RMR) = 0.00 (< 0.05), Factor Loadings between 0.70 – 0.94, Square multiple correlation (R^2) between 48.60% - 88.00%, Average Variance Extraction (AVE) between 0.66 – 0.85, Composite Reliability (CR) between 0.93 – 0.94, and Correlation Coefficient between 0.51 – 0.80, which can be said confirmatory factors of a causal relationship model of 7P's marketing strategy, business innovation capability, and the business success of micro-enterprises were consistent with empirical data with statistical significance. The results show that the 7P's marketing strategy and business innovation capability influence the business success of micro-enterprises. To enhance ME's potential concretely and continuously. To promote and support innovation in the application of production management, particularly 7P's marketing strategy. To use such expertise in the creation of successful micro-enterprises management models (Suwannaputit & Pancharoen, 2021 ; Viriyaseubpong et al., 2020). The coefficient of causal relations of 7P's marketing strategy, business innovation capability, and the business success of micro-enterprises are shown in Table 3.



Table 3 Analysis of coefficient of causal relations of 7P's marketing strategy, business innovation capability, and the business success of micro-enterprises

| Causal | | | | 7P's Marketing strategy (SMKT) | | | Business innovation capability (INVC) | | |
|---|------|------|------|--------------------------------|------|------|---------------------------------------|------|------|
| Effect | | | | TE | DE | IE | TE | DE | IE |
| Business innovation capability (INVC) | | | | 0.99 | 0.99 | - | - | - | - |
| The business success of micro-enterprises (BSUC) | | | | 0.99 | 0.51 | 0.48 | 0.49 | 0.49 | - |
| Statistics | | | | | | | | | |
| $\chi^2= 64.59$, $df = 54$, $\chi^2/df = 1.19$, $p\text{-value} = 0.15$, $GFI = 0.97$, $AGFI = 0.94$, $CFI = 0.99$, $SRMR = 0.02$, $RMSEA = 0.03$ | | | | | | | | | |
| Causal factors | SMK1 | SMK2 | SMK3 | SMK4 | SMK5 | SMK6 | SMK7 | INV1 | INV2 |
| Factor loading | 0.72 | 0.77 | 0.79 | 0.83 | 0.76 | 0.91 | 0.91 | 0.93 | 0.90 |
| Effect factors | INV3 | BSU1 | BSU2 | BSU3 | BSU4 | | | | |
| Factor loading | 0.93 | 0.92 | 0.94 | 0.93 | 0.67 | | | | |
| Structural equation of variables | | | | INVC | BSUC | | | | |
| R-Square | | | | 0.97 | 0.99 | | | | |
| Correlation matrix between latent variables | | | | | | | | | |
| Latent variables | | | | SMKT | INVC | BSUC | | | |
| SMKT | | | | 1.00 | | | | | |
| INVC | | | | 0.91 | 1.00 | | | | |
| BSUC | | | | 0.92 | 0.94 | 1.00 | | | |

Remarks: $p < 0.01$ DE = Direct effect, IE = Indirect effect, TE = Total effect

Table 3 shows the results of the consistency of the causal relationship model of 7P's marketing strategy and business innovation capability that influence the business success of micro-enterprises in Chanthaburi Province. Overall, based on the assumptions and empirical data, it was determined that the model is consistent with $\chi^2/df = 1.19$ (64.59/54) belonging to certain criteria, less than 2. Additionally, the findings of the analysis found that the values of $GFI = 0.97$, $AGF = 0.94$, and $CFI = 0.99$ which have a value close to 1, passing the criteria that should be greater than 0.95, 0.90, and 0.90, respectively, at a confidence level of 99. $RMSEA = 0.03$, and $SRMR = 0.02$. This meets the required threshold of less than 0.05. It shows that the research models developed are consistent with empirical data.

2. Direct Effect on the Business Success of Micro Enterprises

These results can be used to test the hypothesis to answer the 2nd objective of the study. The summary of the hypothesis test results is given in Table 4. The causal relationship models of 7P's marketing strategy, business innovation capability, and the business success of ME are shown in Figure 3.

