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The Effects of Marketplace Price Competition, Working Capital Efficiency, Operational Cost Control, and Cash Flow Management on Revenue Performance of Online Fashion Stores in Surakarta

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Abstract

The rapid growth of digital marketplaces has created new opportunities for online fashion businesses while simultaneously increasing competitive pressure among sellers. In highly competitive marketplace environments, business revenue performance is influenced not only by external market strategies but also by internal financial management capabilities. This study aims to examine the effects of marketplace price competition, working capital efficiency, operational cost control, and cash flow management on the revenue performance of online fashion stores in Surakarta, Indonesia. This research employed a quantitative approach using primary data collected through questionnaires distributed to 100 online fashion store owners. The data were analyzed using multiple linear regression with the assistance of statistical software. The results indicate that marketplace price competition has a positive and significant effect on online fashion store revenue. Working capital efficiency also has a positive and significant effect, demonstrating the importance of effective resource utilization in supporting business growth. Operational cost control has a significant negative effect, indicating that increasing operational expenses without adequate efficiency management may reduce revenue performance. Furthermore, cash flow management has a positive and significant effect and represents the strongest predictor among the examined variables. The regression model explains 35.4% of the variation in online fashion store revenue, while the remaining variation is influenced by other factors outside the research model. This study highlights that online fashion businesses should combine competitive marketplace strategies with effective financial management practices to achieve sustainable revenue growth.

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1. Introduction

The rapid development of digital technology has significantly transformed the business landscape, particularly in the retail sector. The emergence of electronic commerce (e-commerce) platforms and online marketplaces has created new opportunities for small and medium-sized enterprises (SMEs) to expand market access, reach consumers more efficiently, and develop alternative business models beyond conventional retail systems. Digital marketplaces allow businesses to reduce geographical limitations, improve customer interaction, and utilize digital marketing strategies to compete in increasingly dynamic markets (Nambisan et al., 2019; Verhoef et al., 2021). Among various business sectors, the fashion industry represents one of the sectors that has experienced substantial growth through online platforms due to changes in consumer behavior, increased internet penetration, and the growing preference for convenient shopping experiences (Jufry, 2025).

However, the increasing adoption of online marketplaces has also intensified competition among fashion businesses (Gerpott & Berends, 2022; Loginova, 2022). Online sellers face challenges related to price competition because consumers can easily compare product prices, promotional offers, and seller ratings across different platforms (Duan et al., 2022; Das & Kumar, 2023). Price has become an important competitive instrument in online markets because

customers often consider affordability as one of the main factors influencing purchasing decisions (Tirta et al., 2025; Lestari et al., 2026). Although competitive pricing strategies may help businesses attract customers, excessive price competition can reduce profit margins and create financial pressure, especially for small businesses with limited resources. Therefore, online fashion businesses need to balance competitive pricing strategies with effective internal financial management to maintain sustainable revenue growth (Abbas & Kumari, 2021).

In addition to external market competition, the financial capability of businesses plays an important role in determining performance outcomes. One of the critical financial aspects is working capital efficiency, which reflects the ability of businesses to manage short-term assets and liabilities effectively to support daily operations (Hendrawan et al., 2023; Hererra et al., 2023)). Efficient working capital management enables businesses to maintain sufficient liquidity, optimize inventory investment, and improve operational flexibility by ensuring that financial resources are allocated effectively to support business activities (Baños-Caballero et al., 2016; Altaf & Shah, 2018). For small businesses, effective working capital management is particularly important because limited access to external financing makes them highly dependent on internal financial resources. Previous studies have demonstrated that effective working capital management contributes to improved business performance by strengthening liquidity management, reducing financial constraints, and improving resource utilization efficiency (Baños-Caballero et al., 2016; Altaf & Shah, 2018).

