Interrelationships Among Marketing Mix Strategies, Service Quality and Firms' Business Performance in Readymade Garments Sector, Bangladesh

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Abstract: The garment industry in Bangladesh has experienced substantial growth over the past three decades. The sector plays a crucial role in the nation's economic development by providing employment opportunities to a significant number of individuals, particularly women and those with limited skills. Although significant, the contribution of this factor to the country's GDP remains relatively modest. To maintain competitiveness in the marketplace, it is crucial to adopt a suitable marketing mix strategy. The purpose of this study is to examine the effect of marketing mix strategies on the business performance of Bangladeshi garment organisations. This investigation further assesses the role of service quality as a mediator between marketing mix strategies and firm business performance. McCarthy's (1964) four P's—product, place, price, and promotion—serve as the basis for this study's marketing mix components. This study's data were collected using a self-administered survey questionnaire. A total of 327 employees from various garment factories in CEPZ were conveniently chosen for this investigation. The data was analysed using SPSS 24.0 and Smart PLS 3.0. The study's findings indicate that the strategies related to product, place, price, and promotion had a substantial linkage with the service quality of firms. Furthermore, the service quality significantly mediates the correlation between marketing mix strategies and the business performance of the garments industry. The findings suggest that companies can gain a competitive edge by prioritising their marketing strategies and improving the quality of their related services.

Keywords: Marketing mix strategy, service quality, business performance, RMG sector

1.   Introduction

The garment industry in Bangladesh has grown significantly during the last three decades. Since it has given employment to millions of people, especially the nation's female workforce and its unskilled and semi-skilled labor force, this sector is essential to the nation's economic progress. This industry began its journey in the period between the years 1970 and 1980. The garment industry in Bangladesh has become a thriving sector worth billions of dollars, playing a key function in the country's financial progress (Hossain, 2023; Uddin, 2022). In December 2021, Bangladesh's garment exports reached to USD 3.8 billion, contributing to a total annual export figure of USD 35.57 billion. The current figure of USD 35.57 billion has surpassed the previous record of USD 33.07 billion set in 2019 by USD 2.5 billion. The RMG sector accounts for approximately 83% of Bangladesh's total export earnings. The readymade garments (RMG) sector contributes around 11-12 percent to the overall Gross Domestic Product (GDP). The RMG industry plays a crucial role

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in generating employment opportunities and exports, which has significantly contributed to Bangladesh's global economic status. However, despite its significance, its contribution to the country's GDP remains relatively small, as reported by Uddin (2022). Moreover, Bangladesh has maintained its position as the second-largest exporter of apparel globally in 2021, surpassing Vietnam with a market share of 6.40% (Hossain, 2023).

The garments sector is experiencing an upward trend in financial growth. However, to remain competitive in this marketplace, it is essential to implement an appropriate marketing mix strategy. Currently, many garment manufacturers are struggling to retain their customers due to their inability to meet the expectations of buyers. They face significant challenges in meeting customer demands for order placement, including product variety, efficient distribution, and pricing strategies. In addition, customers have a wide range of options available from various companies in numerous nations. This makes it easy for them to switch to another company, which can have a negative impact on the financial well-being of the organisation.

The marketing mix strategy, also known as the central concept in business discourse, is a crucial element in the discipline of marketing (Hanaysha et al., 2021; Al Karim & Habiba, 2020; Syapsan, 2019). The marketing mix elements consist of various activities that an organisation carries out to boost the demand for its products or services and generate profits (Hanaysha et al., 2021). When addressing service and satisfaction, the major focus is on consumers since customers play a vital role in gauging satisfaction with the company's product and services (Syapsan, 2019). According to Hanaysha et al. (2021), marketers should aim to discover new and creative approaches, offer exceptional services, and create marketing strategies that motivate customers to purchase their products and services while also improving their overall satisfaction. Customer value and satisfaction are significantly influenced by the marketing mix. Specifically, the marketing mix is the driving force behind satisfying consumer needs and establishing a profitable, long-term relationship with customers (Al Badi, 2018) which in turn, increases the image of the companies (Karim & Fayez, 2020). In the present times, RMG companies are investing a significant amount of capital in building a positive image for their buyers as a good image has several benefits, one of which is promoting business growth (Karim & Fayez, 2020). Thus, components of the marketing mix symbolize the firm's value proposition to customers and contribute to its financial achievements (Khan et al., 2019).

Moreover, in today's competitive market, companies encounter significant challenges in conducting their operations successfully. In order to achieve their goals, the company is striving to expand their range of services, offer premium products, reduce expenses, and cater to the demands of their customers (Al Karim & Habiba, 2020). The effective coordination and utilization of marketing mix elements and their corresponding activities are crucial in achieving success. Effective marketing mix strategies facilitate marketers in devising a blend of elements that enables them to prudently administer the company's budget to attain the anticipated level of efficacy. In addition, a well-crafted marketing mix strategy facilitates a company in attaining its marketing goals in highly competitive market environments, as well as its organisational objectives. Business firms can ensure precise product availability, targeted pricing, optimal distribution channels, and efficient promotional activities by implementing effective marketing mix strategies. These quality services are made available to customers/buyers under the marketing mix strategy (Hanaysha et al. 2021; Al Karim & Habiba, 2020; Muchiri, 2016). The significance of service quality lies in its ability to differentiate an organisation from its rivals, thereby facilitating the attainment of a durable competitive edge. Numerous research studies have demonstrated a positive association between heightened levels of quality in products and services and exceptional organisational performance, as indicated by Hosseini et al. (2018).

