

# Marketing Capabilities and Revenue-Related Business Performance in Malaysian Small and Medium-Sized Enterprises: A Systematic Literature Review

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## Abstract

Malaysian SMEs account for 97.4% of business establishments and 38.2% of GDP, yet evidence on how their marketing capabilities translate into revenue-related business performance remains fragmented and methodologically inconsistent. This systematic literature review, following PRISMA 2020 guidelines, searched the Web of Science and Scopus and yielded 64 records; 14 empirical studies published between 2020 and 2026 met the eligibility criteria after screening and quality appraisal. Evidence was classified as Core (n = 5), Supporting (n = 4), or Caveated (n = 5) using an adapted Mixed Methods Appraisal Tool framework. Thematic synthesis identified four patterns: market orientation dominates the Malaysian SME capability landscape, joined by digital marketing capability and relationship marketing orientation; capabilities associate positively with performance but mainly through perceived or proxy outcome measures rather than directly measured revenue; innovation capability mediation, digital amplification and customer responsiveness are the principal conversion mechanisms; and single-period data collection, self-reported performance scales and sector fragmentation are pervasive limitations. Direct financial evidence is narrow and confined largely to agro-based food manufacturing and relationship marketing contexts. Longitudinal designs, archival financial data and cross-sector replication are the most pressing research priorities.

**Keywords:** Market Orientation, Digital Marketing Capability, SME Performance, Malaysia, Systematic Literature Review, Revenue-Related Performance

## Introduction

Malaysian SMEs are not a marginal concern. They account for 97.4% of all business establishments in the country, employ 48.2% of the workforce, and contribute 38.2% of GDP

(SME Corporation Malaysia, 2023). How these firms compete — and whether they can sustain competitive advantage — increasingly depends on their marketing capabilities. Defined as the integrative processes through which firms apply their collective knowledge, skills, and resources to meet market needs (Vorhies & Morgan, 2005), marketing capabilities span a wide range of activities: reading customer signals, deploying digital tools, building customer relationships and developing innovative marketing strategies.

These statistics conceal pressures that have intensified since 2020. Malaysian SMEs support a large share of employment and sustain household incomes across both urban and rural communities. They also compete in customer environments reshaped by mobile commerce, social platforms and digital payments, often without the in-house marketing teams or analytics support that larger firms take for granted. Many operate under tight margins. Customer attention is fragmented across digital channels. In this setting, marketing capabilities are not a strategic luxury but a practical means of staying competitive. They determine whether a firm can read shifting customer signals, deploy scarce resources to the right channels, and convert short-term sales into repeat business. The social stakes follow directly: when SME marketing capability weakens, employment resilience and local enterprise formation are also exposed.

Two theoretical traditions frame this review. The Resource-Based View (Barney, 1991; Wernerfelt, 1984) treats marketing capabilities as firm-specific resources that are difficult to imitate and therefore a source of sustained advantage. Dynamic Capabilities Theory (Teece et al., 1997) adds a process dimension — the capacity to sense market shifts and reconfigure resources accordingly. Together, they explain both why marketing capabilities create value and how firms maintain that value over time (Morgan, 2012).

Malaysian SME marketing capability research has grown rapidly since 2020. Market orientation has been examined in agro-food manufacturing (Kamarulzaman et al., 2023), in Sarawak SMEs operating under AI-enabled conditions (Ha et al., 2025), and as a mediator linking entrepreneurs' traits to firm performance in the manufacturing sector (Bahari et al., 2023). Digital marketing capability has emerged as a recurring construct, moderating the innovation capability–micro-business performance link within an entrepreneurial bricolage model (Hashim et al., 2024) and the entrepreneurial culture–sustainable competitive performance relationship in manufacturing SMEs (Al Koliby et al., 2024). Relationship marketing orientation has been linked to financial performance through trust and reciprocity, and to non-financial performance through trust, communication, empathy and reciprocity (Omar et al., 2022). Real-time information sharing has been associated with customer purchase and repurchase behaviour across service sub-sectors (Ghouri et al., 2021), and digital readiness frameworks are now being proposed for rural homestay micro-enterprises (Wahid et al., 2026).

Yet the evidence sits in silos. Constructs, sectors, performance measures and theoretical lenses differ across studies. Some trace direct effects on performance; others propose mediated pathways through innovation capability or moderated pathways through digital amplification. Performance is typically captured through perceived scales, sales-related indicators or behavioural proxies rather than archival revenue. No systematic, evidence-weighted synthesis has yet clarified how, where and under what conditions

Malaysian SMEs convert marketing capabilities into revenue-related business performance. This review addresses three research questions:

*RQ1: What types of marketing capabilities have been identified in Malaysian SME research, and how are they conceptualised?*

*RQ2: How are marketing capabilities associated with revenue-related business performance outcomes in Malaysian SMEs?*

*RQ3: Through what mechanisms do marketing capabilities convert into revenue-related business performance?*

Three contributions follow. First, this is the first systematic, evidence-weighted synthesis of this literature covering 2020–2026. Second, formal quality appraisal — producing Core, Supporting, and Caveated tiers — means the synthesis distinguishes between stronger and weaker claims rather than treating all findings equally. Third, the review identifies the direct, mediated and moderated pathways through which marketing capabilities convert into revenue-related performance, and produces a structured research agenda from the identified gaps.

