






"The role of SMES' market orientation in developing countries: a general investigation in four countries"

AUTHORS	Farika Nikmah  https://orcid.org/0000-0001-8145-3033
	Sudarmiatin  https://orcid.org/0000-0003-1411-8870
	Cipto Wardoyo  https://orcid.org/0000-0002-8319-1716
	Agus Hermawan
	Budi Eko Soetjipto  https://orcid.org/0000-0002-1170-2986
ARTICLE INFO	Farika Nikmah, Sudarmiatin, Cipto Wardoyo, Agus Hermawan and Budi Eko Soetjipto (2020). The role of SMES' market orientation in developing countries: a general investigation in four countries. <i>Innovative Marketing</i> , 16(4), 1-12. doi: 10.21511/im.16(4).2020.01
DOI	http://dx.doi.org/10.21511/im.16(4).2020.01
RELEASED ON	Tuesday, 03 November 2020
RECEIVED ON	Thursday, 21 May 2020
ACCEPTED ON	Wednesday, 07 October 2020
LICENSE	 This work is licensed under a Creative Commons Attribution 4.0 International License
JOURNAL	"Innovative Marketing "
ISSN PRINT	1814-2427
ISSN ONLINE	1816-6326
PUBLISHER	LLC "Consulting Publishing Company "Business Perspectives"
FOUNDER	LLC "Consulting Publishing Company "Business Perspectives"



NUMBER OF REFERENCES

58



NUMBER OF FIGURES

0



NUMBER OF TABLES

1

© The author(s) 2025. This publication is an open access article.



BUSINESS PERSPECTIVES



LLC "CPC "Business Perspectives"
Hryhorii Skovoroda lane, 10,
Sumy, 40022, Ukraine
www.businessperspectives.org

Received on: 21st of May, 2020

Accepted on: 7th of October, 2020

Published on: 3rd of November, 2020

© Farika Nikmah, Sudarmiatin, Cipto Wardoyo, Agus Hermawan, Budi Eko Soetjipto, 2020

Farika Nikmah, Mgr., Department of Business Administration, State Polytechnic of Malang, Indonesia (Corresponding author).

Sudarmiatin, Mgr., Dr., Professor, Faculty of Economic and Business, Department of Doctoral Program, State University of Malang, Indonesia.

Cipto Wardoyo, Mgr., Dr., Faculty of Economic and Business, Department of Doctoral Program, State University of Malang, Indonesia.

Agus Hermawan, Mgr., Dr., Faculty of Economic and Business, Department of Doctoral Program, State University of Malang, Indonesia.

Budi Eko Soetjipto, Mgr., Dr., Professor, Faculty of Economic and Business, Department of Doctoral Program, State University of Malang, Indonesia.



This is an Open Access article, distributed under the terms of the [Creative Commons Attribution 4.0 International](https://creativecommons.org/licenses/by/4.0/) license, which permits unrestricted re-use, distribution, and reproduction in any medium, provided the original work is properly cited.

Conflict of interest statement:

Author(s) reported no conflict of interest

Farika Nikmah (Indonesia), Sudarmiatin (Indonesia), Cipto Wardoyo (Indonesia), Agus Hermawan (Indonesia), Budi Eko Soetjipto (Indonesia)

THE ROLE OF SMEs' MARKET ORIENTATION IN DEVELOPING COUNTRIES: A GENERAL INVESTIGATION IN FOUR COUNTRIES

Abstract

SMEs are limited in their business development. This study is built on previous research conducted in four developing countries (Nigeria, South Africa, Turkey and India). It is difficult to access a bank to get a loan, they have no understanding of how to produce quality products or services, and they have no awareness to get used to learning; these are the problems faced by SMEs.

The goal of this study is to find out market-oriented strategies to achieve performance in SMEs that are often ignored because they are too expensive. Review papers were used in order to get the stated aim.

This study found out that market orientation is not carried out by most SMEs. There are high investment costs for this. Market orientation cannot always guarantee the success of their business. Problem solving was chosen as a strategy in an effort to make market orientation roles more visible, like easy access to finance, awareness of the quality of products and services they produce, and the habit of continuing to learn. The government, along with SME owners and other interested parties, makes some appropriate formulations to strengthen the position of SMEs as a driving force of the economy. It was concluded that SMEs must obtain special policies regarding the ease of financing from banks, availability of training organized by the government to raise knowledge of quality and awareness to always learn, and enabling SMEs to compete with large companies.

Keywords

marketing strategy, performance, SMEs, micro business, economic growth, developing countries

JEL Classification

M21, M31, N85, N87

INTRODUCTION

Small and medium enterprises (SMEs) are a type of business unit that plays a big role in influencing the economic condition of the country. Most SMEs work in the informal sector, which forces them to have some constraints in their performance compared to large companies. They have to implement certain strategies that can help them survive in the market. One of them is applying market orientation. Market orientation itself is important to reduce risk of failure due to uncertain market conditions. Therefore, this study aims to examine the influence of market orientation on SMEs in developing countries (Nigeria, South Africa, Turkey and India) to ensure that market orientation affects the performance of SMEs.

