

EXAMINING THE RELATIONSHIP BETWEEN
ENTREPRENEURSHIP, MARKETING CAPABILITY, INNOVATION,
AND BUSINESS STRATEGY ON SUSTAINABLE FIRM
PERFORMANCE: A CASE STUDY OF SMES IN THAILAND'S
SPECIAL ECONOMIC ZONE

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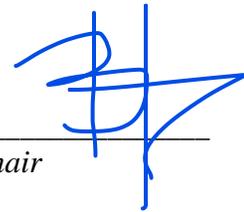
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A handwritten signature in blue ink, consisting of several loops and a vertical line, positioned to the right of the signature line.

DEDICATION

This dissertation is dedicated to my beloved wife, whose unwavering belief in my abilities and steadfast support have been the cornerstone of my Doctor of Business Administration journey. Your enduring faith in me has been a guiding light through the maze of challenges and obstacles I faced during the course of this research. It is through your boundless encouragement and unwavering presence that this work has not only come to fruition but has also been infused with a depth of passion and dedication that mirrors the love and support you have selflessly given me. Your presence in my life has not only enriched this academic endeavor but has also been a source of strength and inspiration that transcends the pages of this dissertation. Thank you for being my rock, my confidante, and my greatest supporter. This work stands as a testament to the profound impact of your love and belief in me.

ABSTRACT

This research investigates the multifaceted interplay between entrepreneurship, marketing capabilities, innovation, business strategy, and firm performance within the context of small and medium-sized enterprises (SMEs) in the Special Economic Zone (SEZ) of Thailand. The study aims to determine the effect of these core components on the sustainable performance and competitive advantage of SMEs. The primary objective is to analyse how entrepreneurship and marketing capabilities drive innovation and business strategy, ultimately influencing sustainable firm performance. The research focuses on understanding these dynamics within the Thai SEZ context to provide actionable insights for policy makers and academic researchers. A quantitative research methodology was employed, involving a survey of 327 SMEs in the SEZ. The data collected were subjected to various statistical analyses, including normal distribution tests, confirmatory factor analysis, and structural equation modelling, to validate the proposed conceptual framework and test the hypotheses. The findings reveal that entrepreneurship and marketing capabilities significantly impact innovation, which in turn influences business strategy. The results underscore that a well-defined business strategy is critical for achieving sustainable firm performance. Furthermore, the study confirms that innovation acts as a mediator between entrepreneurship, marketing capabilities, and business strategy, facilitating the translation of entrepreneurial and marketing efforts into strategic actions that enhance firm performance. The research concludes that fostering entrepreneurship and enhancing marketing capabilities are vital for SMEs aiming to innovate and develop robust business strategies. This study provides empirical evidence supporting the strategic integration of these elements to achieve sustainable performance in competitive markets. The insights derived from this research can inform policy development and guide future academic inquiries into the dynamics of SME performance in similar economic zones.

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ABBREVIATIONS & SYMBOLS

Abbreviations that represent variables

Exogenous latent variable

- ENT = Entrepreneurship
- MKC = Marketing capability
- INO = Innovativeness
- BUS = Business Competitive Strategic Management
- FPE = Firm performance

Endogenous latent variable

- ATM = Autonomy
- CTM = Creativeness
- RKT = Risk-taking
- POA = Proactiveness
- CAG = Competitive aggressiveness
- SMC = Specialized marketing capabilities
- CMC = Cross-functional marketing capabilities
- AHM = Architectural marketing capabilities
- DMC = Dynamic marketing capabilities
- PDI = Product innovation
- MKI = Marketing innovation
- PSI = Process innovation
- BVI = Behavioral innovation
- SBI = Strategic innovation
- RPI = Raising the productivity of investments

CPL = Learning organization is an organization
ORM = Organizational structure management
CTR = Cost reduction
FIN = Financial performance
NFP = Non-financial performance
EBP = Ethical business management
SBP = Sustainability management processes
SEM = Structural equation model

Symbols and Abbreviation used to Represent Statistical Values:

\bar{X} = Mean
SD = Standard Deviation
SW = Skewness
KR = Kurtosis
r = Pearson's Product Moment Correlation Coefficient
R² = Squared Multiple Correlation
GFI = Goodness of Fit Index
CFI = Comparative Fit Index
NFI = Normed Fit Index
IFI = Incremental Fit Index
RFI = Relative Fit Index
RMSEA = Root Mean Square Error of Approximation

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CHAPTER 1

INTRODUCTION

In this introductory chapter, the researcher explores the multifaceted nature of entrepreneurship, marketing capabilities, innovativeness, business strategy, and firm performance—core components that underpin the dynamics of modern business practices. Tracing the origins and definitions of entrepreneurship and innovativeness, we delve into how these elements foster business acumen and strategic agility. The discourse extends to marketing capabilities, not only defining them but also classifying their types and origins, which are critical for competitive advantage. Furthermore, the concept of business strategy is dissected to reveal its role in shaping strategic management, coupled with an examination of firm performance, to understand its foundational concepts and definitions. This chapter sets the stage for addressing the intricate problems identified in the research, formulating pertinent questions, and laying down the objectives and significant contributions of this thesis, thereby paving the way for a comprehensive understanding of the interplay between these critical business dimensions.

1.1 Background

This section provides a foundational exploration into the key concepts that underpin the field of entrepreneurship and its significant role in shaping business practices. We commence with an exploration of the origins and definitions of entrepreneurship, followed by an examination of its development over time. Furthermore, this section delves into the realm of marketing capabilities, discussing their definitions, types, and origins, and highlighting their critical role in competitive business environments. Innovativeness is scrutinized next, from its historical roots to its significance and classifications, providing

insights into how innovative practices are defined and categorized within the business sector. Additionally, the concept of business strategy is articulated, focusing on strategic management and its implementation in business contexts. Lastly, the section outlines firm performance, addressing both its conceptual foundations and definitional scope. Collectively, these topics establish a comprehensive backdrop for understanding the dynamic interplay between entrepreneurial activities, market capabilities, innovation, strategic planning, and overall business performance.

1.1.1. Entrepreneurship

Section 1.1.1. of my discussion delves into the multifaceted concept of entrepreneurship, examining its historical roots, definitions, and development. Initially, we explore the origins of entrepreneurship, tracing its evolution from early mercantile efforts to the complex global business practices of today. This historical perspective sets the stage for a comprehensive exploration of the various definitions of entrepreneurship, highlighting the diversity of interpretations across different academic and practical contexts. We then transition into entrepreneurship development, where we assess how entrepreneurial practices have been fostered and shaped by varying economic, social, and technological forces. This section aims to provide a thorough understanding of how entrepreneurship has emerged as a dynamic and influential field within the broader economic landscape.

1.1.1.1. The Origins of Entrepreneurship

The keywords of entrepreneur and entrepreneurship can have a variety of connotations depending on the context in which they are used (Morris Kuratko & Covin, 2008). Despite the fact that the debate in the literature has not yet come to a conclusion, at least three

fundamental groups of approaches can be identified: entrepreneurship as a market function, the entrepreneur as an individual, and entrepreneurship as a process (Luke, Kearins & Verreynne, 2011). Numerous publications on the individual continue to differentiate between personality-oriented and behavior-oriented approaches, and this systematisation is frequently developed or improved (Gelard & Ghazi, 2014). Overall, four fundamental interpretations of the idea of entrepreneurship can be found, and they are listed below: entrepreneurship as an economic function, entrepreneurship as a personality trait, entrepreneurship as a trait connected to behaviour, and entrepreneurship as a characteristic associated with process.

The Origins of Entrepreneurship as an economic function: the perception of entrepreneurship as an economic or corporate function is based on the question, what tasks does the company as a whole perform? Casson (2003) explained how this is classified in economic theory. Schumpeter (1939) argued that the entrepreneur only creates market imperfections by introducing innovations into an otherwise balanced market. Anderson & Li (2014) opposed this with the argument that the market itself is imbalanced from the outset, and the task of the entrepreneur is to exploit these imbalances. The entrepreneur's approach differs so fundamentally from these assumptions of the model that only an either/or is possible, no integration. Busenitz (1999) noted that the entrepreneur has been removed from the orthodox explanatory scheme. After the Second World War, there was a need to provide practical support for business start-ups and thus to fire up the collapsed global economy again. The contribution of the economy to this was limited; the majority of the scientific contributions came from the human and social sciences, especially behavioural sciences and psychology.

The Origins of Entrepreneurship as a personality trait: how is the entrepreneur different from other people, and how do they differ from others? The answer is that entrepreneurs are defined on the basis of personality traits (Ireland & Webb, 2007)). The economic development of a society can be linked to three personality traits, namely the needs for power, belonging, and success. According to Kansikas, et al. (2012), the last need in particular is clearly related to entrepreneurial activities in society. Economic prosperity depends heavily on this need and how successful people are in fulfilling their potential. Over the years, numerous authors have looked at possible characteristics of entrepreneurs and identified a long range of traits. With a few exceptions, it has been shown that the explanatory power of these personality traits is low. Gartner observes that there are apparently as many differences between entrepreneurs as there are between entrepreneurs and non-entrepreneurs. Thompson (2002) argued that psychological and social characteristics are neither necessary nor sufficient for entrepreneurs.

Short, Moss & Lumpkin (2009) argued that the decision as to whether to become an entrepreneur is based on personality traits. The success of the entrepreneur is then based on a variety of factors, including external ones. They highlight the founder's strategies and behaviours in the company. According to Thompson (2002), in conversations with entrepreneurs, a pattern of feelings of abandonment, death, neglect, and poverty can be found, which he explains with family problems. Psychoanalysis has also postulated that the foundations of entrepreneurial behaviour are laid in early childhood. However, this approach is only sparsely pursued in the literature. The entrepreneur's cognitive abilities can best be used as an indicator of corporate success since they include the situation and environment of the entrepreneur. Withers, et al. (2018) advocated the inclusion of a resource-oriented perspective. Ward (2004) focused on the process and behavior-related

explanations. Personality traits have not completely disappeared from the focus of research but are often integrated into behaviourist approaches. Schindehutte & Morris (2009) noted a fundamental distinction between motives and values on the one hand and personal characteristics on the other.

The Origins of Entrepreneurship as a behavior-related trait: beginning in the early 1980s, research began to concentrate more on the founder's behaviour as a subject of study. According to Lumpkin & Dess (1996), the literature has changed from viewing entrepreneurs as frustrated outsiders to seeing them as persons who have higher job satisfaction and more financial success. Entrepreneurs aggressively influence their lives and environments, rather than being passive recipients of events. Thus, according to Macko & Tyszka (2009), it is important to take into account the steps that go into the formation of entrepreneurial behaviour. In most cases, a number of people are involved in addition to the entrepreneur's environment as an influencing factor, especially when it comes to innovations as an aspect of entrepreneurship.

The Origins of Entrepreneurship as a behavior are associated with a process: according to Stevenson & Jarillo (1990), the firm development process itself should be the main focus rather than the founder, and suggested that entrepreneurship is the development of new organisations as a definition method. Being an entrepreneur is defined as starting a firm without having a business, as opposed to being non-entrepreneurial and entering a new market with an existing product (Kuratko, 2009). It is crucial to keep in mind that this description does not indicate who is eligible to be considered an actor; the entity that is acting can be a single individual, a group of people, or even an overall organization. Today, the term entrepreneur is used more to describe the processes that are involved in entrepreneurial activity, regardless of whether they were started by the entrepreneurs

themselves, by the corporate structure, or by the business environment. Klein, et al. (2013) identified the entrepreneurial process as the optimal study paradigm for entrepreneurship. Kuratko (2009) limited the scope of observation to high potential start-ups as an object of study. Based on a large number of preceding variables, the outcome of this comprehensive process is particularly sensitive to the initial status of these variables. Covin & Miles (1999) contended that an entrepreneurial mindset, as demonstrated by entrepreneurial conduct, increases company success. Entrepreneurship should be considered as a corporate-level phenomena because it benefits both the organisation and the individual as a fundamental aspect of the entrepreneurship.

1.1.1.2. Definition of Entrepreneurship

The term entrepreneurship was first used in 1723 (Covin & Miles, 1999). Entrepreneurship is seen as a mechanism for correcting waste (Brem, 2011). In the industrialised nations, entrepreneurship has been a key to growth in productivity and per capita incomes (Kantur, 2016). In the 1930s, Schumpeter (1939) did most of the research on entrepreneurship in the 20th century. Entrepreneurship was coined by Schumpeter (1939) to define the entrepreneur's willingness to accept chances and face uncertainty. So, Schumpeter (1939) emphasized the role of the entrepreneur and makes it clear how the entrepreneur's role is different from that of the owner-manager, who provides the capital. Entrepreneurs are seen as the change agents (Schumpeter, 1939). The concept of innovation was introduced by Schumpeter to the theory of entrepreneurship. Innovation can occur both within and outside the current environment. Innovative business owners actually implement new manufacturing combinations, new product concepts, and new and improved business

practices. Entrepreneurs promote economic stability by chasing novel opportunities (Lumpkin & Dess, 1996).

Lumpkin & Dess (1996) defined entrepreneurship as competitive behaviours that improve the market process. This definition limits the term in a variety of ways. First, entrepreneurial conduct is defined as a set. Essentially, the approach of this paper adheres to the behaviourist explanation. The second aspect of this research is that it focuses solely on competitive behaviour. Therefore, the behaviour must have a profit motive, whether the profit is monetary or of another kind. According to this definition, aimless behaviour, even if it results in the establishment of a business, is not entrepreneurial.

Lumpkin, Steier & Wright (2011) underlined that entrepreneurship is crucial to the introduction of new ideas. This includes both product and process innovation, defensive and proactive management, and the ability to analyse the existing environment, which leads to the implementation of numerous competitive advantage tactics. It is continually competitive and necessitates the development of new information by combining pertinent elements to connect with existing experience-based knowledge, as well as learning from experience and from local partners. Entrepreneurship must therefore employ strategic management in order to develop competitive advantages by including social responsibility, innovation, and organisational agility.

In addition, it is required that the observed behaviours promote the market process. Therefore, the behaviour must not only be goal-oriented but also result-oriented, at least in relation to the market as a whole; actual profit generation or even the survival of the individual provider is not required from this perspective (Hitt, et al., 2002). Ireland & Webb (2007) emphasised that, with this decision, the participants in this process, the entrepreneurs, are classified as market suppliers. In contrast to customers, legislatures, or

other factors, providers drive the market by generating value for their customers through new services, encouraging their competitors to improve, or convincing other enterprises to enter the market. According to Hitt, et al. (2002), an alternative interpretation of this description is the introduction of new economic activities that cause market changes or, more succinctly, the term new entry. In this perspective, the new could mean the creation of a new market or the addition of a new activity for the provider to an existing market. Lumpkin & Dess (1996) stated that new entrances can be achieved by entering new or established markets with new or existing products. New entry referred to the act of beginning a new endeavour by a startup company, an existing company, or through internal corporate venturing. Entrepreneurial behaviour includes the introduction of a new product that redefines its own market as well as the introduction of an imitation product into an existing market, so long as it is a new offering for the introducing company. The additional offer stimulates competition, which may result in pricing advantages for the customer or innovations by competitors (Schumpeter, 1939). The combination of existing offers into a new package is likewise regarded as a new entry, as is a change in the business model if the consumer value proposition is altered. Changing a retailer's offer from a service-oriented strategy to a discounter model may not necessarily result in new product offerings, but the customer's perception of the offer changes. Therefore, a reorientation of this nature should also be termed entrepreneurial. Therefore, the development of a business into a substantially new market can be characterised as entrepreneurial because the company's offer targets new customers or these customers receive a new offer.

In contrast, a change in the organisational structure or ownership of a business may result in innovation within the business, but it will not necessarily advance the market. Nevertheless, such a move may have an effect on the company's future products and so

indirectly encourage entrepreneurial action. However, such a development cannot be defined as entrepreneurship by itself. Consequently, according to Kuratko & Morris (2018), growth obtained by selling more of the same product to the same clients cannot be characterised as entrepreneurship. This art does not necessarily concentrate on the act of reintroduction, but rather on the path leading up to it. It is commonly agreed that entrepreneurship means to the sum of entrepreneurial endeavours or, more generally speaking, entrepreneurship development (Kuratko, 2009). As was demonstrated in the last section, the emphasis in the literature has shifted from a somewhat static depiction of people and organisations to a dynamic, process-oriented perspective. This change provides for a greater grasp of how entrepreneurial action may be designed and a separation from the personality attributes of the individuals working in the organisation. This is of greatest priority for young companies, which frequently undergo significant transformations in their first few years, be it through the entrance or departure of staff, the transformation of the business model, or the adjustment or extension of the product catalogue, which is a common occurrence during the growth phase. The issue is whether or not these modifications are now necessarily reflected in the conduct of businesses.

Moreover, entrepreneurship, according to Shane & Venkataraman (2000), is the convergence of two processes. The first aspect is the existence of profitable business possibilities, and the second is the preparation of the entrepreneurs themselves. They are reliant on one another. Thus, the definition of entrepreneurship as a single facet of humanity is insufficient (Alvarez & Busenitz, 2001). Baron (2007) explained that entrepreneurs differ from inventors in that they change the market by bringing new items of superior quality and adopting new production methods. Entrepreneurs are also the

originators of new products and services in domestic and international trade in order to become market leaders worldwide.

In light of what has been discussed up to this point, I am able to arrive at the following conclusion regarding the definition of entrepreneurship: an entrepreneur is an individual who is responsible for employing business strategy by obtaining and coordinating resources to the benefit of the business. This is the conclusion that I am able to draw. Entrepreneurs must be risk-takers and well-rounded through the accumulation of personal experience. In addition, entrepreneurs must learn to seek opportunities from business partners, whether in terms of management, the creation of competitive advantages, or the constant introduction of new initiatives and innovations to the market. For strategic planning, entrepreneurs must be able to work proactively to achieve the desired performance while learning from a wide range of company operations-related elements. Thus, it demonstrates that entrepreneurship relies on the pursuit of innovation to obtain competitive advantages and achieve performance goals, thereby satisfying its stakeholders.

1.1.1.3. Entrepreneurship Development

Entrepreneurship is the act of establishing a business organization. The entrepreneur creates a company model, acquires the necessary human and nonhuman resources, and bears sole responsibility for its success or failure. Internationally, academics are interested in entrepreneurial development studies. Academics and researchers have conducted a large number of descriptive and exploratory studies to identify the fundamental traits of successful entrepreneurs.

Innovation as entrepreneurship development: Innovation is regarded as a vital organisational procedure that contributes to the survival and growth of businesses in a globalised market. As entrepreneurship is a creative endeavour, an entrepreneur is constantly on the lookout for possibilities to introduce something innovative to any area of microeconomic activity (Drucker, 2014). In the western world, the uniqueness of entrepreneurial systems is revealed through a knowledge-based information processing framework and an innovation system. Innovation is the discovery of new and superior products or markets for existing products, as well as the discovery of superior raw materials and the formation of new organisational structures. Entrepreneurial innovation promotes research and creation (Ketchen, Ireland & Snow, 2007) and creates new products or markets (Withers, et al., 2018). The e-market permits organisations, firms, and enterprises to innovate and improve their performance in a number of ways. Innovation is contingent upon a variety of factors, including corporate scale, e-readiness, and entrepreneurial integration, enterprise resource planning across industrial sectors, and years in business. According to Zahra & Wright (2016), innovative new firms differ from existing enterprises in a diverse range of ways. The growth of entrepreneurial ideas and the mindset of entrepreneurship are both dependent on innovation. A person with original concepts should introduce something innovative to the market. From a small business's standpoint, innovation is crucial to its competitiveness. Innovative businesses that desire to grow and develop have two options: support or achievement.

Creative as entrepreneurship development: Entrepreneurs are built with exceptional creativity, which is strengthened by a willingness to take large risks and a strong drive for success (Gries & Naude (2011). Creativity is fostered by realistic viewpoints and the

establishment of links between unexpected events. Lifelong resolve permits one to perceive setbacks as opportunities for growth. Successful entrepreneurs will learn how to build successful enterprises. The competitiveness of an entrepreneur supports the creation of corporate goals and objectives. There is minimal evidence that religion promotes entrepreneurship, and there is little correlation between the socioeconomic and attitude attributes of entrepreneurs and business experience (Eckhardt & Shane, 2003). The economic status of the family, age, technical education or training, and work experience in a similar or related sector tend to be favourable for entrepreneurialism (Gries & Naude, 2011). Entrepreneurs appear to be more innovative than the rest of society, but they do not seem to have a greater locus of internal control (Alvarez & Barney, 2008).

Education as entrepreneurship development: Education, training, and entrepreneurship are controversial issues in the study of entrepreneurship. Previous research has shown that family background, future employment planning, and a propensity for entrepreneurship contribute to the rise of entrepreneurs. Education and entrepreneurship are widely considered to share a number of overlapping features. Education is considered an indicator of human capital, productivity, and economic performance (Acs & Szerb, 2009). New business formation is favourably correlated with education. Human capital and family social capital are essential elements of business ownership, and education is positively correlated with business ownership. The significance of formal education for the development of entrepreneurship is the subject of scholarly discussion. The growth of entrepreneurship is directly influenced by a person's natural entrepreneurial abilities as well as their educational background. Entrepreneurial disposition, entrepreneurial education, and the expansion of entrepreneurship are connected. Education has an effect on the

expansion of entrepreneurship, and people with leadership abilities are more likely to be their own boss, according to empirically based studies. According to Luke & Verreyne (2006), entrepreneurs strive to take the initiative and execute creative ideas. There was a relationship between the development of entrepreneurial talent and lifelong commitment, personal issues, and non-business education. One can acquire entrepreneurial behaviour and traits through education and training. An entrepreneur's entrepreneurial competency is a vital attribute that contributes to the successful execution of entrepreneurial endeavours.

Skill as entrepreneurship development: The cognitive characteristics of new venture creation promote entrepreneurial ideation. There are several aspects that influence entrepreneurial development. Situational aspects of motivation, knowledge, and individual characteristics influence the probability of an entrepreneurial choice in concert. To acquire a thorough grasp of the entrepreneurial process and the nature of entrepreneurial initiation, it is vital to determine the cognitive processes that common individuals use to recognise new firms. Entrepreneurial cognition is produced through self-efficacy and cognitive multilateralism (Meyer, Neck & Meeks, 2002). Entrepreneurial cognition effects a person's scenario appraisal in two ways: through an optimistic opportunity evaluation and the perception of risk in the firm. However, they are more pessimistic and less inclined to identify new initiatives. Inexperienced entrepreneurs prioritise originality, innovation, and the supremacy of their ideas and intuition. Young entrepreneurs are motivated by the building of their personal fortune and are interested in developing novel answers to their perceptions of future demands (Sebora & Theerapatvong, 2010).

The existence of an organisation is dependent on the efficient allocation of physical and human resources. In today's world of intense competition, the demand for effective human resource management is growing. In small businesses, strategic human resource management optimises resources and increases production. Despite the fact that small businesses may desire to keep their human resource management practises informal, they can nonetheless enhance efficiency. If there is proper human resource planning and the integration of human resource plans with business strategies, entrepreneurship development will be encouraged (McGrath & MacMillan, 2000). A company's organisation achieves success when its human resources strategy and business strategies are judiciously linked. A combination of formal and informal human resource management is the key to a company's success.

Entrepreneurs establish businesses, but their motivations for doing so are unclear. Vision of the entrepreneurial mindset and understanding of the entrepreneurial riddle are distinguishing traits of personality (Ireland, Covin & Kuratko, 2009). The entrepreneurial process is an indicator of the demand for achievement, preference for innovation, predisposition for risk-taking, cognitive tropology, and demographic and strategic capacity. Entrepreneurs are not a uniform group; their personalities vary. The process of entrepreneurial action results from a person's decision to take that action. Entrepreneurial decision-making is rooted in personality and cognition. Intuition is the essential insight necessary to understand entrepreneurship. Entrepreneurs with exceptional intuition integrate their vision into inventive actions. Those entrepreneurs with a less intuitive cognitive tropology will favour a more concrete approach to the entrepreneurial process (Deakins & Freel, 2009).

The establishment of a new firm, organisation, or industrial unit necessitates a variety of resources and infrastructure. It is challenging for small businesses to have their own facilities and resources. Regardless, the significance of technical education facilities in business growth and capacity building cannot sufficiently compensate for the lack of infrastructure. Entrepreneurial education and the acquisition of skills are two sides of the same coin. In many instances, the educational curriculum does not provide the skills necessary for business development in the contemporary global economy (Dogan, 2015). The pillars of entrepreneurial education are regarded as skill development, entrepreneurial expansion, and employment creation. Our formal education with skill development illustrates that a diversified curriculum is necessary for success. Institutions of skill development have a significant role in job creation and the expansion of entrepreneurial endeavours (Alvarez, 2005). The primary obstacles to skill acquisition in developing nations are a shortage of cash for the placement of trainees upon completion of a skill acquisition programme, discrepancies in legislation, and corruption.

1.1.2. Marketing Capability

Section 1.1.2. delves into the foundational aspects of marketing capability within the business landscape. This section begins with a precise definition of marketing capability, outlining it as a firm's ability to effectively leverage marketing resources and competencies to achieve competitive advantage. It then categorizes the various types of marketing capabilities, such as strategic, operational, and analytical capabilities, each essential for different aspects of market engagement and performance. Furthermore, the section explores the origin of marketing capabilities, discussing how they develop from a combination of historical company strengths, market experiences, and continuous learning

and adaptation. This discussion sets the stage for understanding how marketing capabilities can significantly influence a firm's strategic positioning and success in competitive markets.

1.1.2.1. Definition of Marketing Capability

As pointed out by Day (1994), marketing capability is defined as integrative procedures designed to adapt the company's collective intelligence, skills, and resources to the industry the business requires, allowing the company to differentiate its offerings and increase sales. Similarly, Eshghi, Shahriari & Ray (2022) argued that marketing capability is the focus of organisations on integrating knowledge, skills, and procedures to better understand the demands of customers and competitors and to generate a potential market. Correspondingly, Day (2011) has defined marketing capability as the actions taken to amass and apply marketing assets like personnel, data, and technology in order to create customer-valued products and services.

However, Moore & Fairhurst (2003) suggested that marketing capability is the company's ability to make its products and services stand out from those of its competitors and to create successful brands. This allows the company to charge higher prices on international markets, make more money, and stay ahead of the competition for a longer period of time (Eng & Spickett-Jones, 2009). Slotegraaf & Dickson (2004) pointed out that marketing capability is the capacity of an organisation to market its products and services effectively and integrate its knowledge of the market into the development and implementation of strategies that account for technological, competitive, and marketing shifts. According to Vorhies & Morgan (2005), marketing capability is defined as the organization's ability to quickly adapt its cross-departmental business operations in order

to meet shifting market conditions and provide maximum value to its customers. Vorhies, Orr & Bush (2011) viewed marketing capability as containing the processes of planning necessary to create strategic marketing goals, obtain market intelligence, and coordinate expertise and other resources to create customer value.

As for this study, marketing capability is the ability to set products and services of the organization apart from those of competitors, build strong brands, and charge higher prices in the market is directly related to a company's marketing capability, which is the process of gathering, integrating, and turning marketing resources into products for customers.

1.1.2.2. Types of Marketing Capability

More and more marketing literatures are talking about the different effects of different marketing skills (Kachouie, Mavondo & Ambrosini, 2022). The terms outside-in, inside-out, and spanning were used to describe the three forms of marketing expertise in an earlier study (Day, 1994). The organisation excelled at generating intelligence, finding viable channels of distribution, and forecasting the requirements of developing technologies (Mora Cortez & Hidalgo, 2022). The term inside-out capabilities referred to a company's capacity to use its own resources to satisfy external demands. An organization's spanning skills can be better understood and appreciated when external capabilities complement internal ones. In addition, the capabilities that it can connect a wide variety of capabilities, both outside-in, inside-out. Day (1994) emphasised the importance of bringing crossing capabilities into application through the procedures that comprise such durations of operations with the goal of satisfying the expected demands of consumers and keeping the promises that were made to establish a connection. Despite its effectiveness, Day (1994)

and Moorman & Rust (1999) classification of marketing capabilities is lacking since it fails to account for higher-order knowledge management capabilities, including brand management. They are crucial for any business that wants to offer additional value to their customers.

Unlike, Vorhies (1998), the operational processes and capabilities of an organisation can be used to group the different types of marketing capabilities: resource integration, resource reconfiguration, gainful release of resources, and release of resource. Capabilities in both product development and the application of strategy decisions to resource sharing define an organisation with high levels of resource integration (Ambrosini & Bowman, 2009). Resource reconfiguration is a form of dynamic marketing that makes use of an organization's existing assets in new directions (Day, 2014). It shows how well resources are used, how well people talk to each other, and how well people work together. A dynamic marketing capacity, resource type, systematic and continuous development of the organization's resources in the use of marketing resources, the creation of new marketing knowledge, and the formation of business alliances are all components of the gainful release of resources (Easterby-Smith & Prieto, 2008). The release of resource is a dynamic marketing capability type of resource consumption that reflects marketing performance outside of the organization's defined operating framework (Mu, 2015).

In other perspective, Morgan, Vorhies, and Katsikeas (2003), there are four types of marketing capabilities that can be used to increase value for customers: specialised, design, cross-functional, and dynamic approaches to obtaining and combining marketing resources. This study uses a paradigm similar to that proposed by Morgan, Kastikeas & Vorhies (2011), who divides marketing skills into four unique but measurable categories. The way Day (1994) classified spanning capabilities and the way Morgan, Kastikeas &

Vorhies (2011) classified specialised marketing capabilities are remarkably similar. As opposed to focusing on the unspoken requirements of their customers, a company with spanning capabilities can better meet those that are explicitly expressed. However, in a dynamic economic climate, organisations need effective strategies for turning their knowledge-based resources into marketable goods and services, and spanning skills do not help in this regard (Sharma & Sharma, 2021). Based on this perspective position, the research is centred on Morgan, Vorhies & Katsikeas (2003) Morgan, Slotegraaf & Vorhies (2009) Morgan, Vorhies & Mason (2009) Morgan, Kastikeas & Vorhies (2011) classification of marketing abilities and draws from other studies (Adner & Helfat, 2003; Nath, Nachiappan & Ramakrishnan, 2010; Achrol & Kotler, 2012; Banerjee & Soberman, 2013; Thailandkidzwa & Phiri, 2020; Garcia Ortiz, et al., 2021; Kankam-Kwarteng, Donkor & Forkuoh, 2022).

1.1.2.3. The origin of Marketing Capabilities

Notwithstanding Day (1994) noted to mention marketing capabilities, the term began to reappear in marketing literature immediately after its introduction. In his follow-up paper two years later, Vorhies (1998) defined marketing capabilities as the extent to which a firm's marketing personnel consistently devote their knowledge and skills to the process of turning inputs into outputs. Marketing capabilities, according to Vorhies & Morgan (2003), is superiority in identifying customer demands and understanding the elements that drive consumer choice behaviour at the present time. The previous statement states of Vorhies (1998) Vorhies & Morgan (2003) that marketing capabilities are the procedures for applying information and skills, while the latter states that marketing abilities are the knowledge of how consumers behave. In the marketing literature, several capability

frameworks drift endlessly like icebergs in the ocean. They may complement one another, but they only add to the confusion.

Vorhies & Morgan (2009) argued that marketing skills are task characteristics that apply to the core of development work and how it's done. To put it another way, a company's marketing capabilities reflect its proficiency with standard marketing procedures that convert inputs into products. Capabilities are the processes within an organisation that aggregate, transform, and deploy existing resources to produce beneficial outcomes (Vorhies, Orr & Bush, 2011). All of these depictions of marketing abilities frame them as revolutionary procedures. Skill and expertise are the means through which a company's inputs on its resources are transformed into an asset (Morgan, Kastikeas & Vorhies, 2011). Routines in an organisation are likely where one can find the most knowledge and expertise (Morgan, Hui & Whitler, 2018).

A view of the firm's marketing capabilities as a collection of actions is beginning to take shape. It has been proven by Vorhies & Morgan (2003) that capabilities are composed of subunits called routines, which suggests that capabilities are able to capture a more extensive collection of actions. Furthermore, they represent management's clear use of the firm's marketing power. A company's success can be traced back to its marketing department's abilities. Yet, the methods through which capability deployment converts the product of the interplay into performance are not discussed. There are no obvious in-between points. There is also no discussion of the discrepancies that may exist between managers' a priori expectations and the actual implementation of marketing strategies.

Based on the research of Vorhies & Morgan (2005) Vorhies, Orr & Bush (2011), they isolated eight distinct marketing capabilities: pricing, product development, channel management, marketing communication, selling, market information management,

marketing planning, and marketing implementation. The marketing managers were tasked with naming and detailing the business's marketing capabilities that they felt were most significant in generating value for both customers and the company. The report does not provide any evidence that marketing managers were prompted to make connections between the recognised competencies and the available resources to them or the procedures executed at their businesses. It would suggest that management takes marketing prowess for granted. Similarly, routines are not inferred from the objects that these metrics produce. Alternatively, Morgan, Vorhies & Mason (2009) concentrated on measures for selling capabilities, such as providing salespeople with the necessary training, instituting sales management planning and control processes, improving salespeople's selling skills, and enhancing sales management's abilities. Both skill, and knowledge, which, by certain definitions, are capabilities in and of themselves. Knowledge and expertise are key parts of what it means for a person to be effective, and those capabilities are the focus of the third and fourth main points (Morgan, Kastikeas & Vorhies, 2011).

The literatures has grown beyond the idea of marketing capabilities to include other ideas that overlap and make it harder to explain the main idea (Revilla, et al., 2020). It is made up of three company-wide processes: product management, supply chain management, and customer relationship management (Darlin, et al., 2022). Marketing activities are more effective when they are infused with marketing capability (Herhausen, et al., 2020). As a result of the infused marketing capabilities, those engaged in the macro-level process view each of the micro-level processes that make up the macro-level process from a marketing viewpoint (). Day (1994) Morgan, Vorhies & Katsikeas (2003) Morgan, Slotegraaf & Vorhies (2009) Morgan, Vorhies & Mason (2009) Morgan, Kastikeas & Vorhies (2011) and this study affirm the importance of the business's embrace of the

marketing idea and the related primacy of market-based knowledge and marketing capability as bundles of operations and procedures used by the firm, and therefore their arguments are comparable in this regard. In spite of the fact that marketing competence affects market-based competence, the latter is not identical to marketing competence (Kim & Lim, 2022).

The ideas of Moorman & Rust (1999) Teece (2013, (2014 provided a further alternative. Competence developed through the application of organisational knowledge and skills is one link in the chain that gives rise to dynamic marketing competence (Teece, 2013), which in turn is the result of a number of other factors. The knowledge and skill of the organisation have been refined through many decades of diligent effort and the application of lessons learned (Wilden & Gudergan, 2015). Developments in both organisational knowledge and market dynamics impact the path of organisational dynamics and marketability (Teece, 2014). The ability to change with the times is essential to thriving in today's competitive business environment. In the business world, every business depends on a different set of funding mechanisms. Dynamic marketing focuses on an organization's allocation of resources, which distinguishes it from similar businesses (Agwunobi & Osborne, 2016). Moreover, a company's ability to harness its resources in response to changes in the business's running context is an important element in the business's dynamic marketing capabilities (Forkan, 2020). The dynamic marketing capabilities have become the cornerstone around which multinational corporations have built highly adaptable market capabilities (Kurtzke & Setkute, 2021)), allowing them to enter and prosper in world commerce and operations. Though this adaptable market skill will be crucial for sustainable businesses to thrive in today's technologically advanced and globally interconnected economy (Reimann, Carvalho & Duarte, 2022).

Lastly of this section, my review of marketing capabilities literature shows that specialist marketing skills serve a purpose similar to the spanning capability approach. Mid-level marketing activities, especially specialised marketing activities, are known to create obstacles for businesses to address the expectations of their customers in challenging market circumstances. In the international environment, a business's ability to implement its business plan requires not only its possession of intermediate-level marketing capabilities but also its exposure to highly effective knowledge implementation procedures. This suggests that entrepreneurs who have the knowledge-management skills necessary to reconfigure their capabilities can effectively cope with the demands of changing market environments. It may be concluded that the application of knowledge and skills within an organisation assists in the creation of a proficient, dynamic marketing technique. Throughout the course of its existence, an organisation acquires a body of know-how and a set of skills, and it uses this information and these abilities to adapt to its environment. The trend value of technical practises in dynamic marketing is shaped by organisational insight and changes in economic conditions.

1.1.3. Innovativeness

Section 1.1.3 explores the multifaceted nature of innovation within the context of its origin, significance, classification, and definition. This section begins by tracing the roots of innovation, emphasizing historical perspectives and the evolving understanding of creative breakthroughs in various fields. It then discusses the significance of innovativeness, highlighting its critical role in fostering competitive advantage and driving sustained economic and social growth. Further, a detailed classification of innovation is presented, categorizing it into types such as incremental, disruptive, and radical, each distinguished

by its impact and the extent of change it introduces. Lastly, the section defines innovativeness as a dynamic attribute or capability that encapsulates the readiness and ability of individuals, organizations, or societies to engage in and promote novel ideas effectively, thereby facilitating progressive transformations.

1.1.3.1. The Origins of Innovation

Schumpeter (1934) advocated for a new combination of objects and forces in the theory of economic development, which is the foundation of the concept of how to deal with innovations. In doing so, he laid the groundwork for what is now known as innovation research by evoking the existence of as-yet-unidentified products, the development of new markets, and the identification of novel manufacturing techniques. In 1991, Schumpeter (1991) provided further support for his concept by explaining that innovations are the actualization of novel combinations, whether the creation of novel products or services, or the application of established methods in novel contexts, lies at the heart of what is today called innovation research, the development of new markets, and the identification of novel manufacturing techniques. For his concept by explaining in 1991 that innovations are the actualization of novel combinations, whether it's the creation of something brand-new or a novel approach to an old favourite (Schumpeter, 1991). Numerous different definitions of innovation were developed in the years that followed, some of which defined the term narrowly and some of which defined it broadly, but no one legally enforceable definition has emerged as of yet. The definition of innovation offered by Hauschildt (1993 cited in Hauschildt, 2001) is that it leads to qualitatively novel goods or processes that differ substantially from the preceding state. The innovative aspect is the unconventional connection between goals and strategies. This connection must first be demonstrated in the

marketplace or in internal operations. A new idea is not enough to constitute innovation; commercial success and practical application are required for it.

Differentiating innovation from invention is the first step in grasping the nuances of the various definitions (Malerba, 2007). The key distinction between invention and innovation is that the latter involves the practical application of a previously unrealized concept. Essentially, it's as groundbreaking as any invention (Houman Andersen, Drejer & Gjerding, 2017). Conversely, the new concept spreads throughout the market and is appreciated by customers.

The study of diffusion examine and attempt to predict the gradual but steady adoption of new social practices. The term diffusion is used to describe the gradual and systematic dissemination of a novel idea through a social system (Capello & Lenzi, 2019). S-curves can be used as a macro-level model for the spread of innovations that prove to be successful (Hauschildt, 2001). Initial adoption of the innovation is minimal, but after it reaches a critical mass, it increases dramatically and continues to expand on its own. The adoption curve flattens out gradually over time as the innovation gains widespread support, but only at the latter end of the diffusion phase (Schumpeter, 1991).

In the innovation adoption curve, early adopters are called innovators. They take risks and are comfortable with uncertainty (Capello & Lenzi, 2019). This makes them ideal for experimenting with and finally putting new ideas into action. Together with early adopters, they play a significant role in the social ecosystem, setting examples that contribute to the wider adoption of innovations (Malerba, 2007). There will be widespread early adoption of the idea once it reaches a certain threshold of popularity. They are not as prominent in society as inventors and early adopters, but they play a crucial role in spreading new ideas. The late majority, the other huge group, is typically the last to adopt

new ideas and technologies and does so mostly in response to external pressure from the larger society or the economy (Jha, Dhanaraj & Krishnan, 2018). The late-majority population is notoriously risk-averse. In order to achieve full diffusion, the innovation must also reach the so-called laggards. They are considered to be very risk-averse and fundamentally sceptical about innovations. Early adopters, and thus critical mass, play a critical role in the diffusion of an innovation. Diffusion is defined as the actual use and dissemination of the innovation on its potential market, which begins with the acceptance of the innovation by the innovators and early adopters (Malerba, 2007). Unlike the adoption decision process, which represents an individual process for a potential customer, diffusion describes the result of all adoption decisions in a social system.

Product innovations, process innovations, and structural innovations are the three main categories of innovation. To keep the company competitive and guarantee consumer happiness, businesses regularly introduce new products under the banner of product innovation (Schumpeter, 1991). Therefore, this type of innovation is typically found in the external market with the goal of enhancing user utility and efficiency (Wang & Ahmed, 2004). The primary goal of process innovations is not to better serve customers but rather to make better use of production variables when developing goods and services internally; nonetheless, this does not rule out the possibility that these innovations could be used to boost sales (Emmel, 2020). It is common for product innovations to inspire process improvements, which in turn encourage the creation of further product innovations. This shows the close relationship between the two categories. The term structural innovation refers to significant shifts in the underlying organisational structures of a market (Capello & Lenzi, 2019). Thus, they are often known as system innovations. By altering the system's underlying conditions, they can also affect the nature of product and process innovations

(Jha, Dhanaraj & Krishnan, 2018). New developments of any kind have four common features: novelty, unpredictability, complexity, and the possibility of conflict (Malerba, 2007). The originality of an innovation is the defining attribute that sets it apart from the status quo (Emmel, 2020). This ranges from the simple tweaking of tried-and-true methods and items to the completely new creation of something entirely different.

There is a one-to-one correlation between novelty and doubt. Investments and subsequent process steps are risky and hard to anticipate throughout the whole innovation process (Emmel, 2020), including future phases such as technical execution (Capello & Lenzi, 2019), the conversion from prototypes to series production, and market launch (Jha, Dhanaraj & Krishnan, 2018). Uncertainty rises in proportion to the square of the degree of novelty since there are fewer data points from which to draw conclusions about how to proceed (Malerba, 2007). Only the kinds of knowledge and skills that are directly relevant to the innovation process can be used again and again with the same results (Capello & Lenzi, 2019). The innovation's intricacy also contributes to this unpredictability. Measured by the number of constituent parts and the complexity of their interrelationships, complexity is a proxy for the degree of discernment (Emmel, 2020). Because innovations have far-reaching effects, both inside and outside their specific ecosystems, achieving them is best viewed as a cross-sectional effort that necessitates the collaboration of various actors (Jha, Dhanaraj & Krishnan, 2018). A major difficulty emerges from tackling this intricacy. In addition to influencing how easy or difficult it is for people to grasp and adopt an innovation, Rogers (2003) argued that innovation complexity influences how quickly and effectively an innovation is adopted by a given society.

For instance, when a new, innovative product enters the market and appears as a direct competitor of an old product or when the innovation conflicts with the legal status

or public opinion, the possibility for conflict in the innovation process increases (Garcia & Calantone, 2002). An innovation's success can be increased by anticipating and addressing any potential disputes as soon as possible (Baregheh, Rowley & Sambrook, 2009). However, disagreements can be perceived as more than just a headache; they can also inspire new ways of thinking that lead to additional breakthroughs (Rogers, 2003).

The characteristics stated are all interconnected and dependent on one another. Previous studies (Dovey, 2009; Crossan & Apaydin, 2010; Khalili, 2016; Modrzejewska, 2020; Arthur, et al., 2022) have shown that the degree of novelty can be used to infer differentiating characteristics of invention see of novelty can be used to infer differentiating characteristics of inventions. A step forward in technology is represented by a fundamental breakthrough, and such breakthroughs often require the generation of brand-new data (Sadeghi & Rad, 2018). Given the state of our knowledge, these can only consider these issues to be somewhat challenging at best. After the first release of a groundbreaking piece of technology or procedure, a slew of improvements and enhancements are made (Crossan & Apaydin, 2010). However, not all extreme shifts result in repackaged versions of the same things; sometimes they pave the way for even more radical innovations that were previously impossible (Modrzejewska, 2020). This sort of follow-up innovation often improves upon the original in terms of benefit parameters or problems solved (Arthur, et al., 2022).

In this research, the subgroups of imitations and pseudo-innovations should be briefly mentioned. Deliberate imitations of products and problem solutions of existing innovations from other competitors are referred to as imitations. Fictitious innovations make the user believe that there is an improvement or an increased benefit, although this

is not the case in the narrower sense, for example in the case of design changes to an otherwise unchanged product.

1.1.3.2. Significant of Innovativeness

Drucker (1985) was among the earliest academics to highlight the significance of innovation in organisations, which evolved in the 1950s as a result of his research. His findings show that the majority of the capabilities for innovating in organisations are found in the innovation diffusion literature, despite this fact being mostly ignored by management scholars. Organizations, according to Drucker (1999), need to be creative if they want to succeed in today's dynamic and unpredictable business world. Global industrial and economic competition is under pressure from a more volatile environment, as found by Midgley & Dowling (1978). This, in turn, attracts increased attention to innovation. The success of a company is largely dependent on its capacity for innovation (Schweitzer & Gudergan, 2010). Companies may now set themselves apart, foster flexibility, and provide a fresh brand image thanks to this development (Midgley & Dowling, 1978). In business, innovation can take various forms, including new products or services, improved production methods, new marketing strategies, or even entirely new distribution networks (Oke, 2007). The assumption here is that the company is using innovation to provide for the wants of its clientele, which in turn will set it apart from its rivals and allow it to thrive and develop in spite of the challenges it faces, which are extremely dynamic and intricate (Schweitzer & Gudergan, 2010), economically beneficial innovation, product development research, and the spread of new ideas (Hult, Hurley & Knight, 2004). According to O'Connor (2008), long-term success in an organisation may be achieved by establishing

innovation goals at the organisational level and fostering the development of the capacity that leads to innovation inside the organisation.

Foroudi, et al. (2016) defined innovation as the introduction and broad adoption of something novel, where novel can refer to anything from an idea to a method to a product or service. Innovation is defined in the same way as Clegg, et al. (2002): it is a concept, action, or material that is generally recognised as novel per unit. Innovation in the business environment can take the form of anything from a wholly new method of making products to a radical rethinking of the way things are done inside the organisation. The agency has never employed them before, but they might have far-reaching consequences for industry and government (Anderson, De Dreu & Nijstad (2004). According to Agbor (2008), innovation is the successful introduction of novel concepts within an organisation. Innovation can be defined as something that has never been done before, is possible, and has either economic or social value (Mol & Birkinshaw, 2009).

The fact that it is never been done before is certainly one of the elements that makes an idea innovative. The word new can mean several things depending on the context (Adams, Bessant & Phelps, 2006). According to the notion of innovation (Lee, 2008; Dadfar, et al., 2013; Nedelko & Potocan, 2013; Nawrock, 2022), there are two types of perceived newness: from the customer's perspective and from the inside of the company. From the perspective of the consumer, recency is determined by the degree to which the customer's behaviour patterns have changed and by the risk tolerance characteristics of the innovation's adoption. It's not enough for an invention to be simply new; it also needs to be useful to the business and its surrounding environment in areas like technology and marketing (Hage, 1999). These features set innovation apart from invention in that the latter

isn't always useful, especially from a business standpoint, whereas the former can improve the efficiency and effectiveness of an organisation.

In addition to the mentioned issues, the issue of whether innovation is a process or an outcome has been a major source of debate among academics (Hult, Hurley & Knight, 2004; Nedelko & Potocan, 2013; Ruvio, et al., 2014; Tajdini & Tajeddini, 2018; Modrzejewska, 2020). The reason for the research also makes a difference; for example, some academics (Garcia & Calantone, 2002; Damanpour & Schneider, 2006; Desouza, et al., 2009; de Jong & Den Hartog, 2010) focused on the investigation of the innovation process, which leads them to regard innovation as akin to an organisational process. Some academics (Mudrak, van Wagenberg & Wubben, 2005; Adams, Bessant & Phelps, 2006; Shoham, et al., 2012; Sethibe & Steyn, 2015) investigated the challenge of how to transform an organisation into one that is constantly exploring new avenues for improvement. It examines the ways in which the outcomes of innovation can be incorporated into the management structures of existing organisations. Perspective determines the range of possible innovations (Fruhling & Siau, 2007). The scholar makes a distinction between product and process innovation, between incremental and radical innovation, and between the creative and managerial aspects of technical advancements (Akman & Yilmaz, 2008). Innovation can come in many forms, but it always involves some sort of organisational shift in reaction to, and possibly even anticipation of, shifts in the internal or external environment (Hurley, Hult & Knight, 2005).

The innovation study compares the inventions of different academics (Hurley, Hult & Knight, 2005; Lee & Kelley, 2008; Shoham, et al., 2012; Roszko-Wojtowicz, et al., 2022), with a focus on people rather than companies. Drucker (1999) argued that anyone or any group that adopts cutting-edge technology must be relatively young in comparison

to the rest of society. Defining organisational innovation, Rogers (2003) elaborated that innovation is an open-minded view of organisational culture in which an innovation-oriented organisation devotes resources to generate products that are superior to those of its competitors.

The ability to bring novel products, methods, or ideas to employees within an organisation is what is meant by innovation in the context of a company with little to no prior experience in this area (Ramezani, et al., 2017). Innovation in sales techniques refers to the adoption of novel approaches, methods, procedures, and plans for marketing and promoting a company's products or services (Dovey, 2009). According to Wang & Ahmed (2004), innovation is an organization's entire innovative capacity to generate new goods for industry and establish new markets through behavioural strategic focus and process innovation. The ability to innovate within an organisation is crucial to its success. Entrepreneurs in a volatile market can thrive by applying innovation to existing methods of solving organisational issues (Camison & Villar-Lopez, 2014).

