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Exploring Determinants Influencing Digital Marketing Innovative Capability in SMEs

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ABSTRACT

The present study explores the determinants influencing digital marketing innovation capability (DMIC) towards marketing innovation performance (MIP) in small and medium enterprises (SMEs) by developing a conceptual framework and propositions on the hypotheses. The proposed determinants for investigation were drawn from the current literature, including organizational agility, intra-organizational determinants, leader resilience determinants, and absorptive capability. Using data from 164 SMEs collected by survey questionnaires in Phitsanulok province, which is located in the lower northern part of Thailand. Structural equation modelling was used to construct path models based on the above determinants and to examine the relationship among all proposed variables. The results show that organizational agility (β=0.414), intra-organizational determinants (β=0.659), leader resilience determinants (β=0.287), and absorptive capability (β=0.348) are predominant factors and had a significant influence on digital marketing innovative capability, leading to marketing innovation performance. However, organizational agility and absorptive capability have not shown positive results in marketing innovation performance directly. This study makes a novel contribution at the practical, policy, and theoretical levels in terms of strategic assimilation processes and absorption capacity, and confirms factors supporting capability acquisition.

Keywords: Digital Marketing Innovative Capability, Digital Marketing Capability, Marketing Innovation Performance, SMEs

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Background and Significance of the Research Problem

The emergence of innovation has been theorized for years in the context of organizational strategy, process, and technological development (Henderson & Kim, 1990; Rogers, 1983; Rothwell, 1989). Similarly, over the past decade, there has been a growing interest in social science and technological studies of an emerging platform for digital, including Internet-based digital platforms, digital smartphone applications (apps), and other digital communication and engagement technologies (Banerjee & Bhardwaj, 2019; Ritz et al., 2019). Many firms are more likely to leverage the advances of such technology by integrating them with their current business strategies, leading to the development of innovation corridors and sustainable innovation-based economic development.

Many businesses during the COVID-19 era, obviously SMEs, are now attempting to adopt a digital marketing strategy as one of the preferred strategic approaches (Ritz et al., 2019). This can raise the question of what types of factors, resources, and capabilities are the driving forces that continually create new, innovative ways of business operation. From businesses' perspectives, the necessity of generating continuous innovation is not only critical for their existence; it also has the potential to cause social and economic transformations (Hussain, 2021; Matarazzo et al., 2021). Both innovation and digital marketing (DM) concepts have remarkably evolved in terms of strategic approaches, collaborative technology use, and organizational innovation capability and sustainability since the beginning of the 21st century (Knudsen et al., 2021).

Digital Marketing Innovation Capability (DMIC) has emerged as a concept that has recently gained increasing attention as a powerful form of marketing revolution that empowers small-scale businesses to utilize their current resources and capabilities to dynamically transform such initiatives for sustainable business purposes. Previous research has shown that DM capabilities can assist organizations in speeding up and improving their innovation and commercialization processes (Saura, 2021). Academics and researchers have investigated and explored important characteristics and techniques that encourage DMIC adoption. Although recent research indicates that implementing DMIC can help SMEs improve their marketing innovation performance (MIP), there is currently a scarcity of evidence linking DMIC to SMEs (Moonsri, 2019), particularly in the context of emerging countries.

Prior research studies conducted by many scholars have been interested in better understanding how businesses organize and benefit from DMIC by focusing on its antecedents and consequences. Previous empirical studies conducted by Jafari-Sadeghi et al. (2021) proposed the agility of innovative marketing acquisition. Mazumder & Garg (2021) point out the process of intra-organizing digital activities that require innovative communication skills and new skills from employees. Xie et al., (2021) and Zhang et al., (2020) indicated that a customer relationship management (CRM) program engages with consumers from key target groups to join its online communities, which requires adaptive (absorptive) learning in leveraging big data analytics. However, such mechanisms have been little investigated in the context of Thailand, especially in rural business areas. This study is the first attempt to formally investigate and objectively verify the characteristics of determinants of SMEs in terms of the innovation of digital marketing capabilities and their performances.

