

**KWAME NKURUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY,  
KUMASI, GHANA**

**Digital Orientation, Market Capability, Firm Size and SME Marketing Orientation**

**By**

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**MASTER OF SCIENCE MARKETING**

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**DECLARATION**

I hereby declare that this submission is my work towards the award of MSc. Marketing and that, to the best of my knowledge, it contains no material previously published by another

person nor material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made in the text.

I take full responsibility for the content, integrity, and ethical considerations of this research. The findings, interpretations, and conclusions presented in this work are based on my own analysis and understanding of the subject matter.

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**DEDICATION**

To my beloved children and supportive husband, I dedicate this thesis to each of you, as you have played an integral role in my academic journey. Your unwavering love, encouragement, and support have been the foundation upon which I have built my achievements.

To my precious children, you have been my constant source of inspiration. Your innocence, curiosity, and limitless potential remind me of the importance of lifelong learning. Your presence in my life has pushed me to pursue knowledge and strive for excellence. This thesis is a testament to the endless possibilities that await you, and I hope it serves as a reminder of the importance of education and the power of determination.

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Lastly, I dedicate this thesis to the Almighty God, who has blessed me with the intellect, resources, and opportunities to pursue my academic aspirations. Your divine guidance and grace have illuminated my path, providing me with the strength and wisdom to overcome obstacles and achieve my goals. I acknowledge that all my accomplishments are made possible by Your boundless mercy and blessings.

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### **ABSTRACT**

This study examined the relationship between digital orientation, market capability, SME marketing orientation, and the role of firm size in the context of small and medium-sized enterprises (SMEs). The research aimed to explore how digital orientation influenced market capability and SME marketing orientation, taking into account the moderating role of firm size. A quantitative research approach was adopted, and data were collected from a sample of SMEs across various industries. Statistical techniques, including regression analysis, were employed to analyze the data and test the proposed hypotheses. The findings of this study provided insights into the relationship between digital orientation, market capability, and SME marketing orientation. The results indicated that digital orientation positively influenced market capability

and SME marketing orientation. Additionally, firm size was found to moderate the relationship between digital orientation and SME marketing orientation, highlighting the importance of considering firm size when implementing digital strategies. The research contributes to the existing literature by providing empirical evidence on the impact of digital orientation on market capability and SME marketing orientation. The findings offer practical implications for SME owners, managers, and policymakers, helping them make informed decisions regarding their digital strategies and marketing approaches. By understanding the interplay between digital orientation, market capability, SME marketing orientation, and firm size, this study provides valuable knowledge for SMEs seeking to optimize their marketing efforts in the digital era and achieve sustainable growth.

*Keywords: Digital Orientation, Market Capability, SME Marketing Orientation, Firm Size, Small and Medium-Sized Enterprises, Digital Strategies, Marketing Strategies, Competitive Advantage*

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**LIST OF ACRONYMS**

AMC	Adaptive Marketing Capabilities
ANOVA	Analysis of Variance
B2B	Business -to-Business
B2C	Business -to-Consumer
B2G	Business-to-Government
CRM	Customer Relationship Management
DMC	Digital Marketing Capabilities
MARKOR	Market Orientation
MC	Marketing Capabilities

MO	Market Orientation
MSMEs	Market of Small and Medium Enterprise
NBSMSE	National Board for Small and Medium-Scale Enterprise
RBV	Resource-Based View
SME	Small and Medium Enterprise

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## CHAPTER ONE

### INTRODUCTION

#### 1.1 Introduction

Effectively leveraging external resources has been a significant concern for firms over time and remains a central focus in management research (Joensuu-Salo et al., 2018; Reimann et al., 2022; Bamfo & Kraa, 2019). Various industries have strived to optimize the blend of internal and external resources to harness new business prospects and enhance competitiveness (Scuotto et al., 2020). Analyzing firms' marketing capabilities reveals multiple perspectives. Notably, marketing capabilities play pivotal roles within the market orientation, the resourcebased view, and Porter's competitive advantage model. They drive consumer focus (Reimann et al., 2022), contribute to organizational resources (Joensuu-Salo, 2021), and facilitate strategic implementation, particularly differentiation (Banterle et al., 2010). The positive impact of marketing capabilities, whether static or adaptive, on international performance, is well-established in marketing literature. Recent theoretical advancements introduce adaptive marketing capabilities (AMC) as a set of tools to bridge marketing gaps (Reimann et al., 2022).

Marketing's role extends to strategic orientation and firm performance (Rust et al., 2004; Srivastava & Reibstein, 2005). The acquisition and transformation of tangible and intangible resources are key to value creation and competitive advantage (Cacciolatti & Lee, 2016).

Globalization necessitates firms to possess the ability to internationalize for survival and growth. Simultaneously, digitalization transforms entrepreneurial opportunities and practices, providing new avenues for internationalization. Marketing capabilities, coupled with market orientation, are essential for internationalization (Joensuu-Salo et al., 2018). Policymakers and academia recognize digital transformation as vital for company and economic development,

driving innovation across industries for long-term growth and stakeholder value (RupeikaApoga et al., 2022). The twenty-first century's competition is centred on innovation. Amidst heightened competition, perpetual turbulence, and uncertainty, innovation is integral to corporate strategy. Enhancing innovativeness has been extensively explored, revealing market- and learning-oriented influences on firm innovativeness (Keskin, 2006). Market orientation indicates the extent of an organization's commitment to its marketing concept. Market-oriented firms outperform non-market-oriented counterparts in profitability (Abd Aziz & Mohd Yasin, 2010). Market orientation serves as a competitive advantage source, endorsed by both strategic management (Dobni & Luffman, 2003; Hult & Ketchen, 2001) and marketing (Jaworski & Kohli, 1993) researchers. Recent meta-analysis establishes a robust link between market orientation and firm performance (Kirca et al., 2005).

However, despite acknowledging market orientation's impact on firm performance, little insight exists into how this market-based asset is wielded for competitive advantage. Resourcebased theory, along with dynamic capabilities, helps address this gap. Embracing a market information processing perspective, this study views market orientation as a crucial marketbased asset and firms' marketing capabilities as the key market-relating deployment mechanism (Morgan et al., 2009). Market orientation reflects the degree to which organizations implement the marketing concept (Jaworski & Kohli, 1993). Cultural and behavioural significance is attributed to market orientation by Homburg & Pflesser (2000). Behaviorally, it encompasses processes that involve intelligence generation, information dissemination, and broad responsiveness (Kohli & Jaworski, 1990). Culturally, a market-oriented firm excels in creating behaviours that add superior value to clients, resulting in superior performance (Bamfo & Kraa, 2019). Marketing capability is a valuable resource for firms, influencing firm performance and new product development. Firms with robust marketing capabilities introduce innovations to the market, surpassing those with limited capabilities. In the digital era, a strong

digital orientation coupled with a robust market orientation is essential to capitalize on digital technology opportunities (Joensuu-Salo, 2021). Marketing capabilities often denote firms' ability to develop and execute a marketing mix (Day, 2011; Vorhies & Morgan, 2005). These capabilities are grounded in the resource-based view (RBV) of the firm, enabling firms to use existing resources for competitive advantage (Barney, 1991). However, in dynamic business environments, these capabilities may be slow to adapt (Reimann et al., 2022)

## **1.2 Problem Statement**

Small and medium enterprises (SMEs) have the potential to thrive in a digitalized organizational landscape due to the benefits of digital technology, including intelligence gathering, cost reduction, and expanded audience reach (Borges et al., 2009; Harrigan et al., 2011). However, the lack of technical or marketing expertise might hinder SMEs from fully embracing these changes (Quinton et al., 2018). Recognized by authors, research institutions, professionals, and experts, SMEs significantly contribute to economic development, production, competitiveness, employment, industrial growth, organizational decentralization, and social cohesion (Storey, 1994; Tsukahara, 2006; Singh & Garg, 2008; Dubihlela, 2013). Understanding the factors influencing the competitive performance of SMEs has drawn the attention of researchers, policymakers, and business owners/managers. Strategic management literature outlines various strategic, structural, managerial, cultural, and procedural aspects as drivers of high SME performance (Alpkan et al., 2007). The advent of digital technologies, as noted by Quinton et al. (2018), has profoundly transformed organizational and marketing environments. The impact on small and medium organizations depends on their strategic approach. Organizations guided by market, learning, and entrepreneurial orientations are well-equipped to harness digital technology's opportunities. They embrace attitudes and behaviours that foster market insight generation, proactive innovation, and openness to new

ideas. Despite the growing significance of digital transformation, there remains a gap in empirical research regarding the role of digital orientation and market orientation in cultivating marketing capability among SMEs within the Accra Metropolis of Ghana. This study aims to bridge this knowledge gap by exploring the influence of market orientation, marketing capability, and digitalization on firm performance in small- and medium-sized enterprises (SMEs). Additionally, the study will investigate any disparities in this influence between internationalized SMEs and those operating exclusively in domestic markets. By examining both digital and marketing orientations, this research seeks to uncover how SMEs can not only fulfil their financial responsibilities but also enhance their competitive advantage.

### **1.3 Objectives of the Study**

The general objective of this research is to examine the effect of market orientation and digital orientation in building the marketing capability of SMEs. Other specific objectives of the study are;

1. To examine the effect of digital orientation on the marketing capability of SMEs in the Greater Accra Metropolis
2. To investigate the effect of marketing capability on SME digital orientation in the Greater Accra Metropolis
3. To determine the moderating effect of firm size on the relationship between digital orientation and marketing capability in SMEs in the Greater Accra Metropolis

### **1.4 Research Questions**

What is the effect of digital orientation on the marketing capability of SMEs in the Greater Accra Metropolis?

1. How does marketing capability impact the digital orientation of SMEs in the Greater Accra Metropolis?

2. What is the moderating effect of firm size on the relationship between digital orientation and marketing capability in SMEs in the Greater Accra Metropolis?

### **1.5 Significance of the Study**

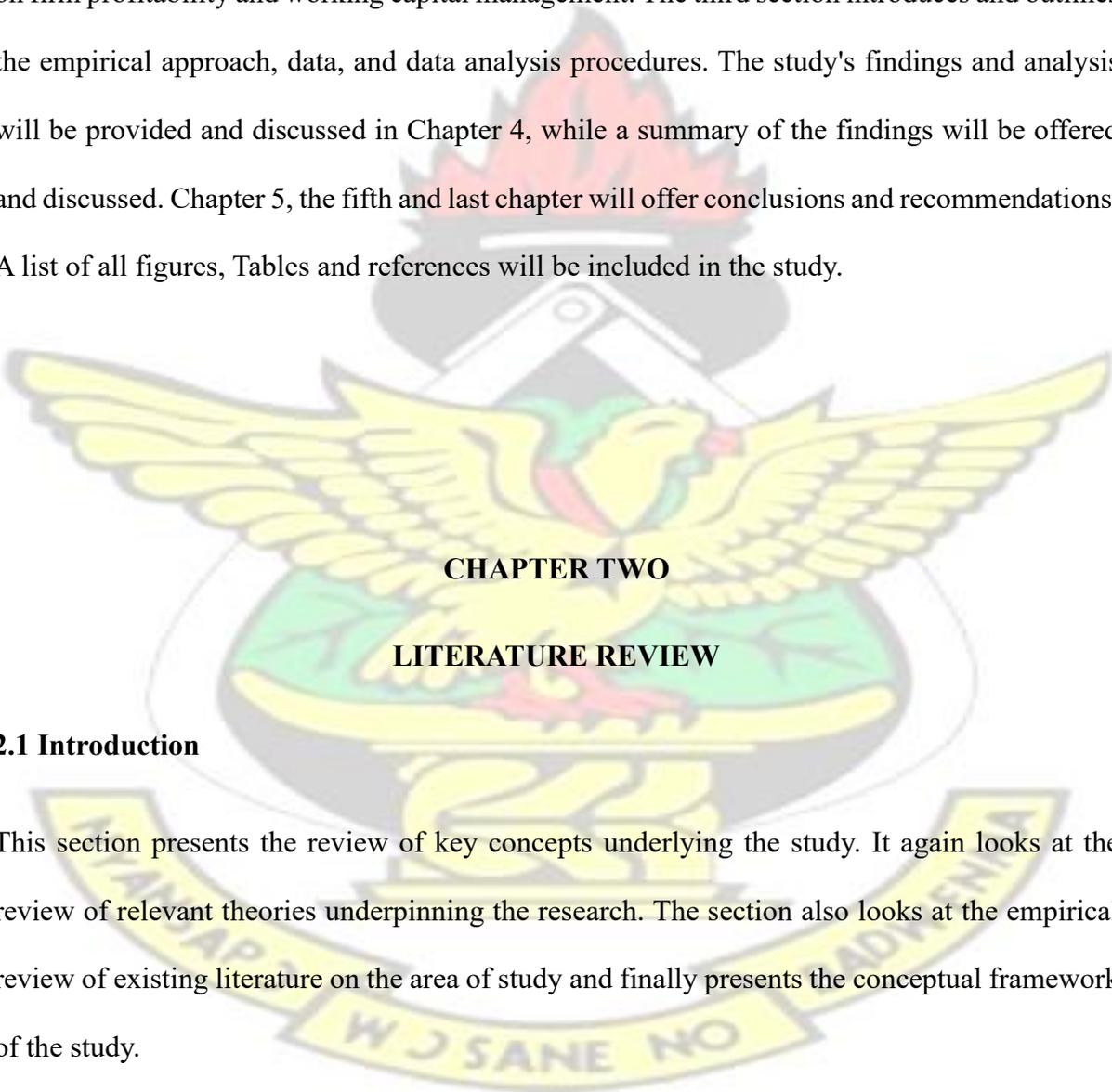
This study examines the role of market orientation and digital orientation on the marketing capabilities of SMEs. The conclusions of this research are also intended to provide insights for concerned owners and managers of SMEs into the marketing capabilities of SMEs, which is critical to their profitability. The outcomes of this study will be useful to policymakers, particularly the government, National Board for Small and Medium Scale Enterprises (NBSMSE), owners and managers with an understanding of how marketing capabilities of SMEs can be improved using digitalization and market orientation as a tool, which is a vital blueprint for the country's economic development and growth. The findings would also serve as a foundation for future research on similar themes. It would also be beneficial to other academics who are studying the same subject. Furthermore, the results of this study hope to add to the body of knowledge by identifying how the marketing capabilities of SMEs within the Accra metropolis are affected by digitalization and marketing orientation.

### **1.6 Scope and Limitations of the Study**

This research is focused on the influence of working capital management on the profitability of listed manufacturing firms in Ghana. The biggest challenge encountered by the researcher in this research is data availability. This happens to be a prevalent problem for scholars looking at the peculiarities of Ghanaian Small and Medium businesses. As a result, the study's scope and the range of analytical procedures that may have been applied are limited. Because data on Small and Medium Enterprises is difficult to come by and the geographical dispersion of SMEs in Ghana, the study is limited to SMEs within the Accra Metropolis. Regardless of the difficulty, the findings are reliable and relevant.

## **1.7 Organization of the Study**

The following is a breakdown of the research. The very first section acts as the study's introduction, providing background information and describing the research problem, in addition to the study's aim, objectives, and questions. It also gives information about the study's relevance, limitations, and breadth. The second chapter is devoted to a critique of earlier studies on firm profitability and working capital management. The third section introduces and outlines the empirical approach, data, and data analysis procedures. The study's findings and analysis will be provided and discussed in Chapter 4, while a summary of the findings will be offered and discussed. Chapter 5, the fifth and last chapter will offer conclusions and recommendations. A list of all figures, Tables and references will be included in the study.



## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This section presents the review of key concepts underlying the study. It again looks at the review of relevant theories underpinning the research. The section also looks at the empirical review of existing literature on the area of study and finally presents the conceptual framework of the study.