According to Crosby (2000), organisations that are open to change and have the ability to innovate have two distinguishing characteristics: an openness to innovation (Tajdini & Tajeddini, 2018) and a capacity for innovation (Lee & Kelley, 2008). Organizational innovation, according to Tajeddini (2016), is an openness to new ideas from the standpoint of organisational culture, where the organization's responsibility is to provide innovation to customers (Hsu & Fan, 2010). One facet of a company's innovative focus is its innovation intention, which is distinct from its innovation competence, which is its actual ability to introduce novel ideas, processes, or products (Damanpour & Schneider, 2006).

Innovation is essential for businesses, as it improves their performance and helps them compete (Bigliardi, Ivo Dormio & Galati, 2012). Success in innovating leads to improved performance or productivity, which in turn helps the business meet its profit targets, expand its market share, and fulfil its strategic goals (Anderson, Potocnik & Zhou, 2014). Innovation is a strategy for adapting an organisation to new circumstances, whether those circumstances arise from within or outside the company. Innovation, according to Ghosh (2015), is a never-ending cycle of applying acquired knowledge to the development of novel goods and services. Many business leaders, though, think it is challenging to come up with innovations that can be sustained over time (Lee & Kelley, 2008). In order to be creative, a company needs people who are always on the lookout for new knowledge. This demonstrates a company's dedication to meeting the requirements of its clients. Organizations that can't innovate waste time and money trying to keep up with their competitors in the market because they can't turn what they know into anything useful (Schweitzer & Gudergan, 2010).

1.1.3.3. Classification of Innovation

There are a number of different perspectives from which to explore the categorization of innovation; two of them are the distinct groups of innovation and the different phases of invention.

Product innovation, process innovation, radical innovation, incremental innovation, technical innovation, and administrative innovation are the four forms of innovation identified by Gopalakrishnan & Demanpour (1997). An innovative company will encourage its employees to develop their talents to their full potential. It was found by Dewanto (2022) that businesses should pay attention to product innovation, process

innovation, and administrative innovation. Innovation, as defined by Freeman (1994) and drawing on Schumpeter (1991) work, is seen as an improvement in economic efficiency achieved via the creative use of previously unrelated resources and, in some cases, through the introduction of novel approaches to the design and implementation of economic technology.

The difference between product innovation and process innovation: Innovation has an effect on the efficiency and productivity of a company in two main ways: product innovation and process innovation. As an intermediary between inputs and outputs, process innovation refers to the introduction of novel technologies, processes, and methods across a variety of sectors and organisational levels (Schumpeter, 1934; Drucker, 1985; Gopalakrishnan & Demanpour, 1997). Additionally, process innovation is a change in the way of conducting business or manufacturing goods and services that alters the manner in which operations can be carried out (Shoham, et al., 2012). Conversely, product innovation refers to a result or service that is suggested to customers and users because it will aid them (O'Connor, 2008). According to research conducted by Nedelko & Potocan (2013), the rate of product and process innovation varies depending on the stage of development of the industry. It's founded on the divergent beliefs that product innovation and organisational process innovation provide distinct sources of competitive advantage (Hurley, Hult & Knight, 2005).

The difference between radical innovation and incremental innovation: The innovation strategy of an organisation can shape the types of interesting ideas it pursues. It all depends on how committed the company is to fostering a culture of constant innovation.

Organizations can generate innovation on a scale from slow to exponential, depending on the level of change they desire to exploit (Avlonitis, Kouremenos & Tzokas, 1994; Gopalakrishnan & Demanpour, 1997). Entering untapped markets and implementing far-reaching changes within an organisation are examples of radical innovation (Gopalakrishnan & Demanpour, 1997). When radical innovation destroys the core competencies of the organisation to create new organisational competencies, it causes a dramatic shift in the activities or industries of the organisation and the elimination of old practises. In contrast to incremental innovation, which has little effect on environmental uncertainty, disruptive innovation can have a significant impact on the transformation of an organisation or industry (Cooke & Saini, 2010). An incremental innovation is a relatively small transformation brought about by the acquisition of new information (Damanpour, Walker & Avellaneda, 2009). Organizational capability is bolstered with this somewhat minor adjustment to the standard procedure for this type of innovation (Bigliardi, Ivo Dormio & Galati, 2012). It is the cumulative effect of incremental innovation over time that has a significant impact on an organisation, whereas a single instance of innovation has limited effects because it is fleeting (Lee, 2008). However, while innovation is a continual process ranging from incremental to radical, the development of innovative processes is the outcome of organisational growth (Garcia & Calantone, 2002). Organizations that favour leapfrogging innovation, on the other hand, typically innovate slowly (Camison & Villar-Lopez, 2014), which has a positive relationship with increasing product innovation (Foroudi, et al., 2016). Sethibe & Steyn (2015) argued that the success of the innovation can be raised with more testing and experimentation, yet the improved invention may not always have a favourable effect on the performance of the organisation.

The difference Technical Innovation and Administrative Innovation: Considering the wide range of societal and technological frameworks, it is clear that technical and administrative innovation are crucial (Freeman, 1994). Products, procedures, and technologies developed through technological advancement that contribute to the creation of goods or services that are fundamental to the operations of an organisation are all considered examples of technical innovation (Gopalakrishnan & Demanpour, 1997). Organizational structure, procedures, management, and human resources are the focus of administrative innovation, which is tied to core organisational activities only by way of management (Clegg, et al., 2002; Desouza, et al., 2009; Ghosh, 2015; Ramezani, et al., 2017). Although innovation is a broad notion that might include new ideas, products, and processes, organisational management and technical concepts can occasionally impact the degree to which an organisation is downsized or flattened (Tajdini & Tajeddini, 2018). A quality management system can be implemented in an existing market to spur growth and shift attention to the customer, an example of management innovation that does not require the creation of a new market.

1.1.3.4. Definition of Innovativeness

Scholars have provided many different definitions of innovativeness after reviewing the literature. According to Drucker (1999), innovativeness is the framework for fostering innovation in a company. One descriptor of company culture that Rogers (2003) offered was innovativeness. The term innovativeness was coined by Wang & Ahmed (2004), who described it as the capacity to introduce a novel product to the market or to attract new clients through a mix of behavioural and procedural innovations. According to Malerba (2007), an innovative organisation has a tendency to foster creativity and new ideas. In

other words, an innovative mindset was one that welcomed and encouraged new ways of doing things. Innovativeness can mean different things in different contexts; for example, Lee & Kelley (2008) defined it as the tendency to create new goods, processes, and businesses, which is similar to the definition given by Wang & Ahmed (2004). According to Ruvio, et al. (2014), an organisation is innovative if it has the capacity to create the foundation upon which innovations can be built. Tajdini & Tajeddini (2018) identified innovativeness as a prevalent characteristic of innovation-friendly organisations. The traits, mindset, or disposition of an organisation that encourages or promotes the creation and adoption of new ideas is referred to as its innovativeness. Therefore, the definition of innovativeness was not settled. The process of introducing something new into an established system was one example of innovation, and it often had to do with how businesses were run. According to this study, organisational innovativeness is a cultural trait that represents an organisation's intent to seize new opportunities, leading to the development of the ability to innovate and, ultimately, the implementation of successful ideas.

1.1.4 Business Strategy

In section 1.1.4., the researcher delve into the realm of Business Strategy, a critical facet of organizational management that steers the long-term direction and scope of an enterprise. The subsection begins by exploring the overarching concept of Business Strategic Management, highlighting its importance in aligning an organization's resources and market opportunities to its overarching objectives. This sets the stage for a detailed definition of Business Strategy, which is delineated as a company's high-level plan for reaching specific business objectives. Strategies are often crafted based on a deep analysis

of the competitive environment and an internal assessment that identifies unique strengths and weaknesses. Together, these components form the bedrock upon which companies can construct sustainable competitive advantages and achieve long-term success.

1.1.4.1. The Concept of Business Strategic Management

In order to attain a more comprehensive comprehension of strategic management, it is imperative to initially grasp the notion of strategy. Various scholars have presented divergent interpretations of the concept of strategy. Ansoff & McDonnell (1988) posited that strategy serves as the cohesive element that binds an organisation's activities and product markets, ultimately determining its future trajectory. According to Analoui & Analoui (2017), strategic referred to the sequence of choices made by an organisation that establishes and discloses its aims, objectives, goals, and primary policies and tactics for accomplishing these objectives. The aforementioned statement delineates the scope of commercial activities that the enterprise intends to undertake and the nature of the corporate entity it aims to establish. According to Baker (2003) perspective, strategy referred to the identification of fundamental, enduring goals and objectives of an organisation, as well as the selection of appropriate actions and allocation of resources required to achieve these goals. According to Mintzberg et al (1998) perspective, strategy can be defined as a pattern in a sequence of actions that occur over a period of time. Additionally, Johnston & Marshall (1995) introduced the concept of the 5 Ps of strategy, which include plan, ploy, pattern, position, and perspective. Grant (1995) have proposed an alternative framework for strategy that contrasts two distinct concepts: planned strategy and emergent strategy. The formulated strategy is derived from the process of strategic planning and is characterised by a well-defined objective, whereas the emergent strategy

typically arises from feedback or routine operations within the organisation. Johnson, Dess & Lumpkin (2003) posited that strategy pertains to the long-term direction and scope of firms, which involves the allocation and combination of resources to achieve the firms' major goals and missions in a challenging environment, resulting in benefits for the firms. The company's strategic approach encompasses both internal competitive capabilities and actions as well as external opportunities for growth and development.

Conventional scholars in the field of strategy view strategy as an attribute possessed by organisations. According to the theoretical framework of “Strategy as Practise” (Johnson et al, 2007), strategy is centred on the actions of individuals and the circumstances in which they are carried out. The focus is on the intricate procedures and methodologies employed in the day-to-day operations of organisations, which are linked to strategic results. According to Johnson et al. (2007), in a competitive environment, it is imperative for organisations to transition from traditional, periodic planning and decision-making systems to a more continuous process that is grounded in day-to-day activities and involves individuals at all levels of the organisation. Henceforth, the present research endeavour shall concentrate on the actions of organisational agents and their impact on the strategic outcomes of the enterprise.

According to Analoui and Karami (2003), strategic management encompasses a series of managerial choices and actions that have a significant influence on the performance of a company. The strategic management conceptual model comprises four fundamental components: environmental scanning, strategy formulation, strategy implementation, and strategy evaluation and control. Numerous scholars have modified and customised this particular model to suit small and medium-sized enterprises (SMEs) based on their unique size, nature, and attributes. Karami (2007) proposed a dynamic

strategic management model for small and medium-sized enterprises (SMEs) consisting of three stages: awareness, strategic formulation, and strategic implementation. The first stage involves comprehending the strategic situation, while the second stage involves developing a strategy. Finally, the third stage involves executing the strategy.

The sections that follow will discuss the fundamental components of the conceptual model and the performance of small and medium-sized enterprises (SMEs) in these procedures, as identified by previous scholarly research. This preliminary examination aims to provide initial insights into the strategic management practises of SMEs and establish a framework for empirical research. The empirical study seeks to investigate the distinctive features of strategic management in Thai SMEs located in the Special Economic Zone (SEZ) of Thailand. The four key areas of investigation include environmental scanning, strategy formulation, strategy implementation, and strategy evaluation and control in SMEs.

Environmental Scanning in SMEs: Environmental scanning serves the purpose of assessing the critical factors that would affect the present and future growth of an organisation while also identifying the particular impact factors during the strategy formulation process (Carpenter & Sanders, 2007). Typically, an organisation's surroundings encompass two fundamental facets: the internal environment and the external environment.

The internal environment of an organisation demonstrates the factors that are present within the enterprise. The assessment encompasses an evaluation of the company's positive and negative attributes, encompassing its cultural, structural, and resource-related aspects (Carpenter & Sanders, 2007). Analoui & Kazi (2021) emphasised the significance

of acknowledging the organisational context for small and medium-sized enterprises (SMEs), as it can significantly impact the effectiveness of implementing strategies. The acquisition and analysis of information can be crucial factors to consider in the context of strategic development for firms. This is because valuable information can yield benefits for a firm's strategic development and have a lasting impact on its future strategy. However, it is worth noting that many small and medium-sized enterprises (SMEs) face constraints due to their limited size, time, and resources, as evidenced by Ackermann & Eden (2011). Harrison (2003) asserted that small and medium-sized enterprises (SMEs) were motivated to achieve equilibrium between their internal context and strategic practises, as this can significantly influence the overall trajectory of the organisation. A comprehensive comprehension of the internal context can result in diverse strategic outcomes.

In order to differentiate based on the direct influence on commercial entities, the external surroundings can be categorised into two distinct types: general environments and specific environments. The macro-environment, commonly referred to as the general environment, has the potential to affect all enterprises within a given social environment. As such, it exerts a direct influence on said enterprises. The analysis of the environment can be conducted by employing the PEST module, which encompasses political, economic, social, and technological factors. According to David (2011), the term "specific environment" refers to the micro-environmental factors that have a more direct impact on a particular enterprise. The aforementioned factors encompass a range of entities, including but not limited to governmental bodies, suppliers, competitors, creditors, employees, trade associations, and local communities. The analysis of the environment is commonly conducted through the use of Porter's (1979) five forces model.

The study conducted by Wheelen & Hunger (2003) Wheelen & Hunger (2010) indicated that the environmental scanning procedure in small and medium-sized enterprises (SMEs) is comparatively less advanced than that of larger organisations due to their scale. The present study aims to investigate the environmental scanning practises of Chinese manufacturing SMEs, specifically focusing on the employment of SWOT, PEST, and Five Forces models. The authors will examine the format in which these SMEs conduct their environmental scanning and the extent to which they prioritise different aspects of the scanning process.

Strategy Formulation in SMEs: The formulation of strategy constitutes the second phase of the strategic management process. According to Teece, Pisano & Shuen (2000), the act of effectively managing external opportunities and threats involves the amalgamation of internal strengths and weaknesses. According to Wheelen & Hunger (2010), the process of strategy formulation in small and medium-sized enterprises (SMEs) is often viewed by scholars as a rational approach to strategic planning. This approach typically entails the creation of a mission statement, establishment of objectives or goals, development of processes, and implementation of control systems. The present study will scrutinise the primary concerns pertaining to Thai small and medium-sized enterprises (SMEs) operating within the confines of the Special Economic Zone (SEZ) in Thailand.

Wheelen & Hunger (2003) suggested that a thoughtful mission statement should encompass various elements such as purpose, value, vision, a general corporate goal, and a big goal; unique competence, expected competitive position, and competitive strategy; behavioural standards; financial and non-financial objectives; the specific market,

customer, and product; self-concept, public image pursued; concern for survival; customers, employees, shareholders, and society.

Objectives are defined as the ultimate outcome of deliberate actions. The alignment of the task at hand with the company's mission is imperative. According to Sayles & Wright (1990), an organisation may establish its targets and aims concerning various aspects such as revenue, expansion, market share, and shareholder value, among others. Peace & Robinson (2000) have posited that objectives within small and medium-sized enterprises (SMEs) ought to be quantifiable, attainable, and harmonious with one another, in addition to being effectively communicable to external parties.

According to Olsen (2012) assertion, the proficiency and expertise of managers would significantly contribute to the overall strategic formulation process of the organisation. The cognitive abilities of managers play a crucial role in the overall functioning of a firm. This includes tasks such as effectively assigning employees to appropriate positions based on their skills and talents, creating a cognitive map to aid in strategy development, integrating employees with similar cognitive abilities for strategic formulation, and implementing an expert system to achieve the firm's objectives. In order to facilitate information sharing and optimise resource utilisation across various departments, it is imperative for Small and Medium Enterprises (SMEs) to establish a network. The term "collaborative networking" was coined to describe the practise of employees working together to develop strategies in an efficient manner, as noted by Wheelen et al. (2017) This study aims to investigate the extent of managers' involvement and employees' participation in the process of formulating strategies within Thai small and medium-sized enterprises (SMEs) located in the Special Economic Zone (SEZ) of Thailand.

Strategy Implementation in SMEs: Once a strategy has been formulated, it must be put into action. According to Wheelen & Hunger (2010), strategy implementation refers to the creation of programmes aimed at executing the strategies and policies that have been formulated. The subject matter pertains to managerial interventions that aim to synchronise organisational action with strategic intention, as posited by Strategic Choice (2001). The display of the ultimate outcome of a firm's strategic endeavours serves as a reflection of its future developmental trajectory. The implementation of strategy is significantly influenced by the organisational structure, leadership, and human resources (employees), as evidenced by prior research (Saridag, 2021).

De Andreis (2019) noted that academics believe that the structure of an organisation significantly affects how a strategy is implemented once it has been formulated. According to Farid (2022), SMEs that make use of structural characteristics tend to have better performance and strategic alignment. Wheelen & Hunger (2010) claimed that the alignment between strategy and structure was a crucial factor in ensuring the successful and complete execution of distinctive corporate strategies. According to Abraham (2012), a firm's production and marketing channels benefit from its size because there is greater flexibility for adjustment and growth at a larger organisation. When compared to their larger competitors, small and medium-sized firms (SMEs) are making significant gains in today's market. This is because they are more flexible in the face of shifts and need less initial investment. Specifically, it appears that the historical cost advantages that larger enterprises had are diminishing.

The implementation of strategy can be significantly impacted by the leadership of senior executives. According to the studies conducted by Abraham (2010), small and medium-sized enterprises (SMEs) that possess a diversified and adaptable managerial

structure exhibit superior performance compared to their conservative counterparts. These adaptable SMEs are characterised by their willingness to take risks, embrace innovation, and proactively respond to changes in the market. In contrast, less innovative SMEs tend to adopt a more passive wait and see approach, which may hinder their competitiveness in a rapidly changing business environment. Analoui & Danquah (2017) have shown that effective strategic practise is associated with managerial traits such as high risk-taking capacity, a high degree of innovation, and a high level of proactivity. Conversely, the actions and fundamental competencies of the organisation will have an impact on the conduct of its employees throughout the strategic implementation phase, as well as shape the business landscape for sustained expansion. Saridag (2021) demonstrated a correlation between effective leadership and successful execution of strategic plans. Effective and robust leadership from managers and top-level executives is crucial for the successful implementation of formulated strategies.

A growing quantity of research underscores the significance of engaging employees at all hierarchical levels in decision-making and action. It is imperative to effectively disseminate the strategy to all members of the organisation rather than solely to those who were involved in its formulation Schermerhorn (1999). According to Thompson & Strickland (1999), it is imperative to incorporate a company's human resources into its strategic planning, particularly during the execution phase. This has been emphasised by scholars. This research will investigate the Thai small and medium-sized enterprises (SMEs) located in the Special Economic Zone (SEZ) through an analysis of their structure, leadership, and human resources. The aim is to identify the features of strategy implementation within these organisations.

Strategy Evaluation and Control in SMEs: The final stage of strategic management involves the assessment and regulation of corporate performance, wherein the company's actual performance is measured against its anticipated outcomes. According to Stoner & Freeman (1992), managers gather data from their subordinates in order to swiftly and effectively address issues and implement corrective measures. The final phases of the strategic management model encompass the assessment and regulation of strategy, commonly referred to as strategy evaluation and control. According to Kotter (2014), it is recommended that managers modify either the formulated strategy or its implementation based on the compared results and desired performance.

Kaplan & Norton (2001) emphasised the crucial significance of strategic evaluation and control, which should not be disregarded by any organisation. The objective is to assess the compatibility of strategies with the economic progress of firms in terms of their feasibility and practicality. Managers must take into account three primary factors: product quality, customer demand, and service. It is advisable to reassess both internal and external factors to ascertain the alignment of the selected strategy with the organisation's objectives, thereby enabling the implementation of remedial measures.

The assessment and administration of performance in small and medium-sized enterprises (SMEs) exhibit similarities to those in bigger corporations. The only difference lies in the extent of the evaluation. David (1995) have posited that the traditional measure of corporate performance, which has been derived from research conducted on large corporations, may not be entirely applicable to small and medium-sized enterprises (SMEs). Bowman & Asch (1978) asserted that scholars widely agree on the significance of performance as a critical component of strategy research. Abraham (2012) has contended that there is a contentious issue surrounding the suitability of different

techniques employed in measuring the performance of firms. The assessment of performance in small and medium-sized enterprises (SMEs) should not be restricted to monetary indicators such as ROI, market share, profit margin, and sales. An all-encompassing approach is necessary to evaluate the efficacy of small and medium-sized enterprises (SMEs). At present, there is a trend towards incorporating non-monetary metrics alongside monetary metrics in the evaluation and regulatory processes for measuring the operational efficacy of an entity (Fine, 2009). The objective of this empirical study is to examine the utilisation of evaluation and control mechanisms among small and medium-sized enterprises (SMEs) in Thailand that are operating within the Special Economic Zone (SEZ).

In conclusion, the concept of strategy is complex, with various scholars presenting divergent interpretations. The strategy serves as the cohesive element that binds an organisation's activities and product markets. Strategy pertains to the long-term direction and scope of firms and involves the allocation and combination of resources to achieve the firms' major goals and missions in a challenging environment. Strategic management is a series of managerial choices and actions that have a significant influence on the performance of a company. A dynamic strategic management model for small and medium-sized enterprises (SMEs) consisting of three stages: awareness, strategic formulation, and strategic implementation. This preliminary examination aims to provide initial insights into the strategic management practises of SMEs and establish a framework for empirical research. The four key areas of investigation include environmental scanning, strategy formulation, strategy implementation, and strategy evaluation and control.

1.1.4.2. Definition of Business Strategy

The term "strategy" is derived from the Greek word "strategos," which means "general," according to etymologists (David, 1995; Peace & Robinson, 2000). Despite its importance, there is no consensus on the definition and concept of strategy in the corporate world (Teece, Pisano & Shuen, 2000). The ever-changing relationship between corporate strategy and external factors may be at the root of the disagreement. Both internal and external elements that have an effect on the company are part of this environment. The corporation has no control over factors like government rules, rival businesses, or the preferences of its customers, all of which make up the external environment. Another perspective to consider is the plan's time horizon. The long-term nature of strategy and the complexity of dealing with issues in the business environment are two reasons why it is difficult to construct a universal definition of strategy. However, a definition of strategy is important for the purposes of this study in order to effectively contextualise the results of strategic planning.

Strategy can be considered as a plan, a ruse, a pattern, a posture, or a perspective, according to Mintzberg et al (1998). It is also important to look for links between various perspectives. According to Dess & Lumpkin (2003), below are Mintzberg's five definitions of strategy from 1987. (1) A deliberated plan of action, a set of rules for dealing with the situation; (2) A strategy employed to obtain an advantage over one's opponents and consolidate one's allies' support. Here, strategies come from behaviours, not plans; this is what we mean by "pattern"; (3) in the context of a sequence of events or acts; a repeatable pattern of actions, whether or not they were premeditated; (4) The "ecological niche" of a corporation or, in a military setting, a specific location on the battlefield; (5) an opinion or a way of looking at the world that has been held for a long time; "strategy in this respect is to the organisation what personality is to the individual."

It is important to note that while Mintzberg et al (1998) lists five definitions of strategy, these should not be read and considered to represent strategy in isolation from one another; rather, they should be studied together to acquire a whole understanding of what strategy comprises. Because strategy is multidimensional, it is best characterised by taking into account all five of Mintzberg et al (1998) definitions. This will allow for a larger range of viewpoints on the subject and result in a more fulfilling understanding of strategy for everyone.

Strategists refer to this process of transition as "the strategy" (Grant, 1995). Because of their importance in determining the organization's very survival, the organization's mission, vision, capabilities, and environment must all be taken into account while formulating a well-thought-out strategy. While the "mission statement" describes the company's current purpose and areas of attention, the "vision statement" describes the company's aspirational long-term aim of what it intends to become and do in the future (Analoui & Kazi, 2021). Realising the vision requires an in-depth familiarity with the environment and the resources available to the organisation in the form of personnel, procedures, tools, and physical plant. That's why it's crucial to take stock of the organization's internal and external environments before developing a plan.

Strategy can be thought of in two ways, both in terms of the long-term goals of an organisation and the measures used to get there, as stated by Carpenter & Sanders (2007). The definition of strategy offered by Ackermann & Eden (2011) is as follows: "the process by which an organisation determines its priorities and then uses those priorities to achieve its goals." Strategic planning, as defined by Analoui & Kazi (2021), is the procedure through which an organisation determines its overall long-term goals, designs a course of action to achieve those goals, and allocates resources to make those goals a reality. That

strategy is a blueprint for action or how an organisation gets from where it is now to where it wants to be in the future is supported by all three definitions of strategy offered by David (1995) Mintzberg et al (1998) Dess & Lumpkin (2003) Karami (2007) Wheelen & Hunger (2010). For the sake of this study, this study will define strategy from the standpoint of a 'action plan' or 'how' an organisation gets from its current condition to its desired future state. This definition is straightforward and, hence, should be easily understood by most owners and managers of small and medium-sized enterprises.

Strategic planning can be seen of as a bridge between an organisation and its external setting (Peace & Robinson, 2000). Strategy can also be understood as the decisions made by an organisation on the activities and projects it will pursue (Harrison, 2003). Since corporate strategy and company strategy are frequently used interchangeably, it is important to distinguish between the two (Carpenter & Sanders, 2007). Corporate strategy is what businesses are pursued and how they are handled (David, 2011), while business strategy is how an organisation or business unit competes within a given market.

Some authors (Bowman & Asch, 1978; Ansoff & McDonnell, 1988; Wheelen & Hunger, 2010; Analoui & Analoui, 2017) contend that strategies can either develop or be planned. While the planning approach formulates strategy according to a predetermined schedule, the emergent approach allows strategy to develop organically out of day-to-day operations and organisational initiatives (Sayles & Wright, 1990; Teece, Pisano & Shuen, 2000; Wheelen & Hunger, 2003). The benefits of the formal process of strategic planning are highlighted as the basis for this study's advocacy of the planned approach (Hill & Jones, 2007).

Most achieved strategies have been theorised to be the result of the interaction between planned and emergent strategies, a theory referred to as planned emergent (Grant,

1995). Strategy formulation is neither primarily planned nor simply emergent; instead, it is planned emergent (De Andreis, 2019). This is because the planned strategies, which would have been developed by senior management, are likely to be changed or slightly adjusted due to the influence of middle managers, who are mostly the drivers of the emergent strategy approach.

Strategic insights acquired throughout the process of developing the strategy also inform the strategy that will be implemented. Implementing a strategy and receiving feedback on how well it's working might help you learn from your successes and failures, or what you call "realised" and "unrealised" strategies (Mintzberg et al, 1998). The planned growth method is also seen as a less inflexible approach to generating strategy by incorporating bottom-up and top-down input and influence in the process (Grant, 1995). Strategy formulation receives input from both the bottom up (from the managers of individual business units) and the top down (from the corporate executives) in the form of mission and vision statements and/or strategic initiatives (Hill & Jones, 2007). In essence, a planned emergence method allows for more input from across the firm in developing strategy. Given that senior management typically develops planned strategies, these are typically still subject to the impact of middle leadership during the implementation and execution stages of the strategy (Carpenter & Sanders, 2007), and the notion that noticed strategy is an outcome of the notion of planned developed is reasonable. This is because middle management is more likely to react or cause the strategy to alter in reaction to environmental factors or pressure because they are closer to and more frequently affected by them in their day-to-day roles (Analoui & Danquah, 2017).

Strategy, according to Porter (1979), must aim for both operational efficiency and a competitive edge. Determining the distinct actions the organisation will take to reach its

future state is a source of competitive advantage (Porter, 1979; Wheelen et al., 2017). Net value created through (1) products or services offered to customers, (2) revenues realised from customers, (3) optimised spending on inputs to the value chain, (4) reduced costs associated with maintaining the organisation, and/or (5) optimised spending on future value creating activities like market research, innovation, and training is the competitive advantage discovered from the strategy selected (Karami, 2007). Gaining an edge over rivals in the same market is essential for the success of any firm, but especially so for smaller enterprises. This would give them a better opportunity to store up reserves of resources for future use in expanding and/or maintaining operations.

The success of an organization's pursuit of a competitive advantage depends on the appropriateness of the set of operations and initiatives that it employs to achieve that advantage (Porter, 1979). Organisations must make decisions on which activities or initiatives to continue pursuing due to the necessity for a good match or better integration between them and the available resources or skills (Kotter, 2014). The need to expand and improve operations may lead to decisions that are driven by internal silos inside the organisation, which could compromise the success of strategic efforts. To rephrase, the activities and initiatives selected should be those that, when taken together, yield the greatest advantage for the organisation, regardless of whether or not they are linked with the strategy (Hill & Jones, 2007).

According to David (2011), a good strategy consists of three parts: (1) a diagnosis that clearly shows stakeholders what is going on by identifying the challenges, obstacles, and opportunities; (2) propose a guiding policy to organise and concentrate the initiatives of the organisation; and (3) an assortment of consistent actions to implement the guiding policy. According to another theory (Analoui & Kazi, 2021), a company's strategy is

determined by deciding (1) who will be its targeted consumers, (2) what products or services it will give those customers, and (3) how it intends to go about providing those products or services. Whether or not the proposed strategic plans would enable the realisation of the desired future situation or an ongoing competitive edge determines the success or failure of a strategy (Abraham, 2010). According to Analoui & Danquah (2017), the activities and initiatives selected should be a good fit for one another, and the position that a strong strategy consists of three key elements (Kaplan & Norton, 2001) or the three criteria (Saridag, 2021) confirms this reasoning.

In conclusion, a strategy is a plan of action and the allocation of resources with the overarching purpose of achieving a specific objective. The ever-shifting connection between corporate strategy and external circumstances has led to a lack of agreement on what constitutes "strategy" and how it is to be defined. Strategic planning is a crucial procedure that acts as a link between a business and its external environment, taking into account feedback from both within and outside the firm. There are three main components to any effective strategy: an analysis, an overarching policy, and a regimen of repeated activities.

1.1.5. Firm Performance

In Section 1.1.5., the researcher explore the concept of firm performance, tracing its origins and providing a comprehensive definition. Firm performance encapsulates the effectiveness and efficiency with which a firm meets its objectives, representing a crucial metric for assessing organizational success. Initially rooted in the disciplines of economics and business management, the concept has evolved to encompass a broad spectrum of performance indicators across financial, operational, and strategic domains. This section

delves into the multifaceted nature of firm performance, highlighting its role as a pivotal element in the strategic planning and evaluation processes within firms. We provide a detailed definition that incorporates both quantitative measures, such as profit margins and revenue growth, and qualitative assessments, such as customer satisfaction and market reputation, to furnish a holistic view of how firms can be evaluated in various contexts.

1.1.5.1. Concept of Firm Performance and Its Origins

It has been proven that the concept of the success of a business encompasses not only numerical but also qualitative metrics. As was previously noted, when evaluating a company's success, different parties will look at it through different lenses (Badrinarayanan, Madhavaram & Manis, 2022). A prosperous business is one whose shareholders have a high level of faith in its management, pays out handsome dividends, and generates healthy profits (Guthrie & Neumann, 2007). When a company offers competitive costs, superior quality, and rapid delivery, it impresses its clientele. When workers are compensated properly, treated with dignity, and given opportunities to grow, everyone wins. Continued business, sales growth, and comments on the state of the company are all indicators of a successful supplier (Kaplan & Norton, 1996, 2004). Firm performance could imply local jobs, accountability, and prosperity to residents, whereas performance to regulators may mean following the rules and being forthright and honest (Richard et al., 2009).

Organisational performance has been widely used as the primary criterion for evaluating organisations, and is often regarded as one of the most important concepts in management research (Steven, Appelbaum & Rammie Kamal, 2000; Richard et al., 2009). But researchers rarely stop to think about how crucial it is to define and measure

performance (Perera, Harrison & Poole, 1997; Bryson, 2008; Cicchiello, Marrazza & Perdichizzi, 2023). Researchers encounter many challenges when attempting to evaluate the effectiveness of an organization (Steven, Appelbaum & Rammie Kamal, 2000; Richard et al., 2009; Bilgin & Adiguzel, 2021). To begin, it is evident that organisational performance is a complex and multi-dimensional phenomenon, which makes it fundamentally difficult to obtain suitable metrics, especially when what must be measured keeps changing (Steven, Appelbaum & Rammie Kamal, 2000). Since different fields of study have different ends in mind, it stands to reason that they'll employ different metrics of success in their own organisations (Bryson, 2008). Second, other measures utilised within the company and their influence on managerial decisions and actions can modify the associations between the relevant variables and financial results (Bilgin & Adiguzel, 2021). Because the performance metrics that reliably capture the latent performance construct will vary from company to company, it may be claimed that performance is likely to be somewhat firm specific (Richard et al., 2009). Due to this, academics are debating whether they should use subjective or objective measurements, or if they should prioritise financial or non-financial markers of success.

Richard et al. (2009) concluded that any study that claims to address organisational performance of Kaplan & Norton (1992) Kaplan & Norton (1996) must include strong theory that addresses two key issues. The first one is about the nature of performance – the dimensionality of performance, such as establishing which measures are appropriate to the research context; and the second one is about the nature of measurement – the selection and combination of performance measures such as establishing which measures can be usefully combined and the method of doing. Thus, the measures selected and measurement

approach used will affect research findings and the measurement model selection can materially affect the fit of research models.

1.1.5.2. Definition of Firm Performance

The term organisational performance can mean a variety of things, depending on the researcher's intended focus of investigation. But most people would agree that it describes the difference between an organization's actual output or results and its planned outputs like its aims and objectives (Chakravarthy, 1986; Kaplan & Norton, 1992; Clark, 1999). Effectiveness; how well an organisation accomplishes its declared objective, efficiency; how well it makes use of its resources, and long-term relevance; how well an organisation ensures its own existence are all ways to characterise organisational performance (Venkatraman & Ramanujam, 1986). How well an enterprise achieves its stated goals is what it mean when we talk about effectiveness. How effectively a company makes use of its assets is what we call efficiency.

Organisational performance is still not defined in a universally accepted way, as found by Sinclair & Zairi (2000) investigation. However, during the industrial age, the dominant shareholder had a very evident role in defining organisational performance (Marri, Gunasekaran & Grieve, 2000). According to Chakravarthy (1986), annual growth in net income, average returns on invested capital, and stock price appreciation were used to evaluate performance. Other authors, like as Ittner, Larcker & Rajan (1997) Lind (2000), have examined companies that have grown their revenue and profitability while simultaneously giving greater returns to shareholders and the cost of capital.

Ndlovu (2010) suggested that in the networked economy, a financial perspective such as this is no longer viable, whereas in the industrial economy, access to financial

resources was the fundamental driver of organisational performance. Thus, it is now generally accepted that stakeholder needs should inform performance definitions for organisations. Bedoui (2015) agreed that a more inclusive definition of organisational success, like the one proposed by Alcaide González, De La Poza Plaza & Guadalajara Olmeda (2020), is necessary to accurately portray the multi-stakeholder perspective.

Bedoui (2015) stated that different stakeholders may have different justifications, which in turn implies different measuring requirements. For instance, managers, workers, suppliers, customers, stockholders, governments, and NGOs would prioritise performance metrics that directly relate to their interests. According to Bini et al. (2023), stakeholders are anyone who can be affected by the achievement of the organization's objectives. However, according to Jeandry & Fajriyanti (2023), settling on a universal metric of stakeholder satisfaction is the most challenging part of the multi-stakeholder perspective. According to Nourayi & Canarella (2009), individual performance is reliant on effectiveness, strength, and partnership, and organisational performance is a combination of individual performance throughout the organisation. A company's success depends on its employees' skills, knowledge, creativity, and intellect, but Richard et al. (2009) argued that only efficiency can transform these factors into results.

As Ilie (2022) pointed out, utilising performance as a metric of efficacy has both advantages and disadvantages. According to Gbadebo (2022), there is a significant difference between organisational performance and the more general concept of organisational effectiveness. Effectiveness in the workplace is a broader notion than just performance, according to its theoretical foundations in organisational studies (Perera, Harrison & Poole, 1997).

According to Richard et al. (2009), the three main components of organisational performance are financial performance such as profits, return on assets, return on investment, product market performance such as sales, market share, and shareholder return such as total shareholder return, economic value added.

Thus, academics from all corners of the field of management study organisational performance for a variety of reasons, including the desire to influence and measure performance, as well as the desire to comprehend and enhance it (Venkatraman & Ramanujam, 1986; Zadek, 1998; Kaplan & Norton, 1996). Researchers use metrics like customer satisfaction, productivity, and job satisfaction from their respective fields to better understand the connections between them. According to the literature (Marri, Gunasekaran & Grieve, 2000; Guthrie & Neumann, 2007; Bedoui, 2015), this is crucial for figuring out the interconnections between various organisational acts.

In conclusion, organisational performance is the difference between an organization's actual output and its planned outputs, characterized by effectiveness, efficiency, and long-term relevance. It is a combination of individual performance throughout the organisation, with financial performance such as profits, return on assets, return on investment, product market performance, and shareholder return. Academics from all corners of the field of management study organisational performance for a variety of reasons, including the desire to influence and measure performance, as well as the desire to comprehend and enhance it. Metrics like customer satisfaction, productivity, and job satisfaction are used to better understand the connections between them.

1.2. Research Problems

The Special Economic Zone (SEZs) in Thailand are important for expanding the economy, improving living standards and addressing border security issues. The government established the Special Economic Zone Development Policy Committee in 2015 to develop the first phase of SEZs in various areas. However, challenges such as land expropriation, infrastructure construction, opposition from civil society, lack of participation by indigenous peoples, management of water, forestry, and waste resources, and small- and medium-sized business adaptation are still present. The development of Thailand's special economic zones aims to attract both domestic and foreign investors, major corporations, SMEs, and local businesspeople. The Thai government has a strategy to encourage investment, tax and credit waivers, and benefit waivers. SMEs should be aware of the characteristics of the spatial context, enterprise size, type of business, and growth rate of the spatial economy to maximise their potential and competitiveness. The development and promotion of small and medium-sized enterprises in Thailand is a long-term trend that will affect the economy. To achieve sustainable organisational performance, businesses need to alter daily operations within the physical and boundary limits of the business ecosystem. Entrepreneurship, marketability, innovativeness, and business strategy are key elements connecting the effect of firm performance on small and medium-sized businesses.

Entrepreneurship is the practice of using initiative, risk, and creativity to achieve a competitive advantage. It can be broken down into three groups: inventiveness, creativity, risk-taking, and initiative. Incorporating entrepreneurial marketing skills into resource management practises can yield positive results. Special Economic Zones (SEZs) are a key factor in the expansion of small and medium-sized businesses, allowing them to save costs, organise lucrative operations, and set up sustainable corporate management. Additionally,

Marketing competence is the sum of all the ways a company uses resources, skills, and knowledge to meet customer needs, make goods and services more valuable, and make it more competitive. It is characterised as a combined method that allows organisations to grow by addressing more complex customer-specific needs. Success of SMEs in the Special Economic Zone of Thailand depends on their capacity to market their products and services effectively. Thus, Innovation is the process of solving problems through original thought and effort. It can be measured by how quickly a business adopts new methods and concepts in production. Thai small and medium-sized firms in special economic zones should employ innovation to increase competitiveness and long-term performance, but with an eye on policy design, plan design, and goal setting. For Organisational performance is measured by both financial and non-financial variables, and the Balanced Scorecard was created to help non-public organisations make decisions.

This present study attempts to do a substantial amount of research on the ideas of entrepreneurship, marketing capability, innovation, business strategy, and firm performance in order to develop an understanding of how the appropriate concepts and theories perform. Additionally, in order to construct a research hypothesis, the researcher will collect relevant data. Through the study and investigation of such concepts, this research will be able to be relevant to its operational phenomena, which will further expand existing knowledge and produce fresh knowledge.

The Special Economic Zone (SEZs) is a powerful component for the expansion of the Thai economy and the distribution of prosperity throughout the area, improving the standard of living and income of the Thai people while also addressing issues with border security (Office of the National Economic and Social Development Council, 2020). The establishment of the Special Economic Zone Development Policy Committee by the Thai

government to draught and implement the Special Economic Zone Development Policy in the first phase in the Tak area, Mukdahan, Songkhla, and Trat was done in 2015. The second phase, which will include the establishment of special economic zones in Sa Kaeo, Kanchanaburi, Chiang Rai, Nakhon Phanom, Nong Khai, and Narathiwat, will begin operations in 2018 (Office of the National Economic and Social Development Council, 2017).

The creation of policies, regulations, and operating mechanisms has posed difficulties for the development of special economic zones in Thailand. Expropriation of land, stalled infrastructure construction, opposition from civil society, absence of participation by indigenous peoples, management of water, forestry, and waste resources, and, in particular, the degree of entrepreneurship and small- and medium-sized business adaptation, all contribute to the challenges and effects of the growth of Thailand's special economic zones (Office of the National Economic and Social Development Council, 2017). The development of Thailand's special economic zones also attempts to attract both domestic and foreign investors, as well as major corporations, small and medium-sized enterprises (SMEs), and local businesspeople, particularly in the case of major corporations. The Thai government has a strategy to encourage investment, tax and credit waivers, and benefit waivers, it also requires registered capital for company establishment and the use of pre-owned gear in order to get benefits. A large investment value will be created by the development of Thailand's special economic zones, but the drought also drives SMEs to each region to take advantage of the opportunity. To promote and enhance the potential and competitiveness of SMEs in special economic zones, there are currently unclear regulations and methods in existence.

SMEs should be aware of the characteristics of the spatial context, enterprise size, type of business, and growth rate of the spatial economy in order to maximise their potential and competitiveness. This brings up the issue of how SMEs with a focus on Thailand's Special Economic Zone will grow to become more competitive and lengthy. The decision of which business strategies are appropriate for running a single zone depends on how entrepreneurial characteristics must connect with the dynamics of SEZs in Thailand as well as the market issues and innovation development they must deal with. How would the special economy promote sustainability and competitiveness?

For Thai SEZs individually, as well as for government organisations and related organisations working on the development and promotion of small and medium-sized enterprises in Thailand, I believe that going back to the roots of the gap mentioned above is a crucial issue that can lead to the development and enhancement of the competitive advantages of small and medium-sized enterprises. It is a long-term trend that will affect how well Thailand's economy works and how well it can stay competitive.

In order for a firm to achieve sustainable organisational performance, there is a trend toward possibilities to alter daily operations within the physical and boundary limits of the business ecosystem. Businesses and entrepreneurs need to be able to meet short-term profitability targets in order to progress toward long-term financial objectives. Entrepreneurship, marketability, innovation, and company strategy serve as links in the supply chain that create competition and sustainability, which in turn depend on competitiveness and sustainable business performance.

For this reason, this research have regarded the ideas of entrepreneurship, marketability, innovation, and business strategy as crucial elements connecting the effect of sustainable corporate performance on small and medium-sized businesses in the

economic zone. It is unique to Thailand. Businesses need to identify the best ways of ensuring their performance satisfies the requirements of business sustainability, including business sustainability as it relates to the organization's capacity to create profits for long-term survival and business sustainability as it relates to the organization's capacity to deliver. A process- or technology-based good or service will be capable of promoting long-term competitiveness.

1.3. Research Questions

RQ1. Does the entrepreneurship and the marketing capability affect the innovation of small and medium enterprises (SMEs) in the Special Economic Zone of Thailand?

RQ2. Does the innovation affect the business strategy of small and medium enterprises (SMEs) in the Special Economic Zone of Thailand?

RQ3. Does the business strategy affect sustainable firm performance for small and medium enterprises (SMEs) in the Special Economic Zone of Thailand?

1.4. Objectives and Key Contributions

1.4.1. Research Objectives

This research seeks to achieve its general objective of the effect of entrepreneurship, marketing capability, innovation and business strategy on sustainable firm performance of small and medium enterprise (SMEs) in Special Economic Zone of Thailand to gain competitive advantage by focusing on the following specific objectives:

1. To determine the entrepreneurship and marketing capability on the innovation of small and medium enterprise (SMEs) in Special Economic Zone of Thailand.

2. To determine the innovation on business strategy of small and medium enterprise (SMEs) in Special Economic Zone of Thailand.
3. To assess the business strategy on sustainable firm performance of small and medium enterprise (SMEs) in Special Economic Zone of Thailand.

1.4.2. Key Contributions

1. The study integrates both theoretical frameworks and empirical insights to examine how entrepreneurship, marketing capability, innovation, and business strategy influence sustainable firm performance in the SEZs. This provides a holistic understanding of the dynamics within SEZs, particularly how these factors interplay to affect SMEs competitiveness and sustainability.
2. By focusing on the causal relationships between entrepreneurship, marketing capability, innovation, and business strategy, the research empirically tests theories within the unique context of Thailand's SEZs. This validation helps in refining the models of business strategy applicable specifically to emerging markets and zones of economic specialization like SEZs.
3. The study uniquely contributes to the understanding of the growth mechanisms of SMEs within SEZs, highlighting how strategic business decisions and operational adaptations influence long-term sustainability and competitive advantage. This is particularly valuable for policymakers and business leaders focused on enhancing SMEs performance in economically strategic regions.
4. The findings offer actionable insights for government bodies and regulatory authorities to improve the design and implementation of policies in SEZs. By identifying the key challenges and opportunities for SMEs in these zones, the

- research informs policy adjustments that could better support SMEs growth and sustainability.
5. The research delineates specific entrepreneurial and innovative practices that can enhance the competitive advantages of SMEs within SEZs. It provides a detailed analysis of how these practices are linked to overall firm performance, offering a blueprint for other SMEs within similar economic zones globally.
 6. By employing a comprehensive data collection and analysis approach, the research advances methodological standards in studying economic zones and SMEs dynamics. It leverages a combination of qualitative insights and quantitative data to build a robust understanding of the operational phenomena in SEZs.

1.5. Thesis outline

This section presents a structured overview of the thesis, outlining the organization and scope of each chapter to guide the reader through the progression of this research.

Chapter I Introduction, this chapter provides a comprehensive exploration of the complex relationship between entrepreneurship, marketing capabilities, innovativeness, business strategy, and firm performance. It sets the stage by outlining the significance of these elements in shaping modern business practices. Key terms such as entrepreneurship, marketing capabilities, innovativeness, and business strategy are defined and their evolution is discussed. The chapter lays the groundwork for the study by establishing the research problems, formulating questions, and stating the objectives and expected contributions of the thesis.

Chapter II Literature Review, this chapter will delve into existing research surrounding the core themes of the thesis. It will cover a wide range of studies to provide a deep understanding of how entrepreneurship and marketing capabilities contribute to firm performance through innovative strategies. The review will synthesize findings from various sources to identify gaps in the current knowledge, setting a clear direction for the empirical investigation.

Chapter III Methodology, in this chapter, the research methods used to explore the hypotheses or research questions stated in the introduction will be detailed. This will include the design of the study, data collection methods, sampling techniques, and the analytical tools and procedures used to assess the data. The chapter will also discuss the limitations of the chosen methods and how they impact the research findings.

Chapter IV Results & Discussion, This chapter will present a detailed analysis of the data collected during the research. It will use appropriate statistical methods to interpret the data, discussing how the results relate to the hypotheses or research questions introduced earlier. This section aims to provide a clear understanding of the relationships between marketing capabilities, innovativeness, and business strategy in driving firm performance. The findings from the research result will be thoroughly examined in the context of the existing literature. This chapter aims to interpret the results, highlighting their implications for both theory and practice. It will discuss how the findings contribute to our understanding of strategic management in business and the role of innovation and entrepreneurship in enhancing competitive advantage.

Chapter V Conclusion and Research Proposition, the final chapter will summarize the entire study, reiterating the key findings and discussing their implications for academics and practitioners in the field of business strategy. It will also provide recommendations based on the research outcomes, suggesting areas for further research and potential strategies for businesses to implement. The chapter will conclude with final thoughts on the journey of the research and its contributions to the field of business studies.

1.6. Summary

This chapter introduces the multifaceted nature of entrepreneurship, marketing capabilities, innovativeness, business strategy, and firm performance—core components crucial to modern business practices. It traces the origins and definitions of entrepreneurship and innovativeness, highlighting their roles in fostering business acumen and strategic agility. The chapter further explores marketing capabilities, categorizing their types and origins critical for competitive advantage. The concept of business strategy is dissected to reveal its role in shaping strategic management, and firm performance is examined to understand its foundational concepts and definitions. This chapter sets the stage by addressing intricate research problems, formulating pertinent questions, and outlining the objectives and significant contributions of the thesis, thereby paving the way for a comprehensive understanding of the interplay between these critical business dimensions.

CHAPTER 2

REVIEW OF LITERATURE

This chapter undertakes a comprehensive literature review, systematically unpacking the nuances of small and medium-sized enterprises (SMEs) within the Special Economic Zones of Thailand, with a focus on their entrepreneurial orientation and marketing capabilities. It explores the dimensions of entrepreneurial orientation, marketing capability, innovativeness, and business competitive strategic management, providing a contextual backdrop for understanding their impact on SMEs in Thailand. The review extends to analyzing the influence of these factors on firm performance, thereby setting the stage for a robust discussion on the dynamics of SME operations in a competitive economic environment. Subsequent sections synthesize observations from the literature and propose hypotheses concerning the relationships between entrepreneurship, marketing capability, innovation, business strategy, and firm performance. This structured exploration aims to highlight potential causal pathways and influence patterns that could inform future research and practice in the realm of SME development and strategic management.

