

Marketing Capabilities and Competitive Performance in the SMEs Context: A Bi-Theoretical Perspective

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Underpinned by the Resource-Based View (RBV) and Competence-Based View (CBV) of the firm, this study investigates how marketing capabilities relate to SME competitive performance in an emerging economy, Ghana. The study adopted a quantitative study design through a survey questionnaire and utilized Structural Equation Model-Partial Least Square (SEM-PLS) variance-based approach to test the formulated hypotheses of 506 samples. Results reveal that: (1) Marketing communication capability, channel management capability, and product development capability significantly and positively influence marketing performance, customer performance, and adaptability performance of SMEs, but not financial performance; (2) Marketing implementation capability positively and significantly influences the financial performance, marketing performance, and customer performance, but not adaptability performance of SMEs; (3) Selling capability and marketing planning capability have a significant, positive effect on all the competitive performance—financial performance, marketing performance, customer performance, and adaptability performance of SMEs. The implication is that, with their limited resources and budget constraint, SMEs can be selective in developing their marketing capabilities based on particular performance goals they set to achieve in a given time. The value of the study lies in its all-encompassing comprehensive assessment of the marketing capabilities—SME competitive performance relationships, using a holistic, multidimensional approach to performance measurement in an emerging market context. The study provides SMEs and practitioners with valuable insights vis-à-vis the marketing capabilities they can selectively and strategically use to enhance their competitiveness.

1.0. INTRODUCTION

Everywhere in the world, Small and Medium Enterprises (SMEs) play a significant role in the socio-economic development of national economies, particularly in job creation, innovation, and Gross Domestic Production (GDP) contributions. SMEs are deemed engines of innovation, social mobility, economic growth, and employment (Joseph & Tambandini, 2022; López et al., 2019; Quagraine et al., 2020; Kumar, 2017). For example, the SME sector in Ghana accounts for about 92% of firms and employs 85% of the Ghanaian populace, and 75% of them account for 49% of the Gross Domestic Product (GDP) of Ghana (Li et al., 2021). Owing to their tremendous contribution to the economic development and growth of the Ghanaian economy, SMEs have received important support from the various governments regarding training and technical support and cutting-edge initiatives and programmes that promote and harness a conducive environment for SMEs. A prominent and more recent initiative is the National Entrepreneurship Innovation Plan 2018 (NEIP, 2018), which aims to offer

technical, financial, and training support to SMEs, particularly in innovation and marketing projects, to boost their innovativeness, capabilities, and competitiveness.

Research demonstrates that the survival rate of SMEs in Ghana is only 60% beyond five (5) years of operation (Peprah et al., 2016), with financial and marketing issues (especially lack of deployment of marketing orientation strategy), as the key factors impeding performance and growth (Issau et al., 2022). Against this backdrop, to survive and continue to make significant contributions to economic growth and development, SMEs must incorporate innovative and creative marketing concepts into their firm strategies to help them gather marketing information and recognize opportunities (H.-M. Liu & Yang, 2019; Lopez-Nicolas et al., 2020; Newman et al., 2022). This way, the dynamic function of marketing capabilities in impelling SME competitive performance has become a crucial issue for SMEs today because of the intense competition in the business world, environment, and business crisis, rapidly changing customer needs and wants, and short industry and product life cycle (Eng & Spickett-Jones, 2009; Jun et al., 2020;

Romain, 2020; Vorhies & Morgan, 2005). In addition, the emergence of the ‘global society shock’ COVID-19 pandemic has shown that firm growth and survival are well dependent on the ability of firms to leverage internal capabilities and resources (Sarkar & Clegg, 2021), and one critical internal capability is marketing capability (Chinakidzwa & Phiri, 2020).

According to the competence-based view, the ownership or possession of market-based resources per se does not create value unless the firm has the prerequisite capabilities. Marketing capabilities are defined as interconnected practices that expedite the potential to undertake definite marketing actions and respond to market knowledge (Murray et al., 2011; Ngo & O’Cass, 2012). These capabilities are essential for deploying market-related mechanisms that enable firms to secure, integrate, and transform their market-based resources to accomplish expected performance (Morgan et al., 2009a; Vorhies & Morgan, 2005). In addition, marketing capabilities in today’s turbulent business environment are stimulating digital business models (Guckenbiehl & Corral de Zubielqui, 2022; Verhoef & Bijmolt, 2019) and e-commerce marketing capabilities (Gregory et al., 2019), particularly in SMEs where marketing challenges prevail (Chinakidzwa & Phiri, 2020; Nikolić et al., 2018).

Although market-based resources and capabilities offer SMEs a vital source of sustainable competitive advantage (Krasnikov & Jayachandran, 2008; Nath et al., 2010), limited research has investigated the linkage between specific marketing capabilities and SME competitive performance (e.g., Merrilees et al., 2011; Tartaglione & Formisano, 2018). The limited empirical evidence that exists, however, examined individual components of marketing capabilities such as marketing innovation (Merrilees et al., 2011; O’Dwyer et al., 2009), pricing, product differentiation, communication, market planning capabilities (Cabañero et al., 2011), innovation-marketing capability, and brand marketing capability (Abimbola & Vallaster, 2007; Odoom et al., 2017; Romain, 2020). Moreover, these studies, while offering us an understanding of marketing capabilities and performance, do not provide us with encompassing, comprehensive analysis and joint-effect of the marketing capabilities identified as appropriate benchmarks for achieving sustainable competitive advantage—product development, marketing planning, marketing communication, selling, channel management, and marketing implementation capabilities (Vorhies & Morgan, 2005). Consequently, the specific capabilities required for SMEs to become market-driven are still under-explored in the marketing and SME literature, particularly in emerging markets like Ghana.

The current study addresses this gap by assimilating an understanding from resource and capability perspectives to investigate multiple marketing capabilities simultaneously—channel management, product development, selling, market implementation, market planning, and marketing communication capabilities—which are described in the literature as marketing functions that enable organizations to align their organizational resource utilization with the market environment to generate sustainable competitive

advantage (Morgan et al., 2009a; Vorhies & Morgan, 2005). More specifically, we ask the following research questions informed by the RBV and CBV of the firm: Is there a contingent linkage between marketing capabilities and SME competitive performance? To answer this question, we develop a holistic theoretical model to assess how specific marketing capabilities affect the different dimensions of the competitive performance of SMEs using a sample of 506 Ghanaian SMEs.

In addressing the above questions, we contribute in several ways to marketing and small business research and practice. Firstly, this study validates the applicability of the RBV and CBV of the firm in the SME sector in emerging markets vis-à-vis the association between marketing capabilities and competitive performance, which can allow for generalizability and comparability. Secondly, replicating the framework of Vorhies and Morgan’s (2005) work, we examine how marketing capabilities—channel management, product development, selling, market implementation, market planning, marketing communication, and pricing capabilities— affect SME competitive performance in an emerging market context. Thereby, we advance research on the value of marketing capabilities to SMEs, as most previous investigations are done in the large enterprise sector in the advanced world (E. A. Khan, 2017; J. Zhou et al., 2019). Thirdly, single or unidimensional indicators have been conventionally employed to operationalize the competitive performance of SMEs—financial or marketing (Dutta et al., 2003; Jun et al., 2020; O’Cass et al., 2012; Sok et al., 2013).