## 2.2 Conceptual Review

### 2.2.1 Market Orientation

Over time, marketing scholars have broadened the marketing concept beyond current customers and competitors to include future consumer and societal needs (Ferrell et al., 2010). The concept of market orientation has been viewed as the culture that mainly effectively and efficiently creates superior value for customers through customer orientation, competitor orientation as well and inter-functional coordination (Narver & Slater, 1990). Market orientation is a strategic approach that emphasizes a customer-centred mindset and business practices aimed at understanding and fulfilling customer needs and preferences (Kohli & Jaworski, 1990). It involves gathering market intelligence, disseminating this information across the organization, and responding effectively to customer demands and market changes (Narver & Slater, 1990). Market-oriented firms prioritize customer satisfaction and strive to deliver products and services that meet or exceed customer expectations. Since the seminal works by (Narver & Slater, 1990) and (Kohli & Jaworski, 1990), scholars have further expanded the concept of market orientation. They have emphasized the importance of customer-centricity in a rapidly changing business environment. With advancements in technology and the rise of digitalization, organizations have recognized the need to adapt their market orientation strategies to effectively engage with customers across various online platforms (Homburg, Jensen, & Krohmer, 2017). The development of market orientation within organizations is influenced by several determinants. Internal determinants include top management support, organizational culture, and marketing-oriented leadership (Jaworski & Kohli, 1993). Top management support is crucial in fostering a customer-centric culture and allocating resources to market-oriented activities. External determinants encompass factors such as competitive intensity, market turbulence, and customer orientation within the industry.

These external factors shape the market orientation of firms and influence their strategic behaviours (Kirca et al., 2005). Recent studies have explored additional determinants of market orientation. Research has highlighted the role of organizational learning, strategic flexibility, and market intelligence capabilities in developing and sustaining market-oriented behaviours (Hult et al., 2004; Han et al., 2021).

Organizational learning helps firms adapt their market orientation strategies based on new knowledge and insights, while strategic flexibility enables them to respond quickly to changing market conditions. Measuring market orientation involves assessing the extent to which organizations exhibit customer-focused behaviours and engage in market sensing and customer relationship activities (Kohli et al., 1993). Common measures include customer orientation, competitor orientation, and inter-functional coordination. Customer orientation captures the organization's commitment to understanding customer needs, wants, and preferences. Competitor orientation refers to the organization's efforts to monitor and analyze competitors' strategies and actions. Inter-functional coordination emphasizes the integration and collaboration of different departments within the organization to deliver customer value consistently. While traditional measures of market orientation, such as customer orientation and competitor orientation, remain relevant, researchers have also introduced new measures to capture the multidimensional nature of market orientation. For instance, studies have examined the role of customer relationship management (CRM) practices and digital marketing capabilities as important components of market orientation (Deshpande & Farley, 2020; Verhoef et al., 2020). These measures reflect the evolving landscape of marketing practices in the digital era. Market orientation has been linked to various benefits for organizations. Research suggests that firms with a strong market orientation tend to achieve higher customer satisfaction, customer loyalty, and financial performance (Kirca et al., 2005). Market-oriented firms are more likely to develop superior products, identify new market opportunities, and

adapt quickly to changes in customer preferences (Jaworski & Kohli, 1993). They enjoy a sustainable competitive advantage by aligning their offerings with customer needs and delivering value that competitors find challenging to replicate. Market orientation also enhances the firm's ability to respond effectively to market shifts, innovate, and build strong customer relationships. Recent research has continued to support the positive impact of market orientation on various performance outcomes. Studies have highlighted the link between market orientation and innovation performance, emphasizing the role of market intelligence and customer insights in driving innovation (Lukas, Ferrell, & Mavondo, 2015).

Additionally, market orientation has been found to positively influence customer satisfaction, brand performance, and firm profitability (Han et al., 2021; Hult et al., 2004). In addition to the seminal works by (Narver & Slater, 1990) and (Kohli & Jaworski, 1990), subsequent research has extended the understanding of market orientation. Scholars have explored the concept of market orientation in different organizational contexts, such as non-profit organizations and service industries (Sinkula et al., 1997). They have investigated the relationship between market orientation and other constructs, such as innovation, performance measurement, and dynamic capabilities. These studies have provided valuable insights into the role and implications of market orientation for organizational success and competitive advantage. In recent years, scholars have delved into the application of market orientation in specific industries and contexts. For example, studies have explored market orientation in emerging economies, the healthcare sector, and the context of sustainable marketing (Hult, Ketchen Jr, & Slater, 2005; Oghazi, 2021; Oghazi & Roberts, 2019). This research highlights the contextual nuances and industry-specific implications of market orientation.

### 2.2.1.1 Conceptualization of Market Orientation

Conceptualization is a crucial aspect of market orientation, serving as the foundation for developing strategies and practices that align an organization's efforts with customer needs and market trends (Narver & Slater, 1990). It involves understanding and interpreting market information to create a clear and shared vision of the organization's market-oriented goals and objectives. Market orientation emphasizes the proactive gathering, dissemination, and use of market intelligence to identify opportunities, anticipate customer preferences, and respond effectively to changing market dynamics (Sinkula, Baker, & Noordewier, 1997). The process of conceptualization begins by recognizing the importance of customer-centricity and adopting a customer-focused mindset across the organization. Incorporating digital orientation within the conceptualization of market orientation is paramount in the modern business landscape. Digital orientation involves leveraging digital technologies and platforms to enhance customer interactions, gain insights into customer behaviour, and tailor marketing efforts (Day, 2011).

Integrating digital orientation into the conceptualization of market orientation allows organizations to adapt to the digital era and harness its potential to connect with customers in new and innovative ways. Furthermore, considering market capability within the conceptualization of market orientation is essential. Market capability refers to an organization's ability to understand market trends, customer preferences, and competitors' activities to create and deliver value to customers (Hunt & Morgan, 1995). Incorporating market capability into conceptualization involves identifying the organization's strengths, weaknesses, opportunities, and threats within the market context. Firm size also plays a role in conceptualizing market orientation. Larger firms may have more resources and capabilities to gather market intelligence and implement customer-centric strategies. However, smaller firms can still excel in market orientation by focusing on specific niches, building strong customer

relationships, and leveraging their agility to respond quickly to market changes (Kohli, Jaworski, & Kumar, 1993). Conceptualization in market orientation involves developing a clear understanding of customer needs, market trends, and organizational capabilities. Incorporating digital orientation, recognizing market capability, and considering firm size are all essential components of effective conceptualization. By aligning organizational efforts with customer-centric strategies, businesses can enhance their competitive advantage and drive sustainable growth.

### **2.2.1.2 Determinants of Market Orientation**

Market orientation is influenced by various determinants that shape an organization's approach to understanding and meeting customer needs. These determinants play a crucial role in how companies gather market intelligence, develop customer-centric strategies, and create value in competitive markets (Kohli & Jaworski, 1990). The commitment and endorsement of top management play a pivotal role in fostering a market-oriented culture. When senior leaders prioritize customer focus and promote the importance of market intelligence, it influences the entire organization to align its efforts with customer needs (Jaworski & Kohli, 1993). Leaders who value customer insights and prioritize customer satisfaction set the tone for market orientation. Customer-centric leaders encourage cross-functional collaboration and emphasize the importance of understanding customer preferences (Narver & Slater, 1990). Access to accurate and timely market information is essential for effective market orientation.

Organizations that invest in advanced market research, data analytics, and information technology systems are better equipped to gather insights about customer behaviour and market trends (Kohli et al., 1993).

Market orientation involves collaboration across different departments to deliver customer value. International collaboration breaks down silos and encourages knowledge sharing,

allowing organizations to respond holistically to market dynamics (Narver & Slater, 1990). Empowered employees are more likely to proactively gather customer insights and suggest improvements. Organizations that provide training, autonomy, and recognition to employees foster an environment where market orientation thrives (Pelham, 2000). Awareness of competitors' activities and strategies is crucial for identifying market opportunities and potential threats. Organizations that continuously monitor and analyze competitors' actions can adjust their strategies accordingly (Day, 1994). Metrics for measuring market orientation effectiveness are vital. Tracking customer satisfaction, loyalty, and market share indicates how well an organization understands and meets customer needs (Kohli & Jaworski, 1990). Regular feedback helps organizations adapt their offerings. Feedback provides insights for refining products, services, and strategies (Jaworski & Kohli, 1993). Organizations valuing continuous learning adapt better. Learning from both successes and failures refines market strategies (Sinkula, Baker, & Noordewier, 1997). Collaboration with external partners enhances market orientation. Open communication and partnerships provide insights for a better understanding of customer needs (Slater & Narver, 1995). Market orientation determinants, including top management support, collaboration, and customer feedback, collectively influence an organization's approach to understanding and serving customer needs. Aligning these determinants fosters a culture of market orientation that drives sustainable competitive advantage.

### **2.2.1.3 Measures of Market Orientation**

Measuring market orientation is crucial for evaluating an organization's alignment with customer needs and market dynamics (Narver & Slater, 1990). Effective measurement offers insights into how well a company collects customer insights, disseminates market information, and adapts its strategies. One critical measure is customer orientation, which assesses an

organization's focus on understanding customer needs and delivering superior value (Narver & Slater, 1990). This involves gathering customer feedback, monitoring satisfaction, and tailoring products/services accordingly. Another dimension is competitor orientation, which evaluates how well an organization monitors and responds to competitors' actions and strategies (Narver & Slater, 1990). Effective competitor analysis enables companies to anticipate market shifts. Inter-functional coordination is also vital, examining how different departments collaborate to create customer-centric solutions (Kohli & Jaworski, 1990). Alignment across functions ensures cohesive strategies. Market information dissemination measures how well organizations share market insights across functions (Kohli & Jaworski, 1990).

Timely distribution of information enhances everyone's understanding of the market environment. Innovativeness is an indicator of an organization's willingness to adopt innovative approaches based on customer feedback and market trends (Slater & Narver, 1995). Embracing change ensures continued relevance. Proactiveness, the ability to anticipate market shifts and proactively adapt strategies, is crucial for success (Slater & Narver, 1995). A proactive stance is advantageous in dynamic markets. Organizational learning, assessing how receptive an organization is to learning from customer feedback and market experiences, is integral to market orientation (Sinkula, Baker, & Noordewier, 1997). Continuous learning drives market responsiveness. Metrics such as customer satisfaction, loyalty, and lifetime value offer insights into an organization's commitment to customer-centric strategies (Kohli & Jaworski, 1990). Examining how market insights influence decision-making processes within the organization reflects its market-driven decision-making approach (Day, 1994). Market-driven decisions directly address customer needs. Lastly, a long-term perspective demonstrates a strong market orientation as organizations focus on building enduring customer relationships (Slater & Narver, 1995). Customer retention strategies align with market insights. Measuring market orientation encompasses various dimensions that collectively highlight how well an

organization addresses customer needs and navigates market dynamics. These measures offer a comprehensive view of the organization's customer-centric approach, adaptability, and responsiveness to market changes.

#### **2.2.1.4 Benefits of Market Orientation**

The benefits of market orientation are multifaceted and contribute to an organization's overall success and competitive advantage in the marketplace. Through the adoption and implementation of market-oriented strategies, organizations can achieve various positive outcomes that enhance their performance and sustainability (Narver & Slater, 1990; Kohli & Jaworski, 1990). Market orientation fosters a deep understanding of customer needs, preferences, and expectations. By tailoring products, services, and experiences to customer demands, organizations can significantly enhance customer satisfaction and loyalty, leading to repeat business and positive word-of-mouth referrals (Narver & Slater, 1990). Organizations that continually monitor and respond to market trends and competitors' actions gain a competitive edge. By staying attuned to shifts in the market, organizations can proactively adjust their strategies and offerings, making them better equipped to seize opportunities and mitigate threats (Narver & Slater, 1990). A market-oriented approach encourages innovation by encouraging organizations to develop products and services that address emerging customer needs. This adaptability enables organizations to stay relevant in dynamic and ever-changing markets (Slater & Narver, 1995). Market orientation helps organizations allocate resources more efficiently by focusing on products and services that are most likely to resonate with customers. This prevents wasteful investments in offerings that may not align with market demands (Narver & Slater, 1990). Organizations with a strong market orientation are better positioned to develop targeted and effective marketing campaigns. By understanding customer

preferences and needs, these organizations can craft messages that resonate with their target audience, resulting in higher campaign effectiveness (Kohli & Jaworski, 1990).

A market-oriented approach influences decision-making across various levels of the organization. By using market insights to guide strategic and operational decisions, organizations can make informed choices that align with customer needs and preferences (Day, 1994). Market orientation focuses on building enduring customer relationships rather than short-term gains. Organizations that prioritize customer satisfaction and loyalty are more likely to create long-term value and sustainable growth (Slater & Narver, 1995). Organizations that value customer feedback and market insights are more receptive to learning and improvement. This continuous learning process fosters organizational agility and the ability to adapt to changing market conditions (Sinkula, Baker, & Noordewier, 1997). A customer-centric approach positively impacts an organization's brand image. Organizations that consistently deliver value to customers and address their needs are more likely to be perceived as trustworthy and reliable brands (Kohli & Jaworski, 1990). The benefits of market orientation extend to various aspects of an organization's operations and outcomes. By prioritizing customer needs, responding to market trends, and aligning strategies with market dynamics, organizations can achieve improved performance, competitiveness, and long-term success.

#### **2.2.1.5 Other Relevant Information of Market Orientation**

In addition to the foundational concepts and determinants of market orientation discussed earlier, the literature offers valuable insights into various aspects that complement and enrich the understanding of this strategic approach. These perspectives further illuminate the significance of market orientation in enhancing organizational performance and competitiveness. Market orientation is closely linked to innovation and creativity within organizations. Research suggests that organizations with a strong market orientation are more

likely to adopt innovative practices and develop new products and services that meet evolving customer needs (Deshpandé et al., 1993). Market orientation is integral to effective customer relationship management. Organizations that prioritize customer insights and preferences can tailor their CRM strategies to create personalized experiences, enhance customer engagement, and foster long-term loyalty (Kumar et al., 2018). A market-oriented approach contributes to strategic flexibility, enabling organizations to adapt swiftly to changes in the business environment. This flexibility is critical for organizations to seize emerging opportunities and navigate unforeseen challenges (Hult et al., 2005).

Market orientation is closely associated with the acquisition and utilization of market intelligence. Organizations that systematically gather and analyze market information are better equipped to make informed decisions and formulate strategies that align with market dynamics (Slater & Narver, 1998). Organizations with a strong market orientation emphasize learning and knowledge management. These organizations continuously seek to understand customer preferences and market trends, fostering a culture of learning and knowledge sharing (Sinkula et al., 1997). Market orientation is recognized as a source of sustainable competitive advantage. Organizations that consistently deliver superior value to customers and align their strategies with market demands can establish a distinct competitive position (Matsuno et al., 2002). The literature highlights the importance of cultivating a market-oriented culture within organizations. This culture encourages all employees to prioritize customer needs and align their efforts with market dynamics, leading to improved organizational performance (Kohli et al., 2009). With the increasing globalization of markets, the literature explores how market orientation extends to global contexts. Organizations that can adapt their market orientation strategies to diverse cultural and market conditions are better positioned for international success (Mavondo et al., 2007). Contemporary research examines the intersection of market orientation and environmental sustainability. Organizations that adopt a market-oriented

approach can identify opportunities to develop environmentally friendly products and services in response to growing consumer demand for sustainable options (López et al., 2019). The impact of market orientation on economic and financial performance is a critical area of study. Research suggests that market-oriented organizations tend to achieve higher financial performance and sustainable growth over time (Jaworski & Kohli, 1993). Incorporating these perspectives from the broader literature on market orientation enhances our understanding of its multifaceted implications for organizational success, innovation, strategic flexibility, and customer-centric practices. These insights collectively underscore the value of adopting a market-oriented approach in today's dynamic business landscape.

### **2.2.2 Digital Orientation**

Digitalization is revolutionizing how firms can generate value (Quinton et al., 2018). The pervasive impact of digital technologies and infrastructures extends into society. Keskin (2006) identified several implications of digitalization, encompassing shifts in organizational learning, digital innovations, organizational agility, business ecosystems, and structural changes. Digital orientation denotes a firm's commitment to employing digital technology for innovative products, services, and solution delivery (Dubihlela, 2013), grounded in the concept of a technology-oriented firm (Becherer & Halstead, 2014). A digitally oriented firm possesses the capability and willingness to acquire novel digital technologies and integrate them into product development. This orientation fosters openness to digital technology and embraces digital initiatives (Joensuu-Salo, 2021). Digital innovation refers to novel products, processes, or business models enabled by IT (Chinakidzwa & Phiri, 2012). Sustainable digital innovation, driven by environmental concerns, sustains economic digitalization organically, promoting a greener future. This innovation addresses performance, costs, technology, and customer appeal, alongside environmental and societal factors (Kamarudin, 2017). It aims to create value for all

stakeholders, aligning with societal objectives alongside business goals (Yousaf et al., 2021). Innovation encompasses any product, process, or organizational practice contributing to sustainable development (Doran & Ryan, 2014).