2.1. Literature review

This section undertakes a comprehensive review of the scholarly literature pertaining to the nexus of Small and Medium-sized Enterprises (SMEs) and entrepreneurship within Thailand's Special Economic Zones. It investigates the dimensions of entrepreneurial orientation and how these influence SME operations in a uniquely Thai context. Additionally, this review explores the marketing capabilities of Thai SMEs, discussing both the breadth and specific dimensions that underpin these capabilities. The analysis

extends to the relationship between SMEs and innovativeness in Thailand, examining the various dimensions of innovativeness and their impact on business practices. The strategic management practices of these enterprises are also scrutinized, particularly how they navigate competitive business strategies within the Thai economic framework. Lastly, the performance of SMEs is assessed, with a focus on identifying the dimensions that define and influence firm performance in Thailand. Through this detailed literature review, the section aims to highlight the critical interdependencies and distinct characteristics that shape the performance and strategic approaches of SMEs in this vibrant economic landscape.

2.1.1. SMEs and Entrepreneurship in Special Economic Zone of Thailand

The literature analysis revealed that there are few studies on small and medium-sized businesses in Thailand's special economic zones since the Thai government seeks to promote investments in the special economic zones of large businesses. According to the development of institutional mechanisms and international cooperation mechanisms in the border areas of Thailand in 2022 by the International Institute for Trade and Development (a public organization), which has reported that problems and limitations in driving work in the development of special economic zones, for example, are still ambiguous and unclear, Thai government agencies have encountered conflicts. Investment promotion policies are mostly favorable to large investors, which are not favorable to investors in terms of law, lack of knowledge, understanding, and promotion of participation of small and medium enterprises as well as society and communities. New entrepreneurs and small and medium-sized enterprise entrepreneurs, and especially those applying for investment privileges, have complicated processes and procedures.

Somsak Srisontisuk, Ariya Pongsiri & Imron Sohsan (2017) investigated a collaborative network in the province of Nong Khai that was dedicated to special economic zones and included both small and micro-sized firms (SMEs) and other industries. According to their findings, in order to develop a network of collaboration between small and micro enterprises (SMEs) and other sectors, the following conditions need to be met: the terms of the beginning (starting conditions) on the part of government infrastructure people; the design of academic institutions' structures or structural work that serves to support the implementation of the policy of special economic zones supporting the development of SMEs by providing comprehensive SME services (SME One-Stop Service Center: OSS); Challenges associated with leadership: leaders ought to play a significant role in the process of cultivating information links. As a result, the process of collaboration between small and medium-sized businesses has been proposed as a primary driver in special economic zones. The educational institution is an organisation of knowledge, skills, and talents in a variety of sectors, particularly vocational education institutions. These types of educational institutions tackle difficulties with the local landscape and develop education into innovative SMEs in order to assist the communities in which they are located.

According to research conducted by Ariya Pongsiri & Sirinda Kamolkhet (2018), the province of Nong Khai possesses the potential and opportunity to develop economically. This is supported by a number of important factors, such as the Nong Khai special economic development area and the majority of small and medium-sized enterprises (SMEs), which account for 99.23% of all businesses. In addition, the government does not have a well-defined plan to encourage commerce and investment in the private sector, especially on behalf of SMEs. In addition, business owners in the region

are paying attention to the problem. However, it is not entirely clear how the business sector, namely SMEs, and other sectors cooperate with one another. The procedure has not changed in any way. Due to a lack of data connectivity and contact with stakeholders, small and medium-sized enterprises are unable to benefit from the special economic zone. Sojirat Toemsil & Prachasan Saenpakdee (2018) investigated the growth of the Special Economic Zone in the province of Nong Khai. They highlighted that the scenario in the Special Economic Zone had prepared the area for the development of infrastructure, agricultural and commercial investment, and international transportation to facilitate the services. Therefore, there is a need to improve economic competitiveness in order to boost overall competitiveness and increase the value of goods. The Special Economic Zone is a base connected to Thailand 4.0 that aims to maximise the potential of the local area and provide possibilities for the residents of that area. The recommendations for the development of the Nong Khai Special Economic Zone should include agricultural extension, improving production standards, trade, investment, tourism, and service industries. This will help to increase security by focusing on the development of people, SMEs, communities, and society in order to work in accordance with the growth of the Special Economic Zone.

The research that was conducted by Suchittra Ritsakulchai (2019) focuses on the Thai Special Economic Zone and Economic Border in the Wan Yai District of the Mukdahan Province. He presented the result that the majority of people in Wan Yai District, which is located in Mukdahan Province, were employed in agriculture, domestic animals, and fishing. This was one of the findings uncovered by the potential for economic border management. With regard to tourism, this neighbourhood is situated in the middle zone and is in close proximity to a number of other tourist destinations. In addition to this, his report found out that there are a great deal of different transportation lines that lead to

the Wan Yai district. In addition to this, there is a diverse selection of different kinds of tourist attractions in this region. Natural disasters, on the other hand, become both a significant barrier to progress and a consequence of a shortage of competent labour. At the same time, the public relations efforts of the administration have not provided the people with sufficient information regarding this project. As of right now, the high-speed train has developed into a significant opportunity as the hub of logistics in this area. It was his contention that the most essential elements of economically sound border management are the cultivation of cultural and ecological tourism. The growth of small and medium-sized businesses (SMEs) helps the villages enhance their long-term revenue, which is another benefit.

Nuttanaporn Eknarajindawat (2020) investigated the reasons influencing economic area growth in Mukdahan Province in accordance with the special economic zone policy, as well as the challenges and barriers affecting, as well as the suggestions and suggestions. The findings of the research indicate that the variables that push the development of economic areas under the special economic zone strategy for Mukdahan Province include factors for driving the target businesses, factors for paradigm change, benefits factors, and management factors for organisations, factors for pushing the area's growth under the special economic zone strategy, local operator factors, and production factors. These are the aspects that are affecting the development of economic areas under the special economic zone strategy for Mukdahan Province. The position of the Office of the Prime Minister's Regulations on Special Economic Zones, 2013, which have a lower rank than other related laws; the incentives and advantages; and the sites, which are far from the main export door of Thailand, are some of the problems and hurdles that are influencing the growth of economic regions in accordance with the special economic zones plan. There

should be an integrated development centre for entrepreneurs and service centres, with successful examples from other nations and neighbouring countries, and there should be promotion of industries and enterprises that use advanced technology to produce higher-valued products. The answers and recommendations are as follows: there should be an integrated development centre for entrepreneurs and service centers, and there should be promotion of advanced technology.

According to research carried out by Atcharaphat Khemma-akrajat, Karuna Seechompoo, and Benchawan Benchakorn (2022), 63.47 percent of small and medium-sized enterprises (SME) firm entrepreneurs needed skills and knowledge in human resource management in order to perform at a high level. The researchers also discovered that the sustainability human resources management strategy criterion was in accordance with the elements indicator model. This was another finding by the researchers. The components indicator model included human resource planning, job analysis, human resource development, contributing employee motivation, developing systematic divisions and works, and employee retention. The results of the survey regarding the level of satisfaction with the training indicated that the business owners, on the whole, reported a very high degree of satisfaction with the training.

Cooperation in Economic Border Trade The strategy between Thailand and the Lao People's Democratic Republic was developed by Karnpone Taechadatapipate, Wijittra Srisorn, & Sunthan Chayanon (2022). They proposed principles for promoting, supporting, and finding solutions to difficulties that come up in the Thai-Lao border commerce business in order to build up the firm's strength and its advantages over its competitors. The competition is going to be sanctioned and continued indefinitely at the ASEAN and international levels. It is vital to have an integration of the public, private, and public

sectors, especially SMEs, to collaborate in community economic growth in exports and employment in the area in order to boost the distribution of income to the local area. This is because community economic development is directly tied to the distribution of income and to alleviating some of the tension that has been building up along the border between Thailand and Laos.

As was just mentioned, the Special Economic Zone of Thailand is home to a number of active research activities that focus on research and entrepreneurship in an effort to achieve a competitive advantage. Additionally, academics have performed research on the subject of small and medium-sized enterprises (SMEs) as well as the Special Economic Zone of Thailand. On the other hand, both small and medium-sized enterprises (SMEs) and entrepreneurial activity in Thailand's Special Economic Zone have received insufficient attention in the research literature. From the researcher's point of view, this shows the problems with the research that has already been done and suggests new areas for research. As a consequence of this, as was said earlier, the majority of the existing research on small and medium-sized businesses (SMEs) and entrepreneurialism concentrates on the Special Economic Zone of Thailand. On the other hand, there is a knowledge gap about the applicability of the concept of entrepreneurship to small and medium-sized enterprises (SMEs) and the Special Economic Zone of Thailand. Therefore, the purpose of this research is to fill this gap by concentrating on the fundamental aspects of this concept. In the case of small and medium-sized businesses (SMEs) and the Special Economic Zone of Thailand, these fundamental aspects include both an entrepreneurial mindset and the ability to come up with new ideas.

2.1.2. Dimension of Entrepreneurial orientation

The processes, procedures, and activities associated with decision-making that have the potential to result in new entrants into a market are described as having an entrepreneurial orientation. An entrepreneurial orientation can be characterised by the following characteristics, which are the desire to function independently, the readiness to create, the tendency to be able to compete toward competitors, as well as the propensity to be aggressive in responding to the possibilities offered by the market. All of these traits can be found in persons who are naturally inclined to be entrepreneurs (Lumpkin & Dess, 1996).

Lumpkin and Dess's (1996) groundbreaking study is often cited as the inspiration for the idea of an entrepreneurial perspective. Kuratko (2009) used the qualities of risk-taking, innovativeness, and proactiveness as building blocks in the construction of his model of entrepreneurial orientation. The act of engaging in daring activities such as stepping into the unsure, taking out substantial debts, and investing a significant amount of cash to companies that truly exist in environments that are riddled with uncertainty is what is meant when the term "taking risks" is used (Lumpkin, Steier & Wright, 2011). When a company is prepared to take chances, it gives itself the ability to engage in more risky and aggressive operations (Meyer & Heppard, 2000). A corporation being innovative, a predisposition for trying new things, which manifests itself in the form of novel offerings and the technological preeminence it has achieved through investment in R&D. When it comes to businesses, innovativeness refers to a firm's ability to participate in experimentation and creativity (Kuratko, 2009). Being proactive is defined as the process of actively seeking out new opportunities that are relevant to an organization's present line of business. Examples of this include the introduction of new products and brands in

advance of the competition as well as the strategic elimination of operations that are in the declining stages of their life cycles. In this context, proactivity can also mean the launch of new goods and services in advance of the competition. (Morris & Kuratko, 2002). Being proactive advocates taking initiative by anticipating possible opportunities and becoming involved in marketplaces that are just beginning to form or are in the process of evolving. According Kuratko & Morris (2018), proactiveness and innovation are frequently connected with high risks. The taking of risks, on the other hand, enables a corporation to take a strong approach and alter the competitive environment in existing markets. According to Morris & Kuratko (2002), the literature on the process of strategic decision-making is where the entrepreneurial orientation first emerged. These authors see it as the entrepreneurial strategy-making process that key decision-makers utilise to put their company's organisational purpose into action, keep its vision alive, and generate a competitive edge for themselves and their company. The formulation of business strategies is an enterprise-wide activity that encompasses not only the planning, analysis, and decision-making processes but also additional considerations, including culture, values, norms, and missions.

The thoughts and actions of key participants operating within a dynamic generative process aiming at the establishment of new ventures are what make up what is known as an entrepreneurial orientation (Ireland & Webb, 2007). It has been determined that there are five aspects that can be utilised to characterise and differentiate key entrepreneurial processes, often known as the entrepreneurial orientation of a company (Dees, 2007). In settings involving competition, these characteristics are characterized to as autonomy, inventiveness, risk-taking, proactiveness, and aggression. These aspects are distinct from one another, and together they outline the scope of the entrepreneurial attitude (Lumpkin,

Steier & Wright, 2011). Every single one of these aspects has the potential to have a beneficial effect on overall performance (Bruyat & Julien, 2001). The amount to which each of these criteria is beneficial for predicting the performance of a business may depend on external factors, such as those related to the industry or the environment, or on internal factors, such as those related to the company's management or organisational structure (Lumpkin, Steier & Wright, 2011).

For the purpose of this research, these five aspects will be taken into consideration as variables that influence business innovation, business strategy, and business performance.

Autonomy: Autonomy refers to the procedure through which an individual or group comes up with an idea or a goal and sees it through to completion. Autonomy can also refer to the degree to which an individual or team has the ability to act independently (Baert, et al., 2016). Lumpkin, Steier, and Wright (2011) recognised autonomy as an essential element of an entrepreneurial mindset and emphasised its importance given the importance it retains for entrepreneurship. This was done to highlight the fact that autonomy is an essential element of an entrepreneurial attitude. Autonomy can be characterized as the ability and inclination to seek alternatives in a method that is self-directed, as stated by Lumpkin and Dess (1996). It describes actions that are conducted out within the context of the organisation without the stifling influence of organisational limits.

Lumpkin, Steier & Wright (2011) pointed out that autonomy has frequently been overlooked as a component of an entrepreneurial attitude, and they provide two potential explanations for why this oversight has occurred. To begin with, autonomy was not one of the initial elements of entrepreneurial orientation described by Lumpkin & Dess (1996)

and developed by Covin & Miles (1999). In addition, a number of industry professionals think that independence is an essential component of successful entrepreneurial behaviour. A credible organisation scale that assesses autonomy from the perspective of entrepreneurial orientation does not currently exist, which brings us to the second argument. One of the foundations upon which creative and entrepreneurial behaviour is built is autonomy (Deakins & Freel, 2009). The premise that autonomy fosters creativity, contributes to the expansion of entrepreneurial endeavours, and elevates a company's competitiveness and productivity has been shown to be correct by earlier studies (Lumpkin, Steier & Wright, 2011). Autonomy is a crucial element in the methods of maximizing on a business's existing strengths, identifying opportunities that lay outside the boundaries of the firm's current abilities, and encouraging the development of new enterprises or enhanced business practises. Autonomy is also an integral part in the procedures of nurturing the growth of new enterprises or positive business procedures (Lumpkin, Steier & Wright, 2011).

In the context of the organization, this refers to the practise of enabling individuals to think and act in a manner that is more independent of those established by the company's standards and policies by providing them with the freedom to work outside of such bounds in their daily activities (Austin, Stevenson & Wei-Skillern, 2006; Agarwal, et al., 2010; Lumpkin, Steier & Wright, 2011). The responsibility of the entrepreneur or business operations of a business owner, who often have considerable latitude in terms of implementing and supervising entrepreneurial initiatives, is one manifestation of this (Lumpkin & Dess, 1996). In the context of a small business, Austin, Stevenson & Wei-Skillern (2006) concurred that an owner-entrepreneur is the individual who will demonstrate autonomous traits when it comes to making choices and driving the business.

On either hand, in order to encourage entrepreneurial behaviours on a more fundamental level, huge organisations often adopt a flat organisational structure (Austin, Stevenson & Wei-Skillern, 2006). Employees have the freedom to work on new initiatives and come up with fresh ideas when their organisation has a flat organisational structure.

Within the framework of an organisation, autonomy is fostered through the application of both top-down and bottom-up strategies (Lumpkin, Steier & Wright, 2011). Many of the most brilliant ideas for new business ventures are conceived from the ground up. Companies with an overall mission of entrepreneurship promote various schemes and programmes that foster an entrepreneurial environment and encourage impartial decision-making (Anderson & Li, 2014). Businesses that foster an environment that is conducive to decentralised decision-making at lower levels provide unique financial incentives and organisational structures that are intended to foster the growth of entrepreneurial endeavours and strengthen support for them (Ireland & Webb, 2009). Agarwal, et al. (2010) discovered that the most entrepreneurial companies tend to have the most independent leaders.

In addition, past research provides support to the hypothesis that, inside that framework of a management structure, autonomy stimulates innovation, helps the launch of running a business, enhances the both firm's competition and its overall efficiency, and raises both the firm's overall efficiency and its system effectiveness (Lumpkin, Steier & Wright, 2011). Autonomy encourages behaviours that are simultaneously opportunity- and benefit-seeking (Ireland & Webb, 2009). When it comes to pursuing possibilities, reallocating resources, and gaining a strategic advantage over other businesses, a certain level of independence and planned behaviour on the part of businesses is required. According to Ireland, Covin, and Kuratko (2009), autonomy provides individuals with the

ability and inspiration to endorse and make a contribution to the attempts of a corporation through a variety of activities and behaviour on the part of employees at any and all top of the enterprise. This contribution can come in the form of financial support or other types of assistance. This is in regard to the statement that came before this one.

According to Lumpkin, Steier & Wright (2011), independent individuals who operate outside of their typical job routines and practises offer an essential source of creative and entrepreneurial growth and development. Consequently, autonomy is essential to the procedures of effectively utilising an organization's core strengths, offering an opportunity that exceeds the organization's current capabilities, growing the organization's ability to compete and performance, and therefore enabling the creation of new endeavours or improved business practises. These processes can be broken down into three categories (Kantur, 2016).

Creativeness: Schumpeter (1939) is considered to be one of the pioneers who brought attention to the significance of the role that innovation plays in the formation of entrepreneurship (Lumpkin & Dess, 1996). Schumpeter (1939) proposed that innovation is both the engine that powers economic advancement and the primary source of new revenue. Additionally, innovation acts as a driving force behind the expansion of businesses (Ireland, Covin & Kuratko, 2009). Creativeness can be characterised as the inclination to engage in creative work and discovery through the creation of new products and services, coupled with the technology transfer that occurs during discovery and development of new processes. The ability to create novel goods and services is what we mean when we talk about an organization's inventive spirit.

A business's creativeness indicates its propensity to engage in and promote new ideas, unique endeavours, creative processes, and experimentation, all of which have the potential to result in new goods, services, or technological improvements (Lumpkin & Dess, 1996). It is common practise to attribute a significant amount of importance to the part that creativeness plays in entrepreneurial enterprises in terms of promoting growth and increasing overall industry potential (Kuratko & Morris, 2018). According to Toma, Grigore, and Marinescu (2014), creativeness is the process that brings a degree of originality to the organisation as well as its customers and suppliers through the production of inventive methods, solutions, goods, and services as well as new ways of marketing. This is accomplished by the development of new processes, goods, and services, in addition to new channels of commercialization.

The capacity for innovation denotes a fundamental urge to divergence with formerly established techniques or methods and to investigate fields of expertise that are outside the prevailing norm. In other words, creativeness denotes the ability to think outside of the box (Lumpkin & Dess, 1996). The capacity for innovation denotes a fundamental urge to divergence with formerly established techniques or methods and to investigate fields of expertise that are outside the prevailing norm. In other words, innovation denotes the ability to think outside of the box (Lumpkin & Dess, 1996). One of the most crucial elements of an entrepreneurial mindset is creativity (Wright & Hitt, 2017), and It's one of the things that has to be in place before a business can engage in entrepreneurial endeavors. According to Webb, Ketchen Jr & Ireland (2010), a person who is creator is one who is open to new ideas and is prepared to try them out in order to find better ways to run a company, promote a product, and enhance said product. According to Sebor and Theerapatvong (2010), the ability to think creatively facilitates the establishment of

streamlined operational procedures and the identification of novel approaches to the management of technologies, products, and processes. This is one of the ways that innovativeness can be described.

There are many methods to categorise creativeness, but arguably the most useful is to consider the differences between technology and product-market innovation. Creativeness in technology can be broken down into its basic components, which include new product and process creation, engineering, and research. Additionally, a focus on technical skills and industry knowledge is essential. Creativeness product-market strategies prioritise product development, consumer insights, promotion, and sales (Kuratko & Morris, 2018).

It is a vital source of the new ideas that generate product debuts, service developments, and management techniques that advance and maintain a healthy organisation; creativeness is regarded as essential to maintaining a company's financial sustainability. This is due to the fact that creativeness is regarded as essential to preserving a company's viability (Ireland, Covin & Kuratko, 2009). A culture within an organisation that is willing to respond to the concept of attempting new approaches to strategic planning can be fostered by placing an emphasis not only on technological innovation but also on technical leadership. This is especially helpful for businesses that are on the smaller side. Due in large part to the fact that these companies are at the forefront of technological innovation, smaller companies have the ability to develop and implement innovative technologies that can be leveraged to gain a competitive edge (Agarwal, et al., 2010). The ability to think creatively and try new things during the product development process are two areas where a small firm can benefit from a creativeness mindset (Chesbrough, 2003). According to Chesbrough (2003), creativeness involves a significant financial commitment

in the creation of organisational innovation capabilities and R&D expenditures. This can impair the capacity of SMEs to meet short-term financial responsibilities. According to Drucker (2014), spending money on research and development that does not pay off can be considered a waste of resources. In addition, Kuratko & Morris (2018) pointed out that earlier research has demonstrated that research and development are much more effective and efficient in smaller organisations than in larger businesses. Gelard & Ghazi (2014) emphasized the significance of creativeness capability in small businesses by positing that these companies are systemically equipped for high levels of creativeness as a result of reduced work specialisation and less organised management control. This finding lends credence to the notion that small businesses should place a greater emphasis on creativeness. Small entrepreneurial enterprises are responsible for the majority of truly revolutionary creativeness (Gelard & Ghazi, 2014).

Furthermore, organisations that are inventive in terms of creating and introducing new products and technology can achieve exceptional economic performance (Wiklund & Shepherd, 2005:75). These kinds of companies have even been referred to as the engines that drive the economy (Wright & Hitt, 2017). According to Deakins & Freel (2009), there is an increasing acknowledgment that creativeness is the sole source of development, strategic advantage, and new wealth that is sustainable. Ingenuity, the performance of a company, and economic expansion all have a symbiotic relationship with one another (Baron, 2007).

Risk-taking: The discipline of participating in bold behaviours, such as accessing unknown or brand-new marketplaces and spending major sections of capital to endeavours the outcomes of which are uncertain, is what is meant when we talk about risk-taking as a

concept (Bull & Willard, 1993). The attribute of being willing to take risks is usually cited when entrepreneurship is discussed (Lumpkin & Dess, 1996). Risk is defined by Dees (2007) as the degree to which there is ambiguity regarding the potential realisation of substantial or disappointing outcomes as a result of a decision. The willingness to pursue possibilities that have a realistic likelihood of resulting in damages or major performance discrepancies is an essential component of risk-taking, as stated by Morris & Kuratko (2002).

According to Morris & Kuratko (2002), taking risks is synonymous with such a determination to devote substantial amounts of capital to endeavours for which the potential consequences of failing to succeed are severe. Within the framework of a strategic plan, Morris Kuratko & Covin (2008) distinguished between three different kinds of risk: taking a step into the unknown, surrendering relatively large percentages of one's assets, and taking on an excessive amount of debt (Lumpkin & Dess, 1996). However, taking risks should never be considered a gamble, but rather a deliberate and thoughtful activity that considers both the potential benefits and the potential drawbacks (Dees, 2007). According to research conducted by Bruyat & Julien (2001), smaller, more entrepreneurial organisations frequently assume a greater degree of risk in their pursuit of developing novel technologies and capitalising on possibilities. Entrepreneurial organisations are not risk-takers in and of themselves (Ireland & Webb, 2007); rather, they explicitly identify the risks that they are prepared to take by putting management systems in place. These management systems may include things like researching and assessing risk variables to minimise uncertainty as well as utilising tried-and-true practises that have been successful in other sectors (Ireland, Covin & Kuratko, 2009).

Bruyat & Julien (2001) noted that market opportunities are more likely to be taken by small businesses with an entrepreneurial spirit. This indicates that these businesses have a greater propensity toward risk-taking than huge organisations that have been operating for a long time. When businesses are unable to be innovative, there is a commensurate increase in the level of risk. In essence, businesses are able to better manage the risks associated with innovative endeavours the more frequently they engage in such endeavours, as a result of their increased level of knowledge and available resources (Ireland, Covin & Kuratko, 2009). In the short term, there is relatively little risk involved if a business does not innovate; however, there is a large increase in the risk that is involved in the long run because growth and progress are unattainable without innovation.

Pro-activeness: An entrepreneur who is proactive takes the initiative to act rather than waiting for events to unfold or doing nothing at all. Lumpkin & Dess (1996) recognised as early as that year that the entrepreneur is constantly active rather than inert. Being proactive can result in the possibility of predicting the availability of vital resources, gaining technological leadership, and constructing obstacles that prevent buyers from switching providers.

Businesses that respond to competitive opportunities throughout the process of initial entry and capitalise on such opportunities to shape the environment around them are said to be pro-active. This is because the term pro-activeness is used to characterise their behaviour (Ireland & Webb, 2009). The term proactivity refers to an outlook that is focused on the future and is indicative of a market leader who possesses the vision to take action in advance of anticipated future demands and mould environmental factors (Morris & Kuratko, 2002). Businesses that take initiative have the ambition to break new ground,

which allows them to seize newly arising possibilities (Wright & Hitt, 2017). An key component of proactivity is the willingness to take the effort to work toward the goal of affecting one's circumstances in a way that is beneficial to oneself (Deakins & Freel, 2009). This description is congruent with Venkataraman's (1997) concept of proactiveness, which comprises taken advantage of possibilities that might or might not be connected to the existing network of enterprises, the launch of brand-new items and brands prior to the competition, and proactively terminating operations that are in the mature or waning stages of their development cycles. It is crucial to keep an eye on active business trends, assess the future demands of existing customers, and predict changes in demand for rising issues, since all of these factors might lead in new enterprise prospects, as stated by Morris Kuratko and Covin (2008). Therefore, the desire to participate in activities that will inspire one's competitors to do the same is what is meant by the term proactivity (Lumpkin, Steier & Wright, 2011).

Competitive aggressiveness: According to Lumpkin and Dess (1996), the level of intensity with which a corporation attempts to excel beyond that of its competitors is referred to as competitive aggressiveness. This type of aggressiveness is supported by a significant offensive stance or an immediate stance toward a potential rivalry. It requires reacting to the environment's established methods of competitiveness demand in a manner that is appropriate. It would be much simpler to adopt such a reaction in response to the existing competitive conditions if the environment were more stable and the game's rules were more transparent and consistent (Lumpkin, Steier & Wright, 2011). Businesses that deliberately work to improve their competitiveness are defined by responsiveness, which may occur in

the form of head-on competition. This might occur, for instance, when a firm enters a market that a rival has already recognised (Lumpkin & Dess, 1996).

Reactive behaviour, in which a corporation responds to a competitive threat by taking drastic measures like lowering prices, is another definition of competitive aggression. One example of this type of behaviour is when a company faces a pricing war (Lumpkin & Dess, 1996). Furthermore, aggressiveness in a challenging way displays a propensity to be unorthodox rather than dependent on context. The term contesting refers to the act of arguing or debating over something, another form of competitive aggression. Included in this category are strategies like prioritising high-value products and focusing on weaknesses that competitors have in order to compete with established market leaders (Lumpkin, Steier & Wright, 2011).

Competitors can be overcome and entrepreneurial positions strengthened by a variety of means, including but not limited to: entering markets at significantly lower costs than competitors; mimicking the business processes or strategies of major rivals (Morris & Kuratko, 2002); and spending aggressively in proportion to opponents in branding, goods/services/quality; and production capabilities. These are only some of the activities that might be done (Lumpkin & Dess, 1996). Lumpkin and Dess (1996) made the observation that there is a distinction to be made between being competitively aggressive and being proactive, and this distinction needs to be made clear. Although aggressiveness in competition and initiative are related and have many commonalities, it is important to keep in mind that they are yet distinct personality qualities. The term competitive aggression is used to describe the way in which businesses deal with their rivals, or more accurately, how they react to the norms and expectations already established in the market.

The term proactivity refers to the manner in which businesses react to market opportunities during the process of new market entry by taking the initiative and acting in an opportunistic manner in order to shape the setting, that is, to impact trend lines and potentially even create a market. Proactivity is referred to as taking the initiative and acting opportunistically. The difference between competitive aggressiveness and proactivity is that the latter focuses on meeting demand, while the former is more concerned with fighting for demand. Therefore, the degree to which aggressiveness in the marketplace is related to success will not be dependent on the degree to which proactiveness in the workplace is linked to achievement (Luke, Kearins & Verreynne, 2011). Ireland, Covin & Kuratko (2009) claimed that aggressive competitive behaviour is less connected with a growth strategy. According to Ireland & Webb (2009), it is a response behaviour on the part of competitors or behaviour patterns in the preservation of a market position. They have come to the conclusion that there is no connection between competing aggressiveness and growth, which is in line with their stance.

2.1.3. SMEs and Marketing Capabilities in Thailand

In comparison to large-scale enterprises, the marketability of Thailand's small and medium-sized enterprises has received a considerably lower number of research attempts. Although there are not many studies that concentrate on the marketing capability of small and medium-sized enterprises in Thailand, the ones that do exist shed light on the significant role that marketing capability plays in driving small and medium-sized enterprises in Thailand. The study of Kaewdee, Wingwon & Chotivanich (2019) explored the effect of the external environment, business growth, and the participation and marketing capability of community enterprises in upper northern Thailand. The results of their study showed

that the external environment had the greatest impact on marketing capabilities, followed by involvement and the expansion of local businesses. Community business expansion was influenced in part by residents' level of engagement and their marketing capabilities. Moreover, Narakorn (2020) tested the relationship between marketing performance, platform capability, web capability and digital marketing capability of SMEs entrepreneurs in Phitsanulok Province in Thailand. His study discovered that digital marketing expertise mediated the relationship between platform expertise and marketing efficiency to a lesser extent, and that it mediated the relationship between online expertise and commercial performance marketing to a greater extent. In addition, Rattanapun, Khantanapha & Piriyakul (2022) analysed the role marketing capability and technology play in the success of small and medium publishing enterprises in Thailand. Results of their study indicated that a company's marketing capability has a direct impact on its success in Thailand, particularly among small and medium-sized publishing enterprises. Furthermore, Sukkho, Somjai & Charoenriryakul (2021) analyzed the effects of business owners' entrepreneurial traits, market focus, marketing capabilities, and competitive strategy on their success in the street market in Bangkok, Thailand. The outcomes demonstrated that market orientation, competitive advantage, entrepreneur qualities, and marketing capabilities all contributed to the success of small businesses in Bangkok, Thailand's street markets. They recommend that entrepreneurs work on improving their marketing capabilities to better their businesses' operational planning, policies, and marketing tactics. Small businesses benefit from its widespread appeal among its target demographic and its capacity to promote increased consumer spending. Along with Niwattakul & Leekpai (2022) investigated the effects of transformational leadership and marketing capabilities on the success of registered community companies in Phatthalung Province, Thailand. Community enterprises in

Phatthalung Province were found to benefit from transformational leadership and marketing capabilities. Community enterprises in Phatthalung Province were encouraged to investigate the identification of market characteristics appropriate for community enterprise products in order to create products that would connect to specific audiences and potentially lead to the creation of product lines that would better satisfy consumers' attention and needs. In other research of Chumat, et al. (2022), small and medium-sized Muslim-owned businesses in Thailand's three border provinces were put through an experiment designed to measure the connection between their market abilities and their competitiveness. Researchers found that in the three border provinces of southern Thailand, the competitiveness of small and medium-sized Muslim businesses was unaffected by marketability. Small and medium-sized Muslim businesses in Thailand's three border regions have been experiencing turbulence for quite some time, they say, leading to shifts in customer behaviour and a greater emphasis on selling conventional products at low rates. Better product sales are expected with lower prices. So, in its current form, it hinders the entrepreneur's capacity to advertise their product or service. In the next part of this section, the dimension of marketing capability has been discussed.

2.1.4. Dimension of Marketing Capability

Based on the assumptions of resource-based theory and dynamic capabilities, this study found similarities between marketing skills and the things that help the businesses. Consequently, this aided academics in defining key aspects of marketing competence (Barney, 2014). According to the study's findings (Ngo O'Cass, 2012; Feng, Morgan & Rego, 2017; Morgan, Hui & Whitler, 2018; Akgun & Polat, 2022), the importance of marketing capabilities was also determined within the framework of the marketing

capability concept. Based on a survey of the relevant academic literature (Morgan, Vorhies & Katsikeas, 2003; Morgan, Slotegraaf & Vorhies, 2009; Morgan, Vorhies & Mason, 2009; Morgan, Kastikeas & Vorhies, 2011), this study understood that pricing, product creation, channel management, marketing communication, selling, market information management, marketing strategy, and marketing implementation are all crucial components of effective marketing. Morgan, Kastikeas & Vorhies (2011) effectively established the emerging concept of organisational marketing capability through his presentation of studies in this field of marketing capability. The studies (Adner & Helfat, 2003; Griffith, Yalcinkaya & Calantone, 2010; Nath, Nachiappan & Ramakrishnan, 2010; Achrol & Kotler, 2012; Banerjee & Soberman, 2013; Nalcaci & Yagci, 2014; Alberto Alves & Costa, 2020; Thailandkidzwa & Phiri, 2020; Garcia Ortiz, et al., 2021; Kankam-Kwarteng, Donkor & Forkuoh, 2022) urged researchers to use Morgan, Kastikeas & Vorhies (2011) integrated conceptual framework of marketing capabilities to analyse the grading of four distinct marketing abilities: specialised marketing capability, cross-functional marketing capability, architectural marketing capability, and dynamic marketing capability. According Morgan, Slotegraaf & Vorhies (2009) Morgan, Kastikeas & Vorhies (2011), higher-order marketing techniques involve the organization's market information absorption capacities and knowledge distribution processes, and these marketing capabilities function in cross-functional teams. An enhanced business performance can be achieved through a combination of capabilities with knowledge-absorptive capacity and deployment competency within cross-functional units (Patel, Feng & Guedes, 2021). In the next part of this section, the specialised marketing capability, cross-functional marketing capabilities, architectural capabilities, dynamic marketing capabilities have been discussed.

Specialised marketing capability: In context with the preceding, specialised marketing capability places an emphasis on certain functional activities that allow the organisation to make better use of its resources through the development of specialised marketing capabilities required for carrying out its marketing plan efficiently (Morgan, Vorhies & Katsikeas, 2003). Integration capacity with other processing elements and raw material accumulation from external sources are used to categorise this set of marketing skills (Nalcaci & Yagci, 2014). An earlier study by Morgan, Slotegraaf & Vorhies (2009) Morgan, Vorhies & Mason (2009) looked at the effects of specialised marketing capabilities on performance, and they concluded that combining different marketing departments helped businesses carry out their strategies. Product management, pricing management, channel management marketing, marketing communication, selling, and marketing research are only some of the specialised marketing talents that have been classified by a number of scholars (Adner & Helfat, 2003; Nath, Nachiappan & Ramakrishnan, 2010; Achrol & Kotler, 2012; Nalcaci & Yagci, 2014; Thailandkidzwa & Phiri, 2020; Garcia Ortiz, et al., 2021). These targeted marketing actions are taken to better organise a marketing mix plan, which in turn aids in the execution of marketing strategies that drive improved business success (Acikdilli, G., et al., 2022). Certain marketing procedures are involved in connecting assets to provide enterprise-level value propositions, as evidenced by the role of every facet of specialised marketing capabilities (Morgan, Vorhies & Mason, 2009). Morgan, Slotegraaf & Vorhies (2009) Morgan, Vorhies & Mason (2009), among others, theorise the relationships between particular marketing activities, competitive strategy, and marketing performance.

According to the mention above of this investigation, specialised marketing capabilities can keep replacing spanning capabilities. Entrepreneurs encounter an

important challenge in exceeding customer expectations while operating in highly competitive emerging economies, and so this challenge is posed by specialised marketing activities, which fall within the category of intermediate marketing tasks. In order to put their company plan into action, businesses require superior knowledge and implementation processes, not merely average marketing talents. Entrepreneurs can adjust to changing market conditions by utilising knowledge management skills for resource reconfiguration. In the next part of this section, the cross-functional marketing capabilities has been discussed.

Cross-Functional Marketing Capabilities: Weerawardena (2003) pointed out that the best way to get a competitive edge is to be able to take in and share knowledge across the functional units of an organization. More useful products and services can be created if market knowledge is shared across departments (Morgan, Slotegraaf & Vorhies, 2009). Capabilities that work within functional core businesses should have ways to learn and share information (Barney & Felin, 2013). Organizational absorptive ability is a measure of how well they take in and apply new information and ideas from outside the company (Hendar, et al., 2020). Day ((2014 noted that an organization's ability to take in knowledge is very important because it gives them useful information that can be used across departments. Morgan, Vorhies & Mason (2009) Morgan, Kastikeas & Vorhies (2011) explained that an organization's ability to gain knowledge depends on how well its internal mechanisms work. Cross-functional competence is seen as a key internal mechanism in several studies (Griffith, Yalcinkaya & Calantone, 2010; Nath, Nachiappan & Ramakrishnan, 2010; Banerjee & Soberman, 2013; Alberto Alves & Costa, 2020; Garcia Ortiz, et al., 2021). It shown that the company can use cross-department business

procedures to implement knowledge transfer in a methodical way. However, many marketing capabilities studies (Nachiappan & Ramakrishnan, 2010; Achrol & Kotler, 2012; Banerjee & Soberman, 2013; Nalcaci & Yagci, 2014; Alberto Alves & Costa, 2020; Thailandkidzwa & Phiri, 2020; Garcia Ortiz, et al., 2021; Kankam-Kwarteng, Donkor & Forkuoh, 2022) have discussed that it can be hard for companies to share information and expertise across their many departments and divisions. Improving organisational effectiveness through sharing market intelligence across functional silos is a challenging endeavour (Hazzam & Wilkins, 2022). As a result, cross-functional business operations can be found with marketing capacity that allows the organisation to reconfigure and apply market information in interdisciplinary teams (Mitic & Rakita, 2022).

Higher-order marketing capabilities, as distinct from intermediate marketing skills, are what make up a cross-functional competence, according to research (Morgan, Vorhies & Katsikeas, 2003; Morgan, Vorhies & Mason, 2009; Morgan, Kastikeas & Vorhies, 2011). The three interdisciplinary marketing capabilities listed by Morgan, Kastikeas & Vorhies (2011) are brand management, customer relationship management, and new product creation. Academics (Griffith, Yalcinkaya & Calantone, 2010; Nath, Nachiappan & Ramakrishnan, 2010; Banerjee & Soberman, 2013; Alberto Alves & Costa, 2020; Garcia Ortiz, et al., 2021) have also investigated that businesses should give clear attention to both general business functions and marketing departments. However, researchers working on the topic of marketing capability (Alberto Alves & Costa, 2020; Thailandkidzwa & Phiri, 2020; Garcia Ortiz et al., 2021; Kankam-Kwarteng, Donkor, & Forkuoh, 2022) have proposed that a corporation's higher-order capabilities should be arranged to represent complementary impacts in order to allow the adjustment of capabilities. Organizational procedures that yield synergistic outcomes when a capability is employed in tandem with

other capacity planning are referred to as complementary capabilities (Garcia Ortiz, et al., 2021). The competitive value of an organization's processes is greatly impacted by the bundling of diverse resources and capabilities, which in turn has a profound effect on the development of the organization's nimble and adaptable capabilities (Alberto Alves & Costa, 2020). As a result, the development of dynamic capability in cross-functional business operations is supported by the right degree of connectedness among the set of higher-order organisational capacities (Thailandkidzwa & Phiri, 2020). In light of the foregoing, as long as cross-functional parts of the business interact along a dimension of higher-order marketing capabilities, this study argues that knowledge-management capabilities might be considered additional ones. The organization's performance can improve if its higher-order marketing capabilities are synergistic, meaning that one capability can bolster the impact of another in cross-functional units (Kankam-Kwarteng, Donkor & Forkuoh, 2022).

This study has highlighted a set of essential marketing capabilities embedded in interdisciplinary business processes, including brand management, customer relationship management, and new product development. An organization's brand management capability is a representation of its capacity to develop, sustain, and expand its brands, whether those brands belong to a single product line or a diversified portfolio (Garcia Ortiz, et al., 2021). The brand ability is characterised by Ratnatunga & Ewing (2005), as the actions taken to acquire, build, maintain, and capitalise on a high-quality brand or portfolio of brands in order to increase the company's efficiency and profitability. High-equity brands, in this sense, are those that are held in high esteem by their target demographic and foster long-term client connections. Capabilities in customer relationship management, also known as customer linking (Day, 1994), include not just the ability to initiate and

develop relationships with customers but also the capacity to maintain and nurture those relationships over time (Teece, 2014). There's more going on here than just a transactional relationship with the company's customers. Relational competencies can be defined by Morgan, Vorhies & Mason (2009) as the abilities to find promising clients, build and sustain relationships, and turn those connections into revenue at the client level. Due to the centrality of marketing to an organisation and the consequent requirement for cross-departmental and cross-functional cooperation, it may be appropriate to classify internal customer relationship management as part of these skills and experiences (Thailandkidzwa & Phiri, 2020). The ability to produce new products puts the spotlight on inconsistencies in the existing literature (Garcia Ortiz, et al., 2021). Experts disagree on where to classify the interdisciplinary field of new product development, with some placing it in the realm of specialised marketing competencies and others situating it elsewhere (Nath, Nachiappan & Ramakrishnan, 2010). For the purposes of this research, new product development capabilities are considered separate from new product development. The former process relates to the routine maintenance of the organization's corporate offerings, while the latter describes the creation of new products or services (Morgan, Vorhies & Katsikeas, 2003). According to the mention above of this investigation, adaptability and effectiveness of multi-departmental business processes in generating and providing value for customers in the face of fluctuating market conditions. As marketing becomes more and more reliant on technological advancements, more specialised jobs are being created, and cross-functional collaboration is required on a continuous basis. Task-specific, specialised, and functional or cross-functional capabilities can all undergo modification, renewal, and integration with the help of dynamic capabilities. In the next part of this section, the point of view for the architectural capabilities has been discussed.

Architectural Capabilities: Morgan, Vorhies & Katsikeas (2003) point out that architectural marketing capabilities are an organization's planning processes, which play a key role in making long-term marketing strategy and tactical plans. In particular, architectural capabilities follow a standard process for making and putting a marketing plan into action (Morgan, Vorhies & Mason, 2009). During this process, businesses often compare different resources in order to broaden and improve their toolbox (Morgan, Slotegraaf & Vorhies, 2009). The foundation of architectural marketing capabilities is the creation and integration of specialised marketing talents and associated resource contributions to enable the implementation of marketing plans (Morgan, Vorhies & Mason, 2009; Morgan, Kastikeas & Vorhies, 2011). In this research, the term architectural marketing capabilities is used to describe a businesses' exceptional capacity to collect, integrate, and organise a wide range of marketing resources, as well as to create and deploy specialised marketing capabilities that facilitate the easy execution of tactical marketing decisions.

Many earlier marketing studies (Griffith, Yalcinkaya & Calantone, 2010; Banerjee & Soberman, 2013; Thailandkidzwa & Phiri, 2020; Garcia Ortiz, et al., 2021; Kankam-Kwarteng, Donkor & Forkuoh, 2022) have highlighted the role of specialised marketing capability to in creating positive effectiveness, but some others (Adner & Helfat, 2003; Nath, Nachiappan & Ramakrishnan, 2010; Achrol & Kotler, 2012; Nalcaci & Yagci, 2014; Alberto Alves & Costa, 2020) have emphasised the connection between architectural capabilities and performance in different contexts. Vorhies & Morgan (2003) Vorhies & Morgan (2005), who studied the impact of capabilities on company output, concluded that capability-driven processes prioritise the efficient pursuit of shared objectives. This highlights the importance of architectural outreach initiatives as a planning strategy that

can produce greater results than relying exclusively on customer segments working procedures (Zou, Fang & Zhao, 2003).

Due to globalisation and technological advancement, multiple companies now participate in the marketing of small and medium-sized businesses. Researchers in the field of marketing have shown that small or medium-sized organisations are extremely difficult and highly competitive (Thailandkidzwa & Phiri, 2020; Garcia Ortiz, et al., 2021; Kankam-Kwarteng, Donkor & Forkuoh, 2022). Therefore, it is essential for the marketing department of a small or medium-sized organisation to reflect the dynamic nature of marketing activities. To achieve this goal, architectural marketing processes have been prioritised (Morgan, Vorhies & Mason, 2009; Morgan, Kastikeas & Vorhies, 2011). Previous researches (Adner & Helfat, 2003; Griffith, Yalcinkaya & Calantone, 2010; Nath, Nachiappan & Ramakrishnan, 2010; Achrol & Kotler, 2012; Banerjee & Soberman, 2013; Nalcaci & Yagci, 2014; Alberto Alves & Costa, 2020; Thailandkidzwa & Phiri, 2020; Garcia Ortiz, et al., 2021; Kankam-Kwarteng, Donkor & Forkuoh, 2022) did not provide a full analysis of the sorts of marketing capabilities needed for developing and adopting businesses' analysis techniques and implementation procedures, despite the fact that the organisation should have a sufficient set of capabilities for doing so. This research contends that in today's competitive local small market in Thailand, it is crucial to place an emphasis on adaptable marketing skills. The idea of dynamic marketing capability was developed for this research in response to the many complaints levelled against previous studies of marketing capacity that relied on static structures.

According to the mention above of this investigation, the ability to market buildings is shown as a mix of general marketing and marketing for a specific niche. Architectural capabilities are those that include the integration, combination, and coordination of

specialised and cross-functional capabilities, as well as the resource inputs of these skills. Both the processes of selecting marketing strategy objectives and creating strategies to achieve those goals, as well as the procedures of putting those strategies into action through the deployment of resources, fall under these categories. The capacity for architectural marketing includes both marketing strategy planning and the execution of marketing strategies. In the next part of this section, the adaptive of dynamic marketing capabilities has been discussed.

Dynamic Marketing Capability: In an unpredictable and unstable marketing environment, entrepreneurs must be able to meet the value propositions of the market in order to do well. A business with dynamic marketing capabilities is one that is able to integrate market knowledge across different divisions and roles (Azizi, Movahed & Khah, 2009). Several studies (Alberto Alves & Costa, 2020; Thailandkidzwa & Phiri, 2020; Garcia Ortiz, et al., 2021; Kankam-Kwarteng, Donkor & Forkuoh, 2022) have looked at how flexible marketing strategies can give a business an edge in both domestic and international markets that change quickly. In the marketing literature, many different types of distinctions can be made between generic marketing capabilities and concepts of dynamic marketing capabilities (Barreto, 2010; Chen & Hsu, 2021). In a stable market, the most important marketing skill is being able to meet the needs of a marketing mix strategy to gain a market advantage (Bruni & Verona, 2009). This means that most of the time, the businesses need marketing skills to use your knowledge of the market to meet customer needs. But in today's rapid market, it is not enough for a company to know how the traditional marketing mix has been used (Bhattacharya, Sardashti & Faramarzi, 2022).

In response to the marketing capability critique, new research showed that dynamic marketing capability (Morgan, Kastikeas & Vorhies, 2011) tried to explain how businesses could succeed in a competitive industry. This cutting-edge method is based on a predictable way to manage and improve marketing skills so that the business can meet both the explicit and implicit needs of customers in a variety of market situations (Homburg & Wielgos, 2022). According to Morgan, Kastikeas & Vorhies (2011), a company's dynamic marketing capability is its ability to adapt to a continuously changing environment by maintaining an understanding of the rearrangement process and making strategic use of its available resources and competencies. To implement marketing strategies in volatile markets, companies need to improve their knowledge-management capabilities (Kemper, Engelen & Brettel, 2011). This indicates that the essence of dynamic marketing capability is not dependent solely on meeting the marketing mix approach. The need for businesses to efficiently apply their gathered market knowledge in light of the need to react rapidly to market needs has prompted the development of a more dynamic marketing capability (Hoque, et al., 2021). Therefore, in order to realise a complementing influence from this cutting-edge marketing approach, the organisation's processes must be restructured in such a way that they incorporate its resources and capabilities simultaneously (Davicik, et al., 2021).

In explaining the role of the resource-based view paradigm in marketing Day (2014) discussed why businesses operate differently and which marketing tasks are crucial for putting marketing plans into action. Scholars in the field of marketing are motivated to investigate the contextual features of marketing assets and skills by the needs of consumers (Jardon & Martinez, 2022). Marketing theorists used the resource-based perspective notion to demonstrate how, when a company's marketing capabilities and business plans are

perfectly aligned, it can be difficult for its primary competitors to understand the company's processes for achieving a competitive advantage (Day, 2014; Kozlenkova Samaha & Palmatier, 2014; Wernerfelt, 2014). Specifically, it was discovered that marketing abilities contributed to success inside market criteria; thus, this would place pressure on the rival set to imitate marketing tactics (Dahlquist, 2021).

According to the mention above of this investigation, the different skills listed in this section overlap with those of dynamic marketing, but it's not clear which ones are part of dynamic marketing. Market sensing, customer connection, and customer-oriented competencies, including developing marketing expertise, establishing recognisable brands, and managing relationships with customers, are all part of dynamic marketing. The features of a dynamically capable organisation seem to be what dynamic marketing capabilities relate to. Marketing's adaptability stems from its ability to quickly and effectively coordinate efforts across departments to generate and provide customer value in reaction to shifts in the market, as well as from the company's capacity to respond to shifts in its internal resources and external conditions.

2.1.5. The study of SMEs and innovativeness in Thailand

Inventivity research in Thailand is typically undertaken by larger organisations due to the fact that it is simpler to quantify innovativeness in larger organisations and due to the fact that larger organisations possess the means to drive empirical innovation. There are, however, academics who have looked into the potential for innovativeness in small and medium-sized businesses.

