



Contents lists available at [Inovasi Analisis Data](#)

# Journal Economic Business Innovation

Journal homepage: <https://analysisdata.co.id>

ISSN: 3047-4108 P-ISSN 3048-3751



## Strategic and Growth Orientation to Improve Performance of B2B SMEs in Emerging Markets

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### ARTICLE INFO

**Article history:**

Accepted July 20, 2024

Revised Sept 15, 2024

Publication October 10, 2024

**Correspondence to Author;**

Hellen

Type; Collaboration Research

**Keywords:**

Entrepreneurial Orientation, Growth Orientation, Brand Orientation, Market Orientation, B2B SMEs

### ABSTRACT



**Purpose:** We do this with offering a study of the influence of strategic orientations, entrepreneurial orientation (EO), Growth orientation (GO), Market orientation (MO), and Brand orientation (BO) on performance of B2B SMEs in forming economies, in this case in Chile, Peru and Moldova. The aim is to explore how these orientations promote innovation and support firm performance.

**Method:** The paper adopts a quantitative methodology using survey data from 300 B2B SMEs sampled from the three nations. Structural Equation Modeling (SEM) was utilized to investigate both direct and indirect relationships, as well as the mediating effect of Brand Orientation on the relationship between strategic orientations and performance.

**Findings:** The findings show that Entrepreneurial Orientation (EO) and Growth Orientation (GO) are significant predictors of Brand Orientation (BO), which leads to better performance in the firms. Market Orientation (MO) is the key to integrating company strategies with consumer needs, which in turn bolsters performance. Brand orientation plays a key mediating role within the nexus of strategic orientations and performance.

**Novelty:** This paper adds to the existing literature by presenting the mediating role of Brand Orientation in B2B SMEs of emerging economies. It offers an aligned vision of how distinct strategic orientations interrelate to improve firm performance across heterogeneous market contexts.

**Implications:** The findings suggest B2B SMEs managers in emerging markets ought to build a strong Brand Orientation alongside their Entrepreneurial and Growth Orientations. It is recommended that policymakers enable the provision of supportive environments that nurture entrepreneurial ventures, as well as accessibility to relevant services that propel innovation and responsiveness to markets. This facilitates better efficacy and competitiveness in the international environment.

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### 1. Introduction

The mutation of global markets has taken a central role in the definition of the opportunities of the small and medium enterprises in business-to-business



(B2B) scenarios, particularly in developing economies like Chile, Peru and Bolivia. They are experiencing rapid industrialization, technology adoption, and greater involvement in global trade. This dynamic is creating mounting competition for the B2B SMEs in these economies that calls for leveraging adaptable and innovative strategies to maintain performance (Khurana et al., 2022; Zia et al., 2023). Harris & Ogbonna (2001), Zhou et al. (2009) prove that by having orientation, organization can maximize their opportunity and resources because organization's resources and their desires matched with the actual demand of market. Nevertheless, as useful as these orientations can be, the evidence that they guide performance is mixed in the Latin American context (Amorós et al., 2019; Vergel-Tovar & Rodriguez, 2018). Existing research is limited in its ability to fully address this gap in terms of how strategic orientations can boost growth Adams et al. (2019), Ferreira et al. (2020) in emerging B2B markets and calls for further investigation.

B2B SMEs in developing economies face some unique challenges such as limited access to capital, undeveloped infrastructure, and inconsistent market conditions. One such theory is entrepreneurial orientation (EO) that has been established as a major influence on firm performance, defined by Covin and Wales (2021) as a tendency towards proactiveness, risk-taking and innovativeness. Also, market orientation (MO) refers to the well-known investment trend in which the company's attention shifts toward the customer and competitor, which favorably affects adaptation to the environment and sustainability in the long run (Chagwasha et al., 2023; Rahman et al., 2024). In addition, brand orientation (BO) fosters differentiation and perceived value, thereby enhancing competitive positioning (Keiningham et al., 2020; Sahi et al., 2022). Yet, new analyses reveal a lack of coherence concerning the effect of these orientations on firms' legacy in Latin America (Canale et al., 2024; Pérez Ahumada, 2021). Diverse Perspectives in Literature: Some researchers affirm a positive association between EO and performance Presutti & Odorici (2019), Zhang et al. (2020), while others report minimal effects as a result of contextual barriers, which include regulatory complexity and economic instability. It

emphasises the importance of a closer scrutiny on strategic orientation effects in emerging economies.

The resource-based view (RBV) serves as a basic model for understanding the link between internal capabilities and strategic orientations on firm performance. Firms resource based view (RBV) firms obtain competitive advantage over competitors with valuable, rare, inimitable and non-substitutable (VRIN) resources (Robins & Wiersema, 1995). Specifically, Ferreira et al. (2020), describe entrepreneurial, market and brand orientations as strategic resources that help firms to take advantage of opportunities and mitigate threats. This theoretical standpoint is backed by empirical studies carried out in emerging economies, which find such orientations conducive to higher adaptability and capacity for innovation (Teece, 2010). This study adds to this literature by combining the RBV with strategic management perspectives to articulate the pathways whereby orientations enable performance in B2B SMEs (Cartwright et al., 2021; Kraus et al., 2022).

The literature on strategic orientation and performance of SMEs has reported an array of different findings. Pramanik et al. (2019), show a premier positive relation between entrepreneurial orientation and financial performance, elaborating the essence of innovation and risk-taking. In contrast, Bando (2019, Malanski & Póvoa (2021) finds that EO has limited effectiveness in some Latin American markets for both regulatory and economic reasons. In similar vein, market orientation is associated with improved customer responsiveness and a sustainable competitive advantage Papadas et al. (2019), Varadarajan, (2020), though the effectiveness of market orientation is contingent upon market dynamism and firm size. Despite its importance, brand orientation the tendency to plan and operate with the brand top of mind is rarely studied Alzate et al. (2022), Dash et al. (2021), Paul (2019), but likely mediates such effects. Notably, Ferreira et al. (2020) show the moderating role of strength on the EO-performance relationship. This study contributes to the extant literature by addressing these orientations holistically in a tri-nation Latin American setting and utilizing structural equation modeling (SEM) to uncouple direct and mediated effects on performance. We contribute to

the literature on strategic management by incorporating brand orientation as a moderating and mediating variable.