Abdi & Ali (2013) posit innovation strategies foster new product and service implementation. Anning-Dorson (2017) views innovation as a process catalyzing organizational changes, enhancing customer benefits, firm capabilities, and competitive positioning. Innovation often serves ecological progress, advancing sustainable practices (Bamfo & Kraa, 2019). Incorporating innovation into operations introduces novel forms—products, administrative systems, technology, or performance-enhancing programs. Innovative market offerings boost productivity gains (Aziz & Omar, 2013). Process innovation, favourably influencing productivity, aligns with cost reduction (Joensuu-Salo, 2021). Alpan et al. (2007) found organizational process and marketing innovation positively impact firm performance. Business motivations for innovation ensure adaptive behaviour, enhancing long-term performance and customer service (Damanpour et al., 2009). Brown & Guzman (2014) concluded that innovative firms tend to be larger, and technologically intense, with higher market share (Bamfo & Kraa, 2019). Small and medium enterprises (SMEs) can thrive in the digitalized organizational landscape, given digital technology's aid in intelligence gathering, cost reduction, and audience expansion (Borges et al., 2009; Harrigan et al., 2011). However, SMEs may struggle due to limited technical or marketing expertise in adapting to changes (Nguyen et al., 2015; O'Toole, 2003). Recognizing SMEs' vital role in the economy (Matthews et al., 2012), particularly during structural shifts (Carsrud & Cucculelli, 2014), it's crucial to comprehend the factors enhancing SME performance within the digital organizational framework (Quinton et al., 2018).

### 2.2.2.1 Conceptualization

The conceptualization of digital orientation lies at the intersection of an organization's readiness to embrace digital technologies and its strategic alignment to leverage these technologies for competitive advantage. It involves a holistic approach that encompasses the organization's mindset, culture, strategies, and technological infrastructure. Digital orientation signifies the extent to which an organization not only adapts to the digital age but also harnesses its full potential to innovate, engage customers, and drive business growth. At its core, digital orientation involves cultivating a forward-thinking mindset that embraces technological change and innovation (Bharadwaj et al., 2013). Organizations need to view digital technologies not as mere tools but as enablers of transformation and value creation. This mindset shift requires leadership commitment, organizational learning, and a willingness to challenge traditional practices in favour of digital possibilities. A central aspect of digital orientation is aligning the organization's strategies with the opportunities presented by digital technologies (Westerman et al., 2014). This alignment entails developing customer-centric digital strategies that tap into the vast pool of data available through digital interactions. Organizations must leverage data analytics to uncover insights about customer behaviours, preferences, and pain points, thereby guiding the design of personalized experiences and solutions. Moreover, digital orientation extends beyond the marketing department to encompass the entire organization. It entails integrating digital tools and processes across various functions, enabling cross-functional collaboration and information sharing. This integration enhances agility and responsiveness, allowing organizations to quickly adapt to changing market dynamics and consumer demands (Hassan et al., 2019). In essence, the conceptualization of digital orientation involves a comprehensive approach that spans cultural transformation, strategic alignment, technological infrastructure, and data-driven decision-making. Successful digital orientation requires visionary leadership that champions digital transformation, a culture of continuous learning and

innovation, and the strategic integration of digital tools across the organization. By embracing digital orientation, organizations position themselves to thrive in an era defined by rapid technological advancements and evolving customer expectations.

#### **2.2.2.2 Determinants of Digital Orientation**

The determinants of digital orientation are the factors that influence an organization's readiness and ability to embrace digital technologies and effectively leverage them for strategic advantage. These determinants encompass various internal and external elements that shape an organization's approach to digital transformation and innovation. Understanding these determinants is crucial for organizations seeking to navigate the complex landscape of digital orientation. Leadership plays a pivotal role in driving digital orientation. A clear vision from top management that recognizes the transformative potential of digital technologies is essential (Alegre et al., 2016). Leaders who champion digital initiatives and allocate resources demonstrate a commitment that cascades throughout the organization. A culture of innovation, agility, and openness to change is a determinant of digital orientation (Henfridsson et al., 2014). Organizations that encourage experimentation, risk-taking, and learning are better positioned to embrace digital transformation. The availability of digital skills within the organization significantly influences digital orientation (Bharadwaj et al., 2013). Employees with digital expertise are essential for effective technology adoption and innovation. A robust technological foundation, including hardware, software, and connectivity, is crucial for enabling digital orientation (Westerman et al., 2014). Adequate infrastructure supports the implementation of digital initiatives and ensures seamless integration. Organizations that prioritize understanding customer needs and preferences are more likely to have a higher digital orientation (Lu et al., 2015). Customer insights drive the development of digital strategies and solutions that resonate with target audiences. The ability to collect, analyze, and act on data is a determinant of digital

orientation (Hassan et al., 2019). Organizations that leverage data for informed decisionmaking can uncover insights and opportunities for innovation. The competitive landscape and market dynamics impact an organization's digital orientation (Sultan & Rohm, 2018).

Organizations facing disruptive competitors or evolving customer expectations are more likely to prioritize digital transformation. The regulatory framework and legal considerations can shape an organization's approach to digital initiatives (Gupta et al., 2021). Organizations operating in highly regulated industries may face unique challenges in adopting digital technologies. Collaboration with external partners, such as technology providers and startups, can enhance digital orientation (Berman & McCarthy, 2020). Leveraging external expertise and resources accelerates digital innovation. Adequate resource allocation, including financial investment and allocation of talent, is a determinant of digital orientation (Alegre et al., 2016). Organizations that prioritize digital initiatives allocate resources accordingly. The size and structure of the organization can impact its digital orientation (Zhang et al., 2019). Larger organizations may face challenges in agility, while smaller ones may lack resources. The determinants of digital orientation are multifaceted and interconnected. Leadership commitment, organizational culture, technological infrastructure, customer-centricity, and data-driven decision-making are among the critical factors that influence an organization's ability to embrace digital transformation and position itself for success in the digital age.

### **2.2.2.3 Measurements of Digital Orientation**

Measuring digital orientation involves assessing an organization's readiness and capability to leverage digital technologies strategically. These measures provide insights into the extent to which an organization integrates digital strategies into its operations, interacts with stakeholders digitally, and embraces digital innovation. The measures of digital orientation encompass various dimensions that collectively reflect an organization's digital preparedness.

This measure evaluates the degree to which an organization's overall strategy is aligned with its digital initiatives (Bergeron et al., 2004).

It examines whether digital technologies are integrated into the core business strategy to achieve organizational goals. Measuring how an organization interacts with customers through digital channels is essential (Floh & Treiblmaier, 2016). This includes assessing the use of social media, online platforms, and personalized digital experiences to engage customers. This measure examines the integration of digital technologies into core business processes (Floh & Treiblmaier, 2016). It assesses the extent to which digital tools are used to streamline operations and enhance efficiency. Organizations that effectively leverage data analytics for decisionmaking demonstrate a strong digital orientation (Chen et al., 2014). This measure assesses the organization's ability to collect, analyze, and act on data-driven insights. Measuring the organization's adoption of digital innovations and technologies indicates its openness to experimentation and change (Caldera & Radicic, 2011).

It includes assessing the adoption of emerging technologies, such as AI and IoT. Organizations that invest in developing digital skills among their workforce exhibit higher digital orientation (Zhu et al., 2018). This measure assesses initiatives to train employees in digital competencies. Evaluating the organization's technological foundation, including IT systems and connectivity, is crucial (Lu et al., 2015). Adequate infrastructure supports digital initiatives. This measure assesses the organization's ability to gather and leverage customer insights from digital interactions (Zhu et al., 2018). It includes using data to understand customer preferences and behaviours. Measuring the organization's online presence, including e-commerce platforms, websites, and mobile apps, reflects its digital orientation (Caldera & Radic, 2011).

This measure examines the integration of digital technologies across the supply chain (Floh &

Treiblmaier, 2016). It includes digital interactions with suppliers, partners, and distributors. Assessing the organization's use of digital channels for customer service and support provides insights into its customer-centric approach (Bergeron et al., 2004). Measuring the organization's success in digital marketing campaigns and initiatives reflects its ability to reach and engage target audiences digitally (Zhu et al., 2018). Measuring digital orientation involves evaluating various dimensions that collectively portray an organization's embrace of digital technologies and its integration into operations, strategy, and stakeholder engagement. These measures provide insights into an organization's digital preparedness and its ability to navigate the evolving digital landscape effectively.

#### **2.2.2.4 Benefits of Digital Orientation**

Digital orientation offers several benefits to organizations in today's rapidly evolving business landscape. Embracing digital technologies strategically enhances an organization's competitiveness, responsiveness, and ability to meet customer demands effectively. Digital orientation allows organizations to engage customers through various digital channels, creating personalized experiences and fostering stronger relationships. Integrating digital technologies into processes streamlines operations, reduces manual efforts, and enhances overall efficiency. Digital orientation empowers organizations to gather and analyze data, enabling informed, data-driven decision-making for better outcomes. Organizations with a digital orientation are more open to adopting emerging technologies and innovative approaches, ensuring adaptability in a dynamic business environment. Leveraging digital channels facilitates broader market reach, enabling organizations to tap into new customer segments and geographical markets. Digital interactions provide valuable insights into customer behaviours, preferences, and trends, enabling organizations to tailor offerings effectively. Digital orientation enables realtime monitoring of marketing campaigns, allowing swift adjustments based on performance data.

Organizations with strong digital orientation are better positioned to outpace competitors by leveraging technology for differentiation. Integrating digital technologies into the supply chain enhances visibility, communication, and coordination among stakeholders. Digital orientation fosters a culture of innovation, enabling employees to contribute ideas and solutions that drive business growth. Digital channels enable organizations to offer round-the-clock customer support, improving customer satisfaction. Digital orientation often leads to cost efficiencies through process automation, reduced paper usage, and streamlined workflows. In sum, digital orientation empowers organizations to thrive in a digitally connected world, offering a range of benefits that span from customer engagement to operational efficiency and competitive advantage.

### **2.2.3 Firm Size**

The role of firm size as a moderator in the connection between digital orientation, market orientation, and marketing capability within SMEs has garnered increased attention in recent times. According to (Kim et al., 2020), firm size stands as a significant contextual element capable of influencing how effective digital and market orientation strategies are in enhancing marketing capability among SMEs. The concept of firm size can encompass variables like total employee count, revenue, assets, or other pertinent measures that differentiate between small and large enterprises (Chaston & Mangles, 2016). Distinct resources, capabilities, and competitive pressures for small and large firms can impact their capacity to adopt and leverage digital and market-oriented strategies to boost marketing performance (Kumar & Reinartz, 2018). Research has demonstrated that firm size can moderate the link between digital orientation and marketing capability in SMEs. For instance, (Kim et al., 2020) discovered that the positive impact of digital orientation on marketing capability was more pronounced among small firms compared to larger counterparts. This implies that smaller firms might derive

greater advantages from digital technologies, enabling them to rival larger firms by refining customer targeting, engagement, and retention. Similarly, firm size can influence the relationship between market orientation and marketing capability within SMEs. For instance, (Chen et al., 2019) established that the positive impact of market orientation on marketing capability was more significant for larger firms compared to smaller ones. This suggests that larger enterprises might possess more resources, skills, and customer insights to effectively implement market-oriented strategies and translate them into superior marketing performance. Consequently, firm size serves as a crucial contextual factor that can shape the efficacy of digital and market orientation strategies in boosting marketing capability for SMEs. By comprehending the moderating role of firm size, SMEs can more effectively customize their marketing strategies to align with their specific resources, capabilities, and competitive landscape.

### **2.2.3.1 Conceptualization of Firm Size**

Firm size is a critical determinant in understanding how organizations operate within their respective markets. It refers to the magnitude of an organization in terms of its resources, workforce, revenues, and market presence (Barney, 2001). The concept of firm size is multifaceted and can be conceptualized from various perspectives: One way to conceptualize firm size is through financial metrics such as revenue, assets, and market capitalization (Brouthers et al., 2020). Larger firms typically exhibit higher financial resources and capabilities. Firm size can also be defined by the number of employees it employs. Larger firms often have a greater workforce, which can influence their operational capabilities and market reach (Mol & Birkinshaw, 2014). The extent of market share held by an organization relative to its industry peers can indicate its size and influence (Peteraf, 1993). A larger market share often implies a larger firm. Firm size can be conceptualized in terms of the resources it

possesses, including tangible and intangible assets, technology, and intellectual property (Lippman & Rumelt, 2003). The geographical scope of operations, including the number of locations or countries in which a firm operates, can contribute to the conceptualization of firm size (Peng, 2003). The range and diversity of products and services offered by a firm can be indicative of its size and market reach (Hitt et al., 2007). The extent of a firm's partnerships, alliances, and collaborations within its industry ecosystem can influence its conceptualized size (Gulati, 1999). A firm's position within its industry, such as being a market leader or a dominant player, can contribute to its conceptualization of size (Powell, 1990). The complexity of a firm's operations, including the scale of supply chain activities and distribution networks, can shape its conceptualization of size (Noda & Bower, 1996). It's important to note that firm size can vary across industries and markets, and its conceptualization may differ based on the specific context of the study. Researchers often use a combination of quantitative metrics, such as revenue or employee count, to categorize firms into different size categories for analysis (Chen & Hambrick, 1995). The conceptualization of firm size encompasses various dimensions, including financial metrics, employee count, market share, resource base, and operational complexity. These perspectives provide insights into the diverse ways in which firm size can be defined and measured in the context of research.

### **2.2.3.2 Determinants of Firm Size**

The size of a firm is influenced by a multitude of factors that shape its growth trajectory, market presence, and operational capabilities. Understanding the determinants of firm size is crucial for comprehending how organizations evolve and position themselves within their respective industries. Several key determinants contribute to the variation in firm size. The nature of the industry in which a firm operates significantly impacts its size. Industries with high capital

requirements, technological intensity, or economies of scale tend to have larger firms (Porter, 1980). The level of demand for a firm's products or services can drive its growth. High demand often leads to expansion to meet customer needs, resulting in increased firm size (Bharadwaj et al., 2007). Firms that adopt and leverage advanced technologies tend to enhance their operational efficiency and competitiveness, which can contribute to their growth and larger size (Damanpour, 1991). Firms that emphasize innovation and continuously introduce new products, services, or processes are more likely to experience growth and expand their size (Teece, 1986). The availability of financial resources and access to capital markets influence a firm's ability to invest, expand, and increase its size (Demirgüç-Kunt & Maksimovic, 1998).

Effective management and leadership skills play a pivotal role in determining a firm's growth trajectory and size (Barney, 2001). The competitive landscape of the market, including the number and size of competitors, affects a firm's size as it adapts to position itself advantageously (Ghemawat, 1997). Government policies, regulations, and incentives can shape firms' growth opportunities and influence their size (Acs & Audretsch, 1990). Firms that expand their operations to international markets may experience increased size due to the broader customer base and opportunities (Dunning, 1988). Collaborative efforts, partnerships, and mergers can lead to increased firm size as organizations pool resources and capabilities (Contractor & Lorange, 1988). Firms that benefit from network effects, where the value of a product or service increases as more people use it, tend to grow in size (Shapiro & Varian, 1999). A positive market reputation and strong brand equity can attract customers and stakeholders, contributing to the growth and size of a firm (Fombrun & Shanley, 1990). Firms that expand their operations to new geographic regions can experience growth in size by tapping into diverse markets (Rugman & Verbeke, 2001). Focusing on a specific market niche and catering to a unique customer segment can lead to growth and size expansion (Day &

Wensley, 1988). The availability of a skilled and talented workforce influences a firm's ability to innovate, adapt, and expand, impacting its size (Becker, 1993). These determinants interact and influence each other, resulting in the varied sizes and growth trajectories observed among different firms. Researchers often analyze these determinants to uncover insights into how firms achieve their sizes within specific industries and markets.