Kritsadee Phuangrod, Sanguan Lerkiatbundit & Somnuk Aujiraponpan (2017) investigated the factors affecting the innovativeness of small and medium enterprises

(SMEs) in the five southern border provinces of Thailand. In their research, they looked at five ways to measure innovativeness: product and market innovativeness, process and behavioural innovativeness, and strategic innovativeness. According to the findings of their study, while learning orientation and proactiveness had direct effects on innovativeness, networking and risk-taking had indirect effects. Moreover, Oranoodj Ruepitiviriya and Duangporn Puttawong (2018) explored the effects of entrepreneurial orientation and innovativeness on the export performance of Thai small and medium enterprises (SMEs). It was discovered that entrepreneurial orientation and innovativeness had a direct influence on export performance. The results showed that entrepreneurial orientation and innovativeness had a direct relationship with the variance of export performance. In research of Anuwat Songsom (2019), he studied the effects of innovativeness on the competitive advantage of small and medium enterprises (SMEs) in Songkhla province. In his research, he looks at five ways to measure innovativeness: product and market innovativeness, process and behavioural innovativeness, and strategic innovativeness. His research results showed that innovativeness in terms of product and service, marketing, strategies, processes, and behaviour positively affected the SMEs' competitive advantage at a significant level of 0.05.

Furthermore, Lakkana Teerasakworakun & Teetut Tresirichod (2021) explored the circumstances for innovation inside Thai SMEs in Bangkok's organisations, as well as the factors that affect innovation within Thai SMEs' structures. The upshot is that most businesses don't innovate but rather rely on tried-and-true methods in order to meet customers' demands in a certain field and provide the necessary systems or technology to boost their productivity. Companies are cognizant of innovation's value, but they also face constraints, such as a lack of funding and government backing. The following are examples

of causal links between various organisational factors and innovation development: Human resource management elements are indirectly related to organisational innovation via organisational management. Organizational innovation is strongly correlated with aspects of organisational management. Organizational innovation is related to leadership status variables both directly and indirectly through the management of the organisation. There is a direct and indirect relationship between organisational vision and strategy and organisational innovation via organisational leadership and management; similarly, there is a direct and indirect relationship between knowledge management and organisational innovation via human resource management and organisational management, as well as a causal relationship model of factors that impact organisational innovation in small and medium-sized businesses (SME).

In addition, Rujira Luangsakdapich & Apichai Mahatham (2021) investigated the effects of entrepreneurial marketing innovativeness on the marketing success of tourism businesses (SMEs) in Thailand using the lens of dynamic capability and contingency theory. Their result found that entrepreneurial marketing innovativeness had an effect on marketing advantage, marketing excellence, and marketing success. Moreover, they found that marketing risks' acceptance had effects on marketing excellence. On the other hand, they found that value co-creation had no effect on marketing advantage, marketing excellence, or marketing success. In addition, Laddawan Lekmat & Budsara Eurjirapongpun (2022) studied the link between social media usage, innovativeness, and business performance in Thai SMEs. Their research shows that social media usage has a positive influence on financial indicators and that innovativeness has direct effects on both financial and nonfinancial indicators.

2.1.6. Dimension of Innovativeness

The ability of an organisation as a whole to introduce novel items to the market or create new commercial opportunities by following a strategic course that supports the innovative practises already in place inside each individual company is known as innovativeness. As Lawson & Samson (2001) point out that creativity is an essential quality for any thriving enterprise, which is why the topic has attracted so much attention in the academic community. However, few studies have looked into the lag time that exists between the creation of innovativeness components and their subsequent empirical evaluation. Most studies (Schweitzer & Gudergan, 2010; Ruvio, et al., 2014; Khalili, 2016; Tajdini & Tajeddini, 2018; Modrzejewska, 2020) had limited dimensions, so further work is needed to improve the measurement of inventiveness. Therefore, there was a limit to the degree of precision with which originality could be evaluated. Innovation can be quantified in a number of ways, but two that have been proposed by Hurley, Hult & Knight (2005) are product and process innovation. Launches of new products could be evaluated using behavioural and strategic criteria. As a result, many things, including the market's ability to innovate, were overlooked. The studies (Schweitzer & Gudergan, 2010; Ruvio, et al., 2014; Khalili, 2016; Tajdini & Tajeddini, 2018; Modrzejewska, 2020) scope was too narrow, and their results could be misleading. The concept of innovativeness and the best way to quantify it has been the subject of numerous academic investigations.

In a manner that is consistent with Wang & Ahmed (2004) investigated on the subject of innovativeness measurement, the resulting components were product and market innovativeness, process and behavioural innovativeness, and strategic innovativeness. This study accordingly used a modified version of the instrument developed by Wang & Ahmed (2004). Validity and reliability assessments utilising real-world information were also

successful with this survey. Organizations served as the unit of analysis, which is in accordance with the objectives of the present research. Specifics on the five aspects of originality are as follows:

Product Innovativeness: Product Innovativeness refers to a company's propensity for coming up with novel goods and services (Wang & Ahmed, 2004). The goal of a business was to provide something new and different. A business' decision to penetrate new markets with novel products and services might provide it a competitive edge (Mol & Birkinshaw, 2009). Developing and refining products on a consistent basis was crucial to getting ahead of the competition. De Jong & Den Hartog (2010) argued that while assessing a product's innovativeness, it is important to take into account how novel and creative it is. The valuation could be accomplished from the buyer's or seller's perspective. The customer may ponder the features of the new product, the potential hazards of using the product, and the outcomes of their actions. The proprietor could think about how new products will be marketed or how technology will affect that process (Rojek, 2022). As mentioned, this analysis demonstrates that the launch of technologically superior or otherwise novel products and services, or even being the first to market with such a product, is linked to a company's reputation for innovation in that particular field. The organisation can also show its clients the advantages of its new offerings. It also had a better track record than its rivals when it came to introducing new products to the market.

Market Innovativeness: There was a close connection between market originality and the creativity of new products. A number of studies have grouped marketing and product innovation together (Schumpeter, 1934; Rogers, 2003; Wang & Ahmed, 2004). However,

in actuality, each of these subfields merits its own academic investigation. According to Nedelko & Potocan (2013), marketing's foundational process is market innovation. The features were designed with the intention of breaking into a different market or launching a new product. In addition, developments in fields like market analysis, advertisement, and promotional marketing are linked to a thriving market (Hsu & Fan, 2010). Wang & Ahmed (2004) argued that a new study should be conducted by separating product and market innovativeness. Product innovativeness is associated with the creation of new products and services that are distinctive and operate as prototypes. The reason for this was that most innovations on the market were only refinements of already-popular products that aimed to attract more buyers or provide more of what consumers wanted (Rojek, 2022). As mentioned, this analysis demonstrates that the market innovativeness originated from a unique advertisement campaign that was more successful in enticing clients than those of the company's rivals. Good things would happen for products and services. The company was able to promote new products and services using cutting-edge technology just as effectively as its competitors.

Process Innovativeness: Innovations in technology and processing are at the core of process innovation (Chung, Yang & Marhold, 2022); hence, the term process innovativeness is more commonly used to refer to technological innovation (Rogers, 2003). Technology innovation, on the other hand, is described by Wang & Ahmed (2004) as merely a subset of product and process innovation due to its focus on new technologies in the areas of process management and method development. Therefore, the ability to embrace and re-engineer technology to produce innovative products and services is called process innovativeness (Inu, 2022). As mentioned, this analysis demonstrates that the

improvement and oversight of all company processes is process innovation. A novel approach may be able to address these concerns and problems. Consequently, it reduced processes to speed up production.

Behavioral Innovativeness: Individual, group, and organisational levels all play a role in behavioural innovation. In this way, there was no single indicator that could be used to gauge inventive behavior (Damanpour, Walker & Avellaneda, 2009). An organization's commitment to innovation may be reflected at the behaviour level through actions like its willingness to make changes in the way it does business (Rogers, 2003). The desire to alter one's behaviour and create something new is an example of behavioural innovativeness at the individual level (Liu, et al., 2020). The team's adaptability was the hallmark of its behavioural innovativeness, not the individual members' originality (Arthur, et al., 2022). Wang & Ahmed (2004) argued that behavioural innovativeness was an entrepreneurial mindset that might develop new organisational ideas, while Sadeghi & Rad (2018) defined it as the commitment of managers to do or enhance existing things to make them better. There would be a greater potential for originality as a result. As mentioned, this analysis demonstrates that behavioral innovativeness is defined as the encouragement of creative thinking at all levels of an organisation, openness to and consideration of alternative points of view, and the pursuit of better, more efficient methods—all linked to the culture of a business. Moreover, it was the manager's responsibility to persuade employees to test out a novel approach to doing things.

Strategic Innovativeness: Developing strategic innovativeness is challenging for many organisations, even successful ones, because of a lack of change motivation (Geng, et al.,

2022). Managers may choose to renounce innovation under uncertain conditions due to the potentially negative consequences of doing so (Nedelko & Potocan, 2013). In the past, there had not been much research that used hard data to examine the topic of strategic innovation (Drucker, 1999; Hsu & Fan, 2010; Tajdini & Tajeddini, 2018; Modrzejewska, 2020). Strategic innovativeness was not seen by the majority of studies as an example of organisational innovation (Damanpour & Schneider, 2006; Fruhling & Siau, 2007; Hsu & Fan, 2010). However, strategic innovativeness was recognised by academics like Hult, Hurley & Knight (2004) Mol & Birkinshaw (2009) Schweitzer & Gudergan (2010) Dewanto (2022) as a key component of innovativeness. The evolution of an organization's approach to fostering creativity was investigated by Nawrock (2022). Strategic innovation is just one metric for measuring innovativeness, as Dewanto (2022) pointed out. As mentioned, this analysis demonstrates that strategic innovativeness is defined as the development of new products and services through the research and development of existing resources. The management also took a novel approach to resolving issues and redistributing responsibilities. A manager's vision regarding how to implement novel approaches is essential.

Thus, in summary, product innovation has been the focus of many of the academic studies performed in the discipline of innovation. It's a predictor of future revenue and an indication of a business's long term health. Successfully introducing a new product to the market where it can generate significant interest and sales. Process innovation includes the use of new approaches to production, administration, or technology. Process innovation is the engine that propels the company's overall innovation potential by combining the talents of its employees with its organisational strengths. A business's success hinges on its staff's ability to intelligently and imaginatively apply the strategic planning process and corporate

abilities in order to achieve production demands. Businesses often create novel concepts, which they refer to as market innovations, in order to enter what may be viewed as a specialised market and provide high-tech products to it. Behavioral innovation refers to the act of fostering an innovative atmosphere conducive to the development of novel ideas and approaches at the individual, team, and managerial levels. When it comes to producing novel outcomes, innovation culture is by far the most important factor. Changes in the business's long-term innovation, such as dedication and behaviour, must be reflected in the innovation component, which cannot be attained by focusing solely on individual acts of invention or the productivity of discrete groups within an organization. Strategic innovation is a radical break from the accepted practises of an industry. Each academic examines some unique aspect of invention, but all share a common goal: to establish a huge market.

2.1.7. The study of SMEs Business Competitive Strategic Management in Thailand

Thai SMEs are also utilising innovation tactics for the purpose of cost reduction. Small and medium-sized Thai enterprises (SMEs) are increasingly employing economies of scale and technology to save costs and boost productivity (Belas et al, 2021), for instance. To cut down on or remove the transactional expenses that are normally associated with intermediate channels, small and medium-sized enterprises (SMEs) in Thailand are utilising cutting-edge technology like social media (Analoui & Kazi, 2021). The grand strategy model also suggests that SMEs try something new. According to research conducted by Thai SMEs, there is a growing expectation that some of these businesses will use online media and other technical breakthroughs to better reach and engage the "digital

generation" of consumers (Wheelen et al., 2017). Therefore, the Islamic SMEs in Thailand will be able to attract and retain a large number of new clients if they adopt innovation as a business strategy. Because they will talk favourably about Thai SMEs and how the company operates, these clients can also be thought of as brand ambassadors (Zsigmond, Machova & Zsigmondova, 2021).

One further method Thai SMEs have used to cut costs is to merge and consolidate their assets. Indeed, this method has brought the benefit of economies of scale, allowing Thai SMEs to lower costs and increase productivity. Regulators in Thailand are hesitant to approve mergers between large Thai SMEs, therefore this tactic can only be used by smaller businesses in the country. It is the opinion of regulators that no small or medium-sized enterprise (SME) in Thailand should control a significant portion of the market. Small and medium-sized Thai enterprises (SMEs) with a sizable portion of the market are subject to strict rules and regulations, including a substantial capital adequacy ratio. Thai SMEs that adopt concentrated tactics have been warned by regulators, which is opposed to them because it gives some institutions undue influence in the market. Thai SMEs are looking to the telecommunications and car industries for lessons. As a result of the government's intervention, the telecommunications market is now saturated with competitors. Companies within the sector responded by cutting expenses and headcount. The automobile industry was likewise able to survive intense rivalry by cutting prices.

2.1.8. Dimension of Business Competitive Strategic Management

Modern business strategic management tools are designed to help small and medium-sized enterprises (SMEs) in Thailand's Special Economic Zone (SEZ) deal with issues like increased competition, a lack of qualified workers, inadequate funding, accusations of

terrorism, and more. Strategic management techniques are used in the current context to aid small and medium-sized enterprises (SMEs) in Thailand's Special Economic Zone (SEZ) in applying their strategy, which should prioritise improving capital efficiency, cutting costs, and seizing new possibilities (Karami, 2007). After the economic crisis, many small and medium-sized businesses understood the value of strategic management tools. Thai SMEs who have invested in thorough strategic planning and robust management tools have clearly defined strategies that served them well during the economic downturn. These plans, when paired with the right management resources, can strengthen strategy execution and evaluation. Because of their clearly defined strategy and highly clear strategy management tools, Thai SMEs have been able to recover more quickly than other sectors that lacked such tools. The lack of well-defined and explicit strategic management instruments to assist sustained plan implementation and control meant that significant Thai firms were still fighting to recover their profitability.

After the economic crisis, Thai SMEs in the SEZ were able to refocus their efforts with the use of business competitive strategic management tools, which led to a return to profitability. Peace & Robinson (2000) Kaplan & Norton (2001) Hill & Jones (2007) Wheelen & Hunger (2010) made specific reference to Thai SMEs that have clearly defined strategies and use the appropriate execution tools to support those objectives. Previous research (Belas et al, 2021; Zsigmond, Machova & Zsigmondova, 2021; Mihaylova & Papazov, 2022) found that these SMEs are more equipped to handle and recover from a business crisis than their dormant counterparts.

Raising the Productivity of Investments: The efficiency of a company's use of capital can be measured by comparing its output to the money it has spent on its operations (Zsigmond,

Machova & Zsigmondova, 2021). Thai small and medium-sized enterprises (SMEs) are evaluated for their capital efficiency using a monetary ratio. The ratio is calculated by dividing the firm's output by its total expenditures over the same time period (Olsen, 2012). Capital efficiency is now a must-have because of new regulations placed on the financial sector (Kaplan & Norton, 2001). As a result, Thai SMEs have had to reorganise their operations to improve capital efficiency and conform to the revised capital adequacy standards.

Thai SMEs have turned to securitization of assets as a means of improving the effectiveness of their capital allocation. To boost their liquidity and lower their risk, Thai SMEs are securitizing a large chunk of their assets. That means a large percentage of Thai SMEs' funds are sitting in securities and reserves (Harrison, 2003). The securitization of assets has helped small and medium-sized businesses in Thailand improve their access to capital (Mihaylova & Papazov, 2022). Consolidation of assets is also occurring among Thai SMEs. There appears to be a sizable efficiency gap between large and small Thai SMEs, according to the available data. Large Thai SMEs are highly efficient, as shown by the efficiency ratio (Kaplan & Norton, 2001). Therefore, many Thai SMEs are thinking about expanding through mergers and acquisitions so that they can integrate their assets. Thai SMEs also restructure their product mix in order to improve their capital adequacy, which is another method used to promote capital efficiency (Belas et al, 2021). Small and medium-sized enterprises (SMEs) in Thailand are shifting their attention away from complex transactions and towards simple, highly standardised items. Asset management, clearing services, custody, and transactional firming are all services that Thai SMEs are increasingly turning back to in favour of those that charge a fee. True, none of these

services calls for a hefty outlay of cash, yet they all generate substantial revenue (David, 2011).

Highly capitalised firms in the context of Thai SMEs in the SEZ exhibit reduced predicted firm raptly expenses, resulting in higher profits (Mihaylova & Papazov, 2022). This confirms the causality between financial resources and success among Thailand's small and medium-sized enterprises. Equity to asset ratio was used to evaluate capital efficiency and shown to have a good correlation with the concept. However, when Mihaylova & Papazov (2022) looked at the connection between a company's capital efficiency and its profitability, they found a negative correlation.

Organizational structure management: Organizational structure management is a critical field of study within organizational theory, encompassing the systematic arrangement of roles, responsibilities, and relationships within an organization (Lunenburg, 2012). This structure defines how tasks are divided, coordinated, and supervised to achieve organizational goals. Scholars such as Walczak (2005) have categorized organizational structures into five main types: simple structure, machine bureaucracy, professional bureaucracy, divisionalized form, and adhocracy (Mishchuk, Bilan & Pavlushenko, 2016). Each type presents unique characteristics and implications for how an organization operates, responds to external environments, and fosters innovation and efficiency (Claver-Cortes, Zaragoza-Saez & Pertusa-Ortega, 2007). The choice of an appropriate organizational structure is essential for aligning the organization's strategy with its operational processes, thereby enhancing overall performance.

Central to the study of organizational structure management is the differentiation between centralized and decentralized structures (Tata & Prasad, 2004). In centralized

structures, decision-making authority is concentrated at the top levels of management, which can lead to more uniformity and streamlined control (Csaszar, 2012). However, this can also result in slower response times and reduced flexibility. Conversely, decentralized structures distribute decision-making authority closer to the operational level, empowering lower-level managers and employees (Gupta & Kohli, 2006). This can enhance responsiveness and innovation but may lead to inconsistencies and coordination challenges. Researchers such as Zheng, Yang & McLean (2010) Joseph & Gaba (2020) have demonstrated that the appropriateness of centralization or decentralization is contingent upon the organization's external environment, with dynamic environments favoring more decentralized, organic structures.

Furthermore, contemporary organizational structure management literature emphasizes the impact of technology and globalization on organizational design (Garcia de Soto et.al, 2022). The advent of digital technologies has facilitated the emergence of more flexible and networked organizational forms, such as virtual organizations and hybrid structures. These modern structures leverage technological connectivity to integrate dispersed teams and resources, enabling organizations to be more agile and responsive to market changes (Hoch & Dulebohn, 2013). Additionally, globalization has necessitated the development of transnational structures that balance global integration with local responsiveness. Errida & Lotfi (2021) transnational model exemplifies this approach, advocating for a structure that combines global efficiency, local responsiveness, and worldwide learning.

Overall, effective organizational structure management requires a nuanced understanding of various structural forms and their alignment with organizational strategy, environmental contingencies, and technological advancements. It involves continuous

assessment and adaptation to ensure that the chosen structure supports the organization's objectives and enhances its competitive advantage. As organizations navigate increasingly complex and dynamic environments, the role of organizational structure management becomes ever more crucial in fostering resilience and sustained success.

Learning organization: The concept of the learning organization has become a cornerstone in contemporary organizational theory (Soelton, 2023). A learning organization is defined as one that facilitates the learning of its members and continuously transforms itself (Senge, 1990). This dynamic model is built on the premise that organizations, to remain competitive and adaptive in a rapidly changing environment, must foster a culture of continuous learning and knowledge sharing. Senge (1990) identified five key disciplines that underpin a learning organization: systems thinking, personal mastery, mental models, shared vision, and team learning (Antunes & Pinheiro, 2020). These disciplines collectively create an environment where individuals are encouraged to think critically, challenge existing assumptions, and work collaboratively towards common goals (Darwin, 2017).

Systems thinking, the cornerstone of the five disciplines, emphasizes the importance of understanding the interrelationships and patterns within organizational structures (Yang, Watkins & Marsick, 2004). It encourages members to see the organization as a whole, rather than in isolated parts, promoting holistic problem-solving and strategic planning (Ortenblad, 2004). Personal mastery involves individuals' commitment to their own lifelong learning and development, fostering an atmosphere of self-improvement and excellence (Rowley, J., & Gibbs, 2008). Mental models pertain to the deeply ingrained assumptions and generalizations that influence how individuals

perceive the world and take action (Weldy & Gillis, 2010).). By surfacing and scrutinizing these models, organizations can encourage more effective decision-making and innovation (Yeo, 2005).

The development of a shared vision is crucial in aligning the aspirations of the organization with those of its members, creating a unified direction and fostering a sense of purpose (Serrat & Serrat, 2017). Team learning, the final discipline, focuses on the collaborative processes that enhance collective intelligence and capability (Loermans, 2002). Through dialogue and shared experiences, teams can learn more effectively, driving organizational performance and adaptability (Serrat & Serrat, 2017). The synergy of these disciplines creates a robust framework for organizations to navigate complexity and change (Watkins & Kim, 2018).

In contemporary research (Malik & Garg, 2020; Argote, Lee & Park, 2021; Soelton, 2023), the concept of the learning organization has been expanded and contextualized across various sectors and industries. Studies have shown that organizations that adopt learning-oriented practices tend to exhibit higher levels of innovation, employee engagement, and overall performance. The integration of technology and digital tools has further facilitated the evolution of learning organizations, enabling more efficient knowledge management and collaboration. Despite its challenges, such as the need for strong leadership and cultural change, the learning organization remains a critical paradigm for organizations striving for long-term sustainability and success in an ever-evolving landscape.

Cost Reduction: Low growth rates, higher risks, and lower profitability are hallmarks of the post-business-crisis era for Thailand's small and medium-sized enterprises (SMEs).

Increased regulations resulted in high costs, while a weak economy and falling consumer confidence reduced demand for products and services (David, 2001). Thus, Thai SMEs set their sights on cutting expenses. Thai SMEs have focused on streamlining their product lines to cut expenses. The elimination of non-core assets and locations, and the subsequent focus on core business sectors, is another cost-cutting measure Thai SMEs have used (Dess & Lumpkin, 2003). The BCG model and the grand strategy matrix both approve of this course of action (Analoui & Danquah, 2017). Both frameworks advise Thai SMEs to use a product divestiture strategy because some items overburden the company's resources. The businesses are thriving because they offer products that are both lucrative and inexpensive, allowing for rapid turnover (Abraham, 2010).

2.1.9. The Study of SMEs of Firm Performance in Thailand

Organisations differ significantly in their resources and competencies, therefore small and medium-sized businesses (SMEs) and major corporations are likely to operate considerably differently (Richard et al., 2009). Many factors, such as the nature of agency issues faced by the organisations and the availability of resources (time, money, knowledge, accounting and information systems), might influence the use of performance metrics in various settings (Onikoyi et al., 2022). According to studies (Mehran, Zubair & Ahmed, 2022; Nawir et al., 2023), a company's size is a significant factor in determining both the type and frequency with which performance metrics are employed. Analysis of performance indicators has yielded conflicting findings in the study of business. The benefits and drawbacks of different performance measurements may be easily weighed thanks to the work already done. Some research suggests that smaller and medium-sized businesses are

less likely to use both financial and non-financial components of business performance, while other research suggests the opposite.

Lawal, Abdulazeez & Saidu (2022) showed that large companies placed a higher value on success based on financial criteria than on success based on other criteria. Companies used both financial and non-financial measures, but financial ones were given more weight due to their better availability, accuracy, and objectivity (Kaplan & Norton, 1996). Larger firms, according to Marri, Gunasekaran & Grieve (2000), are more likely to employ a hybrid approach that combines financial and non-financial metrics. They argued that the greater number of stakeholders encountered by complex organisations necessitates the adoption of a wider range of performance measures. In a similar vein, Ndlovu (2010) found that larger firms are more likely to characterise their strategies by a cause-and-effect logic tied to the incentive structure, using multidimensional performances that mix financial and non-financial measurements.

The study found that small businesses use a wide range of metrics other than financial ones to evaluate their performance. Ndlovu (2010), discovered that small businesses in Finland and the UK largely focused on financial performance measurements and non-financial factors like customer satisfaction. The result was the same in both countries. Nourayi & Canarella (2009) found that small enterprises that prioritised quality, customer satisfaction, and employee development fared better than their competitors that prioritised financial performance measures. It was agreed that this was a fascinating discovery. Nonetheless, several studies show that smaller and medium-sized organisations are less likely to create and use multidimensional performance assessments. Both proposed alternatives encountered difficulties due to insufficient resources such as time and money (Perera, Harrison & Poole (1997)). Small and medium-sized enterprises (SMEs) are more

inclined to focus on financial measures when evaluating their level of success, as stated by Mehran, Zubair & Ahmed (2022). Jeandry & Fajriyanti (2023) suggested financial measures are more likely to be adopted by SMEs since they need few implementation resources and make use of data that is already easily available within the enterprises' financial accounting systems. This is because they tend to be adopted by smaller businesses. Similarly, Cicchiello, Marrazza & Perdichizzi (2023) discovered that monetary rather than non-monetary metrics of success are used by SMEs. Furthermore, small and medium-sized enterprises (SMEs) appear to face substantially different challenges than giant corporations. This is because huge corporations have a far wider range of stakeholders whose needs and wants they must address. Therefore, it appears that the financial well-being of the organisation as a whole is the primary focus of SMEs. In addition, while having access to the same kinds of control mechanisms as large operations, it might be difficult for small firms to put them into effect because of their limited resources and time (Chatterji & Levine, 2006). Despite the fact that some academics argue that both measurements should be used by SMEs (Alcaide González, De La Poza Plaza & Guadalajara Olmeda, 2020), businesses today need to track and manage their performance across many metrics in order to thrive (Bilgin & Adiguzel, 2021).

Given the unique nature of SMEs, it follows that the measures by which they measure success will differ from those employed by large firms (Badrinarayanan, Madhavaram & Manis, 2022). For small businesses, choosing the right performance metrics is crucial, as pointed out by Jeandry & Fajriyanti (2023). That's why it's crucial to make use of KPIs designed especially for SMEs. The perspective of small and medium-sized businesses (SMEs) is used in this analysis of business performance. Small and medium-sized businesses (SMEs) need to be methodical in their approach to resource

management if they are to provide results that are both useful to the user and consistent with their aims.

In conclusion, organisations differ in their resources and competencies, which can influence the use of performance metrics. Larger firms are more likely to combine financial and non-financial metrics, while small businesses use a wide range of metrics other than financial ones. SMEs need to be methodical in their approach to resource management to provide results that are both useful and consistent with their aims.

2.1.10. Dimension of Firm Performance

To monitor regular activities (Onikoyi et. al., 2022), assess competitive standing, and monitor growth over time (Guthrie & Neumann, 2007), it is essential to monitor a company's performance. There are a variety of ways to accomplish this, however scholars are divided about the best approach (Kaplan & Norton, 1996; Nourayi & Canarella, 2009). Without appropriate parameters for measuring performance, it is hard to objectively and consistently evaluate the quality of a company's strategic decisions and performance (Chakravarthy, 1986). Companies can be evaluated not only financially (Ilie, 2022), but also in terms of non-financial measures like market share or product quality (Nourayi & Canarella, 2009).

Financial Performance: Financial metrics can be telling of how well a business performs. They are important indicators of how well a company uses its assets to generate profit (Zadek, 1998). Accounting information, such as sales, income, expenses, salaries, profit, return on equity, turnover, and net income, is easily accessible because it is required of all enterprises by law (Nourayi & Canarella, 2009). The company's financial statements

should be trusted for such information. Financial indicators including as profit, sales growth, return on investment, return on assets, and earnings per share have been used widely in empirical research to operationalize successful organisations (Richard et al., 2009). Liquidity and gearing ratios are also good indicators of productivity (Mehran, Zubair & Ahmed, 2022). Due to their accessibility, objectivity, and verifiability, financial indicators are widely used to evaluate businesses (Jeandry & Fajriyanti, 2023). These measurements would be a straightforward signal when compared to the non-financial elements (Guthrie & Neumann, 2007).

Although they are necessary, the aforementioned measures of success are insufficient (Kaplan & Norton, 1992). Some have stated that by concentrating primarily on financial indicators, businesses are doomed to fail (Venkatraman & Ramanujam, 1986; Kaplan & Norton, 1996; Nourayi & Canarella, 2009). And many of these measures are criticised for focusing too much on the past (Venkatraman & Ramanujam, 1986; Kaplan & Norton, 1996) and relying on estimations and judgements (Ndlovu, 2010). Financial indicators focus on the effects of management actions and historical performance rather than providing insight into future performance (Venkatraman & Ramanujam, 1986; Kaplan & Norton, 1996; Nourayi & Canarella, 2009; Lawal, Abdulazeez & Saidu, 2022). They either don't tell enough to make an informed decision on a process' efficiency or they focus on inputs that aren't all that relevant in today's business environment (Venkatraman & Ramanujam, 1986; Kaplan & Norton, 1996). As a result, they present managers with misleading targets rather than a relevant collection of indicators that reflect the technology, products, process, and competitive environment in which the organisation operates (Kaplan & Norton, 1996). Short-term gains may be made at the price of long-term value creation if only financial measurements are used (Ittner, Larcker & Rajan, 1997). Furthermore,

Ciptono (2006) argued that monetary indicators alone do not supply the requisite focus and robustness for internal management and control, and that other measures of performance are required. In contrast to the dissemination of information useful in making operational decisions within an organisation, the accounting system from which financial measures are produced is more focused on the rapid assessment of a firm's activity over time. Using a single performance indicator limits a company's ability to draw inferences about performance results and their reasons (Kaplan & Norton, 1992). It has been argued (Clark, 1999) that traditional financial measurements only look out for the interests of stockholders, not the corporation as a whole. The needs of all stakeholders, not just the company's stockholders, must be factored into any performance indicator if it is to be effective (Ittner, Larcker & Rajan, 1997). A lack of strategic focus and a failure to provide data on quality, responsiveness, and flexibility (Ciptono, 2006); encouraging managers to reduce deviations from standard rather than seek to improve continuously (Jeandry & Fajriyanti, 2023); failing to provide details about what customers desire and how competitors are performing (Kaplan & Norton, 1992); encouraging short-termism and encouraging local optimisation (Marri, Gunasekaran & Grieve, 2000); and so on are all mentioned as drawbacks in the literature.

Financial metrics have been criticised for their narrow concentration on accounting dimensions at the expense of measuring more holistic indicators of performance (Venkatraman & Ramanujam 1986). According to the work of Kaplan & Norton (1992) Kaplan & Norton (1996), effective performance measurements should include both financial and non-financial variables that are important for the development of a firm and as a basis for their usefulness in enhancing its performance. A company's performance cannot be fully understood by looking only at financial metrics. The measurements have

been challenged for being irrelevant in guiding managers through planning and control decisions since they are late, aggregated, and distorted (Chatterji & Levine, 2006). Companies are not receiving helpful data on the efficacy and efficiency of their internal and external transactions, according to Bryson (2008). This makes businesses more susceptible to market forces outside their control.

Financial performance measurements have their limitations, so it's vital to employ a variety of metrics to evaluate a company's success (Kaplan & Norton, 1992; Kaplan & Norton, 1996; Kaplan & Norton, 2004). The next several paragraphs will elaborate on these precautions.

Non-financial Performance: Kaplan & Norton (2004) stressed the need of including both monetary and non-monetary metrics into an organization's performance analysis. Several scholars (Venkatraman & Ramanujam, 1986; Kaplan & Norton, 2004; Alcaide González, De La Poza Plaza & Guadalajara Olmeda, 2020; Badrinarayanan, Madhavaram & Manis, 2022), have stressed the significance of adding non-financial performance measurements inside a financial metrics framework. The term non-financial performance metrics is used to refer to success indicators that do not include money. Several examples of metrics include those for design quality, product enhancement (Kaplan & Norton, 2004), customers/markets, operations, stakeholders, and future-readiness (Bryson, 2008).

Several studies (Steven, Appelbaum & Rammie Kamal, 2000; Ciptono, 2006; Bedoui, 2015; Cicchiello, Marrazza & Perdichizzi, 2023) have found that non-financial measures should not be used in place of financial ones but rather as an addition. Indicators of financial measures, such as profits and losses, are only part of the picture, as Venkatraman & Ramanujam (1986) Kaplan & Norton (2004) argued. Operational metrics

provide a more all-encompassing view of a company's success. A company's success can be measured in a number of ways, including market share, the introduction of new products, product quality, marketing effectiveness, manufacturing value-added, and other technological efficiency metrics (Venkatraman & Ramanujam 1986). To aid non-public organisations in making decisions beyond conventional financial measurements, Kaplan & Norton (1992) created the Balanced Scorecard. Customer, internal process, and learning and development indicators were maintained in addition to financial data (Kaplan & Norton, 1992, 1996, 2004). The capacity to monitor both financial performance and progress towards acquiring the intangible assets necessary for long-term success is facilitated by this method (Kaplan & Norton, 1996). One of the most important factors in a company's success, according to Jeandry & Fajriyanti (2023), is its capacity to adapt to new circumstances. In agreement, Cicchiello, Marrazza & Perdichizzi (2023) argued that a more complete picture of SME success may be painted by including both operational business performance and strategic business performance.

Measures that may capture a company's potential for long-term value development are essential for performance management (Bryson, 2008). Strategic performance indicators tend to look further down the road. According to Chakravarthy (1986) Kaplan & Norton (2004), a company's strategic performance is measured by how well it preserves its market share and competitive position in comparison to its significant competitors. According to the literature (Lawal, Abdulazeez & Saidu, 2022), a company's chances of long-term success are lower if it does not establish any strategic goals for its enterprise. Strategic performance is an essential intermediate gauge since it can lead to increased financial performance (Mehran, Zubair & Ahmed, 2022), even if financial success is the end target for many organisations. Szymanski et al. (1993b) cite research showing that a

company's market share correlates with its profitability. According to research by Jeandry & Fajriyanti (2023), a company's GMS affects its strategic success in the global market for the better. Alcaide González, De La Poza Plaza & Guadalajara Olmeda (2020) discovered to have both direct and indirect effects on the worldwide financial performance of a company through its influence on the company's global strategic performance.

It has been shown that the satisfaction of a company's stakeholders (not just its stockholders) and the quality of the company's changes are both indicators of strategic performance (Steven, Appelbaum & Rammie Kamal, 2000). Onikoyi et al. (2022) contended that a firm's long-term objectives might be met by the implementation of strategic activities that would increase the value the company generates for its shareholders. Strategic performance indicators include market expansion, competition responses, entry into new foreign markets, and increased brand recognition (Lawal, Abdulazeez & Saidu, 2022). Gbadebo (2022) Alcaide González, De La Poza Plaza & Guadalajara Olmeda (2020) stated four dimensions of an export business' performance: (1) the degree to which initial strategic goals were met; (2) the average annual growth rate of export sales over the five years of the venture; (3) the overall profitability of exporting over the five years of the venture; and (4) management's perception of the venture's success.

Steven, Appelbaum & Rammie Kamal (2000) found that it is impossible to quantify a company's success using a single statistic. This study uses a wide range of measures of corporate success that include both financial and strategic indicators, in keeping with previous research (Nourayi & Canarella, 2009). Companies are required to report their three-year average performance since annual fluctuations may not be representative of longer-term consequences. The use of this strategy is hypothesised to lessen the impact of transitional periods (Samiee & Roth, 1992). There were four measures of strategic

performance utilised (Kaplan & Norton, 1992, 1996, 2004): strategic positioning, competitiveness, market share, and leadership in comparison to major competitors. SMEs may compare a company's transaction efficiency to that of its rivals using these criteria (Guthrie & Neumann, 2007). However, fiscal restraints were not ignored, as is customary. Financial performance was measured in terms of three factors: sales growth, profitability, and return on investment relative to major competitors (Lind, 2000; Kaplan & Norton, 2004). Despite several criticisms (Kaplan & Norton, 1992, 1996, 2004), profitability, return on investment, return on sales, and market by book value have all been offered as necessary requirements for 'excellence' metrics of financial performance (Nawir et al., 2023). However, they can be skewed due to factors such as a lack of time for analysis, variations in data aggregation amongst businesses, and misuse (Onikoyi et al., 2022). As a result, many other monetary and strategic indicators have been used to gauge success. Success is measured using a composite scale that takes into account all seven of these factors. A combination of the two measures can be quite useful when considering the operational efficiency of a company. Because of this, businesses would do well to concentrate on the future rather than the past (Kaplan & Norton, 1992, 1996, 2004).

Ethical Business Management: Ethical business management has become an increasingly critical area of focus in both academic research and practical application (Geva, 2006). Ethical management refers to the practice of conducting business in a manner that is consistent with the moral principles and standards of society, emphasizing values such as fairness, transparency, accountability, and respect for stakeholders (Alexander & Buckingham, 2011). The importance of ethical business management cannot be overstated,

as it fosters trust and credibility, mitigates risks, and enhances the long-term sustainability of businesses (Valecha, 2022).

The foundation of ethical business management lies in the alignment of organizational behavior with ethical principles. This alignment is often guided by frameworks such as corporate social responsibility (CSR), which encourages businesses to go beyond profit maximization and consider the social and environmental impacts of their activities. Scholars like Greenwood & Freeman (2018) Nuseir & Ghandour (2019) Valecha (2022) have delineated CSR into four key components: economic, legal, ethical, and philanthropic responsibilities. By adhering to these responsibilities, businesses can cultivate a positive corporate image, enhance employee morale, and build stronger relationships with customers and communities.

Ethical leadership is a crucial element in fostering an ethical organizational culture. Leaders play a pivotal role in setting the tone for ethical conduct within an organization. According to Oumlil & Balloun (2017), ethical leaders are characterized by their integrity, ethical decision-making, and promotion of ethical behavior among employees. They act as role models, create ethical guidelines, and establish mechanisms for accountability (Ardichvili, Mitchell & Jondle, 2009). The presence of ethical leadership has been linked to various positive outcomes, including reduced incidences of unethical behavior, increased employee engagement, and improved overall performance (Mellahi & Morrell, 2017).

Despite the clear advantages of ethical business management, challenges persist (Gotsis & Kortezi, 2013). The globalized nature of business, complex supply chains, and varying cultural norms can complicate the implementation of ethical practices (Hodges, 2016). Furthermore, the pressure to meet financial targets can sometimes lead to ethical

compromises (Snellman, 2015). To address these challenges, organizations must develop robust ethical frameworks, provide ongoing ethics training, and establish clear reporting and enforcement mechanisms. Cronin et.al. (2021) Batlles-de la Fuente & Abad-Segura (2023) suggests that a proactive approach to ethical management not only helps in mitigating risks but also contributes to long-term organizational success by aligning business operations with societal expectations and values.

Sustainability Management Process: Sustainability management processes have become a central focus in contemporary organizational strategies, integrating environmental, social, and economic considerations into the core operational and strategic frameworks (Lee & Saen, 2012). This holistic approach aims to ensure long-term viability and resilience, addressing the growing global emphasis on sustainable development (Nawaz & Koc, 2018). Key to this process is the alignment of organizational objectives with sustainability goals, necessitating a shift from traditional profit-centric models to those that value and incorporate triple bottom line outcomes (Nawaz & Koc, 2018). This paradigm shift is underpinned by the principles of corporate social responsibility (CSR), environmental stewardship, and economic equity, which collectively form the bedrock of sustainability management (Bieker, 2003).

The implementation of sustainability management processes involves a systematic and iterative approach that encompasses planning, execution, monitoring, and reporting (Stacchezzini, Melloni & Lai, 2016). The planning phase is critical, as it involves the identification of sustainability priorities, stakeholder engagement, and the setting of measurable objectives (Williams et.al, 2017). This phase is informed by rigorous sustainability assessments and materiality analyses, which help organizations identify and

prioritize issues that are most relevant to their operations and stakeholders (Zeemering, 2021). Strategic planning also integrates risk management, ensuring that potential environmental and social risks are mitigated, and opportunities for sustainable innovation are capitalized upon (Baumgartner & Rauter, 2017).

Execution of sustainability initiatives requires the integration of sustainable practices across all levels of the organization (Schnitfeld & Busch, 2016). This includes the adoption of sustainable supply chain practices, energy-efficient technologies, waste reduction strategies, and employee engagement programs that promote a culture of sustainability (Khalifeh, Farrell & Al-edenat, 2020). Effective execution is often supported by robust governance structures, clear accountability mechanisms, and cross-functional teams that drive sustainability initiatives (Burke & Gaughran, 2007). Moreover, the integration of sustainability into corporate governance and decision-making processes ensures that sustainability considerations are embedded in the organization's DNA, influencing everyday operations and strategic decisions (Lazaroiu et.al, 2020). Monitoring and reporting are essential components of the sustainability management process, providing transparency and accountability. This phase involves the regular tracking of sustainability performance against established metrics and benchmarks, utilizing tools such as sustainability dashboards and balanced scorecards. Reporting frameworks, such as the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB), provide standardized guidelines for disclosing sustainability performance to stakeholders (Pizzi, Principale & De Nuccio, 2023). These reports not only demonstrate organizational commitment to sustainability but also provide insights for continuous improvement. By systematically evaluating and communicating their sustainability efforts,

organizations can build trust with stakeholders, enhance their reputation, and drive long-term value creation (Kuznetsov et.al, 2015).

In conclusion, monitor a company's performance to assess competitive standing, growth, and growth over time. Parameters for measuring performance are needed to objectively evaluate the quality of strategic decisions and performance. Financial metrics are important indicators of how well a business performs, but they are insufficient and can focus too much on the past. Ciptono (2006) argued that monetary indicators alone do not provide the requisite focus and robustness for internal management and control. Kaplan & Norton (1992) and Kaplan & Norton (1996) suggest that effective performance measurements should include both financial and non-financial variables. The Balanced Scorecard was created in 1992 to help non-public organisations make decisions beyond conventional financial measurements. Strategic performance indicators include market expansion, competition responses, entry into new foreign markets, and increased brand recognition, while financial performance is measured in terms of sales growth, profitability, and return on investment.

2.2. Observations from Literature Review

Special Economic Zones (SEZs) are central to Thailand's economic strategy, focusing on boosting industrial activity and drawing foreign investment. This essay explores the role of Small and Medium Enterprises (SMEs) within these zones, specifically their entrepreneurial and strategic endeavors, and how these influence their success and longevity. My literature review yielded several key insights:

Firstly, Entrepreneurial Orientation (EO) is defined as a strategic posture of firms that propels superior performance through behaviors such as autonomy, innovativeness,

risk-taking, proactiveness, and competitive aggressiveness. In the context of Thailand's SEZs, EO is particularly vital as it allows SMEs to effectively navigate the competitive and continuously evolving market dynamics. Studies suggest that SMEs with a pronounced EO are better positioned to capitalize on new opportunities, adapt swiftly to market shifts, and maintain competitive edges.

Secondly, the research concerning marketing within SEZ-based SMEs, although less extensive than that for larger corporations, points to the significance of adept marketing strategies. The ability to connect with both local and international markets, comprehend community needs, and implement effective promotional strategies is crucial. These skills not only promote business growth but also improve community relations, creating a favorable ecosystem for business operations.

Additionally, innovation emerges as a critical competitiveness driver within SEZs. The capacity for innovation—whether in product development, processes, or market approaches—is essential for SMEs striving to distinguish themselves and succeed in demanding environments. The literature emphasizes the need to cultivate an innovative culture within SMEs to stay abreast of technological progress and market requirements. Effective strategic management is also crucial for SMEs in SEZs. The literature indicates that SMEs must embrace sophisticated strategic frameworks tailored to the distinct challenges posed by the SEZ setting. This includes strategies for cost management, operation optimization, and the utilization of unique business strengths to outpace competitors and foster sustainable growth.

Performance analysis in the reviewed literature links directly to these elements. The performance of SMEs in SEZs is shaped by their entrepreneurial orientation, innovation capabilities, strategic management, and marketing efficacy. Both financial and non-

financial metrics are vital for evaluating the influence of these factors on overall business success.

Despite the thorough nature of the studies examined, gaps remain, particularly regarding the practical application of strategies and the direct relationship between these strategic dimensions and firm performance over the long term. Future studies would benefit from a longitudinal approach, examining the influence of these strategies on SME performance over time while considering both internal managerial capabilities and external economic pressures.

In conclusion, the literature concerning SMEs in Thailand's SEZs presents a complex picture of the challenges and opportunities these entities encounter. It underscores the importance of adaptability, strategic foresight, and continuous innovation. However, notable gaps concerning the practical implementation of strategies and their prolonged impact on performance persist. Future research should utilize a longitudinal study method to better understand these dynamics over time. Policy recommendations suggest that enhancing support frameworks and nurturing growth-conducive environments are crucial for sustaining the progress and success of SMEs in these zones.

2.3. Hypothesis Development

In this section, the researcher formulate hypotheses that investigate the interrelationships among the core constructs of entrepreneurship, marketing capability, innovation, business strategy, and firm performance. Building on the foundational understanding developed in the preceding sections, we propose hypotheses to explore how entrepreneurship enhances innovation within firms, and how enhanced marketing capabilities further influence these innovative outcomes. Additionally, we examine the impact of innovation on the strategic

decisions of businesses, hypothesizing the pathways through which innovative practices can reshape business strategies. Finally, we assess the influence of strategic management on firm performance, aiming to establish a link between strategic approaches and their effectiveness in achieving business objectives. This hypothesis development serves as a critical step in empirically testing the theoretical framework proposed in this study.

2.3.1. The effect of entrepreneurship on the innovation

Entrepreneurship is the concentration of an individual or organisation on taking risks and utilising innovation to proactively outperform rivals (Lumpkin & Dess, 1996). Schumpeter (1939) proposed that innovation is both the engine that powers economic advancement and the primary source of new revenue. It is characterised as the inclination to engage in creative work and discovery through the creation of new products and services, coupled with the technology transfer that occurs during discovery and development of new processes. Innovation is the process that brings a degree of originality to the organisation and its customers and suppliers through the production of inventive methods, solutions, goods, and services as well as new ways of marketing. Creativity is one of the most crucial elements of an entrepreneurial mindset and must be in place before a business can engage in entrepreneurial endeavors. Innovativeness is the ability to think creatively and identify novel approaches to the management of technologies, products, and processes.

Technology innovation is broken down into new product and process creation, engineering, and research, while product-market innovation prioritises product development, consumer insights, promotion, and sales. Innovativeness is essential to maintaining a company's financial sustainability, and can be fostered by placing an emphasis on technological innovation and technical leadership. Small businesses have the

ability to develop and implement innovative technologies that can be leveraged to gain a competitive edge. However, innovativeness involves a significant financial commitment and can impair the capacity of SMEs to meet short-term financial responsibilities. Gelard & Ghazi (2014) posit that small businesses are systemically equipped for high levels of innovativeness due to reduced work specialisation and less organised management control. Innovation is the sole source of development, strategic advantage, and new wealth that is sustainable. Ingenuity, performance, and economic expansion all have a symbiotic relationship

From the research of Priem & Carr (2012) reviewed three macro management literatures that use a demand-side research perspective to explain and predict managerial decisions that increase value creation. Their findings shown that strategies based on consumer heterogeneity can result in competitive advantage even if the firm holds only obsolete or mundane resources. They suggest directions for future demand-side research and suggest integrated theories that could attend to both the demand side and the producer side of the value creation equation. Like, Marinova & Borza (2015) examined the relationship between entrepreneurial orientation and innovation management in the cultural and creative industries context, focusing on four topics. Thus, Samadi, Farhbakhsh & Daney (2018) investigated the influence of entrepreneurial orientation on corporate performance via product innovation and TQM in Shileh Company. Results showed that corporate performance had the highest average and innovation in product had the lowest average. TQM had a positive and significant influence on corporate performance. Hence, Boone et al. (2019) examined the effects of nationality diversity in top management teams (TMTs) on corporate entrepreneurship and innovation performance in multinational corporations (MNCs). It was found that MNCs with diverse TMTs engage more in

corporate entrepreneurship and see increased innovation performance, but only when these TMTs are operating in environments characterized by equal distribution of power and low hierarchy. The findings underscore the important role of corporate headquarters and TMT composition in the strategic management of modern MNCs. Accordingly, Gouvea et al. (2021) analyzed the interrelationships between entrepreneurship, innovation and the creative economy. Results show that social entrepreneurship and the creative economy vary systematically across the sample countries and are positively associated with rule-of-law and market-size. This suggests that the creative economy can change and develop over time as societies build institutions for fostering social entrepreneurship and innovation. Then, Liu, Sun & Fung (2021) found that a simulation method for teaching IP management in two universities in Hong Kong. It was found to be effective in implementing action-based learning, increasing attention, and motivating students to practice more interactive learning and teamwork. It also helped teams to converge group thinking, induce follow-up group actions, and develop peer support and interactions for problem solving.