Therefore, it is essential for the organisation to have a well-designed marketing mix plan that can meet the needs of their customers and enhance their business performance. Furthermore, there is a scarcity of research that investigates the influence of a firm's marketing mix strategy and service quality on its business performance (Al Karim & Habiba, 2020; Hanaysha et al. 2021; Khan et al., 2019). Thus, the objective of the study is to investigate how marketing mix strategies can enhance the business performance of the readymade garment sector by emphasising service quality.

2.   Literature Review and Hypothesis Development

2.1   Business Performance

According to Pantelic et al. (2016), an organisation's business performance refers to the ability of a company to meet the needs of its stakeholders while simultaneously improving its investment and managerial practices to ensure future profitability, social well-being, and environmental responsibility. When an organisation's performance is viable, it signifies that its top management has successfully devised strategies to augment market share, talent, and stakeholder profits, while concurrently reducing expenses and employee attrition. Furthermore, in order to maintain its viability, an organisation must endeavor to endure minimal internal and external change and hazards (Al Aina & Atan, 2020). Financial and non-financial indicators may be utilized to assess the performance of an organisation (Haseeb et al., 2019). The evaluation of business performance encompasses five fundamental elements: financial performance, market and customer relations, personnel development, operational procedures, and future prospects (Al Aina & Atan, 2020).

2.2 Marketing Mix and Its Components

Borden (1964) initially defined twelve manageable marketing variables that, if effectively managed, might result in a "profitable business operation" in the 1960s, giving rise to the concept of the marketing mix. In 1964, McCarthy simplified Borden's twelve marketing variables into a framework consisting of four elements: price, product, place, and promotion, also known as 4Ps in the marketing field. These four marketing aspects identified by McCarthy (1964) have since become a generally acknowledged and important part of marketing theory and practice (Constantinides, 2006). The 4P's framework is commonly used by marketing practitioners to address tactical and operational marketing challenges and defined as allied activities and resolutions to fulfill customer demands then attain the marketing objectives all together (Kotler & Keller, 2021). According to Rad (2014), to ensure a great impression of engaging consumers, the McCarthy's 4P's ought to have a well-defined and integrated comprehensive approach. In further detail, the author describes the marketing mix as the correct product at an accessible price, supported by better distribution and the implementation of suitable communication strategies, all of which operate in unison in the eyes of customers. Pruskus (2015) defined marketing mix as a combination of important variables and solutions that enable consumers to satisfy their requirements and achieve the company's goals. Along with previous research (Išoraitė, 2016; Hanaysha et al. 2021; Al Karim & Habiba, 2020; Muchiri, 2016; Sulaiman et al., 2017), a marketing mix is a set of marketing instruments that operate together to influence the marketplace in order to achieve certain business goals. The four key components of marketing mix such as product, place, price, and promotion are described below:

2.2.1 Product

A product is a tangible (furniture, clothing, and grocery goods) or intangible (services) physical object that a customer is eager for paying (Singh, 2012). According to Armstrong & Kotler (2022), a product refers to any item that can be offered to a market with the aim of fulfilling a demand or need, in exchange for interest, buying, or consumption. In other words, the term "product" may refer to a wide range of things, including the standard, style, features, brand, dimensions, logo, and packaging of a good or service (Pushpavathani & Kumaradeepan, 2013). Furthermore, products as tangible items, people, locations, organisations, designs, or blends of the mentioned objects (Mohammadian & Habibi, 2012; Al Karim & Habiba, 2020).

2.2.2 Place

Another key component of the marketing mix is place, which is also known as distribution and is described as the procedure and techniques through which products or services reach clients (Al Karim & Habiba, 2020). Armstrong and Kotler (2022) defined distribution as the products of the firms in the dissemination of procedures to guarantee the identification and execution. Furthermore, distribution, as a component of the marketing mix, encompasses choices and activities affecting the products' movement from the manufacturer to the purchaser (Kotler & Keller, 2021). The distribution of the product assists consumers and users in locating and acquiring items from those manufacturers/providers when they are required.

2.2.3 Price

According to Armstrong and Kotler (2022), pricing refers to the organisation's cost of manufacturing, delivering, and advertising the product. Simon & Fassnacht (2019) define price of a product or service refers to the amount of money that a buyer is required to pay for it. In line with Išoraitė (2016), pricing is a crucial element of the marketing mix and plays a vital role in boosting both profits and market share. Furthermore, Campbell & Sharpe (2009) classifies pricing into two categories, one from the standpoint of the marketing manager and the other from the standpoint of the customer. From the perspective of the marketing manager, the price is determined by the customer's willingness to pay for the bundle of attributes provided, and it is the source of the resources that sustain all other operations of the firm. From the customer's perspective, the price of a product represents the trade-off they must make in order to receive the number of qualities that the product offers (Al Karim & Habiba, 2020).

