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Exploring Social Commerce Utilisation and Perceived Benefits among Malaysian Sole Proprietors in the Fashion Industry

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ABSTRACT

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Sole proprietors in Malaysia's fashion industry are increasingly challenged to sustain competitive advantage within a rapidly evolving digital business environment. The emergence of social commerce has created new opportunities for sole proprietors to enhance customer engagement, expand market reach, and improve operational performance. However, existing studies predominantly focus on consumer behaviour and SMEs, with limited understanding of how sole proprietors strategically utilise specific social commerce features to strengthen competitive advantage. Therefore, this study aims to explore how social commerce contributes to competitive advantage among sole proprietors in Malaysia's fashion industry by examining the perceived benefits of integrating social commerce into daily business operations. A qualitative research approach was employed using semi-structured interviews with ten sole proprietors operating fashion sole proprietors in the Klang Valley, Malaysia. The collected data were analysed using thematic analysis supported by Atlas.ti to identify recurring themes related to social commerce practices and competitive advantage. The findings revealed that social commerce contributes to competitive advantage through cost leadership, product differentiation, product quality, innovation, and time to market. Specifically, ratings and reviews, recommendations and referrals, and live streaming emerged as key social commerce practices that enhance customer engagement, improve responsiveness, and support business sustainability. This study contributes to the organisational-level social commerce literature by providing a feature-level explanation of how specific social commerce practices translate into competitive advantage among resource-constrained sole proprietors. The findings also provide practical insights for sole proprietors seeking to strategically utilise social commerce to strengthen competitiveness in the digital economy.

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1. Introduction

The rapid advancement of digital technologies and the widespread utilisation of social media have significantly transformed how sole proprietors communicate with customers, market products, and conduct commercial activities [1]. Social media platforms have evolved beyond their original role as communication tools into integrated digital environments that support marketing, customer engagement, and online transactions simultaneously [2]. This transformation has contributed to the emergence of social commerce, which integrates social interaction, user-generated content, and commercial activities within digital platforms [3].

Despite the increasing utilisation of social commerce, the outcomes of its implementation vary considerably across sole proprietors [4]. Previous studies suggest that these variations are influenced by differences in social commerce features, business strategies, and consumer engagement practices [5]. Although many sole proprietors actively utilise platforms such as Instagram, TikTok, and Facebook, not all are able to translate social commerce utilisation into meaningful competitive advantage [6]. This suggests that competitive outcomes are influenced not merely by platform utilisation, but by how specific social commerce features, including ratings and reviews, recommendations and referrals, and live streaming, are strategically utilised in business operations [7,8].

Existing studies on social commerce predominantly employ quantitative approaches to examine utilisation factors, consumer behaviour, and performance outcomes [9,10]. While these studies provide valuable generalisable insights, they often conceptualise social commerce as a broad construct and offer limited understanding of how specific social commerce features contribute to competitive advantage in practice [4]. Furthermore, prior research has primarily focused on small and medium-sized enterprises (SMEs), with considerably less attention given to sole proprietors despite their distinct organisational characteristics, including limited resources, owner-centred decision-making, and heavy reliance on social media platforms for business operations [11]. Consequently, there remains insufficient understanding of how sole proprietors strategically utilise social commerce to strengthen competitive advantage within resource-constrained business environments.

Therefore, this study addresses these gaps by exploring how specific social commerce features contribute to competitive advantage among sole proprietors in Malaysia's fashion industry. By adopting a qualitative approach, this study provides an in-depth understanding of how ratings and reviews, recommendations and referrals, and live streaming function as strategic mechanisms that support cost leadership, product differentiation, innovation, product quality, and time to market. This study contributes to the organisational-level social commerce literature by providing a feature-level explanation of how social commerce practices create competitive value within resource-constrained sole proprietorship sole proprietors. The findings also offer practical insights for sole proprietors seeking to strategically utilise social commerce to strengthen competitiveness and sole proprietorship sustainability in the digital economy.