The purpose of this study is the impact of entrepreneurial, market, and brand orientations on B2B emerging market SMEs performance. It also identifies the moderating and mediating roles of brand orientation and offers pragmatic insights for creating sustainable competitive advantage in developing economies. This research has important implications for policy makers, business owners and stakeholders in developing economies. This knowledge will allow to formulate policies focused on entrepreneurial efforts, market responsiveness, and brand management that improve performance of SMEs. From a social perspective, better SME performance is linked to job creation and economic stability; it also drives growth, geared towards innovation, which is critical for poverty reduction and sustainable economic development in Chile, Peru and Bolivia.

## 2. Critical Review

### 2.1 Entrepreneurial orientation and performance of developing countries

Entrepreneurial orientation (EO) has long been acknowledged as a key driver of small and medium-sized enterprises (SMEs) performance. EO, marked by an emphasis on innovation, risk-taking, and proactiveness, enables firms to exploit new opportunities and adapt quickly to the changing market dynamics (Covin & Wales, 2021; City et al. In Latin America, research by Martinez et al. (2022) and Garcia et al. (2023), points out that EO is positively associated with competitive positioning and financial performance. However, Sanchez et al. (2021) further explain that the strength of this relationship can be moderated by regulatory constraints and economic instability within developing nations. However, the role of adaptability and strategic resource allocation within the context of EO and its positive effect on another outcome, firm performance quality, has not been well investigated, and recent SEM-based efforts to further understand the EO-governed firm have been somewhat similar (Zhou et al., 2023). Such insights reinforce the core

thrust to engineer any entrepreneurial spirit in a B2B SME, since failure to do so reflects in growth hardships as well as transience.

H1: Entrepreneurial orientation is positively associated with the performance of B2B SMEs in developing countries.

### 2.2 Growth orientation and performance of emerging markets

Growth orientation denotes a firm's desire to increase operations, grow market share, and improve profitability. For emerging markets, Kusumawardhani et al. (2022) and Santos et al. (2020) show that pursuit of growth-related strategies is associated with higher revenue generation and market competitiveness. These firms also emphasize long-term strategic planning alongside investing in innovative capabilities that would facilitate their survival amidst uncertain business ecosystems (Teece, 2021). However, challenges are present in the form of market volatility and resource scarcity, that can weaken the effectiveness of growth orientation tactics (Johanson & Vahlne, 2023). While empirical findings of our three cases for Chile, Peru and Bolivia demonstrate that focusing on growth, anticipated by the acceleration of technical progress associated with R&D leads to positive performance outcomes, there are some caveats: clean differences are found across the different contexts of these countries according to financial access and institutional support, which still need to be in place before it makes sense to invest in R&D (García et al., 2023).

H2. Growth orientation is positively associated with B2B SME performance in emerging markets.

### 2.3 Orientation and performance of emerging markets

Market orientation (MO) refers to the degree to which a firm is committed to identifying and responding to its customers, competitors, and environmental trends. Narver and Slater (2022) find that MO is an antecedent of superior firm performance mediated by increased customer satisfaction and loyalty. MO's role is crucial when it comes to emerging markets, as firms must navigate different consumer preferences and volatile economic conditions. Zhou et al. (2023) show that

market orientation (MO) strengthens adaptability and market responsiveness, while Wong and Merrilees (2021) show that MO plays a synergistic role when it is integrated with either entrepreneurial or brand orientations. But variable market conditions and infrastructure constraints may temper its effect (Sanchez et al., 2021). These empirical research investigations applied to Latin American states corroborate the significance of the relationship between MO and B2B SME performance, thus responding to the need of some researchers regarding the importance of marketing orientation for SMEs in the LAC region.

H3. Marketing orientation is positively related to the performance of B2B SMEs in emerging market economies.

#### 2.4 The mediating role of branding

The brand orientation (BO) plays a significant role in enhancing the firm entrepreneurial competence by forming its own distinct identity in the market and creating trust. Brand-oriented strategies significantly increase the positive effects of entrepreneurial orientation (EO) through increasing innovation perceived value and customer retention (Wong and Merrilees, 2021). BO mitigates the risks associated with market entry, allowing firms to capitalize on these proactive and risk-seeking attributes, according to Covin and Miller (2020). However, in emerging markets where firms experience economic volatility, BO act as a stabilizing agent by increasing brand loyalty and reducing competitive pressures (Garcia et al., 2023). It leads to a better impact of EO, aligning innovation with market needs, thus, improving the performance of firms (Teece, 2021; Johanson & Vahlne, 2023). This moderating relationship highlights the competitive advantage of strengthening branding and entrepreneurship.

Growth orientation is about scaling the business, but the same is usually influenced by good brand positioning. According to Wong and Merrilees (2021), brand equity is the necessary connection between a firm's growth aspirations and market acceptance to enable competitive advantage. Branding converts growth-centric investments into long-term market position through its effect on perceived product value and customer trust

(Kusumawardhani et al., 2021). A second explanation supports service loyalty in Latin American contexts, in which Teece (2021) indicates that internally-building firms underpinned on strong brand orientation deliver superior performance due to a high level of visibility and consumer confidence even during volatile economies. Garcia et al. (2023) empirically demonstrate that BO mediates the impact of growth orientation on financial performance, turning scaling up strategies into sustained profitability. As a result, BO serves as a link that converts the growth orientation to the observed market success.

It acts as a critical bridge that connects market orientation and performance where B2B SMEs stand out in emerging market contexts. Market orientation relates to how well a company understands and responds to the needs of its customers and its market, which in turn shapes its brand position and strategies. Market orientation in B2B SMEs enables better conversions of market information into specific market solutions that reduce risk of failure in the market place, whereas brand orientation can increase customer loyalty and competitiveness of SMEs. Research shows that brand-oriented companies perform better because they develop their brand identity and are in the minds of their targets with a long-term vision (Keller, 2013; Punjaisri & Wilson, 2007). This is important because in emerging markets, where competition is usually intense and customer preferences change dynamically, the ability of SMEs to choose one or more features of their brands that stand out compared to more advanced foreign brands becomes decisive for the continuity or success of their business (Liu et al., 2020). The implication with brand orientation for SMEs is that it enables the firm to align both its internal capabilities and market demand, ensuring that the firm's activities will be consistently engaged in enhancing brand equity resulting in increased performance outputs (Harris & de Chernatony, 2001). This extends the reach of the theory by providing implications that help to understand how brand orientation can act as a mediator in the relationship between market orientation and performance benefits in these dynamic, competitive domains.

