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The Mediating Effect of Marketing Capabilities on the relationship between Entrepreneurial Orientation and SMEs' performance: An Empirical Study in Oman

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Abstract. Literature has indicated ambiguity remains as to the firms' capabilities that enhance the relationship between entrepreneurial orientation (EO) and firms' performance, especially in developing nations' SMEs. Thus, this study investigates the marketing capabilities (planning (MPC) and implementation (MIC)) as two-capabilities that mediate the EO-performance relationship in Oman SMEs. A survey of SMEs' managers/owners was undertaken in Oman and a total of 353 useable questionnaires were received for empirical research for the suggested model, utilizing a structural-equation model (Smart-PLS). The results demonstrated EO, MPC, and MIC favorably improve SMEs' performance, and EO affects positively and significantly MPC and MIC. MPC and MIC partially mediate EO-SMEs' performance relationship. The findings contribute to the literature by illustrating the relevance of EO as (a strategic-resource), with MPC and MIC (as dynamic-capabilities) in improving SMEs' performance. By understanding the model's components, SMEs' managers/owners can maximise internal resources and capabilities to boost performance.

Keywords. Entrepreneurial Orientation, Market Orientation, Marketing Capabilities, SMEs, Performance, Oman

1. Introduction

Indeed, the success of small and medium-sized businesses (SMEs) has been acknowledged as a vital factor in the economic growth of both developed and developing countries (Shaher & Ali, 2020; Ali *et al.*, 2020; Rahaman *et al.*, 2021; Khamaludin *et al.*, 2022). The importance of SMEs in driving competitiveness, economic development, and employment creation has been acknowledged on a worldwide scale (Asad *et al.*, 2020; Rahaman *et al.*, 2021; Khamaludin *et al.*, 2022). Small and medium-sized businesses (SMEs) make up more than 95 percent of all businesses worldwide, adding about 50 percent to total value and 60 to 70 percent to employment globally (Lekmat *et al.*, 2018). In addition, the importance of SMEs on emerging economies is being more acknowledged (Ali *et al.*, 2020; Dahleez & Abdelfattah, 2021; Khamaludin *et al.*, 2022). A total of 12694 (SMEs) have been registered with the Oman Authority SMEs Development till July 13, 2020. These businesses contributed 15% to the GDP of Oman in 2019. (Stepanyan *et al.*, 2019). Oman's GDP contribution from SMEs' sector is

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quite low compared to the GDP contribution from SMEs in neighbouring nations (United Arab Emirates, Bahrain, Kuwait, Saudi Arabia, and Qatar), which were (0.30, 0.29, 0.20, 0.20, and 0.17) respectively in 2019 based on Stepanyan et al (2019).

The success of Omani SMEs is crucial since it contributes to the Omani economy's ongoing diversification (Al Farsi & Alattar, 2021; Khan *et al.*, 2021; Dahleez & Abdelfattah, 2021). However, the majority of SMEs in developing nations including Oman, are at danger owing to a lack of management skills, entrepreneurial-orientation, marketing skills and experience, and entrepreneurial spirit (Ali *et al.*, 2020; Maaodhah *et al.*, 2021; Rahaman *et al.*, 2021; Kanaan-Jebna *et al.*, 2022). Consequently, the low performance of Oman's SMEs is a significant issue among policymakers and practitioners, and it requires more attention from academics so that they may do research that might improve the situation. In this respect, activities and strategic practices to promote value creation should be developed as part of the problems encountered by Oman's SMEs, lest they fail to attain growth leadership relative to other emerging nations (Al Badi, 2019; Sanyal *et al.*, 2020; Nusair *et al.*, 2021; Al Farsi & Alattar, 2021; Dahleez & Abdelfattah, 2021). Moreover, businesses in developing economies require a constructive, high-value-added, and effective approach to their conventional management style. Such a shift should focus to put an emphasis on intangible strategic tools, practices, and knowledge of EO and marketing capabilities (MC) (Pulka *et al.*, 2018; Al Badi, 2019; Ali *et al.*, 2020; Aljanabi, 2020; Shameem & Hilal, 2021; Maaodhah *et al.*, 2021; Rahaman *et al.*, 2021; Kanaan-Jebna *et al.*, 2022). They noted if SMEs used these resources and competencies, they would acquire a competitive edge and subsequently improve their performance in challenging settings.

Firms must use EO to find and identify new options and reflect on their capacity to be inventive, proactive, and risk-taking (Al-Henzab *et al.*, 2018; Ali *et al.*, 2020; Kanaan-Jebna *et al.*, 2022). As a result, the entrepreneur's goal is to revolutionise industrial production by adopting innovative practices, utilizing an invention, and/or modern technological possibilities to create new products or repurpose existing ones; by creating a new market for goods or a new supply of raw materials, and by reshaping the priorities of industrial production (Ali *et al.*, 2020; Rahaman *et al.*, 2021). Furthermore, Rodrigo-Alarcón *et al.* (2018), Al-Henzab *et al.* (2018) and Yaskun (2021) reported that EO contributes to sustainable efficiency and provides a key source of immaterial value for organizations, which ensures that organizations have a competitive advantage by highlighting, using, and effectively exploiting new market opportunities, especially in a very competitive business setting. However, researchers especially those following the firm's resource-based view, have argued that EO alone is not enough to achieve better findings such as (Kamboj & Rahman, 2017; Al-Henzab *et al.*, 2018; Ali *et al.*, 2020; Al-Hakimi *et al.*, 2021; Yaskun, 2021; Rincon *et al.*, 2022). For instance, Murray *et al.* (2011), Kajalo and Lindblom (2015), and Lekmat *et al.* (2018) argued that the real success of EO comes through its synergy with marketing capabilities to achieve high performance, especially in a highly competitive business setting.

A company's marketing capability (MC) is defined as its ability to comprehend and address market demands (Kamboj & Rahman, 2017; Mohammed *et al.*, 2017; Reimann *et al.*, 2021). It is the way for firms to assign their resources to execute marketing activities to meet the needs of customers (Day 1994; Reimann *et al.*, 2021). In this scenario, Vorhies *et al.* (2009) and Mohammed *et al.* (2017) noted that MCs (planning and implementation) in resource deployment are critical for achieving product-market targets. These capabilities promote preparation and coordination processes necessary to ensure that the marketing campaign activities via its advanced marketing capabilities adhere to the firm's strategies appropriately

and effectively. MCs, including planning and execution, are therefore important because they help differentiation strategies by gathering relevant market environment information and developing marketing plans to act on collected market data (Mohammed *et al.,* 2017; Davcik *et al.*, 2021). Although it is widely assumed that good MC (planning and implementation) lead to increased firms' performance (e.g., Mohammed *et al.*, 2017; Pulka *et al.*, 2018; Joensuu-Salo *et al.*, 2018; Lee, 2021), actual research and evaluation of the contribution of MC (planning and implementation) to corporate performance are surprisingly few, particularly in SMEs (Lee & Falahat, 2019; Dethine *et al.*, 2020; Kim & Lim, 2022).