Small and medium enterprises (SMEs) play an important role in overcoming the problem of unemployment, considering that SMEs are the backbone of a country's development. SMEs always represent a model of economic development, which emphasizes high contribution to domestic production and job creation (Uma, 2013).

It is important to explore the role of market orientation in supporting the performance of SMEs. In developing countries, SMEs play a significant role in the economy because they can increase income per capita and absorb labor. Despite the obstacles to implementing market orientation for SMEs, this should still be done as an attempt by SMEs to reduce the risk of failure due to the high uncertainty of market conditions.

This study examines the role of market orientation in SMEs, where there is an assumption that market orientation can only be performed by large companies. Based on the results of previous several papers, the attempt was made to explore the extent to which market orientation plays a role in the performance of SMEs. It was found that there were papers, which included a moderating variable of the relationship between market orientation and performance to cover the limitations of SMEs. This is a novelty of this research.

The relevance of this research is based on the similarity of previous empirical studies with researchers' allegations that SMEs do not implement market orientation because they are constrained by funds, human resources, IT, etc. Thus, the formulation of the problem in this study is how market orientation is applied by SMEs by providing a catalyst for several variables that support its implementation, with an analysis based on previous research. This study is expected to be continued by researchers not only based on review papers but also on field studies with many respondents.

Given the role of SMEs as a main economic source, it is underlined that future macroeconomic conditions will be more resilient in facing unpredictable global market conditions. In addition, pro-SME policies are expected to focus on assistance in channeling capital and marketing, both of which are major obstacles to the growth of SMEs. SMEs only focus on product orientation, not on market orientation. Lack of the market orientation mindset makes SMEs unable to develop their business properly and stagnate (Rahardjo & Sirait, 2009).

There are several factors behind the development of SMEs, such as the idea of one-way empowerment, which means that they still depend on government assistance in developing their businesses without direct participation. The development plan is still a short-term plan that does not include strategic efforts such as increasing knowledge and work culture in order to gain a higher competitive advantage in a business environment that has fast turbulence. One of the efforts that can be made to solve this problem is to change their way of thinking from product orientation to market orientation by implementing an organizational culture that focusing on understanding the market (market-oriented culture).

All SME development leads to the achievement of good performance and directly influences dynamic strategies and other success factors such as: commitment, good support, strong management systems, ability to develop and sustain business continuity; using the right strategic approach, identifying capabilities and focus on market orientation; vision and having leadership and good relationships with customers. Market orientation is the key to SME development, but so far there have been only a few studies examining how market orientation supports SME performance, whereas market orientation can provide information that can be used to maximize the SMEs' potential.

1. LITERATURE REVIEW

The following section briefly describes the theory to provide a deeper understanding of the market orientation applied to SMEs. Market orientation is a process of activities that correlate with efforts to obtain consumer satisfaction while still paying

attention to the increasingly consumptive needs and desires of the market (Uncles, 2000). Market orientation is a perspective that places customers as the focus in all business activities (Cravens & Piercy, 2010). Market orientation is a smart strategy related to customer needs. In the future, the information required is not only about customer

needs and preferences, but also influenced by exogenous factors such as competition and regulation (Kohli & Jaworski, 1990). On the other hand, market orientation is the most effective and efficient organizational culture in creating the necessary behavior that can foster superior valuation for customers. This perspective concentrates on organizational norms and values that promote consistency of market orientation (Narver & Slater, 1990).

Market orientation affects performance. Several studies mentioned that it affects the performance of SMEs (Rogo et al., 2017; Dubihlela & Dhurup, 2013; Demirbag & Koh, 2006; Keskin, 2006; and Yadav & Tripathi, 2014). Company performance is described as the company's ability to manage available resources to provide value to the company. By knowing the performance of the company, one can measure the level of efficiency and level of productivity of the company, as well as find out how far the company is growing. Company performance is the emergence of a company as a whole within a certain period of time as a result of being influenced by operational activities in utilizing available resources. Performance is a general term to refer to half or all of the activities of an organization in a certain period based on many standards such as previous or projected costs based on efficiency, management responsibility or accountability (Srimindarti, 2004).

Rogo et al. (2017), Dubihlela and Dhurup (2013), Demirbag and Koh (2006), Keskin (2006), and Yadav and Tripathi (2014) show that there is a positive and significant relationship between market orientation and performance of SMEs. Each study contributes to developing the knowledge and advantage for the society. There are some indicators used to measure the performance based on the previous study. Among several studies presented in this paper, the research was selected based on the similarity of research objectives, examining the relationship of market orientation to SMEs performance, both directly and indirectly, with several moderating variables.