Table 4 The summary of the hypothesis test

| Hypothesis | Hypothesis test results | |
|--|-------------------------|-----------|
| | Relation | Result |
| H1 7P's Marketing strategy have a direct positive effect on the business innovation capability of micro-enterprises in Chanthaburi Province. | 0.99 | Supported |
| H2 Business innovation capability have a direct positive effect on the business success of micro-enterprises in Chanthaburi Province. | 0.49 | Supported |
| H3 7P's Marketing strategy have a direct positive effect on the business success of micro-enterprises in Chanthaburi Province | 0.51 | Supported |

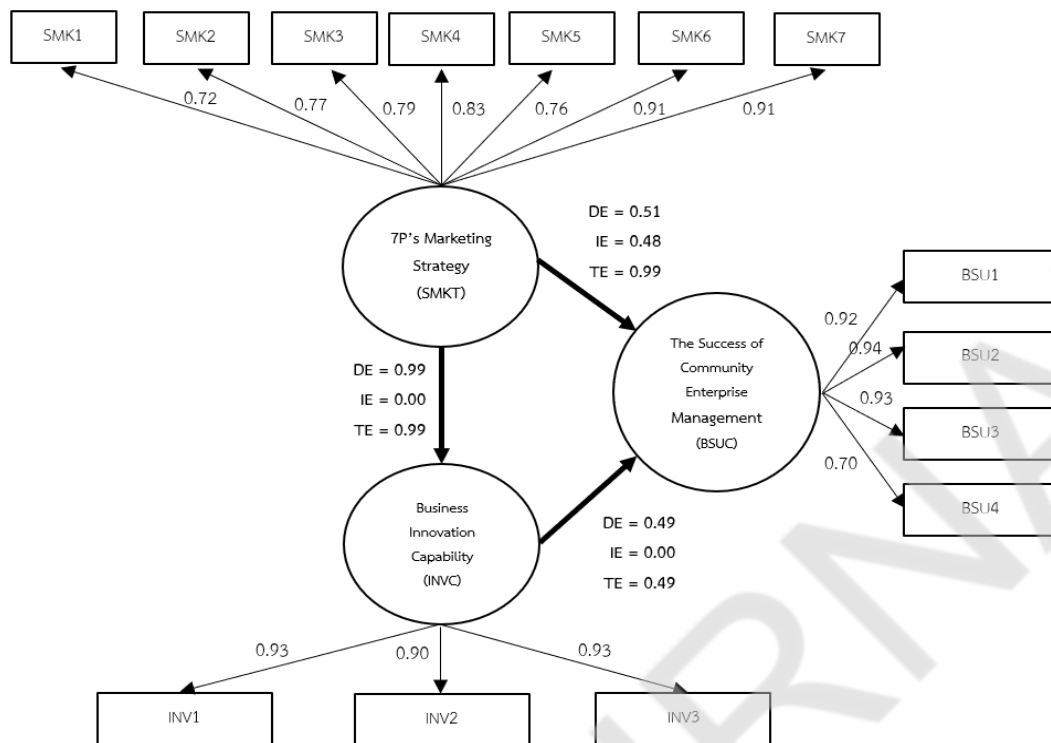


Figure 3 Causal Relationship Models of 7P's Marketing Strategy, Business Innovation Capability, and The Business Success of Micro-enterprises

According to Table 3 and Figure 3, the path analysis showed that 7P's marketing strategy (SKMT) have a positive direct effect on business innovation capability (INVC), $DE = 0.99$, $sig = 0.01$ (accept 1st hypothesis), and $R^2 = 0.97$. This means that 97.30% of the variation in business innovation capability can be explained by 7P's marketing strategy. These show that 7P's marketing strategy will affect business innovation capability. If ME in Chanthaburi Province adopts an effective 7P's marketing strategy, it would encompass: Product, develop passion and interest in new products or services to gain a competitive advantage. Price, set a fair price without taking advantage of customers. Place, customers can easily access many distribution channels. Promotion, Advertisements can be found at popular tourist locations. People, understanding new business concepts and technologies requires a strong drive to learn (Phorncharoen & Chotivanich, 2023 ; Navakitkanok, 2020). Process, find techniques that motivate customers to come inside your store, and Physical evidence, the shop is decorated attractively and friendly service, encouraging customers to visit and purchase (Banchuen et al., 2023). This will enable ME in Chanthaburi to reinvent their businesses, and they should prioritize strengthening their business innovation capability. The emphasis will be on developing fresh talents and skills to move the organization forward (Sawasphanich, 2022 ; Arshad et al., 2020).