1.1 Literature Review

This section reviews the relevant literature related to social commerce and competitive advantage within digital business environments. The discussion focuses on the concept of social commerce, the dimensions of competitive advantage, and the relationship between social commerce practices and competitive advantage among sole proprietors. Reviewing these studies provides a

theoretical and contextual foundation for understanding how specific social commerce practices contribute to business competitiveness within resource-constrained business environments.

1.1.1 Social commerce

Social commerce refers to the integration of social media technologies and commercial activities within online business environments [3,9]. Unlike traditional e-commerce, which primarily focuses on transactional efficiency, social commerce emphasises interaction, collaboration, and user-generated content that facilitate communication between sole proprietors and customers [12]. Through social commerce platforms, sole proprietors are able to engage directly with customers, promote products, gather feedback, and strengthen online relationships [13]. As social commerce platforms continue to evolve, social commerce has increasingly become an important strategic tool for sole proprietors seeking to enhance customer engagement and market visibility.

Previous studies have identified several key features of social commerce, including ratings and reviews, recommendations and referrals, and live streaming [14,15]. Ratings and reviews allow customers to share evaluations and experiences regarding products and services, which subsequently influence customer trust and purchasing decisions [16]. Recommendations and referrals facilitate the dissemination of information through electronic word-of-mouth communication, enabling sole proprietors to expand their customer reach through social networks [17]. Meanwhile, live streaming enables real-time interaction between sole proprietors and customers, allowing products to be demonstrated, explained, and promoted interactively [18]. These features collectively enhance engagement, interaction, and responsiveness within digital business environments.

Despite the increasing scholarly attention given to social commerce, existing studies predominantly focus on consumer behaviour, purchase intention, and technology utilisation outcomes [7,10]. Many studies conceptualise social commerce as a broad technological construct without sufficiently examining how specific platform features contribute to organisational-level outcomes and competitive advantage in practice [4]. Furthermore, prior studies largely focus on SMEs and larger organisations, while limited attention has been given to sole proprietors despite their strong dependence on social media platforms for business operations [11]. As sole proprietors often operate under resource constraints and rely heavily on direct customer interaction, understanding how specific social commerce features contribute to competitive advantage remains an important area requiring further exploration.

1.1.2 Competitive advantage

Competitive advantage refers to the ability of a business to create superior value and achieve a stronger market position relative to its competitors through unique resources, capabilities, and strategic practices [19]. Robb *et al.*, [20] further define competitive advantage as the ability of firms to generate greater social and economic value compared to competing sole proprietors. Within increasingly digital business environments, competitive advantage is no longer determined solely by physical resources, but also by how sole proprietors strategically utilise digital technologies and customer engagement practices to enhance responsiveness, visibility, and customer relationships.

For sole proprietors, achieving competitive advantage is particularly challenging due to limited financial resources, small operational capacity, and reliance on owner-centred decision-making processes [21]. Unlike larger organisations, sole proprietors often depend heavily on social commerce and direct customer interaction to sustain business performance and market visibility.

Consequently, competitive advantage among sole proprietors is closely associated with their ability to adapt quickly to market trends, maintain customer relationships, and strategically utilise digital platforms to support business operations.

This study focuses on five key dimensions of competitive advantage, namely cost leadership, product differentiation, product quality, innovation, and time to market. Product differentiation refers to the ability of sole proprietors to offer distinctive products or services that are perceived as unique by customers [22]. Cost leadership focuses on achieving operational efficiency and reducing operational costs while maintaining acceptable product standards [23]. Product quality emphasises the consistency and reliability of products in meeting customer expectations and satisfaction [19]. Innovation refers to the ability of sole proprietors to introduce new ideas, designs, or improvements that enhance business competitiveness and customer value [23]. Meanwhile, time to market refers to the speed at which sole proprietors are able to introduce products, respond to market demands, and deliver products efficiently to customers [24].