Furthermore, some researchers discovered that EO indirectly affects SMEs' performance (Kajalo & Lindblom, 2015; Amin *et al.*, 2016; Shaher & Ali, 2020; Yaskun, 2021). In this regard, Madsen *et al.* (2007), Kajalo and Lindblom (2015) and Rincon *et al.* (2022) noted that the previous empirical studies were concentrated on the direct correlation between EO-firms' performance, whilst less focus on investigating the link between EO-MC, and firms' performance. Additionally, previous studies recommended illustrating the mediation effect of marketing capabilities on the relationship between EO-SMEs' performance (Kajalo & Lindblom, 2015; Kamboj & Rahman, 2017; Lekmat *et al.*, 2018; Kerdpitak & Kerdpitak, 2021). Moreover, there is a severe scarcity of research that examined the relationship between EO, MC (planning and implementation), and the financial and non-financial performance of SMEs in developing countries, especially in the GCC countries such as Oman (Kamboj & Rahman, 2017; Pulka *et al.*, 2018; Lekmat *et al.*, 2018; Joensuu-Salo *et al.*, 2018; Ali *et al.*, 2020; Sanyal *et al.*, 2020; Dahleez & Abdelfattah, 2021). Therefore, the present study is one of the first to examine the mediating effect of the MC (MPC & MIC) on the relationship between EO-SMEs' financial and non-financial performance in Oman, by investigating this study's questions: RQ1. Does EO have an effect on SMEs' performance in Oman? RQ2. Does EO have an effect on SMEs' marketing capabilities (planning (MPC) and implementation (MIC)) in Oman? RQ3. Do MPC and MIC have an effect on SMEs' performance in Oman? RQ4. Do MPC and MIC mediate the relationship between EO and SMEs' performance in Oman?

The remainder of this article is organised in the following manner. The next part summarises the existing literature on the relationship between EO, MC, and SME performance and develops the study's hypotheses. The parts that follow cover the methodology, analysis, and findings. The last part discusses the findings, limitations, and future research directions.

2. Literature Review and Hypotheses

2.1. Entrepreneurial Orientation (EO)

The significance of EO in the field of entrepreneurial science has attracted significant conceptual and analytical attention in studies of strategic management and entrepreneurship (Palmer *et al.*, 2019; Ali *et al.*, 2020; Al-Hakimi *et al.*, 2021). EO is a mixture of strategies, procedures and processes that provide insight into the basis of business choices and behavior (Al-Henzab *et al.*, 2018; Shaher & Ali, 2020; Al-Hakimi *et al.*, 2021). EO may be described as the strategies, procedures, and decision-making processes used by a business to raise the value of its goods and services in response to customer expectations, resulting in enhanced performance (Al-Henzab *et al.*, 2018; Ali *et al.*, 2020). Researchers found that firms that implemented EO performed better than those that did not (Ghantous & Alnawas, 2020; Ali *et al.*, 2020; Hussain *et al.*, 2021; Rincon *et al.*, 2022). EO is a reflection of exploratory or innovative learning that enables a firm to create hypotheses about its rivals and business environment while also producing value for its consumers (Ali *et al.*, 2020; Al-Hakimi *et al.*, 2021). A corporation should thus emphasise successful strategic orientations such as EO in

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order to develop a culture of value creation inside the organization and enhance the firm's performance (Al-Henzab *et al.,* 2018; Kanaan-Jebna *et al.,* 2022).

Miller (1983) defined EO as having three initial dimensions: "risk-taking, innovativeness, and proactiveness". The three EO dimensions of Miller can be translated into observable scales that function together to provide an integral unidimensional strategic direction (Covin and Slevin, 1989; Palmer *et al.,* 2019; Ali *et al.,* 2020). Two additional factors were suggested by Lumpkin and Dess (1996), namely competitive aggressively and autonomy. However, the Miller's model (1983), which Covin and Slevin (1989) developed are used in this study, the three EO dimensions were supported only by Kreiser, Marino, and Weaver (2002) and they argued that it was irrelevant to include the two-dimensions proposed by Lumpkin and Dess (1996). Furthermore, the first three dimensions of the five dimensions are the main component affecting organisational efficiency (Palmer *et al.,* 2019; Ali *et al.,* 2020; Shaher & Ali, 2020; Rincon *et al.,* 2022). Innovativeness ensures that the enterprise is prepared to promote innovative products, creative processes and the creation and growth of new innovations through experimentation, which contribute to new products and services, and new strategies of selling and organisation in firm practice (Oliva *et al.,* 2019; Shameem & Hilal, 2021). Here, businesses are driven to compete in the marketplace by adding value to their business and their clients (Singh *et al.,* 2019; Ali *et al.,* 2020; Rahaman *et al.,* 2021; Maaodhah *et al.,* 2021). Proactiveness entails firm's businesses being able to identify and take advantage of potential market opportunities, thus achieving competitive advantage over its competitors (Al-Henzab *et al.,* 2018; Palmer *et al.,* 2019; Ali *et al.,* 2020; Al-Hakimi *et al.,* 2021). As well Proactiveness is typically correlated with the quest for new market opportunities (Ghantous & Alnawas, 2020; Al-Hakimi *et al.,* 2021). It aims at introducing new approaches or strategies and acting to respond to market changes (Al-Henzab *et al.,* 2018; Ghantous & Alnawas, 2020; Yaskun, 2021). Risk-taking refers to a firm's readiness to invest for profits and also face calculated losses (Ali *et al.,* 2020; Shameem & Hilal, 2021).

2.1.1. EO and SMEs' performance

Researchers have studied extensively the relationship between entrepreneurial path (EO) and organisational efficiency. As previously discussed, the ideas and methods of Miller (1983) and Covin and Slevin (1989) have been used to quantify EO in the majority of prior studies (e.g., Montiel-Campos, 2018; Palmer *et al.,* 2019; Ali *et al.,* 2020; Shaher & Ali, 2020; Rahaman *et al.,* 2021; Kanaan-Jebna *et al.,* 2022). EO is an important strategic perspective that helps managers explain some of their strategic behavior and enables organizations to beat their competitors through innovation, proactive reaction to market possibilities, and the ability to take risks (Lekmat *et al.,* 2018; Ghantous & Alnawas, 2020; Ali *et al.,* 2020). Thus, SMEs may get competitive advantage and enhance their performance in their related market by displaying a high degree of creativity, initiative, and risk-taking (Shaher & Ali, 2020; Ghantous & Alnawas, 2020; Ali *et al.,* 2020; Yaskun, 2021; Rahaman *et al.,* 2021; Kanaan-Jebna *et al.,* 2022). Moreover, some researchers observed that EO had an indirect effect on the performance of SMEs (Kajalo & Lindblom, 2015; Amin *et al.,* 2016; Shaher & Ali, 2020; Yaskun, 2021) and some studies revealed a negative or no significant correlation (Kajalo & Lindblom, 2015; Rincon *et al.,* 2022). Due to the inconsistency of the findings, more study in a different environment is necessary to examine this relation. As a result, the following hypothesis is suggested:

H1: EO positively affects Oman SMEs' performance.