As mentioned, despite the growing evidence that DMIC can serve as a basis for business performance and transformation (Chinakidzwa & Phiri, 2020; Wielgos et al., 2021), there is a small amount of anecdotal evidence focusing on MIP results by leveraging DMIC in the context of SMEs. The current study considers three main reasons for selecting Phitsanulok as a basis for research as follows: First, likewise, many Thai SMEs located in rural regions like Phitsanulok were hit by the pandemic and an annually occurring flooding disaster, resulting in a dramatic drop in the number of domestic and international visitors. Thus, investigating the ability and capacity to support SMEs in confronting hazards is necessary. Second, according to the local government of Phitsanulok (OSMP, 2021), it proposes a development strategy for SMEs in advance of 20 years (aligned with central government plans), which focuses on smart cities and business digital platforms. This implies that many SMEs are currently making efforts to prepare mechanisms for the changes in the new marketing era. Finally, due to the complexity of innovation and business performance of rural SMEs with a lack of the holistic conceptual framework of DMIC, not all of the determinants of DMIC have been thoroughly investigated. Therefore, the objectives of the study include the following:

1. Exploring determinants influencing marketing innovation performance (MIP) in Phitsanulok SMEs.

2. Investigating the relationship among all the determinants influencing Marketing Innovation Performance (MIP) in SMEs.

Literature Reviews

The implications of concepts and theory towards DMIC

According to Teece et al. (1997), dynamic capabilities are defined as a business's unique abilities and skills to integrate and reconfigure internal and external core competences. Indeed, it is a strategic approach through which a firm obtains new resource configurations as markets change. Resource accumulation, business traits, capabilities, and innovative activities for business development and growth are all part of the dynamic capability idea (Teece, 2014). Meanwhile, Rogers (1983) stated that an innovation is a new object, including an idea, practice, or process, where individuals or other units of adoption are perceived to be new. Businesses' investments in human capital are critical to their capacity to embrace new technologies. Human capital is frequently required in order to be aware of new technology and to be able to exploit it (Zhong et al., 2021). Human capital's importance in a firm's or economy's absorptive capacity is widely established, along with the distinctive institutional structure of each economy (Aboelmaged & Hashem, 2019). As a result, different theoretical approaches have been pursued to describe the rationale behind the main characteristics of the adoption process. Such an approach is a useful paradigm for thinking about innovation capability adoption.

DMIC seems to be a new paradigm shift for innovative firms, the ones that best participate in the diffusion process through their choice to adopt external innovations instead of developing them on their own. Obviously, most SMEs lack resources for research and development (R & D) due to the limitations of knowledge and finances, so businesses that can create new technology in-house are more likely to be innovative than those that merely obtain new technology developed by others (Arundel, 2007; Sterlacchini, 1999). Under these circumstances, the current study proposed that in the context of marketing, organizational agility (OA), intra-organizational determinants (IOD), leader resilience determinants (LRD), and absorptive capability (AC)—possibly lead to better DMIC adoption, which influences marketing innovation performance (MIP). For this reason, DMIC in this study is defined as *'the ability to create marketing innovation by utilizing new frontiers of technology to enhance marketing programs, systems, processes, and activities, as well as to create a new culture of communication and upgrade knowledge, skills, and competencies in the delivery of superior customer experience'*.

