

## A Systematic Review on Market Orientation and Marketing Performance in SMEs

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### Abstract

**Research aim:** This study examines the impact of market orientation on the marketing performance of small and medium enterprises (SMEs). Additionally, it identifies mediating and moderating factors that either strengthen or weaken this relationship.

**Design/Method/Approach:** A Systematic Literature Review (SLR) method was employed using a bibliometric approach to map research trends. The selection process adhered to the PRISMA framework, with an analysis of studies sourced from the Scopus database.

**Research Finding :** The findings indicate that market orientation plays a crucial role in enhancing SME marketing performance. However, its effectiveness is influenced by product innovation, marketing capabilities, digital adoption, and external factors such as regulations and market competition.

**Theoretical contribution/Originality:** This study enriches the literature on market orientation and marketing performance in SMEs through a systematic synthesis. The findings highlight the importance of integrating market orientation with innovation and digitalization to improve SME competitiveness.

**Practitioner/Policy implication:** For SME practitioners, this study underscores the importance of market-oriented marketing strategies supported by innovation and digitalization. Moreover, policymakers should facilitate access to financing and digital marketing training for SMEs to enhance their market performance.

**Research limitation:** This study is limited to a literature review and does not capture the dynamic challenges faced by SMEs directly.

**Keywords:** Digital Marketing, Market Orientation, Marketing Performance, Product Innovation, SME's, Systematic Literature Review.

## 1. Introduction

Marketing performance in SMEs is crucial for evaluating the effectiveness of their marketing strategies and ensuring alignment with organizational objectives. According to [1], assessing marketing performance involves measuring an organization's ability to synchronize

promotional initiatives with marketplace goals such as revenue generation, business development, and market expansion. This is particularly vital for SMEs operating in highly competitive markets, as it enables them to refine their marketing strategies and enhance their market presence. [2] Emphasize that a well-structured marketing performance measurement framework facilitates the evaluation of promotional strategies and their outcomes, helping SMEs make informed decisions to optimize their marketing efforts. Moreover, market orientation plays a crucial role in enhancing marketing performance, as it helps firms remain adaptive to market changes and consumer preferences. [3] Define market orientation as a business culture that prioritizes customer focus, competitor awareness, and inter-functional coordination. By fostering a strong market orientation, SMEs can better understand customer needs, anticipate market trends, and develop marketing strategies that drive superior performance.

Additionally, effective marketing performance management strengthens SMEs' strategic positioning by fostering marketing accountability and informed decision-making. [4] Highlight that marketing accountability has become a focal issue for both scholars and practitioners, as businesses seek to evaluate the returns on their marketing investments. Despite significant research on marketing metrics, there remains a gap in understanding the marketing performance assessment (MPA) process, which links performance evaluation with strategic decision-making. [5] Argue that while marketing productivity analysis has been a longstanding concern in marketing literature, new insights into marketing performance measurement remain limited. The adoption of an entrepreneurial orientation, as suggested by [6], enables SMEs to enhance their marketing performance by fostering innovation, taking calculated risks, and proactively anticipating market shifts. Furthermore, [7] Highlight that market-oriented firms tend to be more competitive due to their ability to generate, disseminate, and respond to market intelligence effectively. By integrating market orientation with a comprehensive marketing performance measurement system (MPMS), SMEs can improve their strategic agility, maximize their marketing efficiency, and achieve sustainable growth.

One of the most extensively studied approaches to enhancing marketing performance is market orientation. This concept underscores the importance of understanding customer needs, competitor conditions, and business environment dynamics as the foundation for marketing decision-making. [3]. Several studies have demonstrated that market orientation positively contributes to marketing performance through product innovation and customer-driven marketing strategies. [8]. However, the impact of market orientation on marketing performance is not always direct, as various mediating factors—such as marketing capabilities, business networks, and halal innovation—may influence the effectiveness of market orientation implementation. [9].

Empirical findings indicate that SMEs with a strong market orientation tend to be more adaptive to changes in consumer demand and exhibit higher competitiveness in dynamic markets. [10]. However, other studies suggest that market orientation does not always exert a direct impact on marketing performance, particularly when it is not accompanied by innovation-driven and digitalized marketing strategies. [11]. Additionally, external factors such as limited access to capital, government regulations, and the intensity of market competition may also affect the effectiveness of market orientation in improving SME marketing performance. [8].