Business innovation capability has a positive direct effect on the business success of ME (BSUC), $DE = 0.489$, $sig = 0.01$ (accept the 2nd hypothesis). ME in Chanthaburi has strong business innovation management and operates with an entrepreneurial attitude, the business maintains a close watch on trends in customer demand and examines rivals' ability to obtain market share. They must learn new skills and expand their capacity for invention. They should consider how creativity can contribute to success and attempt to serve as innovative in their businesses. Marketing orientation approaches must be employed to raise the value of a business and set it apart from competitors. Clients' data can be utilized to develop products and follow up with clients once the product is purchased and satisfaction is evaluated (Jaturapongsaton et al., 2024 ; Unchai et al., 2020 ; Ajer et al., 2022 ; Falahat et al., 2021). The effectiveness of business innovation capability



will result in business success in ME. This may result in new customers acquiring products and maintaining existing customers by providing outstanding service to clients before and after the transaction. Research, design, and development of new goods given to clients following their goals. Consequently, the business has undergone reforms to enhance operational processes (Pongpittaya et al., 2023 ; Charutawephonnukoon et al., 2022 ; Loan et al., 2023).

7P's Marketing strategy have a positive direct effect on the business success of ME, $DE = 0.511$, $sig = 0.01$ (accept 3rd hypothesis), and an indirect effect on business innovation capability, $IE = 0.482$, $sig = 0.01$, and $R^2 = 0.993$. This suggests that 7P's marketing strategy can explain 99.30% of the variation in business innovation capability. Marketing for ME includes many strategies, analyses, and activities that result in commercial success (Permata et al., 2023). The 7P's may be considered essential for businesses to produce goods to ensure that their customers are satisfied. The quality of goods was evaluated regarding brand expression, product imagery, usage range, and customer service. Product price influences consumer behavior. ME should set accurate prices for high-quality goods, and marketing channels, engage with customers, put them in the proper segment, and distribute them so customers can access them offline and online. It is essential to have employees who can effectively interact with customers and other stakeholders both before and after making a sale or providing services. Micro-enterprises employ specific strategies to access and apply market mechanisms to their products, providing clients with a tangible experience from Micro-enterprises. (Garduno, 2021 ; Sarwoko & Nurfarida, 2021 ; Hassaro, 2022 ; Sangsong et al., 2020)

Conclusions

The objective of this research is to explore the causal link between 7P's marketing strategy, business innovation capability, and the success of micro-enterprises (ME) in Chanthaburi. The study involved a sample of 280 micro-enterprises in Chanthaburi, chosen through a stratified sampling method reflecting business sector proportions and a simple sampling via the lottery method. The results of the research will be presented according to the following objectives.

1. Develop and examine a causal relationship model of 7P's marketing strategy, business innovation capability, and the business success of ME in Chanthaburi. The components of 7P's marketing strategy were identified as product, price, place, promotion, people, process, and physical evidence. The components of business innovation capability were entrepreneurial orientation, customer orientation, and marketing orientation to achieve business success through components: financial, customer, internal business process, and growth and learning. The consistency examination of a causal relationship model found that all variables are structurally related, sufficient for analysis, and consistent with empirical data.

2. The direct, indirect, and total effects investigation on the business success of ME in Chanthaburi. It was discovered that 7P's marketing strategy have a direct positive effect on business innovation capability. Business innovation capability have a direct positive effect on ME business success, while 7P's marketing strategy have a direct positive effect on ME business success and indirectly via business innovation capability.

Contribution of the study

This study indicates the importance of 7P's marketing strategy and business innovation capability for ME's business success in Chanthaburi. Previous research has not investigated the relationship between these three variables. Researchers and academics can use these data to develop various approaches to help ME grow and prosper.