2.2.4 Promotion

The marketing mix strategy includes promotion as a key component which facilitates the company's interaction with customers regarding its offerings in line with Armstrong & Kotler (2022). Promotion, according to Zeithaml et al., (2018), is a targeted effort to persuade customers to tell others about their services. As stated by Išoraitė (2016), promotion is a crucial element of the marketing mix that can help to spread information, stimulate purchases, and impact the decision-making process. A promotional strategy comprises various components, including personal selling, sales promotion, advertising, public relations, and direct marketing. The aforementioned characteristics play a crucial role in the relationship between the customer and the firm. This relationship is vital for boosting the sales of products or services (Al Karim & Habiba, 2020). Išoraitė (2016) discovered that financial support was viewed as the most crucial form of advertising in the garment sector. The frequency with which purchasers viewed key things and the frequency with which

these products were offered was shown to have a positive and significant association. According to Al Badi (2018), advertising is one of the most significant marketing communications mix tools for the apparel sector.

2.2.5 Service Quality

Service quality, as defined by Kotler &Keller (2021), is the total of a product's or service's traits and qualities that impact its capacity to satisfy specified or inferred standards. Likewise, Zeithaml et al., (2018) characterise service quality as service delivery which meets or exceeds customer demands in a positive manner. Consistent with Lovelock & dan Wright (2015) and Hertati, & Sumantri (2016), service quality refers to the expected level of excellence, and the ability to maintain that level of excellence is crucial in satisfying customer expectations. The quality of service can be assessed by comparing consumer expectations with the actual performance of the service (Al Karim, 2019; Al Karim et al., 2023). Consistently achieving the highest level of customer service and quality can be accomplished by continuously improving services and placing a strong emphasis on meeting both internal and external service standards (Rumiyati & Syafarudin, 2021). The provision of high-quality service performs as a strategic approach to ensure the prosperity and longevity of any business establishment (Al Karim, 2019).

2.2.6 Relationship Between Marketing Mix Strategies and Service Quality

In order to execute an effective marketing strategy, it is essential to create and provide a product or service that completely satisfies the needs and wants of the customers, regardless of whether the product is a physical item, a service, or an organisation (Saif & Aimin, 2016). To establish brand loyalty, it is essential that the customer's experience with the product meets or even surpasses their expectations. Moreover, one of the most important components of differentiation for customers is product image, thus attracting customers in global marketplaces requires a strong product image (Kotler & Keller, 2021). Product is also a major factor in determining whether or not a customer's demands are met. Companies should continuously keep an eye on whether the products they offer provide relevant and attractive benefits to their customers as well as boosts organisation's performance (Al Karim & Habiba. 2020). In order to establish a mutually beneficial association with customers, the business must deliver superior quality and performance products that align with their desires and requirements, thereby fostering customer contentment and establishing a competitive edge (Al Badi, 2018). Thus, we propose:

> **H1:** *A firm's product strategy positively related to its service quality.*

A company's distribution strategy is the technique it employs to deliver its products and services to the end user. These aspects aid in verifying that a company has delivered great customer service to its consumers though high quality delivery services. It can also have an impact on consumer satisfaction (Al Karim & Habiba, 2020). Since distribution has a significant impact on profitability, a company should have an efficient supply chain and inventory control strategy in place (Al Badi, 2018). Consequently, distribution may evolve into a multifaceted process that integrates producers, brokers, and independent traders, as well as buyer interests, entirely compatible with one another in a given environment and period. The capacity of a company to comprehend the sales channels via increased knowledge and distribution segmentation inside the sales channel is referred to as distribution strategy. It can be done by understanding the role played by intermediaries in the sales process (Hanaysha et al. 2021).

> **H2:** *A firm's place strategy positively related to its service quality.*

Price is an essential aspect of marketing that has a lot of potential for the company (Sulaiman et al., 2018). According to Palmer (2011), critics argue that a company's performance can be negatively impacted by inadequate pricing, even if they have successful advertising, distribution, or product development execution. This means that a good pricing strategy alone cannot make up for poor execution in other areas. Although pricing is clarified by the number of advertised goods, there is always an inverse connection between them, that is, the higher the price, the lower the sales. Additionally, earlier research by Al Karim & Habiba, (2020), Al Badi (2018) and Owomoyela et al. (2013) discovered a substantial relationship between price and firm success through quality of price offering.

> **H3:** *A firm's price strategy positively related to its service quality.*

The core objective of the process of promotion is to increase purchasing volume and familiarity with the firm and its offerings for the target market. The establishment and recognition of a brand are contingent upon the quality promotion process (Al Badi, 2018). In keeping with Al Karim & Habiba, (2020), in any open market, several promotional tactics such as individual marketing, promotional activities, and public relations have been shown to be effective. According to Kotler and Keller (2021), promotion has emerged as a crucial component inside a company's marketing mix. A vast majority of organisations employ a strategic blend of promotional techniques, including personal selling, advertising for sales, publicity, and direct marketing, in order to effectively achieve their marketing and advertising goals. In order to

meet the demands of customers more effectively, it may be valuable to improve the quality of promotional strategy of an organisation's product or service (Syapsan, 2019). Advertising is considered the most influential component of the promotional combo. This is because it plays a crucial role in shaping the image of a product in the market and positioning it in the minds of customers (Al Badi, 2018).