In recent years, the Systematic Literature Review (SLR) method has been increasingly employed in SME marketing performance research to identify patterns, trends, and research gaps. The SLR approach facilitates the systematic mapping of the literature, thereby enabling a clearer identification of the key factors contributing to the relationship between market orientation and marketing performance. [9]. Based on previous studies, market orientation has been found to enhance marketing performance through mechanisms such as product innovation, relational marketing capabilities, and the adoption of digital marketing technologies. [8]. Nevertheless, inconsistencies in prior research findings indicate the need for further exploration to understand how market orientation operates across different industry contexts, including SMEs.

Accordingly, this study aims to conduct a Systematic Literature Review (SLR) to examine the extent to which market orientation influences SME marketing performance. Furthermore, this study seeks to identify the factors that function as mediators or moderators in this relationship. Through comprehensive literature mapping, this research is expected to provide theoretical contributions to the understanding of market orientation dynamics and SME marketing performance, as well as offer practical recommendations for business practitioners in developing market-driven and innovative marketing strategies. Additionally, the findings of this study are anticipated to address existing research gaps and establish a stronger foundation for future studies on effective marketing strategies for SMEs.

### **1.1. Statement of Problem**

Although market orientation has been proven to contribute to the enhancement of SME marketing performance, inconsistencies remain in research findings regarding its effectiveness across various industry contexts. Several studies suggest that SMEs with a strong market orientation are better equipped to adapt to shifts in consumer demand and exhibit greater competitiveness in dynamic markets. [10]. However, other studies emphasize that market orientation does not always have a direct impact on marketing performance, particularly when it is not supported by innovation-driven and digital marketing strategies. [11]. Moreover, external factors such as limited access to capital, government regulations, and intense market competition may further constrain the effectiveness of market orientation in improving SME marketing performance. [8]. Given these diverse findings, further in-depth research is necessary to understand how market orientation can be optimally implemented in the food and beverage sector, as well as to identify the factors that may strengthen or weaken its influence on SME marketing performance. Therefore, a systematic review is required to identify patterns, trends, and gaps in previous research, providing a more comprehensive understanding of the relationship between market orientation and marketing performance in the context of SMEs operating in the food and beverage sector. [9].

### **1.2. Research Objectives**

This study aims to examine the extent to which market orientation influences marketing performance using a Systematic Literature Review (SLR) approach. Specifically, it seeks to identify the factors that function as mediators or moderators in the relationship between market orientation and marketing performance. Given the diverse findings of previous studies

regarding the effectiveness of market orientation in enhancing marketing performance, this research is expected to provide a comprehensive literature mapping to better understand how market orientation operates within the context of SMEs in the food and beverage sector. [9]. Furthermore, this study aims to explore the role of product innovation, relational marketing capabilities, and digital technology adoption in strengthening the impact of market orientation on marketing performance [8]. Through a systematic and in-depth analysis, this research is expected to contribute to the theoretical development of market orientation studies while offering practical insights for SMEs in formulating more effective, innovation-driven marketing strategies.

## **2. Method**

This study employs a bibliometric approach to systematically map and identify emerging research trends in the field of marketing performance in small and medium enterprises (SMEs). This approach provides a structured overview of the current research landscape by highlighting publication patterns, citation networks, and keyword co-occurrence. [12]. Research trends in this domain reflect the collective focus of scholars in exploring the relationship between marketing strategies and SME performance, particularly within the 2015–2024 period. By analyzing data from the Scopus database, this study reveals the evolution of scholarly discussions in the field and identifies areas that are gaining increasing academic attention. The findings of this study are expected to contribute to a deeper understanding of intellectual interconnections within the dynamic system of scientific knowledge through bibliometric mapping. [13].

To enhance the transparency and reporting quality of this systematic review and meta-analysis, this study employs the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) flow diagram to screen and evaluate relevant literature on SME marketing performance. The literature selection process begins with an article search using the keywords "Market Orientation" AND "Marketing Performance" within the Scopus database, yielding 63 articles. Subsequently, during the initial screening phase, studies classified under Decision Sciences, Social Sciences, Arts, and Humanities were excluded from the analysis. Articles within the Economics and Business domains were then selected for further review.

Following the screening and evaluation stages, 16 eligible articles were subjected to a quantitative synthesis in the form of a meta-analysis. This selection process was conducted to ensure that only high-quality, relevant literature was included in this study, thereby avoiding unverified or less pertinent publications. Consequently, this research not only provides a comprehensive mapping of contemporary research trends in SME marketing performance but also offers in-depth insights into the scholarly contributions made in the field and outlines potential future research directions.