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2.1.2. EO and SMEs' marketing capabilities (MC)

Recent studies referenced that the success background of companies relies on EO and MC (Martin& Javalgi, 2016; Lekmat *et al.,* 2018; Rincon *et al.,* 2022). EO is a philosophy at the firm level that focuses mainly on the direct correlation between EO and efficiency, but there is little research on the relationship between organisational capabilities and EO, especially architectural MC (Madsen *et al.,* 2007; Lekmat *et al.,* 2018; Rincon *et al.,* 2022). In this regard, Kajalo and Lindblom (2015), Lekmat *et al.* (2018), and Rincon *et al.* (2022) investigated the correlation between EO and specialised MC and find that EO has a positive relationship to enhance MC, and they recommended investigating the relation between EO and architectural MC (planning and implementation). Martin and Javalgi (2016) showed that the relationship between a firm's EO and its marketing capabilities is more productive than the simple relationship between EO and firm results. Yanuarti and Murwatiningsih (2019) stated that EO played a central part in the growth and usage of MCs awareness in SMEs. Moreover, previous empirical-evidences revealed that there is a positive relationship between EO and MC (e.g., Jin *et al.,* 2018; Arunachalam *et al.,* 2018; Lekmat *et al.,* 2018; Mehrabi *et al.,* 2019; Yanuarti & Murwatiningsih, 2019; Rincon *et al.,* 2022). This is true of both marketing planning and implementation capabilities (Kajalo & Lindblom, 2015; Arunachalam *et al.,* 2018; Jin *et al.,* 2018). Architectural MCs (planning and implementation), on the other hand, focuses on the allocation of resources to achieve product-market goals. This means that the firm's specialised MCs rely on the planning and implementation mechanisms provided by architectural MCs in order to achieve its goals efficiently (Morgan *et al.,* 2003; Mohammed *et al.,* 2017; Feng *et al.,* 2017; Lady & Arafah, 2018; Chetthamrongchai & Jermsittiparsert, 2020). Based on the basis of the RBV principle that using all of the resources of a company will lead to boost firms' capabilities and competitive gain overall (Barney, 2014; Alshammakh & Azmin, 2021; Al-Hakimi *et al.,* 2021), and based on the above results, the following hypotheses are proposed:

H2: EO positively affects SMEs' Marketing planning capability in Oman.

H3: EO positively affects SMEs' Marketing implementation capability in Oman.

2.2. Marketing Capability (MC)

Marketing capabilities entail underlying expertise, skills, and collective resources to market-related business requirements, enabling firms to add value, respond to market conditions, benefit from market opportunities and meet competitive threats (Mohammed *et al.,* 2017; Arunachalam *et al.,* 2018; Hendar *et al.,* 2020; Davcik *et al.,* 2021; Kerdpitak & Kerdpitak, 2021). Furthermore, MCs are defined as integrative processes that enable an organization to meet market-related business needs (Pulka *et al.,* 2018; Davcik *et al.,* 2021; Kerdpitak & Kerdpitak, 2021). MCs may be defined as marketing practices that support strategies, such as unique marketing mix ingredients, market analysis, and market governance (Pulka *et al.,* 2018; Kerdpitak & Kerdpitak, 2021; Rincon *et al.,* 2022).

Vorhies *et al.* (2009), Mohammed *et al.* (2017), and Arunachalam *et al.* (2018) differentiated between architectural and specialised marketing capabilities. Personal selling, product innovation, pricing, marketing communications, distribution, and goods-based sectors, are all examples of specialised MC. architectural MCs (planning and implementation), on the other hand, focus on the allocation of resources to achieve product-market goals. This means that the firm's specialised MC relies on applying planning and implementation mechanisms provided by architectural MC in order to achieve its goals efficiently (Morgan *et al.,* 2003; Feng *et al.,* 2017; Mohammed *et al.,* 2017; Lady & Arafah, 2018; Chetthamrongchai & Jermsittiparsert, 2020). Marketing planning capability (MPC) in this sense refers to the ability

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to supervise the development and implementation of a company's future plans using certain procedures and processes (Feng *et al.*, 2017; Mohammed *et al.*, 2017). Marketing planning, according to Slotegraaf and Dickson (2004), is a critical strategic approach for expanding organizational capacity by integrating and rearranging a company's resources. In contrast, marketing implementation capability (MIC) assesses the abilities of a firm to carry out its marketing strategy by allocating its resources (Vorhies & Morgan 2005). MIC of an organization can be defined as its process to achieve the desired marketing strategy by covering its resources into activities through its unique ability (Feng *et al.*, 2017; Mohammed *et al.*, 2017; Lady & Arafah, 2018). Studies also showed that MIC boosts an organization's performance (Vorhies and Morgan, 2005; Mohammed *et al.*, 2017). As a result, one of the most critical factors impacting marketing effectiveness and improving SMEs' success is their ability to design and implement marketing plans more effectively (Feng *et al.*, 2017; Lady & Arafah, 2018; Chetthamrongchai & Jermsittiparsert, 2020; Kerdpitak & Kerdpitak, 2021; Rincon *et al.*, 2022). Although a common argument that improved corporate performance is the result of successful MCs (planning and implementation), empirical examine, and evaluation of MCs' contribution to corporate performance is surprisingly limited, particularly architectural MC (planning and implementation) and its effect on SMEs' performance in developing nations (Kajalo & Lindblom, 2015; Pulka *et al.*, 2018; Reimann *et al.*, 2021; Davcik *et al.*, 2021). Based on the reviews, this study seeks to fill the above research gap.

2.2.1. Marketing Capabilities (MC) and SMEs' Performance

MC refers to a firm's ability to recognise and respond to consumer needs (Srivastava *et al.*, 2001; Mohammed *et al.*, 2017). Simply expressed, MC is the ability of an organisation to utilise its resources for deploying a marketing process to satisfy the need of customers and its targeted market (Pulka *et al.*, 2018; Kerdpitak & Kerdpitak, 2021). Vorhies *et al.* (2009) suggested the two types of marketing capabilities are specialised and architectural capacities. Achieving product-market targets is requiring a focus on arranging resources by architectural MCs (MPC & MIC) (Vorhies *et al.*, 2009; Mohammed *et al.*, 2017). In comparison, specialist marketing is considered a specific task activity involving marketing relations, personal sales, pricing, development of a product, and industrial goods and distribution (Vorhies *et al.*, 2009; Mohammed *et al.*, 2017). Architectural MCs, therefore, encourage the preparation and coordination processes needed to ensure that the operations of the advanced marketing capacities of the firm are efficiently tailored to meet the strategies of the company (Mohammed *et al.*, 2017; Davcik *et al.*, 2021; Kerdpitak & Kerdpitak, 2021). The two aspects of MC therefore may consider a vital role in effectively executing the strategies of an enterprise thereby increasing its performance. In this regard, some studies on marketing capabilities have a positive effect on the relationship with firms' performance (Pulka *et al.*, 2018; Jin *et al.*, 2018; Mehrabi *et al.*, 2019; Davcik *et al.*, 2021; Kerdpitak & Kerdpitak, 2021; Reimann *et al.*, 2021; Reimann *et al.*, 2022). This is true of both marketing planning capability (MPC) (Mohammed *et al.*, 2017; Arunachalam *et al.*, 2018; Davcik *et al.*, 2021) and marketing implementation capability (MIC) (Mohammed at al., 2017; Arunachalam *et al.*, 2018; Davcik *et al.*, 2021). Kajalo and Lindblom (2015) asserted that MCs (planning and implementation) positively affect marketing effectiveness in SMEs, which ultimately leads to improved SMEs' performance. Furthermore, based on RBV, in the sector of SMEs that seek to achieve a desired competitive precedence, the MPC and MIC are unique, non-exchangeable, and incomparable (Morgan *et al.*, 2009; Jin *et al.*, 2018; Davcik *et al.*, 2021), as MPC and MIC help companies to create unique value for their products, achieve a competitive advantage as well increase their performance (Mohammed *et al.*, 2017; Jin *et al.*, 2018; Davcik *et al.*, 2021). Therefore,

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enterprises with distinctive MCs (planning and implementation) can outperform their competitors through the creation of new products, price strategies to meet consumer requirements, and successful marketing communication (Vorhies *et al.,* 2009; Mohammed *et al.*, 2017; Jin *et al.,* 2018; Davcik *et al.,* 2021). As a result, it will be suggested the following hypotheses:

H4: Marketing planning capability (MPC) positively affects Oman SMEs' performance.