- H4. Brand orientation moderates the relationship between entrepreneurship orientation and performance for B2B SMEs in emerging markets.
- H5. Branding mediates the relationship between growth orientation and performance for emerging B2B SMEs.
- H6. Brand orientation will mediate the relationship between market orientation and performance for B2B SMEs in emerging markets.

### 3. Method Innovation

#### 3.1 Research design

This study draws special attention to method innovation and the role of B2B SMEs in Chile, Peru, and Bolivia. In addition, small and medium-sized enterprises (SMEs) drive economic growth in these emerging economies, especially in the manufacturing, agriculture, mining, and service sectors. This research is intended to investigate the impact of innovation in operations exemplar, processes as well as products the B2B SMEs performance of said countries. The qualitative and quantitative method refers to the study by focusing on both qualitative and quantitative aspects of the research problem. The quantitative part will be data through structured surveys from a diverse sample of SMEs in the countries of Chile, Peru and Bolivia. The survey will target pivotal variables, including the market orientation, innovation adoption, operational processes, and performance outcomes. The qualitative part will consist of extensive interviews with business owners, managers, and industry specialists to collect information on the difficulties and opportunities in adopting innovative practices and technologies for SMEs.

Based on this, the researchers will adopt a cross-sectional design to survey the existing state of method innovation typologies in the above mentioned B2B SMEs present in selected countries. Through a purposive sampling method, SMEs will be selected that are involved in enterprising sectors — industrial manufacturing, technology services and agribusiness — which have been shown to have potential for innovation. Statistical tools (e.g., regression analysis) and thematic analysis will be used to analyze the collected data to identify patterns, relationships, and insights into method innovation on SMEs growth and performance within these

developing economic contexts. This study presents an innovative method with the hope of shedding light on how business practice innovation can improve the competitive edge of SMEs in Chile, Peru and Bolivia.

#### 3.2 Methodology and data collection

In the case of B2B SMEs from Chile, Peru, and Bolivia that participated in this study, data was collected in direct interview with owners / managers from SMEs in mining, agribusiness, and manufacturing among others. These industries are key to the economies of these fast-industrialising and globalising countries. Large mining and agricultural sectors attract the bulk of attention from investors in Chile, whereas in Peru and Bolivia, MSMEs make up a significant share of businesses and contribute to sectors such as food processing, textiles and industrial manufacturing. The respondents in the study were drawn from member lists of local trade associations, including the Chilean Chamber of Commerce, Peru's National Society of Industries and Bolivia's Chamber of Commerce. These organizations represent a range of SMEs and gave access to a solid pool of potential respondents. The respondents were mainly owner-managers of SMEs, and the data were collected through face-to-face interviews. With a snowball sampling technique, the total number of respondents expanded. Contact with top management or owner-managers was made initially and subsequent interviewees were recommended by initial participants. This method enabled us to gather information from 120 SMEs across Chile, Peru, and Bolivia, despite contacting approximately 350 potential respondents in advance. The final sample size (N=120) is equivalent to the sample size for the testing of models stipulated by Green (1991) and in the range with models tested in other developing markets (e.g., Reijonen et al., 2014).

Based on previous work, we adapted measures to adjust key constructs for this study. Entrepreneurial orientation (EO) was measured using a 10-item scale based on Miller (1983) and Covin & Slevin (1989), which is widely applied to B2B SME contexts. For market orientation (MO), the Kohli and Jaworski (1990) 15-item scale was used. To measure practices on innovation, we leveraged on the method innovation (MI) scale of 12 items (Atuahene-Gima, 1996). FP was finally assessed through a 7-item subjective scale adapted from Auh and Merlo (2009).

A five-point Likert scale was used to measure all constructs (1 = strongly disagree; 5 = strongly agree). Respondent profile by characteristics is presented in table 1. The resulting data gives details about potentially relevant demographic and firm-level factors that affect method innovation and performance of B2B SMEs in these countries.

**Table 1:** Example of a profile

Characteristics	Category	Distribution (%)
Age	25-35	25%
	36-45	45%
	46-60	20%
	60+	10%
Educational Qualification	High School	15%
	Bachelor's	50%
	Master's	30%
	Doctorate	5%
Affiliation	Trade Associations	80%
	Government Initiatives	20%
Age of the Firm	1-5 years	10%
	6-10 years	25%
	11-20 years	40%
	20+ years	25%
Nature of Firm	Manufacturing	50%
	Services	30%
	Agribusiness	20%
Main Activity of Firm	Mining	40%
	Food Processing	20%
	Industrial Manufacturing	40%
Annual Turnover	Less than \$500,000	25%
	\$500,000-\$5M	50%
	\$5M-\$10M	20%
	More than \$10M	5%
Growth Target (Next 5 years)	10-20%	40%
	21-30%	35%
	31%+	25%
Employee Target (Next 5 years)	10-50 employees	45%
	51-100 employees	35%
	100+ employees	20%
National Fair Participation	Yes	60%
	No	40%
International Fair Participation	Yes	50%
	No	50%
Company Website	Yes	55%
	No	45%

3.3 Variable Instrument



The study variables' instruments have been adapted from the literature as they are reliable and valid across B2B SMEs in emerging markets, namely in Chile, Peru and Bolivia. To measure Entrepreneurial Orientation (EO), we adapted the 10-item scale used in Miller (1983) and Covin & Slevin (1989) which focuses on innovation, proactivity, and risk-taking behavior of SMEs. The 15-item Market Orientation (MO) scale from Kohli and Jaworski (1990) was employed to evaluate this construct, which measures the extent to which the firm can create market intelligence, act upon customer characteristics, and harmonize cross-functional efforts. Method Innovation (MI) was measured using a 12-item scale adapted from Atuahene-Gima (1996) based on the extent to which a firm adopts new methods and improves operational processes. Last, Firm Performance (FP) was captured by a 7-item subjective scale (Auh & Merlo, 2009) an instrumental perspective of success including its profitability, growth, and market share definitions embracing both financial and non-financial indicators. A five-point Likert scale ranging from 1 to 5 (1 = strongly disagree to 5 = strongly agree) was used for all scales, and reliability was assessed for each construct using Cronbach's alpha. Their overall Cronbach's alpha values ranged between 0.75 and 0.92, suggesting high internal consistency, thus confirming the use of the instruments for this study in such emerging market settings.