## **Conceptual Background**

### *Marketing Capabilities: Definition and Types*

Marketing capabilities are not a single thing. Vorhies and Morgan (2005) describe them as integrative processes by which firms apply collective knowledge and skills to market-related business needs. Morgan (2012) distinguishes specialised capabilities, such as pricing, promotion and new product development, from dynamic ones that enable firms to sense market shifts and realign their resource base. In practice, the boundary between these categories blurs, particularly in SME contexts where a single owner or manager may perform both strategic sensing and operational execution simultaneously.

In the Malaysian SME literature, four capability types dominate. Market orientation (Narver & Slater, 1990) is the most studied by far, typically decomposed into customer orientation, competitor orientation and inter-functional coordination. Digital marketing capability (DMC) which is operationalised as the ability to deploy digital channels, tools, and data for marketing purposes (Hashim et al., 2024; Al Koliby et al., 2024) has attracted growing empirical attention. A relationship marketing orientation treats capability as the systematic development of trust-based customer ties across dimensions such as trust, reciprocity and shared values (Omar et al., 2022). Social media and e-marketing practices form a fourth, more loosely defined category centred on platform-based promotional activity. Hooley et al. (2005) provide a broader foundational framing of marketing resources and capabilities within which these sub-types are situated.

### *Revenue-Related Performance in SME Research*

Performance measurement in SME research is disorganised. Most studies use perceived, self-reported scales rather than objective financial data. This limitation is so widespread that Achtenhagen et al. (2010) described it as a defining feature of the field. This review uses the term 'revenue-related business performance' intentionally. It is broad

enough to capture what studies actually measure, ranging from named financial outcomes (sales, profit, market share) to composite performance scales to behavioural proxies like purchase behaviour and customer retention. Using this term avoids overclaiming a direct revenue link when most evidence does not support one.

Theoretically, marketing capabilities reach performance through three routes (Morgan, 2012). A direct route: capabilities generate sales and customer acquisition immediately. A mediated route: capabilities first build intermediate assets such as customer loyalty, brand equity and innovation outputs before financial gains follow. A moderated route: the capability–performance connection strengthens or weakens depending on context, such as market turbulence, digitalisation level or competitive intensity. All three appear in the current corpus, though direct financial evidence is sparse.

### *Theoretical Anchors*

Eight of the 14 studies in this review explicitly invoke the RBV (Barney, 1991; Wernerfelt, 1984). The logic is consistent: marketing capabilities are accumulated through firm-specific learning and customer interaction, making them heterogeneous across firms and difficult for competitors to copy. That heterogeneity is why capabilities generate performance differences rather than converging toward a common baseline. Dynamic Capabilities Theory (Teece et al., 1997) appears alongside RBV in four studies, adding the sensing-seizing-reconfiguring logic that is particularly relevant as Malaysian SMEs navigate digital transformation. Both frameworks underpin this review's expectation that marketing capabilities should drive performance — with the question being not whether, but how, for whom, and under what conditions.

## **Methodology**

### *Protocol*

The review follows PRISMA 2020 guidelines (Page et al., 2021). It covers empirical research published between 2020 and 2026 examining marketing capabilities and business performance in Malaysian SME or micro-enterprise contexts.

### *Search Strategy*

Two databases were searched: Web of Science (Core Collection) and Scopus. Search terms were developed iteratively across three concept blocks — marketing capability constructs (market orientation, digital marketing capability, relationship marketing, e-marketing, social media marketing); performance outcomes (business performance, firm performance, revenue, profitability, competitive advantage) and the Malaysian SME context (Malaysia, SME, MSME, micro-enterprise). The final search ran in May 2026. Combined, it yielded 64 records — 49 from Web of Science, 15 from Scopus — with four cross-indexed in both databases. After deduplication, 60 unique records went forward for screening. The full search strategies for Web of Science and Scopus are presented in Table 1.

Table 1

*Scopus and Web of Science Search String*

Database	Search String
Scopus	<p>TITLE-ABS-KEY (</p> <p>( "marketing capability" OR "marketing capabilities" OR "marketing strategy" OR "market orientation" OR "customer orientation" OR "digital marketing" OR "social media marketing" OR "e-marketing" OR "online marketing" OR "relationship marketing" OR "customer relationship management" OR CRM OR "customer engagement" OR "sales capability" OR "sales competency" OR "sales competence" OR "product knowledge" OR "value proposition" OR "brand positioning" OR "branding" OR "customer acquisition" OR "customer retention"</p> <p>)</p> <p>AND</p> <p>( SME* OR "small and medium enterprise*" OR "small and medium-sized enterprise*" OR "small and medium sized enterprise*" OR MSME* OR "micro small and medium enterprise*" OR "micro, small and medium enterprise*" OR "small business*" OR "microenterprise*" OR "micro-enterprise*"</p> <p>)</p> <p>AND</p> <p>( "revenue" OR "revenue growth" OR "sales growth" OR "sales performance" OR "financial performance" OR "profitability" OR "business performance" OR "firm performance" OR "market performance" OR "customer acquisition" OR "customer retention"</p> <p>)</p> <p>AND</p> <p>(</p> <p>Malaysia OR Malaysian</p> <p>)</p> <p>)</p>
Web of Science	<p>TS=(</p> <p>( "marketing capability" OR "marketing capabilities" OR "marketing strategy" OR "market orientation" OR "customer orientation" OR "digital marketing" OR "social media marketing" OR "e-marketing" OR "online marketing" OR "relationship marketing" OR "customer relationship management" OR CRM OR "customer engagement" OR "sales capability" OR "sales competency" OR</p> <p>"sales competence" OR "product knowledge" OR "value proposition" OR "brand positioning" OR "branding" OR "customer acquisition" OR "customer retention"</p> <p>)</p> <p>AND</p> <p>( SME* OR "small and medium enterprise*" OR "small and medium-sized enterprise*" OR "small and medium sized enterprise*" OR MSME* OR "micro small and medium enterprise*" OR "micro, small and medium enterprise*" OR "small business*" OR "microenterprise*" OR "micro-enterprise*"</p> <p>)</p> <p>AND</p> <p>( "revenue" OR "revenue growth" OR "sales growth" OR "sales performance" OR "financial performance" OR "profitability" OR "business performance" OR "firm performance" OR "market performance" OR "customer acquisition" OR "customer retention"</p> <p>)</p> <p>AND</p> <p>(</p> <p>Malaysia OR Malaysian</p> <p>)</p> <p>)</p>