H5: Marketing implementation capability (MIC) positively affects Oman SMEs' performance.

2.2.2. The mediating effect of MC (Planning and Implementation) on the relationship between EO and SMEs' Performance

Recent studies referenced that the companies' success relies on EO and MC (Martin & Javalgi, 2016; Lekmat *et al.,* 2018; Rincon *et al.*, 2022). in this context, the EO's literature review showed that most empirical evidence that examines EO as a holistic approach has revealed that the relationship between EO-firms' performance is significantly positive influence according to Acosta *et al.* (2018), Lee *et al.* (2019), Alvarez-Torres *et al.* (2019), Cuevas-Vargas *et al.* (2019), Ali *et al.* (2020), Asad *et al.* (2020), Hussain *et al.* (2021), and Shameem and Hilal (2021). Whilst, some reviews on SMEs revealed that EO had an indirect effect on performance (Kajalo & Lindblom, 2015; Amin *et al.*, 2016; Shaher & Ali, 2020; Yaskun, 2021). Moreover, Kajalo and Lindblom (2015) found that the link between EO-SMEs' performance is not significant, thus, it rather needs architectural MCs (planning and implementation) in order to influence SMEs' performance. In addition, previous empirical-evidences revealed that there is a positive effect on relationship between EO and architectural MCs (planning and implementation) (e.g., Kajalo & Lindblom, 2015; Arunachalam *et al.*, 2018; Jin *et al.*, 2018). As well several studies have found that MPC and MIC have positive effects on firms' performance (Mohammed *et al.*, 2017; Arunachalam *et al.*, 2018; Davcik *et al.*, 2021). Based on the RBV theory that using all of the resources of a company will lead to competitive gain and boost overall organisational efficiency. Based on the results above, this study is suggested the following hypotheses:

H6: Marketing planning capability (MPC) mediates the relationship between EO and Oman SMEs' performance.

H7: Marketing implementation capability (MIC) mediates the relationship between EO and Oman SMEs' performance.

Based on the preceding discussion, this study aims to analyse the relationship between EO, MPC, MIC, and SMEs' performance in Oman, and the mediating effects of MPC and MIC on the relation between EO and Oman SMEs' performance. Figure 1 depicts the conceptual-model.

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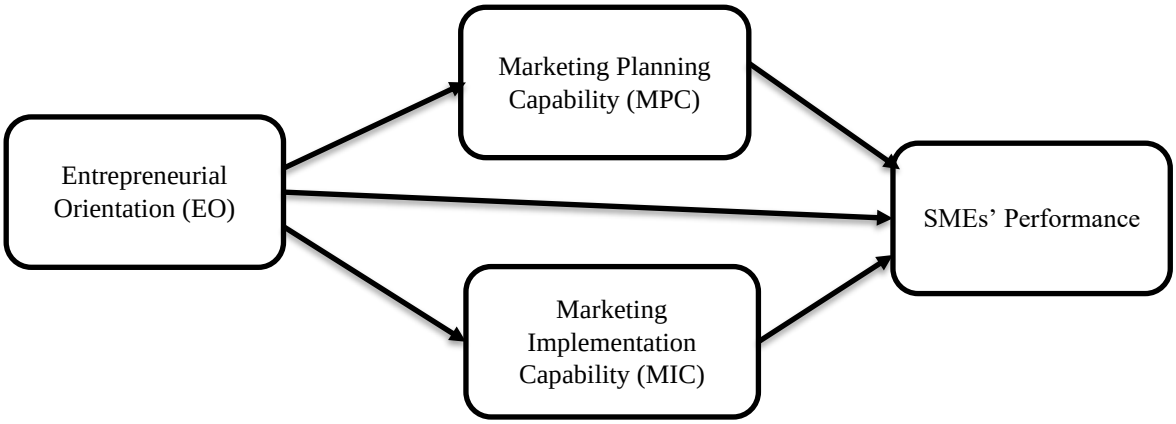

Figure 1. The research framework

3. Research Methodology

3.1. Research design

Table 1 illustrates that the descriptive analysis of the respondents' profiles was done by using version 26 of the "statistical program for the social sciences (SPSS)". The developed model was validated in 2-steps based on Hair *et al.* (2019): "1) assessment of the measurement model's validity and reliability (convergent and discriminant); and 2) assessment of the structural model, including R^2 and predictive relevance". The significance levels of loadings and route coefficients were assessed using a bootstrapping method recommended by Hair *et al.* (2019). The data was analysed by using SmartPLS version, as prior studies revealed that PLS was superior to regressions for evaluating mediation (e.g., Hayes and Preacher, 2014; Hair *et al.*, 2019).

In this study, the EO measure was based on nine items that cover the three dimensions ("Innovativeness, Pro-activeness, and Risk-taking") drawn from Covin and Slevin (1989) which were refined by Ali *et al.* (2020). Marketing planning capability (MPC) measurement was based on 5-items drawn from Vorhies and Morgan (2005) and Chang *et al.* (2010), which were refined by Mohammed *et al.* (2017). Similarly, the marketing implementation capability (MIC) measurement was based on 5-items drawn from Morgan *et al.* (2003), Vorhies and Morgan (2005), and Chang *et al.* (2010), which were refined by Mohammed *et al.* (2017). Finally, SMEs' performance measurement was based on seven items covering financial and non-financial results for SMEs drawn from Kaplan and Norton (1996), which were refined by Ali *et al.* (2020). The items of the questionnaire were designed and adapted to answer through a five-point Likert scale ("1= strongly disagree to 5= strongly agree"). It has also been adapted and adopted to suit the study population.

Table 1: Descriptive Analysis of Respondents' Profile (n=353)

Item		Frequencies	Percentage
Gender	Male	298	84.4
	Female	55	15.6
	Total	353	100
Age	18-25 years	22	6.2
	26-35 years	105	29.7

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	36-45 years	150	42.5
	46-55 years	71	20.1
	56-65 years	5	1.4
	Over 65	0	0
	Total	353	100
Educational level	Below High School	6	1.7
	High School	64	18.1
	Bachelor	213	60.3
	Master	65	18.4
	Doctorate	5	1.4
	Total	353	100
Owner/manager's tenure	Under l year	1	0.3
	High 1 - 5 years	42	11.9
	6 - 10 years	132	37.4
	11 - 15 years	110	31.2
	More than 15 years	68	19.3
	Total	353	100
Job-status	Manager	257	72.8
	Owner	89	25.2
	Assistant Manager	6	1.7
	Total	353	100
Firm employees' number	Below 11 Employees	0	0
	11-25 Employees	76	21.5
	26-40 Employees	180	51.0
	41-55 Employees	20	5.7
	56 -70 Employees	18	5.1
	71-85 Employees	7	2.0
	86 -100 Employees	6	1.7
	101-115 Employees	17	4.8
	116-130 Employees	17	4.8
	131-145 Employees	12	3.4
	Above 145 Employees	0	0
	Total	353	100
Firm's work period	Under 5 years	0	0
	5 - 10 years	87	24.6
	11 - 15 years	110	31.2
	16 - 20 years	92	26.1
	21 years and above	64	18.1
	Total	353	100
Location	Muscat	102	28.9
	Dhofar	12	3.4
	Ad Dakhiliyah	80	22.7
	Ad Dhahirah	16	4.5
	Al Batinah North	52	14.7
	Al Batinah South	42	11.9