Another important factor influencing business revenue is operational cost control. The ability to monitor, evaluate, and control operational expenses allows businesses to allocate resources more efficiently and avoid unnecessary expenditures. Poor cost management may reduce profitability because increasing operational expenses without proportional revenue growth can negatively affect financial outcomes. In the context of online fashion businesses, operational costs may include inventory procurement, packaging, platform fees, promotional expenses, and logistics costs. Therefore, effective cost control mechanisms are required to ensure that business activities remain efficient while maintaining competitive advantages.

Furthermore, cash flow management represents a fundamental aspect of financial sustainability, particularly for small businesses. Revenue generation does not always guarantee business continuity if cash inflows and outflows are not properly managed. Effective cash flow management enables businesses to maintain liquidity, fulfill operational obligations, plan future investments, and respond to financial uncertainties. Previous research indicates that inadequate financial planning and weak cash management practices may create difficulties for SMEs in maintaining operational continuity, particularly because small businesses often face liquidity constraints and limited financial resources (Ye & Kulathunga, 2019; Adomako et al., 2016). Conversely, businesses with better cash flow management capabilities tend to have stronger resilience and improved financial performance.

Although previous studies have examined various factors affecting SME performance, several research gaps remain. Many studies have focused on individual financial factors, such as working capital management or digital technology adoption, while limited studies have simultaneously examined external competitive factors and internal financial management factors in the context of online fashion businesses (Agyapong & Attram, 2019). In addition, the rapid growth of marketplace-based businesses creates a need to understand whether competitive strategies, financial efficiency, cost control, and cash flow management jointly influence revenue performance. This issue is particularly relevant for online fashion stores in Surakarta, Indonesia, where increasing competition among marketplace sellers requires business owners to develop both market-oriented and financially sustainable strategies.

This study addresses these gaps by analyzing the effects of marketplace price competition, working capital efficiency, operational cost control, and cash flow management on the revenue of online fashion stores in Surakarta. The study contributes to the existing literature by integrating external competitive factors and internal financial management capabilities into a single research model. Furthermore, the findings provide practical implications for online fashion entrepreneurs regarding the importance of balancing competitive pricing strategies with effective financial management practices to

improve business revenue performance.

Based on this background, this study aims to examine: (1) the effect of marketplace price competition on online fashion store revenue, (2) the effect of working capital efficiency on revenue, (3) the effect of operational cost control on revenue, and (4) the effect of cash flow management on revenue. The results are expected to provide empirical evidence regarding the factors that contribute to revenue improvement among online fashion businesses operating in competitive digital marketplaces.

2. Literature Review

2.1 Marketplace Price Competition and Revenue Performance

The rapid expansion of online marketplaces has changed the competitive structure of retail businesses by increasing market transparency and reducing information barriers between sellers and consumers. In digital marketplaces, consumers can easily compare product prices, promotional programs, customer reviews, and seller reputations before making purchasing decisions. This condition has intensified price competition among online sellers because businesses must continuously adjust their pricing strategies to attract consumers and maintain market visibility. Price competition represents the extent to which businesses respond to competitors' pricing strategies through price adjustments, discount programs, and value offerings to influence customer purchasing decisions.

From the perspective of competitive strategy, price is one of the fundamental instruments used by firms to achieve competitive advantage. Competitive pricing represents an important strategic capability in digital marketplaces because businesses must continuously adjust prices, promotional strategies, and value propositions to attract customers and maintain competitiveness (Grewal et al., 2020; Wang et al., 2020). In online marketplace environments, competitive pricing strategies may increase consumer interest because customers often perceive lower prices as providing greater economic value. Therefore, businesses that are capable of implementing appropriate pricing strategies may experience increased transaction volume and improved revenue performance.

However, the relationship between price competition and business performance is complex. Excessive price competition may create pressure on profit margins, especially for small businesses that have limited bargaining power and operational resources. Therefore, price competition does not solely depend on offering the lowest price but also requires businesses to manage costs and operational efficiency effectively. For online fashion businesses, competitive pricing can increase sales opportunities because fashion products are highly influenced by consumer preferences, trends, and promotional attractiveness. Sellers who are able to provide competitive prices while maintaining product quality may achieve stronger market positions and higher revenue.