*Note: Filter publication years 2020-2026; document type Article; language English*

*Eligibility Criteria*

Records were included if they: (1) empirically tested at least one marketing capability construct as an independent, mediating or moderating variable; (2) reported a relationship with a business performance outcome; (3) were set in a Malaysian SME or micro-enterprise context; (4) were published between 2020 and 2026 in English; and (5) were peer-reviewed journal articles. Studies were excluded if purely conceptual, outside the SME scope or unavailable in full text.

*Screening and Selection*

Title-and-abstract screening of all 60 records produced 15 Include decisions and 3 Unclear. Of the 18 retrieved for full-text review, one was inaccessible. Seventeen full texts were assessed; three were excluded — two for insufficient results sections (E6) and one for falling outside the SME scope (E5). Fourteen studies reached final synthesis. The PRISMA flow is presented in Figure 1.

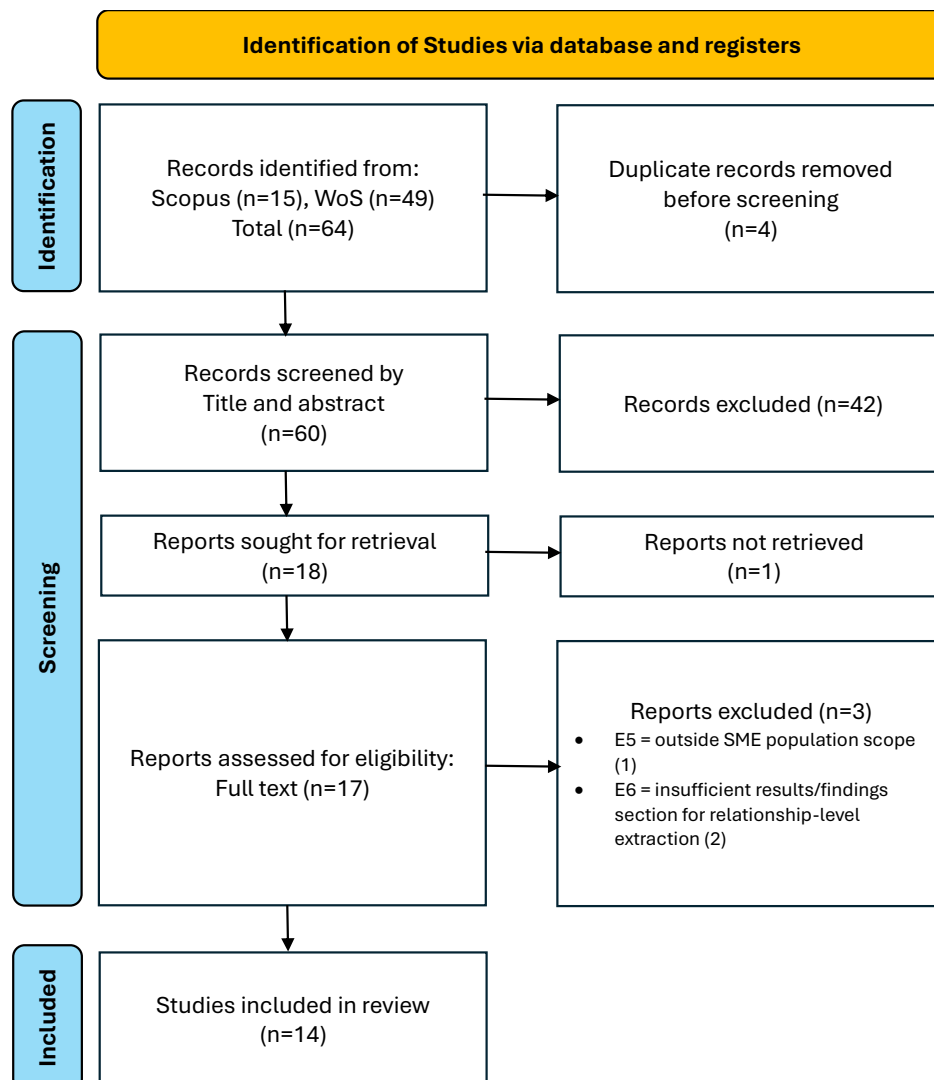


Figure 1. PRISMA 2020 Flow Diagram

### *Quality Appraisal*

All 14 studies were appraised using an adapted MMAT framework (Hong et al., 2018) across five criteria: design appropriateness, sampling adequacy, measurement clarity, analytical rigour and outcome directness. Ratings ranged from Strong to Limited for each criterion, yielding an overall confidence level of High, Moderate, or Low. The studies were then classified as Core (n = 5), Supporting (n = 4) or Caveated (n = 5). No study was excluded on quality grounds as ratings shaped how much weight each study carried in synthesis. Table 2 reports all appraisal outcomes.