Organizational Agility

The term of "organizational agility" (OA) has been defined in several different contexts based on relevant theories (Bessant et al., 2000; Cai et al., 2019; Gunasekaran, 1999; Sharifi &

Zhang, 2001; Vázquez-Bustelo et al., 2007; Wageeh, 2016). In this study, organizational agility (OA) defined as the ability to predict or effectively respond quickly to external changes, is essential to survive and compete in turbulent environment, characterized by technological advancements and digitalization (Gunasekaran, 1999; Sharifi & Zhang, 2001; Troise et al., 2022). A recent empirical study conducted by Giacosa et al. (2021) reveals that the importance of a digital mindset, flexible and agile company structure, and extensive digital skills for digital transformation are critical. In a marketing context, SMEs with data-driven marketing, an agile transformation journey, and an agile operating model are more likely to adapt their marketing systems with agile test and learn programs. Such a movement leads to dynamic-management business processes (i.e. process reduction and decentralized decision-making). SME's with agility were twice as fast, more adaptable, and better managed employee morale as a result of the flexibility of strategic, operational, and functional agility. For this reason, the following hypothesis was therefore proposed:

H1: Organizational agility significantly influences DMIC of SMEs.

Intra-Organizational Determinants

Intra-Organizational Determinants (IOD) refer to the ability of a business to exert control over internal factors by combining resources, facilities, and expertise and utilizing them to create new innovations that could be cumulative actions (i.e., knowledge, know-how, and experience) of employees to perform a task in which such abilities lead to continuous improvement or a radical transformation of a business (Mendoza-Silva, 2021). This is because SMEs usually acquire new knowledge from external sources without implementing it (Müller et al., 2021). Indeed, without a formal innovation strategy, SMEs remain more focused on exploratory innovation strategies than exploitative innovation at this stage. For building an innovative culture and creating exploitative innovation, SMEs should have a process of improvements, refinements, efficiency, and implementation of current employees' skills. For example, Buccieri et al. (2020) insisted that when there is environmental dynamism, international entrepreneurial culture is more important in fostering ambidextrous innovation (exploratory and exploitative innovation). Brown et al. (2021) proposed a collaborative, circular-oriented innovation process that is managed strategically. For this reason, the following hypothesis was therefore proposed:

H2: Intra-organizational determinants significantly influence DMIC of SMEs

Leader Resilience Determinants

Leader Resilience Determinants (LRD) in the area of innovative marketing is related to the ability to be resilient, rebound, and bounce back when presented with a terrifying and unpleasant external situation. In terms of cognitive adaptability and flexibility to adopt new marketing technology and new innovative marketing practices, self-efficacy is considered a vital element (Gray & Jones, 2016). Empowering employees with the ability to create new ideas always stems from innovative leaders. As a result, self-motivated employees have the ability to create new ideas to foster the goals of a company. This is called proactive resilience, where a business leader acquires particular expertise in order to expand their marketing legacy system in an acceptable manner that is connected with their decision-making process in order to find a variety of prospective possibilities (Yang & Gabrielsson, 2017). Such new ideas emerge as innovative best-practices in relation to digital marketing activities, such as *(i) sustainable activities-linked center marketing, (ii) new resources-linked center collaboration, (iii) digital ecosystem-linked inter-firm relationship, and (iv) digital engagement process-linked prospects* (Yawised et al., 2021). Thus, the following hypothesis is proposed:

H3: Leader resilience determinants significantly influence DMIC of SMEs.

Absorptive Capability

Absorptive Capacity (AC) is described by Cohen and Levinthal (1990) as a firm's ability to perceive new value and external information, assimilate it, and use it for commercial purposes. Organizations must acquire, integrate, transform, and utilize new information in order to do so (Cohen & Levinthal, 1990). In the new era of digital technology, Müller et al. (2021) indicated that the dimensions of potential absorptive capacity focus on acquisition and assimilation, while absorptive capacity focuses on transformation and exploitation. Therefore, organizational agility occurs only in reaction to environmental changes, while absorptive capacity is more likely constant. Previous studies by Aboelmaged and Hashem (2019) reaffirmed that the capacity of leaders to absorb internal and external information sources has a significant impact on the success of innovation processes. Academics have attempted to propose a process of innovation assimilation by firms (Omenugha, 2018; Stylos et al., 2021) where the assimilation process includes acquisition of knowledge (Müller et al., 2021), operational absorption and collaborative innovation network (Benhayoun et al., 2020), do-it-yourself behavior model (Ritz et al., 2019), increasingly evolving in new technological frontiers (Omenugha, 2018), and observing and

comparison between firms (Müller et al., 2021). Based on this theoretical review, the following hypothesis is proposed:

H4: Absorptive capability significantly influences DMIC of SMEs.