Previous empirical studies indicate that pricing strategy plays an important role in influencing business outcomes. Competitive pricing allows businesses to attract customers, increase market share, and strengthen customer acquisition, particularly in highly competitive digital markets (Grewal et al., 2020). Therefore, this study assumes that stronger marketplace price competition, when managed effectively, contributes positively to revenue performance.

Based on these arguments, the following hypothesis is proposed:

H1: Marketplace price competition has a positive and significant effect on online fashion store revenue.

2.2 Working Capital Efficiency and Revenue Performance

Working capital management is a critical component of financial management because it determines the ability of businesses to maintain operational continuity and financial stability. Working capital refers to the management of current assets and current liabilities required for daily business activities, including inventory management, cash availability, and short-term financial obligations. Efficient working capital management enables firms to optimize resource utilization, minimize unnecessary financial costs, and maintain sufficient liquidity to support business operations.

For small and medium-sized enterprises, working capital efficiency becomes particularly important because these businesses often experience financial constraints and have limited access to external financing. Unlike large corporations that may rely on various financing sources, small businesses generally depend on internally generated funds to finance inventory purchases, operational expenses, and business expansion. Therefore, effective management of

working capital can determine whether businesses are able to respond to market opportunities and maintain sustainable growth.

The relationship between working capital efficiency and business performance can be explained through the resource optimization perspective. Efficient working capital practices allow businesses to reduce idle resources, accelerate cash conversion cycles, and improve operational flexibility. Previous studies have demonstrated that firms with better working capital management tend to achieve stronger financial performance because they are able to balance liquidity requirements and profitability objectives.

In online fashion businesses, working capital efficiency is particularly relevant because inventory represents a major component of business resources. Fashion products have dynamic demand patterns, where excessive inventory may increase storage costs and create the risk of obsolete products due to changing consumer trends. Conversely, insufficient inventory may result in lost sales opportunities. Therefore, efficient management of inventory, cash, and short-term financial resources may contribute to improved revenue generation.

Based on previous theoretical and empirical evidence, this study proposes the following hypothesis:

H2: Working capital efficiency has a positive and significant effect on online fashion store revenue.

2.3 Operational Cost Control and Revenue Performance

Operational cost control represents the ability of businesses to monitor, evaluate, and manage expenses associated with daily activities. Effective cost control enables firms to improve efficiency by reducing unnecessary expenditures while ensuring that resources are allocated toward productive activities. In competitive business environments, cost control is essential because businesses must maintain competitive prices without sacrificing financial sustainability.

According to management accounting perspectives, cost control involves systematic planning, measurement, and evaluation of costs to ensure alignment between business objectives and operational activities. Businesses with effective cost control mechanisms are better able to identify inefficient processes, manage resource utilization, and improve overall operational performance.

For online fashion businesses, operational costs consist of various components, including product acquisition costs, marketplace service fees, advertising expenses, packaging costs, shipping-related expenses, and employee costs. The growth of digital marketplaces may create additional cost pressures because sellers often need to invest in advertisements, promotions, and platform-based services to increase product visibility. Without proper cost control, increasing operational expenses may reduce financial benefits obtained from higher sales volume.

Nevertheless, cost control should not be interpreted merely as reducing expenses. Excessive cost reduction may negatively influence product quality, customer service, and long-term competitiveness. Therefore, effective operational cost control requires businesses to achieve an optimal balance between efficiency and value creation. Businesses that successfully manage operational costs may maintain competitive pricing strategies while improving revenue performance.

Previous studies suggest that cost efficiency contributes to improved business performance because firms with better expense monitoring capabilities can allocate resources more effectively and maintain competitive advantages (Mia et al., 2020). Therefore, this study proposes:

H3: Operational cost control has a significant effect on online fashion store revenue.

2.4 Cash Flow Management and Revenue Performance

Cash flow management is one of the most important financial capabilities determining business sustainability. Cash flow management involves planning, monitoring, and controlling cash inflows and outflows to ensure that businesses have sufficient liquidity to support operational activities. Although revenue growth represents an important indicator of business success, businesses may still experience financial difficulties when cash movements are not properly managed.