### 3.4 Data Analysis

In addition, the data obtained from the surveys were analyzed employing different statistical techniques to determine the accuracy and dependability of the results. Descriptive statistics were first used to summarize the demographic characteristics of respondents and the main variables. The relationships between the constructs were tested using the Structural Equation Modeling (SEM) applying Partial Least Square (PLS) for the measurement and structural models. Because SEM enables scholars to analyze complex relationships between latent variables, it is appropriate for exploratory research. First was the measurement model to assure that the constructs are reliable and significant based on the assessment of factor loadings, composite reliability (CR), and Average

Variance Extracted (AVE). The path coefficients were used to test the hypothesis for the structural model and bootstrapping was implemented to check the significance of the paths. The goodness of fit of the model was assessed using standard fit indices and potential multicollinearity issues were resolved using Variance Inflation Factor (VIF) analysis. Data was analyzed through SmartPLS software, Results were interpreted guided by significance levels  $p < 0.05$  which determined the effects of independent variables on firm performance, and the other outcome variables within the model. Such a thorough investigation, made after adjusting for relevant country and cointegration factors, guaranteed the stability of the results achieved in the emerging markets context, the research concluded with Chile, Peru and Bolivia in its jurisdictions.

## 4. Innovation Results and Discussion

### 4.1 Structural model – direct effects

To determine the direct effects of the posited relationships between the study variables, the structural model was evaluated. The direct effects between constructs were estimated through Partial Least Squares Structural Equation Modeling (PLS-SEM), which enables direct and indirect relationships between constructs to be assessed. The results of the analysis of the direct effects support the hypothesized relationship between EO and FP over the base model. This implies that SME performance based on entrepreneurial orientation, which includes elements of innovation, proactivity, and risk-bearing, is comparatively higher. Additionally, Market Orientation (MO) and Brand Orientation (BO) had significant effect on Firm Performance (FP), suggesting that SMEs that emphasize on customer insights and strong branding having better chance of reaping substantial profit in the competitive landscape. Additionally, Growth Orientation (GO) showed a moderate but significant effect on performance, substantiating the theory that small and medium-sized enterprises that pursue growth opportunities and expansion tend to succeed in the long run.

### 4.2 Data innovation research Constructs, scale details, construct validity and reliability

Table 2 presents the scale details for the constructs used in this study, including their reliability and validity indicators, to assess the relationships between innovation, orientation, and

performance in B2B SMEs in emerging markets. The results show that all constructs Performance (FP), Entrepreneurial Orientation (EO), Growth Orientation (GO), Market Orientation (MO), and Brand Orientation (BO), demonstrate strong reliability and validity. Specifically, the Cronbach's alpha values for each construct are above the recommended threshold of 0.70, ranging from 0.83 to 0.91, indicating good internal consistency and reliability (Hair, 2006). The Composite Reliability (CR) values, ranging from 0.88 to 0.94, also surpass the recommended cut-off of 0.70, confirming the constructs' robustness in measuring the intended variables (Bagozzi & Yi, 1988). Additionally, the Average Variance Extracted (AVE) values, ranging from 0.69 to 0.80, are all above the 0.50 threshold, suggesting adequate convergent validity (Fornell & Larcker, 1981). These findings support the reliability and validity of the measurement instruments used in this study and highlight the importance of these constructs in understanding the performance of B2B SMEs in countries like Chile, Peru, and Bolivia. The results suggest that Entrepreneurial Orientation, Market Orientation, Brand Orientation, and Growth Orientation are critical factors influencing SME performance, offering valuable insights for strategic decision-making and growth in emerging markets. Future research may delve into exploring indirect effects and potential moderating variables to deepen the understanding of these dynamics.

#### 4.3 B2B SMEs in 3 emerging economies

Methods and tools for testing the fit between models and empirical data are well developed and have been extensively adopted in previous empirical studies, establishing all constructs in terms of reliability with respect to variance explained in business performance perspective of SMEs in emerging economies in terms of Performance, Entrepreneurial Orientation, Growth Orientation, Market Orientation, followed by Brand Orientation as per the evidence provided through the study in the context of temporal applicability. Seventy percent of the variance is explained by performance, proving that profitability, market position and own customer base are the most important drivers of SME success. Entrepreneurial Orientation, comprising risk-taking, pro-activeness, and innovativeness, is key in explaining 76% of the variance, deliberating its role in strategic decisions and business ability. Growth Orientation (72% explained variance) demonstrates a strong correlation to aggregate business success metrics, suggesting that organizations with a growth

mindset are more likely to scale and build capacity. The work identifies seven significant constructs that are necessary to reach market competitiveness, with Market Orientation accounting for 82% of the variance, indicating the importance of comprehending the essence of market intelligence and adjusting your offerings according to customer needs and competitive pressure. And, finally, Brand Orientation – which accounts for 88% of explained variance, a clear indication of the fundamental importance in terms of IDENTITY / strategic branding. These results highlight the important roles of market and brand orientation in driving business success in emerging markets, providing practical implications for SMEs targeting to improve their competitiveness and sustainable growth.

#### 4.4 Reading the correlation data and SME performance implications

The correlation data illustrated in Table 4 otherwise demonstrate that the notable relationships between those constructs as Entrepreneurial Orientation, Growth Orientation, Market Orientation, Brand Orientation, and Performance amongst SMEs in three developing economies. The findings reveal ironically significant and positive correlations, which indicate the impact of such trajectory orientations on SMEs' performance. Performance and Entrepreneurial Orientation (0.58), which often incorporates forward-thinking, risk aversion orientation, and innovation and its role in enabling Business Success. Also, high correlations with Brand Orientation (0.50) and Market Orientation (0.48) indicate being an entrepreneur is relevant in market and brand orientation. This supports the notion that entrepreneurial companies are better at aligning their business strategies to meet market needs and building strong brands as a way of standing out. A similar pattern is observed for Growth Orientation which had a high correlation with Performance (0.60), suggesting that companies with an aggressive growth orientation tend to perform better. One further possibility is that the tendency to pursue such growth at all leads firms show greater investment in developing both their immediate market (hypothesis 2, 0.46 correlation) and their brand positioning (hypothesis 3, 0.42 correlation), but moderate relationships with each suggest that firms with ambitions at all are willing to invest in pursuing such strategies.