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	Al Buraymi	12	3.4
	Al Wusta	5	1.4
	Ash Sharqiyah North	20	5.7
	Ash Sharqiyah South	10	2.8
	Musandam	2	0.6
	Total	353	100
	Manufacturing	82	23.2
	Service	118	33.4
Type of firm	Commercial	147	41.6
	Agricultural	6	1.7
	Total	353	100

3.2. Sample and data collection

Self-administered questionnaires were provided for the owners/managers of SMEs in all Omani governorates. Table 1 shows an overview of the background of the SMEs' respondents. Due to the precautionary measures taken by the Omani government to limit the spread of COVID-19, the researchers were unable to meet the sample members face-to-face. As a result, the process of data collection took six months in 2021, with the researchers distributing an e-questionnaire via e-mail and social media to the sample members. The researchers utilised the database issued by the Omani Authority of SMEs Development in December 2020, which contains information on about 5721 SMEs in Oman (Riyada, 2021). On the basis of the determination criteria of sample size (Krejcie and Morgan (1970), 361 of SMEs were derived from the research population. In order to reduce sample errors and address the problem of non-response, sample sizes should be increased by a factor of two (Hair *et al.*, 2014). In accordance with the proportion of SMEs in each Omani governorate, this study distributed 722 questionnaires. In the end, 355 surveys were completed and returned. Two of these questionnaires had outliers and were thus eliminated, leaving 353 usable questionnaires with a response rate of 48.9%.

4. Statistical Analysis and Results

PLS-SEM is used to verify the measurement-model's reliability and validity, as well as to evaluate the structural-model. EO, MPC, and MIC are all discussed in this article as possible influences on SMEs' performance, as well as the MPC and MIC as mediators. For this reason, it was decided to utilise the two-step procedure outlined by Chin (1998) and Hair *et al.* (2019) as follows:

4.1. Measurement-model results

This study examined the measurement-model utilizing criteria Hair *et al.* (2019), focusing on "a construct, convergent, and discriminant validity". Construct validity indicates the application of the findings gained by creating a test utilizing the measure and pertinent theories (Sekaran & Bougie, 2016). Examining the factor of item loadings in the measurement model's content validity might help actualise this concept (Chin, 2010; Hair *et al.*, 2019). In this situation, each must be a high loading on the hypothesised component than on the other factors (Chin, 2010). This article utilises factor-loading as its major factor, with a 0.60 cutoff based on Hair et al (2010). According to Table 2, all loadings of items exceeded 0.60. Consequently, this result supports the content validity of the measurement model. The construct under consideration may be investigated by utilising "factor loadings, composite reliability (CR), and

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extracted average variance (AVE)" (Hair *et al.*, 2014; Hair et al., 2019). Based on Hair *et al.* (2019) CR should be higher than 0.70, while AVE is to be higher than the commonly accepted cutoff of 0.50. In this regard, the results in Table 2 show that CR findings were above 0.70, whereas AVE findings exceeded 0.50, indicating the measurement model's convergent validity has been achieved.

After confirming convergent validity, this research examined discriminant validity by using the Heterotrait-Monotrait ratio (HTMT) of correlations approach. Where the HTMT is used to investigate the degree of correlations within and across constructs (Gold *et al.*, 2001; Henseler *et al.*, 2015; Garson, 2016; Hair *et al.*, 2019). Thus, HTMT is utilised to investigate discriminant validity. Where the discriminant validity is compromised When the HTMT value is more than 1.0 (Henseler *et al.*, 2015, Garson, 2016), 0.90 (Gold *et al.*, 2001), and 0.85 (Kline, 2011). As shown in Table 3, all values were less than.90 as the criteria suggested by Gold *et al.* (2001), Henseler *et al.* (2015), and Garson (2016), indicating discriminant validity had been proved.

Table 2. Results of Loading-Factor and Convergent-Validity

Model Construct	Measurement Item	Loading	Composite Reliability (CR)	Average Variance Extracted (AVE)
Entrepreneurial Orientation (EO)	EO1	0.834	0.94	0.71
	EO2	0.868		
	EO3	0.888		
	EO4	0.849		
	EO5	0.873		
	EO6	0.859		
	EO7	0.769		
	EO8	0.866		
	EO9	0.749		
Marketing Planning Capability (MPC)	EO1	0.836	0.92	0.72
	MPC1	0.819		
	MPC2	0.881		
	MPC3	0.874		
	MPC4	0.865		
	MPC5	0.797		
Marketing Implementation Capabilities (MC)	MIC1	0.738	0.84	0.52
	MIC2	0.822		
	MIC3	0.659		
	MIC4	0.672		
	MIC5	0.649		
SMEs' Performance (SMEs-P)	SMEs_P1	0.862	0.94	0.71
	SMEs_P2	0.876		
	SMEs_P3	0.887		
	SMEs_P4	0.875		

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	SMEs_P5	0.853
	SMEs_P6	0.819
	SMEs_P7	0.721

Table 3. Results of discriminant validity analysis by HTMT

Construct	EO	MIC	MPC	SMEs _performance
EO				
MIC	0.626			
MPC	0.639	0.700		
SMEs _performance	0.875	0.664	0.656	

Key: EO = Entrepreneurial Orientation, MPC = Marketing Planning Capabilities, MIC = Marketing Implementation Capabilities, SMEs-P = SMEs' Performance.

The results uphold the idea that EO is reflecting the first-order construct. This method is similar to prior studies that examined EO as "a single construct" (e.g., Al-Henzab *et al.*, 2018; Ghantous & Alnawas, 2020; Rahaman *et al.*, 2021; Kanaan-Jebna *et al.*, 2022). Additionally, the results uphold the idea that marketing capabilities (MCs) are measured through MPC and MIC separately (e.g., Mohammed *et al.*, 2017). This study's analysis of SMEs performance was used as a group rather than many dimensions of financial and non-financial, in order to depict the complete performance of the enterprises (Ali *et al.*, 2020). The goal of this paper is to investigate the effect of EO, MPC, and MIC as a single construct in order to get a better understanding how its effect on SMEs' performance. Figure 2. shows, the measurement model.