Previous studies commonly examine competitive advantage as a direct outcome of technological utilisation and business performance [25,26]. However, limited attention has been given to understanding the underlying mechanisms through which specific social commerce practices contribute to the development of competitive advantage, particularly within resource-constrained sole proprietorship. Existing studies also tend to emphasise larger organisations and SMEs, while comparatively less attention has been given to sole proprietors operating in highly competitive digital environments. Therefore, further exploration is necessary to understand how social commerce practices contribute to the development of competitive advantage among sole proprietors in the fashion industry.

1.1.3 Social commerce impact on competitive advantage

Social commerce has increasingly emerged as an important strategic platform that enables sole proprietors to enhance customer engagement, improve market responsiveness, and strengthen competitive advantage. Previous studies generally report a positive relationship between social commerce utilisation and business performance outcomes [4,27,28]. Social commerce enables sole proprietors to interact directly with customers, improve communication efficiency, and increase market visibility through digital platforms. As a result, sole proprietors are able to strengthen customer relationships, improve customer satisfaction, and enhance operational responsiveness within competitive business environments.

Several studies have demonstrated that social commerce contributes to competitive advantage through different mechanisms. Gupta *et al.*, [29] found that social commerce enhances perceived value and positively influences sole proprietors' intention to utilise social commerce platforms. Similarly, Jia *et al.*, [30] reported that social commerce strengthens customer trust and improves perceptions towards products and services, which subsequently contribute to better business performance. Marolt *et al.*, [4] further highlighted that relational social commerce capability mediates the relationship between social media usage and competitive advantage among sole proprietors. These studies collectively suggest that social commerce contributes to sole proprietorship competitiveness by facilitating interaction, trust-building, responsiveness, and customer engagement.

Despite these positive findings, the impact of social commerce on competitive advantage remains inconsistent across studies. Some researcher argue that social commerce may also create negative outcomes, including information overload, intensified online competition, and negative customer reviews that may undermine business performance and customer trust [31]. These contradictory

findings indicate that the outcomes of social commerce are highly dependent on how sole proprietors strategically utilise platform features and manage customer interaction in practice. Consequently, social commerce should not be viewed merely as a technological platform, but rather as a strategic capability that requires effective coordination of communication, engagement, and responsiveness to generate competitive value.

Furthermore, existing studies predominantly focus on consumer behaviour, purchase intention, and technology utilisation outcomes using quantitative approaches [9,10]. Limited attention has been given to understanding how specific social commerce practices contribute to competitive advantage among sole proprietors operating under resource constraints. Many prior studies conceptualise social commerce as a broad construct without sufficiently examining how specific features such as ratings and reviews, recommendations and referrals, and live streaming function as mechanisms that influence competitive advantage in practice. Therefore, this study seeks to address these gaps by exploring how specific social commerce practices contribute to competitive advantage among sole proprietors in Malaysia's fashion industry.

2. Methodology

This study adopted a qualitative research design grounded within an interpretivist paradigm to explore how specific social commerce practices contribute to competitive advantage among sole proprietors in the fashion industry. The interpretivist approach is appropriate because it enables an in-depth understanding of how individuals interpret experiences, construct meanings, and apply social commerce practices within their business operations [32]. Given the limited organisational-level understanding of how social commerce contributes to competitive advantage among sole proprietors, a qualitative approach allows deeper exploration of the underlying mechanisms and experiences that cannot be sufficiently captured through quantitative methods alone [33,34].

Purposive sampling was employed to recruit information-rich participants who were able to provide relevant insights aligned with the research objectives. Participants were selected based on four criteria: (1) registered sole proprietors, (2) utilisation of at least one social commerce platform such as TikTok Shop, Instagram, Shopee, or Facebook, (3) involvement in fashion-related businesses, and (4) operation within the Klang Valley region. The Klang Valley was selected due to its high concentration of digitally active micro-businesses and its significance as one of Malaysia's major commercial and entrepreneurial hubs [35].