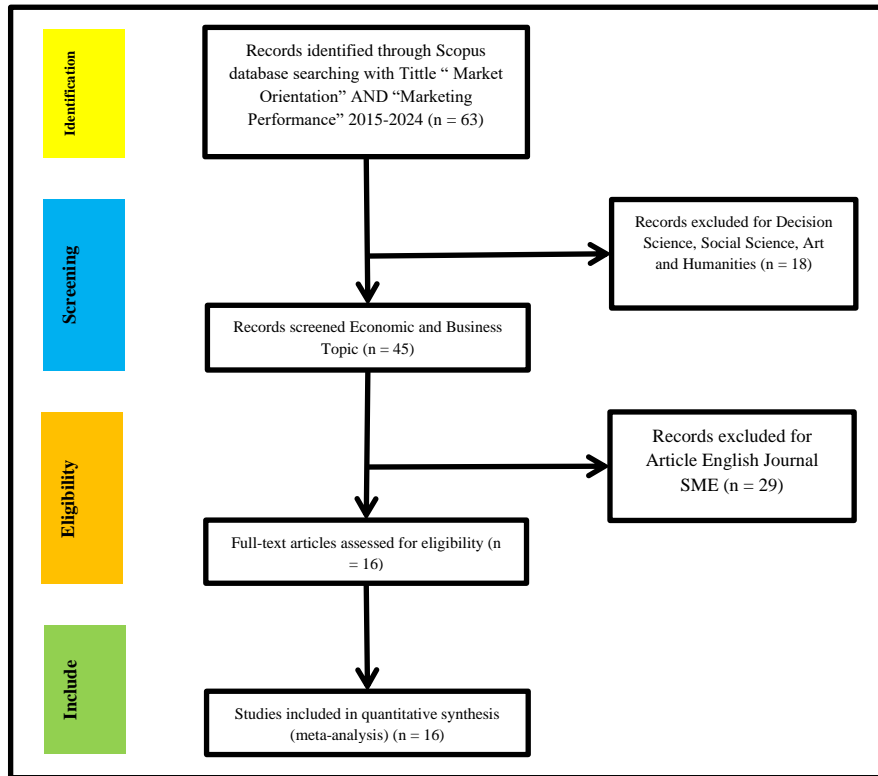


Figure 1. Prisma Flow Diagram

### 3. Results and Discussion

#### A. The Source

**Table 1. The Sources and Their Impact**

Journal Name	Amount	Scopus Index	Author Number
Asian Journal of Business and Accounting	1	Q3	[14]
Business: Theory and Practice	1	Q2	[9]
Cogent Business and Management	2	Q2	[15], [16]
International Journal of Electronic Marketing and Retailing	1	Q3	[17]
International Journal of Management and Enterprise Development	1	Q4	[18]

Journal Name	Amount	Scopus Index	Author Number
International Journal of Professional Business Review	1	Q4	[19]
Journal of Eastern European and Central Asian Research	1	Q3	[20]
Journal of Indian Business Research	1	Q2	[21]
Journal of Project Management (Canada)	1	Q1	[22]
Management Science Letters	3	Q2	[23], [24], [25]
Quality - Access to Success	1	Q3	[11]
Uncertain Supply Chain Management	2	Q2	[26], [27]

Sumber: Data processed by the authors (2024)

Based on the data presented in the table, the majority of journals referenced in this study are indexed in Scopus Q2 (approximately 42%), followed by Q3 (33%), Q4 (17%), and Q1 (8%). This distribution indicates a strong concentration of articles from journals with moderate to high impact, particularly within the Q2 category, which includes Business: Theory and Practice, Cogent Business and Management, Journal of Indian Business Research, Management Science Letters, and Uncertain Supply Chain Management. Notably, one Q1 journal—Journal of Project Management (Canada)—features cutting-edge research on project management and innovation, reflecting the evolving dynamics of global business practices. Meanwhile, two Q4 journals—the International Journal of Management and Enterprise Development and the International Journal of Professional Business Review—primarily focus on emerging managerial trends and methodological advancements. Overall, this distribution underscores the strong academic quality of the sources utilized, ensuring that the analysis and findings of this study are grounded in reputable, peer-reviewed literature within the domain of business and management research.