Marketing Innovation Performance (MIP)

Marketing Innovation Performance (MIP) is related to the achievement of established marketing objectives by utilizing innovative ideas, practices, and technological relevance (D'Attoma and Leva, 2020). Although previous research attempted to propose a framework of firm and innovation measurement (i.e., both tangible and intangible assessment) in this regard, the current study focuses on dynamic capabilities that aid in the creation of new marketing capabilities capable of grasping the firm's capacity to feel the market and figure out various methods to rearrange existing resources accordingly. Thus, internal marketing resources are aligned with the dynamism of the external environment using dynamic marketing capabilities (Aboelmaged & Hashem, 2019). For this reason, the two hypotheses are posited as follows:

H5: Organizational agility significantly influences marketing innovation performance.

H6: Absorptive capability significantly influences marketing innovation performance.

Based on above discussion, the research conceptual framework for exploring the determinants affecting DMIC of SMEs was developed along with the investigation of the relationship between DMIC and MIP. Therefore, the last hypothesis together conceptual model framework (See Figure 1) are proposed as following:

H7: Digital Marketing Innovative Capability significantly influences marketing innovation performance

Conceptual Framework and Hypothesis Development

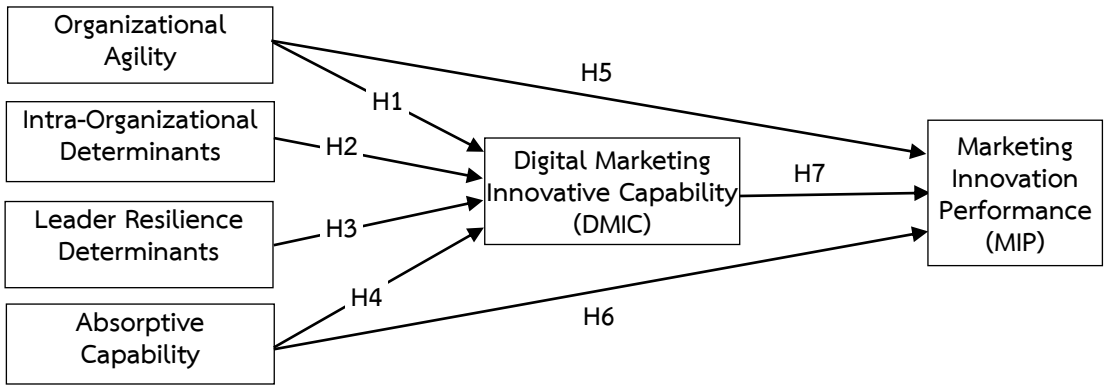

Figure 1 The proposed conceptual framework

Research Methodology

With regards to the scope of study, the original proposed conceptual framework contains six main constructs, namely, organizational agility (OA), intra-organizational determinants (IOD), leader resilience determinants (LRD), absorptive capability (AC), digital marketing innovative capability (DMIC), and marketing innovation performance (MIP). The current study considers several theoretical gaps that have arisen in the literature. This could be because, first, DMIC reflects the multidimensional nature of boundaries and processes, resulting in an indistinct term with no agreed-upon dimensions. Second, due to the complexity of innovation and business performance of rural SMEs with a lack of the holistic conceptual framework of DMIC, not all of the determinants of DMIC have been thoroughly investigated. Therefore, this research aims to explore the determinants influencing DMIC towards MIP in SMEs, which draw on the theoretical concepts of organizational agility, intra-organizational determinants, leader resilience determinants, and absorptive capacity to deepen and better understand DMIC at business level and marketing innovation performance in the SMEs context.