Subsequently Pathak, Sharma & Patnaik (2022) analysed 1,103 papers from 1999 to 2018 on entrepreneurship and innovation, classifying them according to important journals, maximum citations, year-wise publication trends, subject-wise distribution, most productive countries and institutions, and eminent authors. The most cited paper was about entrepreneurship, innovation and economic growth, with the most research conducted in the subject areas of business, management and accounting. For Dias et al. (2022) found that lifestyle entrepreneurs have a positive and direct effect on innovation and entrepreneurial self-efficacy, with marshaling, place familiarity, and communication all having a direct and positive relationship. Place familiarity perception has an indirect link. Likewise, Rodrigues, Franco & Silva (2022) examined the positive influence of digital

entrepreneurship on the advantages of digital entrepreneurship in small and medium-sized enterprises (SMEs). The results showed that digitalisation and innovation increase efficiency, customer relations and better behaviour among collaborators. It also shows how SME managers can embrace new business opportunities supported by information technology and an organisational culture of innovation to raise their competitiveness. Furthermore, de Lucas Ancillo & Gavrilava Gavrilava (2023) examined how R&D investments impact EIDaD initiatives and suggests that organizations should rethink their approach to entrepreneurship, innovation, digitization and digital transformation. It suggests that pre-pandemic strategic activities, such as R&D investments, may have influenced the behaviour of businesses, customers and society during the pandemic and how wealth and economic value can be generated in a post-pandemic environment. Beside with Escobar et al. (2023) offered the first bibliometric study of user entrepreneurship and user innovation, identifying four clusters of prior research: entrepreneurial marketing, customer orientation, and entrepreneur personality; user knowledge and new ventures; entrepreneurial and innovation ecosystems; and lead user innovation. These clusters provide valid bases for exploring further research avenues, topics, and questions. Thus, Zhang & Yuan (2023) examined the history and practices of ICT entrepreneurship in Beijing's Zhongguancun (ZGC) between 2015 and 2020. It highlights two new ways in which the state has become intertwined with the market in the ICT sector: state agents have transformed themselves into 'market agencies' and the state has taken a financialized approach to ICT governance. These macro political economic shifts have shaped institutional changes and the micro, lived experiences of entrepreneurs under the current Xi-Li administration. Therefore, this research can state the following hypothesis:

Hypothesis 1 (H1) the entrepreneurship have effect on the innovation of small and medium enterprises (SMEs) in the Special Economic Zone of Thailand.

2.3.2. The effect of marketing capability on the innovation

Marketing capability is the ability to create, disseminate, and synthesize market knowledge, which is essential for adapting to new circumstances. Businesses need to focus on the connection between knowledge management practises and the ability to absorb new information at both the individual and group levels. This section will analyse and explain the essential terms of marketing capability. Marketing capability is the process of gathering, integrating, and turning marketing resources into products for customers. Marketing capability is the process of gathering, integrating, and turning marketing resources into products for customers.

Marketing literatures have discussed the effects of different marketing skills, such as outside-in, inside-out, and spanning. Day (1994) and Moorman & Rust (1999) classification of marketing capabilities is lacking, as it fails to account for higher-order knowledge management capabilities. Operational processes and capabilities of an organisation can be used to group the different types of marketing capabilities: resource integration, resource reconfiguration, gainful release of resources, and release of resource. Resource integration is a form of dynamic marketing that makes use of an organization's existing assets in new directions. Gainful release of resources is a dynamic marketing capability type of resource consumption that reflects marketing performance outside of the organization's defined operating framework. This study uses a paradigm similar to that proposed by Morgan, Kastikeas & Vorhies (2011), which divides marketing skills into four unique but measurable categories. The research is based on Morgan, Vorhies & Katsikeas

(2003), Morgan, Slotegraaf & Vorhies (2009), Morgan, Vorhies & Mason (2009), and Morgan, Kastikeas & Vorhies (2011) classification of marketing abilities.

The researcher has compiled relevant research papers to develop a research hypothesis as follows: Xiong & Bharadwaj (2013) investigated how advertising and marketing capability, two firm-controllable marketing factors, moderate the relationship between news stories and firm stock returns. Analysis of a panel data set of more than 7,000 firm-month observations indicates that advertising reinforces the favorable impact of positive news on abnormal stock returns, while marketing capability mitigates the adverse impact of negative news. The findings suggest the need for managers to broaden their stakeholder focus when evaluating advertising's returns and to communicate the value of marketing capability to investors. For Mishra & Modi (2016) posited that marketing capability plays a complementary role in the CSR-shareholder wealth relationship. An analysis utilizing secondary information for a large sample of 1,725 firms for the years 2000-2009 indicates that the effects of overall CSR efforts on stock returns and idiosyncratic risk are not significant on their own but only become so in the presence of marketing capability. Additionally, marketing capability has positive interaction effects with verifiable CSR efforts on stock returns and negative interaction effects with these CSR efforts on idiosyncratic risk, but it has no significant interaction effect with community-based efforts. Yu et al. (2017) examined the importance of functional capabilities (IT and marketing) in improving supply chain integration (SCI). It was found that the two functional capability sets, IT and marketing, influence SCI independently and that IT capability partially mediates the relationship between marketing capability and SCI. From a theoretical perspective, this study provides managerial guidelines for deciding how to devote efforts towards differing functional capabilities associated with managing supply

chains more effectively. However, from a practical perspective, this study has some limitations, such as its focus on SCI in aggregate and the fact that it presents an analysis of relationships at a single point in time. Future research should seek to identify and map the impacts of additional relevant functional capabilities, and longitudinal follow-up studies should be designed to identify these changes and re-examine whether and how these relationships are changing. Likewise, Ju Jin & Zhou (2018) proposed that marketing capability can enhance international ventures' new product performance in emerging markets, but its effect is dependent on market uncertainty and technological turbulence. To address this, they suggested enhancing knowledge breadth as a critical strategic solution. Moreover, Sun, Yao & Govind (2019) proposed and tested an inverted-U-shaped relationship between CSR and shareholder value, incorporating marketing capability to moderate the nonlinear link. Results shown that an initial increase in CSR engagement positively drives firm shareholder value, but the effect turns negative when a firm pursues excessive CSR engagement. This research generates implications for CSR, strategic management, firm valuation, resource-based theories, and business practices. Joensuu-Salo (2021) examined the impact of digital orientation and market orientation on marketing capability in SMEs. The results show that both digital orientation and market orientation have a positive and significant relationship with marketing capability, with the effect of digital orientation being moderated by firm size. Firm size also has an effect on marketing capability, indicating that smaller firms have fewer resources. This research suggests that organizations' strategic orientations explain its capability, and equip SMEs to compete in the environment. According to Lieberman (2021) noted that marketers can improve their approach to brand building by using evidence-based methods and data-driven design models. This required a shift in traditional marketing analytics functions to include

sophisticated analytical skills to monitor and discern changes across the entire experience life cycle. For Moi & Cabiddu (2021) provided an empirical and theoretical investigation of the agile marketing capability, a new marketing capability essential for digital transformation. It identifies its key theoretical dimensions and provides empirical guidelines to facilitate its implementation, with important implications for international marketing managers. Thus, Mu & Zhang (2021) examined the effects of marketing capability and brand reputation on key customer purchase journey outcomes on e-commerce platforms, from click to browsing time, purchase, and post-purchase frustration. It also paints a more nuanced view of brand reputation in e-commerce platform environments, providing implications for brands and sellers.

In addition, Rahman, Lambkin & Shams (2021) examined the impact of cross-border mergers and acquisitions on the marketing capability and overall firm performance of 34 acquirers from emerging countries. The results shown that the marketing capability improved in the post-merger years, and that the overall performance of the acquiring firm's improved following acquisition, but this was a continuation of prior performance rather than a synergistic gain. Singh, Srinivas & Deitz (2021) explored the positive influences of digital capability on a company's profitability and other financial outcomes. It focuses on the marketing perspective of digital capability and proposes a positive linkage between digital marketing capability (DMC) and the likelihood of customer data breach. The results suggested that these linkages are positively moderated by industry dynamism and positively moderated by R&D intensity. The paper concludes with managerial implications and future research directions. Therefore, Sun, Xu & Govind (2022) studied the relationship between marketing capability and research and development intensity and firm default risk. The results reveal a U-shaped relationship, with marketing capability strongly

moderating the relationship. For low marketing capability firms, the U-shaped pattern is more significant, while for high marketing capability firms, the pattern is not salient and the risk reduction power of research and development intensity is stronger. Therefore, this research can state the following hypothesis:

Hypothesis 2 (H2) the marketing capability have effect on the innovation of small and medium enterprises (SMEs) in the Special Economic Zone of Thailand.

2.3.3. The effect of the innovation on business strategy

Businesses must innovate to stay competitive and use it to boost productivity, serve more clients, and raise profits. Innovation is the implementation of inventions into practical applications, which can help owners and executives evaluate past successes and identify areas for future growth. Drucker (1985) and Midgley & Dowling (1978) found that organizations need to be creative to succeed in today's dynamic and unpredictable business world. Innovation can take various forms, such as new products or services, improved production methods, new marketing strategies, or even new distribution networks. It is defined as something that has never been done before, is possible, and has either economic or social value. Organizational innovation is an open-minded view of organisational culture, where the organization's responsibility is to provide innovation to customers. Innovation is essential for businesses, as it improves their performance and helps them compete. Organizations that can't innovate waste time and money trying to keep up with their competitors in the market.

Academics have looked into the potential for innovativeness in small and medium-sized businesses in Thailand. Kritsadee Phuangrod, Sanguan Lerkiatbundit & Somnuk Aujiraponpan (2017) investigated the factors affecting SMEs' innovativeness, Oranoodj

Ruepitiviriya and Duangporn Puttawong (2018) explored the effects of entrepreneurial orientation and innovativeness on export performance, Anuwat Songsom (2019) studied the effects of innovativeness on competitive advantage, Lakkana Teerasakworakun & Teetut Tresirichod (2021) explored the circumstances for innovation inside Thai SMEs in Bangkok.

Moreover Cooke & Saini (2010) investigated how human resources are managed in Indian firms and the extent to which strategic HRM techniques have been adopted to support an innovation-oriented business strategy. In the same way with Karlsson (2011) explored that innovation is an important part of a SME's overall business strategy, but many have a short-term focus on results and are low-risk oriented towards incremental innovations. A case study was conducted at one Swedish SME to assess the extent to which innovation is integrated into the company's strategy. Results showed that innovation is strongly centred to top management and has strong linkages to formal business strategy, but weak integration at practical action-oriented levels. Moreover, Kan, Chung & Chung (2019) found that innovation is essential for businesses to succeed, and if they lack a strong culture and use an innovation funnel, it can lead to stagnation and decline. Customers need to have trust in the product, staff, and business to be excited and advocates of the airline. Thus, Stubbs (2019) examined the strategy, structure, and practices of an Australian BCorp, a profit-orientated business certified to meet environmental and social performance, accountability, and transparency. The study found that the BCorp focuses on the social and economic aspects, with environmental performance only recently being addressed. This article contributes to understanding the structures, strategies, and practices that facilitate sustainable innovation initiatives, the tensions that arise, and how they are managed.

In additionally, Arias-perez, lopez-Zapata & Echeverri-bedoya (2020) tested the mediating effect of knowledge management strategies on the relationship between e-business capabilities and innovation performance. Results shown that personalization strategy has a partial mediating effect, indicating that e-business capability alone is insufficient for superior innovation performance. This finding suggested that knowledge management is an organizational factor that intervenes a posteriori to achieve an effective use of knowledge resulting from the digital operation of the business. So, DiBella (2020) presented empirical evidence of a firm's autonomous adaptation measures along their supply chain in Baja California, Mexico. The results suggest that coproduction of innovations is a mechanism for organizational learning that can help to identify sources of climate-related risks, autonomous adaptation actions, and the barriers to improving the feedback loops to facilitate the integration of local knowledge for business model innovation. This approach can accelerate leveraging the capabilities of the private sector for socially oriented forms of adaptation. Likewise, Guerrero & Martínez (2020) examined the alignment of regional and business strategies to ensure necessary resources, skills and capabilities. Results provide insights into the positive outcomes generated when these strategies are aligned. Therefore, Vanícková & Szczepanska-Woszczyna (2020) proposed an effective business and marketing plan for Vstavit eské Budjovice in the Czech Republic. Scientific methods were used to obtain information, data collection, and results from the evaluation. A specific hypothesis was proposed to verify the current change in the marketing concept that has an impact on the expansion of services portfolio, progress of an enterprise, support of production processes, and improvement of output values of economic indicators. Whelan et al. (2021) explored the differences between design driven innovation, which focuses on product innovation, and design strategy, which applies to the broader

business context. The methodological approach used was research through design, engaging with four SME owner/managers. The findings suggested that different tools in the early research phase determine specific outcomes, and stakeholder needs play a significant role in strategic design for business. The process was open to identifying many possible innovative routes for growth which may involve entirely new user groups or a new business model. These findings may assist designers in developing appropriate toolkits and methods of delivery and assist owner/managers in understanding and accessing these processes. Then Purnamawati et al. (2022) studied the impact of human capital, structural capital, and consumer capital on the financial performance of MSMEs in Buleleng Regency. The research used quantitative methods with 392 MSMEs as samples. Results indicate that technology and commitment have no significant effect on the development of religious ecotourism villages, while cultural changes have a significant impact. The study highlights the importance of the speed of innovation for MSMEs to improve their financial performance and gain a competitive advantage. Yu (2022) examined the impact of purchasing financial products (FPs) on the innovation strategy of family businesses in the Chinese system. It found that purchasing FPs significantly increases the design patents of FBs, shifting innovation towards safer and more economical paths. The effect of purchasing FPs on innovation outputs was governed by institutional ownership, government subsidies, and R&D personnel ratio. Therefore, this research can state the following hypothesis:

Hypothesis 3 (H3) the innovation have effect on the business strategy of small and medium enterprises (SMEs) in the Special Economic Zone of Thailand.

2.3.4. The effect of business strategy on firm performance

The concept of success of a business encompasses both numerical and qualitative metrics. A prosperous business is one that offers competitive costs, superior quality, and rapid delivery. A successful supplier is one that offers local jobs, accountability, and prosperity to residents. Organisational performance is often used as the primary criterion for evaluating organisations, but researchers face many challenges when attempting to evaluate its effectiveness. Organisational performance is complex and multi-dimensional, making it difficult to obtain suitable metrics. Academics are debating whether to use subjective or objective measurements, or prioritise financial or non-financial markers of success. Richard et al. (2009) concluded that any study that claims to address organisational performance must include strong theory that addresses two key issues: the nature of performance and the nature of measurement.

Organisational performance is the difference between an organization's actual output and its planned outputs, characterized by effectiveness, efficiency, and long-term relevance. Organisations differ in their resources and competencies, which can influence the use of performance metrics. Studies have yielded conflicting findings, with smaller and medium-sized businesses less likely to use both financial and non-financial components. Nourayi & Canarella (2009) found that small enterprises that prioritised quality, customer satisfaction, and employee development fared better than competitors that prioritised financial performance measures. SMEs need to track and manage their performance across many metrics to thrive.

The previous studies are evidence literature as: Nejad & Zarei (2015) investigated the relationship between innovation strategy and business competitive advantages in Iran, especially in the oil industry. Structural equation modeling (SEM) was used to develop a

model, and questionnaires were distributed among 351 managers and experts familiar with innovation and business advantages. The results showed that there is a direct and significant relationship between innovation strategy and business competitive in Iran. Additionally, Bakhtyarfar, Shoushtari & Azad (2016) focused on the competitive advantage of products and cost leading exports. It considers marketing, research and development, production, human resources, purchase and financial variables. Results indicate that financial, production and purchase are effective on the competitive advantage of cost leading exports and human resources, financial, marketing, production and purchase are effective on the competitive advantage of export product distinctiveness. For Eker & Eker (2019) examined the effects of three-way interaction between environmental uncertainty, business strategy and management control system on firm performance. Data from 94 Turkish manufacturing companies showed that higher differentiation strategy, management control system and three-way interaction between environmental uncertainty, differentiation strategy and management control system lead to higher firm performance. Additionally, firms with high performance tend to use different strategies and management control systems more than those with low performance.

Moreover, Hadid (2019) examined the impact of different costing systems and business strategies on financial performance. Data from UK service firms supports the proposed positive effect of lean service on financial performance. Activity-based costing (ABC) has a positive impact on lean service, but suppresses the lean-cost leadership relationship. Lmudeen & Bao (2020) examined the effect of managing information technology (MIT) on firm performance by looking at the mediating role of IT strategy and business strategy. The model is empirically tested by using hierarchical regression and structural equation modeling for the data collected through the survey of 194 senior IT and

business managers in Thailand. The findings highlight that managing IT does not merely influence better firm performance; instead, the coherent amalgamation of IT strategy and business strategy can enrich firm performance. This study contributes to the IS research literature by demonstrating the mediating role of business strategy and IT strategy between the managing IT and the firm performance relationship. Then Richard (2000) examined the relationship between cultural diversity, business strategy, and firm performance in the banking industry. Results showed that cultural diversity adds value and contributes to firm competitive advantage.

However, Dalwai & Salehi (2021) focused on the influence of business strategy and intellectual capital on firm performance and bankruptcy risk of Oman's non-financial sector companies. The data comprises 380 firm-year observations collected from 2015 to 2019 for the non-financial sector companies listed on the Muscat Securities Market. The empirical results show a negative relationship between business strategy and return on equity (ROE), suggesting defender-type strategy leads to an increase in firm performance. The OLS results show no influence of A-VAIC on firm performance and Altman-Z score. The structural capital efficiency is positively associated with ROA and Altman Z score consistent with the hypothesized relationship. The findings of this study contribute to the sparse literature on business strategy in an emerging market like Oman and enrich the knowledge of business strategy typologies. Lukovic & Tepavcevic (2022) determined the impact of HR practice (HRP) on organizational performance (FP), with particular emphasis on the mediating effect of business strategy (BS). The research was conducted in March 2022 on the territory of AP Vojvodina (Republic of Serbia) and collected 270 valid questionnaires. The results of the research suggested that HRP affects BS and FP, and BS has a mediating effect in the relationship between HRP and FP. This paper brings new

knowledge that can benefit HR managers in the business environment of Serbia and the Western Balkans. Thus, Nga, Vy & Pham (2022) investigated the effect of generic strategy on R&D spending and the impact of R&D spending on firms' performance based on their strategic position. The results indicated that firms with a differentiation strategy have more R&D spending than those with a cost leadership strategy. For firms adopting a differentiation strategy, investment in R&D was critical for better performance. For firms with a cost-leadership strategy, R&D spending was essential to improve efficiency, but budgets should be allocated wisely and reasonably. The study suggested that manufacturing firms in Taiwan allocate their resources wisely and efficiently according to their system. Therefore, this research can state the following hypothesis, see **Figure 2.1**:

Hypothesis 4 (H4) the business strategy have effect firm performance for small and medium enterprises (SMEs) in the Special Economic Zone of Thailand.

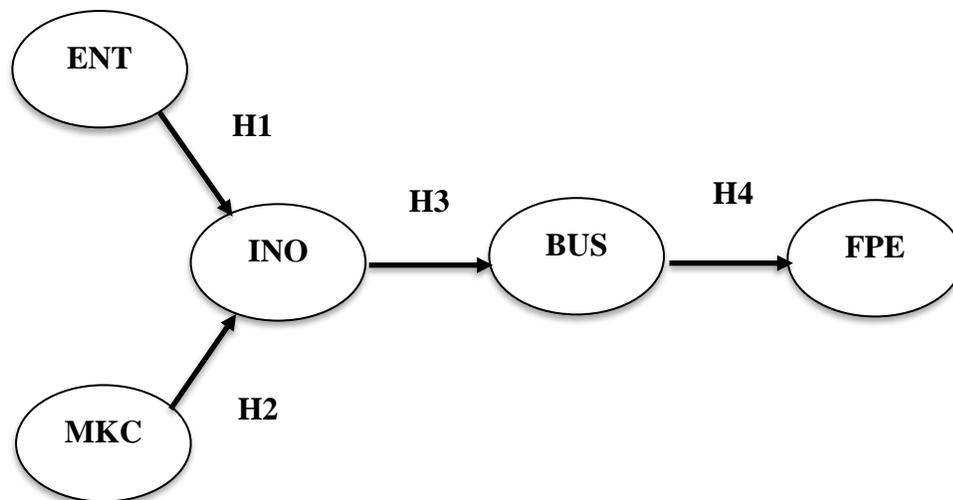


Figure 2.1. Conceptual Framework. Note: ENT = Entrepreneurship; MKC = Marketing capability; INO = Innovativeness; BUS= Business Competitive Strategic Management; FPE = firm performance.

2.4. Summary

This chapter provides a comprehensive literature review and hypothesis development regarding small and medium-sized enterprises (SMEs) in the Special Economic Zones (SEZs) of Thailand. The chapter systematically examines the nuances of entrepreneurial orientation, marketing capabilities, innovativeness, and business competitive strategic management, and their impact on SMEs in Thailand. It delves into existing research to elucidate how these dimensions influence firm performance, thereby setting a robust foundation for discussing SME operations in a competitive economic environment. By synthesizing findings from various studies, the chapter identifies knowledge gaps and proposes hypotheses concerning the relationships between entrepreneurship, marketing capability, innovation, business strategy, and firm performance. This structured exploration aims to highlight potential causal pathways and influence patterns that could inform future research and practice in the realm of SME development and strategic management

CHAPTER 3

METHODOLOGY

This chapter offers a thorough examination of the theoretical foundations and the process of generating hypotheses as discussed in the literature review described earlier. This chapter provides an overview of the research methodologies employed by the researcher, which align with the appropriate procedures for evaluating the hypotheses. The present chapter is structured into four distinct sections due to this particular reason. The methodology employed for sample selection and data collection encompasses several key steps, namely defining the population and sample, gathering data, constructing the questionnaire, assessing common method variation, and evaluating potential non-response bias. This chapter also explores the measurement of each concept as a variable. The third section provides a comprehensive description of the methods employed to assess the validity and reliability of the questionnaire. The present work provides a comprehensive description of the Structural Equation Model (SEM), which is one of the statistical methodologies employed.

3.1. Population Selection and Data Collection

In this section, the researcher systematically approach the methodology employed for selecting the population and sample, alongside the mechanisms utilized for data collection in our study. The process begins with a detailed justification of the choices regarding population and sample selection, ensuring that the sample is representative of the broader population and suitable for the research objectives. This is followed by an outline of the data collection procedure, which specifies the methods used to gather reliable and valid

data, including any logistical considerations. Lastly, the development of the questionnaire is discussed, highlighting the theoretical underpinnings that guide its construction, the operationalization of variables, and the techniques used to ensure the questionnaire's efficacy in capturing the necessary data for analysis. Collectively, these components are critical for ensuring the rigor and validity of the research findings.

3.1.1. Population and Sample Selection

The focus of this study is on a sample of businesses in small and medium enterprises (SMEs) in the Special Economic Zone of Thailand. The data for the population was culled from the website for the Office of SMEs Promotion of Thailand. Since the Office of SMEs Promotion of Thailand is in charge of both in small and medium enterprises (SMEs) registration and information in small and medium enterprises (SMEs), its database is a reliable place to find all comprehensive addresses. Therefore, the resulting population data may corroborate and affirm the viability of a specific company. The small and medium enterprises (SMEs) are categorized based on their involvement in location of the Special Economic Zone of Thailand, which are Tak, Mukdahan, Songkhla, Trat, Sa Kaeo, Kanchanaburi, Chiang Rai, Nakhon Phanom, Nong Khai, and Narathiwat.

As a sustainable, value-based economy, modern-day Thailand has entered the so-called "Thailand 5G development". Thailand's economic paradigm, known as "Thailand 5G development," has shifted from mass-producing commodities to focusing on cutting-edge innovations. Entrepreneurs can increase their income by shifting their focus from manual labor to the management and application of new technologies. What this means is that previously industrialized nations will now be led by technological innovation. The organizational framework of small and medium enterprises (SMEs) in the Special

Economic Zone of Thailand would be crucial. The benefits of Industry 4.0 can be further realized with the widespread implementation of small and medium enterprises (SMEs) in the Special Economic Zone of Thailand. As early as the mid-1990s, the Thai government recognized the potential of information and communication technologies. The use of small and medium enterprises (SMEs) in the Special Economic Zone of Thailand could boost productivity and benefit the economy in the long run (Kohpaiboon, 2020).

The number of small and medium enterprises (SMEs) in the Special Economic Zone of Thailand is 25,721 SMEs in this study. The data used in this study was collected on August 6, 2024, from the Office of SMEs Promotion of Thailand, available at <https://www.sme.go.th/th/#>. The researcher double examined information by calling the companies to verify their existence to assure the reliability of the respondents. As a result, 25,721 SMEs were asked to react. Krejcie and Morgan (1970) state that a sample size of at least 379 is necessary to reliably reflect the small and medium enterprises (SMEs) in the Special Economic Zone of Thailand that are the focus of this study.

3.1.2. Data Collection Procedure

In this study, 379 participants were asked to fill out a survey that was distributed both online and through the original mail, details are in *Table 3.1*. In addition to being a rapid, simple, affordable, reliable, and anonymous technique of acquiring data (Rice et al., 2017), online surveys are increasingly regarded crucial instruments for current research (Manfreda, Bosnjak, Berzelak, Haas, & Vehovar, 2008). In addition, Both online and the original mail questionnaire have the potential to obtain a representative sample from the target population at a cheap cost and from a wide range of geographic regions (Sittimalakorn & Hart, 2004).

The researcher called these sources to gauge their level of expertise and gain their consent to participate in the study before sending out any surveys. Further, the researcher guaranteed that all responses would be kept strictly confidential and never shared without the respondent's express consent. Thus, the possibility of desirability bias was lessened (Eivarsen & Vland, 2014).

The online survey consists of sending a link to a Google Forms through e-mail to all prospective participants along with an in-depth description of the study. Regarding the questions, they were sent out to the respondents individually via postal survey. Each responder received a cover letter explaining the study, a questionnaire, and a pre-addressed envelope in which to mail the completed survey back to the researcher.

This study focused on small and medium enterprises (SMEs) operating within Thailand's Special Economic Zones (SEZs). Key informants, identified as business owners and entrepreneurs within these zones, were selected for their comprehensive understanding of entrepreneurial activities, marketing capabilities, innovation strategies, and overall business direction. Their insights provided valuable firsthand perspectives on the operational realities faced by SMEs in this context.

Data collection employed a dual methodology, utilizing both online questionnaires disseminated via email with embedded Google Forms links and traditional mail surveys. This approach aligns with established research practices for gathering large-scale data across geographically dispersed areas (Neuman, 2006). To ensure confidentiality, participants were provided with pre-paid return envelopes and given eight weeks to complete the questionnaires. Undeliverable mail resulting from business closures or relocations was excluded from the final analysis.

Each key informant received an instrument package containing a questionnaire, a QR code linking to the online version, a cover letter outlining the research's purpose, and a pre-paid return envelope. A total of 379 packages were mailed in March 2024, with an anticipated data collection period of eight weeks. Four weeks after the initial mailing, a follow-up postcard was sent to non-respondents as a reminder and to encourage participation.

Of the 379 mailed surveys, 38 were undeliverable, resulting in a valid mailing of 341. From this valid sample, 334 responses were received, with seven excluded due to incompleteness or response errors, yielding 327 usable responses for analysis. This represents an effective response rate of 95.89%, significantly surpassing the 20% benchmark conventionally considered acceptable for mail surveys without follow-up procedures (Aaker, Kumar, & Day, 2001). Consequently, the 327 usable responses constituted the final sample for subsequent statistical analysis and hypothesis testing in this research.

Table 3.1. *Details of both online questionnaires and traditional mail surveys*

Details	Number
Amount of questionnaire mailed	379
Number of undelivered questionnaires	38
Number of successful questionnaire mailed	341
Received questionnaires	334
Unusable questionnaires	7
Usable questionnaires	327
Response Rate = $327 / (379 - 38) \times 100 = 95.89\%$	

Test of Non-Response Bias: Non-response bias in mail surveys has been posited as a potential threat to the generalizability of sample findings to the broader population (Armstrong & Overton, 1977). If significant differences exist between responding and non-responding firms, inferences about the entire sample and population may be invalid. Therefore, an assessment of non-response bias is essential to ensure it does not pose a substantial issue in this research.

Non-response bias may occur when non-responding firms differ from responding firms on observable characteristics (Whitehead, Karlsson, & Tenenberg, 1993). Following Armstrong and Overton's (1977) recommendations, a chi-square analysis was conducted to compare demographic information (e.g., type of business, number of employees, annual revenue, primary location of business, and duration of operation within Thailand's Special Economic Zones) between early and late respondents. This approach, grounded in extrapolation methods, assumes that late respondents or those requiring more encouragement to respond are more similar to non-respondents. If the chi-square results reveal no statistically significant differences in demographic information between the two groups, it can be inferred that non-response bias is not a significant problem in this study (Lewis, Hardy, & Snaith, 2013; Rogelberg & Stanton, 2007).

All 327 received questionnaires were divided into two groups: the first 173 responses were classified as early respondents, while the remaining 154 were classified as late respondents. A chi-square test was employed to compare organizational demographics, including business owner type, hotel location, duration of operation, number of rooms, and average annual sales revenue.

Table 3.2 provides a detailed examination of potential non-response bias by comparing early respondents (first group) with later respondents (second group) across

various firm characteristics. The analysis focuses on key aspects such as the type of business, number of employees, annual revenue, primary location, and duration of operation within the Special Economic Zone of Thailand. Statistical tests were employed to assess whether any significant differences existed between the two groups in terms of these characteristics. The results consistently demonstrate a lack of statistical significance ($p > 0.05$) for all comparisons, indicating that the profile of businesses that responded initially is not markedly different from those that participated later. This finding offers reassurance that non-response bias does not pose a substantial threat to the validity and generalizability of the study's conclusions. The homogeneity between the two groups across these diverse business attributes suggests that the insights gleaned from the collected data are likely to be representative of the broader population of businesses operating within the Special Economic Zone.

Table 3.2. *Test of Non-Response Bias*

Comparison	N	Value	Sig.
Type of Business			
- First group	173	1.956	0.152
- Second group	154		
Number of Employees			
- First group	173	3.876	0.195
- Second group	154		
Annual Revenue			
- First group	173	2.985	0.582
- Second group	154		
Primary Location of Business			
- First group	173	4.580	0.325
- Second group	154		
Duration of Business Operation within Special Economic Zone of Thailand			
- First group	173	3.158	0.489
- Second group	154		

3.1.3. Questionnaire Development

The research questionnaire will be developed based on established theoretical frameworks and relevant empirical research. Operational definitions for key constructs will be determined through a comprehensive review of the literature. The questionnaire will be structured into six distinct sections, each addressing specific aspects of the research inquiry. These sections and their corresponding details are outlined below:

Section 1 General Information: Section 1 of the questionnaire collects general information about the participants and their businesses. This includes demographic information such as gender, age, and education level, as well as information about the participants' entrepreneurial experience, type of business, number of employees, annual revenue, business location, duration of operation within the Special Economic Zone (SEZ) of Thailand, and reasons for operating in the SEZ. This information will be used to describe the characteristics of the sample and to control for potential confounding variables in the analysis.

Section 2 Entrepreneurship: This section of the questionnaire is designed to assess the level of entrepreneurship among the participants. It consists of 21 items that measure various aspects of entrepreneurial behavior, including need for achievement (ATM), creativeness (CTN), risk-taking (RKT), proactiveness (POA), and competitive aggressiveness (CAG). Participants are asked to rate their level of agreement with each item on a 4-point Likert scale, ranging from 1 (most unrealistic) to 4 (most true). The responses to these items will provide insights into the entrepreneurial orientation of the SMEs operating in the Special Economic Zone of Thailand.

Section 3 Marketing Capabilities: This section of the questionnaire assesses the marketing capabilities of the participating firms. It consists of 12 items that measure three distinct dimensions of marketing capability: specialized marketing capabilities (SMC), cross-functional marketing capabilities (CMC), architectural marketing capabilities (AHM) and dynamic marketing capabilities (DMC). Respondents are asked to indicate their level of agreement with each item on a Likert scale ranging from 1 (most unrealistic) to 4 (most true). This section aims to evaluate the firms' proficiency in various marketing areas, such as strategy implementation, knowledge integration, resource coordination, and adaptability to market changes.

Section 4 Innovativeness: This section of the questionnaire is designed to assess the level of innovativeness within the participating firms. It consists of 15 items that evaluate various aspects of innovation, including product innovation (PDI), marketing innovation (MKI), process innovation (PSI), behavioral innovation (BVI), and strategic innovation (SGI). Each item is measured on a 4-point Likert scale, ranging from "most true" to "most unrealistic," allowing for a nuanced understanding of the firms' innovation practices and orientations. This section aims to provide insights into how these SMEs perceive and engage in innovation activities, which is crucial for understanding their overall performance and competitiveness in the market.

Section 5 Business Competitive Strategic Management: This section of the questionnaire assesses business competitive strategic management. It consists of four items designed to gauge how respondents perceive their companies' strategic approaches to competitiveness. These items explore the effectiveness of increasing output relative to raising the productivity of investments (RPI), learning organization is an organization (CPL), organizational structure management (ORM) and cost reduction (CTR). Respondents are asked to indicate their level of agreement with statements

related to these strategies, providing insights into the extent to which these practices are employed and perceived as effective within their businesses. Each item is measured on a 4-point Likert scale, ranging from "most true" to "most unrealistic".

Section 6 Firm Performance: This section assesses the firm's performance using a combination of financial performance (FIN), non-financial performance (NFP), ethical business management (EBP) and sustainability management processes (SBP). The section also gauges ethical business practices, leadership, product quality, corporate social responsibility, and the integration of environmental and social practices into the business strategy. This multifaceted approach aims to provide a comprehensive understanding of the firm's overall performance, considering both its economic success and its broader impact on stakeholders and the environment. Each item is measured on a 4-point Likert scale, ranging from "most true" to "most unrealistic".

The English version was translated into Thai based on a questionnaire based on an already existing scale written in English. The double-blind back translation method (Sinaiko & Brislin, 1973) was used to ensure accuracy. The use of back translation ensures that the target language's native speakers, who are also considered to be "key informants," fully grasp the same meaning as in the original language. Both English and Thai were employed because they were considered to be the source and target languages, respectively. A committee made up of academic scholars compared and reviewed the two versions of the questionnaire before conducting the pretest. After the questionnaire was translated into Thai, it was shown to potential responders to confirm their understanding of all questions. Errors in the responses can also be minimized if the questionnaire is well-designed and structured. All assessment items for each concept are based on preexisting scales in literature, adding credibility to this study.

3.2 Measurement of the Variables

This study's overarching objective is to better understand the interplay between the effect of entrepreneurship, marketing capability, innovation and business strategy on sustainable firm performance of small and medium enterprise (SMEs) in Special Economic Zone of Thailand. Primary data collected via an online survey and an original survey will serve as the quantitative research setting for the empirical analysis. There are five groups of factors to be assessed in this study. In addition, five structures of measurement of the variables are included in **Table 3.3** and **Table 3.4**.

Table 3.3. Operational Definitions

Constructs	Operational definitions	Sources
Entrepreneurship (ENT)	Entrepreneurship extends to a range of competitive behaviours aimed at enhancing market processes. These behaviours are driven by profit objectives and involve the introduction of novel ideas, as well as innovations in products and processes. Additionally, entrepreneurship entails both defensive and proactive management strategies, along with a thorough understanding of the business environment.	Lumpkin & Dess (1996) Lumpkin, Steier & Wright (2011)
Marketing capability (MKC)	The marketing capability of an organisation refers to its capacity to differentiate its products and services from those offered by competitors, establish robust brand identities, and command premium prices in the market. This capability is closely tied to the process of acquiring, integrating, and leveraging marketing resources to create customer-oriented products.	Vorhies & Morgan (2005) Barretto (2010) Cao Tian & Blankson (2022)
Innovativeness (INO)	Innovativeness refers to the capacity to introduce original items or attract new clientele through the use of behavioural and procedural advances. The promotion of creativity and novel concepts is a key aspect, as an organisation that is inventive facilitates the development of new goods or processes within established systems.	Wang & Ahmed (2004) Tajdini & Tajeddini (2018)
Business Competitive Strategic Management (BUS)	Business competitive strategic management refers to a systematic and deliberate plan that encompasses the allocation of resources and outlines a course of action aimed at accomplishing particular objectives. The relationship between corporate strategy and external	Grant (1995) David (2011)

	factors has resulted in a dearth of agreement regarding its precise definition.	
Firm performance (FPE)	Firm performance can be defined as the disparity between an organization's realised output and its intended outputs, which is assessed based on criteria such as effectiveness, efficiency, and long-term significance. The amalgamation encompasses the evaluation of individual performance, financial performance, and shareholder return.	Kaplan & Norton (1996) Guthrie & Neumann (2007) Bedoui (2015)

Table 3.4. Development of Measurement Items

Construct: Entrepreneurship	
Entrepreneurship extends to a range of competitive behaviours aimed at enhancing market processes. These behaviours are driven by profit objectives and involve the introduction of novel ideas, as well as innovations in products and processes. Additionally, entrepreneurship entails both defensive and proactive management strategies, along with a thorough understanding of the business environment. In the scope of this study, the construct of entrepreneurship encompasses the subsequent variables: autonomy, innovativeness, risk-taking, proactiveness and competitive aggressiveness.	
Measurement:	Adopt from:
Autonomy (ATM) is the independent action and freedom granted to individuals or teams to initiate, develop, and complete projects or ideas outside of established organizational norms, fostering self-direction and innovative business practices that drive competitive advantage and performance.	Lumpkin & Dess (1996) Ireland & Webb (2009) Lumpkin, Steier & Wright (2011) Baert, et al. (2016)
Measurement Items:	
ATM 1. I independently set goals and work towards achieving them. ATM 2. I take the initiative to pursue new ideas or opportunities on my own. ATM 3. I complete tasks and projects with minimal supervision.	
Measurement:	Adopt from:
Creativeness (CTN) is the capability of an organization to introduce novel products or attract new customers by embracing and promoting new ideas, processes, or technologies, fostering a culture of creativity and experimentation, and driving growth and competitiveness in changing market conditions.	Wang & Ahmed (2004) Malerba (2007) Lee & Kelley (2008) Tajdini & Tajeddini (2018)
Measurement Items:	
CTN 1. I actively pursue new ideas to improve my business. CTN 2. I frequently develop new products or services for my customers. CTM 3. I implement new processes to enhance business operations.	

Table 3.4. Development of Measurement Items (Count.)

Construct: Entrepreneurship	
Measurement:	Adopt from:
Risk-taking (RKT) refers to the calculated willingness to engage in bold actions, such as entering uncertain markets or committing significant resources, with the potential for substantial gains or losses	Lumpkin & Dess (1996) Morris & Kuratko (2002) Dees (2007) Morris Kuratko & Covin (2008)
Measurement Items:	
RKT 1. I am willing to invest significant resources in new business opportunities. RKT 2. I actively pursue ventures with uncertain outcomes. RKT 3. I regularly take calculated risks to grow my business.	
Measurement:	Adopt from:
Proactiveness (POA) refers to the active pursuit of new opportunities and the shaping of market trends, rather than merely reacting to existing conditions. Proactive firms anticipate future demands and take initiative to introduce new products, services, or technologies ahead of their competitors.	Lumpkin & Dess (1996) Morris & Kuratko (2002) Wright & Hitt (2017)
Measurement Items:	
POA 1. I actively seek out new opportunities for my business before they become obvious. POA 2. I take the initiative to address potential issues before they arise based on future customer needs and trends to stay ahead of the competition. POA 3. I am willing to take proactive steps to shape the market environment in favor of my business.	

Table 3.4. Development of Measurement Items (Count.)

Construct: Entrepreneurship	
Measurement:	Adopt from:
Competitive aggressiveness (CAG) is the intensity with which a firm strives to outperform its rivals through strong offensive or reactive strategies, such as entering markets at lower costs, imitating competitors, or aggressively investing in branding and production, and responding to threats with actions like price cuts.	Lumpkin & Dess (1996) Morris & Kuratko (2002) Lumpkin, Steier & Wright (2011)
Measurement Items:	
CAG 1. I take decisive actions to gain a competitive edge with aggressive strategies in the market. CAG 2. I respond quickly and forcefully to competitive threats. CAG 3. I prioritize targeting my competitors' weaknesses to improve my market position.	

Table 3.4 Development of Measurement Items (Count.)

<p>Construct: Marketing capability Marketing capability refers to its capacity to differentiate its products and services from those offered by competitors, establish robust brand identities, and command premium prices in the market. This capability is closely tied to the process of acquiring, integrating, and leveraging marketing resources to create customer-oriented products. In the scope of this study, the construct of marketing capability encompasses the subsequent variables: specialised marketing capability, cross-functional marketing capabilities, architectural capabilities and dynamic marketing capability.</p>	
Measurement:	Adopt from:
Specialized marketing capability (SMC) refers to the specific functional activities and talents that enable an organization to optimize its resources, integrate with other processing elements, and accumulate raw materials from external sources, thereby facilitating the efficient execution of marketing plans and strategies to enhance business success.	Adner & Helfat (2003) Nath, Nachiappan & Ramakrishnan (2010) Nalcaci & Yagci (2014) Thailandkidzwa & Phiri (2020)
Measurement Items:	
SMC 1. My organization effectively uses specialized marketing capabilities to implement our marketing strategies. SMC 2. I integrate various marketing processes to enhance my specialized marketing capabilities. SMC 3. My specialized marketing activities significantly contribute to my overall business performance.	
Measurement:	Adopt from:
Cross-functional marketing capabilities (CMC) are organizational processes that facilitate the systematic transfer and effective sharing of market intelligence across different departments and business units, leading to improved decision-making and enhanced performance.	Morgan, Vorhies & Katsikeas (2003) Morgan, Slotegraaf & Vorhies, 2009 Morgan, Kastikeas & Vorhies (2011)
Measurement Items:	
CMC 1. My organization effectively integrates and shares market knowledge across different departments. CMC 2. I have strong mechanisms in place for cross-departmental collaboration to enhance our marketing efforts. CMC 3. I effectively manage customer relationships by leveraging cross-functional capabilities.	

Table 3.4. Development of Measurement Items (Count.)

Construct: Marketing capability	
Measurement:	Adopt from:
Architectural marketing capabilities (AHM) refer to an organization's systematic planning processes that formulate long-term marketing strategies and tactical plans by integrating various resources to enhance its marketing effectiveness	Morgan, Vorhies & Katsikeas (2003) Morgan, Slotegraaf & Vorhies, 2009 Morgan, Kastikeas & Vorhies (2011)
Measurement Items:	
AHM 1. My organization excels in planning and executing long-term marketing strategies. AHM 2. I effectively integrate and coordinate various marketing resources. AHM 3. I efficiently utilize specialized marketing skills to achieve our marketing objectives.	
Measurement:	Adopt from:
Dynamic marketing capability (DYM) is a firm's ability to effectively integrate and apply market knowledge across various divisions and roles to adapt swiftly to changing environments, emphasizing strategic resource utilization and organizational restructuring for rapid market response.	zizi, Movahed & Khah (2009) Morgan, Kastikeas & Vorhies (2011) Hoque et al. (2021) Davcik et al. (2021)
Measurement Items:	
DYM 1. My organization effectively adapts its marketing strategies to changing market conditions. DYM 2. My organization have the ability to reconfigure our marketing resources in response to market shifts. DYM 3. My organization is proficient in maintaining and improving my marketing skills to meet customer needs in a dynamic environment.	

Table 3.4. Development of Measurement Items (Count.)

Construct: Innovativeness	
Innovativeness refers to the capacity to introduce original items or attract new clientele through the use of behavioral and procedural advances. The promotion of creativity and novel concepts is a key aspect, as an organization that is inventive facilitates the development of new goods or processes within established systems. In the scope of this study, the construct of innovativeness encompasses the subsequent variables: product innovativeness, market innovativeness, process innovativeness, behavioral innovativeness and strategic innovativeness.	
Measurement:	Adopt from:
Product innovativeness (PDI) is the propensity of a firm to introduce new products and services to the market, which can be evaluated from both the customer's and the firm's perspectives.	Mol & Birkinshaw (2009) Nedelko & Potocan (2013) Rojek (2022)

Measurement Items:	
<p>PDI 1. My company frequently develops and introduces new and unique products. PDI 2. I consistently refine our products to stay ahead of the competition. PDI 3. My business is recognized for launching technologically superior or novel products.</p>	
Measurement:	Adopt from:
Market innovativeness (MKI) is the capability to penetrate a new market or launch a new product, encompassing advancements in market research, advertising, and promotional strategies to enhance market success.	Hsu & Fan (2010) Nedelko & Potocan (2013) Rojek (2022)
Measurement Items:	
<p>MKI 1. My company frequently introduces unique and effective marketing campaigns. MHI 2. I use innovative marketing strategies to successfully attract new customers. MKI 3. I consistently break into new markets with my creative marketing efforts.</p>	

Table 3.4. Development of Measurement Items (Count.)

Construct: Innovativeness	
Measurement:	Adopt from:
Process innovativeness (PSI) is the ability to embrace and re-engineer technology to produce innovative products and services.	Rogers (2003) Wang & Ahmed (2004) Inu (2022)
Measurement Items:	
<p>PSI 1. My company frequently adopts new technologies to improve my processes. PSI 2. I consistently re-engineer our methods to enhance production efficiency. PSI 3. I am known for my ability to streamline processes to speed up production.</p>	
Measurement:	Adopt from:
Behavioral innovativeness (BVI) is the fostering of a creative environment that is conducive to the development of novel ideas and approaches at the individual, team, and managerial levels.	Wang & Ahmed (2004) Liu, et al. (2020) Arthur, et al. (2022)
Measurement Items:	
<p>BVI 1. My company encourages creative thinking at all levels of the organization. BVI 2. I am committed to making changes in our business practices to enhance innovation. BVI 3. I consistently pursue better and more efficient methods in our operations.</p>	
Measurement:	Adopt from:
Strategic innovativeness (SGI) is the development of new products and services through the research and development of existing resources, the implementation of novel approaches to problem-solving and task	Hult, Hurley & Knight (2004) Mol & Birkinshaw (2009) Schweitzer & Gudergan (2010) Dewanto (2022)

delegation, and the realization of a manager's vision for implementing innovative practices.	
Measurement Items:	
SGI 1. My company develops new products and services by leveraging existing resources. SGI 2. I adopt novel approaches to solving problems within our organization. SGI 3. I have a clear vision for implementing innovative strategies.	

Table 3.4. Development of Measurement Items (Count.)

Construct: Business Competitive Strategic Management	
Business competitive strategic management refers to a systematic and deliberate plan that encompasses the allocation of resources and outlines a course of action aimed at accomplishing particular objectives. The relationship between corporate strategy and external factors has resulted in a dearth of agreement regarding its precise definition. In the scope of this study, the construct of business competitive strategic management encompasses the subsequent variables: Raising the productivity of investments, cost reduction	
Measurement:	Adopt from:
Raising the productivity of investments (RPI) is a strategic imperative SMEs which focus on optimizing output relative to capital expenditure to enhance profitability and adhere to regulatory requirements.	Kaplan & Norton (2001) Harrison (2003) Olsen, (2012)
Measurement Items:	
RPI 1. My company effectively increases its output relative to the capital invested. RPI 2. I consistently achieve higher returns by optimizing our investment expenditures. RPI 3. I have implemented strategies to securitize assets, improving our capital efficiency.	
Measurement:	Adopt from:
Learning organization is an organization (CPL) that facilitates the learning of its members and continuously transforms itself.	Senge (1990) Argote, Lee & Park (2021) Soelton (2023)
Measurement Items:	
CPL 1. My company promotes competitive learning to enhance employee performance. CPL 2. Structured competitive environments in my firm have improved engagement and achievement. CPL 3. My employees thrive in competitive learning environments, leading to better overall outcomes.	

Table 3.4. Development of Measurement Items (Count.)

Construct: Business Competitive Strategic Management	
Measurement:	Adopt from:
Organizational structure management (ORM) is the strategic process of designing and implementing a framework that defines roles, responsibilities, and relationships within an organization to achieve its goals effectively.	Claver-Cortes, Zaragoza-Saez & Pertusa-Ortega (2007) Lunenburg (2012) Mishchuk, Bilan & Pavlushenko (2016)
Measurement Items:	
ORM 1. My company strategically allocates resources to maximize efficiency. ORM 2. I utilize our resources effectively to maintain a competitive edge. ORM 3. I integrate digital technologies to enhance our resource management practices.	
Measurement:	Adopt from:
Cost reduction (CTR) is a strategic management approach employed by businesses to minimize expenses and enhance profitability, often in response to economic downturns or regulatory pressures.	David (2001) Dess & Lumpkin (2003) Analoui & Danquah (2017)
Measurement Items:	
CTR 1. I have streamlined our product lines to focus on core business areas. CTR 2. Eliminating non-core assets has significantly cut my expenses. CTR 3. I regularly review and divest non-essential products to reduce costs.	

Table 3.4. Development of Measurement Items (Count.)

Construct: Firm Performance	
Firm performance can be defined as the disparity between an organization's realised output and its intended outputs, which is assessed based on criteria such as effectiveness, efficiency, and long-term significance. The amalgamation encompasses the evaluation of individual performance, financial performance, and shareholder return. In the scope of this study, the construct of consumer attitude encompasses the subsequent variables: financial performance, non-financial performance, ethical business management and sustainability management processes.	
Measurement:	Adopt from:
Financial performance (FIN) is a dimension of firm performance that can be measured using accounting information such as sales, income, expenses, salaries, profit, return on equity, turnover, and net income.	Chakravarthy (1986) Nourayi & Canarella (2009) Richard et al. (2009)
Measurement Items:	
FIN 1. My company has experienced significant sales growth over the past year. FIN 2. The return on investment in my company has been satisfactory. FIN 3. My profit margins have improved consistently. FIN 4. My company's financial performance is better than the competitors in the market.	