The importance of cash flow management is particularly significant for SMEs because these businesses generally face greater financial uncertainty compared with larger firms. Limited financial resources, unstable demand, and restricted access to external financing make effective cash planning essential for maintaining business continuity. Businesses

that fail to manage cash flows effectively may experience difficulties in purchasing inventory, paying operational expenses, and responding to market opportunities.

From the financial capability perspective, effective cash flow management improves business resilience by enabling owners to make informed financial decisions. Proper cash monitoring allows businesses to identify future funding requirements, control unnecessary expenditures, and maintain adequate liquidity. Previous studies have demonstrated that financial management capabilities, including cash planning, financial monitoring, and liquidity management, significantly influence SME sustainability and performance (Ye & Kulathunga, 2019).

In online fashion businesses, cash flow management becomes increasingly important because digital transactions involve rapid cash movements through multiple channels, including marketplace payments, digital wallets, bank transfers, and customer refunds. Businesses that effectively manage these cash cycles are more capable of maintaining operational stability and improving revenue performance.

Therefore, the following hypothesis is proposed:

H4: Cash flow management has a positive and significant effect on online fashion store revenue.

3. Method

3.1 Research Design

This study employs a quantitative research approach to examine the relationship between marketplace price competition, working capital efficiency, operational cost control, cash flow management, and revenue performance among online fashion businesses. A quantitative approach was selected because the research aims to empirically test the relationships between variables through numerical measurements and statistical analysis.

The research design is explanatory in nature, as it seeks to identify the extent to which independent variables influence the dependent variable. Specifically, this study investigates whether marketplace price competition, working capital efficiency, operational cost control, and cash flow management significantly affect the revenue performance of online fashion stores in Surakarta.

The research model consists of four independent variables, namely marketplace price competition (X1), working capital efficiency (X2), operational cost control (X3), and cash flow management (X4), while online fashion store revenue is positioned as the dependent variable (Y). The proposed model is analyzed using multiple linear regression to determine both individual and simultaneous effects of the independent variables on revenue performance.

3.2 Population and Sample

The population of this study consists of online fashion stores operating in Surakarta, Indonesia. The research focuses on online fashion businesses because this sector represents one of the business categories that actively utilizes marketplace platforms and faces intense competition related to pricing strategies, operational efficiency, and financial management practices.

The sample was selected using a purposive sampling technique based on specific criteria. The criteria included online fashion stores that:

1. operate in Surakarta City;
2. conduct business activities through online marketplace platforms;
3. have operated for a minimum period required to provide sufficient business experience; and
4. are managed by owners or individuals who understand the financial and operational conditions of the business.

A total of 100 online fashion stores participated as research respondents. Data collection was conducted by distributing structured questionnaires to business owners or managers who were considered capable of providing information regarding marketplace competition, financial management practices, operational costs, and business revenue.

3.3 Data Collection Method

Primary data were collected through questionnaires distributed to online fashion store owners in Surakarta. The questionnaire was developed based on indicators derived from previous theoretical concepts and empirical studies related to business competition, financial management, and SME performance.

The questionnaire used a Likert-scale measurement approach to capture respondents' perceptions regarding each research variable. Respondents were asked to

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indicate their level of agreement with statements representing marketplace price competition, working capital efficiency, operational cost control, cash flow management, and revenue performance.

The questionnaire method was considered appropriate because the research variables involve managerial practices and business conditions that are directly experienced by business owners. Through this approach, the study was able to obtain quantitative information regarding how online fashion businesses manage competitive pressures and internal financial resources.