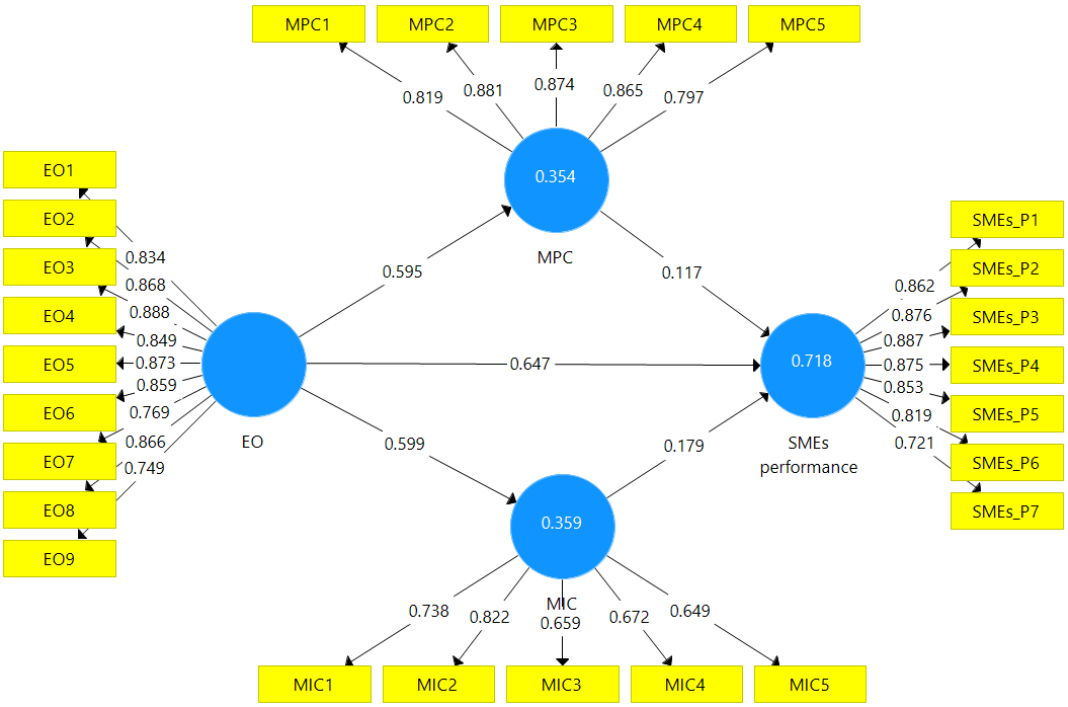

Figure 2. A measurement-model and Path-coefficient results

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4.2. Evaluation of structure model

The structural model is created by expressing the links between the various variables after the measurement model has been validated by utilising the SmartPLS. Table 4 and Figure 2 illustrate the results. Hair *et al.* (2014) and Hair *et al.* (2019) stated that R^2 is the most important criterion in assessing the structural model, because R^2 is a key target construct for the prediction-oriented PLS technique. Thus, R^2 is one of the key target constructs that should be high. In order to have adequate R^2 values for clarifying the variation of an endogenous construct, it should not fall below 0.10 to be regarded (Falk & Miller, 1992; Urbach & Ahlemann, 2010). Hair *et al.* (2014) and Hair *et al.* (2019), claim that in marketing studies, an R^2 value has three levels value High, moderate, and weak (0.75, 0.50, and 0.25) respectively. Based on the values of R^2 in PLS-algorithm for the three dependent-variables (SMEs' performance, MPC, and MIC) were (0.72, 0.35, and 0.36) respectively as presented in Figure 2, it can be seen that EO, MPC, and MIC clarify almost 72 percent of the total variance in SMEs performance, which falls in the range of the moderate to high. The R^2-value of MPC was 0.35, which indicates that EO was 35% of the total variance in SMEs' MPC, which falls among weak and moderate. Additionally, The R^2-value for MIC was almost 0.36, which indicates that EO accounted for 36% of the total variance in SMEs' MIC, which falls among weak and moderate.

Using the blindfold method, the model was also evaluated to determine the model's sufficient quality (Henseler *et al.*, 2015). By using the blindfolding procedure, researchers can test the predictive validity of the model's developed (Henseler *et al.*, 2015. According to the suggestions of Hair et al. (2019), the blindfold method should only be used on reflecting dependent variables, with a Q^2 greater than zero indicating the predictive importance of the variable. Based on Valerie (2012, p. 109), "Stone-Geisser's test is calculated via the following formula: Q^2 = 1 - Sum of squares of prediction errors (SSE)/sum of squares of observations (SSO)". Blindfolding cannot be used to obtain Q^2 unless the number of cases is an integer multiple of the omission space (d), as stated by Hair et al. (2011) and Hair et al (2019). Therefore, they suggested a d-value in the range of five to ten. Thus, the current investigation used a d-value of seven to generate mutual repetition metrics for each dependent variable. Q2 values of 0.35 for large, 0.15 for medium, and 0.02 for small are suggested by Hair et al. (2019). Table 4 illustrates that Q^2 as a relative measure of predictive relevance, Q^2 values of the performance of SMEs, MPC, and MIC were (0.506, 0.249, and 0.159) respectively, which falls among moderate and high predictive values. As a result, the model's prediction quality is sufficient for this research.

The path coefficients, which show how strong the relationship among the independent and dependent variables is, were also looked at as part of the structural model analysis. T-statistics and standard errors were calculated using a bootstrap resampling procedure. Unlike traditional calculations, the bootstrap method evaluates confidence differently. H1, H2, H3, H4, and H5 were found ‘supported’ according to the path coefficients, standard error, and t values as shown in Table 5 and Figure 3.

Table 4. The Prediction Relevance of Model

Total	SSO	SSE	Q^2 (=1-SSE/SSO)
SMEs' Performance	2471.000	1221.193	0.506
Marketing Planning Capabilities (MPC)	1765.000	1325.303	0.249

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Marketing Implementation Capabilities (MIC)	1765.000	1483.646	0.159

Table 5. Results of Hypothesis Test

Hypotheses		Path Coefficient	Standard error	T Statistics	P Values	Results
H1	**EO -> SMEs _performance**	0.647	0.034	18.866	0.000	Supported
H2	**EO -> MPC**	0.595	0.036	16.700	0.000	Supported
H3	**EO -> MIC**	0.599	0.034	17.736	0.000	Supported
H4	**MPC -> SMEs _performance**	0.117	0.041	2.886	0.002	Supported
H5	**MIC -> SMEs _performance**	0.179	0.043	4.143	0.000	Supported

Table 6. Indirect-hypothesises test results

Hypotheses		Path Coefficient	Standard error	T Statistics	BCILL	BCIUL	Results
H6	**EO -> MPC -> SMEs _performance**	0.070	0.025	2.789***	0.031	0.113	Supported
H7	**EO -> MIC -> SMEs _performance**	0.107	0.026	4.086***	0.065	0.151	Supported

*Note: ***: p<0.01; **: p<0.05; *: p<0.1. Lower and upper levels of 95% confidence interval.*
Key: EO = Entrepreneurial Orientation, MPC = Marketing Planning Capabilities, MIC = Marketing Implementation Capabilities, SMEs-P = SMEs' Performance.