Measurement:	Adopt from:
Non-financial performance (NFP) refers to the evaluation of an organization's success based on non-monetary indicators, such as customer satisfaction, product quality, market share, and innovation, providing a more holistic view of a firm's overall performance beyond financial metrics.	Venkatraman & Ramanujam (1986) Kaplan & Norton (2004) Bryson (2008)
Measurement Items:	
<p>NFP 1. My company has consistently received positive feedback from customers.</p> <p>NFP 2. I have successfully introduced innovative products to the market.</p> <p>NFP 3. My company has maintained a high level of product quality.</p> <p>NFP 4. My internal processes and operations are highly efficient.</p>	

Table 3.4. Development of Measurement Items (Cont.)

Construct: Firm Performance	
Measurement:	Adopt from:
Ethical business management (EBP) is the practice of conducting business in a manner that is consistent with the moral principles and standards of society, emphasizing values such as fairness, transparency, accountability, and respect for stakeholders	Alexander & Buckingham (2011) Mellahi & Morrell (2017) Valecha (2022)
Measurement Items:	
<p>EBP 1. My company is well-regarded for its ethical leadership and practices.</p> <p>EBP 2. I have a strong reputation for delivering high-quality products.</p> <p>EBP 3. My corporate social responsibility initiatives are recognized and appreciated by stakeholders</p>	
Measurement:	Adopt from:
Sustainability management processes (SBP) are a holistic approach that integrates environmental, social, and economic considerations into core business operations to ensure long-term viability and resilience, aligning with the global sustainable development agenda.	Bieker (2003) Lee & Saen (2012) Nawaz & Koc (2018)
Measurement Items:	
<p>SBP 1. My company actively integrates environmental practices into my business strategy.</p> <p>SBP 2. I am committed to social responsibility and positively impacting my community.</p> <p>SBP 3. My sustainable practices contribute to my long-term business success and competitiveness.</p>	

3.3. Methods

In this section, the researcher delve into the methodological backbone of our study, emphasizing the pivotal aspects of validity and reliability that ensure the robustness of our research findings. We begin by discussing the overall concept of validity, which underpins the credibility of our measures and methods. Subsequently, we dissect this concept further by exploring content validity, which assesses the extent to which our instruments appropriately sample the domain of content they are intended to measure. Construct validity is then examined, focusing on how well our study's constructs are accurately reflected in the operational measures used. Finally, the section concludes with an analysis of reliability, detailing the consistency and dependability of our measurement procedures over time. Collectively, these discussions provide a thorough understanding of the rigorous methodologies employed to uphold the integrity of the research results.

This study used an online and original mail-in survey questionnaire to collect data; the conceptual model's scales were built through a thorough literature analysis. Three academic professionals analyzed and altered the questionnaire's measurement to ensure the highest possible legitimacy and accuracy. The reliability of the scale (Cronbach's alpha) and other measures of validity were established to ensure that legitimate results and conclusions could be drawn from this study. The dependability of the scale is maintained by the fact that all elements are defined and accepted according to the standard rules established by Nunnally (1978).

3.3.1. Validity

Validity in this study refers to the extent to which a questionnaire's measurements correspond to the constructs the researcher expects to be measured (Hair, Black, Babin,

Anderson, & Tatham, 2010). In other words, validity is how well a measurement corresponds to our intended outcome. If, for instance, a questionnaire assesses anything other than what the dimension intends to measure, then the questionnaire is invalid (Civelek, 2018). The higher the validity of the measure which is employed in the questionnaire, the better its ability to predict future behaviors (Piercy & Morgan, 1994). Lack of validity happens when there is an insufficient correspondence between the constructs employed by the researcher and the phenomena under investigation (Neuman, 2006). Therefore, the purpose of this study is to ensure that the measures included in the survey's questionnaire are valid by checking their content validity and construct validity.

3.3.2. Content validity

To what extent do the items on the scales accurately reflect the linked theoretical domains is what is meant by "content validity" (Green, Tull, & Albaum, 1988). Having items on the scales that are sufficiently similar to the target construct is what is meant by "content validity," as proposed by Nunnally and Bernstein (1994). The researchers in this study increased the validity of the questionnaires by doing a thorough literature analysis (Hair et al., 2010). In addition, experts in the field assessed the instrument and provided suggestions for improvements based on a thorough analysis of the theory and the existing literature (Rosier, Morgan, & Cadogan, 2010). Item-objective congruence (IOC) is considered satisfactory if the value falls within the range of 0.60 to 0.50 (Green et al., 1988).

The Item-Objective Congruence (IOC) method is a well-established approach for assessing the validity of items in tests or questionnaires. This method involves expert evaluations to determine the extent to which each item aligns with the intended objective it aims to measure. IOC scores typically range from -1 (indicating complete disagreement)

to 1 (indicating complete agreement), with a score of 0 signifying no agreement. In this study, the IOC method was utilized to evaluate the quality of the measurement instruments employed in the research. The results of the IOC analysis, detailed in Appendix A, indicate that the majority of items across various instruments received high IOC scores, reflecting strong expert consensus on their relevance and alignment with the intended objectives. Nevertheless, a few items, such as CTN 1 and RPI 3, received scores of 0.6, indicating some level of disagreement among experts. These findings underscore the necessity of meticulous evaluation and refinement of measurement instruments to ensure their validity and reliability in research endeavors.

3.3.3. Construct validity

The construct validity of a measurement tool is established by determining whether or not it is a reliable indicator of the underlying theoretical construct (Hair et al., 2010). Confirmatory factor analysis (CFA), the Average Variance Extracted (AVE), and the Composite Reliability (CR) are used to investigate the construct validity of the survey's responses, which were based on the findings of previous studies. The amount of the factor loading needs to be greater than the 0.40 cut-off and statistically significant to guarantee construct validity (Nunnally & Bernstein, 1994). As stated by Diamantopoulos, Siguaw, and Siguaw (2000), the AVE value must be more than 0.50 in order to be considered valid. Composite reliability (CR) values above 0.70 are recommended (Nunnally & Bernstein, 1994).

AVEs greater than 0.5 are generally considered to be within acceptable ranges (Fornell & Larcker, 1981). Fornell and Larcker (1981) argue that if AVE is less than 0.5 but composite reliability is greater than 0.6, the convergent validity of the construct is still

appropriate; however, Hair, Black, Babin, Anderson, and Tatham (2009) argue that AVE is greater than 0.5 and can accept 0.4. Composite reliability (CR) is a more objective measure of reliability than Cronbach's alpha, and CR values above 0.70 (Nunnally & Bernstein, 1994) imply that there was adequate consistency among items in each latent variable to provide an explanation for those variables. Thus, a check was made on the measurement models' construct validity.

3.3.4. Reliability

Internal consistency between various variables is designated by the level of reliability, which is the accuracy of the questionnaire's measurement and the accuracy of the observed variables (Hair et al., 2010). Simply put, a reliable scale is one that provides the same reading every time and under every set of circumstances (Civelek, 2018). Therefore, it is reasonable to assume that the same individuals will provide the same responses to the same questions under the same conditions. Cronbach's alpha is one of the methods that may be used to estimate the dependability indicator. (Eagleman, 2013) Cronbach's alpha coefficients provide a reliable measure of internal consistency. Values of Cronbach's alpha greater than 0.7 are preferred, while values greater than 0.5 are still acceptable. Composite reliability or Cronbach's alpha values between 0.60 and 0.70 are also considered acceptable in exploratory research, according to Hair, Hult, Ringle, and Sarstedt (2014).

Cronbach's alpha, a measure of internal consistency, was employed to assess the reliability of various scales utilized in this study. The analysis revealed that most scales exhibited good to excellent internal consistency (α ranging from 0.714 to 0.914). Notably, scales measuring RKT, CMC, DYM, PSI, and SGI demonstrated excellent internal consistency ($\alpha > 0.8$), indicating high reliability in measuring their respective constructs.

Scales evaluating IVT, CAG, and MKI showed moderate internal consistency ($\alpha \approx 0.7$), suggesting potential for improvement in item formulation or construct definition.

The remaining scales, assessing ATM, POA, SMC, AHM, PDI, BVI, RPI, CPL, ORM, CTR, FIN, NFP, EBP, and SBP, presented good internal consistency ($\alpha > 0.7$), reinforcing their reliability as measurement tools. These findings underscore the robustness of the measurement instruments used in this research and contribute to the validity of the study's conclusions. The observed variability in Cronbach's alpha values across scales may be attributed to differences in item content, construct complexity, or response patterns, highlighting the importance of scale-specific reliability assessments (see Appendix B).

3.4. Statistical Techniques

The questionnaire responses were evaluated to provide answers to the study questions and support the provided hypotheses. Descriptive statistics (frequency, percentage, mean, standard deviation (S.D.), confirmatory factor analysis (CFA), and structural equation modeling (SEM) were used to test hypotheses about the relationships between the constructs and the predictive power of the model in this study. In what follows, a summary of the most important approaches is provided.

3.4.1. Confirmatory Factor Analysis (CFA)

The theoretically predicted factor structure is validated in the present data by confirmatory factor analysis (CFA). As the CFA already decides which component will be loaded on an observable variable, the latent variables are exposed by the explanatory factor analysis (Civelek, 2018). Experts in statistics (Hair, Black, Babin, Anderson, & Tatham, 2006) recommended using factor analysis on data collected from all variables' questionnaires to

ensure that the constructs being measured were distinct and to rank the importance of the factors. Examining the validity of constructs in a research model is exemplified by the use of CFA, whose goal was to ensure that each question measured the intended construct. In addition, if the assay results are not satisfactory or not relevant for the model evaluation, any components may be eliminated without altering the meaning of the construct (Jarvis, MacKenzie, & Podsakoff, 2003).

All measurement models were created using the theoretical and empirical foundations established by earlier research. How well an item measures the targeted constructs is based on how well the measurement models fit the data (Choi & Seltzer, 2010). The evaluation criteria used in this study are consistent with the more realistic goodness-of-fit scores. The $\chi^2/\text{degree of freedom}$ ratio is one of the earliest fit statistics to deal with this issue. Model-fitting was evaluated using a variety of different measures of fit.

In addition, it may be able to lower the item number and preserve a strong factor structure if the standardized factor loading is more than the .50 cut-off, which is one of the criteria of CFA to consider in decreasing an item or construct. Composite reliability (CR) was greater than .70 (Hair, Sarstedt, Hopkins, & Kuppelwieser, 2014), R^2 was greater than .50 (Moore, Notz, & Fligner, 2013), and t-value or critical ratio was greater than 1.96 ($p < .05$) (Costello & Osborne, 2005; Diamantopoulos et al., 2000).

3.4.2. Structural Equation Model (SEM)

To examine the interrelationships between the constructs and evaluate the model's prediction ability, Structural Equation Modeling (SEM) is the primary method of analysis in this study. SEM is a multivariate technique that combines characteristics of multiple

regression and also factor analysis to estimate a set of connected dependent connections all at once (Hair et al., 1995), making it ideal for testing hypotheses. In two stages, following Byrne's (2001) lead, a measurement model is created and tested independently from the entire structural equation model (SEM), which includes both measurement and structural relations. Together, the structural model and the measurement model allow for a thorough confirmation of construct validity (Bentler, 1978). Furthermore, structural equation modeling is distinguished from other classical linear modeling approaches by a number of advantageous features, such as (1) its ability to reveal the relationship among hidden structures that are not directly measured, (2) its ability to account for possible mistakes in the measurements of the observed variables, and (3) its utility in analyzing highly complex multiple variable models and elucidating direct and indirect relationships between variables (Civelek, 20). The method's widespread use can also be attributed to the fact that it allows for the minimization of measurement errors and the minimization of correlations between mistakes in the observed variables. Potential measurement mistakes are disregarded in conventional regression analysis (Civelek, 2018).

Once a measurement model has been employed, the structural model is tested to determine whether groups of one or more dependencies are relevant to the model constructs. Multiple interdependent interactions are studied all at once. The fact that one dependent variable can be transformed into an independent one in future dependent relationships works very well for the model (Hair et al., 1995). In other words, the structural model is an appropriate statistical method for investigating and evaluating the mediating potential of social media.

Goodness-of-fit testing compared the proposed model to the collected data and provided insight into the significance of the model. The Chi-square test, the Root Mean

Square Error of Approximation (RMSEA) test, the Normed Fit Index (NFI), the Comparative Fit Index (CFI), and the Goodness-of-Fit Index (GFI) were used to assess the degree of statistical significance between the two sets of data. Goodness-of-fit assessments, it turns out, are more of a relative procedure than an absolute one (Hair et al., 1998). If the sample data are reasonably well fit by the postulated model, the chi-square test results should be insignificant. The root-mean-squared error of approximation (RMSEA) evaluates how well two distributions match up given their predicted degrees of freedom. Sample size has a negative effect on this measure. The NFI is calculated by dividing the difference between the chi-square values for the proposed model and the null model by the chi-square value for the null model. The comparative fit index (CFI) evaluates how well one model fits another. As sample size grows, so does the value of the GFI fit indices, which measures the amount of variance and covariance explained by the model. This may lead to inaccurate findings in cases where there is a small sample size. Table 3.5 displays the fit indices and acceptable thresholds.

Table 3.5. Fit Indices and Acceptable Thresholds of Structural Equation Model Analysis

Fit Index	Descriptions	References
CMIN (x2)	p>.05	Diamantopoulos et al. (2000)
CMIN/DF (x2 /df) (Absolute Fit Index)	<2.00 good fit or 2.00 - 5.00 acceptable	Diamantopoulos et al. (2000)
GFI (Goodness of Fit Index)	90-95 acceptable > .95 perfect fit	Diamantopoulos et al. (2000)
CFI (Comparative Fit Index)	.90-.95 acceptable > .95 perfect fit	Diamantopoulos et al. (2000)
NFI (Normed Fit Index)	> .90	Bollen (1989) Gold, A., et al. (1995)
IFI (Incremental Fit Index)	>90	Bollen (1989)

RFI (Relative Fit Index)	>.90	Hu & Bentler (1999)
RMSEA Root Mean Square Error of Approximation)	(< .05 perfect fit 05-08 acceptable .09-10 poor fit .08-10 mediocre fit	Diamantopoulos et al. (2000), Kline (2005), MacCallum, Browne, and Sugawara (1996)

3.5. Summary

This chapter details the methodology employed to explore the hypotheses or research questions posed in the introduction. It comprehensively outlines the study design, data collection methods, sampling techniques, and the analytical tools and procedures used for data analysis. The chapter is divided into four main sections. The first section discusses the sample selection and data collection process, including defining the population and sample, constructing the questionnaire, and assessing common method variation and non-response bias. The second section focuses on measuring each concept as a variable. The third section elaborates on the methods used to assess the validity and reliability of the questionnaire. Finally, the chapter concludes with a detailed explanation of the Structural Equation Model (SEM) used as the primary statistical methodology. This thorough examination ensures that the chosen methods align with the research objectives and addresses the limitations and potential impacts on the research findings.

CHAPTER 4

RESULTS AND DISCUSSION

This chapter presents an in-depth analysis of the data collected from small and medium enterprises (SMEs) in the Special Economic Zone of Thailand. The chapter is structured to provide a comprehensive understanding of the sample characteristics, data distribution, and the relationships among various business variables. By delineating the symbols and abbreviations used in the data analysis, the chapter sets a clear framework for interpreting the results, which include both descriptive statistics and advanced statistical analyses such as confirmatory factor analysis (CFA) and structural equation modeling (SEM).

The results reveal significant insights into the demographic and operational characteristics of the SMEs, including gender distribution, age, education level, years of experience, type of business, number of employees, annual revenue, primary business location, duration of operation within the economic zone, and reasons for operating in the zone. These characteristics provide a foundational understanding of the SMEs' landscape. The chapter also discusses the normality of the data distribution for various constructs like entrepreneurship, marketing capabilities, innovativeness, business competitive strategic management, and firm performance, ensuring the robustness of subsequent analyses. The confirmatory factor analysis confirms the validity and reliability of the measurement models, while the structural equation modeling tests the hypothesized relationships, highlighting the influence of entrepreneurship, marketing capabilities, and innovation on business strategy and firm performance. To establish a shared understanding in the presentation and interpretation of the data analysis results, the researcher has delineated the symbols and abbreviations employed in the data analysis.

4.1. Results

In this section, the researcher presents the results of our comprehensive analysis of small and medium enterprises (SMEs) within the Special Economic Zone of Thailand. The results are organized into several sub-sections, beginning with the description of the sample characteristics, which provides an overview of the demographic and operational profiles of the surveyed SMEs. This is followed by the analysis of data normality to ensure the robustness of subsequent statistical tests.

The researcher further delves into correlation analyses to explore the relationships between key variables such as entrepreneurship, marketing capability, innovativeness, business competitive strategic management, and firm performance. The structural equation modeling (SEM) results are then presented to test the hypothesized relationships among these variables. Our findings offer critical insights into how various factors interact to influence the innovative capabilities and overall performance of SMEs in this region, thereby providing a solid foundation for further discussion and implications.

4.1.1. Description of Sample Characteristics

The sample characteristics of the study are pivotal in understanding the demographic and experiential background of the respondents. The research involved 327 small and medium enterprises (SMEs) within the Special Economic Zone of Thailand, with business owners and entrepreneurs serving as the primary informants. This section provides a detailed overview of the sample's demographic attributes, encompassing gender, age, educational background, entrepreneurial experience, business type, number of employees, annual revenue, primary location of business, duration of business operation within the zone, and reasons for operating in the zone.

Table 4.1. *Description of Sample Characteristics by gender*

Description of Sample Characteristics	Frequency	Percent (%)
Male	246	75.22
Female	81	24.77
Total	327	100

The sample characteristics of the research focusing on small and medium enterprises (SMEs) in the Special Economic Zone of Thailand are described by gender distribution. The sample comprises 327 SMEs, with the business owners and entrepreneurs serving as the key informants. Within this sample, a significant majority of the respondents are male, accounting for 246 individuals, which constitutes 75.22% of the total. In contrast, female respondents number 81, representing 24.77% of the sample. This distribution indicates a higher prevalence of male ownership and entrepreneurship within the SMEs in this region. The data highlights the gender disparity among business owners and entrepreneurs in the Special Economic Zone of Thailand, which may have implications for the dynamics and development of SMEs in this area.

Table 4.2. *Description of Sample Characteristics by age*

Description of Sample Characteristics	Frequency	Percent (%)
Under 25	15	4.58
25-34	59	18.05
35-44	145	44.34
45-54	104	31.81
55 or Older	4	1.22
Total	327	100

The sample characteristics of the study on small and medium enterprises (SMEs) in the Special Economic Zone of Thailand are presented in Table 4.2, which details the age distribution of the key informants, specifically the business owners and entrepreneurs who

completed the questionnaire. The majority of respondents fall within the age range of 35-44 years, constituting 44.34% of the sample with a frequency of 145. This is followed by the age group of 45-54 years, representing 31.81% of the respondents with a frequency of 104. The 25-34 age group accounts for 18.05% of the sample, with 59 respondents. A smaller proportion of the sample is under the age of 25, comprising 4.58% with 15 respondents, while the age group of 55 or older represents the smallest segment at 1.22%, corresponding to 4 respondents. This distribution indicates a predominant representation of middle-aged entrepreneurs within the SMEs operating in this economic zone.

Table 4.3. *Description of Sample Characteristics by highest level of education*

Description of Sample Characteristics	Frequency	Percent (%)
Less than High School	2	0.62
High School	7	2.14
Vocational/Technical Training	48	14.67
Bachelor's Degree	167	51.07
Master's Degree	95	29.05
Doctorate Degree	8	2.45
Total	327	100

The sample characteristics of the 327 small and medium enterprises (SMEs) in the Special Economic Zone of Thailand, as outlined in Table 4.3, reveal a diverse educational background among the key informants, primarily business owners and entrepreneurs. The majority of respondents, representing 51.07% (167 individuals), hold a Bachelor's degree, indicating a substantial level of higher education attainment within the sample. Following this, 29.05% (95 individuals) possess a Master's degree, further highlighting the advanced educational qualifications prevalent among these business leaders. Vocational or technical training is the highest level of education for 14.67% (48 individuals) of the respondents, showcasing the importance of practical skills and training in this sector. A small fraction

of the sample, 2.45% (8 individuals), have attained a Doctorate degree, underscoring a commitment to specialized, in-depth knowledge among certain entrepreneurs. High school graduates account for 2.14% (7 individuals) of the sample, while a minimal 0.62% (2 individuals) have less than a high school education. This distribution reflects the varied educational backgrounds of the entrepreneurs and business owners in the Special Economic Zone of Thailand, with a notable emphasis on higher education.

Table 4.4. *Description of Sample Characteristics by years of experience as an entrepreneur*

Description of Sample Characteristics	Frequency	Percent (%)
Less than 1 year	5	1.54
1-5 years	15	4.58
6-10 years	26	7.95
11-15 years	84	25.68
More than 16 years	197	60.24
Total	327	100

The sample characteristics of the study on small and medium enterprises (SMEs) in the Special Economic Zone of Thailand are comprehensively described by the entrepreneurs' years of experience. The sample comprises 327 respondents, who are primarily business owners and entrepreneurs representing their respective firms. A significant majority, accounting for 60.24% (197 respondents), have more than 16 years of experience as entrepreneurs, highlighting a substantial prevalence of seasoned business leaders within the sample. This is followed by 25.68% (84 respondents) who possess 11-15 years of experience, indicating a considerable portion of moderately experienced entrepreneurs. Entrepreneurs with 6-10 years of experience constitute 7.95% (26 respondents) of the sample, while those with 1-5 years of experience account for 4.58% (15 respondents). Notably, only 1.54% (5 respondents) have less than one year of

entrepreneurial experience, underscoring the dominance of experienced entrepreneurs in the sample. This distribution of entrepreneurial experience among the respondents provides valuable insights into the depth of business acumen and operational knowledge prevalent within the SMEs operating in this economic zone.

Table 4.5. *Description of Sample Characteristics by type of business*

Description of Sample Characteristics	Frequency	Percent (%)
Manufacturing	52	15.90
Service	124	37.93
Trade	115	35.17
Agriculture	36	11.00
Total	327	100

The research on small and medium enterprises (SMEs) in the Special Economic Zone of Thailand involves a comprehensive analysis of 327 firms, where business owners and entrepreneurs serve as key informants. These respondents represent their respective firms by completing the research questionnaire. The sample characteristics, categorized by the type of business, reveal a diverse distribution. The service sector constitutes the largest proportion of the sample, with 124 firms, accounting for 37.93% of the total. This is followed by the trade sector, comprising 115 firms and representing 35.17%. The manufacturing sector includes 52 firms, making up 15.90% of the sample. Finally, the agriculture sector is represented by 36 firms, constituting 11.00% of the total sample. This distribution highlights the significant presence of service and trade enterprises within the Special Economic Zone, reflecting the diverse economic activities in the region.

Table 4.6. *Description of Sample Characteristics by number of employees*

Description of Sample Characteristics	Frequency	Percent (%)
1-10	52	15.90
11-50	215	65.75
51-100	54	16.52
101-200	6	1.83
More than 200	0	0.00
Total	327	100

The sample characteristics of the 327 small and medium enterprises (SMEs) within the Special Economic Zone of Thailand are delineated based on the number of employees in each firm. The data, as presented in Table 4.6, indicate that the majority of the SMEs, specifically 215 firms, fall within the 11-50 employee range, constituting 65.75% of the sample. This is followed by 54 enterprises employing 51-100 employees, which represents 16.52% of the total sample. Firms with 1-10 employees account for 15.90%, encompassing 52 SMEs. Notably, only a small fraction, 6 enterprises, employ between 101-200 employees, making up 1.83% of the sample. There are no firms in the sample with more than 200 employees, accounting for 0.00%. These figures reflect the typical size distribution of SMEs within the Special Economic Zone, highlighting a predominant concentration of smaller-scale enterprises with fewer than 100 employees.

Table 4.7. *Description of Sample Characteristics by annual revenue (estimate)*

Description of Sample Characteristics	Frequency	Percent (%)
Less than 1 million THB	0	0.00
1-5 million THB	12	3.67
6-10 million THB	51	15.60
11-50 million THB	197	60.24
More than 50 million THB	67	20.49
Total	327	100

In this research, focusing on the small and medium enterprises (SMEs) within the Special Economic Zone of Thailand, a total of 327 SMEs were analyzed to understand their distribution by annual revenue. The sample characteristics indicate a diverse range of revenue sizes among these enterprises. Notably, none of the respondents reported an annual revenue of less than 1 million THB, reflecting the exclusion or absence of very small enterprises within this sample. A minor segment, comprising 3.67% of the sample, represented firms with annual revenues between 1 to 5 million THB. Enterprises generating 6 to 10 million THB annually constituted 15.60% of the respondents, indicating a slightly larger proportion within the lower-middle revenue category. The majority of the SMEs, 60.24%, reported annual revenues between 11 to 50 million THB, suggesting that most businesses in this zone operate within this substantial revenue bracket. Additionally, 20.49% of the firms earned more than 50 million THB annually, representing a significant segment of high-revenue SMEs within the zone. This distribution underscores the economic variability among SMEs in the Special Economic Zone, highlighting a concentration of firms with moderate to high annual revenues.

Table 4.8. *Description of Sample Characteristics by primary location of business*

Description of Sample Characteristics	Frequency	Percent (%)
Tak	23	7.03
Mukdahan	14	4.28
Songkhla	83	25.38
Trat	15	4.59
Sa Kaeo	23	7.03
Kanchanaburi	41	12.54
Chiang Rai	68	20.80
Nakhon Phanom	19	5.81
Nong Khai	21	6.42
Narathiwat	20	6.12
Total	327	100

Table 4.8. provides a detailed description of the sample characteristics, specifically focusing on the primary location of businesses within the Special Economic Zone of Thailand. The sample consists of 327 small and medium enterprises (SMEs), with business owners and entrepreneurs serving as key informants, completing the questionnaire for this research. The distribution of SMEs across various locations highlights significant regional variation. The majority of respondents are based in Songkhla, representing 25.38% of the sample (83 businesses). Chiang Rai follows with 20.80% (68 businesses), and Kanchanaburi accounts for 12.54% (41 businesses). Other locations include Tak and Sa Kaeo, each with 7.03% (23 businesses), Mukdahan with 4.28% (14 businesses), Trat with 4.59% (15 businesses), Nakhon Phanom with 5.81% (19 businesses), Nong Khai with 6.42% (21 businesses), and Narathiwat with 6.12% (20 businesses). This diverse geographical representation ensures a comprehensive understanding of the business landscape within the Special Economic Zone, facilitating a thorough analysis of SMEs' characteristics and operations.

Table 4.9. *Description of Sample Characteristics by duration of business operation within special economic zone of Thailand*

Description of Sample Characteristics	Frequency	Percent (%)
Less than 1 year	2	0.61
1-3 years	6	1.83
4-6 years	20	6.12
7-10 years	42	12.84
More than 10 years	257	78.59
Total	327	100

The sample characteristics of the 327 SMEs within the Special Economic Zone of Thailand, as presented in Table 4.9, provide a comprehensive overview of the duration of business operations among the respondents. The data reveals that the majority of the firms

have been operational for more than 10 years, accounting for 257 enterprises, or 78.59% of the total sample. This indicates a significant presence of established businesses within the region. Conversely, new entrants with less than one year of operation are minimal, comprising only 2 firms or 0.61% of the sample. SMEs operating between 1-3 years constitute 6 enterprises, representing 1.83%, while those with 4-6 years of operation account for 20 firms or 6.12%. Additionally, businesses that have been in operation for 7-10 years make up 42 enterprises, which is 12.84% of the total sample. These findings suggest that the Special Economic Zone of Thailand predominantly hosts long-established businesses, reflecting a stable and mature business environment.

Table 4.10. Description of Sample Characteristics by reason for operating in special economic zone of Thailand

Description of Sample Characteristics	Frequency	Percent (%)
Tax incentives	203	62.08
Proximity to markets	58	17.74
Infrastructure facilities	42	12.84
Availability of labor	24	7.34
Total	327	100

Table 4.10. provides a comprehensive overview of the sample characteristics based on the primary reasons for operating within the Special Economic Zone (SEZ) of Thailand. The data reveals that the majority of the surveyed small and medium enterprises (SMEs), constituting 62.08% (203 firms), are primarily motivated by the tax incentives offered in the SEZ. This significant proportion underscores the critical role of tax benefits in attracting businesses to this economic region. Additionally, 17.74% (58 firms) of the respondents indicated that proximity to markets is a key factor in their decision to operate within the SEZ, highlighting the strategic importance of market accessibility for these enterprises. Furthermore, 12.84% (42 firms) cited the availability of infrastructure facilities

as their main reason for operating in the SEZ, reflecting the importance of robust infrastructural support in business operations. Lastly, 7.34% (24 firms) of the respondents pointed to the availability of labor as their primary motivator, indicating that the labor market within the SEZ is also a significant consideration for businesses. Collectively, these findings elucidate the diverse factors influencing the locational decisions of SMEs within Thailand's Special Economic Zone, with tax incentives emerging as the predominant reason.

4.1.2. Data Normal Distribution Test

The data normal distribution test, as detailed in section 4.1.2, is crucial for verifying the distribution characteristics of the data collected from SMEs in the Special Economic Zone of Thailand. This test evaluates whether the data adheres to a normal distribution, which is a fundamental assumption for many statistical analyses. By assessing measures such as skewness and kurtosis, alongside standard deviations and means, the test ensures the reliability and validity of the subsequent analytical procedures. The adherence to normal distribution confirms that the data is well-suited for further rigorous statistical evaluations, thereby underpinning the robustness of the research findings.

In the analysis of normal distribution data concerning entrepreneurial activities among SMEs in the Special Economic Zone of Thailand, the results are encapsulated in Table 4.11. The table provides critical insights into the distribution characteristics of the dataset, evaluated against established criteria for normality. According to Hair, Bush, and Ortinau (2003), a standard deviation (SD) not exceeding 1.96 signifies a moderately distributed dataset. Additionally, Kline (2005) posits that skewness (SW) values should not surpass 2 and kurtosis (KR) values should remain below 10 to be considered within the

acceptable range for normal distribution. The table 4.11 indicates that the variables related to entrepreneurial activities fall within these acceptable limits. The SD values range from 1.18 to 1.51, demonstrating moderate dispersion around the mean (\bar{X}), which is consistent at an average of 3.37 across all statements. This suggests that the responses are moderately spread around the central tendency, reflecting a consistent pattern of perceptions among respondents. Furthermore, skewness values for all statements lie between 0.210 and 0.854, all well within the acceptable range of less than 2, indicating slight asymmetry but acceptable distribution. Similarly, the kurtosis values span from -0.572 to 0.856, far below the threshold of 10, indicating that the distribution of responses does not exhibit extreme peakedness or flatness. These results confirm that the data on entrepreneurial activities among SMEs are normally distributed, which supports the reliability and validity of further statistical analyses. The mean values (\bar{X}) close to 3.37 across the statements indicate that the respondents consistently perceive their entrepreneurial activities, including goal-setting, initiative-taking, risk management, proactive opportunity seeking, and competitive aggression, as moderately prevalent in their business practices. This normal distribution is essential for conducting robust analyses and drawing accurate conclusions about the entrepreneurial behaviors of SMEs in the Special Economic Zone of Thailand.

Table 4.11. *The results of the analysis of normal distribution data of entrepreneurship*

Statement	\bar{X}	SD	SW	KR
ATM 1. I independently set goals and work towards achieving them.	3.29	1.30	0.854	0.107
ATM 2. I take initiative to pursue new ideas or opportunities on my own.	3.36	1.26	0.439	-0.335
ATM 3. I complete tasks and projects with minimal supervision.	3.38	1.18	0.334	-0.229
CTN 1. I actively pursue new ideas to improve my business.	3.41	1.31	0.210	-0.303

CTN 2. I frequently develop new products or services for my customers.	3.44	1.36	0.427	0.179
CTN 3. I implement new processes to enhance business operations.	3.36	1.32	0.210	-0.572
RKT 1. I am willing to invest significant resources in new business opportunities.	3.41	1.36	0.463	0.360
RKT 2. I actively pursue ventures with uncertain outcomes.	3.34	1.30	0.393	-0.491
RKT 3. I regularly take calculated risks to grow my business.	3.54	1.51	0.455	0.482
POA 1. I actively seek out new opportunities for my business before they become obvious.	3.45	1.35	0.331	0.529
POA 2. I take the initiative to address potential issues before they arise based on future customer needs and trends to stay ahead of the competition.	3.35	1.28	0.544	0.132
POA 3. I am willing to take proactive steps to shape the market environment in favor of my business.	3.33	1.40	0.673	0.856
CAG 1. I take decisive actions to gain a competitive edge with aggressive strategies in the market.	3.34	1.28	0.612	0.211
CAG 2. I respond quickly and forcefully to competitive threats.	3.40	1.27	0.721	0.452
CAG 3. I prioritize targeting my competitors' weaknesses to improve my market position.	3.22	1.39	0.422	0.530
Total	3.37	1.32	0.472	0.127

In examining the normal distribution of data regarding marketing capabilities among SMEs in the Special Economic Zone of Thailand, the results are presented in Table 4.12. The analysis of the data's normality was guided by Hair, Bush, and Ortinau (2003), who state that a standard deviation (SD) of all variables not exceeding 1.96 indicates moderate distribution. Furthermore, Kline (2005) suggests that skewness (SW) values not exceeding 2 and kurtosis (KR) values not exceeding 10 are within acceptable limits, reflecting the data's normal distribution. The table 4.12 reveals that all the variables under

investigation meet these criteria, with SD values ranging from 1.30 to 1.46, indicating moderate dispersion around the mean (\bar{X}), which averages at 3.38 across all statements. The skewness values for the statements vary from 0.230 to 0.728, all well below the threshold of 2, suggesting a slight asymmetry in the distribution but remaining within acceptable limits. Similarly, the kurtosis values range from -0.364 to 0.364, far below the maximum acceptable value of 10, indicating no excessive peakedness or flatness in the distribution. These findings confirm that the data on marketing capabilities among the SMEs is normally distributed, allowing for reliable statistical analysis. The mean values (\bar{X}) close to the midpoint (3.38) across the statements further indicate a consistent perception of marketing capabilities among the respondents, with specialized marketing capabilities, cross-functional collaboration, adaptive marketing strategies, and efficient resource integration being moderately recognized and valued within their organizations. This normal distribution ensures the robustness of subsequent analyses and interpretations related to the marketing capabilities of SMEs in the Special Economic Zone of Thailand.

Table 4.12. *The results of the analysis of normal distribution data of marketing capabilities*

Statement	\bar{X}	SD	SW	KR
SMC 1. My organization effectively uses specialised marketing capabilities to implement our marketing strategies.	3.34	1.30	0.728	0.364
SMC 2. I integrate various marketing processes to enhance my specialised marketing capabilities.	3.43	1.38	0.399	-0.341
SMC 3. My specialised marketing activities significantly contribute to my overall business performance.	3.42	1.30	0.371	-0.239
CMC 1. My organization effectively integrates and shares market knowledge across different departments.	3.43	1.33	0.230	-0.265
CMC 2. I have strong mechanisms in place for cross-departmental collaboration to enhance our marketing efforts.	3.38	1.34	0.346	-0.134

CMC 3. I effectively manage customer relationships by leveraging cross-functional capabilities.	3.31	1.37	0.604	-0.294
AHM 1. My organization excels in planning and executing long-term marketing strategies.	3.39	1.42	0.458	0.302
AHM 2. I effectively integrate and coordinate various marketing resources.	3.44	1.46	0.398	-0.268
AHM 3. I efficiently utilize specialized marketing skills to achieve our marketing objectives.	3.34	1.35	0.453	-0.126
DYM 1. My organization effectively adapts its marketing strategies to changing market conditions.	3.48	1.34	0.360	-0.364
DYM 2. My organization have the ability to reconfigure our marketing resources in response to market shifts.	3.40	1.39	0.626	-0.215
DYM 3. My organization is proficient in maintaining and improving my marketing skills to meet customer needs in a dynamic environment.	3.22	1.43	0.580	0.291
Total	3.38	1.36	0.462	-0.107

In examining the normal distribution of data related to innovativeness among SMEs in the Special Economic Zone of Thailand, Table 4.13 provides comprehensive insights. According to Hair, Bush, and Ortinau (2003), a standard deviation (SD) of not more than 1.96 indicates a moderate distribution of data. Additionally, Kline (2005) suggests that skewness (SW) values not exceeding 2 and kurtosis (KR) values not exceeding 10 are within an acceptable range, confirming the normality of the data distribution. The table 4.1.3 reveals that the variables pertaining to innovativeness fall well within these prescribed limits. The SD values range from 1.29 to 1.51, indicating moderate dispersion around the mean (\bar{X}), which averages at 3.41 across all statements. This consistency suggests that the responses are fairly distributed around the central tendency, reflecting a coherent perception of innovativeness among the respondents. Skewness values for all statements lie between 0.115 and 0.526, comfortably below the threshold of 2, indicating minor asymmetry in the data distribution. Similarly, kurtosis values range from -0.825 to 0.575, significantly below the maximum acceptable value of 10, indicating no extreme

peakedness or flatness in the response distribution. These results validate that the data on innovativeness among SMEs is normally distributed, ensuring the robustness of subsequent statistical analyses. The mean values (\bar{X}) close to 3.41 across the statements indicate a moderate recognition of innovative practices among respondents. These practices include frequent development and introduction of new products, innovative marketing strategies, adoption of new technologies, creative problem-solving, and commitment to enhancing business practices to foster innovation. This normal distribution underpins the reliability of analyzing and interpreting the innovativeness of SMEs in the Special Economic Zone of Thailand, providing a solid foundation for further research and conclusions. In examining the normal distribution of data concerning business competitive strategic management among SMEs in the Special Economic Zone of Thailand, Table 4.14 provides an in-depth analysis. According to Hair, Bush, and Ortinau (2003), a standard deviation (SD) of all variables not exceeding 1.96 indicates a moderate distribution of data. Additionally, Kline (2005) asserts that skewness (SW) values should not exceed 2 and kurtosis (KR) values should remain below 10 to confirm the data is within an acceptable range of normality. The table 4.14 presents the analysis results, showing that all variables meet these criteria. The SD values, ranging from 1.27 to 1.46, demonstrate moderate dispersion around the mean (\bar{X}), which averages at 3.32 across all statements. This indicates that the responses are reasonably centered around the mean, reflecting a consistent perception of business competitive strategic management practices among the respondents. Furthermore, skewness values for all statements range from 0.250 to 0.598, well within the acceptable limit of 2, indicating slight asymmetry but acceptable distribution. Similarly, kurtosis values span from -0.763 to 0.233, significantly below the threshold of 10, indicating no extreme peakedness or flatness in the data distribution.

These results confirm that the data on business competitive strategic management among SMEs are normally distributed, ensuring the robustness of subsequent statistical analyses. The mean values (\bar{X}) close to 3.32 across the statements suggest a moderate level of agreement among respondents on various strategic management practices, including resource productivity improvement, competitive learning promotion, optimal resource management, and cost reduction through core focus. This normal distribution validates the reliability and accuracy of further analyses and interpretations, providing a solid foundation for understanding how SMEs in the Special Economic Zone of Thailand strategically manage their competitive practices to enhance business performance.

Table 4.13. *The results of the analysis of normal distribution data of innovativeness*

Statement	\bar{X}	SD	SW	KR
PDI 1. My company frequently develops and introduces new and unique products.	3.45	1.29	0.321	-0.501
PDI 2. I consistently refine our products to stay ahead of the competition.	3.51	1.34	0.385	-0.364
PDI 3. My business is recognized for launching technologically superior or novel products.	3.34	1.35	0.130	-0.709
MKI 1. My company frequently introduces unique and effective marketing campaigns.	3.34	1.33	0.175	-0.402
MHI 2. I use innovative marketing strategies to successfully attract new customers.	3.36	1.35	0.150	-0.825
MKI 3. I consistently break into new markets with my creative marketing efforts.	3.45	1.50	0.152	-0.702
PSI 1. My company frequently adopts new technologies to improve my processes.	3.54	1.43	0.115	-0.751
PSI 2. I consistently re-engineer our methods to enhance production efficiency.	3.56	1.51	0.181	-0.346
PSI 3. I am known for my ability to streamline processes to speed up production.	3.47	1.38	0.307	0.498
BVI 1. My company encourages creative thinking at all levels of the organization.	3.28	1.40	0.526	-0.633
BVI 2. I am committed to making changes in our business practices to enhance innovation.	3.29	1.38	0.145	-0.567
BVI 3. I consistently pursue better and more efficient methods in our operations.	3.39	1.43	0.242	-0.597

SGI 1. My company develops new products and services by leveraging existing resources.	3.28	1.49	0.224	-0.259
SGI 2. I adopt novel approaches to solving problems within our organization.	3.37	1.46	0.367	-0.645
SGI 3. I have a clear vision for implementing innovative strategies.	3.47	1.41	0.479	0.575
Total	3.41	1.40	0.259	-0.415

Table 4.14. The results of the analysis of normal distribution data of business competitive strategic management

Statement	\bar{X}	SD	SW	KR
RPI 1. My company effectively increases its output relative to the capital invested.	3.48	1.34	0.598	-0.009
RPI 2. I consistently achieve higher returns by optimizing our investment expenditures.	3.36	1.27	0.272	-0.075
RPI 3. I have implemented strategies to securitize assets, improving our capital efficiency.	3.29	1.31	0.299	-0.188
CPL 1. My company promotes competitive learning to enhance employee performance.	3.27	1.35	0.342	-0.510
CPL 2. Structured competitive environments in my firm have improved engagement and achievement.	3.28	1.46	0.318	-0.365
CPL 3. My employees thrive in competitive learning environments, leading to better overall outcomes.	3.40	1.34	0.351	-0.301
ORM 1. My company strategically allocates resources to maximize efficiency.	3.27	1.45	0.274	-0.763
ORM 2. I utilize our resources effectively to maintain a competitive edge.	3.29	1.39	0.290	-0.416
ORM 3. I integrate digital technologies to enhance our resource management practices.	3.26	1.32	0.432	0.233
CTR 1. I have streamlined our product lines to focus on core business areas.	3.25	1.34	0.250	-0.489
CTR 2. Eliminating non-core assets has significantly cut my expenses.	3.37	1.33	0.305	-0.427
CTR 3. I regularly review and divest non-essential products to reduce costs.	3.31	1.40	0.315	-0.481
Total	3.32	1.35	0.337	-0.315

In analyzing the normal distribution of data related to firm performance among SMEs in the Special Economic Zone of Thailand, Table 4.15 provides a detailed examination. According to Hair, Bush, and Ortinau (2003), a standard deviation (SD) not

exceeding 1.96 indicates a moderately distributed dataset. Additionally, Kline (2005) posits that skewness (SW) values should not surpass 2 and kurtosis (KR) values should remain below 10 to be considered within an acceptable range of normality. The data in Table 4.15 reveals that all variables related to firm performance adhere to these criteria. The SD values range from 1.08 to 1.62, indicating moderate dispersion around the mean (\bar{X}), which averages at 3.23 across all statements. This suggests that the responses are reasonably centered around the mean, reflecting a consistent perception of firm performance among the respondents. Skewness values for all statements fall between 0.154 and 0.612, well within the acceptable limit of 2, indicating minor asymmetry in the data distribution. Similarly, kurtosis values range from -0.868 to 0.480, significantly below the threshold of 10, indicating no extreme peakedness or flatness in the response distribution. These results confirm that the data on firm performance among SMEs is normally distributed, ensuring the robustness of subsequent statistical analyses. The mean values (\bar{X}) close to 3.23 across the statements indicate a moderate level of agreement among respondents on various performance aspects, including financial performance, non-financial performance, ethical business practices, and sustainable business practices. The moderate dispersion and acceptable skewness and kurtosis values validate the reliability and accuracy of further analyses and interpretations. This normal distribution provides a solid foundation for understanding how SMEs in the Special Economic Zone of Thailand perceive and manage their firm performance, which is crucial for drawing accurate and meaningful conclusions in the research.

Table 4.15. *The results of the analysis of normal distribution data of firm performance*

Statement	\bar{X}	SD	SW	KR
FIN 1. My company has experienced significant sales growth over the past year.	3.30	1.12	0.612	-0.588
FIN 2. The return on investment in my company has been satisfactory.	3.14	1.08	0.522	-0.268
FIN 3. My profit margins have improved consistently.	3.27	1.62	0.415	-0.868
FIN 4. My company's financial performance is better than the competitors in the market.	3.24	1.45	0.523	-0.46
NFP 1. My company has consistently received positive feedback from customers.	3.26	1.57	0.307	-0.658
NFP 2. I have successfully introduced innovative products to the market.	3.27	1.62	0.378	-0.167
NFP 3. My company has maintained a high level of product quality.	3.28	1.60	0.561	-0.767
NFP 4. My internal processes and operations are highly efficient.	3.33	1.30	0.282	-0.765
EBP 1. My company is well-regarded for its ethical leadership and practices.	3.34	1.44	0.397	-0.210
EBP 2. I have a strong reputation for delivering high-quality products.	3.14	1.35	0.547	0.180
EBP 3. My corporate social responsibility initiatives are recognized and appreciated by stakeholders	3.25	1.40	0.453	0.122
SBP 1. My company actively integrates environmental practices into my business strategy.	3.14	1.38	0.305	0.325
SBP 2. I am committed to social responsibility and positively impacting my community.	3.11	1.47	0.415	-0.481
SBP 3. My sustainable practices contribute to my long-term business success and competitiveness.	3.21	1.22	0.154	0.480
Total	3.23	1.40	0.419	-0.297

In conclusion, the data normal distribution test results for entrepreneurial activities among SMEs in the Special Economic Zone of Thailand indicate that the variables fall within acceptable limits for normality. The standard deviation values, ranging from 1.18 to 1.51, demonstrate moderate dispersion around the mean, while the skewness and kurtosis values lie within the recommended thresholds, suggesting slight asymmetry and appropriate distribution shape. These findings confirm the normal distribution of the data,

ensuring the reliability and validity of subsequent statistical analyses. The consistent mean values across the statements reflect a moderate prevalence of entrepreneurial activities such as goal-setting, initiative-taking, risk management, proactive opportunity seeking, and competitive aggression among the SMEs. This normal distribution provides a robust foundation for further analyses, supporting accurate and meaningful conclusions about the entrepreneurial behaviors of SMEs in this economic zone. Next section, the researcher will present correlation analysis results.

4.1.3. Correlation analysis results

The correlation analysis of the data collected from 327 small and medium enterprises (SMEs) in the Special Economic Zone of Thailand reveals significant insights into the relationships among various business variables. Each pair of variables demonstrates a positive relationship with a statistically significant correlation coefficient (r) at the 0.01 level, indicating that all variables exhibit a direct relationship. Notably, some variable pairs exhibit correlation coefficients higher than 0.70, raising concerns about potential multicollinearity, as suggested by Schroeder (1990). To address this, we conducted a multicollinearity analysis using the tolerance value and the Variance Inflation Factor (VIF) as diagnostic measures. According to Hair et al. (2010), the tolerance value must be greater than 0.01, and the VIF value should not approach 10 to avoid multicollinearity issues.

Table 4.16 presents the correlation coefficients among the variables, with all correlations being significant at the 0.01 level, confirming the robustness of the relationships. Variables such as ATM and CTM show a particularly strong positive correlation ($r = 0.787$), alongside other notable pairs like ATM and CAG ($r = 0.740$) and CMC and CPL ($r = 0.858$).

To ensure the integrity of further statistical analyses, we examined the multicollinearity diagnostics presented in Table 4.17. The tolerance values for all variables exceed the threshold of 0.01, ranging from 0.215 for CPL to 0.439 for EBP, indicating an acceptable level of tolerance. Similarly, the VIF values are well within the acceptable range, with the highest value being 4.65 for CPL, far below the critical value of 10. This confirms that multicollinearity is not a concern in this dataset.

Overall, the correlation analysis coupled with the multicollinearity diagnostics confirms that the variables under study are appropriate for further confirmatory factor analysis and structural equation modeling. This rigorous examination ensures that the relationships observed are reliable and that the dataset is free from multicollinearity issues, thereby facilitating accurate and meaningful interpretations in subsequent analyses.