However, scholars have advocated that a multidimensional approach should be used to capture performance, as outcomes may be favorable in some dimensions but unfavorable in others (Arshi et al., 2020; Hooley et al., 2005; Tsai & Shih, 2004). Indeed, this appears to be the pioneer study to examine the marketing capabilities through an integrated performance model in the SME sector in emerging economies since Vorhies and Morgan’s (2005) call to test the dimensions in different sectors in different economies. Moreover, conducting a study on marketing capabilities in an emerging economy context, which sometimes “faces tight asset-parsimony conditions” (Martin et al., 2017, p. 2), enhances understanding from dynamically transforming economies. In effect, we operationalize SME competitive performance as an index of four leading performance indicators—financial, marketing, customer performance, and adaptability.

Lastly, from a practical perspective, the study brings to the forefront of small business managers the marketing capabilities required for achieving sustainable competitive advantage in today’s globalized and exacting marketplace. Particularly, the conclusions of the study would enable SME managers to understand how the different dimensions of marketing capabilities impact the various performance indicators as well as how they can develop and craft useful marketing capabilities to create superior performance and customer value—which can help them in their strategic orientation and resource allocation.

The rest of the sections proceed as follows: first, we discuss the theoretical underpinnings of the study; then, the hypotheses of the study, and methodology, results and analysis, discussion of findings, managerial and theoretical implications, and limitations and suggestions for further research, in that order.

2.0. THEORETICAL BACKGROUND AND HYPOTHESES DEVELOPMENT

2.1. Marketing Capabilities, Resource-Based View (RBV), and Competence-Based View (CBV) of the firm.

This study builds upon two main theories: Resource-Based View (RBV) and Competence-Based View (CBV) of the firm. According to the RBV, resource endowment determines competitive advantage and, thus the performance of firms (Arshi et al., 2020; Barney, 1991). Accordingly, Barney (1991) stated that if these resources are inimitable, valuable, non-substitutable, and rare, a competitive advantage would be created and sustained over a period since companies “develop isolating mechanisms or resources-position barriers that secure economic rent” (Lavie, 2006, p. 640). However, recent studies have criticized RBV’s inability to explain why some organizations face economic challenges despite possessing abundant resources (Covin et al., 2006; Walter et al., 2006). For example, Newbert (2007) demonstrates that capabilities, rather than resources, have a more relevant and potential impact on performance. Thus, companies’ critical issue is not merely their ability to possess abundant resources but their capacity to utilize them.

Consequently, the CBV of the firm has been introduced as a complement and outgrowth of RBV. The CBV is based on the assumption that capabilities, which are a set of synchronized resources slanted towards goal accomplishment (Hernández-Linares et al., 2020; Sanchez, 2004), develop into “repeatable patterns of action” that generate marketable value (Sanchez & Heene, 1997). Therefore, according to the CBV, resource endowment alone is not enough to achieve a competitive advantage, but that only available action-related competencies (capabilities) will enable an organization to adjust to the changing trends in the marketplace in a non-random, orderly fashion. This way, Freiling (2004, p. 30) noted that “competences fill the explanatory gap between idiosyncratic resources and performance by considering both asset flows and activities” (Dierickx & Cool, 1989). Therefore, not only must firms, including SMEs, possess a market-based resource or market-based assets (Merrilees et al., 2011; Varadarajan & Jayachandran, 1999), but more importantly, they must have the competence or capabilities to convert these resources into economic value to accomplish sustainable competitive advantage. Hence, exploiting organizational resources through unique capabilities can drive competitive advantage (Hackler & Saxton, 2007; Powers et al., 2020).

Therefore, the current study gives a special attention to a specific organizational capability that aids SMEs to become more effective through applying and exploiting market-based resources and marketing concepts (Martin &

Javalgi, 2016). This unique, action-related capability is marketing capability, described as “a set of complex resources and skills in the marketing field that is the result of a process of knowledge accumulation and its integration with values and norms developed through organizational processes from all over the firm” (Tuominen et al., 2004, p. 6). This definition implies that marketing capability is wide organizational commitments and processes involved in accumulating knowledge, resources, and skills and applying them to market-related needs. Research has shown that marketing capabilities offer firms value-adding advantages, which enable them to respond and react to competing demands and improve firm performance (Jun et al., 2020), and new venture performance (Martin et al., 2020).

2.2. Competitive Performance

Competitive performance “measures the firm’s past and current performance in a market” (European Commission, 2018), which may be driven by both firm-internal factors and external ones (e.g., regulatory framework, infrastructure provision, education, monetary environment. In the management and marketing literature, one controversial discussion among scholars concerns the conceptualization and measurement of firm performance. While some scholars give a one-dimensional definition of the concept, generally Return on Investment (ROI) or Return on Capital Employed (ROCE), profit – (e.g., R. U. Khan et al., 2022; Spanos & Lioukas, 2001), some researchers conceptualize it as multidimensionally using financial and non-financial measures associated with the customer, operational, social responsibility and employee well-being (e.g., Botha et al., 2015; Norman & MacDonald, 2004; Spencer et al., 2009; Su & Wang, 2018). Sharma et al. (2004) and Astrachan (2010) noted that organizations do not seek only financial results, but non-financial outcomes, and thus the assessment of the performance of organizations should involve multi-dimensional measures and not only financial or marketing performance measures. Martin and Javalgi (2019) noted that competitive performance could be measured using three dimensions: effectiveness, efficiency, and adaptiveness. Effectiveness is “the success of a venture’s products and programs in relation to those of its competitors in the market. Efficiency is the outcome of a venture’s products and programs in relation to the resources employed in implementing them. Adaptiveness is the venture’s success in responding over time to changing conditions and opportunities in the environment” (Martin & Javalgi, (2019, p.4).

The present study investigates how marketing capabilities relate to SME competitive performance using the multidimensional approach based on these perspectives. These include financial performance (profitability, ROE, ROS, ROI), customer performance (customer value; customer satisfaction, customer loyalty), marketing effectiveness (sales volume, market share, new customer acquisition), and adaptability (Day & Wensley, 1988; Kaplan & Norton, 1996; Ruckert et al., 1985; Vorhies & Morgan, 2005), which measures the capability of a firm to respond to the vicissitudes and fluctuations in the business world like COVID-19 (Kaplan & Norton, 1993). Earlier studies have limited at-

tention to customer performance (e.g., Hooley et al., 2005; Tsai & Shih, 2004). In particular, adaptability is a key performance indicator (KPI) for SMEs in the ongoing pandemic.