According to the population and sampling, the survey comprised SMEs in Phitsanulok (i.e., the type of business mainly includes retail, wholesale, and service businesses). A self-administered questionnaire was distributed using purposeful sampling as established by a preliminary screening question (i.e., for businesses that have had marketing program systems or engage in social media, mobile apps, or even digital platforms). Only those participants who answered "yes, we have it" to the question were allowed to take part in the survey. As a consequence, the findings of the samples were typical of the population of roughly 1,284 enterprises based on the reported (CGD, 2021). The closed-end questionnaire used in data collection was used to measure factors and gather data for participants (on informants per firm) who were already engaged with SM presence and had at least one SM marketing system in their firm (i.e., e-CRM, e-Payment, e-Booking, online web-services). Participants included business owners and managers who take responsibility for their decisions and actions to uptake marketing activities and new technology.

The survey instruments were designed following a complete analysis of current literature related to the issues (Melovi et al., 2020; Müller et al., 2021; Saura, 2021). A five-point Linkert scale was adopted to measure the main scales from low to high (strongly disagree to strongly agree: 1–5), and an expert panel examined the survey items for substance, scope, and suggested variables to assure the validity of quantitative research. Before survey administration, it was

preliminary tested by academics and experts in the areas of this study. Finally, 212 of the 1,284 SMEs contacted replied to the survey (conducted during September 2020 to January 2021), resulting in a 16.5 percent response rate. Also, 164 were included in the final sample because data was missing or incomplete in the other 48 questionnaires.

Results

The respondents revealed, on average, between 1 to 5 years of business operation, while the average experience of SM usage by respondents was between 1 to 5 years also. The sample covers 125 decision makers (76.02 %) at top management level, was mostly business owner of the SMEs within the sample. Furthermore, both Food and beverage, and Retails and wholesale, were shown as a majority of respondents' business approximately 66 % in which over 80 % of respondents indicated that the type of business was business to customer (B2C) as shown in the sample at Table 1.

Table 1 Descriptive Results

Respondent position	**N**	**%**
Business owner	125	76.20
Manager	39	23.70
Overall	**164**	**100**
Type of business	**N**	**%**
B2C	133	81.09
B2B	21	12.80
Others (e.g. B2C and B2B)	10	6.11
Overall	**164**	**100**
Age of business operation	**N**	**%**
Between 1-2 years	56	34.16
3 – 5 years	64	39.02
6 – 10 years	18	10.97
More than 10 years	26	15.85
Overall	**164**	**100**

Industrial sector	**N**	**%**
Food and beverage	58	35.37
Retails and wholesale	50	30.49
Tourism and hospitality	16	9.76
Finacial services	12	7.32
Manufacturing	10	6.09
Argriculture	9	5.48
Education	5	3.05
IT and media	4	2.44
Overall	**164**	**100**
Experience of SM usage	**N**	**%**
Less than 1 year	26	15.85
1 – 5 years	128	78.06
More than 5 years	10	6.09
Overall	**164**	**100**

Table 2 shows the results of measurement model in including evaluation criteria suggesting by (J. Hair et al., 2006) which observable variables correspond to latent variables that may be measured theoretically. According to Fornell and Larcker (1981), three criteria must be estimated to determine the validity and constituency of each construct, including the Loading Factor (LF), Average Variance Extracted (AVE), and Composite Reliability (CR). Internal consistency reliability was tested by using Composite Reliability (CR) (greater than 0.6 (Urbach & Ahlemann,

2010) and Cronbach's alpha coefficient (α) where a threshold of over 0.7 was applied (Nunnally, 1978). Meanwhile, convergent validity the lowest values of AVE of each construct are greater than their lowest acceptable values which are 0.5 as suggested by Gefen and Straub (2005) and LF should be greater than 0.5 (J. Hair et al., 2006; J. F. Hair et al., 2012).