3.4 Measurement of Variables

The operational definitions of research variables are presented as follows:

Table 1. Operational Definitions

Variable	Definition	Indicators
Marketplace Price Competition (X1)	The extent to which online fashion businesses face and respond to competitive pricing conditions in marketplace platforms.	Competitive pricing strategy, price comparison with competitors, promotional pricing, price adjustment practices
Working Capital Efficiency (X2)	The ability of businesses to manage short-term financial resources effectively to support operational activities.	Inventory management, utilization of business funds, liquidity management, efficiency of working capital usage
Operational Cost Control (X3)	The ability of businesses to monitor and manage operational expenses to achieve efficiency.	Transaction recording, expense monitoring, inventory cost control, operational expense evaluation
Cash Flow Management (X4)	The process of planning, monitoring, and controlling cash inflows and outflows to maintain business liquidity.	Cash planning, cash monitoring, transaction recording, cash security, financial evaluation
Revenue Performance (Y)	The financial outcome achieved by online fashion businesses from business activities.	Sales growth, revenue increase, transaction volume, business income improvement

The measurement indicators were adapted from financial management and SME performance concepts and adjusted to the characteristics of online fashion businesses.

3.5 Data Analysis Technique

The collected data were analyzed using statistical procedures with the assistance of the Statistical Package for the Social Sciences (SPSS). Several analytical procedures were conducted to evaluate the quality of the data and test the proposed hypotheses.

First, validity and reliability tests were conducted to ensure that the questionnaire instruments accurately measured the research variables. Validity testing was performed to examine whether each questionnaire item represented the intended construct, while reliability testing was conducted to evaluate the internal consistency of the measurement instruments.

Second, classical assumption tests were performed before regression analysis, including normality, multicollinearity, and heteroscedasticity tests. These procedures were conducted to ensure that the regression model met the statistical requirements for reliable estimation.

Third, multiple linear regression analysis was applied to examine the effects of independent variables on revenue performance. The regression model used in this study is formulated as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

where:

- **Y** = Online fashion store revenue
- **α** = Constant value
- **β1–β4** = Regression coefficients
- **X1** = Marketplace price competition
- **X2** = Working capital efficiency
- **X3** = Operational cost control
- **X4** = Cash flow management
- **e** = Error term

The significance of each independent variable was evaluated using partial hypothesis testing (t-test), while the simultaneous influence of all independent variables was examined using the F-test. Furthermore, the coefficient of determination (R^2) was used to determine the extent to which the independent variables explained variations in online fashion store revenue.

4. Results

4.1 Descriptive Analysis and Regression Model

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This study analyzed the effects of marketplace price competition, working capital efficiency, operational cost control, and cash flow management on the revenue performance of online fashion stores in Surakarta. The data obtained from 100 online fashion stores were analyzed using multiple linear regression to examine the individual and simultaneous effects of the independent variables on business revenue.

The multiple regression analysis produced the following regression equation:

$$Revenue = 6.765 + 0.383X_1 + 0.345X_2 - 0.407X_3 + 0.741X_4 + e$$

where:

- X_1 = represents marketplace price competition,
- X_2 = represents working capital efficiency,
- X_3 = represents operational cost control,
- X_4 = represents cash flow management, and
- e = represents the error term.

The regression results indicate that marketplace price competition, working capital efficiency, and cash flow management have positive coefficients, suggesting that improvements in these variables are associated with increased online fashion store revenue. Conversely, operational cost control shows a negative coefficient, indicating that higher operational costs are associated with decreased revenue performance when other variables remain constant.

4.2 Multiple Linear Regression Analysis

Table 2 presents the results of the multiple linear regression analysis.

Table 2. Multiple Linear Regression Results

Variables	Regression Coefficient (B)	t-value	Sig.
Constant	6.765	2.452	0.016
Marketplace Price Competition	0.383	3.848	0.000
Working Capital Efficiency	0.345	2.745	0.007
Operational Cost Control	-0.407	-3.738	0.000
Cash Flow Management	0.741	5.390	0.000

Source: Primary data processed, 2026.

The regression analysis demonstrates that all independent variables significantly influence online fashion store revenue. Marketplace price competition has a positive regression coefficient of 0.383 with a significance value of 0.000, indicating that stronger competitive pricing strategies are associated with higher revenue performance. Working capital efficiency also shows a positive influence with a coefficient of 0.345 and a significance value of 0.007.