2.3. Marketing capabilities and competitive performance

2.3.1. Product development capability

A firm's product development capability indicates its capability to develop and launch products and services that satisfy customers' needs and meet competitive demand (G. Liu et al., 2015). This involves efforts by the firm to understand customers' needs, develop, and produce state-of-the-art products to satisfy those wants and needs, and secure modern technologies in novel product development (Bennett & Savani, 2004; Kopplin, 2021; Rakshit et al., 2021). Research suggests that SMEs are mostly product-centered enterprises and follow product differentiation and/or niche strategy (McGee & Peterson, 2000; Obal et al., 2020), and seek to win customers' loyalty by offering high-quality products via product differentiation (Toften & Hammervoll, 2010). In effect, SMEs that exhibit product development capability can achieve customer loyalty and satisfaction, which may enhance their firms' marketing and financial prospects. Furthermore, studies demonstrate that product development capabilities relate significantly to financial performance in terms of profitability (e.g., Hooley et al., 1999; Ruiz-Ortega & García-Villaverde, 2008), enhance market effectiveness, customer satisfaction (Vorhies & Morgan, 2005; Zhang et al., 2020), and firm ambidexterity (Hsu et al., 2013; Raisch & Birkinshaw, 2008). Moreover, the studies (e.g., Johnson et al., 2003; Sanchez-Peinado et al., 2007) reveal that product development capability is an enabler of strategic change that can help SMEs develop specialized, customized, flexible, and adaptable products. Indeed, studies demonstrate that a firm's possession of product development capability can make them ambidextrous (Hsu et al., 2013; Raisch & Birkinshaw, 2008). Followingly, we propose that:

H1: Product development capability will have a positive association with SMEs' (a) financial performance; (b) marketing performance; (c) customer performance; and (d) adaptability performance

2.3.2. Channel Management Capability

Channel management capability is defined as an enterprise's capability to manage its channel distribution through the development of relationships with key distributors, and the attraction and retention of top wholesalers and retailers, among others (G. Liu et al., 2015). According to Workman (1993), channel management is very crucial in today's business world due to supply chain trends such as the growing power of intermediaries (wholesalers, retailers), increasing vertical integration and disintegration, and the realization of the strategic advantages to be gained from proper management of channel activities (Bag et al., 2021; Corrales-Estrada et al., 2021). Furthermore, the dis-

ruptions in the downstream and upstream of the supply chain due to the current COVID-19 pandemic have shown that business challenges are not merely the supply of capital but also issues related to supply chain (Papadopoulos et al., 2020). A firm with a superior channel management capability can improve its customer satisfaction by delivering products in an appropriate form at the right time and place (Singh et al., 2020; Vorhies & Mason, 2009), thereby increasing financial performance and market effectiveness (Vorhies & Morgan (2005), reducing risk (L. Zhou et al., 2012), and effectively adapting to the changing business environment. However, Helper and Levine (1992) hinted that channel management capability might not necessarily lead to increased profit since a large share of the "pie" may go to one channel member. Nevertheless, previous works (e.g., G. Liu et al., 2015; Zhao et al., 2010) found a significant relationship between economic performance in social enterprises. Based on the preceding analysis, notwithstanding the mixed views, we draw on the RBV and CBV theories to argue that SMEs that possess superior channel management capability and can manage effectively and efficiently their relationship with channel members, have a higher potential to increase customer, financial, marketing performance, and adaptability performances. Thus, we propose that:

H2: Channel management capability will have a positive association with SMEs' (a) financial performance; (b) marketing performance; (c) customer performance; and (d) adaptability performance

2.3.3. Selling Capability

Camarero and Garrido (2009) defined selling capability as the capacity to devise sales management programmes, initiatives, control mechanisms, and provide market training for its sales agents. This capability is rooted in the sales orientation aspects of the marketing concept, predicated on the assumption that customers will buy more of a company's goods and services when the company employs aggressive sales and advertising techniques (Noble et al., 2002). The literature indicates that SMEs with superior selling capabilities deploy up-to-date communication and advertising strategies to persuade customers to patronize their products and services (Lees-Marshment, 2014). This involves utilizing advertising tools such as the press, brochures, posters, television, radio, direct marketing (mailings, telemarketing, Internet), social media, and so on. Particularly, the COVID-19 crisis led SMEs to adopt digital technologies like social media and e-commerce sites in their selling and promotion activities (Papadopoulos et al., 2020), which enhance productivity and performance (Rakshit et al., 2021). However, because this demands vast investment, some scholars conclude that selling capability may be negatively related to financial performance (e.g., Noble et al., 2002). Conversely, studies by Liu, Eng, Takeda (2015) and Camarero and Garrido (2012) show that selling capability positively relates to firms' economic and financial performance. Furthermore, the significant impact of selling capability on customer satisfaction, profitability,

and market effectiveness in large industries is established (Vorhies & Morgan, 2005). Based on this reasoning, we hypothesize that:

H3: Selling capability will have a positive association with SMEs' (a) financial performance; (b) marketing performance; (c) customer performance; and (d) adaptability performance

2.3.4. Marketing Implementation Capability

Marketing implementation capability, conceived as the adeptness of a business to transform its intended marketing policies and strategies into actions through allocating market-based resources and assets and monitoring its marketing performance (G. Liu & Ko, 2012), is one of the least-discussed marketing capabilities in this research stream. It involves the capability of companies to generate and integrate the knowledge of customers, competitors, suppliers, and channel members to perform market-connected processes (Weerawardena & O'Cass, 2004). Marketing implementation is the medium through which a company activates its marketing planning capability (O'Cass et al., 2012). It follows from the RBV and CBV perspective that what creates superior marketplace performance for firms, including SMEs, is the exploitation of all the unique marketing resources and capabilities through its marketing implementation potentials. The few earlier efforts that considered the marketing implementation capabilities and company performance relationship present mixed results. For instance, whereas the study of Vorhies and Morgan (2005) observed a positive association between marketing implementation capability and profitability and marketing effectiveness of firms, Liu, Eng, and Takeda (2015) found a non-significant association between marketing implementation capability and economic performance. However, Kirca et al. (2005) discovered that marketing implementation capability improves customer loyalty and satisfaction. Ketchen et al. (2007) also noted that implementation capability could help firms achieve a competitive advantage. We, therefore, based on the RBV and CBV theories, raise the contention that:

H4: Marketing implementation capability will have a positive association with SMEs' (a) financial performance; (b) marketing performance; (c) customer performance; and (d) adaptability performance

2.3.5. Marketing Planning Capability

Morgan et al. (2003) conceptualized marketing planning capability as the organization's ability to devise and formulate marketing policies and initiatives that enhance the fit between its resources and its competing environment. According to McGee and Peterson (2000), effective market planning policy involves cost containment, segmentation, awareness of store strengths, control and evaluation of the retail programmes, control of marketing activities and programmes, and resource allocation to generate superior sales and profit. Research shows that marketing planning capability is significantly related to financial performance

(Pérez-Cabañero et al., 2012; Sok et al., 2013). Also, its association with long-term focus or sustainability is recognized (Ibrahim et al., 2008; Miller & Le Breton-Miller, 2006). However, since most of the previous studies measured performance from the unidimensional perspective, mainly from the financial performance angle, it is not yet established its association with marketing performance, customer performance, and adaptability, particularly in SMEs in the emerging market. Nevertheless, one would reasonably anticipate a significant association between marketing planning capability and customer performance and marketing performance, since marketing planning capability entails devising and formulating marketing policies and initiatives that enhance the fit between a firm's resources and its competing environment. Therefore, drawing on the RBV and CBV, we hypothesize that:

H5: Market planning capability will have a positive association with SMEs' (a) financial performance; (b) marketing performance; (c) customer performance; and (d) adaptability performance

2.3.6. Marketing Communication Capabilities

McKee et al. (1992) define marketing communication capability as the company's adeptness in dealing with customer value perceptions. It involves the organization's capability to handle and control its communication with key stakeholders and customers (Davidavičienė et al., 2019; Waters & Lo, 2012). The growth of technology and the internet offer firms new opportunities and challenges in managing customer communication, as firms can now communicate frequently through social media platforms. In particular, the COVID-19 pandemic has accelerated digital marketing in SMEs (Jorgensen et al., 2022; Romain, 2020) as firms continue to adopt new technologies to reach consumers to enhance value creation, thereby leading firms toward omnichannel in their business operations (Gielens & Steenkamp, 2019; Martin et al., 2020). Furthermore, research suggests that communication capability can propel brand sales, harness brand equity through brand awareness, favor purchase intention (H.-M. Liu & Yang, 2019; Spence & Hamzaoui Essoussi, 2010), and improve financial performance (Morgan et al., 2009a). In terms of financial performance, it has been observed that communication capability positively influences profits and Return on Investment (Morgan et al., 2009a). Moreover, communication capability based on heritage has but an ancillary influence on financial performance (Dibrell et al., 2008). As well, Liu, Eng, and Takeda (2015) detail in the social enterprise context that marketing communication capability is significantly associated with economic performance. However, the association between marketing communication capability and other performance indicators like customer performance, marketing performance, and adaptability is missing in the literature, especially in this research stream. Therefore, based on the RBV and CBV of the firm, we propose that:

H6: Marketing communication capability will have a positive association with SMEs' (a) financial performance; (b)

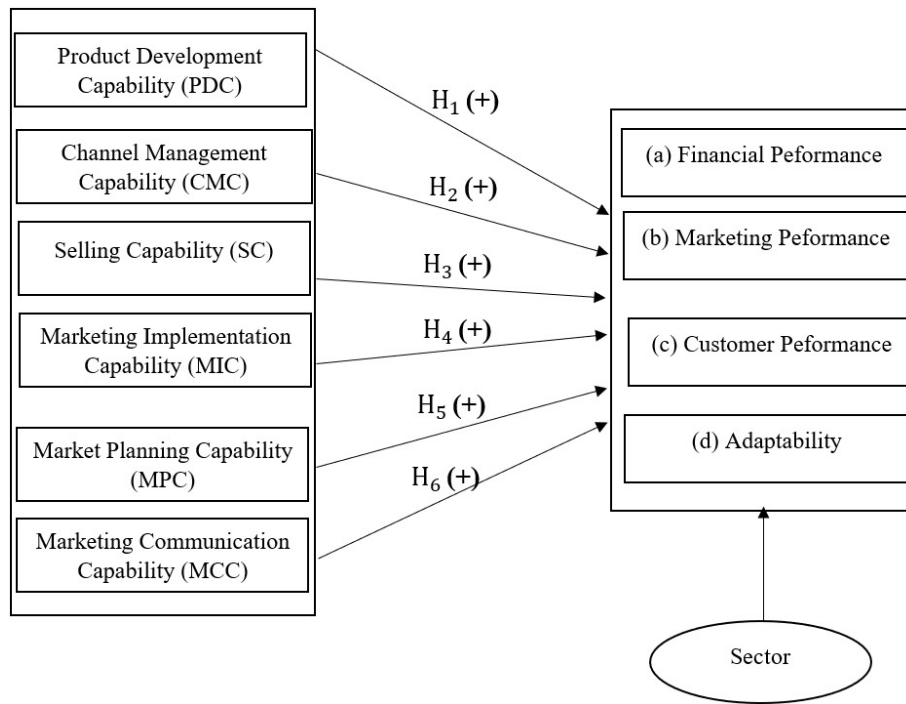


Figure 1. Authors' Conceptual Model of the Marketing capability–Competitive performance relationships

| marketing performance; (c) customer performance; and
 (d) adaptability performance

2.4. Conceptual Framework

Fig. 1 shows the independent variables of the present study, namely channel management, product development, selling, marketing implementation, market planning, and marketing communication capabilities, and their association with the dependent variable, measured using the multidimensional approach to measuring the performance of firms—financial performance, customer performance, marketing, and adaptability. Finally, we used the sector of operation as a control variable. Hypothetically, we expect a positive relationship between the marketing capabilities and competitive performance of SMEs.

3.0. METHODOLOGY

3.1. Procedures and sampling context

The present study employs a quantitative survey study design to investigate the association between marketing capabilities and SME competitive performance in Ghana. We chose Ghana as the study context for the following reasons: First, the SME sector in Ghana accounts for about 92% of firms in Ghana and employs more than 80% of the Ghanaian populace, and accounts for about 70% of the Gross Domestic Products (GDP) of Ghana (Smith, 2022). Second, Ghana is considered as one of the emerging economies, which sometimes “face tight asset-parsimony conditions” (Martin et al., 2017, p. 2), so conducting a study on marketing capabilities and competitive performance in this context will enhance understanding from dynamically transforming economies. Finally, Ghana is a context where

SMEs face significant marketing problems such as a lack of deployment of marketing orientation strategies, which can lead to poor performance (Issau et al., 2022). For these reasons, conducting a study on the marketing capabilities and competitive performance in such a country in SMEs is admissible because of SMEs' vital role in job creation and innovation in the country.

According to the Ghana Statistical Service, non-house establishments engaged in economic activities for-profit or not-for-profit across sectors are 31,152 (Ghana Statistical Service, 2016). The department categorizes small firms as one with 6 to 30 employees and medium enterprises with 31-100 employees. Thus, the following criteria were used to select the SMEs for participation in the study. Firstly, the SME is appropriately listed in the records of the Registrar General Department, which is responsible for the official registration of businesses in Ghana. Secondly, the SME must have employees between 6 and 30 and between 31-100, inclusive. Lastly, the SME is situated in Accra, Kumasi, or Cape Coast, the three principal regional capitals where most SMEs are found. Employing a probabilistic sample technique—a simple random sampling approach, to allow each SME an equal chance of selection, we sent out 612 questionnaires to SMEs that met the selection criteria.

3.2. Operationalization of variables

We used a structured questionnaire distributed via survey to collect data. The scales for measuring marketing capabilities were adapted from the previous works of Vorhies and Morgan (2005) and Liu, Eng, and Takeda (2015). Moreover, we operationalized competitive performance as follows: financial performance (e.g., profitability, ROI, ROE); marketing performance (e.g., market share, sales revenue;

customer performance (satisfaction, retention) (Hooley et al., 2005); and adaptability—ability to improve the number of successful products, time to market for novel products, and to introduce innovative and novel products and service (Ruekert et al., 1985; Vorhies et al., 1999). The survey instrument asked the SMEs to rate their enterprise's performance relative to others in the industry.

The questionnaire items were assessed employing a seven-point Likert scale, with scale points ranging from 1= “much worse than major competitors” to 7 = “much better than major competitors”). A pilot study among thirty (30) SMEs was conducted to validate the questionnaire two weeks before the main questionnaire administration. We made slight modifications to the survey items before the final administration per the responses received. For instance, the measurement items for customer performance were not clearly distinguished according to the owners. Thus, we clarified them by adding customer value, customer satisfaction, and customer loyalty (in brackets) to each item, as shown in the scale ([Appendix 1](#)). The composite reliability of the pilot test was $\alpha = .881$.

We used subjective or perceptual measures to assess the SMEs' performance because objective data about SMEs' competitive performance are seldomly accessible (Lubatkin et al., 2006). Also, the subjective measure was used because it is widely supposed that owners/managers are well-informed respondents about their company's performance. Chang and Hughes (2012) posit that self-reports of performance by owners/managers relate to objective performance measures. Of the 612 questionnaire items distributed, we obtained 506 usable responses, constituting 82.68% response rate.

The SMEs' sector of operation (agriculture, service, and manufacturing) was used as a control variable; the sector of operation may influence a firm's marketing capability considerations. The demographic features of the informants and the SMEs are displayed in [Table 1](#).