Table 2 Measurement Model Results

Constructs	Items	Convergent validity		Internal consistency reliability	
		Loading Factor	AVE	Cronbach (α)	CR
Marketing Innovation Performance (MIP)	MIP_1	0.727*	0.625	0.810	0.826
	MIP_2	0.745**			
	MIP_3	0.824**			
Digital Marketing Innovative Capability (DMIC)	DMIC_1	0.796**	0.689	0.775	0.922
	DMIC_2	0.849**			
	DMIC_3	0.887**			
Organizational Agility (OA)	OA_1	0.612	0.741	0.734	0.904
	OA_2	0.653			
	OA_3	0.698*			
Intra-Organizational Determinants (IOD)	IOD_1	0.602	0.735	0.825	0.886
	IOD_2	0.636			
	IOD_3	0.612			
Leader Resilience Determinants (LRD)	LRD_1	0.684*	0.816	0.836	0.842
	LRD_2	0.655			
	LRD_3	0.687*			
Absorptive Capability (AC)	AC_1	0.797**	0.638	0.796	0.908
	AC_2	0.746*			
	AC_3	0.618			

A *p* value < .05 was taken to be significant as followed: ** p < .05, and **p < .01*

Table 3 Correlation Coefficients Matrix

Constructs	1	2	3	4	5	6
(1) MIP	1					
(2) DMIC	.19*	1				
(3) OA	-.16*	-.09	1			
(4) IOR	.28**	.17*	.06	1		
(5) LRD	.15	.10	.11	.09	1	
(6) AC	.29*	.14*	.02	*N/A*	*N/A*	1

N/A= Not Applicable, and A *p=value: **p < 0.01 and *p < 0.05*

Also, Harman's single factor test was utilized to show that common method variables' bias did not affect the results (Podsakoff & Organ, 1986), and the overall variance findings were less than 50%, as indicated by previous research (Dupuis et al., 2017). Table 2 summaries the results for the measurement model including the results confirming of a number of items for each construct. Table 3 shows the correlation matrix across all components, which shows discriminant validity of the scale items, as stated by Bagozzi et al. (1991). The data is displayed as the square root of the average variance retrieved, along with the p-value output. Finally, the result shows the model fit that was relatively satisfactory after analyzing the measurement using nine constructs based on the cut off criteria for fit index suggested by prior academics as follows: Chi-square ($\chi 2$) = 442.546, df = 84, p-value = 0.000, CMIN/df = 2.015, GFI=0.846, RMSEA= 0.087, NFI = 0.961, TLI=0.985, CFI=0.953)(J. Hair et al., 2006; Hooper et al., 2008; Hu & Bentler, 1999; Schermelleh-Engel et al., 2003) (See Figure 2).