Operational cost control produces a negative coefficient of -0.407 with a significance value of 0.000. This result indicates that increasing operational costs without effective efficiency mechanisms may negatively affect revenue performance. Meanwhile, cash flow management has the highest regression coefficient among all variables (B = 0.741), indicating that it provides the strongest contribution to improving online fashion store revenue.

4.3 Hypothesis Testing

4.3.1 Partial Effect Test (t-Test)

The partial hypothesis testing was conducted to determine the individual effect of each independent variable on online fashion store revenue. The significance level used in this study was 5% (α = 0.05).

The results indicate that all proposed hypotheses are statistically supported.

First, marketplace price competition has a significant positive effect on revenue. The variable obtained a significance value of 0.000 (<0.05), indicating that competitive pricing strategies implemented by online fashion businesses contribute to increased revenue performance.

Second, working capital efficiency significantly affects revenue with a significance value of 0.007 (<0.05). This finding indicates that businesses with better management of operational financial resources tend to achieve higher revenue outcomes.

Third, operational cost control significantly affects revenue with a negative direction. The significance value of 0.000 (<0.05) indicates that operational cost factors significantly influence business revenue; however, higher operational expenses may reduce revenue performance if not managed efficiently.

Fourth, cash flow management significantly affects revenue with a significance value of 0.000 (<0.05). The positive coefficient indicates that better cash flow planning, monitoring, and control contribute to improved business revenue.

Therefore, all hypotheses proposed in this study are accepted.

Table 3. Hypothesis Testing Results

Hypothesis	Relationship	Result
H1	Marketplace Price Competition → Revenue	Supported
H2	Working Capital Efficiency → Revenue	Supported
H3	Operational Cost Control → Revenue	Supported (Negative Effect)
H4	Cash Flow Management → Revenue	Supported

4.4 Simultaneous Test (F-Test)

The simultaneous effect of the independent variables was examined using the F-test to evaluate whether the regression model was appropriate for explaining variations in online fashion store revenue.

The ANOVA results show that the regression model obtained an F-value of 14.570 with a significance value of 0.000 (<0.05). This indicates that marketplace price competition, working capital efficiency, operational cost control, and cash flow management simultaneously have a significant effect on online fashion store revenue. Therefore, the regression model is considered statistically appropriate for predicting revenue performance.

4.5 Coefficient of Determination (R^2)

The coefficient of determination analysis was conducted to determine the explanatory power of the research model. The results show that the regression model obtained an R-value of 0.617, an R Square value of 0.380, and an Adjusted R Square value of 0.354.

The Adjusted R Square value of 0.354 indicates that marketplace price competition, working capital efficiency, operational cost control, and cash flow management explain 35.4% of the variation in online fashion store revenue. Meanwhile, the remaining 64.6% is explained by other factors outside the research model, such as product innovation, service quality, digital promotion, consumer trust, and social media marketing strategies.

5. Discussion

5.1 The Effect of Marketplace Price Competition on Online Fashion Store Revenue

The findings of this study indicate that marketplace price competition has a positive and significant effect on online fashion store revenue. This result demonstrates that the ability of online fashion businesses to respond effectively to competitive pricing conditions in marketplace platforms contributes to improved revenue performance. The positive coefficient suggests that businesses that actively manage their pricing strategies, monitor competitor prices, and provide competitive offers are more likely to attract customers and increase transaction opportunities.

This finding can be explained through the competitive strategy perspective, which emphasizes that pricing decisions represent an important mechanism for achieving competitive advantage. In online marketplaces, consumers have greater access to price information because they can easily compare similar products from multiple sellers. As a result, price becomes one of the important factors influencing purchasing decisions. Online fashion stores that are able to establish competitive prices while maintaining product value can improve customer attraction and increase sales volume.