3.3. Demographic information of respondents

As [Table 1](#) demonstrates, most of the informants were marketing managers, constituting 31.03% of the responses, followed by Chief Executive Officer (26.44%), which shows that the views expressed in the study are from experts in the SMEs with knowledge about the study variables; the majority are master degree holders (33.20%) whereas only 51 (10.08%) are Ph.D. holders; a large portion were medium enterprises (52.76%), which have been in business operation for 11 years and above (31.82%); the majority of the enterprises are mainly operating in the manufacturing sector (39.72%) while the predominant legal status of the SMEs is companies limited by shares (28.45%) followed by sole proprietorship (28.06%).

3.4. Assessment of measurement model

Before we examined the collected data, we took several steps to check for the potential bias of non-response by cross-checking the features of early and late respondents in the sample. However, we did not find significant differ-

ences in our comparative checks (Armstrong & Overton, 1977). Again, following the suggestion of Podsakoff and Organ (1986), we took measures to test for common method bias since we obtained both the predictor and criterion variables concurrently from the same informants. Thus, the Harmon one-factor test was employed by inserting the indicators into a principal component factor analysis. A common method bias is present when a general factor is responsible for greater covariance across all elements. The results show that the variance explained ranged from 8.5% to 5.19%, demonstrating that common method bias is not a problem in this study.

Next, we verified the validity and reliability of the measurement model. According to Hair et al. (2014) and Fornell and Larcker (1981), the convergent validity of the scale must satisfy three main conditions: 1) all indicator loadings must be over and above 0.65; 2) Composite Reliabilities (CR) must be larger than 0.7; and 3) Average Variable Extracted (AVE) for every construct must be greater than 0.5. As shown in [Table 2](#), the CR values are between 0.742 to 0.877, the AVE values range from 0.513 to 0.651, and the indicator loadings are greater than 0.65. Hence, all the criteria for convergent validity are met (Joe F. Hair Jr. et al., 2014).

Further, we measured the discriminant validity, defined as a measure of non-correlation among constructs, drawing on the suggestion of Fornell and Larcker (1981). The authors suggest that discriminant validity holds for a model if the square root of the AVE of a latent variable is greater than the correlations between the remaining the latent variables. [Table 3](#) divulges that the square root for each construct is larger than the squared correlations between pairs of constructs, confirming our model's fit for the discriminant validity test.

3.5 Measurement model fit indices

Followingly, through the Confirmatory Factor Analysis (CFA), we evaluated the model using a variety of fit indices. These included Chi-square, root mean square error of approximation (RMSEA), goodness of fit index (GFI), normed fit index (NFI), Tucker Lewis index (TLI), comparative fit index (CFI), and incremental fit index (IFI). Research has shown that values of GFI, CFI, NFI, and IFI are between 0 to 1, with indices higher than or close to 0.9 suggesting a good fit model (J.F. Hair et al., 2010; Henseler et al., 2014). Based on these thresholds, we can conclude that our model is good for predicting the marketing capabilities—competitive performance associations, as shown in [Table 4](#).

Moreover, the R-square, which is a measure of variability, reveals that the marketing capabilities considered in the present study account for 37.4% of the variability in financial performance, 46.7% in marketing performance, 22.6.0% in customer performance, and 12.4% in the adaptability performance of SMEs. The implication is that marketing capabilities account for significant variability in the competitive performance of SMEs.

Finally, we employed Structural Equation Model-Partial Least Square (SEM-PLS) to test hypotheses. First, SEM-PLS helps analyze the explanation of latent variables in a

Table 1. Respondents' and SMEs' Characteristics

Demographic Variable	Frequency	Percentage
Role/position of respondent		
Chief Executive Officer	149	26.44
Marketing manager	157	31.03
General manager	98	19.37
Procurement officer	102	20.16
Total	506	100
Highest Educational background		
HND/Diploma	101	19.96
First Degree	113	22.33
Masters	168	33.20
Professional certificate	73	14.43
PhD	51	10.08
Total	506	100
Enterprise Size (by Staff)		
Medium (30 to 99)	267	52.76
Small (5 and 29)	239	47.23
Total	506	100
Average number of years engaged in operation		
Less than 1 year	52	10.27
2-5 years	137	27.07
6-10 years	156	30.83
Above 11 years	161	31.82
Total	506	100
Sector of Operation		
Agriculture and Fisheries	140	27.66
Manufacturing	201	39.72
Services	164	32.41
Total	506	100
Legal Status		
Sole Proprietorship	142	28.06
Partnership	83	16.40
Limited by shares	144	28.45
Limited by guarantee	79	15.61
Others	58	11.46
Total	506	100

set of causal effects framework. Secondly, SEM allows for integrating econometrics, and psychometric analysis approaches concerning measuring unobserved or latent variables deduced from manifest variables (Chin, 1998). This article followed all ethical standards for carrying out research. The result of the analysis is discussed in the next section.

4.0 RESULTS AND ANALYSIS

The outcome of the bootstrapping approach in SME-PLS to test the hypotheses formulated is shown in [Table 5](#).

Hypothesis 1 predicts that *Product development capability has a positive association with SMEs' financial, marketing, customer, and adaptability performance*. The study finds support for the positive, significant relationship between product development capability and adaptability ($\beta = 0.099$, $p < 0.05$), customer performance ($\beta = 0.163$, $p < 0.01$), marketing performance ($\beta = 0.360$, $p < 0.001$), but no support was found for financial performance ($\beta = -0.022$, $p > 0.05$). Hypothesis 2 assumes that *Channel management capability has a positive association with SMEs' financial, marketing, customer, and adaptability performances*. Here also, the finding supports the positive association between channel management capability and adaptability ($\beta = 0.145$, $p < 0.001$), cus-

tomers performance ($\beta = 0.036$, $p < 0.05$), marketing performance ($\beta = 0.179$, $p < 0.001$), but reveals a non-significant, negative association between channel management capability and SMEs financial performance (CMC->FP, $\beta = -0.181$, $p > 0.05$).

Moreover, Hypothesis 3 assumes that *Selling capability has a positive association with SMEs' financial, marketing, customer, and adaptability performances*. Supportively, the finding is consistent with this assertion, demonstrating a positive, significant relationship between selling capability and adaptability ($\beta = 0.213$, $p < 0.05$), customer performance ($\beta = 0.271$, $p < 0.05$), financial performance ($\beta = 0.498$, $p < 0.001$), and marketing performance ($\beta = 0.145$, $p < 0.05$).

Again, Hypothesis 4 predicts that *Marketing implementation capability has a positive association with SMEs' financial, marketing, customer, and adaptability performances*. Our result indicates that while the positive relationship between marketing implementation capability and adaptability is not significant ($\beta = 0.019$, $p > 0.05$), the relationship between marketing implementation capability and customer performance ($\beta = 0.187$, $p < 0.05$), marketing performance ($\beta = 0.315$, $p < 0.001$), and financial performance ($\beta = 0.310$, $p < 0.001$) were significant.