### **2.2.3.3 Measurement of Firms Size**

Firm size is a fundamental metric used to assess the magnitude and scale of an organization's operations. Several quantitative measures are commonly employed to gauge firm size, each offering a distinct perspective on the organization's scope and impact. Annual revenue, also known as sales or turnover, is a widely used measure of firm size. It reflects the total income generated from the sale of products and services (Acs & Audretsch, 1990). The total workforce employed by a firm provides insight into its labour-intensive operations and organizational complexity (Caves & Porter, 1977). The total value of assets owned by a firm, including tangible and intangible assets, signifies its financial resources and operational capacity (Berger & Udell, 1998). For publicly traded firms, market capitalization represents the total market value of its outstanding shares. It reflects investor sentiment and the perceived value of the firm (Brennan & Franks, 1997). Measures such as net profit, gross profit, or operating profit offer insights into a firm's financial health and ability to generate returns (Chatterjee et al., 1992).

The proportion of a market controlled by a firm's products or services indicates its relative size and influence within the industry (Shapiro, 1989). The count of physical locations or branches operated by a firm showcases its geographic reach and market presence (Rugman & Verbeke, 2001). Research and development expenditure demonstrates a firm's commitment to innovation and technological advancement (Cohen & Levinthal, 1990). The range and diversity of

products or services offered by a firm can signify its operational complexity and market coverage (Hitt et al., 1997). Strong brand recognition and awareness contribute to a firm's perceived size and influence in the market (Keller, 1993). Operating in multiple countries and regions indicates a firm's global reach and size in terms of international operations (Rugman & Verbeke, 2001). The number of active customers or clients indicates the breadth of the firm's market penetration and customer relationships (Day & Wensley, 1988). These measures offer various dimensions to assess firm size, and the choice of measurement depends on the context and purpose of the analysis. Researchers and practitioners often employ multiple measures to provide a comprehensive understanding of a firm's scale and significance.

#### **2.2.3.4 Benefits of Firm Size**

Firm size plays a significant role in shaping an organization's capabilities, competitiveness, and strategic opportunities. Larger firms often enjoy several advantages that can contribute to their sustained growth and success and vice versa. Larger firms can achieve economies of scale, enabling them to produce goods or services at a lower cost per unit. This cost advantage enhances profitability and competitive pricing (Panagiotou, 2003). Greater size allows firms to have a stronger presence in the market, influencing pricing, negotiation power, and supplier relationships (McLaney & Atrill, 2017). Large firms typically have more resources to invest in research and development activities, fostering innovation and technological advancements (Barney, 2001). Diversified operations across different markets and segments can reduce overall risk exposure for larger firms (Miller & Friesen, 1982). Larger firms often have better access to financial resources, human capital, and specialized expertise, enhancing their strategic flexibility (Hitt et al., 2002). The size of a firm can facilitate international expansion and entry into new markets due to higher resources and capabilities (Hitt et al., 1997). Large firms have stronger bargaining power in negotiations with suppliers, customers, and partners, leading to

favourable terms and conditions (Williamson, 1985). The reputation and resources of larger firms can attract top-tier talent, contributing to organizational capabilities and performance (Wright et al., 1994). Larger firms often find it easier to access capital markets for fundraising and investments, supporting growth initiatives (Jensen & Meckling, 1976). Size can enhance brand recognition and reputation, fostering customer loyalty and attracting a larger customer base (Keller, 2003). Larger firms are better positioned to weather economic downturns and industry disruptions due to their diversified operations and resources (Hitt et al., 2002). Collaboration with research institutions and academia is more feasible for larger firms, enabling them to leverage external knowledge (Mowery et al., 1996). Larger firms can form strategic alliances and partnerships with other organizations to access complementary resources and capabilities (Dussauge & Garrette, 1995). Greater firm size often instils investor confidence, leading to higher stock prices and increased access to capital (Titman & Wessels, 1988). Larger firms can engage in more robust long-term planning and strategic foresight due to their resources and stability (Chandler, 1990). These benefits highlight the advantages that larger firms enjoy compared to smaller ones, enabling them to navigate competitive landscapes, innovate, and sustain growth over time.

#### **2.2.3.5 Resource-Based View on Firm Size**

The Resource-Based View (RBV) explores how firm resources and capabilities, including size, contribute to competitive advantage and performance (Barney, 1991). It considers how a firm's size influences its ability to acquire and leverage resources for sustained competitive advantage. The literature on corporate governance examines how firm size relates to governance structures, board composition, and decision-making processes (Bebchuk et al., 2002). It considers how firm size affects governance effectiveness. Regulatory considerations can be affected by firm size, with smaller firms potentially facing different regulatory challenges than

larger counterparts (Armour et al., 2009). The institutional perspective examines how firm size is influenced by external pressures, norms, and institutional contexts (Scott, 2014). It explores how size fits within broader institutional frameworks. Firm size impacts supply chain strategies, relationships with suppliers, and distribution networks (Christopher, 2016). The literature explores how size affects supply chain dynamics. Exploring these diverse areas of literature contributes to a holistic understanding of how firm size interacts with various aspects of business strategy, performance, and organizational dynamics

#### **2.2.4 Marketing Capabilities**

The concept of marketing capability (MC) is rooted in the resource-based view (RBV), which treats a firm as a collection of resources, with a competitive advantage hinging on possessing valuable and rare resources (Barney, 1991). Performance disparities among firms stem from resources, including assets or capabilities that can form unique internal capacities (Murray et al., 2011). These capabilities hold significant weight in international markets, contributing to a firm's competitive edge (Han et al., 2008). The RBV was later complemented by the dynamic capabilities (DC) perspective, highlighting a firm's adaptability in harnessing resources efficiently amid a dynamic business environment. The DC perspective sees competitive advantage not solely arising from resources, but also from novel resource configurations rooted in dynamic capabilities (Joensuu-Salo et al., 2018). Acquiring and transforming tangible and intangible resources stand as crucial determinants of value creation and competitive advantage (Hunt & Morgan, 1995; Hunt & Morgan, 2005; Morgan, 2012; Wang et al., 2013; Kozlenkova et al., 2014). In today's fragmented and dynamic markets (Cavusgil et al., 2007), the dynamic capability of leveraging market knowledge becomes pivotal for technological innovation (Bruni & Verona, 2009). Dynamic marketing capabilities, therefore, revolve around absorptive capacity and knowledge management (Barrales-Molina et al., 2014).

Despite ongoing debates surrounding marketing capabilities and performance (Rust et al., 2004; Srivastava & Reibstein, 2005; Vorhies & Morgan, 2005; Webster et al., 2005), there's a call for more nuanced research examining both marketing and organizational drivers of firm performance and the causal mechanisms fueling competitive advantage (Cacciolatti & Lee, 2016). MC is based on market information that the company acquires when assessing and fulfilling consumer needs through market orientation (Morgan et al., 2012). As a result, MC enable organisations to effectively add value and meet the needs of their customers by changing their approach(es) to market conditions as well as taking advantage of market possibilities while also fending off competitor threats (Tsai & Shih, 2004). MC is produced with knowledge that is difficult for competitors to copy and has proprietary rights (Murray et al., 2011). Because they integrate the knowledge, abilities, and prior work experience of the personnel with new product creation, sales, and distribution operations, some of these competencies are distinctive. As a result, MC provides a competitive advantage by being difficult for competitors to copy. Moreover, MC facilitate consumer awareness, product creation and adaption as well as proper marketing tactical aspects to target customers with differentiated products, (Blesa & Ripolles, 2008). Companies that make use of MC produce customer value that enhances organisational performance (Guenzi & Troilo, 2006). The positive effect of marketing capabilities such as product, price, distribution, marketing communication, sales, market information management, marketing planning and implementation on performance is supported by studies (e.g., Blesa & Ripolles, 2008; Katsikeas et al., 1996; Morgan et al., 2012; Murray et al., 2011).

#### **2.2.4.1 Conceptualization of Marketing Capabilities**

The conceptualization of marketing capability is crucial for understanding how organizations develop and deploy their marketing resources and competencies to achieve competitive advantage and superior performance. Marketing capability refers to an organization's capacity to effectively plan, execute, and manage marketing activities in alignment with its strategic

goals and customer needs. It involves the integration of marketing knowledge, skills, processes, and technologies to create value for customers and stakeholders (Morgan et al., 2009). At its core, marketing capability encompasses a range of interconnected elements that collectively enable an organization to deliver value to its target market and achieve its business objectives. These elements include Marketing Strategy, Market Research and Insights, Segmentation and Targeting, Positioning and Branding Product Development and Innovation, Pricing Strategies, Promotion and Communication, Distribution and Channel Management, Customer Relationship Management (CRM) and Marketing Analytics and Performance Measurement. Marketing capability encompasses the integrated set of activities, strategies, and processes that enable organizations to effectively engage with customers, create value, and achieve their marketing and business objectives. It involves a combination of strategic, analytical, and execution elements that collectively drive superior marketing performance and competitive advantage

#### **2.2.4.2 Determinants of Marketing Capabilities**

The determinants of marketing capabilities refer to the factors that influence an organization's ability to develop and deploy effective marketing strategies and activities. These determinants play a crucial role in shaping the extent to which an organization can effectively leverage its marketing resources and competencies to create value for customers and achieve competitive advantage. Several key determinants contribute to the development and enhancement of marketing capabilities including Organizational Culture and Leadership, Top Management Support, Human Capital, Cross-Functional Collaboration, Investment in Training and Development, Customer-Centric Mindset, Technological Infrastructure and Resource Allocation among others. The determinants of marketing capabilities are multifaceted and encompass factors related to leadership, culture, human capital, collaboration, technology, and

customer focus. Organizations that effectively address these determinants are more likely to develop robust marketing capabilities that enable them to create value for customers and achieve a competitive advantage in the marketplace.

#### **2.2.4.3 Measurements of Marketing Capabilities**

Measures of marketing capabilities encompass the quantifiable indicators that assess an organization's effectiveness in planning, executing, and managing marketing strategies to achieve its business objectives. These measures provide insights into an organization's ability to leverage its resources, knowledge, and skills to create and deliver superior customer value. The following are key measures commonly used to evaluate marketing capabilities including Market Share, Customer Satisfaction and Loyalty, and New Product Development Success. Brand Equity, Customer Acquisition and Retention Rates, Marketing ROI (Return on Investment), Customer Lifetime Value (CLV), Market Segmentation and Targeting, Marketing Campaign Effectiveness and Sales Growth. measures of marketing capabilities encompass a range of quantitative indicators that assess an organization's performance in effectively delivering value to customers and achieving its marketing objectives. These measures collectively provide insights into the organization's capacity to leverage its resources, knowledge, and strategies to create a competitive advantage in the marketplace.

#### **2.2.4.4 Benefits of Marketing Capabilities**

Strong marketing capabilities offer numerous benefits that contribute to an organization's competitive advantage, growth, and overall performance. These benefits arise from an organization's ability to effectively plan, implement, and manage its marketing strategies to create and deliver superior value to customers (Kohli & Jaworski, 1990). Effective marketing capabilities enable organizations to better understand customer needs, preferences, and behaviours, leading to increased customer satisfaction and loyalty (Kohli & Jaworski, 1990).

Organizations with strong marketing capabilities can differentiate themselves by developing unique value propositions and attracting customers who resonate with their offerings (Homburg et al., 2015). Superior marketing capabilities lead to higher market share, sales growth, and profitability (Hooley et al., 2012). Organizations with effective marketing capabilities foster innovation and explore new ways to address customer needs, resulting in a continuous stream of innovative ideas (Song et al., 2017). Consistent investment in marketing capabilities positions organizations for long-term growth and the ability to capitalize on emerging opportunities (Homburg et al., 2015) among others.

#### **2.2.4.5 Other Relevant Information on Marketing Capabilities**

Organizational marketing capabilities play a pivotal role in an organization's success by enhancing its ability to respond to dynamic market conditions, customer needs, and competitive pressures. These capabilities encompass a range of skills, knowledge, and processes that enable organizations to develop effective marketing strategies, deliver superior value to customers, and maintain a competitive edge. A robust marketing capability framework facilitates strategic alignment, fosters innovation, and drives customer-centric initiatives. As organizations strive for sustainable growth and differentiation in today's ever-evolving business landscape, investing in the development and enhancement of marketing capabilities remains a strategic imperative (Homburg et al., 2015; Song et al., 2017)

### **2.3 Theoretical framework**

The marketing capabilities of firms can be examined through various theoretical lenses. Drawing from recent economic literature, the significance of marketing capabilities is evident in three primary frameworks: Market Orientation (MARKOR), the Resource-Based View (RBV), and Porter's model of competitive advantage. These theories provide comprehensive insights into the objectives of the study. In the context of the first approach, marketing

capabilities serve as a fundamental tool for firms to cultivate a consumer-centric approach (Joensuu-Salo, 2021). In the second framework, marketing capabilities are integrated into the organizational resources, shaping the overall capacity of the firm (Dwyer et al., 2013). The third perspective underscores the utility of marketing capabilities in implementing the firm's strategy, particularly concerning differentiation (Heiens, 2000).

### **2.3.1 Market Orientation Approach (MARKOR)**

The MARKOR approach posits that a market-oriented firm effectively integrates the key components of marketing—customer focus and coordinated marketing—to achieve seamless development (Narver & Slater, 2012). Through this alignment, firms can attain substantial profitability. Accordingly, the cultivation of strong marketing capabilities within this framework facilitates a firm's transition to being market-oriented and consequently enhances profitability. These capabilities correspond with the stages of the marketing management process, encompassing market opportunity analysis, objective selection, and strategy development and implementation (Bamfo & Kraa, 2019). Market orientation can be understood from two vantage points: the cultural and behavioural perspectives (Reimann et al., 2022).

According to (Narver & Slater, 1990), market orientation serves as the foundation for marketing and strategic planning, steering the company towards providing exceptional value to its customers, which encapsulates the cultural perspective. In contrast, (Kohli & Jaworski, 1990) interprets market orientation behaviorally, highlighting the firm-wide generation of market intelligence and practical implementation of marketing concepts (Kohli et al., 1993). Further, (Kohli & Jaworski, 1990) identify three stages in this process: gathering market information based on present and future customer needs, internal dissemination of market knowledge, and addressing current and future customer needs. These two perspectives are mutually supportive:

organizational culture fosters capabilities, which in turn manifest in distinct market-oriented behaviours (Joensuu-Salo et al., 2018).

### **2.3.2 Resource-Based View (RBV)**

The concept of marketing capability finds its foundation in the resource-based view (RBV) framework, where a firm is perceived as a collection of resources, and competitive advantage hinges on the possession of valuable and scarce resources (Barney, 1991). Variations in performance between firms are a result of these resources, which can take the form of assets or capabilities, both of which contribute to the development of unique internal capabilities (Rupeika-Apoga et al., 2022). These capabilities carry significant importance in international markets, leading to a firm gaining a competitive edge (Ferrell et al., 2010). The RBV framework was subsequently enriched by the concept of dynamic capabilities (DC), underscoring a firm's ability to adapt its processes to effectively harness resources within a dynamic business landscape. The DC perspective posits that competitive advantage emerges not merely from resources but also innovative resource configurations rooted in dynamic capabilities (Joensuu-Salo et al., 2018).

### **2.3.3 Porter's Model on Competitive Advantage**

As per this model, competition occupies a central role in shaping the success or failure of firms. It dictates the appropriateness of a firm's actions that contribute to its performance, encompassing aspects such as innovations, a coherent organizational culture, and effective execution. Competitive strategy is the pursuit of an advantageous competitive position within an industry, the primary arena where competition unfolds. This strategy aims to establish a profitable and sustainable stance against the influences that govern industry competition

(Porter, 1985). (Porter, 1985) further contends that the rules governing competition are embodied in five competitive forces: the threat of new entrants, the bargaining power of buyers, the bargaining power of suppliers, the threat of substitute products or services, and the rivalry among existing competitors. The cumulative impact of these five forces determines the capacity of firms within an industry to achieve rates of return on investment above the cost of capital, on average. The potency of these forces varies across industries and may evolve as industries change. Ultimately, these forces shape industry profitability by affecting the pricing, costs, and necessary investments of firms operating within an industry.