H4: *A firm's promotion strategy positively related to its service quality.*

2.2.7   Relationships Between Service Quality & Firms' Business Performance

According to Surahman et al. (2020), service quality is the evaluation of the service received by customers in comparison to their expectations and perceptions. Additionally, service quality is essential to achieving a firm's competitive edge and influences several organisational performance components (Pambreni et al., 2019). It has a favorable and considerable impact on word-of-mouth and perceived value (Mahadin & Akroush, 2019). Moreover, service quality has certain favorable benefits on a company's financial, operational, and behavioral performance (Abd-Elrahman & Ahmed Kamal, 2022). Sim et al. (2010)'s findings showed that service quality is a significant predictor of future financial success. To boost a firm's performance, it is crucial for the company to identify, meet, and deliver high-quality service to meet the demands of its customers, as stated by Rumiyati and Syafarudin (2021). The quality of service provided by a business has a direct impact on its income and long-term viability (Al Karim et al., 2023). By improving service quality and gaining a better understanding of consumer preferences, businesses can achieve sustainable economic growth and gain a competitive advantage through effective marketing mix strategies. This indicates that enhancing service quality to better meet consumer expectations will enhance the marketing mix approach, resulting in a firm's economic performance that is sustainable (Syapsan, 2019). Thus, we postulate:

H5: *Service quality positively related to firms' business performance.*

2.2.8   Mediating Role Service Quality

Many authors define performance in various ways. Venkatraman and Ramanujam, (1986) classify performance into three categories: financial performance, business performance, and organisational effectiveness, which is then referred to as organisational performance (Zhang et al., 2019). Two major areas relating to how service quality affects organisational performance are highlighted by the service quality studies. First, according to the literature, service quality influences and improves organisational performance both directly and indirectly (Abd-Elrahman & Ahmed Kamal, 2022; Sim et al., 2010). Furthermore, according to the empirical literature, the relationship between various organisational and managerial practices and organisational performance are better understood when service quality acts as a mediator. This suggests that service quality plays a crucial role in enhancing business performance (Abd-Elrahman & Ahmed Kamal, 2022).

In addition, a large number of studies link higher product and service quality to higher organisational performance (Abd-Elrahman & Ahmed Kamal, 2022). Tan et al. (2019) demonstrated that managers at the highest levels are increasingly associating quality of product, price place and promotion with company performance, making it an essential component in achieving long-term strategic advantages. The way employees perceive service quality can have a significant impact on an organisation's success as measured by financial and value advancement (Tan et al. 2019). It's also crucial to realize that improved quality can result in higher levels of operational performance (Abd-Elrahman & Ahmed Kamal, 2022). Furthermore, Hosseini et al. (2018) considered service quality is a crucial factor that allows organisations to distinguish themselves from their competitors. This, in turn, helps them gain long-lasting competitive benefits such as customer satisfaction, customer loyalty, and positive word of mouth through its marketing mix elements (product, price place and promotion) (Al Karim & Habiba, 2020; Karim, 2020).

Many studies (such as Abd-Elrahman & Ahmed Kamal, 2022; Sim et al., 2010; Al Karim & Habiba, 2020; Syapsan, 2019) have found that higher product and service quality correlates with higher organisational performance. Therefore, it is logical to assume that enhancing the quality of service in the marketing mix components has a positive effect on the performance of an organisation. Most research have come to the conclusion that a firm's success is strongly influenced by the service quality (Abd-Elrahman & Ahmed Kamal, 2022). Thus, the following hypotheses are presented to evaluate the direct and indirect impacts of service quality in the relationship between marketing mix strategy and firms' business performance based on previous literature.

H6 – H9: *Service quality mediates marketing mix strategy (product, price place and promotion) and firms' business performance relationship.*
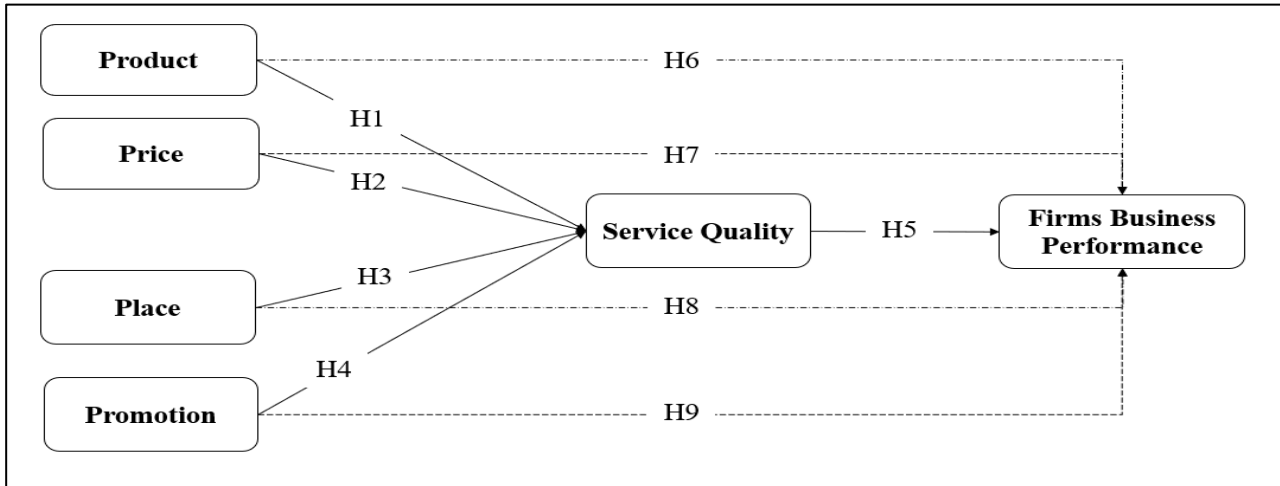
Fig. 1 - Conceptual model