Table 2. Construct Loading, Average Variance Extracted (AVE) & Reliability

Constructs	Cross-Loadings	AVE	Composite Reliability
PDC_1 PDC_2 PDC_3 PDC_4	0.674 0.756 0.786 0.891	0.513	0.877
CMC_1 CMC_2 CMC_3 CMC_4 CMC_5 CMC_6	0.788 0.792 0.764 0.876 0.864 0.872	0.624	0.769
SC_1 SC_2 SC_3 SC_3	0.729 0.644 0.743 0.876	0.567	0.749
MIC_1 MIC_2 MIC_3 MIC_4 MIC_4	0.834 0.983 0.789 0.768 0.812	0.678	0.876
MPC_1 MPC_2 MPC_3 MPC_4 MPC_5	0.718 0.765 0.854 0.876 0.767	0.715	0.761
MCC_1 MCC_2 MCC_3 MCC_4	0.792 0.783 0.767 0.786	0.743	0.834
FP_1 FP_2 FP_3 FP_4	0.806 0.729 0.763 0.873	0.590	0.742
MEP_1 MEP_2 MEP_3	0.814 0.800 0.878	0.651	0.789
CP_1 CP_2 CP_3	0.869 0.698 0.873	0.621	0.764
ADP_1 ADP_2 ADP_3	0.614 0.836 0.864	0.537	0.798

Source: Authors' Fieldwork (2022). PDC (Product Development Capability); CMC (Channel Management Capability); SC (Selling Capability); MIC (Market Implementation Capability); MPC (Market Planning Capability); MCC (Marketing Communication Capability); FP (Financial Performance); MEP (Marketing Performance); CP (Customer Performance); ADP (Adaptability)

Table 3. Discriminant Validity

Latent variables	PDC	CMC	SC	MIC	MPC	MCC	FP	MEP	CP	ADP
PDC	0.716									
CMC	0.090	0.790								
SC	0.112	0.116	0.706							
MIC	0.330	0.189	0.271	0.872						
MPC	0.211	0.074	0.045	0.231	0.865					
MCC	0.121	0.123	0.103	0.231	0.091	0.721				
FP	0.025	-0.181	0.515	0.275	0.047	0.231	0.768			
MEP	0.360	0.230	0.210	0.240	0.119	0.116	0.225	0.807		
CP	0.174	0.025	0.287	0.174	0.123	0.103	0.252	0.179	0.788	
ADP	0.056	0.165	0.218	0.037	0.857	0.043	-0.048	0.106	0.081	0.733

Source: Authors' Fieldwork (2022). PDC (Product Development Capability); CMC (Channel Management Capability); SC (Selling Capability); MIC (Market Implementation Capability); MPC (Market Planning Capability); MFC (Marketing Information Capability); MCC (Marketing Communication Capability); PC (Pricing Capability); FP (Financial Performance); MEP (Marketing Performance); CP (Customer Performance); ADP (Adaptability)

Table 4. Fit Indices of Measurement Model

Fit Indices	Chi-square	RMSEA	TLI	GFI	CFI	NFI	IFI
Values	1234, P < (0.001)	0.054	0.94	0.97	0.95	0.91	0.96
R-square (R²)							
Marketing capabilities->FP =0.374							
Marketing capabilities->MEP =0.467							
Marketing capabilities->CP =0.226							
Marketing capabilities->ADP =0.124							

Source: Authors' Fieldwork (2020); RMSEA (root mean square error of approximation); GFI (Good Fit Index); TLI (Tucker Lewis index); CFI (Comparative Fit Index); IFI (Incremental Fit Index); NFI (Normed Fit Index)

Table 5. Results of Hypotheses Test

Constructs Link	Beta	Standard Deviation	T-Statistics	P-Value
PDC -> ADP	0.099	0.040	2.475	0.015**
PDC -> CP	0.163	0.080	2.037	0.044*
PDC->FP	-0.022	0.137	0.159	0.874
PDC->MEP	0.360	0.103	3.504	0.001**
CMC->ADP	0.145	0.019	7.632	0.001***
CMC->CP	0.036	0.010	3.610	0.005**
CMC->FP	-0.181	0.114	1.604	0.109
CMC->MEP	0.179	0.021	8.524	0.001***
SC->ADP	0.213	0.101	2.109	0.037*
SC->CP	0.271	0.123	2.209	0.028**
SC->FP	0.498	0.089	5.616	0.001***
SC->MEP	0.145	0.058	2.500	0.0140
MIC->ADP	0.019	0.010	1.900	0.876
MIC->CP	0.187	0.105	1.780	0.076*
MIC->FP	0.310	0.084	3.684	0.001**
MIC->MEP	0.315	0.084	3.754	0.001***
MPC->ADP	0.214	0.012	17.833	0.001***
MPC->CP	0.123	0.032	3.844	0.001*
MPC->FP	0.176	0.021	8.381	0.001**
MPC->MEP	0.345	0.012	28.750	0.001***
MCC->ADP	0.243	0.014	17.357	0.001***
MCC->CP	0.234	0.022	10.636	0.001**
MCC->FP	0.110	0.104	1.058	0.291
MCC->MEP	0.483	0.003	16.100	0.001***
Control variables				
Size (staff)	0.345	0.043	8.023	0.001***
Industry sector	0.467	0.032	14.59	0.001***

Source: Authors' Fieldwork (2022). * p ≤ 0.05, ** p ≤ 0.01, *** p ≤ 0.001.

PDC (Product Development Capability); CMC (Channel Management Capability); SC (Selling Capability); MIC (Market Implementation Capability); MPC (Market Planning Capability); MCC (Marketing Communication Capability); FP (Financial Performance); MEP (Marketing Performance); CS (Customer Performance); ADP (Adaptability)

Furthermore, Hypothesis 5 assumes that *Market planning capability has a positive association with SMEs' financial performance, marketing performance, customer performance, and adaptability performance*. Results find support for this hypothesis: marketing planning capability and adaptability performance ($\beta = 0.214$, $p < 0.001$); marketing planning capability and customer performance ($\beta = 0.123$, $p < 0.01$); marketing planning capability and financial performance (β

$= 0.176$, $p < 0.001$), and marketing planning capability and marketing performance ($\beta = 0.345$, $p < 0.001$).

Finally, Hypothesis 6 argues that *Marketing communication capability has a positive association with SMEs' financial performance, marketing performance, customer performance, and adaptability performance*. Here again, while our results indicate a positive, significant relationship between marketing communication capability and marketing per-

formance ($\beta = 0.483$, $p < 0.001$), customer performance ($\beta = 0.234$, $p\text{-value} = 0.01$), and adaptability ($\beta = 0.243$, $p\text{-value} = 0.001$), it shows no such support for financial performance ($\beta = 0.110$, $p > .05$).

The implications of these findings in relation to the extant literature are delineated in the next section.

5.0. DISCUSSION AND CONCLUSIONS

This study investigates the association between marketing capabilities and SMEs' competitive performance in Ghana. The empirical results revealed some interesting findings. First and foremost, we found support for the positive association between product development capability (PDC) and adaptability performance of SMEs, agreeing with prior literature Johnson et al., 2003; Rakshit et al., 2021; Sanchez-Peinado et al., 2007, that product development is an enabler of strategic change that can help SMEs develop specialized, customized, flexible and adaptable products. This means that SMEs' ability to build and launch products and services that meet customers' needs and meet competitive demand (G. Liu et al., 2015) can improve their adaptability with respect to the number of successful products and services time to market for novel products. Also, the positive association between PDC and customer performance validates the outcome of previous studies (e.g., Toften & Hammervoll, 2010; Vorhies & Morgan, 2005) that PDC can help firms attract and retain valued customers. Hence, from the RBV and CBV, SMEs that possess market-oriented resources and capabilities in terms of PDC can achieve a competitive advantage.