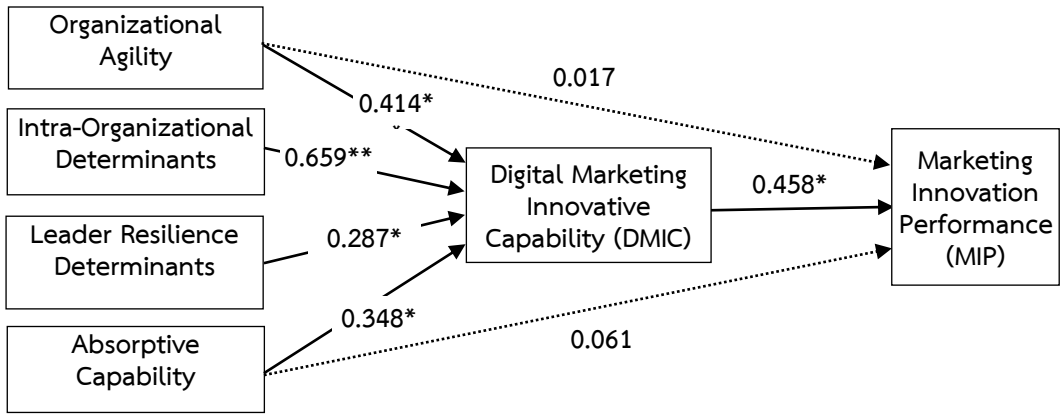

Figure 2 Results of the Analysis

Hypotheses Testing

The significance of the path coefficients and the (R2) variance for the dependent variable were used to test the structural model. According to Table 4 and Figure 2, the significance of the paths was determined using the t-statistical test calculated using the bootstrapping technique. The results confirm the relationship between proposed determinants and the DMIC. Specifically, Table 4 shows the results for the hypothesis testing, which indicate significance in the five hypotheses' relationships. The outcomes supported the hypotheses regarding the relationship between –organizational agility and DMIC (β = 0.414, t-value= 12.846, p<0.01), intra-organizational determinants and DMIC (β = 0.659, t-value = 11.786, p< 0.01), leader resilience

determinants and DMIC (β = 0.287, t-value = 6.018, p< 0.05), and absorptive capability and DMIC (β = 0.348, t-value = 7.225, p< 0.05). Hence, the findings support H1 to H4 and answer the main research question. Meanwhile, there were no direct relationship among organizational agility and absorptive capability towards MIP that was reported. Hence, H5 and H6 were rejected. Finally, as expected, DMIC was found to have significant positive impact on MIP (β = 0.458, t-value = 6.598, p< 0.05). Therefore, H7 was supported. **Figure 2**, also demonstrates outcomes for the path model.

Table 4 Results of Hypotheses Analysis

Hypotheses/statistics		Beta (β)	*t*-Value	*p*-Value	Decision
H1:	Organizational Agility → DMIC	0.414	12.824**	0.002	Supported
H2:	Intra-Organizational Determinants → DMIC	0.659	11.786**	0.008	Supported
H3:	Leader Resilience Determinants → DMIC	0.287	6.018*	0.048	Supported
H4:	Absorptive Capability → DMIC	0.348	7.225*	0.064	Supported
H5:	Organizational Agility → MIP	0.017	4.325	0.317	Rejected
H6:	Absorptive Capability → MIP	0.061	2.659	0.614	Rejected
H7:	DMIC→ MIP	0.458	6.598*	0.082	Supported

*Note: Critical t-values. * p<0.05, **p<0.01, and ***p<0.001*

Discussion

By acknowledging the strategic and operational digital marketing challenges of Phitsanulok SMEs during these turbulence times, the study provides empirical insight into the determinants supporting the progress of marketing capabilities towards their performances. The findings suggest that the antecedents of digital marketing innovative capabilities (DMIC) comprise organizational agility, intra-organizational determinants, leader resilience determinants, and absorptive capability. Such determinants support DMIC, which has an influence on innovation performance. All these findings can answer the first research objective of this study. Furthermore, to answer the second research objective, further analysis of the relationships among such constructs was conducted. The findings suggest a positive relationship between organizational agility and DMIC, which is consistent with the findings of some previous studies (AlTaweel & Al-Hawary, 2021; Giacosa et al., 2021; Moi & Cabiddu, 2021; Troise et al., 2022). Specifically, organizational agility requires a delicate balance between stability and dynamism to help organizations develop new marketing capabilities. Agility in this context refers to a

business's ability to respond to new risks in its business environment in terms of strategy, structure, process, and people level.

Additionally, the present study found intra-organizational determinants to have a positive effect on DMIC. This suggests that a new innovative process to create a unique learning experience (self-learning mechanisms) helps SMEs generate data and analyse their own marketing processes, and activities. In line with prior studies conducted by Villani et al. (2021) and Caseiro and Coelho (2019), indicating that knowledge-based networks are important for service innovation and that business intelligence capacities have an impact on network learning, innovativeness, and performance.