The positive relationship between price competition and revenue is particularly relevant in the online fashion industry because fashion products are highly influenced by consumer preferences, trends, and promotional activities. Customers often consider price affordability together with product attractiveness, availability, and seller reputation when making online purchases. Therefore, sellers who understand marketplace pricing dynamics can adjust their strategies according to consumer expectations and competitive conditions.

However, the findings also suggest that price competition should not be interpreted merely as reducing prices. Excessive price reductions may create pressure on profit margins and threaten business sustainability. Therefore, competitive pricing strategies should be supported by effective cost management and financial planning. Online fashion businesses need to achieve a balance between offering attractive prices and maintaining sufficient financial returns.

This result supports previous studies emphasizing that competitive pricing strategies can improve business performance by increasing market responsiveness and customer acquisition in digital commerce environments (Grewal et al., 2020). Thus, marketplace price competition represents an important external factor influencing the revenue performance of online fashion

businesses.

5.2 The Effect of Working Capital Efficiency on Online Fashion Store Revenue

The results show that working capital efficiency has a positive and significant effect on online fashion store revenue. This finding indicates that businesses with better management of short-term financial resources tend to achieve higher revenue performance. Efficient working capital management allows online fashion businesses to maintain operational continuity, manage inventory effectively, and ensure the availability of funds required for daily business activities.

The result is consistent with the financial management perspective, which considers working capital as a critical resource supporting business operations. For small businesses, working capital efficiency becomes particularly important because limited financial resources require owners to carefully allocate funds between inventory investment, operational expenses, and business development activities. Inefficient working capital management may lead to excessive inventory, cash shortages, or inability to respond to market opportunities.

In the context of online fashion businesses, inventory management represents an essential component of working capital efficiency. Fashion products are characterized by rapidly changing trends and consumer preferences. Therefore, excessive inventory accumulation may increase storage costs and create the risk of unsold products, while insufficient inventory availability may result in lost sales opportunities. Businesses that effectively manage inventory turnover and maintain appropriate cash availability are more capable of responding to consumer demand.

The positive influence of working capital efficiency on revenue is also consistent with recent studies demonstrating that effective working capital management improves SME performance by strengthening liquidity, reducing financial constraints, and supporting operational continuity (Baños-Caballero et al., 2016; Altaf & Shah, 2018). Therefore, improving working capital efficiency represents an important strategy for online fashion businesses seeking sustainable revenue growth.

5.3 The Effect of Operational Cost Control on Online Fashion Store Revenue

This study finds that operational cost control has a significant negative effect on online fashion store revenue. This finding indicates that although operational cost management is important for business efficiency, higher operational expenses may reduce revenue performance when costs increase beyond the capacity of the business to generate proportional returns.

The negative relationship suggests that online fashion businesses may experience financial pressure from increasing operational expenditures, including product procurement costs, marketplace service fees, promotional expenses, packaging costs, and delivery costs. In highly competitive marketplace environments, sellers often need to spend more resources on advertising, discounts, and platform-based promotional activities to maintain product visibility. Without effective evaluation and monitoring, these additional expenses may reduce the financial benefits obtained from increased sales activities.

From a management accounting perspective, cost control is not simply about reducing expenses but about ensuring that business resources are allocated efficiently toward activities that generate value. Poor cost management may occur when businesses increase spending without evaluating the contribution of these expenses to revenue growth. For example, excessive promotional spending may increase transaction volume but may not necessarily improve overall financial outcomes if profit margins become too low.

The negative effect found in this study provides an important implication for online fashion entrepreneurs. Businesses should not only focus on increasing sales but also evaluate the efficiency of operational spending. Effective cost control requires continuous monitoring of expenses, identification of unnecessary costs, and strategic allocation of resources toward productive activities.

This finding highlights that cost efficiency is a critical factor in digital marketplace competition. Businesses that fail to control operational expenses may experience declining financial performance despite having access to broader market opportunities.

5.4 The Effect of Cash Flow Management on Online Fashion Store Revenue

The findings demonstrate that cash flow management has a positive and significant effect on online fashion store revenue and represents the strongest predictor among the variables examined. This result indicates that

businesses with better abilities to plan, monitor, and control cash inflows and outflows are more capable of achieving higher revenue performance.