## B. Marketing Performance

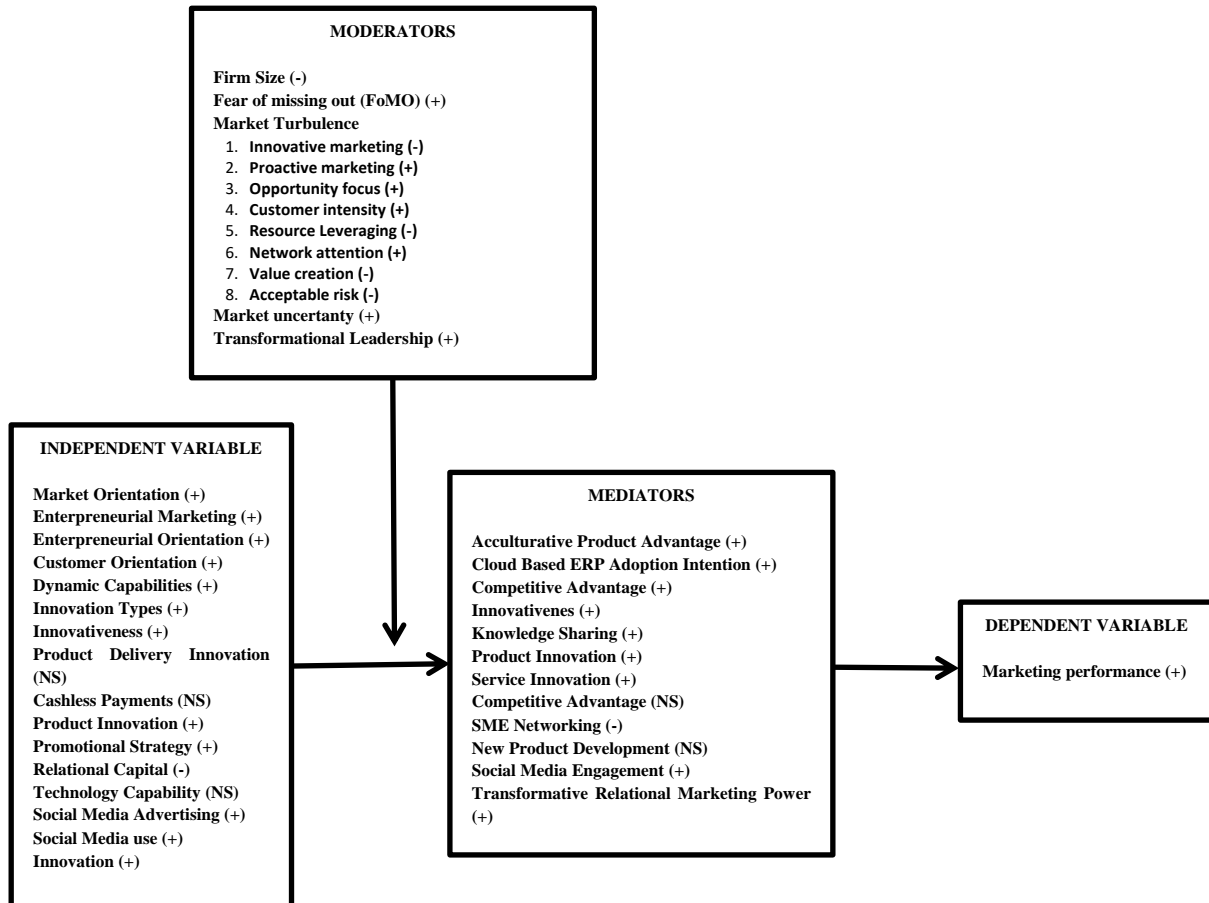


Figure 2. The Nomological Network of Marketing Performance Research

Based on the summary of research findings presented in the figure, market orientation has consistently been identified as an independent variable exerting a strong influence on marketing performance. Studies by [25] and [27], for instance, demonstrate that market orientation enhances marketing performance because market-oriented firms continuously prioritize customer needs and proactively monitor competitor behaviour. Through a deep understanding of market dynamics, firms can adjust their products, strengthen communication strategies, and improve competitiveness, leading to positive impacts on sales and customer loyalty.

Beyond market orientation, several additional variables have been identified as influencing marketing performance, either directly or through mediating roles. For example, product innovation ([22]; [26]) plays a crucial role in developing or refining products to better align with consumer preferences. This factor is often integrated with promotional strategies [24] to enhance brand exposure and stimulate purchase intention. Furthermore, entrepreneurial orientation [18] and social media advertising [17] are also recognized as drivers of marketing performance, as they encourage firms to be more adaptive, and creative, and utilize digital platforms to expand customer reach. However, studies examining product innovation as an



independent variable have found that product innovation does not always directly improve marketing performance; rather, it requires market orientation as a fundamental factor to guide innovation strategies in alignment with customer needs ([25]; [27]).