Data were collected through semi-structured interviews, which provided flexibility for participants to share their experiences while ensuring alignment with the study objectives [37]. The interview protocol was developed based on existing literature related to social commerce practices and competitive advantage. The interviews explored participants' experiences regarding ratings and reviews, recommendations and referrals, live streaming practices, and the perceived business benefits derived from social commerce utilisation. Each interview lasted between 30 and 120 minutes and was conducted either face-to-face or through online platforms, depending on participants' availability and preferences. With participants' consent, all interviews were audio-recorded and transcribed verbatim to ensure data accuracy and analytical reliability.

In qualitative research, sample size is generally determined based on the richness and relevance of the data rather than statistical representativeness. Participants were therefore selected purposively to provide in-depth insights relevant to the research objectives. A total of ten informants (see Table 1) participated in this study, which is consistent with qualitative research approaches that prioritise depth and richness of information over sample size [36]. Data saturation was achieved

when no new themes, categories, or meaningful insights emerged during the later stages of data collection, indicating adequate coverage of the research phenomenon.

The collected data were analysed using thematic analysis supported by Atlas.ti software. The analysis followed Braun and Clarke's [38] six-stage thematic analysis process to systematically identify, analyse, and interpret patterns within the interview data.

The first stage involved familiarisation with the data, whereby all interview recordings were transcribed verbatim and repeatedly reviewed to develop a comprehensive understanding of participants' experiences and perspectives. During this stage, initial observations and reflective notes were documented to facilitate deeper engagement with the data.

The second stage focused on generating initial codes. Relevant words, phrases, and statements related to social commerce practices and competitive advantage were systematically identified and labelled. Coding was conducted across all interview transcripts to ensure consistency and comprehensive coverage of meaningful data segments.

The third stage involved searching for themes by organising related codes into broader categories and identifying recurring patterns across participants' responses. At this stage, codes sharing similar meanings and relationships were grouped together to form preliminary themes associated with social commerce utilisation and competitive advantage.

The fourth stage consisted of reviewing themes to ensure coherence, consistency, and relevance to the research objectives. During this process, themes were refined, merged, or separated where necessary to ensure that each theme accurately reflected the underlying data and represented distinct conceptual meanings.

The fifth stage involved defining and naming themes. Each theme was carefully interpreted and clearly defined based on its central meaning and contribution to the study. Appropriate theme names were subsequently developed to accurately represent the experiences and perspectives shared by participants.

The final stage involved producing the report, whereby representative participant quotations were selected and integrated into the findings to support thematic interpretations and preserve the authenticity of participants' perspectives. The themes were subsequently interpreted in relation to existing literature and the study objectives to provide a deeper understanding of how social commerce contributes to competitive advantage among sole proprietors in the fashion industry.

To ensure methodological rigor, this study adhered to the trustworthiness criteria of credibility, transferability, dependability, and confirmability proposed by Shenton [39]. Credibility was enhanced through prolonged engagement with the data and iterative comparison between interview transcripts, codes, and emerging themes. Transferability was addressed by providing detailed contextual descriptions of participants and business settings to enable readers to assess the applicability of the findings within similar contexts. Dependability was maintained through systematic documentation of the research procedures and analytical processes, while confirmability was ensured by grounding interpretations directly within empirical evidence and maintaining an audit trail throughout the analysis process.

Ethical considerations were carefully observed throughout the study. Ethical approval was obtained from the Research Ethics Committee (REC), Universiti Teknologi MARA (UiTM) Selangor. Informed consent was obtained from all participants prior to the interviews, and confidentiality was maintained through participant anonymisation and secure handling of all research data.