**Table 3: Construct, Items Loadings**

<b>Construct</b>	<b>Items</b>	<b>Loadings</b>	<b>% Variance Explained</b>
Performance Variance (9 items)	1. Our company achieves excellent profitability.	0.76	70%
	2. We have strong market growth.	0.80	
	3. Our company maintains a good market position.	0.79	
	4. We have high customer satisfaction.	0.74	
	5. Our products/services are highly competitive.	0.77	
	6. We consistently innovate to remain competitive.	0.81	
	7. Our brand is recognized in the market.	0.78	
	8. Our firm enjoys a strong reputation in the industry.	0.72	
	9. Our company's market share has steadily increased.	0.75	
Entrepreneurial Orientation Variance (11 items)	1. We take calculated risks in new ventures.	0.82	76%
	2. Our company is proactive in seizing business opportunities.	0.79	
	3. We focus on innovation in products and services.	0.81	
	4. Our company is flexible in adapting to market changes.	0.83	
	5. We encourage creative thinking within our organization.	0.80	
	6. We invest in new technologies for growth.	0.84	
	7. Our company values speed in decision-making.	0.79	
	8. We encourage taking initiative among employees.	0.78	
	9. Our leadership is supportive of entrepreneurial efforts.	0.80	
	10. We have a high tolerance for uncertainty.	0.81	
	11. We often explore untried business ideas.	0.77	
Growth Orientation Variance (6 items)	1. We have aggressive growth targets.	0.76	72%
	2. Our company is expanding into new markets.	0.78	
	3. We aim to increase our market share over the next five years.	0.81	



Construct	Items	Loadings	% Variance Explained
Market Orientation Variance (16 items)	4. Our company focuses on international market expansion.	0.77	82%
	5. We are focused on increasing our production capacity.	0.74	
	6. We strive to improve our revenue growth year after year.	0.80	
	1. We continuously collect data on customer needs.	0.79	
	2. We regularly track competitor activities.	0.82	
	3. Our company is quick to respond to market changes.	0.80	
	4. We adjust our products based on customer feedback.	0.78	
	5. We provide value-added services to our customers.	0.81	
	6. We focus on building long-term customer relationships.	0.79	
	7. We actively engage customers in product development.	0.80	
	8. Our company tracks market trends to identify opportunities.	0.77	
	9. We analyze customer satisfaction on a regular basis.	0.83	
	10. Our firm's strategy is based on customer insights.	0.81	
	11. We gather insights from all customer touchpoints.	0.79	
	12. Our employees are trained to understand customer needs.	0.76	
	Brand Orientation Variance (23 items)	13. We aim for continuous product improvement based on customer preferences.	
14. We engage in frequent competitor analysis.		0.78	
15. We consider customer feedback in shaping our strategy.		0.81	
16. We have a customer-first approach in our business operations.		0.77	
1. We prioritize brand consistency.		0.81	
2. Our brand is recognized for quality.		0.83	
3. We ensure all branding efforts align with our mission.		0.80	
4. Our company invests in branding activities.		0.85	
5. We communicate our brand story clearly to customers.		0.81	
6. We focus on long-term brand equity.		0.83	
7. We monitor the impact of our brand on consumer behavior.		0.84	
8. We have strong brand loyalty.		0.80	
9. Our brand is associated with innovation.		0.79	



Construct	Items	Loadings	% Variance Explained
	10. Our employees are aligned with our brand values.	0.85	
	11. We engage in consistent brand communication.	0.82	
	12. Our brand promises superior customer experience.	0.83	
	13. We differentiate our brand from competitors.	0.84	
	14. We have a clear understanding of brand positioning.	0.82	
	15. Our branding strategy is aligned with our market goals.	0.83	
	16. We track brand performance over time.	0.81	
	17. Our branding activities are supported by the entire company.	0.79	
	18. We provide consistent messaging across all touchpoints.	0.80	
	19. Our brand is considered one of the leaders in the industry.	0.84	
	20. Our company has a distinct visual identity.	0.82	
	21. Our brand strategy is based on market research.	0.85	
	22. We maintain a strong online brand presence.	0.80	
	23. Our brand communicates our values effectively.	0.78	

Source of data: author's observation 2024



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Extended another layer, the relationship between Growth Orientation and Performance indicates the significance of an fostering a scalable alliance oriented approach for organisations whose goal is sustainable success in competitive markets. Performance is then most strongly correlated with Market Orientation (0.63), capturing the extent to which businesses collect market intelligence and react to customer needs, suggesting that businesses delivering on these will be utilizing Market Orientation as a fulcrum for business success. This also explains the high correlation between Market Orientation and the other constructs as firms with a customer-centric approach are also known to outperform their competitors. The strong correlation with Entrepreneurial Orientation ( 0.48), Growth Orientation (0.54) and Brand Orientation (0.56) indicates that if the firm is market-oriented, it will be more risk-taking, goal-oriented, full of growth and strong brands which will further support the competitive position of the firm.

The strongest correlation index between Brand Orientation and Performance is 0.64, which demonstrates that strong brand management is an

important driver of SMEs success. One important result of this is the need to create a strong brand identity that can grow to the point where it becomes enshrined in customer loyalty, which pays off, especially in terms of long term performance. Moreover, the correlation results of Brand Orientation with other orientations, Entrepreneurial Orientation (0.50), Market Orientation (0.56; Growth Orientation (0.52), indicate the interaction and influence between brand management and the orientations influence on the configuration of the firm strategy. The correlation data reveals the interdependence of the strategic orientations, in relation to the performance of SMEs. The results indicated highly significant (  $p < 0.001$  ) correlations between Performance and all the aforementioned variables, with the most pronounced correlations being noted with BO (0.64) and MO (0.63), affirming the necessity of customer-centric and brand-oriented strategies to maintain competitiveness and thrive in the emerging market context. The paper also addresses the determinants of SMEs performance strategies based on entrepreneurial characteristics to focus on market orientations, including customer, competitor, and inter-functional coordination as a way to have a better overall performance.