Several studies also highlight that the impact of market orientation and other independent variables can be amplified by various mediators—such as competitive advantage and product innovation—or moderated by factors such as firm size, fear of missing out (FoMO), and market turbulence ([27]; [17]; [26]). Competitive advantage, for instance, is often developed through sustained innovation and a profound market understanding, thereby magnifying the positive effects of marketing strategies on performance. Thus, the synergistic combination of market-oriented strategies, relevant innovation, and the integration of supporting factors (mediators and moderators) serves as a key determinant of a firm's success in enhancing marketing performance.

### C. Future Research Directions

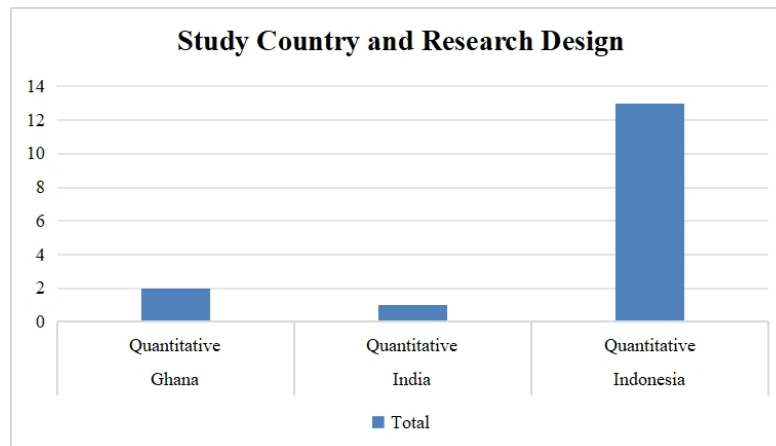


Figure 3. Study Country and Research Design

Our review indicates that the dominant research design in the analyzed studies is quantitative, with 13 studies conducted in Indonesia, 2 in Ghana, and 1 in India. These findings reflect a strong inclination toward quantitative methodologies in exploring this topic, aligning with broader trends in academic research. [28]. Although the majority of studies are concentrated in Indonesia, there is a smaller representation from Ghana and India, suggesting an emerging interest in examining this phenomenon across diverse contexts. While the cross-country distribution remains limited, these findings indicate the potential for broader generalization and comparative insights. Future research could benefit from an increased focus on mixed-methods approaches or studies encompassing a wider range of countries, thereby enhancing the external validity of findings and contributing to a more comprehensive understanding of the topic.

### 4. Conclusion

A systematic literature review confirms that market orientation is a key variable with a significant impact on marketing performance in micro, small, and medium enterprises (SMEs). Firms that adopt a market orientation are better equipped to understand customer needs, monitor competitor behaviour, and adjust their marketing strategies more effectively. This, in



turn, enhances competitiveness and business growth, particularly within the SME sector. Additionally, other factors—such as product innovation, entrepreneurial orientation, and digital marketing—also play a crucial role in improving marketing performance. However, the influence of these variables is often reinforced or mediated by market orientation, which serves as a primary determinant of the effectiveness of SME marketing strategies.

From a theoretical perspective, this study contributes to the literature by enriching the understanding of the relationship between market orientation and marketing performance in the SME context. The findings suggest that successful marketing strategies are not solely dependent on individual factors but rather on the synergy between market orientation and other elements, such as innovation, competitive advantage, and digital technology adoption. From a practical standpoint, these findings offer valuable insights for SME practitioners, emphasizing the importance of adopting market-oriented marketing strategies to enhance competitiveness and adaptability in rapidly evolving market dynamics. Furthermore, the policy implications of this research highlight the necessity for government support in facilitating access to digital marketing training and product innovation programs for SMEs, enabling them to remain competitive in increasingly saturated markets. Despite providing valuable insights, this study has certain limitations. It relies solely on the Systematic Literature Review (SLR) method, which does not include empirical analyses to examine the causal relationships among the studied variables. Therefore, future research should consider adopting a mixed-methods approach that integrates both quantitative and qualitative data to achieve a more holistic understanding of the topic. Additionally, further exploration of the moderating and mediating factors in the relationship between market orientation and marketing performance is necessary to offer more specific recommendations for SMEs operating in diverse industry sectors.

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