### *Data Extraction and Synthesis*

Extraction operated at two levels. Article-level data captured study characteristics: design, sample, sector, analytical method, theoretical lens, and marketing capability constructs. Relationship-level data recorded individual capability–performance pathways with effect sizes, significance decisions, and the specific document section each finding came from. A strict source rule applied whereby only the Results and Discussion sections counted. Statements appearing only in the Introduction or Literature Review were excluded to prevent studies from entering the evidence base on the basis of what they cite rather than what they found.

Thematic synthesis followed Thomas and Harden's (2008) three-stage process. Relationship-level codes were grouped into descriptive patterns, which were then aggregated into analytical themes through constant comparison. Evidence weighting ran throughout: Core and Supporting studies anchored primary claims whereas Caveated studies provided contextualisation only.

### *Overview of Included Studies*

The 14 studies appeared across a striking range of journals — from strategic marketing (Journal of Strategic Marketing) and knowledge management (Journal of the Knowledge Economy) to sustainability (Sustainable Production and Consumption), agribusiness (Journal of Agribusiness in Developing and Emerging Economies) and logistics (LogForum). The spread not only reflects the cross-disciplinary reach of this literature but also signals fragmentation.

Quantitative surveys dominate. Twelve of 14 studies are quantitative whereby PLS-SEM is the most common analytical tool (six studies). Two qualitative studies use thematic analysis: Cheing et al. (2020) with 30 F&B microenterprise owner/managers in Sarawak and Wahid et al. (2026) with eight rural homestay operators. One study uses a hybrid SEM–ANN approach (Yadegaridehkordi et al., 2023) which appears as the most analytically sophisticated design in the corpus.

Sample sizes range from n = 8 (Wahid et al., 2026) to n = 508 (Hashim et al., 2024). Among quantitative studies, the median is around 276 respondents. Sectors covered include manufacturing, agro-based food, tourism, F&B microenterprises, family businesses, and multi-sector SMEs. No single sector dominates. No study achieves a nationally representative probability sample. RBV grounds eight of the 14 studies; Dynamic Capabilities Theory appears in four. Tables 2 and 3 present the full study characteristics and quality appraisal ratings.

Table 2  
*Characteristics of Included Studies*

Authors	Year	Journal	Sector	n	Primary Marketing Capability	QA Rating
Cheing et al.	2020	Asian J. Business Research	F&B micro (Sarawak)	30	Social media marketing	Low / Caveated
Bahari et al.	2023	Intl J. Prof. Business Review	Manufacturing	396	Market orientation (mediator)	Moderate / Supporting
Ha et al.	2025	J. Knowledge Economy	Multi-sector (AI-adopting)	130	MO + AI quality moderation	Moderate / Core
Shamsudin & Hassim	2020	Intl J. Adv. Sci. & Tech.	Manufacturing	396	Market orientation	Low / Caveated
Saleh	2020	Intl J. Sci. & Tech. Research	Family business SME	100	E-marketing effectiveness	Low / Caveated
Yadegaridehkordi et al.	2023	Sustainable Prod. & Consumption	Manufacturing (green)	209	Market orientation (SEM-ANN)	Moderate / Core
Omar et al.	2022	PLOS ONE	Multi-sector (MARA)	276	Relationship marketing orientation	Moderate / Core
Khairuddin et al.	2020	Food Research	Agro-based food (halal)	321	Innovative market orientation	Moderate / Supporting
Hashim et al.	2024	J. Strategic Marketing	MSME multi-sector (women)	508	Digital marketing capability	High / Core
Ghuri et al.	2021	Technol. Forecasting & Social Change	Service (wholesale/retail)	221	RTIS + Customer orientation	Low / Caveated
Wahid et al.	2026	LogForum	Rural homestay (Sarawak)	8	Digital marketing readiness	Low / Caveated
Koe & Azhar	2025	Adv. Hospitality & Tourism Research	Tourism SME	180	Stakeholder orientations + CSR	Moderate / Supporting
Al Koliby et al.	2024	The Bottom Line	Manufacturing	122	DMC + Innovation capability	Moderate / Supporting
Kamarulzaman et al.	2023	J. Agribusiness Dev. & Emerging Econ.	Agro-food manufacturing	380	MO + Innovative marketing strategy	Moderate / Core

Note. QA Rating presents overall confidence level and synthesis classification. MO = market orientation; DMC = digital marketing capability; RTIS = real-time information sharing.