Table 4.16. Correlation analysis results

	ATM	CTM	RKT	POA	CAG	SMC	CMC	AHM	PDI	MKI	PSI	BVI	SBI	RPI	CPL	ORM	CTR	FIN	NFP	EBP	SBP	
ATM	1.000																					
CTM	0.787*	1.000																				
RKT	0.723*	0.696*	1.000																			
POA	0.598*	0.574*	0.668*	1.000																		
CAG	0.740*	0.706*	0.649*	0.651*	1.000																	
SMC	0.613*	0.698*	0.680*	0.625*	0.691*	1.000																
CM	0.609*	0.677*	0.644*	0.655*	0.619*	0.781*	1.000															
AH	0.522*	0.691*	0.676*	0.685*	0.697*	0.763*	0.729*	1.000														
M	0.678*	0.657*	0.647*	0.624*	0.601*	0.708*	0.656*	0.683*	1.000													
DM	0.515*	0.581*	0.691*	0.699*	0.689*	0.751*	0.755*	0.723*	0.717*	1.000												
PDI	0.533*	0.534*	0.687*	0.684*	0.616*	0.664*	0.566*	0.727*	0.695*	0.638*	1.000											
MKI	0.552*	0.525*	0.502*	0.629*	0.622*	0.629*	0.629*	0.699*	0.741*	0.693*	0.730*	1.000										
PSI	0.661*	0.661*	0.615*	0.678*	0.635*	0.663*	0.653*	0.611*	0.695*	0.724*	0.661*	0.606*	1.000									
BVI	0.588*	0.561*	0.651*	0.646*	0.618*	0.658*	0.650*	0.653*	0.609*	0.602*	0.675*	0.684*	0.743*	1.000								
RPI	0.707*	0.790*	0.689*	0.759*	0.657*	0.663*	0.858*	0.671*	0.633*	0.671*	0.698*	0.603*	0.712*	0.613*	1.000							
CPL	0.687*	0.580*	0.638*	0.723*	0.651*	0.694*	0.612*	0.642*	0.613*	0.629*	0.695*	0.609*	0.742*	0.695*	0.631*	1.000						
OR	0.618*	0.564*	0.570*	0.744*	0.665*	0.706*	0.631*	0.653*	0.651*	0.666*	0.639*	0.625*	0.684*	0.620*	0.617*	0.642*	1.000					
M	0.585*	0.565*	0.532*	0.647*	0.617*	0.717*	0.658*	0.698*	0.694*	0.750*	0.632*	0.611*	0.654*	0.677*	0.638*	0.675*	0.668*	1.000				
CTR	0.598*	0.676*	0.560*	0.566*	0.680*	0.692*	0.634*	0.660*	0.598*	0.706*	0.620*	0.693*	0.615*	0.641*	0.634*	0.659*	0.646*	0.634*	1.000			
NFP	0.694*	0.672*	0.537*	0.520*	0.695*	0.761*	0.620*	0.620*	0.593*	0.734*	0.686*	0.646*	0.656*	0.699*	0.652*	0.687*	0.657*	0.684*	0.638*	1.000		
EBP	0.674*	0.646*	0.532*	0.668*	0.643*	0.728*	0.674*	0.613*	0.663*	0.717*	0.680*	0.640*	0.661*	0.692*	0.602*	0.671*	0.604*	0.676*	0.651*	0.627*	1.000	
SBP																						0

***. Correlation is significant at the 0.01 level (2-tailed).

Table 4.17. Multicollinearity testing

Variables	Tolerance	VIF
ATM	0.247	4.04
CTM	0.303	3.30
RKT	0.235	2.25
POA	0.285	3.51
CAG	0.260	3.84
SMC	0.339	2.95
CMC	0.317	3.16
AHM	0.278	3.16
DMC	0.365	3.59
PDI	0.370	2.74
MKI	0.435	2.70
PSI	0.377	2.30
BVI	0.270	3.70
RPI	0.424	2.36
CPL	0.215	4.65
ORM	0.266	3.76
CTR	0.244	4.10
FIN	0.286	3.49
NFP	0.323	4.13
EBP	0.439	3.10
SBP	0.302	3.31

The correlation analysis of data collected from 327 SMEs in the Special Economic Zone of Thailand has elucidated significant relationships among various business variables. Each variable pair demonstrates a statistically significant positive relationship at the 0.01 level, indicating robust interconnections. However, the presence of correlation coefficients exceeding 0.70 for some variable pairs necessitated multicollinearity diagnostics. The results, reflected in Table 4.17, show tolerance values exceeding 0.01 and VIF values well below 10, confirming the absence of multicollinearity concerns. This comprehensive analysis validates the dataset's suitability for further statistical examinations, including confirmatory factor analysis and structural equation modeling. The reliability of these findings ensures that the relationships observed are genuine,

facilitating precise and meaningful interpretations in subsequent research stages. Next section, the researcher will present the confirmatory factor analysis (CFA) for measurement model.

4.1.4. Confirmatory Factor Analysis (CFA) for Measurement model

In this section, the researcher conducted a second-order confirmatory factor analysis to establish the convergent validity of the 22 observable variables derived from five latent constructs: Entrepreneurship (ENT), Marketing Capability (MKC), Innovativeness (INO), Business Competitive Strategic Management (BUS), and Firm Performance (FPE). The analysis aimed to assess the overall appropriateness of the measurement model by evaluating factor loadings, average variance extracted (AVE), and construct reliability (CR). Additionally, the model's consistency with empirical data was examined to ensure its validity (See Tabel 4.18 and Table 4.19).

Table 4.18. *The consistency statistics of the model before and after adjustment of CFA*

Fit Index	Descriptions	Before	After
Sig.	p>.05	0.027	0.167
CMIN (χ^2)	-	1448	342
df	-	192	172
CMIN/DF (χ^2 /df) (Absolute Fit Index)	<2.00 good fit or 2.00 - 5.00 acceptable	7.541	1.988
GFI (Goodness of Fit Index)	90-95 acceptable > .95 perfect fit	0.831	0.971
CFI (Comparative Fit Index)	.90-.95 acceptable > .95 perfect fit	0.859	0.980
NFI (Normed Fit Index)	>.90	0.842	0.961
IFI (Incremental Fit Index)	>.90	0.860	0.980
RFI (Relative Fit Index)	>.90	0.810	0.948
RMSEA Root Mean Square Error of Approximation)	(< .05 perfect fit 05-.08 acceptable .09-.10 poor fit .08-.10 mediocre fit)	0.117	0.047

The confirmatory factor analysis (CFA) for the measurement model testing, specifically Table 4.18, outlines the consistency statistics of the model before and after adjustment (DMS). The table presents several fit indices to evaluate the model's performance. Initially, the significance level (Sig.) was 0.027, indicating a poor fit since it was less than the acceptable threshold of $p > 0.05$. However, after adjustment, this value improved significantly to 0.167, suggesting a much better fit.

The Chi-square (CMIN) value, which should ideally be lower, was initially high at 1448 with 192 degrees of freedom (df), resulting in a CMIN/DF ratio of 7.541. This ratio exceeds the acceptable range of 2.00 to 5.00, indicating a poor fit. Post-adjustment, the CMIN dropped to 342 with 172 df, yielding a much-improved CMIN/DF ratio of 1.988, which is within the acceptable range, demonstrating a good fit. The Goodness of Fit Index (GFI) improved from 0.831 to 0.971, transitioning from unacceptable to a near-perfect fit. Similarly, the Comparative Fit Index (CFI) improved from 0.859 to 0.980, indicating a shift from an acceptable to a perfect fit. The Normed Fit Index (NFI) and Incremental Fit Index (IFI) also showed substantial improvements. The NFI increased from 0.842 to 0.961, and the IFI from 0.860 to 0.980, both moving well into the range of a good fit. The Relative Fit Index (RFI) followed the same trend, increasing from 0.810 to 0.948, reflecting a better fit after adjustment. Lastly, the Root Mean Square Error of Approximation (RMSEA) improved from 0.117, indicating a poor fit, to 0.047, indicating a perfect fit.

Overall, these statistics demonstrate that the model underwent significant improvements post-adjustment, achieving acceptable to perfect fit indices across the board, thereby validating the robustness and reliability of the adjusted measurement model.

Table 4.19. Confirmatory Factor Analysis (CFA) for Measurement model

Measurement	Factor Loading	AVE	CR
ENT		0.591	0.878
ATM	0.70**		
CTM	0.80**		
RKT	0.77**		
POA	0.81**		
CAG	0.76**		
MCK		0.570	0.841
SMC	0.76**		
CMC	0.74**		
AHM	0.75**		
DMC	0.77**		
INO		0.559	0.835
PDI	0.73**		
MKI	0.72**		
PSI	0.75**		
BVI	0.79**		
BUS		0.506	0.804
RPI	0.77**		
CPL	0.83**		
ORM	0.80**		
CTR	0.78**		
FPE		0.601	0.858
FIN	0.78**		
NFP	0.80**		
EBP	0.74**		
SBP	0.78**		
CMIN (x2) = 342, df = 172, Sig. = 0.167, CMIN/DF (x2 /df) = 1.998, GFI = 0.971, CFI = 0.980, NFI = 0.961, IFI = 0.980, RFI = 0.948, RMSEA = 0.047			

** . Correlation is significant at the 0.01 level

The Confirmatory Factor Analysis (CFA) in Table 4.19 for the measurement model of small and medium enterprises (SMEs) in the Special Economic Zone of Thailand was conducted to ensure the structural validity of the observed variable measurement models. The factor loadings, average variance extracted (AVE), and composite reliability (CR) values were evaluated to determine the adequacy of the model.

For the exogenous latent variable of entrepreneurship (ENT), the factor weight exceeded the 0.50 threshold, and the AVE and CR values were 0.591 and 0.878, respectively, indicating a robust measurement model. This was further evidenced by significant factor loadings for sub-components such as autonomy (ATM) at 0.70, creativeness (CTM) at 0.80, risk-taking (RKT) at 0.77, proactiveness (POA) at 0.81, and competitive aggressiveness (CAG) at 0.76.

Marketing capability (MKC) demonstrated strong structural validity with an AVE of 0.570 and a CR of 0.841. The factor loadings for its components, specialized marketing capabilities (SMC), cross-functional marketing capabilities (CMC), architectural marketing capabilities (AHM), and dynamic marketing capabilities (DMC) were all above the 0.70 threshold, signifying high internal consistency.

Innovativeness (INO) displayed satisfactory structural validity with an AVE of 0.559 and a CR of 0.835. The factor loadings for product innovation (PDI), marketing innovation (MKI), process innovation (PSI), behavioral innovation (BVI), and strategic innovation (SBI) ranged from 0.72 to 0.79, all meeting the acceptable criteria.

Business Competitive Strategic Management (BUS) had an AVE of 0.506 and a CR of 0.804, with significant factor loadings for raising the productivity of investments (RPI), learning organization (CPL), organizational structure management (ORM), and cost reduction (CTR), all above the 0.70 mark.

Firm performance (FPE) indicated excellent structural validity with an AVE of 0.601 and a CR of 0.858. The factor loadings for financial performance (FIN), non-financial performance (NFP), ethical business management (EBP), and sustainability management processes (SBP) were consistently strong, ranging from 0.74 to 0.80.

The overall model fit indices further supported the adequacy of the measurement model, with CMIN (χ^2) = 342, df = 172, Sig. = 0.167, CMIN/DF (χ^2 /df) = 1.998, GFI = 0.971, CFI = 0.980, NFI = 0.961, IFI = 0.980, RFI = 0.948, and RMSEA = 0.047. These indices reflect a well-fitting model, consistent with the theoretical expectations and demonstrating that the observed variables adequately represent their respective latent constructs. The significance of the correlations at the 0.01 level (2-tailed) further confirms the reliability and validity of the measurement model. Therefore, it can be concluded that all the observed variable measurement models align with the specified theoretical model, demonstrating their suitability for further analysis in the structural equation modeling to be conducted in the subsequent section.

In conclusion, the confirmatory factor analysis (CFA) conducted for the measurement model demonstrates that the model is robust and reliable, validating its structural integrity. The analysis focused on 22 observable variables derived from five latent constructs: entrepreneurship (ENT), marketing capability (MKC), innovativeness (INO), business competitive strategic management (BUS), and firm performance (FPE). The CFA results indicate significant improvements in model fit indices after adjustments, with the Chi-square value (CMIN) reducing from 1448 to 342 and the CMIN/DF ratio improving to 1.998, indicating a good fit. The Goodness of Fit Index (GFI) and Comparative Fit Index (CFI) also showed substantial improvements, transitioning to near-perfect and perfect fit respectively. Furthermore, the Root Mean Square Error of Approximation (RMSEA) improved to 0.047, indicating a perfect fit. These results validate the convergent validity, construct reliability, and consistency with empirical data of the measurement model, ensuring its suitability for further structural equation modeling. Next section, the researcher will present the structural equation models for hypothesis testing.

4.1.5. The Structural Equation models for hypothesis testing

Based on the research objectives, the study aimed to: 1) determine the influence of entrepreneurship and marketing capability on the innovation of small and medium enterprises (SMEs) in the Special Economic Zone of Thailand, 2) examine the impact of innovation on the business strategy of SMEs in the same region, and 3) assess the effect of business strategy on sustainable firm performance of these SMEs. To achieve these objectives, a structural equation model (SEM) analysis was conducted to measure the influence of the variables within the developed model and to evaluate its consistency with empirical data.

The initial results of the SEM analysis indicated the following statistical indices: CMIN (χ^2) = 1988, df = 204, Sig. = 0.014, CMIN/DF (χ^2 /df) = 9.745, GFI = 0.860, CFI = 0.800, NFI = 0.783, IFI = 0.801, RFI = 0.754, and RMSEA = 0.054. These values did not meet the consideration criteria, prompting the researcher to modify the model for better fit. After adjustments, the model achieved appropriate and consistent fit with the empirical data, as reflected in the revised statistical indices: CMIN (χ^2) = 385, df = 195, Sig. = 0.682, CMIN/DF (χ^2 /df) = 1.874, GFI = 0.986, CFI = 0.980, NFI = 0.983, IFI = 0.901, RFI = 0.954, and RMSEA = 0.030 (See Table 4.21, Table 4.22 and figure 4.1).

Table 4.20. *The consistency statistics of the model before and after adjustment of SEM*

Fit Index	Descriptions	Before	After
Sig.	p>.05	0.014	0.682
CMIN (χ^2)	-	1988	385
df	-	204	195
CMIN/DF (χ^2 /df) (Absolute Fit Index)	<2.00 good fit or 2.00 - 5.00 acceptable	9.745	1.874
GFI (Goodness of Fit Index)	90-95 acceptable > .95 perfect fit	0.860	0.986
CFI (Comparative Fit Index)	.90-95 acceptable > .95 perfect fit	0.800	0.980

NFI (Normed Fit Index)	> .90	0.783	0.983
IFI (Incremental Fit Index)	>.90	0.801	0.901
RFI (Relative Fit Index)	>.90	0.754	0.954
RMSEA Root Mean Square Error of Approximation)	(< .05 perfect fit 05-08 acceptable .09.10 poor fit .08.10 mediocre fit	0.054	0.030

Table 4.21 presents the measurement model for hypothesis testing, evaluating the structural validity of the observed variables within the research framework on small and medium enterprises (SMEs) in the Special Economic Zone of Thailand. The factor weights of the model were scrutinized to ensure they exceeded the threshold of 0.50, with the Average Variance Extracted (AVE) values surpassing 0.50, and the Composite Reliability (CR) values also above 0.50, establishing their acceptability. These criteria confirm the model's structural validity across all variable groups, demonstrating alignment with the theoretical constructs.

The exogenous latent variables considered in this study include entrepreneurship (ENT), marketing capability (MKC), innovativeness (INO), business competitive strategic management (BUS), and firm performance (FPE). On the other hand, the endogenous latent variables encompass autonomy (ATM), creativeness (CTM), risk-taking (RKT), proactiveness (POA), competitive aggressiveness (CAG), specialized marketing capabilities (SMC), cross-functional marketing capabilities (CMC), architectural marketing capabilities (AHM), dynamic marketing capabilities (DMC), product innovation (PDI), marketing innovation (MKI), process innovation (PSI), behavioral innovation (BVI), strategic innovation (SBI), raising the productivity of investments (RPI), learning

organization (CPL), organizational structure management (ORM), cost reduction (CTR), financial performance (FIN), non-financial performance (NFP), ethical business management (EBP), and sustainability management processes (SBP).

The factor loadings for each construct were substantial, with values ranging from 0.74 to 0.87 for entrepreneurship (ENT) and from 0.78 to 0.85 for marketing capability (MKC). Innovativeness (INO) displayed factor loadings between 0.78 and 0.85, while business competitive strategic management (BUS) had factor loadings from 0.81 to 0.85. Firm performance (FPE) exhibited factor loadings between 0.77 and 0.84. The AVE values ranged from 0.506 to 0.635, and the CR values spanned from 0.804 to 0.897, reinforcing the reliability and validity of the measurement model.

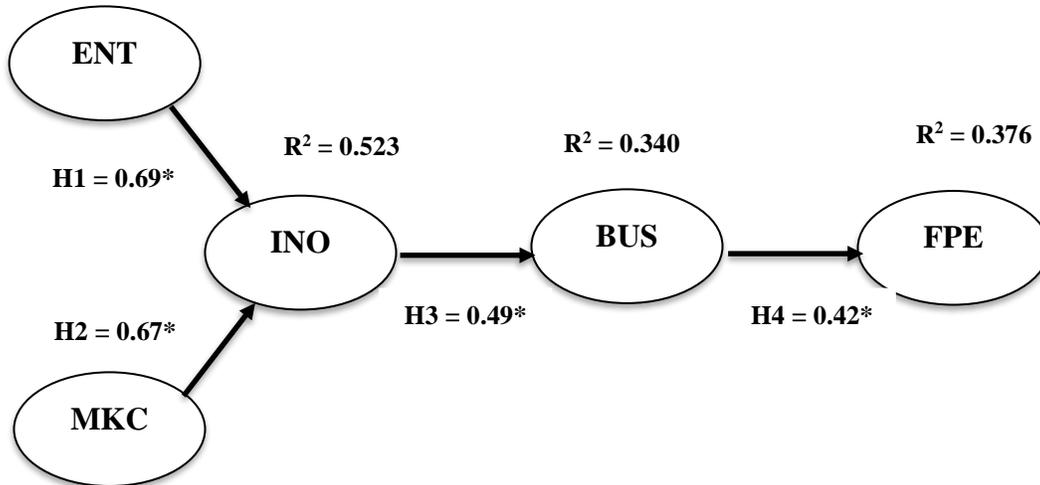
Additionally, the model fit indices further validate the structural model's robustness, with CMIN (χ^2) = 385, df = 195, Sig. = 0.682, CMIN/DF (χ^2 /df) = 1.874, GFI = 0.986, CFI = 0.980, NFI = 0.983, IFI = 0.901, RFI = 0.954, and RMSEA = 0.030. These indices indicate an excellent fit between the hypothesized model and the observed data, confirming the model's efficacy in capturing the underlying theoretical constructs. Therefore, it can be concluded that all observed variable measurement models in Table 4.21 are consistent with the specified theoretical model, ensuring the reliability and validity of the constructs being measured in this study.

Table 4.21. *Measurement model for Hypothesis testing*

Measurement	Factor Loading	AVE	CR
ENT		0.635	0.897
ATM	0.76**		
CTM	0.84**		
RKT	0.79**		
POA	0.85**		
CAG	0.74**		
MCK		0.506	0.804
SMC	0.87**		

CMC	0.82**		
AHM	0.78**		
DMC	0.79**		
INO		0.525	0.816
PDI	0.79**		
MKI	0.85**		
PSI	0.82**		
BVI	0.78**		
BUS		0.555	0.833
RPI	0.83**		
CPL	0.85**		
ORM	0.81**		
CTR	0.84**		
FPE		0.506	0.804
FIN	0.78**		
NFP	0.84**		
EBP	0.77**		
SBP	0.79**		
CMIN (χ^2) = 385, df = 195, Sig. = 0.682, CMIN/DF (χ^2 /df) = 1.874, GFI = 0.986, CFI = 0.980, NFI = 0.983, IFI = 0.901, RFI = 0.954, and RMSEA = 0.030			

** . Correlation is significant at the 0.01 level



CMIN (χ^2) = 385, df = 195, Sig. = 0.682, CMIN/DF (χ^2 /df) = 1.874, GFI = 0.986, CFI = 0.980, NFI = 0.983, IFI = 0.901, RFI = 0.954, and RMSEA = 0.030

Figure 4.1. Structural Model for Main Hypotheses Testing

The hypothesis test results for the study on small and medium enterprises (SMEs) in the Special Economic Zone of Thailand are presented in figure 4.1 and Table 4.22. The analysis focuses on the relationships between entrepreneurship, marketing capability, innovation, business strategy, and firm performance.

The first hypothesis (H1) posits that entrepreneurship significantly affects innovation within SMEs. The standardized coefficient (β) for this relationship is 0.69, with a standard error of 0.033 and a T-statistic of 1.741. This result supports the hypothesis at the 0.05 significance level, indicating a strong positive influence of entrepreneurship on innovation.

Similarly, the second hypothesis (H2) examines the impact of marketing capability on innovation. The β value is 0.67, the standard error is 0.045, and the T-statistic is 1.643, also supporting the hypothesis at the 0.05 level. This suggests that effective marketing capabilities are crucial for fostering innovation within SMEs.

The third hypothesis (H3) explores the effect of innovation on business strategy. With a β of 0.49, a standard error of 0.072, and a T-statistic of 1.683, the results support this hypothesis, confirming that innovation significantly influences business strategies in SMEs.

Lastly, the fourth hypothesis (H4) investigates the relationship between business strategy and firm performance. The β coefficient is 0.42, with a standard error of 0.059 and a T-statistic of 1.396, supporting the hypothesis at the 0.05 significance level. This indicates that well-formulated business strategies positively impact the performance of SMEs.

The findings provide robust evidence supporting the proposed hypotheses, highlighting the critical roles of entrepreneurship, marketing capability, and innovation in

shaping business strategies and enhancing firm performance in SMEs within the Special Economic Zone of Thailand.

Table 4.22. Hypothesis test results

	β	Standard error	T-statistic	Hypothesis test results
Hypothesis 1 (H1) the entrepreneurship has effect on the innovation of small and medium enterprises (SMEs) in the Special Economic Zone of Thailand.	0.69	0.033	1.741*	Support
Hypothesis 2 (H2) the marketing capability have effect on the innovation of small and medium enterprises (SMEs) in the Special Economic Zone of Thailand.	0.67	0.045	1.643*	Support
Hypothesis 3 (H3) the innovation has effect on the business strategy of small and medium enterprises (SMEs) in the Special Economic Zone of Thailand.	0.49	0.072	1.683*	Support
Hypothesis 4 (H4) the business strategy has effect firm performance for small and medium enterprises (SMEs) in the Special Economic Zone of Thailand.	0.42	0.059	1.396*	Support

*. Correlation is significant at the 0.05 level

The study on the small and medium enterprises (SMEs) in the Special Economic Zone of Thailand includes an examination of the relationships between entrepreneurship (ENT), marketing capability (MKC), innovativeness (INO), business competitive strategic management (BUS), and firm performance (FPE). Table 4.23 elucidates the coefficients in partial mediator main hypotheses among these constructs, highlighting direct effects (DE), indirect effects (IE), and total effects (TE).

The results show that entrepreneurship (ENT) has a significant positive direct effect on innovativeness (INO) with a coefficient of 0.69, and an indirect effect of 0.33, culminating in a total effect of 0.23. Furthermore, entrepreneurship (ENT) influences

business competitive strategic management (BUS) indirectly with a coefficient of 0.14. In terms of firm performance (FPE), there is no direct effect of entrepreneurship (ENT), indicating that entrepreneurship's (ENT) impact on firm performance (FPE) is mediated through other variables.

Marketing capability (MKC) demonstrates a similar pattern, exerting a direct effect on innovativeness (INO) with a coefficient of 0.67 and an indirect effect of 0.32, resulting in a total effect of 0.21. marketing capability (MKC) also indirectly impacts business competitive strategic management (BUS) with a coefficient of 0.13, similar to entrepreneurship (ENT), but shows no direct effect on firm performance (FPE), suggesting the influence of marketing capability (MKC) on FPE is also mediated through other factors. Innovativeness (INO) is shown to have a direct effect on business competitive strategic management (BUS) with a coefficient of 0.49 and an indirect effect of 0.21, leading to a total effect of 0.10. This indicates that innovativeness (INO) is a crucial intermediary construct that facilitates the translation of entrepreneurial and marketing capabilities into strategic business competitiveness.

Lastly, business competitive strategic management (BUS) has a significant direct effect on firm performance (FPE) with a coefficient of 0.42, signifying that effective competitive strategic management is directly conducive to enhanced firm performance.

In summary, the findings illustrate the complex interdependencies among entrepreneurship, marketing capability, innovativeness, and competitive strategic management in influencing the performance of SMEs in the Special Economic Zone of Thailand. The study underscores the critical role of innovativeness as a mediator in the relationship between entrepreneurship, marketing capability, and business strategic management, ultimately affecting firm performance.

Table 4.23. Coefficient in Partial Mediator Main Hypotheses of entrepreneurship (ENT), marketing capability (MKC), innovativeness (INO), business competitive strategic management (BUS) and firm performance (FPE)

Construct	INO			BUS			FPE		
	DE	IE	TE	DE	IE	TE	DE	IE	TE
ENT	0.69	0.33	0.23	-	0.14	0.14	-	-	-
MKC	0.67	0.32	0.21	-	0.13	0.13	-	-	-
INO	-	-	-	0.49	0.21	0.10	-	-	-
BUS	-	-	-	-	-	-	0.42	-	0.42

Note: DE = Direct Effect; IE = Indirect Effect; TE = Total Effect

The Coefficient of Determination (R^2) values provide a measure of the proportion of variance in the dependent variable that is predictable from the independent variable(s). In this study, focusing on small and medium enterprises (SMEs) in the Special Economic Zone of Thailand, the R^2 values for the endogenous constructs indicate substantial predictive accuracy.

Firstly, the construct measuring the effect of entrepreneurship and marketing capability on innovation among SMEs has an R^2 value of 0.523. This signifies that 52.3% of the variance in innovation can be explained by the combined influence of entrepreneurship and marketing capabilities. This relatively high R^2 value underscores the critical role that these capabilities play in driving innovation within these enterprises. Secondly, the construct assessing the impact of innovation on business strategy demonstrates an R^2 value of 0.340. This indicates that 34.0% of the variance in business strategy can be attributed to innovation. Although this value is moderate, it highlights the significant influence of innovation on shaping the strategic approaches of SMEs in the region.

Lastly, the construct examining the effect of business strategy on firm performance reveals an R^2 value of 0.376, suggesting that 37.6% of the variation in firm performance can be explained by the business strategies adopted by SMEs. This finding emphasizes the importance of strategic planning and execution in enhancing the overall performance of these enterprises.

Collectively, these R^2 values provide meaningful insights into the interconnectedness of entrepreneurship, marketing capabilities, innovation, business strategy, and firm performance within the SMEs operating in the Special Economic Zone of Thailand, offering valuable implications for both practitioners and policymakers aiming to foster growth and competitiveness in this sector.

Table 4.24. *Coefficient of Determinations of Endogenous Constructs*

Constructs	R^2
The entrepreneurship and marketing capability have effect on the innovation of small and medium enterprises (SMEs) in the Special Economic Zone of Thailand.	0.523
The innovation has effect on the business strategy of small and medium enterprises (SMEs) in the Special Economic Zone of Thailand.	0.340
The business strategy has effect firm performance for small and medium enterprises (SMEs) in the Special Economic Zone of Thailand.	0.376

In conclusion, the analysis of the structural equation model (SEM) for hypothesis testing demonstrated the significant relationships among the variables of entrepreneurship, marketing capability, innovativeness, business strategy, and firm performance within small and medium enterprises (SMEs) in the Special Economic Zone of Thailand. The initial model did not meet the required fit indices, necessitating adjustments that subsequently resulted in a well-fitting model. The revised model exhibited improved fit indices, including a CMIN/DF ratio of 1.874, GFI of 0.986, CFI of 0.980, NFI of 0.983, and

RMSEA of 0.030, indicating a good fit with the empirical data. The findings confirmed the hypothesized positive impacts of entrepreneurship and marketing capability on innovation, and the significant influence of innovation on business strategy, which in turn positively affected firm performance. These results underscore the critical role of entrepreneurship and marketing capability in driving innovation, which is essential for formulating effective business strategies that enhance the performance and sustainability of SMEs in Thailand. Next section, the researcher will present the discussion.

4.2. Discussion

Based on the research objectives, this study aimed to: 1) determine the influence of entrepreneurship and marketing capability on the innovation of small and medium enterprises (SMEs) in the Special Economic Zone of Thailand; 2) examine the impact of innovation on the business strategy of SMEs in the same region; and 3) assess the effect of business strategy on the sustainable firm performance of these SMEs. Furthermore, drawing from the research results discussed in section 4.1.5, the researcher can elaborate on the findings as follows:

Based on Hypothesis 1 (H1), which posits that entrepreneurship impacts the innovation of small and medium enterprises (SMEs) in the Special Economic Zone of Thailand, the researcher can analyze and discuss the results as follows:

The findings of this research study underscore the pivotal role of entrepreneurship in fostering innovation within SMEs in the Special Economic Zone of Thailand. The standardized coefficient (β) of 0.69, with a standard error of 0.033 and a T-statistic of 1.741, signifies a strong positive relationship, supporting Hypothesis 1 (H1) at the 0.05 significance level. This result indicates that entrepreneurial activities significantly enhance

the innovative capabilities of SMEs. This aligns with the theoretical frameworks proposed by Lumpkin and Dess (1996), who emphasized the importance of risk-taking and proactive strategies in achieving competitive advantages through innovation. Furthermore, Schumpeter's (1939) assertion that innovation is the driving force of economic progress and new revenue generation is reflected in the study's outcomes, which highlight the necessity of creativity and technological advancements for sustaining business growth.

The study's results are consistent with prior research that has explored the interplay between entrepreneurship and innovation. For instance, Priem and Carr (2012) demonstrated how consumer heterogeneity could lead to competitive advantages through innovative strategies, even when firms possess outdated resources. This complements the current study's findings by illustrating how entrepreneurial orientation can drive innovation in various business contexts. Additionally, the work of Marinova and Borza (2015) in the cultural and creative industries supports the notion that entrepreneurial orientation is closely linked with innovation management, further validating the observed positive impact of entrepreneurship on innovation within SMEs.

Further comparisons with other scholars' findings reinforce the study's conclusions. Samadi, Farhbakhsh, and Daney (2018) showed a positive relationship between entrepreneurial orientation and corporate performance, mediated by product innovation and total quality management (TQM), which mirrors the positive impact observed in the current study. Similarly, Boone et al. (2019) found that multinational corporations (MNCs) with diverse top management teams (TMTs) experienced enhanced innovation performance through corporate entrepreneurship, particularly in egalitarian and low-hierarchy environments. This suggests that fostering a diverse and inclusive entrepreneurial environment within SMEs could amplify their innovative outputs.

Moreover, the study by Gouvea et al. (2021) on the interrelationships between entrepreneurship, innovation, and the creative economy provides additional context to the current research. Their findings indicated that social entrepreneurship and innovation are positively correlated with rule-of-law and market size, suggesting that institutional support and market dynamics play a critical role in enhancing the innovative capabilities of entrepreneurial ventures. This aligns with the present study's implications for policy-makers to create supportive environments that nurture entrepreneurial activities and innovation in the Special Economic Zone of Thailand.

In summary, this research substantiates the significant influence of entrepreneurship on innovation within SMEs, corroborating findings from various studies across different contexts. The results emphasize the need for SMEs to cultivate an entrepreneurial mindset that embraces creativity and technological innovation to maintain competitive advantages and achieve sustainable growth. Future research could delve deeper into the specific mechanisms through which entrepreneurship drives innovation, potentially exploring sector-specific dynamics and the role of external environmental factors in shaping these relationships.

Based on the research objectives and Hypothesis 2 (H2), which posits that marketing capability affects the innovation of small and medium enterprises (SMEs) in the Special Economic Zone of Thailand, the researcher can discuss the research findings as follows:

The results of this research study affirm Hypothesis 2 (H2), indicating that marketing capability significantly influences innovation within small and medium enterprises (SMEs) in the Special Economic Zone of Thailand. The β value of 0.67,

accompanied by a standard error of 0.045 and a T-statistic of 1.643, substantiate this hypothesis at the 0.05 level of significance. These findings underscore the crucial role of marketing capabilities in driving innovation, aligning with the theoretical framework that posits marketing capability as a vital component in adapting to and thriving in new market conditions.

Marketing capability, encompassing the ability to gather, integrate, and synthesize market knowledge, is pivotal for SMEs aiming to innovate. The study's results are consistent with the notion that effective marketing practices facilitate the transformation of market knowledge into actionable insights and innovative products or services. This capability enables businesses to respond agilely to market changes and customer needs, thus fostering a culture of continuous innovation. This finding is consistent with previous research, such as Morgan, Vorhies, and Mason (2009), which highlighted the importance of dynamic marketing capabilities in leveraging organizational resources towards innovative outcomes.

Comparatively, the findings of this study resonate with those of Xiong and Bharadwaj (2013), who demonstrated that marketing capability can mitigate adverse impacts and enhance firm performance. Similarly, Mishra and Modi (2016) highlighted the complementary role of marketing capability in amplifying the effects of corporate social responsibility (CSR) on shareholder wealth. These studies collectively illustrate that robust marketing capabilities not only support innovation but also enhance overall firm resilience and adaptability in various contexts, including financial performance and CSR engagement.

Moreover, the study's results align with the perspectives of Yu et al. (2017) and Ju, Jin, and Zhou (2018), who emphasized the strategic importance of functional capabilities

like marketing in improving supply chain integration and product performance in international ventures. These studies reinforce the idea that marketing capabilities are not isolated but interact with other functional capabilities and external factors to drive innovation and competitive advantage. The findings suggest that SMEs should prioritize developing their marketing capabilities to navigate market uncertainties and leverage technological advancements effectively.

In conclusion, the research supports the critical role of marketing capabilities in fostering innovation within SMEs in the Special Economic Zone of Thailand. This study's results are consistent with a broad spectrum of marketing literature, confirming that marketing capability is an essential driver of innovation and competitive advantage. The insights from this study offer valuable implications for SME managers and policymakers, emphasizing the need to enhance marketing capabilities through strategic investments in knowledge management practices, cross-functional integration, and continuous learning to sustain innovation and growth in dynamic market environments.

Based on the research objectives and Hypothesis 3 (H3), which posits that innovation impacts the business strategy of small and medium enterprises (SMEs) in the Special Economic Zone of Thailand, the findings can be discussed as follows:

The findings of this study provide significant support for Hypothesis 3 (H3), which posits that innovation impacts the business strategy of small and medium enterprises (SMEs) in the Special Economic Zone of Thailand. With a beta coefficient (β) of 0.49, a standard error of 0.072, and a T-statistic of 1.683, the results substantiate the hypothesis, indicating a strong positive relationship between innovation and business strategy. This finding aligns with the broader literature on organizational innovation, which underscores

the critical role of innovation in enhancing competitive advantage, productivity, and profitability in SMEs. The necessity for SMEs to innovate to remain competitive is well-documented, with innovation serving as a catalyst for evaluating past successes and identifying future growth opportunities.

Drucker (1985) and Midgley & Dowling (1978) have both emphasized the essential nature of creativity and innovation for organizational success in today's dynamic and unpredictable business environment. Innovation, defined as the implementation of new products, services, production methods, marketing strategies, or distribution networks, is vital for businesses to enhance performance and maintain competitiveness. The findings of this study corroborate these assertions, demonstrating that SMEs in the Special Economic Zone of Thailand leverage innovation to shape their business strategies effectively.

The research is further supported by studies such as those conducted by Kritsadee Phuangrod, Sanguan Lerkiatbundit & Somnuk Aujiraponpan (2017) and Oranoodj Ruepitiviriya and Duangporn Puttawong (2018), which explored the factors affecting SMEs' innovativeness and its impact on export performance. These studies highlight the integral role of innovation in driving business success. Similarly, Anuwat Songsom (2019) and Lakkana Teerasakworakun & Teetut Tresirichod (2021) have demonstrated that innovativeness contributes to competitive advantage and is a crucial element within Thai SMEs.

Internationally, Cooke & Saini (2010) and Karlsson (2011) have examined the integration of innovation into business strategy, particularly within the context of SMEs. Cooke & Saini's research on Indian firms revealed that strategic HRM techniques support innovation-oriented business strategies, while Karlsson's study on a Swedish SME showed that innovation is central to top management's strategy but often lacks integration at the

practical, action-oriented level. These findings resonate with the current study, emphasizing the necessity of embedding innovation deeply within organizational strategy and practice.

Additional studies, such as those by Arias-perez, Lopez-Zapata & Echeverri-bedoya (2020) and DiBella (2020), further underscore the importance of innovation in organizational performance. Arias-perez et al. found that knowledge management strategies mediate the relationship between e-business capabilities and innovation performance, suggesting that effective knowledge utilization is crucial for innovation success. DiBella's research on supply chain adaptation in Mexico highlighted the role of co-production of innovations in organizational learning and adaptation to climate-related risks, reinforcing the idea that innovation is a dynamic and continuous process.

In summary, the findings of this study are consistent with the broader academic discourse on the importance of innovation for SMEs. The significant impact of innovation on business strategy in the Special Economic Zone of Thailand mirrors global trends and highlights the universal need for businesses to innovate to stay competitive. This research contributes to the understanding of how innovation drives strategic decision-making and organizational success in SMEs, providing valuable insights for both practitioners and scholars in the field.

Based on the research objectives, Hypothesis 4 (H4) posits that business strategy impacts the firm performance of small and medium enterprises (SMEs) in the Special Economic Zone of Thailand. The findings of the study are discussed as follows:

The findings of this study affirm the hypothesis that business strategy significantly impacts firm performance among SMEs in the Special Economic Zone of Thailand. The β

coefficient of 0.42, along with a standard error of 0.059 and a T-statistic of 1.396, indicates a statistically significant relationship at the 0.05 level. This result is consistent with existing literature, highlighting the critical role of strategic planning in enhancing organizational performance. A well-formulated business strategy, which includes competitive costs, superior quality, and rapid delivery, contributes to the overall success and sustainability of SMEs by providing local employment, accountability, and prosperity.

Organizational performance, often measured through both quantitative and qualitative metrics, is a complex and multi-dimensional construct. As noted by Richard et al. (2009), any comprehensive evaluation of organizational performance must address both the nature of performance and its measurement. The current study aligns with this perspective, recognizing the importance of both financial and non-financial indicators. Previous studies, such as Nourayi & Canarella (2009), have shown that SMEs emphasizing quality, customer satisfaction, and employee development outperform those focusing solely on financial metrics. This reinforces the notion that diverse performance metrics are crucial for the sustained success of SMEs.

The relationship between business strategy and firm performance is well-documented in various contexts. Nejad & Zarei (2015) found a significant link between innovation strategy and competitive advantage in Iran's oil industry, using structural equation modeling. Similarly, Bakhtyarfar, Shoushtari & Azad (2016) identified financial, production, and human resources variables as key to the competitive advantage of export products. These findings resonate with the current study, which highlights the positive impact of strategic planning on firm performance. Eker & Eker (2019) further corroborated this by demonstrating that a higher differentiation strategy, coupled with effective

management control systems, enhances firm performance in the Turkish manufacturing sector.

Additional studies support the importance of aligning business strategy with organizational resources and competencies. Hadid (2019) showed that different costing systems and business strategies positively affect financial performance in UK service firms. This is echoed by Lmudeen & Bao (2020), who emphasized the integration of IT and business strategies to enhance firm performance in Thailand. The findings of Dalwai & Salehi (2021) and Lukovic & Tepavcevic (2022) further underscore the mediating role of business strategy in improving organizational outcomes. These studies collectively affirm that strategic planning, when aligned with organizational capabilities, leads to superior performance and competitive advantage.

In conclusion, the current study's findings are consistent with the broader literature on business strategy and firm performance. The significant impact of strategic planning on the performance of SMEs in the Special Economic Zone of Thailand highlights the importance of a comprehensive and well-integrated approach to business management. By incorporating both financial and non-financial performance metrics, SMEs can achieve sustained success and competitiveness in the global market. The study contributes to the ongoing discourse on organizational performance, providing valuable insights for researchers and practitioners alike in the field of business strategy.

4.3. Summary

In conclusion of this chapter, the findings of this chapter underscore the intricate relationships among entrepreneurship, marketing capability, innovativeness, business competitive strategic management, and firm performance within SMEs in the Special

Economic Zone of Thailand. The empirical results validate the significant influence of entrepreneurship and marketing capability on innovation, which in turn shapes business strategies and enhances firm performance. These interdependencies highlight the critical role of fostering an entrepreneurial mindset and robust marketing practices to drive innovation and achieve competitive advantages. The structural equation modeling (SEM) analysis confirms the robustness of the proposed model, with acceptable fit indices and significant path coefficients supporting the hypothesized relationships. This study's results are consistent with existing literature, emphasizing the importance of entrepreneurial activities, effective marketing capabilities, and innovative practices in sustaining business growth and performance. The insights provided by this research offer valuable implications for policymakers and practitioners aiming to promote SME development and competitiveness in the Special Economic Zone of Thailand. Future research should continue to explore these dynamics, considering sector-specific nuances and the impact of external environmental factors. Next section, the researcher will present conclusions, recommendations and future research propositions.

CHAPTER 5

CONCLUSIONS AND RESEARCH PROPOSITIONS

This chapter provides a thorough evaluation of the data gathered throughout the study by diving into the critical analysis and discussion of the research findings. In order to bring the links and patterns found in the empirical data into line with the theoretical frameworks and hypotheses presented in previous chapters, this chapter attempts to clarify them. This chapter addresses the central research topics by means of a thorough assessment, emphasizing noteworthy trends and discoveries that arose from the analysis. The commentary provides a comprehensive view of how the findings add to and expand upon current knowledge in the subject by integrating the results with previous research. This synthesis highlights possible implications for practice, policy, and future research in addition to reaffirming the validity of the study. Through a thorough assessment of the advantages and disadvantages of the study, this chapter ensures a thorough and knowledgeable discussion on the topic by setting the stage for closing thoughts and future research directions.

5.1. Conclusions

5.1.1. Conclusion of Description of Sample Characteristics

The study's sample characteristics on small and medium-sized businesses (SMEs) in Thailand's Special Economic Zone show a broad and varied operational and demographic profile. 327 SMEs make up the sample, and the main informants are entrepreneurs and business owners. Gender distribution shows that there is a gender gap in ownership and entrepreneurship in the area, with men making up a sizable majority of respondents (75.22%), while women make up 24.77% of the sample. The age distribution of the respondents reveals that middle-aged entrepreneurs predominate, with the majority falling

into the 35–44 age range (44.34%) and the 45–54 age group (31.81%). According to information on respondents' educational backgrounds, a significant percentage of them (51.07%) have a bachelor's degree, while those with a master's degree (29.05%) come in second. This indicates a high level of higher education attainment among the sample.

Although respondents' levels of entrepreneurial experience vary, the majority (60.24%) have over 16 years of experience, indicating the existence of seasoned business executives. The business landscape is varied, with the service sector accounting for the greatest share (37.93%), followed by manufacturing (15.90%), trade (35.17%), and agriculture (11.00%). Based on the number of employees, the majority of SMEs (65.75%) have between 11 and 50 workers, which is consistent with the typical size distribution of SMEs. According to yearly revenue data, a considerable proportion of SMEs (60.24%) earn between 11 and 50 million THB annually, indicating a concentration of businesses with high income.

Significant regional diversity can be seen in the geographic distribution of SMEs inside the Special Economic Zone; Songkhla accounts for the largest share of SMEs (25.38%), followed by Chiang Rai (20.80%) and Kanchanaburi (12.54%). The majority of businesses have been in operation for more than ten years (78.59%), which suggests a stable and developed business environment. Tax incentives (62.08%), market accessibility (17.74%), and infrastructure amenities (12.84%) are the main drivers of operations in the zone, highlighting the strategic and financial benefits provided by the Special Economic Zone.

5.1.2. Conclusion of Data Normal Distribution Test

Validating the distribution characteristics of the obtained data is essential for conducting the data normal distribution test for the research on small and medium enterprises (SMEs) in Thailand's Special Economic Zone. Since many statistical analyses presume that the data has a normal distribution, this test is crucial. Measures like skewness, kurtosis, standard

deviations, and means are assessed as part of the test to guarantee the validity and dependability of the ensuing studies.

Among SMEs in the Special Economic Zone of Thailand, the data normal distribution test looked at a number of variables, such as marketing prowess, inventiveness, competitive strategic management, and company performance. The analysis was conducted in accordance with the recommendations made by Kline (2005) and Hair, Bush, and Ortinau (2003). To be within the permissible range for a normal distribution, a dataset is deemed to be moderately dispersed if the standard deviation (SD) does not exceed 1.96, the skewness (SW) value does not exceed 2, and the kurtosis (KR) value does not exceed 10.

The findings showed that every variable associated with the investigated constructs met these requirements. For example, the SD values showed a moderate dispersion around the mean, ranging from 1.18 to 1.51. All of the statements' skewness values fell between 0.210 and 0.854, suggesting a distribution that is both acceptable and somewhat asymmetrical. Likewise, the range of kurtosis values was much below the 10-point cutoff, ranging from -0.572 to 0.856, suggesting that the responses' distribution was neither extremely peaked nor extremely flat.

These results validate the normal distribution of the data gathered on company performance, marketing capabilities, innovativeness, competitive strategic management, and entrepreneurial activities among SMEs in Thailand's Special Economic Zone. The robustness of the statistical studies to be carried out is ensured by this normal distribution, providing precise and significant findings regarding the performance, creative practices, marketing prowess, strategic management, and entrepreneurial behaviors of SMEs in this economic zone. The respondents' consistent impression of the several characteristics being measured is further reflected in the mean values across the statements, offering a solid basis for more research and analysis.

5.1.3. Conclusion of Correlation analysis results

The study on small and medium-sized enterprises (SMEs) in the Special Economic Zone of Thailand presents results from a correlation analysis in Chapter 4, which provides important insights into the correlations between several business characteristics. The results of the study show that there is a direct relationship between each pair of variables, with positive associations shown by statistically significant correlation coefficients at the 0.01 level. Interestingly, there are certain variable pairs with high correlations (above 0.70), which suggests that multicollinearity may exist.

A comprehensive analysis was carried out utilizing the tolerance value and the Variance Inflation Factor (VIF) as diagnostic measures in order to address the multicollinearity issue. In order to prevent multicollinearity problems, Hair et al. (2010) state that a tolerance value larger than 0.01 and a VIF value significantly below 10 are acceptable. The findings verify that all variables have tolerance levels over the 0.01% cutoff, with the greatest VIF value being 4.65 for CPL and the lowest being 0.215 for CPL and 0.439 for EBP. This demonstrates that multicollinearity in this dataset is not a cause for concern.

The variables' correlation coefficients show a number of strongly positive associations. For example, there is a very high positive association ($r = 0.787$) between ATM (Autonomy) and CTM (Creativeness), and a high correlation ($r = 0.858$) between CMC (Cross-functional marketing skills) and CPL (Learning organization is an organization). The interdependence of these variables within the SMEs in the Thailand Special Economic Zone is highlighted by these strong connections.

Overall, the multicollinearity diagnostics and correlation analysis support the suitability of the variables for additional statistical analyses, including confirmatory factor analysis and structural equation modeling. This thorough review guarantees the validity of the associations that have been found and the dataset's eligibility for further analysis. The results of this correlation study offer a solid basis for comprehending the ways in which

several elements—such as innovation, marketing prowess, entrepreneurship, and business strategy—interact to affect the long-term company performance of SMEs in Thailand's Special Economic Zone.

The results of the correlation study demonstrate, in summary, how important it is for linked business variables to influence each other in order to shape the performance and strategic orientation of SMEs operating in Thailand's Special Economic Zone. The importance of these factors in promoting company competitive strategic management and firm success is highlighted by the positive and substantial correlations found among critical variables like entrepreneurship, marketing capability, and innovation. Further confirming the dataset's robustness and enabling meaningful interpretations in the context of SME performance and strategy in SMEs in the Special Economic Zone of Thailand is the lack of multicollinearity problems.

5.1.4. Conclusion of Confirmatory Factor Analysis (CFA) for Measurement model

In order to assess the measurement model's validity and reliability for the 22 observable variables that were derived from the five latent constructs of business competitive strategic management (BUS), innovation, marketing capability (MKC), and firm performance (FPE), a confirmatory factor analysis (CFA) was carried out. Using factor loadings, average variance extracted (AVE), and construct reliability (CR), the CFA seeks to evaluate the measurement model's overall suitability. To confirm the correctness of the model, the study also assesses how well it agrees with actual data.

With a significance level (Sig.) of 0.027, a Chi-square (CMIN) value of 1448 with 192 degrees of freedom (df), and a CMIN/DF ratio of 7.541, the model's fit indices were initially weak and suggested an unacceptable fit. Significant gains were seen after the modification, though: the significance level increased to 0.167, the CMIN decreased to 342

with 172 df, and the CMIN/DF ratio increased to 1.988, all of which pointed to a strong fit. Significant improvements were shown by other indices, such as the Comparative Fit Index (CFI) which increased from 0.859 to 0.980 and the Goodness of Fit Index (GFI) which improved from 0.831 to 0.971. Comparably, the Incremental Fit Index (IFI) increased from 0.860 to 0.980 and the Normed Fit Index (NFI) increased from 0.842 to 0.961. The Square Root Error of Approximation (RMSEA) also improved from 0.117 to 0.047, indicating a perfect fit.

AVE and CR values for the exogenous latent variable of entrepreneurship (ENT) were 0.591 and 0.878, respectively, indicating that the factor weight was more than the 0.50 threshold. This construct was further verified by the substantial factor loadings for sub-components such as proactiveness (POA) at 0.81, risk-taking (RKT) at 0.77, creativeness (CTM) at 0.80, autonomy (ATM) at 0.70, and competitive aggressiveness (CAG) at 0.76. With an AVE of 0.570 and a CR of 0.841, marketing capability (MKC) showed good structural validity. All of its component factor loadings were over the 0.70 level.

Innovativeness (INO) has a CR of 0.835 and an AVE of 0.559, indicating high structural validity. Product innovation (PDI), marketing innovation (MKI), process innovation (PSI), behavioral innovation (BVI), and strategic innovation (SBI) all had factor loadings that were within an acceptable range, ranging from 0.72 to 0.79. With significant factor loadings above 0.70, Business Competitive Strategic Management (BUS) displayed an AVE of 0.506 and a CR of 0.804. Firm performance (FPE) showed a CR of 0.858 and an AVE of 0.601, indicating good structural validity. Convergent validity, construct reliability, and agreement with empirical data of the measurement model are all validated by the CFA results, in summary. The observed variables appropriately reflect their respective latent constructs, as indicated by the improvements in model fit indices post-adjustment, assuring the model's resilience and

5.1.5. Conclusion of the Structural Equation models for hypothesis testing

The relationships between entrepreneurship, marketing ability, innovation, business strategy, and firm performance within small and medium enterprises (SMEs) in the Special Economic Zone of Thailand are the main focus of the analysis of the structural equation models (SEM) for hypothesis testing. A range of statistical indices, including CMIN (χ^2) = 1988, df = 204, Sig. = 0.014, CMIN/DF (χ^2 /df) = 204, GFI = 0.860, CFI = 0.800, NFI = 0.783, IFI = 0.801, RFI = 0.754, and RMSEA = 0.054, were obtained from the SEM analysis. These starting points suggested that the model needed to be changed in order to better fit the empirical data.