3. Methods

3.1 Sample and Data Collection Procedures

In order to evaluate the hypotheses, put forth in the literature review, a self-administered survey was implemented utilizing a structured questionnaire within the manufacturing sector of Chattogram, which is recognized as both the port city and commercial hub of Bangladesh. The survey questionnaire comprised of two distinct sections. The initial segment contains demographic information of the respondents, including respondents' gender, age group, educational qualification, length of service and management position. Moreover, the second segment contains 22 questions under the following constructs product (PRD), place (PLC), price (PRC), promotion (PRM), service quality (SQ) and firm's business performance (FBP) respectively.

The selection of target organisations in Chattogram encompassed a range of companies, including textile, leather and shoes under readymade garments. Consequently, we carefully selected the firms from RMG sectors and subsequently dispatched an email requesting approval and involvement in the survey. Permission was granted to 23 companies from the RGM sector of Chattogram. The study encompassed participants who occupied executive to managerial positions across different departments within chosen organisations situated in Chattogram. A total of 500 questionnaires were distributed to the employees of the selected RMG organisations via open envelopes accompanied by pencils. Consequently, convenience sampling technique was used to select the respondents for this study from those 23 companies. The data collection period spanned from December 2022 to February 2023, during which participants were instructed to submit their responses in securely sealed envelopes. The distribution of the questionnaires was carried out manually with the aid of individuals such as students, alumni, colleagues, and personal acquaintances. Following multiple rounds of follow-up, a total of 327 questionnaires were deemed suitable for data analysis after eliminating incomplete questionnaires. This represents a response rate of 65.40%.

3.2 Measurement of Variables

The study constructs were assessed through a meticulous selection of items sourced from prior research. The measurement of product strategy involves four items, while place strategy is comprised of three items. Similarly, price strategy encompasses three items, and promotion strategy comprises three items as well. The aforementioned items were derived from the Al Badi (2018). The present study incorporates service quality as a mediating variable, consisting of five items sourced from Karim et al. (2023). Finally, the construct of Firm Business Performance comprises four specifically selected components as established by Khan et al. (2019). The present research employs the Likert scale as a tool to examine the degree of agreement or disagreement among participants towards a specific statement. The variables' items are assessed using a 5-point Likert Scale that ranges from "Strongly Disagree" (1) to "Strongly Agree" (5).

4. Findings

4.1 Respondents' Demographic Profile

Table 1 displays the demographic characteristics of the participants. The findings showed that male respondents represented 56.88% of the entire sample, while female respondents comprised up 43.12%. The highest 49.24% respondents belonged to the age bracket of 26 to 35 years. This was followed by 23.24% of respondents who were aged between 36 to 49 years, while 14.68% of respondents were from the age group of 50 years and above. Regarding education, the majority of participants, specifically 50.77%, had completed their undergraduate degree. Approximately

34.86% of participants had completed their graduate degree, while the remaining 14.37% had completed their higher secondary education. In addition, a significant proportion of participants (47.71%) reported a tenure of less than five years in their respective organisations. Meanwhile, 26.91% of respondents had a tenure of five to ten years, 16.82% had served for eleven to fifteen years, and 8.56% had a tenure of fifteen years or more. The results indicate that the majority of respondents identified as Merchandisers (29.36%), followed by Fashion Designers (24.16%), Quality Control Executives (21.10%), Planning Executives (14.07%), and Supply Chain Executives (11.31%).