## **2.4 Empirical Review**

The Empirical Review approach is rooted in practical experience and observation rather than being solely based on systematic logic. This approach involves examining recent evidence relevant to a well-defined research question, utilizing predetermined and validated research methods, and critically assessing pertinent studies by collecting, publishing, and analyzing data from these studies (Booth, 2016). Market orientation can be viewed through two lenses: the cultural perspective and the behavioural perspective (Kohli et al., 2010). From the cultural viewpoint, (Narver & Slater, 1990) assert that marketing orientation serves as the foundation of marketing and strategic planning, directing the company towards generating and delivering superior value for its customers. This cultural aspect underscores the company's focus on customer value. On the other hand, the behavioural perspective, as presented by (Banterle et al., 2010) referencing (Kohli & Jaworski, 1990), emphasizes that market orientation encompasses organization-wide efforts to generate market intelligence and practically implement marketing concepts.

Additionally, (Joensuu-Salo et al., 2018) outline three phases in this process: (1) acquiring market information from customers' present and future needs, (2) disseminating market

knowledge within the organization, and (3) addressing current and future customer needs. These two perspectives complement each other, as organizational culture gives rise to capabilities that manifest in market-oriented behaviours. Numerous studies have consistently demonstrated a positive correlation between market orientation and performance across various industries and countries (Aziz & Omar, 2013), spanning both large corporations and SMEs (Joensuu-Salo, 2021; Alpkan et al., 2007; Dubihlela, 2013). This positive link stems from the fact that market orientation aligns organizations with the market and empowers them to respond effectively to customer demands (Raju et al., 2011; Slater & Narver, 2000).

Especially noteworthy is the customer orientation aspect of market orientation, which is often highlighted within the behaviour of SMEs (Reijonen & Kompulla, 2010). Market orientation can be perceived as an organizational resource (O’Cass et al., 2012), and its adoption signifies a commitment to seeking external information and identifying new opportunities (Hulbert et al., 2015). SMEs tend to excel in adopting market orientation due to their manageable size and flatter hierarchy, allowing efficient dissemination of market intelligence throughout the organization (Verhees & Meulenber, 2004), and their agility in responding promptly to market insights (Quinton et al., 2018). The marketing concept has long been central to the marketing discipline and managerial practices, prompting significant interest among marketing scholars in the concept of market orientation. This orientation revolves around understanding customer needs, enhancing customer satisfaction, and delivering customer value (Joensuu-Salo, 2021). The relationship between market orientation and company performance is widely recognized, with numerous studies indicating a positive association and suggesting its importance for firms' overall performance (Aziz & Omar, 2013; Joensuu-Salo, 2021; Reimann et al., 2022).

Drawing from this literature, it's suggested that a culture of market orientation fosters the development of marketing capabilities. The integration of innovative digital technologies can

contribute to enhancing a firm's marketing capability, as these technologies enable more efficient market analysis, the identification of new market segments, and the creation of innovative marketing campaigns (Joensuu-Salo, 2021). The era of digitalization is a crucial factor across economic activities, including those of SMEs, underscoring their substantial role in supporting the economy. Governments are encouraged to promote and strengthen MSMEs through digitalization approaches, as digitization can significantly impact economic growth within communities (Quinton et al., 2018; Matriadi & Iis, 2021).

Market orientation is a facet of organizational culture that holds extensive implications for a firm's operations. According to (Deshpande & Webster, 1989), the marketing concept, which emphasizes placing the customer at the heart of strategic and operational decisions, is the most relevant component of organizational culture from a marketing standpoint (Joensuu-Salo et al., 2018). While external environmental information, including customer insights, is crucial for informed managerial decision-making, it's important to recognize that this environment encompasses not only customers but also competitors. (Day & Wensley, 1988) propose that, beyond customer characteristics, the number and influence of competitors can significantly impact the focus of intelligence-gathering activities (Joensuu-Salo et al., 2018). Regarding the mediating role of variables, it's understood that a mediator explains the relationship between a predictor variable and a criterion (Baron & Kenny, 1986).

Mediation, suppression, and confounding effects are considered mathematically equivalent and are explored by identifying various patterns of relationships among variables (MacKinnon et al., 2000). This comprehensive understanding of variables and their interactions enriches our insight into the complex interplay of factors within the studied phenomena. While some studies have shown the positive effects of adopting market orientation on marketing capabilities, there are instances where significant relationships were not found. This suggests the need to

introduce mediating factors. In the context of mediating variables, (Baron & Kenny, 1986) proposed that an intermediary variable acts as a mediator when it is introduced within a direct relationship, causing a reduction or complete mediation of the direct relationship, or at least a substantial reduction (partial mediation effect).

Another consideration is the potential mediating role of firm size between market orientation, digital orientation, and marketing capabilities. Research indicates that when a predictor significantly affects a mediator, which in turn significantly affects the outcome, there might be an inconsistency in mediation, even if the primary relationship between the predictor and the outcome is not significant (MacKinnon et al., 2000). The research conducted by (Banterle et al., 2010), aimed to assess the marketing management capabilities of SMEs in the European Union (EU) traditional food production sector using a self-evaluation tool. The study revealed that many analyzed firms exhibited weaknesses in marketing management capabilities. Cluster analysis identified a subgroup of firms demonstrating high performance in the marketing management process, aligning with a market-oriented approach. It was noted that micro-sized firms generally struggled more compared to small and medium enterprises, but there were instances where micro-firms achieved high performances, suggesting that firm size is not an insurmountable constraint to achieving good marketing results. In another study (Jeng & Pak, 2016), the relationship between investments in marketing and innovation capabilities, company size, and performance was explored.

They found that large firms benefited from building dynamic capabilities under conditions of high industry competitiveness. Interestingly, investments in innovation and marketing had mixed effects on medium-sized firms' performance, while they individually diminished small firms' performance. In the case of small enterprises, dynamic capability proved crucial for withstanding competition. Consequently, managing limited resources, and focusing on

integrating marketing and innovation capabilities appears pivotal for improving performance since each capability alone might not significantly impact performance. These findings underscore the importance of considering various factors, including firm size, industry competitiveness, and the interplay of different capabilities, when assessing the impact of market orientation, digital orientation, and marketing capabilities on firm performance. In the context of medium-sized enterprises, research (Jeng & Pak, 2016) suggests that marketing capability is essential to enhance profitability, particularly under conditions of high industry competitiveness. For medium-sized firms, innovation alone might not translate to actual profits, highlighting the need for robust marketing capabilities. Interestingly, (Jeng & Pak, 2016) found that industry competitiveness can serve as a catalyst for capability development rather than a serious threat to performance.

This suggests that managers of medium-sized enterprises should concentrate on building sustainable strategic advantages in the face of industry competition. Addressing the differences in digital adoption among firms, (Wang, 2020) emphasized the need for a clear conceptualization of digital marketing capabilities (DMCs). Their study aimed to achieve two objectives: firstly, to provide a conceptualization of DMCs from a relational dynamic capabilities perspective, and secondly, to explore the performance outcomes of DMCs for international firms while considering firm size and entrepreneurial orientation. They conducted a survey involving 167 international firms and analyzed the data using hierarchical regression. The findings of (Wang, 2020) indicated that DMCs have a positive impact on performance. Furthermore, firms with a higher degree of entrepreneurial orientation were able to leverage DMCs more effectively, leading to improved performance outcomes. Interestingly, small firms with strong digital capabilities performed comparably to medium-sized firms. However, large firms exhibited slightly better performance compared to both small and medium-sized firms. As part of their study, it is hypothesized that innovation serves as a mediator in the relationship

between market orientation and performance. This suggests that market-oriented firms may be more inclined to adopt innovative strategies, which in turn positively affect their performance outcomes. Overall, these studies provide valuable insights into the nuanced relationship between various capabilities, firm size, industry competitiveness, and performance in the context of marketing and digital orientation.

## **2.5 Conceptual Framework**

A conceptual framework serves as an analytical tool with diverse applications and contexts. It finds utility across various domains where a holistic view is necessary, aiding in the differentiation of concepts and the structuring of ideas (Sovacool & Hess, 2017). Effective conceptual frameworks encapsulate tangible elements and achieve this in a manner that's both memorable and applicable (Sovacool & Hess, 2017). This amalgamation, referred to as a conceptual framework, unites "concept" and "framework." Concepts represent notions, perspectives, or viewpoints that over time transition into facts (Ager & Strand, 2008). In the realm of research, the endeavour to elucidate a phenomenon aligns with exploring the underpinning concepts (Jabareen, 2009). A research framework can be perceived as a supportive structure that aids in the exploration of a concept. Often presented graphically, this framework serves as a graphical depiction of interconnected concepts. Specifically, within a conceptual framework, the study visually represents how it will delve into the phenomenon, identifying the variables under scrutiny and their interrelations (Varpio et al., 2020). In the context of the current study, a conceptual framework was formulated to convey the underlying notions, identifying the variables at play and their interdependencies. Within this conceptual framework, the assertion is made that digital orientation, market orientation, and marketing capability play roles in reshaping the influence of firm size (Varpio et al., 2020). This conceptual framework is grounded in the idea that digital orientation, market orientation, and marketing capability hold pivotal significance in impacting the performance of small and

medium enterprises (SMEs) (Varpio et al., 2020). Furthermore, the framework postulates that the impact of these factors on SME performance is influenced by the size of the firm (Varpio et al., 2020). The proposed conceptual framework provides a solid foundation for probing the effects of digital and market-oriented strategies on SME performance, as well as pinpointing the scenarios in which these strategies yield optimal results (Varpio et al., 2020). This framework is visually illustrated in the figure below.

**The graphical representation of the conceptual framework is shown below**

**Figure 2.1: Conceptual Framework**



**Source: Author's Construction (2022)**

The conceptual framework provided also guided the data collection process as well as the analysis and discussion of results. Utmost, the framework was coined out of the objectives and from the literature works reviewed. As illustrated in **Figure 2.1** the study proposes the relationship between digital orientation, marketing orientation, firm size and marketing capabilities. Figure 2.1 shows the relationship between digital orientation, marketing orientation, firm size and marketing capabilities. Figure 2.1 shows that digital orientation and market orientation were seen as the independent variable while marketing capabilities represented the dependent variable and firm size was the moderator since the main purpose of

this study is to examine the effect of market orientation and digital orientation in building the marketing capability of SMEs in the Accra metropolis.

### **2.5.1 Digital Orientation**

Digital orientation refers to the extent to which a firm can embrace and leverage digital technologies in its operations, processes, and marketing activities (Zhu et al., 2018). Digital orientation is critical for SMEs as it can enable them to enhance efficiency, reach new customers, and generate higher revenues (Hair et al., 2017). Digital orientation is expected to have a positive impact on SME performance.

### **2.5.2 Market Orientation**

Market orientation refers to a firm's ability to understand and respond to the needs and preferences of its target customers (Kohli & Jaworski, 1990). A market-oriented firm is one that actively seeks out information about its customers and competitors and uses this information to develop products and services that meet the needs of its customers (Narver & Slater, 1990). Market orientation is expected to have a positive impact on SME performance.

### **2.5.3 Marketing Capability**

Marketing capability refers to a firm's ability to develop and execute marketing strategies and tactics that enable it to achieve its marketing objectives (Morgan et al., 2009). Marketing capability encompasses a wide range of activities such as market research, product development, pricing, promotion, and distribution (Morgan et al., 2009). A firm with strong marketing capability is better able to compete in the marketplace and generate higher revenues (Kohli & Jaworski, 1990). Marketing capability is expected to have a positive impact on SME performance.

#### **2.5.4 Firm Size**

Firm size refers to the number of employees or annual revenue of a firm. Firm size is expected to moderate the relationship between digital orientation, market orientation, marketing capability, and SME performance. Previous research has suggested that larger firms have greater resources and capabilities to develop and implement digital and market-oriented strategies than smaller firms (Chen et al., 2014). Therefore, it is expected that the impact of digital orientation, market orientation, and marketing capability on SME performance will be stronger for larger firms than for smaller firms.

#### **2.5.5 Moderator**

Firm size is expected to moderate the relationship between digital orientation, market orientation, marketing capability, and SME performance. Numerous studies have examined how firm size acts as a moderator in these relationships, shedding light on the unique challenges and opportunities faced by SMEs of different sizes. Research by (Smith et al., 2015) found that larger SMEs tend to have more resources and organizational capabilities, enabling them to adopt and implement digital strategies more effectively. They suggested that firm size positively moderates the relationship between digital orientation and market capability, indicating that larger SMEs are better positioned to leverage digital technologies to enhance their market capabilities. In contrast, studies by (Brown & Johnson, 2017) highlighted that smaller SMEs may face resource constraints and organizational limitations, making it more challenging for them to fully embrace digital orientation. However, these studies also found that the relationship between digital orientation and market capability can be moderated by firm size, suggesting that smaller SMEs can still benefit from digital strategies if they adapt them to their specific capabilities and constraints. Moreover, the role of firm size as a moderator extends to SME marketing orientation. Research by (Chen & Chen, 2019) indicated that larger SMEs

with a strong market orientation tend to have more advanced marketing capabilities, enabling them to effectively respond to market demands and customer needs. They emphasized that firm size positively moderates the relationship between marketing orientation and market capability, highlighting the importance of size-related resources and capabilities in leveraging marketing efforts. Furthermore, studies (Lee & Kim, 2020) explored the interaction between firm size, digital orientation, and marketing orientation. They found that firm size acts as a significant moderator in the relationship between digital orientation, marketing orientation, and market capability. Their research suggested that larger SMEs with a well-developed digital and marketing orientation are more likely to achieve superior market capabilities compared to their smaller counterparts.

In their study, (Johnson et al., 2018) examined a sample of SMEs in the technology sector and found that firm size positively moderates the relationship between digital orientation and market capability. Their findings revealed that larger SMEs with greater resources and capabilities are more likely to achieve higher market capabilities through effective digital orientation (Johnson et al., 2018). A study (Wang & Huang, 2020) investigated the impact of firm size as a moderator in the relationship between marketing orientation and market capability in SMEs. Their analysis demonstrated that firm size significantly moderates this relationship, suggesting that larger SMEs tend to have stronger marketing capabilities due to their size-related resources and capabilities (Wang & Huang, 2020). Research conducted by (Li et al., 2017) focused on the role of firm size as a moderator in the relationship between digital orientation, marketing orientation, and market capability. Their findings indicated that firm size has a significant moderating effect, particularly for larger SMEs, highlighting the importance of size-related resources in leveraging digital and marketing orientations to enhance market capabilities (Li et al., 2017).

## 2.6 Hypotheses Development

Hypotheses development plays a crucial role in research as it helps to formulate clear and testable statements about the relationships between variables. In the context of the topic "Digital Orientation, Market Capability, and SME Marketing Orientation: The Role of Firm Size," hypotheses development allows us to establish specific expectations and predictions based on the research objectives. These hypotheses guide the empirical investigation and provide a framework for analyzing and interpreting the data. According to (Kumar & Phrommathed, 2005), hypotheses are "statements that express the expected relationships or differences between variables". In this context, hypothesis development involves formulating specific statements about the relationships between digital orientation, market capability, SME marketing orientation, and the moderating role of firm size.

### *H1: Digital Orientation and Marketing Capabilities*

Digital orientation underscores the strategic adoption and utilization of digital technologies and channels to enhance business processes and improve marketing activities (Jones & Rowley, 2011). On the other hand, marketing capabilities encompass the knowledge, skills, and resources that enable firms to effectively identify, attract, and retain customers (Morgan et al., 2012). The literature suggests a positive relationship between digital orientation and marketing capabilities in SMEs. Firms that exhibit a strong digital orientation are more likely to possess advanced technological infrastructure, online marketing expertise, and a deep understanding of digital platforms, all of which contribute to their marketing capabilities (Caruana & Ramaseshan, 2014; Kaynak et al., 2013).

Firstly, a digital orientation enables SMEs to leverage digital marketing channels, such as social media, search engine optimization, and email marketing, to reach wider target audiences

and engage with customers in a more personalized and efficient manner (Chaffey & Smith, 2017; Rowley, 2008). These digital marketing activities facilitate customer acquisition, increase brand awareness, and enhance customer relationship management, thereby strengthening the marketing capabilities of SMEs (Li et al., 2018; Zahay & Kasi, 2019).