Table 3

*Quality Appraisal Ratings for Included Studies*

Study	Design	Sampling	Analysis	Outcome Directness	Overall Confidence	Synthesis Role
Ha et al. (2025)	Quant.	Moderate	Strong	Proxy	Moderate	Core
Yadegaridehkordi et al. (2023)	Quant.	Moderate	Strong	Proxy	Moderate	Core
Omar et al. (2022)	Quant.	Moderate	Strong	Named financial	Moderate	Core
Hashim et al. (2024)	Quant.	Strong	Strong	Named financial	<b>High</b>	Core
Kamarulzaman et al. (2023)	Quant.	Strong	Moderate	Named financial	Moderate	Core
Bahari et al. (2023)	Quant.	Strong	Strong	Proxy	Moderate	Supporting
Khairuddin et al. (2020)	Quant.	Strong	Moderate	Named financial	Moderate	Supporting
Koe & Azhar (2025)	Quant.	Moderate	Strong	Proxy	Moderate	Supporting
Al Koliby et al. (2024)	Quant.	Moderate	Strong	Proxy	Moderate	Supporting
Cheing et al. (2020)	Qual.	Limited	Moderate	Proxy (theme)	Low	Caveated
Shamsudin & Hassim (2020)	Quant.	Moderate	Moderate	Proxy	Low	Caveated
Saleh (2020)	Quant.	Limited	Limited	Proxy	Low	Caveated
Ghouri et al. (2021)	Quant.	Moderate	Moderate	Behavioural proxy	Low	Caveated
Wahid et al. (2026)	Qual.	Limited	Moderate	Proxy (theme)	Low	Caveated

Note. Outcome Directness: Named financial = sales, revenue, profit, or market share as a directly measured dependent variable; Proxy = perceived composite performance scale; Behavioural proxy = purchase/repurchase behaviour. Confidence shading: green = High; amber = Moderate; red = Low.

*Thematic Synthesis*

Four themes emerged from the synthesis. Table 4 maps them across capability types, performance outcomes, conversion mechanisms, and evidence tiers.

Table 4

*Synthesis Matrix: Marketing Capability → Performance Outcome → Conversion Mechanism*

Marketing Capability	Performance Outcome	Conversion Mechanism	Direction	Evidence Tier	Key Study/Studies
Market orientation (MO) dimensions	Named financial/market outcomes (sales, profit, market share)	MO → innovative marketing strategy → performance	Positive (chain)	Core	Kamarulzaman et al. (2023); Khairuddin et al. (2020)
Market orientation (mediator)	Perceived firm performance	ILOC/NFC → MO → firm performance (full/partial mediation)	Positive (mediated)	Supporting	Bahari et al. (2023)
MO + AI information quality	Perceived business performance	AI quality moderates MO dimensions → performance	Positive (amplified)	Core	Ha et al. (2025)
Market orientation (multi-pillar)	Sustainable performance (financial, environmental, social)	Direct SEM paths + ANN non-linear ranking	Positive	Core	Yadegarideh kordi et al. (2023)
Relationship marketing orientation (trust, reciprocity)	Financial performance + customer retention	Trust/reciprocity → FP; Trust/reciprocity/communication/empathy → retention	Positive (selective)	Core	Omar et al. (2022)
Entrepreneurial bricolage → Innovation capability	Micro-business performance	EB → IC (full mediation) → MBP; DMC moderates IC → MBP	Positive (mediated, amplified)	Core	Hashim et al. (2024)
Entrepreneurial culture → Innovation capability	Sustainable competitive performance	EC → IC (partial mediation) → SCP; DMC moderates	Positive (mediated, amplified)	Supporting	Al Koliby et al. (2024)
Stakeholder orientation (employee, customer, competitor)	TSME business performance	CSR as full mediator; employee orientation direct only	Mixed (CSR-mediated)	Supporting	Koe & Azhar (2025)

Real-time information sharing (RTIS)	Purchase / repurchase behaviour	RTIS → CO (partial mediation) → PB/RPB	Positive (mediated)	Caveated	Ghouri et al. (2021)
Social media marketing	Sales increment, customer retention (qualitative themes)	Practitioner-reported; not empirically measured	Positive (contextual)	Caveated	Cheing et al. (2020)
Digital marketing readiness	Revenue generation, booking income (qualitative themes)	Customer responsiveness → booking income sustainability	Positive (contextual)	Caveated	Wahid et al. (2026)

Note. Evidence tier shading: green = Core; amber = Supporting; red = Caveated. Abbreviations: CO = customer orientation; IC = innovation capability; MBP = micro-business performance; SCP = sustainable competitive performance; RTIS = real-time information sharing; PB/RPB = purchase/repurchase behaviour; CSR = corporate social responsibility.

### *Theme 1: Types of Marketing Capabilities*

Market orientation is everywhere. It appears as a primary construct in eight of 14 studies which is more than any other capability type. Narver and Slater (1990) decomposed it into three dimensions: customer orientation, competitor orientation, and inter-functional coordination. That structure holds in the Malaysian literature, though the dimensions behave differently. Customer orientation consistently shows the strongest associations with performance. Ha et al. (2025) find that customer orientation ( $\beta = 0.191$ ) and competitor orientation ( $\beta = 0.211$ ) are both significant predictors of business performance, with inter-functional coordination producing the largest coefficient ( $\beta = 0.387$ ) in the absence of digital moderation. In agro-based food manufacturing, Kamarulzaman et al. (2023) report that all three MO dimensions predict the adoption of innovative marketing strategies, with customer orientation correlating most strongly with promotional strategy ( $r = 0.910$ ). Inter-functional coordination receives less theoretical attention than the other two dimensions across the corpus — a gap worth noting.