Table 1
Summary of sole proprietors informants' profiles

No	Years of establishment:	Social commerce platforms
P1	2004	TikTok shop, Shopee, Instagram
P2	2013	TikTok, Facebook
P3	2015	TikTok, Shopee, Facebook, Instagram
P4	2018	TikTok, Facebook, Instagram
P5	2023	TikTok, Shopee
P6	2020	TikTok
P7	2018	TikTok, Shopee, Facebook
P8	2022	TikTok, Instagram, Facebook
P9	2012	Facebook, Instagram, TikTok Shopee
P10	2015	Shopee, TikTok

3. Results

The thematic analysis identified several recurring themes related to the utilisation of social commerce and the development of competitive advantage among sole proprietors in the fashion industry. The findings demonstrate how participants strategically utilised social commerce practices to strengthen customer engagement, improve operational responsiveness, and enhance business competitiveness. Two major themes emerged from the analysis, namely competitive advantage and social commerce practices, each comprising several interrelated subthemes.

3.1 Competitive Advantage

The findings revealed that participants adopted multiple business strategies to strengthen competitive advantage within increasingly competitive digital business environments. Five key dimensions of competitive advantage emerged from the analysis, namely cost leadership, product differentiation, product quality, innovation, and time to market. These dimensions reflect how sole proprietors strategically manage operational limitations, respond to customer demands, and utilise social commerce practices to sustain business competitiveness.

3.1.1 Cost leadership

Cost leadership emerged as a significant strategy among participants, particularly in managing operational efficiency and reducing unnecessary business costs. Participants described implementing selective product offerings, inventory control, and bulk purchasing practices to minimise operational expenses while maintaining acceptable product quality standards. These findings suggest that sole proprietors achieve cost leadership not through large-scale production, but through careful operational planning and resource optimisation within resource-constrained business environments.

Participant 3 explained that limiting product variation allows for better inventory management and cost reduction:

"We focus on plus-size products, as the demand is high, and we only offer a limited range of sizes. This allows us to keep costs low" (P3).

Similarly, Participant 5 highlighted the importance of procurement planning and bulk purchasing practices:

"I make sure to buy in bulk to reduce costs and plan our inventory carefully" (P5).

These findings indicate that cost leadership among sole proprietors is embedded within day-to-day operational decision-making processes, particularly in inventory management, purchasing strategies, and product standardisation practices.

3.1.2 Product differentiation

Product differentiation emerged as an important competitive strategy through which participants positioned their sole proprietors as distinctive within highly competitive digital marketplaces. Participants emphasised uniqueness in terms of fabric quality, design, customisation, and tailoring practices to attract and retain customers. These findings suggest that differentiation among sole proprietors is closely associated with their ability to offer personalised and niche-oriented products that align with customer preferences and evolving market trends.

Participant 1 highlighted the uniqueness of their products through customisation and specialised materials:

"Our advantage is that customers can see our unique fabric quality in-store. We specialize in Songket, and we offer custom orders" (P1).

Similarly, Participant 4 explained that product uniqueness is achieved through design variation and material selection:

"The unique aspect we offer lies in the cutting of the clothing include the design of shirts, pants, and materials" (P4).

These findings demonstrate that product differentiation among sole proprietors is achieved through tangible product attributes and personalised offerings that create distinct customer value within social commerce environments.

3.1.3 Product quality

Product quality emerged as a central business priority among participants, particularly in maintaining customer satisfaction and strengthening business reputation. Participants described implementing continuous quality control practices involving material selection, product testing, and production monitoring to ensure that products consistently met customer expectations. These findings indicate that product quality is not treated as a static outcome, but rather as an ongoing process of evaluation and improvement.

Participant 6 explained the importance of selecting higher quality materials:

"We select the ones that are of better quality" (P6).

Participant 8 further emphasised attention towards production quality and product finishing:

"We make sure we produce quality fabric with neat stitching, so when customers receive the item, they're satisfied" (P8).

Similarly, Participant 2 highlighted the importance of testing product materials before launching products to customers:

"We use material that's not too thin, so it's not transparent and uncomfortable. We also test new fabric types before we launch" (P2).