Cash flow management plays a fundamental role in maintaining business sustainability because revenue growth does not automatically guarantee financial stability. Businesses must ensure that available cash is sufficient to finance inventory purchases, operational expenses, marketing activities, and future business development. Poor cash flow management may create liquidity problems even when businesses experience increasing sales.

The strong influence of cash flow management in this study can be explained by the characteristics of online fashion businesses. Marketplace-based businesses often involve rapid transaction cycles, various payment channels, promotional expenses, and frequent inventory turnover. Therefore, the ability to monitor cash movements becomes essential for ensuring that business operations continue effectively. From the financial capability perspective, effective cash flow management enables business owners to make better financial decisions. By maintaining accurate financial records, preparing cash flow projections, and controlling unnecessary expenditures, businesses can improve their ability to respond to market changes and investment opportunities.

This finding supports recent research indicating that financial literacy and financial management capabilities, including cash planning and monitoring, are important determinants of SME survival and performance (Adomako et al., 2016; Ye & Kulathunga, 2019). The dominant role of cash flow management in this study suggests that improving financial discipline may provide greater benefits for online fashion businesses compared with relying solely on external competitive strategies.

5.5 Overall Discussion and Theoretical Implications

Overall, the findings demonstrate that online fashion store revenue is influenced by a combination of external competitive factors and internal financial management capabilities. Marketplace price competition represents the external market pressure faced by businesses, while working capital efficiency, operational cost control, and cash flow management represent internal capabilities that determine how effectively businesses respond to such pressures.

The results support the perspective that business performance is not determined by a single factor but by the interaction between market adaptation and organizational capability. Online fashion businesses operate in highly dynamic environments where competitive pricing strategies must be supported by efficient resource management. Businesses that can combine market responsiveness with strong financial management practices are more likely to achieve sustainable revenue growth.

Theoretically, this study contributes by integrating marketplace competition and financial management perspectives into a single model for explaining SME revenue performance in digital commerce environments. Practically, the findings suggest that online fashion entrepreneurs should not only focus on attracting customers through competitive prices but also strengthen financial practices, particularly cash flow planning and working capital management.

6. Conclusion

This study examined the effects of marketplace price competition, working capital efficiency, operational cost control, and cash flow management on the revenue performance of online fashion stores in Surakarta. The findings demonstrate that both external competitive conditions and internal financial management capabilities play important roles in determining business revenue outcomes. Marketplace price competition has a positive and significant effect on revenue, indicating that the ability of online fashion businesses to implement competitive pricing strategies contributes to attracting customers and increasing transaction opportunities. Working capital efficiency also positively influences revenue, suggesting that effective management of short-term financial resources, particularly inventory and operational funds, supports business growth. Furthermore, operational cost control significantly affects revenue with a negative direction, indicating that uncontrolled increases in operational expenses may reduce business performance. Among all variables examined, cash flow management has the strongest influence on revenue performance, highlighting the importance of financial planning, monitoring, and liquidity

management for online fashion businesses. These findings imply that online fashion entrepreneurs should not only focus on marketplace competition but also strengthen internal financial capabilities to achieve sustainable revenue growth in increasingly competitive digital markets.

This study has several limitations that should be considered. First, the research focuses only on online fashion stores operating in Surakarta, which may limit the generalizability of the findings to other regions or business sectors with different market characteristics. Second, the study uses a cross-sectional research design based on respondents' perceptions, which may not fully capture changes in business performance over time. Third, the research model explains 35.4% of the variation in online fashion store revenue, indicating that other factors outside the model may also influence business performance, such as digital marketing capability, customer loyalty, product innovation, service quality, and marketplace trust. Future studies are encouraged to expand the research scope by involving broader geographical areas, applying longitudinal approaches, and incorporating additional variables related to digital business capabilities and consumer behavior to provide a more comprehensive understanding of online business performance.

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