Digital marketing capability is where the literature is moving. Three studies treat it as a primary construct (Hashim et al., 2024; Al Koliby et al., 2024; Wahid et al., 2026) and two others examine it as a moderating variable. The most rigorous of these is Hashim et al. (2024) — High confidence,  $n = 508$  — which shows DMC moderating the innovation capability–performance pathway rather than driving performance directly. Al Koliby et al. (2024) find the same pattern. Neither study supports DMC as a standalone performance driver. It amplifies; it does not initiate.

Omar et al. (2022) provide the most thorough treatment of relationship marketing orientation. They measure six dimensions, namely trust, bonding, shared values, communication, empathy and reciprocity, across 276 MARA-registered SMEs using PLS-SEM. Trust and reciprocity are the only dimensions that significantly predict financial performance

( $\beta = 0.398$  and  $\beta = 0.198$ , respectively). For customer retention, communication and empathy are significant but bonding is not. Selectivity is important because not all relationship capabilities translate into financial outcomes. Practitioners investing in relationship programmes need to prioritise trust-building over relational bonding activities if financial performance is the goal.

Social media and e-marketing capabilities appear mainly in Caveated studies. Cheing et al. (2020) identify sales increment, customer retention and viral marketing reach as social media effectiveness themes but these are qualitative constructs derived from practitioner accounts, not statistically tested outcomes. Saleh (2020) finds social networks ( $\beta = 0.461$ ), digital marketing ( $\beta = 0.284$ ) and viral marketing ( $\beta = 0.202$ ) predict perceived e-marketing effectiveness. The profit and sales improvements sometimes attributed to this study are discussion-section implications, not tested relationships. The dependent variable was effectiveness, not financial performance.

### *Theme 2: Marketing Capabilities and Revenue-Related Performance*

The central question for this review is whether marketing capabilities genuinely move financial performance. The short answer is: they associate positively with performance but the evidence for direct revenue or profit effects is narrow.

The clearest financial evidence comes from two studies. Kamarulzaman et al. (2023) show that promotion strategy, developed through market orientation, is the strongest predictor of agro-food manufacturer performance ( $\beta = 1.397$ , Wald statistic significant,  $n = 380$ ). Product strategy ( $\beta = 1.053$ ) and price strategy ( $\beta = 0.918$ ) also matter. Distribution strategy does not ( $\beta = 0.434$ , non-significant). This is a practically useful finding: not all marketing mix investments carry equal returns. Khairuddin et al. (2020) report large correlations between innovative market orientation and sales ( $r = 0.917$ ) and market share ( $r = 0.917$  for the innovation dimension) which directionally supports the same argument.

Omar et al. (2022) establish a link between financial performance and relationship marketing. Trust predicts financial performance ( $\beta = 0.398$ ); reciprocity does too ( $\beta = 0.198$ ). Non-financial outcomes such as customer retention portray stronger effects overall: trust at  $\beta = 0.541$ , reciprocity at  $\beta = 0.260$ , with communication and empathy adding incremental contributions. The pattern makes theoretical sense: relational capabilities build loyalty first, and loyalty converts to revenue over time. Cross-sectional data cannot confirm that sequence but the pattern is consistent with it.

The remaining Core studies report positive performance associations but through composite scales that mix financial and non-financial elements. Ha et al. (2025) use a five-item scale covering customer satisfaction, customer growth, employee satisfaction, product quality and organisational reputation. Yadegaridehkordi et al. (2023) decompose sustainable performance into environmental, financial and social pillars; market orientation predicts financial sustainable performance at  $\beta = 0.201$  but that is one sub-dimension of the composite, not standalone revenue. Bahari et al. (2023) demonstrate that MO mediates the internal locus of control  $\rightarrow$  firm performance path, with the indirect effect bootstrapped to significance. Positive result, but perceived performance throughout.

For RQ2, marketing capabilities are positively and consistently associated with revenue-related performance in Malaysian SMEs. The strongest direct financial evidence sits in the agro-food sector. Elsewhere, associations are real but the outcome measures are too broad to support revenue-specific claims.

### *Theme 3: Conversion Mechanisms*

Theme 3 is where this review makes its most distinctive contribution. Rather than just cataloguing the capabilities associated with performance, the evidence allows for the synthesis of how that conversion occurs. Four mechanisms emerge.

#### *Innovation Capability as Mediator*

Two studies independently confirm this pathway. Hashim et al. (2024) find that entrepreneurial bricolage has no direct effect on micro-business performance ( $\beta = 0.007$ , non-significant) but it fully mediates the effect through innovation capability. The indirect effect ( $\beta = 0.281$ ) is significant; innovation capability directly predicts performance at  $\beta = 0.496$ . Take away innovation capability and the relationship disappears. Al Koliby et al. (2024) replicate the structure: entrepreneurial culture predicts innovation capability ( $\beta = 0.675$ ), which partially mediates the path to sustainable competitive performance (indirect  $\beta = 0.142$ ), with a direct effect also remaining ( $\beta = 0.521$ ). Same sectors? No, as one is women's MSMEs, the other is manufacturing. Same analytical approach? Yes, both PLS-SEM within the RBV plus the Dynamic Capabilities frameworks. That convergence across independent studies is the strongest evidence this review contains.