These findings suggest that maintaining product quality plays an important role in supporting customer trust, satisfaction, and long-term business sustainability within social commerce environments.

3.1.4 Innovation

Innovation emerged as an important adaptive capability among participants, particularly in responding to changing customer preferences and evolving market trends. Participants described innovation through customised product offerings, seasonal product development, and continuous adaptation of designs based on social media trends and customer demand. These findings suggest that innovation among sole proprietors is both planned and responsive, reflecting the dynamic nature of social commerce environments.

Participant 7 described offering customised products tailored to institutional and group customers:

"We cater to schools, associations, or sports teams that want custom jerseys" (P7).

Participant 1 highlighted seasonal innovation practices during festive periods:

"We make custom-made baju Kurung with various colors and designs for family themes during Eid" (P1).

Meanwhile, Participant 6 demonstrated responsiveness towards emerging online trends:

"We try new styles based on what we see on TikTok and try to offer something slightly different" (P6).

These findings indicate that innovation among sole proprietors is strongly influenced by customer interaction, social media trends, and the flexibility to rapidly adapt products within digital business environments.

3.1.5 Time to market

Time to market emerged as an important strategic consideration among participants, particularly in aligning promotional and selling activities with customer purchasing behaviour and seasonal demand. Participants described adjusting marketing activities according to festive seasons, salary cycles, and customer spending patterns to maximise sales opportunities and market responsiveness.

Participant 3 explained the importance of adjusting promotional strategies during festive periods:

"We also adjust our advertising based on the occasion, like during festive seasons" (P3).

Similarly, Participant 6 highlighted the importance of timing marketing activities according to customers' financial cycles:

"I feel that the most suitable time for marketing is when people receive their salaries, as that's when sales are highest" (P6).

These findings suggest that sole proprietors strategically utilise market timing and customer behaviour insights to improve responsiveness, enhance customer engagement, and optimise sales performance within competitive social commerce environments.

3.2 Social Commerce

The findings identified several social commerce practices that participants utilised to support customer engagement, strengthen business visibility, and enhance operational responsiveness. Three key social commerce practices emerged from the analysis, namely ratings and reviews, recommendations and referrals, and live streaming. These practices functioned as important mechanisms through which sole proprietors interacted with customers, gathered feedback, promoted products, and strengthened competitive advantage within digital business environments.

3.2.1 Ratings and reviews

Ratings and reviews emerged as an important social commerce practice used by participants to monitor customer feedback, evaluate customer satisfaction, and improve product offerings. Participants described actively collecting and analysing customer feedback from multiple sources, including platform reviews, direct customer comments, and online interactions. These findings suggest that ratings and reviews function not only as customer evaluation tools, but also as mechanisms that support continuous business improvement and customer relationship management.

Participant 1 explained the use of multiple feedback channels to understand customer experiences:

"We collect feedback through shop reviews, commercial reviews, and personal comments" (P1).

Participants further described how customer reviews helped identify product weaknesses, customer preferences, and areas requiring improvement. Through continuous monitoring of feedback, sole proprietors were able to adjust product quality, customer service, and selling strategies.

These findings indicate that ratings and reviews contribute to competitive advantage by enhancing customer trust, improving responsiveness, and supporting ongoing product and service improvement within social commerce environments.

3.2.2 Recommendations and referrals

Recommendations and referrals emerged as an important source of customer acquisition and business visibility among participants. Participants described how existing customers frequently shared product experiences and business information with friends, colleagues, and family members through informal communication and social networks. These findings suggest that recommendations and referrals function as a form of electronic word-of-mouth communication that strengthens customer trust and expands market reach.

Participant 4 explained how customer recommendations contributed to repeated exposure and customer attraction:

"Most of my customers come through word of mouth. For instance, they buy because a friend of theirs bought it, and then that friend continues to wear the product" (P4).

Similarly, Participant 6 highlighted how customers actively promoted products within their social circles:

"They might tell their office friends, 'Buy pants here!' or share the store's name with their siblings" (P6).