Table 1 - Demographic profile of respondents

Demographic	Category	Frequency	Percent (%)
Gender	Male	186.0	56.88
	Female	141.0	43.12
Age Group	18-25 Years	42	12.84
	26-35 Years	161	49.24
	36-49 Years	76	23.24
	Over 50 Years	48	14.68
Educational Qualifications	Higher Secondary	47	14.37
	Bachelor	166	50.77
	Postgraduate	114	34.86
Length of Service	Less Than 5 Years	156	47.71
	5-10 Years	88	26.91
	11-15 Years	55	16.82
	Over 15 Years	28	8.56
Designation	Merchandiser	96	29.36
	Fashion Designer	79	24.16
	Supply Chain Executive	37	11.31
	Planning Executive	46	14.07
	Quality Control Executive	69	21.10

4.2 Measurement Model

The assessment of the measurement model is conducted through the utilization of Composite Reliability (CR) and Average Variance Extracted (AVE) values, which are indicative of convergent and discriminant validity. Furthermore, the evaluation of Indicator reliability is carried out through the examination of the outer loadings and cross-loading values (Henseler et al., 2016). The results of our study indicate that the factor loadings exhibit values that surpass the recommended threshold of 0.70, as proposed by Hair et al. (2020), except for PRD4, which has a value of 0.680. Nevertheless, we retained the item due to the reason our AVE values exceed 0.5. According to Hair et al. (2020), in order to evaluate internal consistency reliability, it is necessary for both Cronbach alpha and composite reliability values to exceed 0.70. According to the results presented in Table 4, it was observed that the Cronbach alpha and composite reliability values for all the variables under study surpassed the threshold of 0.70, thereby satisfying the criteria for internal consistency reliability.

Table 2 - Measurement of constructs

Constructs & Items	FL	α	CR	AVE
Product (Al Badi, 2018)				
PRD1 Confirms good quality products and services	0.802	0.776	0.853	0.593
PRD2 Strives to develop its products and services to create a competitive advantage.	0.825			
PRD3 Provides diversification in its products & services.	0.766			
PRD4 Ensure quality in designing & packaging its products.	0.680			
Place (Al Badi, 2018)				
PLC1 Ensures products availability in the warehouse.	0.796	0.761	0.863	0.677
PLC2 Gives detailed information about products & services.	0.832			
PLC3 Maintains effective distribution system.	0.840			
Price (Al Badi, 2018)				
PRC1 Ensures affordable products and services.	0.882	0.824	0.894	0.739
PRC2 Uses a competitive pricing strategy.	0.818			
PRC3 Provides sales & gives flexible payment periods.	0.877			

	FL	α	CR	AVE
Promotion (Al Badi, 2018)				
PRM1 Offers clear and attractive promotion	0.890	0.888	0.931	0.817
PRM2 Provides samples to identify its products.	0.896			
PRM3 Maintain promotion campaigns regular basis.	0.925			
Service Quality (Karim et al. 2023)				
SQ1 Delivers assured services	0.890	0.907	0.930	0.728
SQ2 Offers quick services	0.803			
SQ3 Make customer assured by services	0.866			
SQ4 Offers decent and appropriate services	0.821			
SQ5 Provides technologically up to date services	0.882			
Firm Business Performance (Khan et al. 2019)				
FBP1 More profitability	0.866	0.880	0.918	0.736
FBP2 Increased market share	0.870			
FBP3 Higher sales growth	0.860			
FBP4 More economic results	0.835			

Note: FL= Factor loading; α = Cronbach's Alpha; CR = Composite reliability; AVE = Average variance extracted

The present investigation has employed the Fornell-Larcker criterion and HTMT ratio technique, as suggested by Hair et al. (2020) and Henseler et al. (2016), to evaluate the discriminant validity. Table 3 demonstrates that the AVE of each construct's square root (represented by bolded diagonal values) exceeds the correlations of the constructs (represented by un-bolded diagonal values), thereby fulfilling the criteria established by Fornell and Larcker (1981). The results of the study suggest that the correlation values between the latent constructs, as presented in Table 4, were all below 0.85. This indicates that the constructs were distinct from each other and were validated using the HTMT method proposed by Henseler et al. (2016).

Table 3 - Discriminant validity (Fornell-Larcker criterion)

Constructs	FBP	Place	Price	Product	Promotion	SQ
FBP	**0.858**					
Place	0.469	**0.823**				
Price	0.621	0.554	**0.860**			
Product	0.683	0.633	0.682	**0.770**		
Promotion	0.708	0.518	0.663	0.712	**0.904**	
SQ	0.675	0.475	0.530	0.580	0.562	**0.853**

Note: FBP = Firms' financial performance; SQ = Service quality

Table 4 - Discriminant validity (HTMT ratio)

Constructs	FBP	Place	Price	Product	Promotion	SQ
FBP	-------					
Place	0.569	-------				
Price	0.723	0.687	-------			
Product	0.790	0.817	0.818	-------		
Promotion	0.797	0.625	0.771	0.824	-------	
SQ	0.744	0.565	0.596	0.651	0.616	-------

Note: FBP = Firms' financial performance; SQ = Service quality

4.3 Structural Model

Hypotheses Testing

Consistent with Chin's (1998) approach, we employed the SmartPLS bootstrap technique in our study to explore possible causal relationships. At the outset, the issue of multicollinearity was assessed through the computation of the variance inflation factor (VIF). Table 5 displays that the VIF value for every predictor is within the recommended threshold of 3.3 (Kock & Lynn, 2012), signifying that there is no presence of multicollinearity in this study. The present study employed PLS bootstrapping with 5000 subsamples and 327 observations, as per the technique suggested by Hair