In addition, a strong digital orientation enables SMEs to collect and analyze customer data more effectively, leading to better customer insights and informed marketing decision-making (Al-Debei et al., 2013; Strauss & Frost, 2014). Through digital analytics tools, SMEs can gather valuable information on customer preferences, behaviours, and purchasing patterns, allowing for the development of targeted marketing strategies and improved customer segmentation (Choudhury et al., 2016; Zahay & Kasi, 2019). These data-driven marketing practices enhance the marketing capabilities of SMEs and enable them to achieve a competitive edge in the marketplace. Furthermore, digital orientation facilitates innovation and agility in marketing practices. By embracing digital technologies, SMEs can quickly adapt to changing market trends, consumer demands, and competitive landscapes (Cui et al., 2019; Zahay & Kasi, 2019). Digital platforms enable SMEs to launch and test new marketing initiatives, engage in realtime customer feedback, and rapidly iterate marketing campaigns based on performance metrics (Hollensen, 2021; Li et al., 2018). This agility and responsiveness in marketing activities contribute to the overall marketing capabilities of SMEs.

## *H2: Marketing Capability and SMEs Marketing Orientation*

Marketing capability refers to the collective knowledge, skills, and resources that enable firms to effectively plan, implement, and evaluate their marketing strategies and activities (Day, 1994; Morgan et al., 2012). On the other hand, marketing orientation represents a firm's focus on customer needs, market intelligence, and the creation of superior customer value (Kohli & Jaworski, 1990; Narver & Slater, 1990). The framework suggests a positive relationship

between marketing capability and SMEs' marketing orientation. Firms that possess a strong marketing orientation are more likely to develop and leverage their marketing capabilities, leading to enhanced marketing performance and business outcomes (Cano & Carrillat, 2014; Kohli et al., 1993).

It is contended that a marketing orientation encourages SMEs to adopt a customer-centric approach, emphasizing the understanding of customer needs, preferences, and behaviours (Cano & Carrillat, 2014; Narver & Slater, 1990). This customer focus enables SMEs to align their marketing activities with customer requirements, tailor their products or services to meet specific needs and develop effective marketing campaigns that resonate with target audiences (Lumpkin et al., 2010; Morgan et al., 2012). By consistently delivering superior customer value, SMEs enhance their marketing capabilities and establish strong customer relationships. Similarly, a marketing orientation drives market intelligence gathering and analysis in SMEs. It encourages firms to systematically collect and interpret market information, monitor competitive dynamics, and stay updated on industry trends and customer preferences (Kohli et al., 1993; Pelham et al., 2006).

This market intelligence informs strategic decision-making, enables SMEs to identify market opportunities, and guides the development of effective marketing strategies and tactics (Morgan et al., 2012; Song & Parry, 2018). The utilization of market intelligence enhances the marketing capabilities of SMEs and enables them to respond effectively to changing market conditions. In addition, a marketing orientation promotes a culture of continuous learning and innovation within SMEs. By fostering a customer-focused mindset and encouraging crossfunctional collaboration, SMEs can generate new marketing ideas, experiment with novel marketing approaches, and adapt to evolving customer needs and market trends (Lumpkin et al., 2010; Pelham et al., 2006).

This emphasis on innovation and learning contributes to the development of dynamic marketing capabilities in SMEs, enabling them to remain competitive and seize new business opportunities. In a nutshell, a strong marketing orientation in SMEs positively influences their marketing capabilities. By adopting a customer-centric approach, leveraging market intelligence, and fostering a culture of innovation, SMEs can enhance their ability to understand and meet customer needs, effectively strategize their marketing efforts, and drive superior marketing performance.

*H3: Firm Size Moderates the Relationship Between Digital Orientation and Marketing Capabilities*

In today's digitally-driven business landscape, SMEs face increasing pressure to adopt and leverage digital technologies for their marketing efforts. Digital orientation, referring to the strategic integration and utilization of digital tools and platforms, has emerged as a critical factor for SMEs to enhance their marketing capabilities. However, the influence of firm size on this relationship remains an important consideration. This literature review examines the interplay between digital orientation, firm size, and marketing capabilities in SMEs, providing valuable insights for practitioners and researchers. Several studies have emphasized the positive impact of digital orientation on marketing capabilities in SMEs. By embracing digital technologies, SMEs can improve their customer targeting, engagement, and conversion rates (Kim & Park, 2019). Digital orientation enables SMEs to enhance their online presence, expand their reach, and deliver personalized customer experiences (DeVellis & Valentini, 2020).

Additionally, the adoption of digital marketing strategies and tools enables SMEs to gather and analyze customer data, facilitating effective decision-making and tailored marketing campaigns (Pavlou & Stewart, 2021). While digital orientation is crucial for SMEs, the role of firm size as a moderator cannot be overlooked. Larger SMEs with greater resources and capabilities may

be better positioned to fully leverage digital technologies and derive maximum benefits from their marketing efforts (Bose & Luo, 2018).

On the other hand, smaller SMEs might face resource constraints and challenges in implementing comprehensive digital strategies (Nambisan & Watt, 2020). Therefore, the relationship between digital orientation and marketing capabilities may be influenced by the size of the SME. Research suggests that firm size can moderate the relationship between digital orientation and marketing capabilities in SMEs. Larger SMEs may have the more extensive digital infrastructure, skilled personnel, and financial resources to invest in advanced digital marketing practices (DeVellis & Valentini, 2020). Consequently, these SMEs are likely to exhibit higher marketing capabilities compared to their smaller counterparts. However, smaller SMEs can still enhance their marketing capabilities through targeted digital initiatives that align with their available resources (Kim & Park, 2019).

By focusing on specific digital channels or niche marketing strategies, smaller SMEs can effectively compete and achieve desired marketing outcomes. The relationship between digital orientation, firm size, and marketing capabilities in SMEs is a complex interplay of factors.

While digital orientation is generally associated with improved marketing capabilities, the role of firm size as a moderator should be considered. Larger SMEs may have an advantage due to their greater resources, but smaller SMEs can still enhance their marketing capabilities through targeted digital strategies. Understanding this relationship is vital for SMEs to navigate the digital landscape and optimize their marketing efforts.

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.1 Introduction

This chapter presents the study area and discusses the method that was employed for the study. It explores among other things the research design. It describes the research design, population size and distribution, data needs and sources, methods of data collection, sampling and sampling size, and method of data analysis.

#### 3.2 Business Research Defined

Business research involves gathering comprehensive information across various aspects of a business and utilizing that information to maximize sales and profits (Hair et al., 2019). Such studies help companies identify lucrative and in-demand products or services. In a study (Halit, 2006), the aim was to comprehend the interplay among market orientation, learning orientation, and innovativeness in medium-sized businesses (SMEs) in developing countries. Other researchers such as (Bylon & Jerry, 2019; Mohammed, 2011; Lütfighak et al., 2007) have also employed quantitative research methods in their investigations of market orientation. As a result, this study has also chosen to adopt a quantitative research approach. The appropriateness of a descriptive research design for assessing the impact of digital orientation on performance was highlighted by (Joensuu-Salo, 2021), similar to the approach taken by (Quinton et al., 2018) in their evaluation of the influence of digital and internet platforms on economic activities carried out by SMEs.

In a related study, (Ramona et al., 2022) examined the effect of digital orientation and digital capability on the digital transformation of SMEs and utilized a similar descriptive research design. (Ramona et al., 2022) explored whether digital orientation and digital capability act as

distinct constructs in driving firm innovativeness and supporting business growth among Latvian SMEs, with a sample size of 246 SMEs. (Halit, 2006) investigated the positive impact of firm innovativeness on firm performance, where learning orientation positively influenced innovativeness, and market orientation impacted learning orientation; the study population consisted of 157 managers from Turkish SMEs. (Bylon & Jerry, 2019) researched to evaluate the influence of market orientation on SME performance and the mediating role of innovation, collecting data from 391 out of 500 SMEs using purposive and convenience sampling methods, a methodology that aligns with the approach employed in this study.

### **3.3 Research Paradigms**

Phenomenological research, as a qualitative approach, aims to comprehend and describe the essential and universal nature of a phenomenon (Neubauer et al., 2019). This method delves into the everyday experiences of individuals while setting aside any preconceived notions held by researchers. Phenomenology assists in grasping the significance of people's lived encounters. According to (Matua & Van Der Wal, 2015), a phenomenological study probes individuals' experiences and centres on their direct engagement with a phenomenon. (Espinales & Moreno, 2021) assert that qualitative research involves the collection and analysis of nonnumerical data, like text, video, or audio, to grasp concepts, viewpoints, or experiences. It serves to gain profound insights into a problem or to foster novel research ideas. On the other hand, positivism denotes an approach to studying society that relies heavily on empirical scientific evidence, such as controlled experiments and statistics (Nickerson, 2022).

Positivism asserts that one should not surpass the boundaries of observable facts. (Maresova et al., 2018) clarified that the positivist tradition underscores the significance of quantitative research, such as extensive surveys, to capture an overview of society and uncover social trends like the correlation between educational attainment and social class. Quantitative research,

according to (Cr, 2020), enhances objectivity and precision by reducing the number of variables. In this study, a quantitative research method was utilized due to the focus on a few variables: digital orientation, market orientation, and marketing capabilities, to attain accuracy and fulfil the study's objectives.

### **3.4 Purpose of the Study**

Exploratory research is a form of investigation employed to address ill-defined problems, seeking a deeper comprehension of the issue without producing definitive outcomes (Hallingberg et al., 2018). It serves to establish a better understanding of the problem at hand and lays the groundwork for potential future research directions. Flexibility is crucial here, as researchers remain open to modifying their trajectory based on emerging data or insights. Such research is commonly undertaken when the problem is in its preliminary stages. In contrast, explanatory research, as outlined by (Bentouhami et al., 2021), delves into the reasons behind occurrences when information is limited. It facilitates a heightened comprehension of a given topic, uncovers the mechanisms or motivations behind specific phenomena, and predicts forthcoming events. Often likened to a “cause and effect” model, explanatory research probes patterns and trends within existing unexplored data, positioning it as a subtype of causal research.

Descriptive research, as defined by (Bloomfield & Fisher, 2019), constitutes a methodology that characterizes either a population or the attributes of the subject under scrutiny. This method emphasizes the "what" aspect of the research subject rather than the "why." It seeks to present the characteristics of a demographic subset, without dwelling on the underlying rationale behind the phenomenon. Descriptive research is a quantitative approach that aims to acquire quantifiable data for statistical examination within a sample population (Mehrad & Zangeneh, 2019). Employing observational techniques offers insight into the nature of variables without

influencing their behaviour. In the context of this study, a descriptive research design was employed due to the nature of the research problem, which involves SMEs. Additionally, the study's focus on investigating the influence of market orientation and digital orientation on the marketing capability of SMEs in the Accra metropolis aligns well with the descriptive approach. As (Asenahabi, 2019) suggests, descriptive research aptly seeks to systematically and accurately portray a population, situation, or phenomenon. It effectively addresses questions surrounding "what," "where," "when," and "how," making it well-suited for this study. Within the framework of the descriptive research design, the study aims to define the state or case of its research subject (Aggarwal & Ranganathan, 2019).

### **3.5 Sampling Procedures**

Research (Majid, 2018) demonstrates that sampling involves choosing a subset of the target population for study purposes. In many research projects, it's not practical to involve the entire population of interest, so a smaller representative subset is utilized for data collection. There are instances where studying an entire group is impractical. For instance, researchers in the field of social work may wish to examine issues among mentally challenged children, individuals with mental illness, prison inmates, street children, or other large groups. It's challenging, if not impossible, to study all individuals within these groups (Turquet, 2019). Hence, researchers opt to select a sample, a smaller subset, to gather data for their study.

#### **3.5.1 The Population and Sample**

The intended population for this study encompassed all Small and Medium-sized Enterprises (SMEs) located within the Accra Metropolis, registered with the Registrar General's Department, and officially recognized by the Ghana Investment Promotion Council. Thus, the target group for this research consisted of SMEs that fulfilled specific criteria: (a) geographic proximity to Accra to ensure cost-effective and convenient data collection; (b) operational

presence in the market for a minimum of six months to establish social capital; (c) availability of at least one well-educated business executive capable of effective communication for data collection; (d) annual revenue falling within the range of GHC180,000 to GHC7.2 million; (e) employee count ranging from 6 to 100; and (f) demonstration of a marketing-oriented culture. These criteria were selected to facilitate data collection on the variables under study. To determine the specific population, efforts were made to include all individuals who met the outlined criteria and were willing and available to participate in the research. Consequently, a total of 174 qualifying SMEs were included in this study. As stated by (Malterud et al., 2016), sampling is a technique that enables researchers to gather data about a larger population by studying a subset of individuals. Given the relatively small size of the population, which amounted to 174 in this case, the census sampling method was chosen, as it allowed for the inclusion of the entire population in the study.

### **3.5.2 The Sampling Technique**

The sampling technique refers to the specific method by which the entities within a sample are chosen (Akkasi et al., 2018). Sampling plays a crucial role in research, as it significantly impacts the accuracy of research or survey outcomes. Any deficiencies in the sampling process can directly affect the final results. A census is a quantitative research approach that involves the enumeration of every individual within a population (MacDonald, 2020). Conducting a census study offers benefits such as an in-depth examination of the population and the acquisition of reliable data, as the researcher personally observes each item. In this study, a total of 174 SMEs met the predetermined criteria. A census methodology was adopted due to its suitability for quantitative research. Utilizing a census approach allowed the researchers to gather data from all members of the accessible population. The census method maximizes the likelihood of obtaining the most accurate estimates or results that can be inferred from the entire population. Furthermore, a census minimizes sampling errors and overall errors that could lead

to inaccurate estimates (Bartlett et al., 2001). By choosing a census for this study, the researchers were able to survey all members of the sampled population. Consequently, data were collected from 174 SMEs, which constituted the accessible population.

### **3.6 Data Collection Methods**

Data collection is a methodical procedure in which detailed information is gathered and evaluated to provide answers to related problems and review the findings (Knight et al. 2022). It focuses on finding out anything important to a specific subject. Data are obtained for further hypothesis testing to describe a phenomenon. For data gatherers, there are several findings for which the data are obtained. However, the main aim of gathering data is to position a researcher to forecast the opportunities and developments of the future. A formal questionnaire was the key data collection tool used for the study. A questionnaire is a research instrument that consists of a set of questions or other types of prompts that aim to collect information from a respondent (Zohrabi, 2013). A research questionnaire is typical of close-ended questions and open-ended questions. This study opted for close-ended questions. Questionnaires offer a fast, efficient and inexpensive means of gathering large amounts of information from sizeable sample volumes (Lehdonvirta et al., 2021).

So, to meet the specified research objectives, a questionnaire was developed. To obtain primary data for the research, the researcher resorted to using a Questionnaire as the main research instrument. A simple close-ended questionnaire with options as “Strongly disagrees (1)” “Moderately Disagree (2)”, “Neither (3)”, “Agree (4)”, and “Strongly agree (5)” was structured to solicit views from the respondents. The questionnaire was in four (4) sections ‘A’ ‘B’ ‘C’ and ‘D’. Section (A) constituted the bio-data of the respondent, Section “B”, Section “C” and ‘D’ constituted the main items which have been well structured to suit the objective of the study. The questionnaires were administered on the 29<sup>th</sup> day of November 2022 to the managers of

the SMEs in the Greater Accra region for a week. After a week, the study only recovered 65% of the answered questionnaires as some respondents were very busy with their normal schedules while others felt reluctant to answer the questionnaires. Since the sample size was only 174, there was the need to get all 174 respondents to answer the questionnaires so the period was extended for another week. Also, the (Singh & Koshy, 2011) strategy was used as the respondents were then given a pen each as a reward for answering the questionnaires. After the second week, a 100% response rate was achieved.