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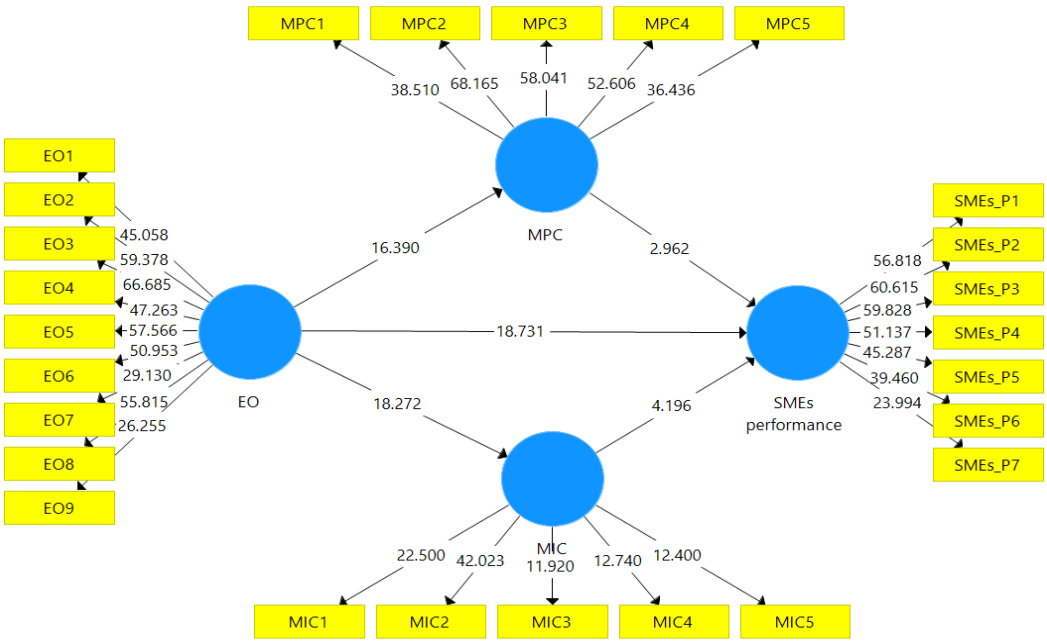

Figure 3. Hypothesis test results

The current study utilised the PLS-bootstrapping method for exploring the mediating influence of MPC and MIC on the relation among EO and SMEs' performance because it is extra strong and more precise than else methods (Hayes *et al.*, 2011; Hayes, 2013; Hair *et al.*, 2014; Hair *et al.*, 2019). More accurately, "the bootstrapping method for 5000 samples and the confidence level 95% were utilised for valuation of the mediating-effects of MPC and MIC in this study as shown in Table 6. The results display that the trust interval for the indirect impacts of MPC and MIC on the relation among EO and SMEs' performance ($\beta = 0.070$, $t = 2.789$, $p < 0.01$, 95% confidence intervals = 0.031 to 0.113), and ($\beta = 0.107$, $t = 4.086$, $p < 0.01$, 95% confidence intervals = 0.065 to 0.151) do not involve zero, indicating that MPC and MIC mediate significantly the relation among EO and SMEs' performance. As shown in Table 4, the direct impacts of EO, MPC, and MIC on SMEs' performance were significant, and the direct impacts of EO on MPC and MIC were significant which indicates that both MPC and MIC as a partial-mediation of the relation between EO and SMES' performance. Thus, hypotheses H6 and H7 have been supported. The current study's findings are intriguing and add to previous research on the mediating influences of MPC and MIC on the correlation among EO and firms' performance, especially in the SMEs sector.

5. Discussions and conclusion

SMEs in developing economies need a constructive, high-value-added, and effective approach such as EO and marketing capabilities (planning (MPC) and implementation (MIC)) to gain a competitive advantage and, consequently, enhance SMEs' performance in difficult environments (Ali *et al.*, 2020; Aljanabi, 2020; Shameem & Hilal, 2021; Maaodhah *et al.*, 2021; Rahaman *et al.*, 2021; Kanaan-Jebna *et al.*, 2022). In spite of studying the direct correlations between EO, MPC, MIC, with firms' performance (e.g., Mohammed *et al.*, 2017; Ali *et al.*, 2020; Aljanabi, 2020; Shameem & Hilal, 2021; Maaodhah *et al.*, 2021; Rahaman *et al.*, 2021; Kanaan-Jebna *et al.*, 2022). It's still unclear what SMEs' capabilities gained through EO, enhance its performance (Ali *et al.*, 2020; Maaodhah *et al.*, 2021; Rahaman *et al.*, 2021; Al-

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Hakimi *et al.,* 2021; Kanaan-Jebna *et al.,* 2022). In this regard, this study is one of the first that explores the mediating effects of MPC and MIC on the correlation among EO and performance in Oman SMEs, by answering this study's 4-questions. To answer the first-question that looks into the impact of EO on the performance of SMEs in Oman, one hypothesis was offered. When evaluating the first hypothesis concerning the influence of EO on Oman SMEs' performance, it was discovered that EO has an impact with positive and significant on Oman SMEs' performance. When evaluating the first hypothesis concerning the influence of EO on Oman SMEs' performance, it was discovered that EO has an impact with positive and significant on Oman SMEs' performance "($\beta = 0.647$, $t = 18.866$, $p < 0.001$)", confirming the H1 (see Table 5). This means that the EO-adopted by SMEs in Oman has contributed to raising its financial and non-financial performance by almost 65%, as well, this corresponds to the findings of the study by Alalawi (2020), Asad *et al.* (2020), Ali *et al.* (2020), Rahaman *et al.* (2021), and Kanaan-Jebna *et al.* (2022) who studied the relation among EO and SMEs' performance in the context of GCC and other developing countries. Consequently, given the significance of EO to a company's growth potential and its local and global competitiveness, SMEs must be adopted EO (Maaodhah *et al.,* 2021; Rahaman *et al.,* 2021; Kanaan-Jebna *et al.,* 2022).

To answer the second question about the relationship among EO and Oman SMEs' marketing capabilities (planning (MPC) and implementation (MIC)), we assessed the second and third hypotheses for the impact of EO on MPC and MIC in Oman SMEs, it was discovered that EO has a positive-effect with and significant on the SMEs' MPC in Oman "($\beta = 0.595$, $t = 16.7$, $p < 0.001$)", and this confirms acceptance of the second-hypothesis (see Table 5), and it was also discovered EO has a positive-effect with and significant on the MIC in Oman SMEs "($\beta = 0.599$, $t = 17.736$, $p < 0.001$)", this confirms acceptance of the third-hypothesis. This means that the EO-adopted by Oman SMEs has contributed to raising its MPC and MIC by almost 59.5% and 59.9% respectively. This result reveals that when EO-adopting by SMEs, will enhance their marketing capabilities (planning (MPC) and implementation (MIC) in the marketplace by displaying a high degree of creativity, initiative, and risk-taking compared to SMEs that do not embrace EO, these results support what the prior-studies indicated (e.g., Kajalo & Lindblom, 2015; Martin & Javalgi, 2016; Arunachalam *et al.,* 2018; Jin *et al.,* 2018). Consequently, given the significance of EO to a company's growth marketing capabilities (planning (MPC) and implementation (MIC) in the marketplace by displaying a high degree of creativity, initiative, and risk-taking و SMEs must be adopted EO (Arunachalam *et al.,* 2018; Jin *et al.,* 2018; Rincon *et al.,* 2022).