However, surprisingly, we found a negative, non-significant association between PDC and financial performance, which disagrees with the results of (Vorhies & Morgan, 2005), that PDC a positive correlation with financial performance. A possible explanation for this result is that, since product development involves a considerable investment, its impact on firms' financial prospects may not be felt in the short run but may produce positive results in the long run. The findings, nevertheless, showed a positive, significant correlation between PDC and marketing performance, confirming the result of (Hsu et al., 2013; Raisch & Birkinshaw, 2008; Vorhies & Morgan, 2005) that an enterprise's adeptness to build and commercialize products that meet customers' needs and wants can improve its marketing performance concerning sales volume and market share.

Secondly, our finding demonstrates that channel management capability (CMC) has a positive association with the adaptability of SMEs, which indicates that SMEs' ability to manage their channel distribution, for example, the attraction and retention of top distributors, development of relationships with distributors, among others (G. Liu et al., 2015), has a higher chance to improve their ability to successfully introduce novel products and time to market for novel products. The result agrees with previous studies (e.g., Bag et al., 2021; Corrales-Estrada et al., 2021; L. Zhou et al., 2012) that channel management capability can reduce risk in new product introduction and helps firms to adjust to the fluctuating competitive environment effectively. The findings also demonstrate a significant, positive

association between CMC and customer performance, thereby confirming previous results (Morgan et al., 2009b). Interestingly, however, we found no significant connection between channel management capability and the financial performance of SMEs, which disagrees with previous findings (e.g., G. Liu et al., 2015; Vorhies & Morgan, 2005; Zhao et al., 2010). However, it is consistent with the findings of Helper and Levine (1992) that CMC may not necessarily lead to increased profit, ROE, and ROI since a large share of the "pie" may sometimes go to one channel member. We, however, observed a significant, positive connection between CMC and marketing performance, which shows that SMEs' ability to manage effectively and efficiently their relationship with channel members can improve their sales volume and market share (Vorhies & Morgan, 2005). This supports the CBV of the firm that firms that possess CMC can generate marketable value.

Thirdly, a significant, positive association was found between selling capability (SC) and adaptability, underlining that SMEs' ability to devise sales control systems and management plans and policies and offer market training for its sales agents and reps is positively correlated with the quantity of successful products introduced and time to market for novel products. The finding corroborates previous findings (e.g., Camarero & Garrido, 2012; G. Liu et al., 2015; Vorhies & Morgan, 2005). It goes without saying that this disagrees with studies (e.g., Noble et al., 2002) that selling capability might negatively influence financial performance. We found that SC is the marketing capability that most strongly correlates with the financial performance of SMEs. Also, the findings reveal a positive, significant correlation between selling capability and customer performance, implying that SC can enhance customer value, customer satisfaction, and customer loyalty (e.g., Vorhies & Morgan, 2005). Regarding the SC and marketing performance association, we found a significant, positive relationship, indicating that SC can lead to increased sales volume and market share (Papadopoulos et al., 2020; Vorhies & Morgan, 2005). These findings corroborate the theoretical claims of the CBV that action-related competencies (capabilities) can help firms to achieve sustainable competitive advantage.

Moreover, regarding the association between marketing implementation capability (MIC) and competitive performance, we found a significant, positive relationship for all the performance indicators but adaptability. This implies that SMEs' adeptness in translating their projected marketing programmes and initiatives into actions by way of the allocation of market-based resources and assets and monetization of their marketing performance (G. Liu & Ko, 2012) does not necessarily lead to an increased number of successful products introduced or time to market for novel and innovative products. However, the finding shows a significant, positive relationship between MIC and customer performance, which confirms the findings of prior studies (e.g., Kirca et al., 2005; Vorhies & Morgan, 2005) and financial performance (Vorhies & Morgan, 2005). Furthermore, it is worth noting that this finding contrasts the result of Liu, Eng, and Takeda (2015), that no significant association

exists between firms' MIC capability and financial performance. Finally, we found a significant, positive association between SMEs' MIC and marketing performance in terms of increased sales volume and market share, which corroborates the findings of earlier studies (e.g., Ketchen & Hult, 2007; Vorhies & Morgan, 2005) that MIC can improve firms' marketing effectiveness and competitive advantage, in support of the RBV and CBV of the firm.

Further, concerning the association between market planning capability (MPC) and competitive performance—financial, marketing, customer, and adaptability—our results reveal a significant, positive relationship. Hence, MPC is positively related to the financial performance of SMEs (e.g., ROS, ROI), marketing performance (sales volume, market share), customer performance (customer satisfaction, customer value, and customer loyalty), and adaptability (successful products introduced and time to market for novel products). The implication is that SMEs' capability to devise and formulate marketing initiatives and plans that enhance the fit between their resources and their competing environment (Morgan et al., 2003) is crucial for achieving competitive advantage, as advanced by the CBV of the firm. Moreover, it highlights the indispensable value of MPC in an organization. Furthermore, these results corroborate earlier studies (e.g., Pérez-Cabañero et al., 2012; Sok et al., 2013) that found that MPC is significantly related to financial performance and that MPC influences sustainability and long-term focus of firms (Ibrahim et al., 2008; Miller & Le Breton-Miller, 2006).

Finally, our result shows that marketing communication capability (MCC) significantly and positively influences marketing performance, customer performance, and adaptability performance but not financial performance. The finding demonstrates that SMEs need marketing communication to handle customer value insights (McKee et al., 1992) and manage their communication with key stakeholders and customers (Waters & Williams, 2011). This result agrees with Spence and Essoussi's (2010) work that MCC can propel brand sales volume and strengthen brand equity via brand awareness, image, loyalty, and purchase intentions, which correspond to the customer and marketing performance of competitive performance. Moreover, it was revealed that no association exists between marketing MCC and financial performance, which disagrees with earlier efforts (e.g., Dibrell et al., 2008; Morgan et al., 2009a), that MCC has a positive impact on profits and ROI, even if indirect at times—a finding that advances the theoretical tenets of the RBV and CBV of the firm.

The managerial implications of these findings are discussed below.

6.0. MANAGERIAL IMPLICATIONS

Based on the analyses of the above findings, the following managerial implications are raised for SME managers, owners, and marketing practitioners.

First, the results have underscored the significance of the individual elements of marketing capabilities to SMEs' competitive performance. Indeed, results have lucidly demonstrated that each marketing capability significantly

and positively influences at least two performance indicators—financial or marketing or adaptability or customer performance. In particular, the findings have shown that product development capability, marketing communication capability, and channel management capability significantly influence SMEs' marketing performance, customer performance, and adaptability performance, but not financial performance. This mandates SMEs to ensure that their marketing, adaptability, and customer performances are converted into financial gains.

This can be done, for instance, in the case of product development capability, by seeking cost-effective and efficient means to develop quality products/services and developing well-crafted product concept development and evaluation to reduce cost without compromising quality, and thereby, improve financial performance consequently. Also, the negative relationship between channel management capability and financial performance urges SMEs to be selective in choosing channel members. One way would be to develop effective negotiation and influential skills better to share the "pie" with channel members. Their ability to execute this strategy will help them avoid the situation in which all their gains from the marketing and customers' performance seem not to come to them but to channel members. Thus, working closely with channel members, building effective relationships, and bringing efficiencies to the channel that are vital ingredients of channel management capability (Zhao et al., 2010).

Further, it was revealed that selling capability and marketing planning capability are the capabilities that significantly influence all the performance indicators, which means that SMEs willing to gain competitive advantage cannot compromise any of these capabilities. Indeed, results have shown that selling capabilities most strongly impact the financial performance of SMEs. This way, SMEs need to harness their sales control systems and management programmes, offer market training and development for their organizational members and sales reps, seek effective pricing tools to extract optimum revenue, and devise strategies to enhance the fit between the company's resources and its competing environment. Also, findings show that marketing implementation capability positively influences SMEs' financial, marketing, and customer, but not adaptability performance, which invites SMEs to develop other marketing capabilities with a significant impact on adaptability to fill this gap.