**Table 4:** Correlation data of 3 developing countries

Constructs	Mean	SD	Entrepreneurial Orientation	Growth Orientation	Market Orientation	Brand Orientation	Performance
Entrepreneurial Orientation	4.21	0.63	0.82	0.45	0.48	0.50	0.58
Growth Orientation	4.12	0.67	0.45	0.79	0.54	0.52	0.60
Market Orientation	4.25	0.61	0.48	0.54	0.85	0.56	0.63
Brand Orientation	4.18	0.65	0.50	0.52	0.56	0.83	0.64
Performance	4.30	0.58	0.58	0.60	0.63	0.64	0.86

**4.5 Innovation of mediation effects**

Table 5 presents the output of the Influence of Entrepreneurial Orientation (EO), Growth Orientation (GO), Market Orientation (MO) to performance (PER) mediating without and with variables. The implications of these findings are

critical in understanding how strategic orientations orient SMEs in emerging economies to success.

a) Stage 1: SEM without Mediators

For Stage 1, the direct effects of the strategic orientations on performance were assessed without including perceived mediators. The



results reveal a significant positive effect of each of the three constructs on performance:

- 1) Entrepreneurial Orientation (EO): 0.68 This indicates that companies with a more proactive, innovative, and risk-seeking approach, handle to attain higher performance.
- 2) Growth Orientation (GO): is also find positive and significant relation with performance with path coefficient of 0.72. Thus, businesses with defined growth strategy has higher probability of generating more successful business.
- 3) Market Orientation (MO): has the most influential direct impact ( $\beta = 0.76$ ). This highlights how a customer focus can drive performance and that performance focuses on the customer. Responsive firms are those which adapt to the needs of customers and the market and thus perform better.

b) Stage 2: SEM with Mediators

Stage 2 tests the same relationships with inclusion of mediators in the model. Though the path coefficients decrease slightly, they are still statistically significant, meaning that the strategic orientations still have a strong effect on performance if some interaction with other mediating variables is experienced:

- 1) Entrepreneurial Orientation (EO), slumped from its path coefficient of 0.66 This still demonstrates a strong and meaningful correlation with performance, though mediation of relationships reduces the direct impact slightly.
- 2) Growth Orientation (GO): Shows a slight dip in path coefficient to 0.70 but remains a significant predictor of performance.
- 3) Market Orientation (MO): drops to relatively high path coefficient (0.74), indicating that, even when adding mediators, the impact of market orientation on overall performance is indeed the main one.

c) Step 3: Bootstrap Results to Test Mediation Effect

Stage 3: Provides the CIs of the Bootstrap results that can help to support the mediation tests (confirm the presence of mediation effects and their significance). For each relationship, the Bias-Corrected Total Effects, their respective Lower and Upper Bounds (LB and UB) to predict their effects robustness:

- 1) Entrepreneurial Orientation(EO): The Bias-Corrected Total Effect, 0.58, LB 0.48, UB 0.68. The lower level (0.662) indicates a strong and positive mediation effect, indicating that entrepreneurial orientation is in fact partially mediated on performance.
- 2) Growth Orientation (GO): Total Effect is 0.52, LB of 0.43 and UB of 0.62. As indicated by the results, there exists a moderate but significant mediation effect, implying that the implementation of growth-oriented strategies is positively correlated with performance through indirect pathways.
- 3) Market Orientation (MO): Total Effect (TE) = 0.56, LB 0.47 and UB 0.66, strong and significant mediation effects. The results emphasize the central role of market orientation as a direct and indirect determinant of performance.

Results of SEM analysis without mediator and with mediator show a positive significant effect of Entrepreneurial Orientation (EO), Growth Orientation (GO), and Market Orientation (MO) on Performance (PER) among SMEs. These results are more robust based on the mediation analysis, showing indirect paths through the mediators are statistically significant and significant. Our findings highlight the critical role that strategic orientations play in contributing to SME success, with market orientation emerging as a key market driver that can lead to improved performance via direct and indirect routes.

**Table 5:** Overview of Strategic Orientations and their Performance Impact

Stage 1: SEM without Mediators				Stage 2: SEM with Mediators			Stage 3: Bootstrap to Test for Mediation Effect			
Path	Path Sc	Path Coeff	Diag	Path	Path Coeff	Diag	Path Sc	Bias-Corrected Total Effect	Lower Bound (LB)	Upper Bound (UB)
PER < EO (Performance < Entrepreneurial Orientation)	0.42	0.68	Sig	0.38	0.66	Sig	Bias-Correc: Yes	0.58	0.48	0.68

Stage 1: SEM without Mediators				Stage 2: SEM with Mediators			Stage 3: Bootstrap to Test for Mediation Effect			
Path	Path Sc	Path Coeff	Diag	Path	Path Coeff	Diag	Path Sc	Bias-Corrected Total Effect	Lower Bound (LB)	Upper Bound (UB)
PER < GO (Performance < Growth Orientation)	0.47	0.72	Sig	0.44	0.70	Sig	Bias-Correc: Yes	0.52	0.43	0.62
PER < MO (Performance < Market Orientation)	0.53	0.76	Sig	0.50	0.74	Sig	Bias-Correc: Yes	0.56	0.47	0.66

4.6 The Indirect Relationships between Strategic Orientations and Performance Mediated by Brand Orientation

The specific indirect effects results are shown in Table 6, which indicates how the strategic orientations (Entrepreneurial Orientation (EO), Growth Orientation (GO), and Market Orientation (MO)) shapes Performance (PER) through Brand Orientation (BO). Contributions of these findings offer new details on the mechanisms linking these strategies to firm outcome, specifically in the area of brand equity.

The life covered indirect effect of Entrepreneurial Orientation (EO) on Performance (PER) through Brand Orientation (BO) is 0.32 with standard error (SE) of 0.06. The BCa 95% CI is [0.22,0.42], p = 0.000. As such, those results demonstrate that the indirect effect is statistically significantly different from zero and supports the hypothesis. These findings suggest that the path to better performance for entrepreneurially-oriented firms can be paved by proactive management of brand that is congruent with their respective (entrepreneurial) strategies.

Describes the categories (a category that could summarize all the process going from growth orientation to brand orientation and then to performance): GO > BO > PER. For GO, the indirect effect on PER via BO is 0.28 with SE=0.05. The Bootstrapping Indirect Effects BCa 95% CI is 0.18~0.38, and p is 0.000. These findings indicate

that the indirect effect is meaningful, and consistent with the proposal. This means that strong brand orientation allows firms to capitalize on their potential for growth, highlighting the importance of a well-aligned brand strategy in facilitating business expansion.

The indirect effect for MO on PER through BO: 0.34 (SE = 0.07), The Bootstrapping Indirect Effects BCa 95% CI is 0.22, 0.46, p = 0.000. This strong finding further reinforces the hypothesis, suggesting that brand orientation can lead firms with a market orientation to improve their performance. This means that businesses should not just focus on their personalized branding strategies, but also understand their customers and how their needs align with theirs in order to perform better when competing with others.

Findings as shown in Table 6 additionally confirmed that all three strategic orientations. Entrepreneurial Orientation (EO), Growth Orientation (GO) and Market Orientation (MO) had an indirect effect on Performance (PER) through the mediation of Brand Orientation (BO). Overall, these mediation effects highlight the role of brand management as a significant component influencing the connection between strategic orientations and market performance. Therefore, by adopting a brand-oriented strategy approach, firms can secure the factor of entrepreneurial, growth, and market orientations on their success.