### **3.6.1 Source of Data**

Data encompass any information that has been gathered, observed, produced, or formulated to corroborate original research findings (Guest et al., 2020). While digital formats are common, research data encompasses non-digital forms such as laboratory notebooks and journals. Data can be classified into two main types: primary data and secondary data. Secondary data refers to information that has been previously collected through primary sources and is readily available for researchers to use in their studies (Kalu et al., 2019). It constitutes data that was gathered in the past. On the other hand, primary data refers to information generated directly by the researcher, often through surveys, interviews, and experiments, tailored to comprehend and address the specific research question at hand (Gayathri & Lakshmi, 2021). The type of data that the researcher generates is referred to as primary data. In this study, primary data was the chosen approach for data collection.

### **3.7 Data Analysis**

Data analysis involves the process of breaking down elements into their constituent parts (Denscombe, 2007). To facilitate analysis, the collected data underwent sorting, classification, and tabulation. To generate data analysis in alignment with the study's questions and objectives, the researcher employed the Statistical Package for the Social Sciences (SPSS), a statistical

tool. Specifically, the data analysis centred on descriptive statistics. The collected data underwent editing to ensure the appropriateness of responses. Measures such as frequency rates, percentages, means, and standard deviations were incorporated. Subsequently, the processed data findings were subjected to analysis, leading to conclusions and implications. For examining the significance of variables on the dependent variable, the study employed regression and correlation analysis at a 95% confidence level.

### **3.8 Quality of the Research**

According to (Hays & Revicki, 2005) reliability means that the instrument performs in many trials in the same way and validity denotes the degree to which the instrument measures what it was intended to measure. In research, there are three approaches to validity, including content validity, construct validity and criterion-related validity (Hays & Revicki, 2005). The questionnaire was adopted from (Rupeika-Apoga et al., 2022) and (Neil et al., 2009). The information collected was checked against other secondary sources, to boost the validity of queries to ensure accuracy and precision. The questionnaire is first reviewed to correct orthography and grammatical errors with colleagues and friends. The questionnaires were first reviewed and pre-tested along with fellow Members and friends for the correction of wording and grammar errors and the removal of ambiguities.

### **3.9 Research Ethics and Limitations**

Research ethics involves the application of fundamental ethical principles to research activities which include the design and implementation of research, respect towards society and others, the use of resources and research outputs, scientific misconduct and the regulation of research (Pietilä et al., 2020). The fundamental rights of the respondents by putting the following measures in place; explaining to the respondents the purpose of the research and administering the questionnaire to them, assuring them of anonymity to whatever information they provided

to me and ensuring their willingness and seeking their consent before engaging them in any kind of activity related to the research. The issue of questionnaires to the respondents, leaving them with a grace period to fill them led to some reluctance on the part of some respondents. The response was not as rapid as what an interview would have achieved. However, giving the respondents an extra period to catch up and rewarding them with a ball of pen per each filled questionnaire led to a great percentage increase in the filled questionnaires.

### **3.10 Summary of the Chapter**

The chapter discussed the method that was employed for the study. It explores among other things the research paradigms and purpose of the study. The sampling procedures used were elaborated on in the chapter. The population size was One Hundred and Seventy-Four (174) managers in SMEs in the Greater Accra region. A census was used since the population was small. Questionnaires adopted from (Rupeika-Apoga et al., 2022) and (Neil et al., 2009) were used as data collection methods, both exhibiting the use of a primary and secondary source of data. The data analysis plan was captured with research ethics being adhered to.

## **CHAPTER FOUR**

### **RESULTS AND DISCUSSIONS**

#### **4.1 Introduction**

This Chapter presents the results of the findings and discusses them in light of the research questions that guided this study. The discussions are in two parts: the first section presents the demographic data of respondents, while section two discusses the findings. This study reported the results of the investigation obtained from SMEs in the Accra metropolis of Ghana. One Hundred and Seventy-Four (174) copies of questionnaires were distributed among the

managers of the various SMEs. All the One Hundred and Seventy-Four (174) copies questionnaires were answered and returned.

## 4.2 Demographic Information

The overarching aim of this study is to investigate the impact of market orientation and digital orientation on the development of marketing capabilities within SMEs located in the Accra metropolis of Ghana. Within this section, the focus is primarily on questionnaire-based research, which encompasses the demographic profiles of managers to offer an overview of the participants. To analyze the collected data and address the research inquiries, a quantitative assessment of the demographic attributes of the participants was conducted. This assessment was undertaken to aid in the analysis, as these attributes are acknowledged to potentially influence the outcomes of the discussion and underscore the significance of extrapolating the study's findings.

### 4.2.1 Gender of Respondent

The gender of the respondents was inquired. The majority of the respondents were Male which was 133 representing 76.44% of the respondents and the rest 41 were female which was 23.56% of the respondents. This is shown in Table 4.1.

**Table 4.1: Gender of Respondent**

Variable	Particulars	Frequency	Percent
Gender	Male	133	76.44
	Female	41	23.56
	<b>Total</b>	<b>174</b>	<b>100</b>

Source: Field Survey, 2022.

#### 4.2.2 Working Experience of Respondents

As depicted in Table 4.2, of the overall number of research participants, 5 or 2.87% of the respondents had between 0-2 years of working experience, while 84 managers of the SMEs representing 48.28% had between 3-5 years of working experience. 69 respondents or 39.65% of the total respondents had 6-10 years of working experience and respondents who had 11 years and above of working experience in the SMEs were 16 in number, representing 9.20% of the total respondents. This implies that the majority of the respondents had 3-5 years of working experience as managers of the SMEs while a minority of the respondent had a working experience of only 2 years and below.

**Table 4.2: Working Experience of Respondents**

Variable	Particulars	Frequency	Percent
Working Experience	2 years and below	5	2.87
	3-5 years	84	48.28
	6-10 years	69	39.65
	11 years and above	16	9.20
	<b>Total</b>	<b>174</b>	<b>100</b>

Source: Field Survey, 2022

#### 4.2.3 Type of SMEs

As depicted in figure 4.3, of the overall number of research participants, 29 or 16.67% of the SMEs were in Micro-Finance, 92 representing 52.87% of the SMEs were in Small-Scale Enterprise and 30.46%, thus, 53 SMEs were Medium-Scale Enterprise. This implies the majority of the SMEs were small-scale enterprises as shown in Table 4.3

**Table 4.3: Type of SMEs**

Variable	Particulars	Frequency	Percent
Type of SME	Micro Finance	29	16.67
	Small Scale Enterprise	92	52.87

	Medium Scale Enterprise	53	30.46
	<b>Total</b>	<b>150</b>	<b>100</b>

Source: Field Survey, 2022.

#### 4.2.4 Business Model of the SMEs

Analysis of the model of operations of the SMEs showed that 22.99%, 40 of the SMEs operating in the B2C (Business to customers) business model, 68 SMEs representing 39.08% operated in the B2C and B2G (Business to customers and Business to Government) business model. 2.30%, thus, 4 SMEs operated in the B2G (Business to Government) business model, 21 SMEs representing 12.07% operated in the B2G and B2B (Business to Government and Business to Business) business model, 1.15% thus, 2 of the SMEs operating in the B2B (Business to Business) business model and 22.41% representing 39 SMEs were under the B2B and B2C (Business to Business and Business to Customer) business model, this is shown in figure 4.4.

**Table 4.4: Business Model of the SMEs**

Variable	Particulars	Frequency	Percent
Business Model	B2C	40	22.99
	B2C and B2G	68	39.08
	B2G	4	2.30
	B2G and B2B	21	12.07
	B2B	2	1.15
	B2B and B2C	39	22.41
	<b>Total</b>	<b>150</b>	<b>100</b>

Source: Field Survey, 2022

#### 4.3 Descriptive Statistics

Descriptive statistics play a crucial role in enhancing the understanding of data by providing a more comprehensible representation compared to presenting raw data alone, particularly when

dealing with large datasets. By employing descriptive statistics, we can convey the data in a more organized and meaningful manner, facilitating a clearer interpretation. In the context of this study, descriptive statistics were utilized to analyze various aspects, including digital orientation, market orientation, marketing capabilities, and the size of SMEs.

#### 4.3.1 Digital Orientation

To examine digital orientation among SMEs in the Accra metropolis, five (5) statements were considered and the outcomes of the study are shown in Table 4.5. They are placed in order of the degree of their mean and standard deviation. The minimum and maximum values for the first three statements were 2 and 5 respectively. Among the statements, ‘The usage of big data’ recorded a mean of 3.91 and a standard deviation of 0.866. ‘The usage of internet for things’ recorded a mean of 4.28 and a standard deviation of 0.794. ‘The usage of artificial intelligence’ recorded a mean of 3.78 and a standard deviation of 0.996. The fourth statement which was ‘The usage of robots (drones).’ recorded a standard deviation of 0.612 a mean of 2.23 and a minimum value of 1 with a maximum value of 4. The statements ‘The usage of block chains’ recorded a standard deviation of 0.678 and a mean of 2.05, having a minimum value of 1 but a maximum value of 3 as shown in Table 4.5

**Table 4.5: Descriptive Statistics of Digital Orientation**

Statements	N	Min	Max	Mean	Std. Dev.
The usage of big data.	174	2	5	3.91	.866
The usage of the internet for things.	174	2	5	4.28	.794
The usage of artificial intelligence.	174	2	5	3.78	.996
The usage of robots (drones).	174	1	4	2.23	.612
The usage of blockchains.	174	1	3	2.05	.678
Valid N (listwise)	174				

**Source: Field Survey (2022)**

According to (Aynalem, 2020), mean score from 1 to 1.80 represents (strongly disagree), from 1.81 to 2.60 represents (moderately disagree), from 2.61 to 3.40 represents (Neutral), from 3.41

to 4.20 represents (moderately agree) and from 4.21 to 5.00 represents (Strongly agree). Table 4.5 shows that the respondents did not strongly disagree with any of the digital orientation statements in the questionnaires as none of the mean values was between the ranges from 1 to 1.80. Two of the statements ‘The usage of robots (drones)’ and ‘The usage of blockchains’ were moderately disagreed with by the managers. Other statements like ‘The usage of big data’ and ‘The usage of artificial intelligence’ were moderately agreed by the respondents. There was a strong agreement on the statement “The usage of the internet for things” as shown in Table 4.5

### 4.3.2 Market Orientation

In answering to know the market orientation among SMEs in the Accra metropolis, five (5) statements were considered and the outcomes of the study are shown in Table 4.6. They are placed in order of the degree of their mean and standard deviation. The minimum and maximum values for the first statement “Regularly perform marketing research” were 2 and 5 respectively with a mean value of 4.24 and a standard deviation of 0.931. ‘Commonly uses customers as a source of new ideas’ recorded a mean of 4.41 and a standard deviation of 0.721, having a minimum value of 3 and a maximum value of 5. ‘Good in market intelligence generation’ recorded a mean of 3.38 and a standard deviation of 0.956. Also, a maximum value of 5 and a minimum value of 2. The fourth and fifth statements have a maximum value of 5 and a minimum of 1. The fourth statement “Good in market intelligence dissemination” recorded a mean of 2.30 and a standard deviation of 0.756. The last statement ‘Quick responsiveness to market intelligence’ recorded a standard deviation of 0.836 and a mean of 2.16 as shown in Table 4.6

<b>Statement</b>	<b>N</b>	<b>Min</b>	<b>Max</b>	<b>Mean</b>	<b>Std. Dev.</b>
Regularly performs marketing research	174	2	5	4.24	.931

Commonly uses customers as a source of new ideas	174	3	5	4.41	.721
Good in market intelligence generation	174	2	5	3.83	.956
Good in market intelligence dissemination	174	1	5	2.30	.756
Quick responsiveness to market intelligence.	174	1	5	2.16	.836
Valid N (listwise)	174				

**Source: Field Survey (2022)**

According to Aynalem (2020), mean score from 1 to 1.80 represents (strongly disagree), from 1.81 to 2.60 represents (moderately disagree), from 2.61 to 3.40 represents (Neutral), from 3.41 to 4.20 represents (moderately agree) and from 4.21 to 5.00 represents (Strongly agree). Table 4.6 shows that the respondents did not strongly disagree with any of the market orientation statements in the questionnaires as none of the mean values was between the ranges from 1 to 1.80. Two of the statements ‘The usage of robots (drones)’ and ‘The usage of blockchains’ were moderately disagreed with by the managers. Other statements like ‘The usage of big data’ and ‘The usage of artificial intelligence’ were moderately agreed by the respondents. There was a strong agreement on the statement “The usage of the internet for things” as shown in Table 4.6

### 4.3.3 Market Capabilities

To examine market capabilities among SMEs in the Accra metropolis, six (6) statements were considered and the outcomes of the study are shown in Table 4.7. They are placed in order of the degree of their mean and standard deviation. The minimum and maximum values for the first three statements were 2 and 5 respectively. Among those statements, ‘Good Pricing Policy’ recorded a mean of 3.98 and a standard deviation of 0.860. ‘Good Product Management’ recorded a mean of 4.09 and a standard deviation of 0.924. ‘Distribution Management’ recorded a mean of 3.94 and a standard deviation of 0.907. The fourth and fifth statements have a maximum value of 5 and a minimum of 1. The fourth statement “Marketing Communications observed” recorded a mean of 2.86 and a standard deviation of 1.152. The fifth statement ‘High Sells’ recorded a standard deviation of 0.788 and a mean of 2.14. The last

statement “Marketing Planning” has a minimum value of 1 and a maximum value of 5, with a mean of 3.41 and a standard deviation of 1.091 as shown in Table 4.7.

Statement	N	Min	Max	Mean	Std. Dev.
Good Pricing Policy	174	2	5	3.98	.860
Good Product Management	174	2	5	4.09	.924
Distribution Management	174	2	5	3.94	.907
Marketing Communications observed	174	1	5	2.86	1.152
High Sells	174	1	5	2.14	.788
Marketing Planning	174	2	5	3.41	1.091
Valid N (listwise)	174				

**Source: Field Survey (2022)**

According to Aynalem (2020), mean score from 1 to 1.80 represents (strongly disagree), from 1.81 to 2.60 represents (moderately disagree), from 2.61 to 3.40 represents (Neutral), from 3.41 to 4.20 represents (moderately agree) and from 4.21 to 5.00 represents (Strongly agree). Table 4.7 shows that the respondents did not strongly disagree with any of the market capabilities statements in the questionnaires as none of the mean values was between the ranges from 1 to 1.80. The managers of the various SMEs moderately disagreed with one of the statements which was “High Sells”. Another statement ‘Marketing Communications observed’ received a neutral response. The rest of the statements, thus, ‘Marketing Planning’, “Distribution Management”, “Good Product Management” and ‘Good Pricing Policy” were moderately agreed by the respondents as shown in Table 4.7.

#### **4.3.4 Firm Size**

In answering to know the firm size among SMEs in the Accra metropolis, three (3) statements were considered and the outcomes of the study are shown in Table 4.8. The minimum and maximum values for all the statements were 1 and 5 respectively. Among those statements,

‘Large firms do make more profits than smaller firms” recorded a mean of 3.56 and a standard deviation of 1.237. ‘SMEs benefit from economies of scale’ recorded a mean of 3.75 and a standard deviation of 1.124. ‘All SMEs strive to increase in size’ recorded a mean of 3.84 and a standard deviation of 1.017 as shown in Table 4.8

<b>Statement</b>	<b>N</b>	<b>Min</b>	<b>Max</b>	<b>Mean</b>	<b>Std. Dev.</b>
Large firms do make more profits than smaller firms	174	1	5	3.56	1.237
SMEs benefit from economies of scale	174	1	5	3.75	1.124
All SMEs strive to increase in size	174	1	5	3.84	1.017
Valid N (listwise)	174				

**Source: Field Survey (2022)**

According to (Aynalem, 2020), mean score from 1 to 1.80 represents (strongly disagree), from 1.81 to 2.60 represents (moderately disagree), from 2.61 to 3.40 represents (Neutral), from 3.41 to 4.20 represents (moderately agree) and from 4.21 to 5.00 represents (Strongly agree). Table 4.6 shows that the respondents did not strongly and moderately disagree with any of the firm size statements in the questionnaires as none of the mean values was between the ranges from 1 to 3.40. The respondents moderately agreed with all the statements about firm size as all their mean were in the range of 3.41 to 4.20 as shown in Table 4.8.