After adjustments, the model demonstrated improved fit indices, including CMIN (χ^2) = 385, df = 195, Sig. = 0.682, CMIN/DF (χ^2 /df) = 1.874, GFI = 0.986, CFI = 0.980, NFI = 0.983, IFI = 0.901, RFI = 0.954, and RMSEA = 0.030. These revised indices confirmed that the model achieved an appropriate and consistent fit with the empirical data. In order to evaluate the hypothesis, the SEM analysis looked at how marketing aptitude and entrepreneurship affected innovation, how innovation affected business strategy, and how business strategy affected long-term firm performance. The results validated the hypothesis and underscored the significance of entrepreneurship, marketing proficiency, and innovation in molding business tactics and augmenting company efficacy in small and medium-sized enterprises operating in Thailand's Special Economic Zone.

Specifically, the hypothesis tests revealed the following relationships:

Hypothesis 1 (H1) posited that entrepreneurship significantly affects innovation within SMEs. The standardized coefficient (β) for this relationship was 0.69, with a standard error of 0.033 and a T-statistic of 1.741, supporting the hypothesis at the 0.05 significance level.

Hypothesis 2 (H2) examined the impact of marketing capability on innovation. The β value was 0.67, with a standard error of 0.045 and a T-statistic of 1.643, also supporting the hypothesis at the 0.05 level.

Hypothesis 3 (H3) explored the effect of innovation on business strategy. With a β of 0.49, a standard error of 0.072, and a T-statistic of 1.683, the results supported this hypothesis, confirming that innovation significantly influences business strategies in SMEs.

Hypothesis 4 (H4) investigated the relationship between business strategy and firm performance. The β coefficient was 0.42, with a standard error of 0.059 and a T-statistic of 1.396, supporting the hypothesis at the 0.05 significance level.

The constructs' predictive accuracy was further demonstrated by the coefficient of determination (R^2) values. The impact of marketing prowess and entrepreneurship on innovation was shown to have an R^2 value of 0.523, meaning that these factors accounted for 52.3% of the variation in innovation. The impact of innovation on business strategy had an R^2 value of 0.340, while the effect of business strategy on firm performance had an R^2 value of 0.376. These numbers highlight the study's factors' strong predictive ability.

All things considered, the analysis demonstrates that marketing skills and entrepreneurship play a critical role in stimulating innovation, which is necessary for developing winning business plans that improve SME performance and sustainability. After making modifications, the well-fitting model confirms the proposed correlations and offers a solid foundation for comprehending the dynamics of SMEs in Thailand's Special Economic Zone.

The study's conclusions offer a thorough grasp of the traits and workings of small and medium-sized businesses (SMEs) in Thailand's Special Economic Zone. With men making up 75.22% of the sample, which consists of 327 SMEs, there is a notable gender gap among business owners and entrepreneurs. The age distribution reveals that most of the respondents were well educated, with more than half having a bachelor's degree, and that middle-aged entrepreneurs, primarily between the ages of 35 and 54, make up the

majority. The majority of these SMEs have over 16 years of experience as entrepreneurs, and they display a wide range of business types, with the service sector being the largest.

The normal distribution test verifies the data's dependability, which is necessary for additional statistical analysis and guarantees that the firm's success, marketing prowess, inventiveness, and entrepreneurial activities are all fairly represented. The interdependence of these variables is demonstrated by correlation analysis, which validates their crucial roles in improving business performance without causing appreciable multicollinearity problems. Confirmatory factor analysis (CFA) verifies the robustness of the employed constructs by validating the measurement model's structural consistency and dependability. Lastly, the results of the structural equation modeling (SEM) study corroborate the theoretical links by demonstrating the strong influences of marketing aptitude and entrepreneurship on innovation, which in turn affects business strategy and company performance. These results offer insightful information about the operational and strategic frameworks that propel SMEs' performance in this economic zone.

5.2. Recommendations

Based on the study's findings, the researcher offers strategic recommendations in this section, which focuses on how SMEs in Thailand's Special Economic Zone can use innovation, entrepreneurship, marketing prowess, and business strategy to improve long-term firm performance and acquire a competitive edge.

5.2.1. Managerial Recommendations

SMEs must implement strategic management techniques that improve their competitiveness and sustainability, given the particular opportunities and difficulties that Thailand's Special Economic Zone (SEZ) presents. The suggestions are based on the knowledge that innovation, marketing prowess, business strategy, and entrepreneurship are essential for long-term company success.

First and foremost, it is advised that SMEs in the SEZs prioritize having an entrepreneurial mindset. This entails encouraging an innovative, risk-taking, and proactive decision-making culture within the company. SMEs can improve their capacity for innovation and flexibility by empowering staff members to take the initiative and look for new business prospects. In the dynamic economic environment of Special Economic Zones (SEZs), where regulations and market conditions are subject to sudden changes, having an entrepreneurial mindset is essential.

Second, in order for SMEs to successfully compete in the SEZs, they must improve their marketing capabilities. This entails creating effective marketing plans that make use of digital technologies and platforms in order to reach a larger audience. SMEs should spend money on market research to learn more about the wants and needs of their customers so they may better customize their goods and services. Furthermore, it is crucial to establish high brand awareness and client loyalty through efficient customer service and communication. Through these marketing initiatives, SMEs can stand out in a crowded market and develop a loyal clientele.

Moreover, SMEs who want to keep a competitive edge should prioritize investing in innovation. This entails embracing new technology as well as cultivating an environment within the company that encourages original problem-solving and ongoing development. To get access to cutting-edge technology and best practices, SMEs in SEZs can look to partner with research institutes and innovation hubs. Small and medium-sized enterprises (SMEs) can enhance their operational efficiency and provide distinctive value propositions to their clientele by consistently reinventing their procedures, goods, and services.

Finally, it is imperative to establish and implement a complete company plan. SMEs must coordinate their strategic aims with the SEZs' overarching economic objectives, which include advancing economic integration and sustainable development. This entails establishing precise objectives, keeping an eye on results using key performance indicators (KPIs), and having the adaptability to modify plans of action in

reaction to shifting market conditions. To further boost the market position of SMEs, it is recommended that strategic relationships and networks be established to facilitate resource sharing and collaborative opportunities.

In conclusion, a comprehensive strategy that incorporates entrepreneurship, marketing prowess, innovation, and strategic planning is required for SMEs in Thailand's SEZs to achieve sustainable performance. SMEs can strengthen their competitive edge and support the SEZs' overall economic growth by implementing these management techniques. These suggestions are meant to offer SMEs a framework for navigating the SEZs' intricacies while promoting expansion and sustainability.

5.2.2. Policy Recommendations

Adopting a number of focused policy proposals that address the particular possibilities and problems found in Thailand's Special Economic Zones (SEZs) is essential to improving the performance and competitiveness of SMEs operating there. First and foremost, a thorough support network needs to be put in place to encourage entrepreneurship and innovation. A few examples of this are the establishment of innovation hubs and incubators, which give SMEs access to cutting-edge technologies, facilities for research and development, and mentorship programs. SMEs can boost growth and competitiveness by utilizing new technologies and creative approaches by fostering an entrepreneurial ecosystem. Government programs ought to prioritize information transfer, SMEs' cooperation with academic institutions, and the creation of innovative products suited for both domestic and global markets.

Second, policy proposals should place a strong emphasis on developing solid marketing strategies that expand market reach and improve consumer interaction in order to address the marketing skills of SMEs. This can be accomplished by offering training courses on customer relationship management, market analysis, and digital marketing to SMEs. Furthermore, by providing services like market research, trade facilitation, and

international marketing campaigns, a centralized marketing platform can assist SMEs in more effectively accessing international markets. Through these efforts, SMEs would be better equipped to see opportunities, comprehend market dynamics, and market their goods and services; as a result, their market standing, and revenue generation would improve.

Policies should also assist SMEs in developing their strategic management skills in order to guarantee their long-term resilience and sustainability. This entails giving SMEs access to frameworks and tools for strategic management that promote effective risk management, resource allocation, and operational optimization. Establishing frequent training programs in financial management, performance evaluation, and strategic planning can assist SMEs in creating strong business plans that complement their objectives as an organization and the state of the market. Establishing a SME advisory board with representatives from the government, business leaders, and industry may also help SMEs navigate complicated business situations and strengthen their competitive advantage by offering them regular advice and support.

Lastly, improving SEZs' commercial and regulatory environments is crucial to the long-term expansion of SMEs. The ease of conducting business can be greatly increased by streamlining administrative procedures, cutting down on bureaucratic red tape, and offering tax benefits. Furthermore, financial limitations can be eased and SMEs can participate in growth initiatives by guaranteeing access to reasonable financing choices through the formation of SME-focused financial institutions and investment funds. To provide a favorable climate for commercial activities, policymakers should also give priority to the construction of transportation, communication, and utility infrastructure within Special Economic Zones (SEZs). The Thai government can encourage a more vibrant and competitive SME sector within its Special Economic Zones by addressing five crucial issues.

5.2.3. Theoretical and Academic Recommendations

The study's conclusions emphasize the vital roles that innovation, business strategy, marketing prowess, and entrepreneurship play in determining how well SMEs perform over the long term in Thailand's Special Economic Zones (SEZs). Several suggestions might be made to further theoretic and academic understanding in this field. First and foremost, it is crucial to incorporate an approach to entrepreneurship that is multidimensional and takes into account both the human and organizational levels. This strategy ought to take into account the cultural setting, the structural dynamics of SMEs, and the psychological characteristics of entrepreneurs. Future studies can gain a deeper understanding of how entrepreneurial orientation affects performance and creativity in various economic contexts by taking a comprehensive approach.

Second, further research is needed to fully understand the connection between marketing prowess and innovation, especially in the setting of special economic zones (SEZs). Research already conducted suggests that marketing plans adapted to regional and global markets have a big impact on the expansion and competitiveness of SMEs. To capture how market dynamics and consumer preferences are changing over time, longitudinal studies that monitor these linkages are necessary. This will offer a deeper comprehension of how marketing competencies may be used to maintain innovation and competitive advantage in small and medium-sized enterprises.

Third, it's important to investigate innovation in SMEs from both a process- and technology-oriented perspective. Examining internal procedures like knowledge management techniques, organizational learning, and cross-functional cooperation that promote creativity is part of this. Researchers can learn how SMEs foster an innovative culture that supports sustainable business strategies and performance by concentrating on these internal factors.

Furthermore, the significance of strategic management frameworks that may be adjusted to the particular opportunities and difficulties that SEZs bring is underscored by

the effect that business strategy has on firm performance. Subsequent studies ought to investigate the amalgamation of conventional theories of strategic management with nascent notions like agile management and digital transformation. This will make it easier to determine which tactics will improve SMEs' competitiveness and resilience in quickly shifting economic situations.

Ultimately, additional empirical research is required to investigate the mediating and moderating effects of diverse contextual elements on the interrelationships between innovation, business strategy, entrepreneurship, and marketing skill. These linkages can be strongly impacted by variables like socioeconomic circumstances, financial resource accessibility, and regulatory regimes. Researchers can offer more nuanced insights into the intricate interplay of dynamics that affect SME success in SEZs by including these variables into theoretical models.

In conclusion, a thorough and multifaceted research approach is needed to further the theoretical and academic debate on SMEs in SEZs. This entails combining organizational and person viewpoints, using process- and longitudinal-oriented research designs, and investigating the external variables affecting the use of strategic management techniques. Future studies in these areas could make significant contributions to the field and give useful information for business executives and policymakers who want to improve the sustainability and performance of SMEs in Special Economic zones (SEZs).

5.3. Future Research Propositions

It would be beneficial for future studies on SMEs in Thailand's Special Economic Zone to investigate a number of important topics that the current study did not fully cover. First and foremost, further research is needed to determine how digital transformation and technology adoption function within these SMEs. Understanding how SMEs in this particular economic zone embrace, adapt, and benefit from digital tools could provide important insights into strengthening their competitive edge as new technology are

increasingly integrated into global business operations. In order to create specialized strategies that assist SMEs in efficiently utilizing technology, future research should look at the infrastructure, workforce skills, organizational culture, and other factors that both facilitate and hinder the digital transition.

Second, further research is needed to determine how government initiatives and support systems affect the long-term viability and expansion of SMEs in the Special Economic Zone. Although the general business environment has been mentioned in this research, a more detailed examination of particular policies, incentives, and regulatory frameworks would give a better idea of how governmental activities affect the performance of SMEs. Comparative analyses of Thailand's various zones or areas may shed light on best practices and make recommendations for improved policies that better meet the particular requirements of SMEs operating in the Special Economic Zone.

The investigation of sustainable business practices and how they fit into SMEs' strategic frameworks is a potentially fruitful area for future study. It is critical to comprehend how SMEs in the Special Economic Zone view and use sustainable practices, given the growing emphasis on sustainability and corporate social responsibility on a worldwide scale. Finding the factors that encourage and hinder the adoption of sustainable practices, their effects on both financial and non-financial performance, and the contribution of stakeholder engagement to sustainability should be the main areas of research. Studies of SMEs that have effectively incorporated sustainability could offer useful advice and act as role models for other companies.

Further studies ought to examine the dynamics of the innovation ecosystems inside the Special Economic Zone. Knowing how SMEs work with universities, research facilities, and other companies to promote innovation may help identify important elements that support or obstruct creative capacity. Research may examine how well innovation clusters work, how important knowledge transfer is, and how network connections affect SMEs' ability to innovate. Research of this kind would help shape programs and policies

that support innovation ecosystems and help small and medium-sized enterprises become more competitive and innovative.

Lastly, learning more about the HRD practices of SMEs in the Special Economic Zone may help to clarify the potential and problems related to the workforce. Future studies should look into the recruitment, development, and retention of people inside SMEs, especially in light of the quickly evolving business landscape. Examining the effects of leadership philosophies, company culture, and training and development initiatives on worker performance and satisfaction is part of this. By gaining an understanding of these factors, SMEs may develop a workforce that is more capable and resilient, which will eventually increase their long-term profitability and sustainability.

Scholars can contribute to a more thorough understanding of the elements influencing the sustainability and success of SMEs in Thailand's Special Economic Zone by addressing these future research propositions. The creation of focused plans and policies that assist the expansion and competitiveness of these important economic players can then be informed by this.

5.4. Summary

This research study's chapter offers a thorough synopsis of the major conclusions and recommendations drawn from the examination of small and medium-sized businesses (SMEs) in Thailand's Special Economic Zone. The chapter emphasizes the critical connections between company strategy, marketing prowess, entrepreneurship, and innovation, as well as how these elements work together to affect long-term corporate performance. The results of structural equation modeling (SEM) support the proposed linkages and demonstrate how important marketing skills and entrepreneurial endeavors are in promoting creativity. Effective business strategies that improve firm performance are shaped by this innovation. The empirical results corroborate the notion that in order to

gain a competitive edge and achieve long-term success, SMEs must foster an entrepreneurial mindset and effective marketing strategies. The chapter also addresses research proposals for the future and policy recommendations, making the case that legislators should foster innovative and entrepreneurial ecosystems. The insights offered are meant to assist practitioners and academic researchers who are working to advance SME competitiveness and development in strategically important economic areas such as Thailand's Special Economic Zone.

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**APPENDIX A:
THE AGGREGATE OF THE QUALITY INSPECTION SCORES
FOR THE VARIABLE MEASUREMENT INSTRUMENTS
EMPLOYED IN THE RESEARCH, AS EVALUATED BY ITEM-
OBJECTIVE CONGRUENCE (IOC)**

Items	Experts					Total
	1	2	3	4	5	
ATM 1	1	1	0	1	1	0.8
ATM 2	1	1	0	0	1	0.6
ATM 3	1	1	1	1	1	1
CTN 1	1	1	1	1	-1	0.6
CTN 2	1	1	1	1		1
CTN 3	1	1	0	0	1	0.6
RKT 1	1	1	1	1	1	1
RKT 2	1	1	1	1	1	1
RKT 3	1	0	1	1	1	0.8
POA 1	1	1	1	1	1	1
POA 2	1	0	1	1	1	0.8
POA 3	1	1	1	1	1	1
CAG 1	1	1	1	1	0	0.8
CAG 2	1	1	1	1	0	0.8
CAG 3	1	1	1	1	1	1
SMC 1	1	1	1	1	1	1
SMC 2	1	1	1	1	1	1
SMC 3	1	1	1	1	0	0.8
CMC 1	1	1	1	1	1	1
CMC 2	1	1	1	1	1	1
CMC 3	1	1	1	1	1	1
AHM 1	1	1	1	1	1	1
AHM 2	1	1	1	1	1	1
AHM 3	1	1	1	1	1	1
DYM 1	1	1	1	1	1	1
DYM 2	1	1	1	1	1	1
DYM 3	1	1	1	1	1	1
PDI 1	1	1	1	1	1	1
PDI 2	1	1	1	1	0	0.8
PDI 3	1	1	1	1	1	1
MKI 1	1	1	1	1	1	1
MKI 2	1	1	1	1	1	1
MKI 3	1	1	1	1	1	1
PSI 1	1	1	1	1	1	1
PSI 2	1	1	1	0	1	0.8

PSI 3	1	1	1	1	1	1
BVI 1	1	1	1	1	1	1
BVI 2	1	1	1	1	1	1
BVI 3	1	1	1	1	1	1
SGI 1	1	1	1	1	1	1
SGI 2	1	1	1	1	1	1
SGI 3	1	1	1	1	1	1
RPI 1	1	1	1	1	0	0.8
RPI 2	1	1	1	1	1	1
RPI 3	1	1	-1	1	1	0.6
CPL 1	1	1	1	1	1	1
CPL 2	1	1	1	1	1	1
CPL 3	1	1	1	1	0	0.8
ORM 1	1	1	1	1	1	1
ORM 2	1	1	1	1	1	1
ORM 3	1	1	1	1	1	1
CTR 1	1	1	1	1	1	1
CTR 2	1	1	1	1	0	0.8
CTR 3	1	1	1	1	1	1
FIN 1	1	1	1	1	1	1
FIN 2	1	1	1	1	1	1
FIN 3	1	1	1	1	1	1
FIN 4	1	1	1	1	1	1
NFP 1	1	1	1	1	1	1
NFP 2	1	1	1	1	1	1
NFP 3	1	1	1	1	0	0.8
NFP 4	1	1	1	1	0	0.8
EBP 1	1	1	1	1	0	0.8
EBP 2	1	1	1	1	1	1
EBP 3	1	1	1	1	1	1
SBP 1	1	1	1	1	0	0.8
SBP 2	1	1	1	1	1	1
SBP 3	1	1	1	1	0	0.8

**APPENDIX B:
CRONBACH'S ALPHA COEFFICIENT**

Items	Reliability (Alpha)	Cronbach's alpha coefficient
ATM 1	0.792	0.784
ATM 2	0.740	
ATM 3	0.820	
CTN 1	0.567	0.662
CTN 2	0.674	
CTN 3	0.746	
RKT 1	0.970	0.882
RKT 2	0.842	
RKT 3	0.836	
POA 1	0.805	0.740
POA 2	0.760	
POA 3	0.656	
CAG 1	0.719	0.714
CAG 2	0.753	
CAG 3	0.672	
SMC 1	0.782	0.744
SMC 2	0.741	
SMC 3	0.711	
CMC 1	0.931	0.871
CMC 2	0.842	
CMC 3	0.841	
AHM 1	0.704	0.720
AHM 2	0.741	
AHM 3	0.716	
DYM 1	0.815	0.820
DYM 2	0.832	
DYM 3	0.827	
PDI 1	0.722	0.725
PDI 2	0.709	
PDI 3	0.746	
MKI 1	0.665	0.709
MKI 2	0.732	
MKI 3	0.730	
PSI 1	0.895	0.914
PSI 2	0.950	
PSI 3	0.897	
BVI 1	0.720	0.734
BVI 2	0.734	
BVI 3	0.750	
SGI 1	0.821	0.832
SGI 2	0.827	
SGI 3	0.850	

RPI 1	0.712	0.717
RPI 2	0.741	
RPI 3	0.700	
CPL 1	0.742	0.824
CPL 2	0.869	
CPL 3	0.863	
ORM 1	0.835	0.769
ORM 2	0.757	
ORM 3	0.715	
CTR 1	0.720	0.794
CTR 2	0.935	
CTR 3	0.727	
FIN 1	0.875	0.817
FIN 2	0.750	
FIN 3	0.830	
FIN 4	0.814	
NFP 1	0.752	0.847
NFP 2	0.987	
NFP 3	0.760	
NFP 4	0.892	
EBP 1	0.715	0.747
EBP 2	0.765	
EBP 3	0.762	
SBP 1	0.787	0.829
SBP 2	0.806	
SBP 3	0.894	

APPENDIX C: QUESTIONNAIRE

Project Title: Examining the Relationship Between Entrepreneurship, Marketing Capability, Innovation, and Business Strategy on Sustainable Firm Performance: A Case Study of SMEs in Thailand's Special Economic Zone

Dear Sir/Madam,

The objective of this research is to examine the impact of entrepreneurship, marketing capability, innovation, and business strategy on the sustainable performance of small and medium enterprises (SMEs) in the Special Economic Zone of Thailand. This study forms part of a doctoral dissertation in business administration at the Swiss School of Business and Management.

The questionnaire is divided into 6 sections:

Section 1 General Information

Section 2 Entrepreneurship

Section 3 Marketing Capabilities

Section 4 Innovativeness

Section 5 Business Competitive Strategic Management

Section 6 Firm Performance

Your response will be treated with confidentiality, and your information will not be shared with any external parties without your consent.

Thank you for taking the time to answer all the questions. I sincerely hope that your responses will provide valuable insights for my dissertation. Should you have any questions regarding this research, please feel free to contact me.

Best regards,

Anu Yaemsaeng, DBA Student

Swiss School of Business and Management Geneva

Section 1 General Information

1. Gender:

- Male
- Female
- Other (Please specify) _____

2. Age:

- Under 25
- 25-34
- 35-44
- 45-54
- 55 or Older

3. Highest Level of Education Completed:

- Less than High School
- High School
- Vocational/Technical Training
- Bachelor's Degree
- Master's Degree
- Doctorate Degree

4. Years of Experience as an Entrepreneur:

- Less than 1 year
- 1-5 years
- 6-10 years
- 11-15 years
- 16+ years

5. Type of Business:

- Manufacturing

- Service
- Trade
- Agriculture

6. *Number of Employees:*

- 1-10
- 11-50
- 51-100
- 101-200
- More than 200

7. *Annual Revenue (Estimate):*

- Less than 1 million THB
- 1-5 million THB
- 6-10 million THB
- 11-50 million THB
- More than 50 million THB

8. *Primary Location of Your Business:*

- Tak
- Mukdahan
- Songkhla
- Trat
- Sa Kaeo
- Kanchanaburi
- Chiang Rai
- Nakhon Phanom
- Nong Khai
- Narathiwat

9. *Duration of Business Operation within Special Economic Zone of Thailand:*

- Less than 1 year
- 1-3 years
- 4-6 years
- 7-10 years
- More than 10 years

10. Reason for Operating in Special Economic Zone of Thailand:

- Tax incentives
- Proximity to markets
- Infrastructure facilities
- Availability of labor

Section 2 Entrepreneurship

Instruction: Please read the following questions and indicate your level of agreement by selecting the appropriate response: 4 for "most true," 3 for "true," 2 for "not true," and 1 for "most unrealistic."

Items	Levels of Agreement			
	4	3	2	1
ATM 1. I independently set goals and work towards achieving them.				
ATM 2. I take initiative to pursue new ideas or opportunities on my own.				
ATM 3. I complete tasks and projects with minimal supervision.				
CTN 1. I actively pursue new ideas to improve my business.				
CTN 2. I frequently develop new products or services for my customers.				
CTN 3. I implement new processes to enhance business operations.				
RKT 1. I am willing to invest significant resources in new business opportunities.				
RKT 2. I actively pursue ventures with uncertain outcomes.				
RKT 3. I regularly take calculated risks to grow my business.				

POA 1. I actively seek out new opportunities for my business before they become obvious.				
POA 2. I take the initiative to address potential issues before they arise based on future customer needs and trends to stay ahead of the competition.				
POA 3. I am willing to take proactive steps to shape the market environment in favor of my business.				
CAG 1. I take decisive actions to gain a competitive edge with aggressive strategies in the market.				
CAG 2. I respond quickly and forcefully to competitive threats.				
CAG 3. I prioritize targeting my competitors' weaknesses to improve my market position.				

Section 3 Marketing Capabilities

Instruction: Please read the following questions and indicate your level of agreement by selecting the appropriate response: 4 for "most true," 3 for "true," 2 for "not true," and 1 for "most unrealistic."

Items	Levels of Agreement			
	4	3	2	1
SMC 1. My organization effectively uses specialised marketing capabilities to implement our marketing strategies.				
SMC 2. I integrate various marketing processes to enhance my specialised marketing capabilities.				
SMC 3. My specialised marketing activities significantly contribute to my overall business performance.				
CMC 1. My organization effectively integrates and shares market knowledge across different departments.				
CMC 2. I have strong mechanisms in place for cross-departmental collaboration to enhance our marketing efforts.				
CMC 3. I effectively manage customer relationships by leveraging cross-functional capabilities.				
AHM 1. My organization excels in planning and executing long-term marketing strategies.				
AHM 2. I effectively integrate and coordinate various marketing resources.				
AHM 3. I efficiently utilize specialized marketing skills to achieve our marketing objectives.				
DYM 1. My organization effectively adapts its marketing strategies to changing market conditions.				

DYM 2. My organization have the ability to reconfigure our marketing resources in response to market shifts.				
DYM 3. My organization is proficient in maintaining and improving my marketing skills to meet customer needs in a dynamic environment.				

Section 4 Innovativeness

Instruction: Please read the following questions and indicate your level of agreement by selecting the appropriate response: 4 for "most true," 3 for "true," 2 for "not true," and 1 for "most unrealistic."

Items	Levels of Agreement			
	4	3	2	1
PDI 1. My company frequently develops and introduces new and unique products.				
PDI 2. I consistently refine our products to stay ahead of the competition.				
PDI 3. My business is recognized for launching technologically superior or novel products.				
MKI 1. My company frequently introduces unique and effective marketing campaigns.				
MHI 2. I use innovative marketing strategies to successfully attract new customers.				
MKI 3. I consistently break into new markets with my creative marketing efforts.				
PSI 1. My company frequently adopts new technologies to improve my processes.				
PSI 2. I consistently re-engineer our methods to enhance production efficiency.				
PSI 3. I am known for my ability to streamline processes to speed up production.				
BVI 1. My company encourages creative thinking at all levels of the organization.				
BVI 2. I am committed to making changes in our business practices to enhance innovation.				
BVI 3. I consistently pursue better and more efficient methods in our operations.				
SGI 1. My company develops new products and services by leveraging existing resources.				
SGI 2. I adopt novel approaches to solving problems within our organization.				
SGI 3. I have a clear vision for implementing innovative strategies.				

Section 5 Business Competitive Strategic Management

Instruction: Please read the following questions and indicate your level of agreement by selecting the appropriate response: 4 for "most true," 3 for "true," 2 for "not true," and 1 for "most unrealistic."

Items	Levels of Agreement			
	4	3	2	1
RPI 1. My company effectively increases its output relative to the capital invested.				
RPI 2. I consistently achieve higher returns by optimizing our investment expenditures.				
RPI 3. I have implemented strategies to securitize assets, improving our capital efficiency.				
CPL 1. My company promotes competitive learning to enhance employee performance.				
CPL 2. Structured competitive environments in my firm have improved engagement and achievement.				
CPL 3. My employees thrive in competitive learning environments, leading to better overall outcomes.				
ORM 1. My company strategically allocates resources to maximize efficiency.				
ORM 2. I utilize our resources effectively to maintain a competitive edge.				
ORM 3. I integrate digital technologies to enhance our resource management practices.				
CTR 1. I have streamlined our product lines to focus on core business areas.				
CTR 2. Eliminating non-core assets has significantly cut my expenses.				
CTR 3. I regularly review and divest non-essential products to reduce costs.				

Section 6 Firm Performance

Instruction: Please read the following questions and indicate your level of agreement by selecting the appropriate response: 4 for "most true," 3 for "true," 2 for "not true," and 1 for "most unrealistic."

Items	Levels of Agreement			
	4	3	2	1
FIN 1. My company has experienced significant sales growth over the past year.				

FIN 2. The return on investment in my company has been satisfactory.				
FIN 3. My profit margins have improved consistently.				
FIN 4. My company's financial performance is better than the competitors in the market.				
NFP 1. My company has consistently received positive feedback from customers.				
NFP 2. I have successfully introduced innovative products to the market.				
NFP 3. My company has maintained a high level of product quality.				
NFP 4. My internal processes and operations are highly efficient.				
EBP 1. My company is well-regarded for its ethical leadership and practices.				
EBP 2. I have a strong reputation for delivering high-quality products.				
EBP 3. My corporate social responsibility initiatives are recognized and appreciated by stakeholders				
SBP 1. My company actively integrates environmental practices into my business strategy.				
SBP 2. I am committed to social responsibility and positively impacting my community.				
SBP 3. My sustainable practices contribute to my long-term business success and competitiveness.				

แบบสอบถาม

ผลกระทบของการเป็นผู้ประกอบการ ความสามารถทางการตลาด นวัตกรรม และกลยุทธ์ทางธุรกิจ

ต่อประสิทธิภาพการดำเนินงานที่ยั่งยืนของบริษัท:

กรณีศึกษาของธุรกิจขนาดกลางและขนาดย่อมในเขตเศรษฐกิจพิเศษของประเทศไทย

เรียน ท่านผู้ประกอบการ,

แบบสอบถามฉบับนี้จัดทำขึ้นเพื่อศึกษาความสัมพันธ์ระหว่างปัจจัยต่างๆ ได้แก่ ความเป็นผู้ประกอบการ สักยภาพทางการตลาด นวัตกรรม และกลยุทธ์ทางธุรกิจ ที่มีต่อผลการดำเนินงานอย่างยั่งยืนของธุรกิจขนาดกลางและขนาดย่อม (SMEs) ในเขตเศรษฐกิจพิเศษของประเทศไทย โดยงานวิจัยชิ้นนี้เป็นส่วนหนึ่งของวิทยานิพนธ์ระดับปริญญาเอก สาขาบริหารธุรกิจ ที่สถาบัน Swiss School of Business and Management Geneva.

แบบสอบถามแบ่งออกเป็น 6 ตอน ดังนี้

- ตอนที่ 1 ข้อมูลทั่วไป
- ตอนที่ 2 ความเป็นผู้ประกอบการ
- ตอนที่ 3 ความสามารถทางการตลาด
- ตอนที่ 4 นวัตกรรม
- ตอนที่ 5 กลยุทธ์การแข่งขันทางธุรกิจ
- ตอนที่ 6 ผลการดำเนินงานของธุรกิจ

ข้อมูลทั้งหมดของท่านจะถูกเก็บเป็นความลับและจะไม่ถูกเปิดเผยให้แก่บุคคลภายนอกโดยไม่ได้รับอนุญาตจากท่าน

ขอขอบคุณท่านที่สละเวลาตอบแบบสอบถามทุกข้อ คำตอบของท่านจะเป็นประโยชน์อย่างยิ่งต่องานวิจัยชิ้นนี้ หากท่านมีข้อสงสัยประการใดเกี่ยวกับงานวิจัยนี้ สามารถติดต่อสอบถามได้

ขอแสดงความนับถืออย่างสูง

ตอนที่ 1 ข้อมูลทั่วไป

1. เพศ:

- ชาย
- หญิง
- อื่นๆ (โปรดระบุ) _____

2. อายุ:

- ต่ำกว่า 25 ปี
- 25-34 ปี
- 35-44 ปี
- 45-54 ปี
- 55 ปีขึ้นไป

3. ระดับการศึกษาสูงสุดที่สำเร็จ:

- ต่ำกว่ามัธยมศึกษาตอนปลาย
- มัธยมศึกษาตอนปลาย
- ปวช./ปวส.
- ปริญญาตรี
- ปริญญาโท
- ปริญญาเอก

4. ระยะเวลาของประสบการณ์ในการเป็นผู้ประกอบการ:

- น้อยกว่า 1 ปี
- 1-5 ปี
- 6-10 ปี

11-15 ปี

มากกว่า 15 ปี

5. ประเภทธุรกิจ:

ผลิต

บริการ

การค้าปลีก/ค้าส่ง

เกษตรกรรม

6. จำนวนพนักงาน:

1-10 คน

11-50 คน

51-100 คน

101-200 คน

มากกว่า 200 คน

7. รายได้ต่อปีโดยประมาณ:

น้อยกว่า 1 ล้านบาท

1-5 ล้านบาท

6-10 ล้านบาท

11-50 ล้านบาท

มากกว่า 50 ล้านบาท

8. สถานที่ตั้งหลักของธุรกิจ:

ตาก

มุกดาหาร

สงขลา

- ตราด
- สระแก้ว
- กาญจนบุรี
- เชียงราย
- นครพนม
- หนองคาย
- นราธิวาส

9. ระยะเวลาที่ดำเนินธุรกิจในเขตพัฒนาเศรษฐกิจพิเศษ:

- น้อยกว่า 1 ปี
- 1-3 ปี
- 4-6 ปี
- 7-10 ปี
- มากกว่า 10 ปี

10. เหตุผลที่ดำเนินธุรกิจในเขตพัฒนาเศรษฐกิจพิเศษ:

- สิทธิประโยชน์ทางภาษี
- ใกล้เคียงบริโภค
- สาธารณูปโภค
- แรงงาน

ตอนที่ 2 ความเป็นผู้ประกอบการ

คำชี้แจง: โปรดอ่านข้อคำถามต่อไปนี้ และระบุระดับความเห็นด้วยโดยเลือกคำตอบที่เหมาะสม ดังนี้ 4 หมายถึง "จริงที่สุด" 3 หมายถึง "จริง" 2 หมายถึง "ไม่จริง" 1 หมายถึง "ไม่จริงอย่างที่สุด"

ข้อคำถาม	ระดับความเห็นด้วย			
	4	3	2	1
ATM 1. ฉันตั้งเป้าหมายและทำงานเพื่อให้บรรลุเป้าหมายได้ด้วยตัวเอง				
ATM 2. ฉันริเริ่มที่จะแสวงหาแนวคิดหรือโอกาสใหม่ ๆ ด้วยตัวเอง				
ATM 3. ฉันทำงานและโครงการต่างๆ ให้เสร็จโดยมีคนคอยช่วยเหลือน้อยที่สุด				
CTN 1. ฉันพยายามหาแนวคิดใหม่ๆ เพื่อปรับปรุงธุรกิจอยู่เสมอ				
CTN 2. ฉันพัฒนาสินค้าหรือบริการใหม่ๆ ให้ลูกค้าอยู่เสมอ				
CTN 3. ฉันนำกระบวนการใหม่ๆ มาใช้เพื่อเพิ่มประสิทธิภาพในการดำเนินธุรกิจ				
RKT 1. ฉันเต็มใจลงทุนทรัพยากรจำนวนมากเมื่อเห็นโอกาสทางธุรกิจใหม่ๆ				
RKT 2. ฉันกล้าที่ปรับธุรกิจตามสภาพแวดล้อมการดำเนินงานที่มีความไม่แน่นอน				
RKT 3. ฉันกล้าที่จะเสี่ยงเพื่อขยายธุรกิจของฉัน โดยความเสี่ยงนั้นฉันสามารถยอมรับได้				
POA 1. ฉันมองหาโอกาสใหม่ ๆ สำหรับธุรกิจของฉันอย่างแข็งขันอยู่เสมอ				
POA 2. ฉันริเริ่มจัดการปัญหาที่อาจเกิดขึ้นในการดำเนินธุรกิจ โดยดูจากความต้องการและแนวโน้มของลูกค้าในอนาคต เพื่อให้ก้าวหน้าคู่แข่ง				
POA 3. ฉันเต็มใจที่จะลงมือทำก่อนคู่แข่งขั้นก่อนเสมอ เพื่อกำหนดทิศทางของตลาดโดยคำนึงถึงเป็นประโยชน์ต่อธุรกิจของฉัน				
CAG 1. ฉันตัดสินใจอย่างเฉียบขาด เพื่อให้ได้เปรียบในการแข่งขัน โดยใช้กลยุทธ์เชิงรุกในตลาด				
CAG 2. ฉันตอบสนองต่อภัยคุกคามจากการแข่งขันอย่างรวดเร็ว				
CAG 3. ฉันให้ความสำคัญกับการโจมตีจุดอ่อนของคู่แข่ง เพื่อปรับปรุงสถานะของฉันในตลาด				

ตอนที่ 3 ความสามารถทางการตลาด

คำชี้แจง: โปรดอ่านข้อคำถามต่อไปนี้ และระบุระดับความเห็นด้วยโดยเลือกคำตอบที่เหมาะสม ดังนี้ 4 หมายถึง "จริงที่สุด" 3 หมายถึง "จริง" 2 หมายถึง "ไม่จริง" 1 หมายถึง "ไม่จริงอย่างที่สุด"

ข้อคำถาม	ระดับความเห็นด้วย			
	4	3	2	1
SMC 1. องค์กรของฉันใช้ความสามารถทางการตลาดเฉพาะทางได้อย่างมีประสิทธิภาพเพื่อดำเนินกลยุทธ์ทางการตลาดของฉันทัน				
SMC 2. ฉันทรวมกระบวนการทางการตลาดต่างๆ เข้าด้วยกันเพื่อเพิ่มขีดความสามารถทางการตลาดเฉพาะทางของฉันทัน				
SMC 3. กิจกรรมทางการตลาดเฉพาะทางของฉันทันมีส่วนสำคัญต่อผลการดำเนินงานโดยรวมของฉันทัน.				
CMC 1. องค์กรของฉันทันบูรณาการและแบ่งปันความรู้เกี่ยวกับตลาดอย่างมีประสิทธิภาพในแผนกต่างๆ				
CMC 2. ฉันทมีกลไกที่แข็งแกร่งสำหรับการทำงานร่วมกันข้ามแผนกเพื่อปรับปรุงความพยายามทางการตลาดของฉันทัน				
CMC 3. ฉันทจัดการความสัมพันธ์กับลูกค้าได้อย่างมีประสิทธิภาพโดยใช้ประโยชน์จากความสามารถข้ามสายงาน				
AHM 1. องค์กรของฉันทันเก่งในการวางแผนและดำเนินกลยุทธ์ทางการตลาดระยะยาว				
AHM 2. ฉันทบูรณาการและประสานทรัพยากรทางการตลาดต่างๆ ได้อย่างมีประสิทธิภาพ				
AHM 3. ฉันทใช้ทักษะทางการตลาดเฉพาะทางอย่างมีประสิทธิภาพเพื่อให้บรรลุวัตถุประสงค์ทางการตลาดขององค์กร				
DYM 1. องค์กรของฉันทันปรับกลยุทธ์ทางการตลาดให้เข้ากับสภาวะตลาดที่เปลี่ยนแปลงได้อย่างมีประสิทธิภาพ				
DYM 2. องค์กรของฉันทันมีความสามารถในการกำหนดค่าทรัพยากรทางการตลาดของเราใหม่เพื่อตอบสนองต่อการเปลี่ยนแปลงของตลาด				
DYM 3. องค์กรของฉันทันมีความเชี่ยวชาญในการรักษาและพัฒนาทักษะทางการตลาดของฉันทันเพื่อตอบสนองความต้องการของลูกค้าในสภาพแวดล้อมแบบไดนามิก				

ตอนที่ 4 นวัตกรรม

คำชี้แจง: โปรดอ่านข้อคำถามต่อไปนี้ และระบุระดับความเห็นด้วยโดยเลือกคำตอบที่เหมาะสม ดังนี้ 4 หมายถึง "จริงที่สุด" 3 หมายถึง "จริง" 2 หมายถึง "ไม่จริง" 1 หมายถึง "ไม่จริงอย่างที่สุด"

ข้อคำถาม	ระดับความเห็นด้วย			
	4	3	2	1
PDI 1. บริษัทของฉันมักจะพัฒนาและนำเสนอผลิตภัณฑ์ใหม่ ๆ ที่ไม่เหมือนใคร				
PDI 2. ฉันปรับปรุงผลิตภัณฑ์ของเราอย่างต่อเนื่องเพื่อให้เหนือกว่าคู่แข่ง				
PDI 3 ธุรกิจของฉันเป็นที่รู้จักในด้านการเปิดตัวผลิตภัณฑ์ที่มีเทคโนโลยีที่เหนือกว่าหรือแปลกใหม่				
MKI 1 บริษัทของฉันมักจะนำเสนอแคมเปญการตลาดที่ไม่เหมือนใครและมีประสิทธิภาพ				
MHI 2. ฉันใช้กลยุทธ์ทางการตลาดที่เป็นนวัตกรรมใหม่เพื่อดึงดูดลูกค้าใหม่ได้สำเร็จ				
MKI 3 ฉันสามารถบุกตลาดใหม่ได้อย่างต่อเนื่องด้วยความพยายามทางการตลาดที่สร้างสรรค์ของฉัน				
PSI 1. บริษัทของฉันมักจะนำเทคโนโลยีใหม่ ๆ มาใช้เพื่อปรับปรุงกระบวนการของเรา				
PSI 2. ฉันปรับปรุงวิธีการของเราอย่างต่อเนื่องเพื่อเพิ่มประสิทธิภาพการผลิต				
PSI 3. ฉันเป็นที่รู้จักในด้านความสามารถในการปรับปรุงกระบวนการเพื่อเร่งการผลิต				
BVI 1. บริษัทของฉันสนับสนุนการคิดอย่างสร้างสรรค์ในทุกระดับขององค์กร				
BVI 2. ฉันมุ่งมั่นที่จะเปลี่ยนแปลงแนวทางปฏิบัติทางธุรกิจของเราเพื่อส่งเสริมนวัตกรรม				
BVI 3 ฉันพยายามหาวิธีการที่ดีขึ้นและมีประสิทธิภาพมากขึ้นในการดำเนินงานของเราอย่างต่อเนื่อง				
SGI 1. บริษัทของฉันพัฒนาผลิตภัณฑ์และบริการใหม่ ๆ โดยใช้ประโยชน์จากทรัพยากรที่มีอยู่				
SGI 2. ฉันใช้วิธีการใหม่ ๆ ในการแก้ปัญหาภายในองค์กรของเรา				
SGI 3. ฉันมีวิสัยทัศน์ที่ชัดเจนในการดำเนินกลยุทธ์ที่เป็นนวัตกรรมใหม่				

ตอนที่ 5 กลยุทธ์การแข่งขันทางธุรกิจ

คำชี้แจง: โปรดอ่านข้อคำถามต่อไปนี้ และระบุระดับความเห็นด้วยโดยเลือกคำตอบที่เหมาะสม ดังนี้ 4 หมายถึง "จริงที่สุด" 3 หมายถึง "จริง" 2 หมายถึง "ไม่จริง" 1 หมายถึง "ไม่จริงอย่างที่สุด"

ข้อคำถาม	ระดับความเห็นด้วย			
	4	3	2	1
RPI 1. บริษัทของฉันทันสามารถเพิ่มผลผลิตได้อย่างมีประสิทธิภาพเมื่อเทียบกับเงินทุนที่ลงทุนไป				
RPI 2. ฉันทันบรรลุผลตอบแทนที่สูงขึ้นอย่างสม่ำเสมอโดยการเพิ่มประสิทธิภาพค่าใช้จ่ายในการลงทุนของเรา				
RPI 3. ฉันทันได้ดำเนินกลยุทธ์เพื่อแปลงสินทรัพย์ให้เป็นหลักทรัพย์ซึ่งช่วยปรับปรุงประสิทธิภาพการใช้เงินทุนของเรา				
CPL 1. บริษัทของฉันทันส่งเสริมการเรียนรู้แบบแข่งขันเพื่อเพิ่มประสิทธิภาพของพนักงาน				
CPL 2. สภาพแวดล้อมการแข่งขันที่มีโครงสร้างในบริษัทของฉันทันช่วยปรับปรุงการมีส่วนร่วมและความสำเร็จ				
CPL 3. พนักงานของฉันทันเติบโตได้ดีในสภาพแวดล้อมการเรียนรู้แบบแข่งขันซึ่งนำไปสู่ผลลัพธ์โดยรวมที่ดีขึ้น				
ORM 1. บริษัทของฉันทันจัดสรรทรัพยากรเชิงกลยุทธ์เพื่อเพิ่มประสิทธิภาพสูงสุด				
ORM 2. ฉันทันใช้ทรัพยากรของเราอย่างมีประสิทธิภาพเพื่อรักษาความได้เปรียบในการแข่งขัน				
ORM 3. ฉันทันรวมเทคโนโลยีดิจิทัลเพื่อปรับปรุงแนวทางปฏิบัติในการจัดการทรัพยากรของเรา				
CTR 1. ฉันทันได้ปรับปรุงสายผลิตภัณฑ์ของเราให้คล้องตัวเพื่อมุ่งเน้นไปที่ธุรกิจหลัก				
CTR 2. การบริหารสินทรัพย์ที่ไม่ใช่ธุรกิจหลักช่วยลดค่าใช้จ่ายของฉันทันลงอย่างมาก				
CTR 3. ฉันทันทวนและขายผลิตภัณฑ์ที่ไม่จำเป็นเป็นประจำเพื่อลดต้นทุน				

ตอนที่ 6 ผลการดำเนินงานของธุรกิจ

คำชี้แจง: โปรดอ่านข้อคำถามต่อไปนี้ และระบุระดับความเห็นด้วยโดยเลือกคำตอบที่เหมาะสม ดังนี้ 4 หมายถึง "จริงที่สุด" 3 หมายถึง "จริง" 2 หมายถึง "ไม่จริง" 1 หมายถึง "ไม่จริงอย่างที่สุด"

ข้อคำถาม	ระดับความเห็นด้วย			
	4	3	2	1
FIN 1. บริษัทของฉันทันมียอดขายเติบโตอย่างมากในปีที่ผ่านมา				
FIN 2. ผลตอบแทนจากการลงทุนในบริษัทของฉันทันเป็นที่น่าพอใจ				
FIN 3. อัตรากำไรของฉันทันดีขึ้นอย่างต่อเนื่อง				
FIN 4. ผลประกอบการทางการเงินของบริษัทของฉันทันดีกว่าคู่แข่งในตลาด				
NFP 1. บริษัทของฉันทันได้รับคำชมเชยจากลูกค้าอย่างต่อเนื่อง				
NFP 2. ฉันทันประสบความสำเร็จในการนำเสนอผลิตภัณฑ์ที่เป็นนวัตกรรมใหม่สู่ตลาด				
NFP 3. บริษัทของฉันทันรักษาระดับคุณภาพของผลิตภัณฑ์ไว้ในระดับสูง				
NFP 4. กระบวนการและการดำเนินงานภายในของฉันทันมีประสิทธิภาพสูง				
EBP 1. บริษัทของฉันทันเป็นที่ยอมรับในด้านภาวะผู้นำและแนวปฏิบัติทางจริยธรรม				
EBP 2. ฉันทันมีชื่อเสียงที่แข็งแกร่งในการส่งมอบผลิตภัณฑ์คุณภาพสูง				
EBP 3 โครงการความรับผิดชอบต่อสังคมขององค์กรของฉันทันเป็นที่ยอมรับและชื่นชมจากผู้มีส่วนได้ส่วนเสีย				
SBP 1. บริษัทของฉันทันศานแนวปฏิบัติด้านสิ่งแวดล้อมเข้ากับกลยุทธ์ทางธุรกิจอย่างแข็งขัน				
SBP 2. ฉันทันมุ่งมั่นที่จะรับผิดชอบต่อสังคมและส่งผลกระทบต่อชุมชนของฉันทัน				
SBP 3 แนวทางปฏิบัติที่ยั่งยืนของฉันทันมีส่วนช่วยให้ธุรกิจของฉันทันประสบความสำเร็จและแข่งขันได้ในระยะยาว				

**APPENDIX D:
LIST OF IOC ACCREDITED EXPERTS**

1. Dr. Boonthawan Wingwon, Ph.D.
Associate Professor, Faculty of Management Science, Chiang Mai Rajabhat University,
Chiang Mai, Thailand.
2. Dr. Pichapob Punpae, Ph.D.
Associate Professor, Faculty of Business Administration and Liberal Arts, Rajamangala
University of Technology Lanna, Chiang Mai, Thailand.
3. Dr. Sasichai Pimphan, Ph.D.
Assistant Professor, Faculty of Management Science and Information Technology,
Nakhon Phanom University, Kham Thao, Thailand
4. Dr. Atchawin Jaikaew, Ph.D.
Lecturer, Faculty of Management Science, Chiang Mai Rajabhat University, Chiang Mai,
Thailand
5. Dr. Siravat Teerasoponpong, Ph.D.
Lecturer, Faculty of Business Administration, Chiang Mai University, Chiang Mai,
Thailand