et al. (2020), to ascertain the statistical significance of the path coefficients. Table 4 presents the results of β, p-values, and t-values, which were utilized to verify the hypotheses' acceptance.
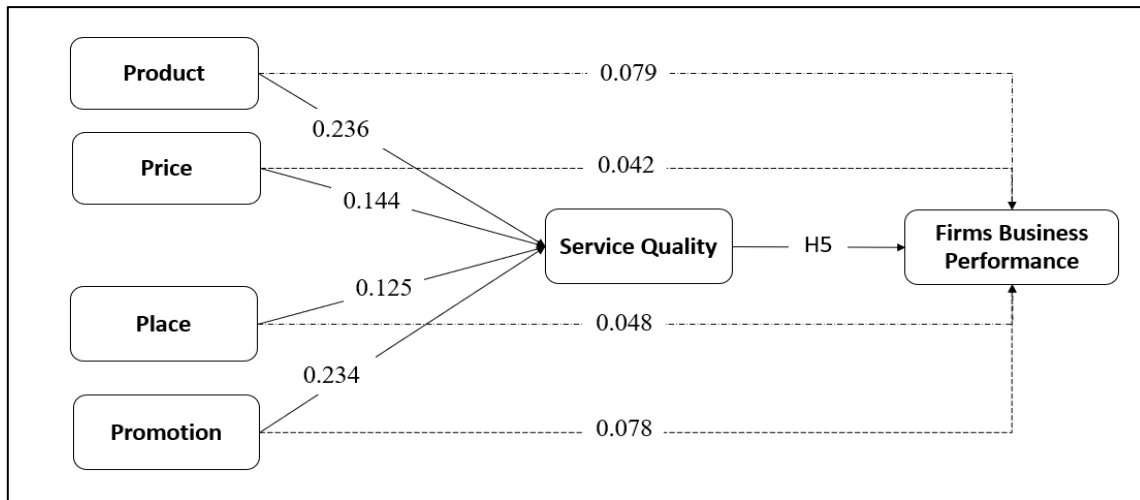

Fig. 2 - Estimated structural model

Based on the outcomes presented in Table 5, it was found that all the four marketing mix strategies such as product (β=0.236; t=4.194; p=00.000> 0.05), price (β=0.144; t=2.439; p=0.007< 0.05), place (*β=0.125; t=2.038; p=0.021< 0.05*), and promotional strategies (β=0.234*; t=3.538; p=0.000<0.05*) have significant positive impact on firm's service quality. Accordingly, all the four hypotheses (H1: Product→ SQ; *H2: Price→ SQ; H3: Place→ SQ & H4: Promotion→* SQ) were supported and demonstrated significant positive associations with firms' service quality (SQ). Besides, the finding also reveals that firms' service quality positively and significantly linked with firms' business performance (β=0.336; t=5.758; p=0.000> 0.05) and accordingly, the hypothesis 5 (H5) was supported.

Table 5 - Summary of hypothesis results & inner VIF values of exogenous constructs

Hypothesis Path	Beta	T Values	P Values	Decision	VIF (<3.3)
H1: Product → SQ	0.236	4.194	0.000	Supported	1.781
H2: Price → SQ	0.144	2.439	0.007	Supported	2.861
H3: Place → SQ	0.125	2.038	0.021	Supported	2.234
H4: Promotion → SQ	0.234	3.538	0.000	Supported	2.401
H5: SQ → FBP	0.336	5.758	0.000	Supported	1.678

Note: FBP = Firms' financial performance; SQ = Service quality

Figure 2 demonstrates the outputs of the estimated structural model. The results (see Table 5) recommend that SQ significantly mediates all the four mediating hypotheses such as H6 (Product→SQ→FBP; β=0.079, t=3.222, p> 0.05), H7 (Price→SQ→FBP; β=0.048, t=2.201, p> 0.05), H8 (Place→SQ→FBP; β=0.042, t=1.906, p> 0.05), H9 (Promotion→SQ→FBP; β=0.078, t=2.841, p> 0.05) based on their t- values and p-values.

Table 6 - Summary of mediation hypotheses results

Hypothesis Path	Beta	T Values	P Values	Decision
H6: Product → SQ → FBP	0.079	3.222	0.001	Supported
H7: Price→ SQ → FBP	0.042	1.906	0.028	Supported
H8: Place → SQ → FBP	0.048	2.201	0.014	Supported
H9: Promotion → SQ → FBP	0.078	2.841	0.002	Supported

Note: FBP = Firms' financial performance; SQ = Service quality

Furthermore, the SRMR value of 0.078 suggests an acceptable degree of model fit (Hair et al., 2020), which is less than the criterion of 0.08. The R^2 value of business performance is 0.645, while the R^2 value of service quality is 0.404 (see Table 6), indicating that both have moderate predictive ability of independent variables. In agreement with the suggestions put forth by scholars such as Chin (1998) and Henseler et al. (2016), it can be stated that the model possesses predictive relevance for the endogenous variables when the Q^2 value surpasses 0. Conversely, if the Q^2 value is 0 or less,

the model is deemed to lack predictive relevance. The results indicate that the Q^2 values (refer to Table 7) for both the firm's business performance and the quality of service are above 0, suggesting that the model holds good predictive relevance.