Leadership resilience and absorptive capability were also found to impact marketing innovation performance through the development of DMIC, which is in line with the previous research conducted by Naqshbandi and Jasimuddin (2018), who pointed out that higher levels of knowledge-oriented leadership can lead to enhanced new innovative knowledge capability and improved open innovation outcomes. Meanwhile, absorptive capacity is a strong predictor of sustainable capabilities and innovation adoption (Aboelmaged & Hashem, 2019). This study suggests that on-the-job training, ground-breaking activities, individual and cross-functional activities, steep learning curves, observed rivals, and the process of merging previous knowledge with newly acquired and assimilated knowledge may be beneficial. All of these activities can lead to R & D investment (da Costa et al., 2018).

However, some of the present study's results are not in line with previous studies that found organizational agility and absorptive capabilities have directly impacted on marketing innovation performance (Aboelmaged & Hashem, 2019; Cohen & Levinthal, 1990; da Costa et al., 2018; Müller et al., 2021). This could be because Thai SMEs located in rural regions are considered to utilize labor-intensive production and service techniques. The absence of best practices and business cases for proper innovation implementation were non-complex, patchy, and relatively superficial without strategic planning and a framework of technology support.

Based on the overall discussion, all findings imply that common vision and customer orientation are associated to strategic agility. Cross-functional teams, empowered decision making, acquiring external knowledge, people related to mentoring and coaching, test and learn, agile culture, processes related to agile culture management, and technology associated with collaboration tools are all discussed at the structural level. Such capabilities lead to marketing innovation performance at the strategic, managerial, and operational levels of SMEs.

Conclusion and Implications

The present study explores determinants influencing DMIC in SMEs. Proposing the constructs for investigation based on relevant theories, using data from 164 Phitsanulok SMEs for analysis based on structural equation modelling analysis. The results show that organizational agility, intra-organizational determinants, leader resilience determinants, and absorptive capability are predominant factors and had a significant influence on digital marketing innovative capability, leading to marketing innovation performance. However, organizational agility and absorptive capability have not shown positive results in marketing innovation performance directly. In addition, there are three level contributions to this empirical study:

At a practical level, the findings of this study have relevance for academics and practitioners as well as SME owners-managers who are engaging with digital marketing technologies and are in the process of adopting new technologies supporting the existence of a marketing strategy. This study is the first attempt to explore the factors that have impacted on the development of innovative marketing capability.

At a policy level, SME policymakers can identify their strengths and essential capabilities and link them to the work requirements based on research findings. This leads to the proficient crafting and execution of SME strategies that are creative solutions to complex problems. As a result, SME strategies that are inventive answers to complicated challenges are expertly crafted and executed.

At a theoretical level, the present study confirms theoretical and empirical findings showing that absorptive and dynamic capabilities, including human capital and innovation, by which SMEs acquire, assimilate, transform, explore, and exploit new technology, are crucial to providing a new outlook and theoretical lens on digital marketing innovative capability, drawing from current and previous researched local markets and defining new marketing innovation perspectives in the context of SMEs in developing countries.

Limitations and Future Research

This study acknowledges several limitations concerning the methods and findings. First, the findings will be constrained by the subjective, self-reported character of the data from a single respondent. Thus, further studies should increase the number of samples, such as other stakeholders' perspectives and focus on specific industrial sectors. Second, the study's concentration on a single developing country may restrict the findings' applicability to other

nations. Third, while construct reliability and validity were experimentally assessed in this data set, more confirmatory investigations are required to validate the results' external validity; Fourth, testing path models by integrating moderator and mediator factors relevant to the present study (i.e., age of business operation, business sectors, digital technology usage experience, and so forth) along with testing the relationship of such proposed variables is recommended. It is important to gain a deep insight into the research topic, therefore, qualitative data collection techniques should be conducted in future research as well. According to the findings, it can be stated that the development of intra-organizational agility, resilience, and absorptive capabilities are crucial factors for SMEs to create their own innovative capabilities. Thus, investigation into the governance policies that enhance the development of such capabilities should be conducted through future studies.

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