To answer the third question about the correlation between marketing-capabilities (planning (MPC) and implementation (MIC)) and SMEs' performance, we assessed the fourth and fifth hypotheses for the influence of MPC and MIC on Oman SMEs' performance, it was discovered that MPC and MIC have positive-effects and significant on Oman SMEs' performance "($\beta = 0.117$, $t = 2.886$, $p < 0.001$)" and ($\beta = 0.179$, $t = 4.143$, $p < 0.001$) respectively, and this confirms acceptance of fourth and fifth-hypothesis (see Table 5). This means that the MPC and MIC in Oman SMEs have contributed to raising their financial and non-financial performance by almost 12% and 18% respectively. This finding is consistent with the studies of Kamboj and Rahman (2017), Pulka *et al.* (2018), Joensuu-Salo *et al.* (2018), Lekmat *et al.* (2018), Kerdpitak and Kerdpitak (2021), and Rincon *et al.* (2022), where they emphasise that the marketing capabilities have an important impact on firms' performance, especially the architectural MC (planning (MPC) and implementation (MIC)). This may be due to the importance of marketing in firms, since it cannot thrive in the fiercely competitive sector such as the SME sector without outstanding marketing skills. Marketing-Capabilities (MPC and

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MIC) are crucial since it assist differentiation initiatives by collecting data from the marketplace and adjusting marketing strategies in response to this information (Morgan *et al.*2003; Mohammed *et al.*, 2017). Therefore, the allocation of resources and the transmission of plans, requirements, and objectives are required to ensure that the necessary marketing resources are available when required (Narver & Slater, 1990; Mohammed *et al.*, 2017).

To answer the fourth question about the mediating-effect of marketing-capabilities (planning (MPC) and implementation (MIC)) on the relation among EO and Oman SMEs' performance, we assessed the sixth and seventh hypotheses. The results discovered that MPC and MIC have significantly positive mediating effects on the correlation among EO and Oman SMEs' performance, both appearing partial-mediation "($\beta = 0.070$, $t = 2.789$, $p < 0.01$, 95% confidence intervals = 0.031 to 0.113), and ($\beta = 0.107$, $t = 4.086$, $p < 0.01$, 95% confidence intervals = 0.065 to 0.151) respectively, and do not involve zero, this confirms acceptance of sixth and seventh-hypothesis (see Table 6). This finding is consistent with the studies of Kamboj and Rahman (2017), Pulka *et al.* (2018), Joensuu-Salo *et al.* (2018), Lekmat *et al.* (2018), Kerdpitak and Kerdpitak (2021), and Rincon *et al.* (2022), where they emphasise that the specialised marketing-capabilities have mediating-effects on EO-SMEs' performance relationship. These results are supported as well by RBV-theory that using the resources of a company will lead to boosting firms' capabilities and competitive gain (Barney, 2014). Moreover, these results are consistent with Kajalo and Lindblom (2015) and Rincon *et al.* (2022), who indicated EO need marketing capabilities so that their value-adding ability for companies is more completely unlocked, as well as Martin and Javalgi (2016), noted that the relationship between the EO of firms and their marketing capabilities is more productive than the simple relationship between EO and firms' performance. Therefore, the synergy between EO and marketing-capabilities (MPC and MIC) becomes critical to enhancing SMEs' performance in the emerging markets. Finally, this research is notable because it contributes to the existing literature on the favorable mediating effect of MPC and MIC on EO-performance relation in the SME context in a developing nation, such as Oman.

6. Theoretical implications

This paper provides theoretical contributions to the literature of firms' performance, strategic orientations, and marketing by investigating the EO's synergy with MCs (MPC & MIC) for affecting SMEs' performance. In particular, the study proposes a model that integrates EO, MPC, MIC, and SMEs' performance from the perspective of a developing nation, achieving a balance in the literature. In fact, the mediating effects of marketing-capabilities (MPC and MIC) separately on the EO-SMEs' performance relationship have not been investigated, which is a significant theoretical contribution made by this study. The results contribute to the body of knowledge by demonstrating that EO directly influences SMEs' performance and indirectly by MPC and MIC. This indicates that the SMEs' decision for EO's adoption is not enough to enhance their performance but they need marketing-capabilities (MPC and MIC). Furthermore, the present study helps to resolve issues regarding how enterprises benefit from strategic-resources and dynamic-capabilities to enhance their performance. Previous empirical research has focused on the determinants of SMEs' performance, which may be either resources or capacities (Ali *et al.*, 2020; Ghantous & Alnawas, 2020; Hussain *et al.*, 2021; Shameem & Hilal, 2021; Kanaan-Jebna *et al.*, 2022), but this study focuses on their combined influence. Whereas the current research examined the effects of EO (as a valued strategic-resource), and marketing-capabilities (MPC and MIC) (as dynamic capabilities) on firms' performance. Additionally, our research concentrates on marketing-capabilities (MPC and MIC) in the setting of SMEs, which

was neglected by the bulk of studies (Kajalo & Lindblom, 2015; Arunachalam *et al.,* 2018; Jin *et al.,* 2018), despite its significance for enhancing SMEs' performance operating with limited resources (Mohammed *et al.,* 2017; Pulka *et al.,* 2018; Lekmat *et al.,* 2018; Davcik *et al.,* 2021). Again, this study answers the request for more research on the firms' capabilities needed to enhance the EO-performance link in SMEs (Kajalo & Lindblom, 2015; Lekmat *et al.,* 2018; Al-Hakimi *et al.,* 2021).

7. Practical implications

The study's findings provide insight into how managers and owners of SMEs, as well as practitioners, may gain a competitive edge and improve SMEs' performance. Where this may be accomplished through the EO's adoption with the development of MCs (MPC & MIC). In this respect, to ensure long-term profitability and excellent performance, the managers and owners of SMEs should prioritise strategic resources (EO) and the dynamic-capabilities (MPC and MIC). This research revealed that MC (MPC and MIC) have positive influences on the performance of SMEs and have partial mediating influences on the link between EO and SMEs' performance.

This result corresponds with Kajalo and Lindblom (2015), Lekmat *et al.* (2018), and Ali *et al.* (2020), who stated that EO as a stand-alone resource is inadequate on their own to improve corporate performance. According to Kajalo and Lindblom (2015), and Lekmat *et al.* (2018), EO should complement other corporate resources and competencies such as MC, ultimately enhancing organizational performance. Therefore, SMEs' managers must understand that they might fulfill their objectives more easily by enhancing the skills and capabilities of their employees, encouraging them to allocate the required resources in a creative manner, and helping them for designing and effectively implement their marketing programs for enhancing overall performance. Precisely, to maximise the benefits of EO's adoption in SMEs, it must invest in MPC and MIC to achieve better performance (Kajalo & Lindblom, 2015; Lekmat *et al.,* 2018).

8. Limitations and future research

As with every other piece of research, this one has limits, despite the fact that it made several contributions, both theoretical and practical. These limitations become apparent when the authors analyse the study's findings, this warrants further studies. The first limitation is related to the unit of analysis and sample size. This research has focused on all kinds of SMEs, industrial, commercial, service, and agricultural in Oman, and obtained 353 valid questionnaires for analysis. Thus, if the same of this study were conducted throughout one kind of SMEs, rather than concentrating on all kinds of Oman SMEs, it would be more response that might have provided for a better scenario of the relations among EO, MPC, MIC, and SMEs' performance. Therefore, future studies should investigate the proposed relationship in the present paper to look if it would be appropriate for other companies in Oman as there is an extreme scarcity of previous studies that examined all these relationships in one model (EO, MPC, MIC, and SMEs' performance) in Oman, and other developing countries. The second limitation is because the study was cross-sectional in design, any changes that may have occurred during the implementation of EO, MPC, and MIC were not included in the data set. Since this research has employed a quantitative technique to achieve its goals, therefore, a future study can be conducted longitudinally to understand the changes that may occur when this model is being implemented in other methods, such as qualitative techniques, to provide in-depth knowledge

of the issues. This would help to understand how SMEs' managers and owners can implement EO, MPC, and MIC to enhance performance in SMEs.

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