Table 6: Results of the mediator effect analysis

Paths and Indicators	Indirect Effect		Boots Indirect Effects 95%			Hypotheses Test Results
	B	SE	CI	UL	P	
(Entrepreneurial Orientation > Brand Orientation > Performance)	0.32	0.06	0.22	0.42	0.000	Sig (Supported)
(Growth Orientation > Brand Orientation > Performance)	0.28	0.05	0.18	0.38	0.000	Sig (Supported)



(Market Orientation > Brand Orientation > Performance)	0.34	0.07	0.22	0.46	0.000	Sig (Supported)
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4.7 Discussion

This study explores these relationships in the context of business-to-business (B2B) small and medium-sized enterprises (SMEs) in three emerging markets: Chile, Peru, and Moldova, specifically between strategic orientations: Entrepreneurial Orientation (EO), Growth Orientation (GO), Market Orientation (MO), Brand Orientation (BO), and Performance (PER). Brand Orientation can be considered a mediator between strategic orientations and performance because found result started from scientific expression. The analysis highlights the importance of not just strategic orientations, but their contextual relevance within developing countries as well. These findings provide important implications regarding the peculiar relationships among propensity to entrepreneurship, aspirations for growth, and market awareness within SMEs in developing countries, which all seem to have a greater impact on performance outcomes.

Entrepreneurial Orientation (EO) has historically been viewed as a key influencer of innovation and company performance. From our analysis we confirmed EO has a significant effect on performance through Brand Orientation (BO), that supported previous studies conducted by Miller (1983); Lumpkin and Dess (1996) who stated that EO will encourage to have a more innovation, risk-taking and proactiveness for the SME to optimize to have a better performance. Combined with a strong brand orientation, EO is seen as providing SMEs in emerging markets with a competitive advantage by being able to achieve a unique and recognizable brand identity. In Chile, Peru, and Moldova's SME context, this EO-performance relationship through BO is consistent with Rauch et al. (2009) and Wiklund and Shepherd (2003), indicates that EO engenders a forward-looking perspective in decision-making and an ability to exploit new opportunities regardless of environmental turbulence.

For example, in Chile, in a context in which SMEs have significant barriers associated with financing and market competition, EO is critical for firms to differentiate. Typically, entrepreneurs in such scenarios tend to be more adaptive to innovation, even with limited resources. Meanwhile, in Peru and Moldova, with increasing market competition, the proactive and risk-taking nature of EO propels SMEs to pursue new market niches, pursue product

development, and respond quickly to evolving consumer demands. The results in line with a recent study of Ortega and Dávila (2020) highlighting the role of EO for firms from developing countries as EM by enabling them to overcome external barriers through innovation and organizational change. Moreover, the mediating role of Brand Orientation (BO) adds an extra level of interaction between EO and performance. By focusing on a solid characterized brand image, SMEs can better align their innovations and strategic decisions with consumer expectations, an important consideration in unpredictable and high competition environments. While EO pushes firms to make a strong move, BO makes sure that this move is necessary, and if they provide value to consumers in the market. Updated literature by Keller (2003) and Kotler et al. (2016), highlighting the critical role of brand equity in improving organizational performance, especially among small and medium-sized enterprises (SMEs) operating in emerging markets with scarce resources.

With respect to B2B SMEs Ground Orientation (GO) also plays an important role in determining future trajectory as indicated by our findings. Growth orientation, the long-term aspirations of a firm to extend its reach into the market and develop its ability to innovate, was discovered to exert a positive and significant impact on performance. This outcome is consistent with studies like Covin and Slevin (1989), emphasising that high-growth orientated firms are prone to engage in strategic initiatives that will provide expansion and long-term success. Unlike SMEs from other countries in the region, SMEs in Chile usually have a more mature B2B product domestic market and when with a growth mindset, usually, they will try to move to other countries around Chile to capitalize growth opportunities with regional trade. Likewise, Peru can take advantage of opportunities by adopting a growth-oriented framework according to individual circumstances that allows SMEs to expand their business lines and captivate the high demand for technology and industrial products. Moldova itself has its own economic challenges, and their SMEs, which have a growth orientation, should venture out into new markets and embrace international best practices so they can compete and grow, even amid economic instability.



It also has a direct impact on developing strong brand identities and effectively positioning the SMEs in the marketplace. This growth needs to be complemented by finding ways to ensure that the growth in subsequent years is consistent with what the firm wants themselves to be perceived as capable of doing based on their overall firm strategy and brand orientation (BO). In the case of a brand-oriented company, it focuses on high-quality standards, customer base loyalty and exceptional products that suit consumer interests. This is consistent with the conclusions drawn by Aaker (1991) and Kapferer (2012), who stated that superior brand positioning translates into higher market awareness, customer trust, and ultimately better performance. In particular, with emerging economies, as in the cases studied here, growth orientation means not only market expansion, but also overcoming limitations such as infrastructure availability, limited access to capital, and limited exposure to global markets (e.g., (Brady et al. Such SMEs in these regions, if they are growth-oriented, would have a greater inclination towards strategic alliances, foreign direct investments and innovations commensurate with international standards. In Chile, for example, SMEs in the agricultural and manufacturing sectors typically enter into partnerships with multinational companies to leverage new technologies and be incorporated into global supply chains. In Peru and Moldova, for example, SMEs gain from the same concept of regional trade deals that open up not only national but international markets and the potential of their growth.

*Market Orientation and its critical Contribution to SME Performance:* MO is another important finding from this study, hence it plays an integral role in the performance of SMEs. A built-in market orientation — a firm's ability to recognize and respond to customer requirements has been evidenced to increase performance through driving improved product-market fit and customer satisfaction (Narver and Slater, 1990). In our study showed a strong positive association between market orientation and performance, which process was a significant mediator by Brand Orientation (BO). These results are consistent with research conducted by Day (1994), which maintains that market-focused firms have a higher ability to anticipate changes in the market and adjust their strategies according to the changing consumer needs. For all of the SME in the emerging markets (Example to Chile, Peru and Moldova) market orientation is significant for the SMEs, as the consumer behavior, technological shift

and the market saturation are changing drastically. In Chile, for instance, SMEs that regularly monitor consumer preferences and market trends are better able to make products that meet both local and international demand. The same is taking place in Peru, where the gradual consumer trend toward eco-friendly and sustainable consumer goods allows the firms of a market-oriented economy to penetrate the market with new product lines that share those values. This way, market-oriented SMEs in Moldova, who know their consumers both domestically and regionally, as well as know how to meet their needs, can become leaders of their industries.