#### *Customer Orientation as Conversion Layer*

Ghuri et al. (2021) classify as Caveated because their dependent variables are behavioural (purchase and repurchase behaviour), not financial. But their pathway analysis is the most granular in the corpus. Real-time information sharing (RTIS) directly predicts purchase behaviour ( $\beta = 0.377$ ) and repurchase behaviour ( $\beta = 0.331$ ). Customer orientation partially mediates both paths — adding indirect effects of  $\beta = 0.108$  and  $\beta = 0.138$ , respectively. That mediation is stronger in wholesale/retail and F&B sub-sectors than in accommodation ( $\Delta\beta = 0.197$ ). Market orientation, in other words, is not just a direct predictor; it is also a conversion layer that processes digital CRM signals into customer behavioural outcomes. Bahari et al. (2023) confirm a structurally similar pattern in manufacturing: MO fully mediates the personality  $\rightarrow$  performance path, functioning as a strategic conversion layer between entrepreneurial antecedents and firm outcomes.

#### *Digital Capability Amplification*

Hashim et al. (2024) and Al Koliby et al. (2024) both show DMC as a moderator, not a main effect. Ha et al. (2025) add a sharper finding. High-quality AI information amplifies the effects of customer orientation on performance (interaction  $\beta = 0.176$ ) and the effects of competitor orientation (interaction  $\beta = 0.256$ ). It does not significantly amplify inter-functional coordination ( $\beta = -0.124$ ). So the amplification is selective whereby digital and AI capabilities strengthen outward-facing MO dimensions, not the internal coordination one. This matters for how Malaysian SMEs allocate AI tool investment: customer intelligence and market monitoring applications are where the returns are, not in process coordination tools.

*Responsiveness and CSR-Mediated Pathways*

Wahid et al. (2026), despite an  $n = 8$  qualitative design, identify customer responsiveness to online enquiries as the most critical determinant of booking income sustainability among Sarawak rural homestay operators. A small sample, but the finding aligns with Omar et al. (2022), where trust ( $\beta = 0.541$ ) — the relational expression of responsiveness — dominates customer retention prediction. Across very different contexts and methods, responsiveness-based capability consistently mediates marketing activity into customer outcomes.

Koe and Azhar (2025) reveal a different path in tourism SMEs. Employee orientation directly predicts TSME performance ( $\beta = 0.269$ ). But customer, competitor, and supplier orientations reach performance only through CSR as a full mediator ( $\beta = 0.326$ ). Supplier orientation shows a significant negative direct path ( $\beta = -0.417$ ) — an unexpected direction that the authors leave underexplained, possibly indicating model misspecification. The broader finding stands: in institutionally embedded sectors like community tourism, marketing orientations may route through legitimacy mechanisms rather than directly through competitive ones. Standard marketing capability models may not fit this context well.

*Theme 4: Methodological Limitations*

Four limitations run across the entire corpus. They are worth stating plainly because they constrain the conclusions this evidence base can support.

First: every study uses single-period data. Not one is longitudinal. That means causal inference is off the table. We cannot determine whether marketing capability investment precedes performance improvement or the reverse. For policymakers, this is a serious gap — programme evaluation requires temporal evidence.

Second: no study measures financial performance objectively. All 14 rely on self-reported scales. Owners or managers rate their firm's marketing capability and then rate their firm's performance in the same survey session. Common method bias is unavoidable under these conditions (Podsakoff et al., 2003). Several studies run Harman's single-factor test as a check, but that test is now considered insufficient as a sole control mechanism.

Third: Two Caveated studies make mediation claims that the data cannot support. Shamsudin and Hassim (2020) claim that organisational innovation mediates the MO → performance relationship. The innovation → performance path coefficient is  $\beta = 0.015$ , non-significant. Mediation requires evidence of a significant mediator–outcome pathway (Baron & Kenny, 1986). In this case, that pathway is absent. Koe and Azhar's (2025) negative direct path from supplier orientation ( $\beta = -0.417$ ) remains unexplained in the manuscript, suggesting model specification issues.

Fourth: sector and sampling fragmentation prevent generalisation. Seven distinct sector contexts appear across 14 studies. None is large enough to aggregate within. Sampling is convenience or purposive throughout; national representativeness is achieved by none. Theoretical diversity — RBV, Dynamic Capabilities, Relationship Marketing, Stakeholder, Information Processing — makes direct construct-level comparison difficult.

**Summary**

For RQ1: market orientation is the dominant marketing capability, joined by digital marketing capability and relationship marketing orientation. Social media and e-marketing practices are present but methodologically underdeveloped. For RQ2: positive associations with revenue-related performance are consistent, but direct financial evidence is limited to the agro-food sector (Kamarulzaman et al., 2023; Khairuddin et al., 2020) and relationship marketing contexts (Omar et al., 2022). For RQ3: four conversion mechanisms are evidenced — innovation capability mediation, customer orientation as a strategic layer, digital amplification, and responsiveness-based conversion — with the operative mechanism varying across sectors and institutional contexts.