The analysis using the balanced scorecard approach reveals business success elements for ME, including financial, customer, internal business process, and growth and learning perspectives. This study aims to create a causal relationship model between 7P's marketing strategy and business innovation capability as factors influencing ME business success. The findings show that 7P's marketing strategy and business innovation capability have a significant impact on the business success of ME. As a result, it can serve as a useful resource for researchers and academicians. Those who desire to investigate the success of businesses using a variety of other criteria, many of which can demonstrate the relationship between factors that will result in more benefits. To be able to create a unique corpus of knowledge. This will help to improve academic performance.

Practical Recommendations

This study provides ME with guidelines for strengthening their business procedures with 7P's marketing strategy and approaches to build business innovation capability, which will help ME succeed in their objectives. ME will benefit in many ways from improved business operations. They can manage their finances in the short and long term, and employ marketing and communication channels to enhance customer awareness. The company's internal business operations can be regularly observed. By adapting their business structure to the operational process, ME can increase productivity and learn and grow as professionals. Here are some suggestions for practical advice:

To adapt to business operations, ME need to develop 7P's marketing strategy, that include: *Products*. ME are required to produce reliable products. FDA certification is necessary for branding, and the package needs to be brand-new and spotless. *Price*, given the quality of their goods, ME must establish reasonable prices based on the customer's needs. There are many options available, including thorough payment methods. *Place*, ME should be placed in a visible and convenient area. An online sales channel that can assist ME in increasing their sales is also in high demand. *Promotion*, To encourage customers to purchase goods from the store, ME should clearly state that price reductions apply to those who decide to buy in volume. They should also offer free premium products on special occasions. For *people*, ME need to train their staff to gladly meet customers. When customers enter the store, they are greeted, and those who leave are thanked. Smiles are given to consumers, and staff members are eager to help or offer products. In the *process*, ME have to maintain stable retail personnel levels in addition to providing rapid, flexible, and accurate service. In addition to a variety of payment options and the ability to provide receipts upon request, ME must have visible store name tags as physical proof. Product categories must be used to organize the store's interior. Customers can shop independently. There are costumes for the store staff, and the decor is unique.

ME should investigate approaches to develop business innovation capability, that is: *Entrepreneurial orientation*, ME should generate new concepts and develop their business development strategies. Some procedures and behaviors will result in new target markets. Increase market share through pricing techniques. Always be able to assess your competitors' skills and implement superior strategies first. *Learning orientation*, ME need to learn more to expand their expertise and ability to innovate. The competence of CEOs is critical for leading the organization to success. Monitoring competitors' performance in the market success. Failure and environmental monitoring promote organizational innovation. *Marketing orientation*, ME should use market information to organize their operations. and may respond rapidly to client activities utilizing marketing data.



Future Research Recommendation

1. This is a quantitative study in which the factors examined are the application of previously learned principles and concepts. As a result, future studies may employ qualitative research approaches such as focus groups or in-depth interviews with stakeholders to find new factors influencing the business success of ME. They can be deployed to help develop their products and ensure the stability of future operations.

2. A study was conducted to broaden the scope of the initial study, which only included ME in Chanthaburi. Continue to be all provinces in the Eastern region, regional level, and national level. To consider guidelines for studying to create success in sustaining business operations for ME.

Limitations

1. In this study, the researcher investigated several conceptions and theories about the effectiveness of small and medium-sized enterprises and also analyzed associated secondary sources. Those who will use the study results should be aware of these limitations to obtain basic research knowledge and apply it to the construction of a research concept.

2. Using a questionnaire to gather data from micro-enterprises in Chanthaburi Province, including inquiries from firm owners and operational staff. The individual who fills out the questionnaire is the most knowledgeable about the various facets of the business that the researcher wants to study. As a result, anyone who plans to use the research findings should be aware of its limitations. When analyzing this data, it's important to take into account operational viewpoints.

3. Data collection via Google Forms and by mail. There may be errors in the questions that the respondents do not understand. As a result, the questionnaire replies may be insufficient to meet the research questions. As a result, the researcher who will use the study's findings must take into account the information received by completing this questionnaire.

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