Participants described recommendations and referrals as a trust-based promotional mechanisms that required minimal financial cost compared to traditional advertising strategies. These findings indicate that recommendations and referrals contribute to competitive advantage by increasing business visibility, strengthening customer trust, and supporting cost-efficient customer acquisition within social commerce environments.

3.2.3 Live streaming

Live streaming emerged as a highly influential social commerce practice that enabled participants to promote products, interact directly with customers, and enhance real-time engagement. Participants described live streaming as an effective selling strategy that allowed them to

demonstrate products, respond to customer questions immediately, and create interactive online shopping experiences. These findings suggest that live streaming functions as both a marketing and communication tool that strengthens customer engagement and business responsiveness.

Participant 1 explained how live streaming supports content creation and customer interaction:

"So, I have been doing TikTok live. From TikTok live, we can create various types of content" (P1).

Similarly, Participant 6 highlighted the effectiveness of live streaming in influencing customer engagement and sales activities:

"In terms of effectiveness, live hosting is more impactful" (P6).

Participants further indicated that live streaming enabled them to explain product details more clearly, build customer confidence, and respond quickly to customer enquiries during selling sessions. These findings demonstrate that live streaming contributes to competitive advantage by enhancing interactivity, improving customer engagement, and increasing responsiveness within fast-moving digital business environments.

4. Discussion

This study provides deeper insights into how specific social commerce practices contribute to competitive advantage among sole proprietors in the fashion industry. The findings demonstrate that ratings and reviews, recommendations and referrals, and live streaming function as strategic mechanisms that support cost leadership, product differentiation, product quality, innovation, and time to market. Unlike many previous studies that conceptualise social commerce as a broad technological construct, this study highlights how specific social commerce practices create value and contribute to business competitiveness within resource-constrained business environments. The findings therefore provide a more nuanced understanding of how sole proprietors strategically utilise social commerce to strengthen business performance and sustain competitive advantage.

The findings indicate that competitive advantage among sole proprietors is achieved through a combination of cost leadership, product differentiation, product quality, innovation, and time to market. Cost leadership was primarily achieved through selective product offerings, inventory control, and bulk purchasing practices. These findings support Gómez-Prado *et al.*, [23], who emphasised the importance of resource optimisation in achieving operational efficiency. However, the present study extends previous research by demonstrating that cost leadership among sole proprietors is not driven by economies of scale, but rather by strategic resource management and operational simplification within resource-constrained environments.

Similarly, product differentiation was achieved through customised products, unique designs, specialised materials, and personalised services. These findings support Han [22], who argued that product uniqueness enables sole proprietors to create greater customer value and stronger market positioning. Product quality also emerged as an important dimension of competitive advantage, with participants emphasising material selection, product testing, and quality control practices. Collectively, these findings suggest that competitive advantage among sole proprietors is strongly influenced by their ability to continuously align products and services with customer expectations and changing market demands.

The findings further demonstrate that innovation and time to market function as dynamic capabilities that enable sole proprietors to respond rapidly to changing customer preferences and market opportunities. Participants continuously adapted product designs, introduced customised offerings, and adjusted marketing activities based on social media trends and customer behaviour. These findings support Zhou *et al.*, [24], who highlighted responsiveness as a critical factor influencing business competitiveness. However, the present study extends existing knowledge by showing that

social commerce facilitates continuous interaction between sole proprietors and customers, enabling sole proprietors to identify emerging trends and respond more quickly than would be possible through traditional business channels. This highlights the role of social commerce in supporting agility, responsiveness, and customer-driven innovation within digital business environments.

The findings reveal that ratings and reviews, recommendations and referrals, and live streaming serve as distinct yet complementary mechanisms through which social commerce contributes to competitive advantage. Ratings and reviews function as important feedback mechanisms that enable sole proprietors to identify customer preferences, improve product quality, and strengthen customer trust. While previous studies primarily focus on the influence of ratings and reviews on consumer purchase behaviour [7,16], the present study demonstrates that sole proprietors actively utilise customer feedback to improve operational performance and enhance competitiveness.