**Discussion***Theoretical Contributions*

Three findings have theoretical weight. The first concerns market orientation. The international literature often frames MO as a direct predictor of performance (Narver & Slater, 1990). The Malaysian evidence complicates that picture. Across eight studies in this corpus, MO functions as a mediator, a moderated construct and an enabler of a two-stage strategy— more often than it appears as a clean direct predictor. That is not a contradiction; it is a more nuanced and probably more accurate account of how MO works in resource-constrained SME environments. It aligns with configural approaches that emphasise pathway dependency in MO effects (Kirca et al., 2005).

The second concerns DMC. Two independent studies (Hashim et al., 2024; Al Koliby et al., 2024) and a third partially (Ha et al., 2025) show that DMC amplifies the performance impact of upstream capabilities rather than generating performance independently. This is consistent with Teece et al.'s (1997) dynamic capabilities framing: the most valuable dynamic capabilities are reconfiguring mechanisms, not standalone resource stocks. Future models of marketing capability in Malaysian SMEs should specify DMC as a moderating or enabling variable. Treating it as an independent direct predictor will produce underspecified models.

Third, the CSR-mediated pathway in Koe and Azhar (2025) raises an institutional question. In community-embedded tourism SMEs, marketing orientations appear to drive performance through legitimacy mechanisms — CSR — rather than through direct competitive ones. This is consistent with DiMaggio and Powell's (1983) institutional theory perspective. It suggests that a single universal model of marketing capability conversion may not exist. Sector context and institutional environment shape the pathway. Future theoretical development needs to build this contingency explicitly.

*Practical Implications*

Three evidence-based priorities emerge for Malaysian SME owners and managers. Customer orientation investment pays off across multiple sectors and multiple study designs. Systematic customer information gathering, competitive monitoring, and inter-functional information sharing consistently predict positive performance — in agro-based food (Kamarulzaman et al., 2023), multi-sector manufacturing (Ha et al., 2025; Yadegaridehkordi et al., 2023), and relationship-intensive contexts (Omar et al., 2022). Start there.

On digital capability: the evidence does not support buying technology and expecting performance gains. DMC works when it amplifies an existing innovation orientation or entrepreneurial culture (Hashim et al., 2024; Al Koliby et al., 2024). Agencies such as MDEC and SME Corporation Malaysia should bundle digital tools with the development of an innovation culture rather than promoting DMC adoption as a standalone intervention.

For agro-based food sector SMEs specifically, promotional capability development ( $\beta = 1.397$ ) returns more than distribution network investment ( $\beta = 0.434$ , non-significant) in terms of direct performance impact (Kamarulzaman et al., 2023). Although it is sector-specific, it is practically actionable.

For policy institutions, the more uncomfortable finding is this: existing programme evaluations may rely heavily on self-reported performance data. That introduces common method bias and likely overstates programme effectiveness. Integration of survey-based capability measurement with objective administrative data such as SSM financial filings and LHDN tax records, would yield far more credible evaluation evidence.

### *Comparison with the Broader Literature*

The Malaysian findings are broadly consistent with international marketing capability–performance reviews (Morgan, 2012; Vorhies & Morgan, 2005): capabilities matter, RBV explains why and the effects are contingent on context. Several features of the Malaysian case are distinctive. DMC as a moderating amplifier, rather than a direct driver, is consistent with what the included studies show (Hashim et al., 2024; Al Koliby et al., 2024); sector fragmentation mirrors broader critiques of SME research in developing economies (Adomako et al., 2016); and the universal absence of objective financial outcome measurement represents a more extreme version of the self-reported performance problem documented across the international SME literature (Achtenhagen et al., 2010). The Malaysian corpus is not behind the international frontier in theoretical sophistication. It is behind in measurement practice.

### **Conclusion**

This review synthesised 14 empirical studies on marketing capabilities and revenue-related business performance in Malaysian SMEs (2020–2026). Market orientation, digital marketing capability and relationship marketing orientation are positively associated with performance — but mainly through mediated, moderated and proxy-measured pathways rather than direct objective revenue evidence. Innovation capability mediation and digital amplification are the most consistently replicated conversion mechanisms.

### **Limitations**

The review was limited to two databases and the 2020–2026 search window may have excluded earlier foundational studies. Although two reviewers were involved in screening and quality appraisal, interpretive judgement was still required to assess construct relevance, outcome alignment and methodological quality. Construct and measurement heterogeneity across studies also prevented meta-analytic aggregation.

### Future Research Directions

Five directions stand out. Longitudinal designs, even two-wave panels, would allow the field to test whether capability investment actually precedes performance improvement. Objective financial data from SSM or LHDN records would reduce the common-method bias that currently compromises the entire corpus. Cross-sector comparative designs would identify which pathways generalise and which are sector-specific. Ha et al.'s (2025) finding that AI quality moderates MO–performance effects warrants large-sample replication beyond the technology-adopting minority. Additionally, the CSR-mediated pathway in tourism (Koe & Azhar, 2025) needs to be tested in other sectors to determine whether institutional legitimacy conditions are broadly relevant or context-specific.

This review confirms that marketing capabilities matter for Malaysian SMEs. What it cannot yet confirm, due to a lack of evidence, is precisely how much they improve revenue, for which firms and over what time horizon. That is the research agenda.

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