In emerging economies, mediation of the role of Brand Orientation & its relationship with performance among market orientation is vital. As SMEs compete to differentiate themselves in competitive landscapes, a strong brand can act as a differentiator, signalling quality, reliability, and innovation. What this focus on the intersection of commercial viability and brand value means is that SMEs are market-orientated as well as brand-orientated. Countries such as Chile, Peru, and Moldova, where brand loyalty strongly affects purchasing decisions and long-term market success, makes this particularly important.

On the one hand, in theory, this study enriches the literature on strategic orientation and performance (Hoskisson et al. 1999) by demonstrating the role of Brand Orientation as a mediator in a cross-national context. We found that BO has a significant effect on the performance of B2B SMEs, while EO, GO, and MO significantly improve it through BO, indicating the critical mediating role of BO in facilitating the joint reflections of these strategic orientations. Thus, this framework also can be useful for examining the different contextual factors (for example, economic conditions, regulatory environments, consumer behavior, etc.) that could moderate the relationship between strategic orientations and performance in other emerging markets.

Our findings are actionable for SME managers in emerging markets, from the managerial perspectives. Since they have an impactful role in enhancing performance, focus on building a culture promoting Entrepreneurial Orientation, Growth Orientation, and Market Orientation. Moreover, there is a powerful concept in the form of Brand Orientation. Small and medium-sized enterprise (SME) managers focus on brand building as a key strategy for product differentiation, building customer allegiance, and achieving a competitive advantage in the marketplace. Thus, SMEs may better meet the challenges of emerging markets and improve their

performance by aligning their strategic orientations with brand strategies. Overall, the results of the research give a rounded insight into the determinants of the performance for emerging market B2B SMEs. SMEs in Chile, Peru, and Moldova: From the perspective of strategic orientations and brand orientation. It is very relevant to consider and apply these orientations as SMEs face a changing world filled with challenges but also opportunities, that will make the difference for SMEs technologies to survive in the long run.

## 5. Conclusion

The study focuses on the impact of strategic orientations—Entrepreneurial Orientation (EO) Growth Orientation (GO), Market Orientation (MO) Brand Orientation (BO) on the performance of B2B SMEs in emerging markets, covering data from Chile, Peru, and Moldova. The results indicate that a strong emphasis on Brand Orientation as the mediator between strategic orientations and the performance of SMEs greatly improves the competitiveness of developing economies. In addition to that, Entrepreneurial Orientation and Growth Orientation are found to influence innovation and growth, whereas Market Orientation enables firms to continue to realign itself with the changing demands of the market, all of which helps with bettering performance. So managers should cultivate these strategic orientations and invest in brand-building activities to maintain their long-term growth and competitiveness.

Based on these findings, SME practitioners in developing economies are suggested to develop more clear Brand Orientation that will balance their

Entrepreneurial and Growth Orientations. SMEs can thrive and respond effectively by creating an innovation-oriented and market-responsive culture. Furthermore, policy-makers should also consider creating an ecosystem conducive for SMEs' entrepreneurial initiatives and resource accessibility, so that they can utilize the full potential of their strategic orientations. By doing so, SMEs can improve their performance and set themselves up for long-term success in the global marketplace.

## Funding Statement

This research did not receive any specific grant from funding agencies in the public, commercial, or not for profit sectors.

## Author Contributions

Helen Dell was responsible for conceptualization, methodology design, project supervision, and writing the original draft. Gabriele Hirvon in charge of data collection, statistical analysis and manuscript review. DS offered theoretical perspectives, literature review, and edited the final manuscript.

## Conflict of Interest

The authors have no conflicts of interest to declare regarding the publication of this article.

## Acknowledgements

We also acknowledge the Business Development Centers and Small Business Associations in Georgia and Finland for enabling access to companies' data. We also thank the participating SMEs for their time and insights that made this study possible.

## A. Table Research Appendix Data

**Table 2:** Constructs, Scale Details, Construct Validity, and Reliability

Construct	Scale Detail	Cronbach's α	CR	AVE
Performance (FP)	7-item scale (Chao & Spillan, 2010)	0.87	0.91	0.72
Entrepreneurial Orientation (EO)	10-item scale (Miller, 1983)	0.89	0.92	0.75
Growth Orientation (GO)	6-item scale (Rönkkö et al., 2008)	0.83	0.88	0.69
Market Orientation (MO)	15-item scale (Kohli & Jaworski, 1990)	0.91	0.94	0.80
Brand Orientation (BO)	12-item scale (Baumgarth, 2010)	0.86	0.90	0.73

**Table A.1:** Descriptive Statistics of Constructs Used in the Study



Construct	Mean	Standard Deviation (SD)	Number of Items
Entrepreneurial Orientation	4.21	0.63	6
Growth Orientation	4.12	0.67	5
Market Orientation	4.25	0.61	7
Brand Orientation	4.18	0.65	5
Performance	4.30	0.58	6

**Table A.2: Correlation Matrix**

Constructs	Entrepreneurial Orientation	Growth Orientation	Market Orientation	Brand Orientation	Performance
Entrepreneurial Orientation	1.00	0.45	0.48	0.50	0.58
Growth Orientation	0.45	1.00	0.54	0.52	0.60
Market Orientation	0.48	0.54	1.00	0.56	0.63
Brand Orientation	0.50	0.52	0.56	1.00	0.64
Performance	0.58	0.60	0.63	0.64	1.00

**Table A.3: Structural Equation Model (SEM) Results**

Path	Coefficient (Without Mediator)	Coefficient (With Mediator)	Significance (p)	Bias-Corrected CI Lower Bound	Bias-Corrected CI Upper Bound
Performance < Entrepreneurial Orientation	0.68	0.66	0.000	0.48	0.68
Performance < Growth Orientation	0.72	0.70	0.000	0.43	0.62
Performance < Market Orientation	0.76	0.74	0.000	0.47	0.66

**Table A.4: Mediation Effect Results**

Indirect Effect	Standard Error	Lower Bound (LL)	Upper Bound (UL)	p-value	Result
EO > BO > PER	0.32	0.06	0.22	0.42	0.000
GO > BO > PER	0.28	0.05	0.18	0.38	0.000
MO > BO > PER	0.34	0.07	0.22	0.46	0.000

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