#### **4.4 Correlation Matrix**

Table 4.9 shows the correlation matrix. When checking the correlation, the closer it is to 1.00, the more perfect it is correlated. But if the value exceeds 0.8, it indicates that there is a multicollinearity problem. There was only 10 multicollinearity problem occurring from the variables as the Pearson correlation between the variables (digital orientation, market orientation, market capabilities and firm size) were all below the 0.80 multicollinearity threshold. The correlation table recorded a Pearson correlation value of -0.100 between market orientation and firm size, and -0.054 between market capabilities and firm size was of weak negative correlation. This meant market orientation had a negative correlation with firm size and market capabilities also had a negative correlation with firm size. However, the negative correlations of those variables are very weak ones as their values were between 0 to -0.5. However, a positive correlation was established between digital orientation and market

orientation as they recorded a Pearson correlation value of 0.113 which was a weak positive correlation. Again, there was a weak positive correlation between digital orientation and market capabilities as they recorded a Pearson correlation of 0.091. Also, digital orientation recorded another weak positive correlation with firm size as 0.025 was recorded as their Pearson correlation. Market orientation recorded a Pearson correlation value of 0.231 which was within the weak positive correlation range (0 - 0.5) as shown in Table 4.9.

**Table 4.9: Correlation Matrix**

Variables		DigOrt	MrkOrt	MrkCpb	FrmSiz
DigOrt	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	174			
MrkOrt	Pearson Correlation	.113	1		
	Sig. (2-tailed)	.138			
	N	174	174		
MrkCpb	Pearson Correlation	.091	.231**	1	
	Sig. (2-tailed)	.233	.002		
	N	174	174	174	
FrmSiz	Pearson Correlation	.025	-.100	-.054	1
	Sig. (2-tailed)	.747	.187	.483	
	N	174	174	174	174

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Source: Field Survey, 2022

The threshold for significance by the correlation matrix in Table 4.9 is 0.01. Therefore, any value greater than the 0.05 threshold is not significant but values lesser than the threshold indicate significance among those variables. Market orientation and market capabilities recorded a significant value of 0.002 which was lower than the threshold of 0.01. That indicates that market orientation has a significant effect on the market capabilities of SMEs in the Accra

metropolis. Digital orientation recorded a value of 0.138, 0.233 and 0.747 with market orientation, market capabilities and firm size respectively. Hence, digital orientation does not have a significant effect on market orientation, market capabilities and firm size according to the correlation matrix. The correlation matrix also shows market orientation recorded a significant value of 0.187 with firm size which was higher than the threshold of 0.01. That indicates that market orientation has no significant effect on the firm size of SMEs in the Accra metropolis. Market capabilities recorded a significance value of 0.483 which was all higher than the 0.01 threshold. All this shows that according to the correlation matrix, there is no significant effect of market capabilities on the firm size as shown in the correlation matrix.

#### 4.5 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.240 <sup>a</sup>	.058	.047	.39280

a. Predictors: (Constant), MrkOrt, DigOrt

**Source: Author's Computation (2022)**

Table 4.10 Model 1 R square was the researcher's first piece of information that was assessed. R square was found to have a value of 0.240 which is equivalent to 24.00% but with an R square value of 0.058. This means that the variables explain 24.00% of the model. Errors account for the remaining 0.39280.

#### 4.5.1 ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1.617	2	.809	5.240	.006 <sup>b</sup>
	Residual	26.384	171	.154		
	Total	28.001	173			

a. Dependent Variable: MrkCpb

b. Predictors: (Constant), MrkOrt, DigOrt

**Source: Author's Computation (2022)**

The dependent variable of market capabilities is influenced by the independent variable of digital orientation and market orientation as shown in Table 4.11. The researcher's attention is drawn to the value in the "Sig" column in this ANOVA table.

This is because it displays the ANOVA's precise significance level. To be considered significant, the value in the "Sig" column must be less than the P-value (0.05). Non-significant values are those that exceed the P-value. Model 1 indicates a value of 0.006, which is much lower than 0.05, showing that the variables are much more significant to the model used.

#### 4.5.2 Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.334	.380		6.147	.000
	DigOrt	.081	.092	.066	.878	.381
	MrkOrt	.238	.079	.224	2.997	.003

a. Dependent Variable: MrkCpb

**Source: Author's Computation (2022)**

The significant value is defined as a P-value of less than 0.05 in the coefficient table. Model 1 shows market orientation had a "Sig" value of 0.003 which is lower than the threshold of 0.05. That interprets that, market orientation alone does have a significant impact on market capabilities among SMEs found in the Accra metropolis. The digital orientation then had a significance value of 0.381 which meant digital orientation had no significant impact on the market capabilities among SMEs in the Accra metropolis.

#### 4.5.3 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
2	.243 <sup>a</sup>	.059	.042	.39373
a. Predictors: (Constant), FrmSiz, DigOrt, MrkOrt				

**Source: Author's Computation (2022)**

Table 4.13 Model 2 R square was the researcher's first piece of information that was assessed. R square was found to have a value of 0.243 which is equivalent to 24.3% but with an R square value of 0.059. This means that the variables explain 24.3% of the model. Errors account for the remaining 0.39373.

#### 4.5.4 ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
2	Regression	1.647	3	.549	3.542	.016 <sup>b</sup>
	Residual	26.353	170	.155		
	Total	28.001	173			
a. Dependent Variable: MrkCpb						
b. Predictors: (Constant), FrmSiz, DigOrt, MrkOrt						

**Source: Author's Computation (2022)**

The dependent variable of market capabilities is influenced by the independent variable of firm size, digital orientation and market orientation as shown in Table 4.14. The researcher's attention is drawn to the value in the "Sig" column in this ANOVA table.

This is because it displays the ANOVA's precise significance level. To be considered significant, the value in the "Sig" column must be less than the P-value (0.05). Non-significant values are those that exceed the P-value. Model 2 indicates a value of 0.016, which is much lower than 0.05, showing that the variables are much more significant to the model used.

#### 4.5.5 Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.427	.435		5.585	.000
	DigOrt	.082	.092	.067	.891	.374
	MrkOrt	.234	.080	.220	2.928	.004
	FrmSiz	-.023	.052	-.033	-.442	.659

a. Dependent Variable: MrkCpb

Source: Author's Computation (2022)

The significant value is defined as a P-value of less than 0.05 in the coefficient table. Model 2 shows firm size has a “Sig” of 0.094 which is greater than the P-value of 0.05. That shows that the firm size and industry type have no significant impact on the market capabilities of SMEs through market orientation and digital orientation in the Accra metropolis. Market orientation had a “Sig” value of 0.004 which is lower than the threshold of 0.05. That interprets that, market orientation does have a significant impact on market capabilities among SMEs found in the Accra metropolis. The digital orientation then had a significance value of 0.374 which meant digital orientation had no significant impact on the market capabilities among SMEs in the Accra metropolis.

#### 4.6 Discussion of Results

The general objective of this research is to examine the effect of market orientation and digital orientation in building the marketing capability of SMEs in the Accra metropolis. Specifically, to examine the impact of digital orientation on the marketing capability of SMEs in the Accra Metropolis, to examine the impact of marketing orientation on marketing capability of SMEs in Accra Metropolis and to determine the moderating effect of firm size in the relationship between digital orientation, marketing orientation and marketing capability among SMEs in the Accra metropolis. The first objective was achieved after running a regression analysis (ANOVA and Coefficients) in Table 4.12. From the findings of this study, it was clear that digital

orientation did not have any significant impact on the market capabilities of SMEs in the Accra metropolis of Ghana. The findings of this study disagree with (Rupeika-Apoga et al., 2022) findings after surveyed data received from 246 SMEs in Latvia. (Rupeika-Apoga et al., 2022) found that digital orientation and digital capability have direct positive effects on market capabilities. (Rupeika-Apoga et al., 2022) further explained that digital transformation has a positive mediating effect from digital orientation on revenue and business model, as well as from digital capability on revenue. However, the findings from (Rupeika-Apoga et al., 2022) contradict the findings from this study concerning the effect of digital orientation on the market capabilities of SMEs in the Accra metropolis. The second objective of this study was to examine the impact of marketing orientation on the marketing capability of SMEs in Accra Metropolis and it was achieved in Table 4.12 and the results have shown that market orientation alone was effective enough to affect the market capabilities of SMEs in the Accra metropolis of Ghana. This finding agrees with the study by (Banterle et al., 2010). (Banterle et al., 2010) show that market orientation focuses on the organization-wide generation of market intelligence. Also, our findings in this study agree with those of (Aziz & Omar, 2013). The third objective of this study was to examine the moderating effect of firm size on the relationship between digital orientation, marketing orientation and marketing capability among SMEs in the Accra metropolis. This study finds in Table 4.15 that firm size as a moderator does not have a significant effect on market capabilities. The findings of this study disagree with the findings (Wang, 2020) as it also established that firms with a greater number have better leverage on the market but the findings from this study show that firm size has no impact on market capabilities if we do consider digital orientation and market orientation among SMEs in the Accra metropolis of Ghana.

## **4.7 Summary of the Chapter**

Chapter 4 was in various stages. The first stage was about the demographic information about the respondents. They were their gender, type of SME, working experience and model of business users. Males were a majority of the gender as most of the respondents were from small-scale enterprises. Most were also having 3-5 years of working experience with B2C and B2G business models. This chapter then looked at the descriptive analysis of market orientation, digital orientation, market capabilities and firm size. Then this chapter analysed the correlation among the variables and regression was then done to test the impacts that the variables had on each other. The results were then discussed.

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This final Chapter presents the summary of the key findings, conclusion and recommendations. It also highlights study limitations and finally provides proposals for future research studies.

#### **5.2 Summary of Findings**

The general objective of this research is to examine the effect of market orientation and digital orientation in building the marketing capability of SMEs in the Accra metropolis. The study reported the results of the investigation obtained from SMEs found in the Accra metropolis of Ghana. One Hundred and Seventy-four (174) copies of questionnaires were distributed among the respondents. The demographics of the respondents were categorized into gender, type of SME, working experience and business operational model. The gender respondents recorded a

majority of males, with the majority also the small-scale enterprises. Most had a working experience between 3-5 years while the majority were operating with B2C and B2G models.

### **5.2.1 Digital Orientation and Market Capabilities**

The respondents agreed with three of the digital orientation statements and disagreed with the other two. From the correlation matrix, there was a positive Pearson correlation between digital orientation and market capabilities. However, that positive correlation was rather a weak one. Also from the correlation matrix, there was no significant effect of digital orientation on market capabilities. The regression model also showed no significant effect of digital orientation on market capabilities.

### **5.2.2 Market Orientation and Market Capabilities**

Most of the statements were agreed by the respondents while few disagreed by the respondents. The correlation matrix shows a weak positive correlation between market orientation and market capabilities. According to the correlation matrix, there is a significant effect of market orientation on market capabilities. The regression model shows firm size and type of industry have a “Sig” of 0.003 which is lower than the P-value of 0.05. That shows that market orientation alone has a significant impact on the market capabilities of SMEs found in the Accra metropolis.

### **5.2.3 Firm Size, Digital Orientation, Market Orientation and Market Capabilities**

The correlation matrix shows that firm size had no significant effect on either digital orientation, market orientation or market capabilities. The regression model shows firm size has a “Sig” of 0.659 which is greater than the P-value of 0.05. That shows that the firm size has no significant impact on the market capabilities among SMEs in the Accra metropolis of Ghana.

Also, firm size did not affect the outcomes of Table 4.12, which clearly shows that firm size as a moderator did not affect the impact of either digital orientation or market orientation on market capabilities

### **5.3 Conclusion**

The study concludes that, among the SMEs found in the Accra metropolis, digital orientation has no direct significant impact on market capabilities and even when it was moderated by the firm size, digital orientation still did not have a significant impact on market capabilities. However, market orientation had a significant impact on market capabilities. And when market orientation was moderated by firm size, it still did not change the fact that market orientation still affected market capabilities positively. The study then concludes that firm size as a moderator did not affect the impact of either digital orientation or market orientation on the market capabilities of SMEs found in the Accra metropolis.

### **5.4 Recommendations**

The recommendation is a suggestion or proposal for something that should be done, as derived from the findings (Page et al. 2021). The recommendations from this study are of great interest to shareholders and investors of various exporting firms.

#### **5.4.1 Recommendations of the Study**

The following recommendations are been made based on the objectives of the study:

- i. SMEs in the Accra metropolis should not consider digital orientation strategies as a measure that affects their market capabilities. The study recommends that SMEs found in the Accra metropolis should not spend much on digital orientation if they want to increase their abilities in the market. Currently, SMEs should also not regard competitors with better digital orientations as a threat in the market. The government

should not focus more on digital orientations in its attempt to support SMEs in the country.

- ii. Again, SMEs in the Accra metropolis should consider market orientation strategies as a measure that affects their market capabilities. This study recommends that stakeholders of SMEs in the Accra metropolis should put up policies about market orientation in order to increase their ability on the market and to stay competitive. The government of Ghana should focus on market orientation programs as the SMEs in the Accra metropolis would benefit from them the most.
- iii. Also, stakeholders of the various SMEs found in the Accra metropolis should not be concerned particularly about their size and number of employees in their attempt to implement market orientation strategies. Small-scale enterprises, by the recommendation from this study, should take bold steps in implementing market orientation strategies as the study has shown that their various sizes do not matter. Then, medium-sized firms in the Accra metropolis should not consider their size, thinking they might have an impact on their market capabilities should they focus on digital orientation.

### **5.5 Recommendation for Further Studies**

Studies should be carried out in the following areas:

- i. Further studies should be carried out on the impact of digital orientation and market orientation on the market capabilities of SMEs in other regions in Ghana.
- ii. Further studies should also be carried out on the impact of digital orientation and market orientation on the market capabilities of large firms in the Accra metropolis of Ghana.

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## APPENDIX

### KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY FACULTY OF MARKETING

This questionnaire is intended to solicit information on the Topic “**THE ROLE OF DIGITAL ORIENTATION AND MARKET ORIENTATION IN GENERATING MARKETING CAPABILITY IN SMEs**”. The research is purely meant for academic purposes and it is being conducted in partial fulfilment of the requirement for the award of Masters in Marketing. The researcher assures all respondents that the answers provided would be treated as confidential and anonymous.

#### Section A. Characteristics of Respondents

- Gender                      A) Male                                  B) Female
- Working Experience
  - A) 2 years and below
  - B) 3 years – 5 years
  - C) 6 years – 10 years
  - D) 11 years and above
- Type of SME                      A) Micro-Financed
  - B) Small Sized
  - C) Medium Sized
- Model of SME                      1) B2C
  - 2) B2C and B2G
  - 3) B2G
  - 4) B2G and B2B
  - 5) B2B

6) B2B and B2C

### Section B. Digital Orientation

Kindly indicate the extent to which you agree to each of the following items from parts 1-3, using a Likert scale of 1 – 5 [where 1= Strongly Disagree; 2= Moderately Disagree; 3= neither; 4= Moderately Agree and 5 = Strongly Agree].

S/N	Statement	1	2	3	4	5
1	Our organization's suppliers are trustworthy					
2	I have confidence in the reliability of our suppliers					
3	Open communication is established with our suppliers					
4	Trustworthy relationships are cultivated with our suppliers					
5	Our suppliers consistently meet their commitments					

### Section C. Marketing Orientation

Kindly indicate the extent to which you agree to each of the following items from parts 1-3, using a Likert scale of 1 – 5 [where 1= Strongly Disagree; 2= Moderately Disagree; 3= neither; 4= Moderately Agree and 5 = Strongly Agree].

S/N	Statement	1	2	3	4	5
10	Regularly performs marketing research					
11	Commonly uses customers as a source of new ideas					
12	Good in market intelligence generation					
13	Good in market intelligence dissemination					
14	Quick responsiveness to market intelligence.					

### Section D. Market Capabilities

Kindly indicate the extent to which you agree to each of the following items from parts 1-3, using a Likert scale of 1 – 5 [where 1= Strongly Disagree; 2= Moderately Disagree; 3= neither; 4= Moderately Agree and 5 = Strongly Agree].

S/N	Statement	1	2	3	4	5
15	Good Pricing Policy					
16	Good Product Management					
17	Distribution Management					
18	Marketing Communications observed					
19	High Sells					
20	Marketing Planning					