Table 7 - Quality of the model and fit indices

Endogenous Constructs	R^2	Q^2 (>0)	SRMR (<0.08)
Firm Business Performance	0.645	0.463	0.078
Service Quality	0.404	0.281	

5. Discussions

This study evaluated the impact of marketing mix on firms' business performance in the readymade garment sector and how service quality mediates the relationship between marketing mix and firms' business performance. The findings have demonstrated that all components of the marketing mix, including product, price, place, and promotion, are strongly and positively correlated with the service quality offered by the organisation. Therefore, the components of the marketing mix play a significant role in determining the quality of service provided to customers and confirms hypotheses H1, H2, H3, and H4. The previous literature (Hanaysha et al., 2021; Syapsan, 2019) provided support for these findings, demonstrating a strong association between marketing mix components and firms' service quality. Implementing effective marketing mix strategies allows business firms to ensure precise product availability, targeted pricing, optimal distribution channels, and efficient promotional activities. Customers/buyers can access these high-quality services through the implementation of the marketing mix strategy (Hanaysha et al., 2021; Al Karim & Habiba, 2020; Muchiri, 2016). The importance of service quality lies in its ability to distinguish an organisation from its competitors, thus helping to achieve a long-lasting competitive advantage.

Moreover, the result further discover that a firm's service quality has positive and significant influence on firms' business performance and supports hypothesis H5. Service quality is critical to a company's competitive advantage and determines several aspects of organisational success including word-of-mouth and perceived value (Pambreni et al., 2019; Mahadin & Akroush, 2019). Furthermore, service quality improves a company's financial and operational performance (Abd-Elrahman & Ahmed Kamal, 2022).

In addition, the findings discovered that service quality significantly mediates the association relating marketing mix components (product, price, place and promotion) and firms' business performance and validate hypotheses H6 to H9. The present study is unique because it examines the relationship between marketing mix components (product, price, place, and promotion) and firms' business performance, specifically focusing on the mediating role of service quality. This study provides vital information to the current literature on marketing mix. The marketing mix strategy is critical in influencing customer attitudes towards products and services, as well as their positive recommendations to others. This, in turn, has a substantial influence on attaining long-term company success and establishing a competitive edge (Hanaysha et al., 2021; Syapsan, 2019).

6. Research Implications

There are numerous theoretical implications of this investigation. Based on the researcher's understanding and the information at hand, this research is among the limited number of studies (Al Karim & Habiba, 2020) that have examined the impact of marketing mix on the business performance of firms in the ready-made garment industry of Bangladesh, through service quality. The study emphasizes the significance of marketing mix components (product, price, place and promotion) as a prerequisite to firms' business performance, which has not previously been examined in any research studies in the context of readymade garment industry in Bangladesh. Thus, this study offers a comprehensive framework that connects marketing mix components (product, price, place and promotion) to service quality and firms' business performance and contributes to the body of knowledge about readymade garment industry in Bangladesh. Furthermore, this study contributes to the existing literature on the marketing mix by examining the influence of service quality as a mediator in the relationship between the marketing mix components and the business performance of firms.

On the other hand, this study offers some practical implications as well. From the results, it is evident that the marketing mix plays a crucial role in determining a company's position in the target market and its ability to attract customers. Hence, it is crucial for every component of the marketing mix (product, price, place, and promotion) to be in harmony with each other and aligned with the diverse requirements of the target markets. Managers are responsible for directly planning and implementing marketing activities such as distribution, promotion, and personal selling in order to enhance the business performance of the firm. Managers should utilize price promotions as a strategy to increase consciousness of the brand and engage customers. Price promotions, in particular, serve as a catalyst for switching companies and offer customers incentives to try out more expensive brands (Pourdehghan, 2015). It is highly recommended for companies in this field to utilize advertisements as a means of informing individuals about their products. Advertisements play a crucial role in encouraging potential buyers within the target market to choose specific brands. Furthermore, the customer's recognition of a product is the most crucial factor when it comes to selecting a product. Distributors are required to acquire knowledge about the products they distribute. This knowledge is crucial as

it enables them to effectively sell their product and also defend it against competing products (Syapsan, 2019; Rumiyati & Syafarudin, 2021). In addition, marketing managers are required to formulate a methodical strategy for engaging in consumer sales and cultivating enduring and devoted connections. In order to accomplish the goals of sales and profitability, marketing managers must allocate company resources to these critical components (Pourdehghan, 2015).

7. Limitations and Recommendations

This investigation, like previous studies, is not without shortcomings. The sample size may not be representative of the population at first, but by expanding the sample size, the research's validity may be enhanced. The study then considered McCarthy's four Ps: product, location, pricing, and promotion. As a result, future research can consider the seven Ps of marketing mix. Furthermore, this research only looks at the Chattogram division's garment sector; future research might look at other divisions or the entire country. Moreover, future research may employ probability sampling techniques instead of convenience sampling technique. In addition, upcoming research can consider other mediating variables such as customer experience, customer satisfaction and many more.

Author Contribution

Al Karim, R.: Finding gaps, establishing problem statement and supervision. **Jahan, N & Jebunnesa, U**.: Writing literature and formulating the hypotheses. **Al Karim, R & Jahan, N**.: Data collection, analysis, and writing contribution.

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