Another exciting implication for managers concerns the correlation between the dependent and independent variables. For example, the correlations among marketing capabilities—channel management, marketing planning capability, product development capability, selling capability, marketing implementation capability, and marketing communication capability are positive and significant. This means that they are indirectly related, and therefore, such interdependencies call for a strategic choice that integrates and juxtaposes these capabilities as a complementary strategy to improve SME competitive performance. Also, the results of the interdependencies among the performance indicators call for managerial consideration. Alternatively,

SMEs can improve their financial, marketing, customer, and adaptability performance by strategically focusing on a specific capability to achieve firm performance objectives, but in an incremental, sustainable manner.

While SMEs, with their restricted resources and budget constraint, can be selective in developing their marketing capabilities based on particular performance goals at any given point in time, it is worth mentioning that the comprehensive marketing capabilities and performance indicators examined in this study are needed to realize and sustain competitive advantage over time. Thus, efforts should be made to develop the capabilities required to realize these performances in a sustainable, incremental style. Furthermore, while limited in scope to Ghana, these findings have many implications for SMEs in other emerging economies like Africa and BRICS (Brazil, Russia, India, China, and South Africa), which may require developing core marketing capabilities to enhance competitive performance.

7.0. THEORETICAL IMPLICATIONS

Theoretically, this study appears to be one of the few empirical studies to juxtapose the RBV and CBV theories to investigate the contingent association between marketing capabilities and the competitive performance of SMEs within an emerging market context, particularly Ghana. Although earlier progress has offered partial analyses of marketing capabilities and company performance, a more encompassing analysis of the linkage with competitive performance has been lacking until now, particularly in emerging economies. This study has comprehensively examined the marketing capabilities—channel management, product development, selling, marketing implementation, marketing planning, and marketing communication capability—which have gained scarce research consideration in the marketing and SME research stream in emerging economies like Africa. This study also employed the multi-dimensional approach to operationalizing the competitive performance of SMEs, which offers new insight into how the different marketing capabilities affect the different performance dimensions of SMEs. Most of the earlier efforts have used a unidimensional approach to measure performance. Therefore, our findings, conclusions, and theorizing add some nuance to current knowledge and offer subtler comprehension of the ongoing scholarly conversation re-

garding the nexus between marketing capabilities and competitive performance, especially in emerging economies.

8.0. LIMITATION AND FURTHER STUDIES

Like all research, this study is prone to some shortcomings, which offer potential avenues for further research. First, even though we analyzed six marketing capabilities (6) recognized by Vorhies and Morgan (2005) as an appropriate benchmark for sustainable competitive advantage, our analysis did not consider integrative, higher-level marketing capabilities such as customer relationship management and brand management, which might be interesting for future studies to explore. Indeed, it will be intriguing to examine how brand management or customer relationship management is associated with the competitive performance of SMEs in emerging economies. Secondly, the current study was drawn upon subjective measures of the SME managers and owners' perception of their organizational performance, which, though it has been extensively used in research in marketing, may have some weaknesses that have to be considered in future studies. This way, we suggest that scholars in this research stream replicate this research by drawing upon objective measures to assess the performance of SMEs. Again, this study was restricted to only Ghanaian SMEs; hence the generalization of the findings would have to be done with the context in mind. Future studies can be conducted in different countries to allow for variability and generalization of the outcomes of this research. Lastly, the supreme interest of our research was causal inferences instead of longitudinal inferences. As a suggestion for future study, researchers may use a longitudinal research design, instead of a cross-sectional methodology, to empirically confirm the causal inferences and examine performance over time to offer further knowledge in this research sphere. The present study's findings, notwithstanding these limitations, offer valuable theoretical insights and practical guidance concerning the association between marketing capabilities and SME competitive performance, thereby adding to the SME research theoretically and practically.

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Appendix 1. Questionnaire & Measurement Constructs

Constructs	Source*
<p>MARKETING CAPABILITIES</p> <p>Product/Service Development Capabilities</p> <p>PDC_1: Learning to develop new products/services</p> <p>PDC_2: Developing new products/services to exploit current or future production skills and/or technology</p> <p>PDC_3: Acquiring new technology to develop products/services</p> <p>PDC_4: Developing knowledge of coordinating new product launches</p> <p>PDC_5: Gaining knowledge of customer needs to match new product development</p> <p>Channel Management Capabilities</p> <p>CMC_1: Developing good relationships with distributors</p> <p>CMC_2: Attracting and retaining the best distributors</p> <p>CMC_3: Gaining knowledge of distributors' partners</p> <p>CMC_4: Striving to add value to our distributors business</p> <p>CMC_5: Developing partnerships with our distributors and their business partners</p> <p>CMC_6: Providing high levels of service support to distributors</p> <p>Selling Capabilities</p> <p>SC_1: Giving salespeople the training they need to be effective</p> <p>SC_2: Developing sales management planning and control systems</p> <p>SC_3: Developing selling skills of salespeople</p> <p>SC_4: Providing effective sales support to the sales force</p> <p>Marketing Implementation Capabilities</p> <p>MIC_1: Knowledgeable of effective allocation of marketing resources</p> <p>MIC_2: Developing effective delivery of marketing programs</p> <p>MIC_3: Knowing how to translate marketing strategies into action</p> <p>MIC_4: Knowledgeable of executing marketing strategies effectively</p> <p>MIC_5: Developing a monitoring system for marketing performance</p> <p>Marketing Planning Capability</p> <p>MPC_1: Developing marketing planning skills</p> <p>MPC_2: Developing the ability to effectively segment and target market</p> <p>MPC_3: Developing marketing management skills and processes</p> <p>MPC_4: Developing creative marketing strategies</p> <p>MPC_5: Thorough knowledge of marketing planning processes</p> <p>Marketing Communication Capability</p> <p>MC_1: Knowledge of developing and executing advertising programs</p> <p>MC_2: Developing advertising management and creative skills</p> <p>MC_3: Using public relations skills</p> <p>MC_4: Developing brand image skills and positioning</p> <p>COMPETITIVE PERFORMANCE</p> <p>Financial Performance</p> <p>FP_1: Business unit profitability</p> <p>FP_2: Return on investment (ROI)</p> <p>FP_3: Return on sales (ROS)</p> <p>FP_4: Reaching financial goals</p> <p>Market Performance</p> <p>MEP_1: Growth in sales revenue</p> <p>MEP_2: Acquiring new customers</p> <p>MEP_3: Growth in market share (increasing sales to existing customers)</p> <p>Customer Performance</p> <p>CS_1: Delivering value to your customers (customer value)</p> <p>CS_2: Delivering what your customers want (customer satisfaction)</p> <p>CS_3: Retaining valued customers (customer loyalty)</p> <p>Adaptability</p> <p>ADP_1: Number of successful new products/services</p> <p>ADP_2: Introduction of new products or services</p> <p>ADP_3: Time to market for new products</p>	<p>Vorhies and Morgan (2005); Liu, Eng, and Takeda (2015); Ruekert et al. (1985) Vorhies and Morgan (2005); Hooley et al. (2005); Day and Wensley (1988); Vorhies, Michael-Harker, and Rao (1999);</p>