Similarly, recommendations and referrals emerged as important trust-based mechanisms that support customer acquisition and business visibility. Consistent with Beck *et al.*, [17], customer recommendations facilitate the dissemination of information through social networks and strengthen credibility among potential customers. However, the findings further reveal that referrals provide a cost-efficient promotional strategy for sole proprietors, enabling them to expand market reach without significant marketing expenditure.

Among the identified social commerce practices, live streaming emerged as the most interactive and dynamic mechanism. Participants utilised live streaming to demonstrate products, engage directly with customers, and address enquiries in real time. These findings support Jiang *et al.*, [18], who highlighted the role of live streaming in enhancing customer engagement and purchase behaviour. Beyond these benefits, the present study demonstrates that live streaming enables sole proprietors to strengthen customer relationships, improve responsiveness, and accelerate decision-making processes within highly competitive digital marketplaces.

From a theoretical perspective, the findings suggest that competitive advantage is not derived from social commerce utilisation alone, but from the strategic utilisation of specific social commerce practices that enable customer engagement, responsiveness, and value creation. Consistent with the Resource-Based View, the findings indicate that ratings and reviews, recommendations and referrals, and live streaming function as valuable organisational capabilities that support differentiation, operational efficiency, and innovation. The study therefore contributes to organisational-level social commerce literature by providing a mechanism-based explanation of how specific social commerce practices contribute to competitive advantage among sole proprietors operating within resource-constrained environments.

From a practical perspective, the findings provide valuable insights for sole proprietors seeking to strengthen competitiveness through social commerce. The study highlights the importance of actively managing customer feedback, encouraging customer referrals, and utilising live streaming to enhance engagement and responsiveness. By strategically integrating these practices into daily business operations, sole proprietors may strengthen customer relationships, improve business visibility, and enhance long-term business sustainability within increasingly competitive digital environments.

5. Conclusions

This study explored how specific social commerce practices contribute to competitive advantage among sole proprietors in Malaysia's fashion industry. The findings demonstrate that ratings and reviews, recommendations and referrals, and live streaming function as important strategic mechanisms that support cost leadership, product differentiation, product quality, innovation, and

time to market. The study further reveals that competitive advantage within social commerce environments is not achieved through platform utilisation alone, but through the strategic utilisation of social commerce practices that strengthen customer engagement, responsiveness, and business adaptability.

From a theoretical perspective, this study contributes to organisational-level social commerce literature by providing a feature-level and mechanism-based explanation of how specific social commerce practices contribute to competitive advantage among resource-constrained sole proprietors. The findings extend existing literature by demonstrating that social commerce practices function not merely as technological tools, but as strategic capabilities that enable value creation, customer interaction, and operational responsiveness within digital business environments.

From a practical perspective, the findings provide valuable insights for sole proprietors seeking to strengthen competitiveness through social commerce utilisation. The study highlights the importance of actively managing customer feedback, encouraging customer referrals, and strategically utilising live streaming to improve customer engagement, business visibility, and responsiveness to market demands. These practices may assist sole proprietors in strengthening long-term business sustainability within increasingly competitive digital marketplaces.

Despite its contributions, this study is subject to several limitations. The qualitative design and relatively small sample size limit the generalisability of the findings, while the focus on sole proprietors within the fashion industry and the Klang Valley context may not fully represent other industries or geographical settings. Future research is therefore recommended to employ quantitative approaches to validate the identified mechanisms and examine their relationships at a broader scale. Comparative studies across industries and countries are also recommended to provide deeper insights into how social commerce practices contribute to competitive advantage across different business environments.

Overall, this study provides important insights into how sole proprietors strategically utilise social commerce practices to strengthen competitive advantage and sustain business performance within the evolving digital economy.

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