Rogo et al. (2017) added a moderate variable, namely, Access to Finance (AF), in the relation of Total Quality Management (TQM) and Market Orientation (MO) toward SMEs performance. The reasons for the additional variable are, first,

there are only few number of previous studies that use AF as a moderate variable in the relationship between TQM and MO toward SMEs performance, so it was found to be necessary. Second, based on a research finding mentioned, there is a research gap of the relationship between TQM and AF toward SMEs performance. Some studies reveal a positive relationship between TQM and MO toward SMEs performance, while others find a negative relationship. Thus, this study adds AF as a moderator since the implementation of TQM and MO is costly (Abdollahi et al., 2014).

A research on SMEs done in Nigeria finds that SMEs in Nigeria absorb a lot of workers, which forces them to play an essential role in the economic sector. However, they also entail some obstacles on the operating process. One of the obstacles is finance or capital since SMEs commonly use their own capital to start the business (Egbuomwan et al., 2012); (Adelekan et al., 2016). The importance of AF discussed in this research is based on Shariff and Aminu (2015), Fowowe (2017), Angela (2014), and Woldie and Thomas (2018).

Besides the role of TQM, MO and AF, this study also explains the resource-based view of SMEs who see resources as valuable, rare, and difficult to imitate and substitute, which is also a determinant of SMEs' performance and competitive advantage. The conceptual framework of this study describes that AF contributes to the relationship between TQM and MO toward SMEs performance as a moderating variable. However, this study was completed on the conceptual framework only, so it is hoped and suggested to develop it: (1) if the framework of the model is classified as valid, then the finding of this model gives a lot of new important knowledge for business owners, managers and business practitioner about the significant role of TQM and MO in increasing the SMEs' performance; (2) it can be used by another owner/ manager to improve the performance through Access to Finance (increasing the market share, product quality, selling and margin for the profit and per capita income); (3) AF regenerates the relationship between TQM, MO and SME performance. This result implies that having an effective financial model creates a great opportunity for increasing SME performance.

Dubihlela and Dhurup (2013) consider the SMEs' contribution to developing the economic sector, apart from absorbing workers. An SME acts as a new company, produces new innovative products, it is a dynamic and flexible business form (Tambunan, 2011). In South Africa it was estimated that 91% of the business in the country is in terms of SMEs, and 80% of the country's income is also from SMEs. In addition, SMEs in South Africa not only play the role in reducing poverty, but also in terms of health and crime reduction.

The limited number of studies about implementing market orientation in SMEs is the base for conducting this research, since most studies talk about its implementation in big companies. Another reason is that many SMEs in Africa have found it difficult to develop their businesses; some have even gone bankrupt, due to the neglect of the market orientation as the key to success in a marketing strategy and performance. Most SMEs in South Africa are unaware of the importance of market orientation to achieve the performance goal (Kumar et al., 2011). Thus, the main reasons of this study are: filling the gap caused by the limited number of studies related to the topic and analyzing the possibility of implementing market orientation in SMEs in other developing countries, which have similar conditions with South Africa.

Research conducted by Demirbag et al. (2006) is based on the assumption that the implementation of TQM and MO is done to complete each other (Samat et al., 2006; B. A. Martin & J. Martin, 2005). The fact that there are limited previous studies discussed the topic, especially SMEs as the research object, motivated this study to be conducted in order to give suggestions related to implementing TQM and MO toward SMEs, since SMEs play a great role in the economic condition and give advantage in solving the problem in a highly uncertain business environment.

This research was done in a textile industry in Turkey, which consists of 500 SMEs. The reason for choosing the textile industry is that it contributes high income to Turkey through the export sector. Although this study is justified by the fact that it concerns only one particular type of business and, therefore, the result of the study cannot be generalized, it can be confirmed that this

study has high validity level apart from taken only one type of business. However, this business has a diverse production environment with different kinds of products.

The result of this study shows that market orientation (MO) affects performance, both directly and indirectly, the indirect way is through TQM that was found to have a stronger influence. This study offers some managerial implications for SMEs. First, though MO is supposed to emphasize marketing literature, it cannot lead to better performance of SMEs in a developing country. But if MO is competed with TQM, then it can offer better performance. Therefore, SMEs should consider TQM as a management tool to facilitate the increase in the organization performance in a dynamic situation. Second, TQM tends to act as a catalyst in changing programs. While MO needs a top-down approach, TQM acts more as a bottom-up approach in order to complete changes in market orientation. SMEs that apply market orientation have a tendency to have less recognition on the performance increase (especially financial performance), but when TQM is implemented along with the successful MO, the financial performance is better achieved. It implies that TQM, which covers data, report quality, top management role, employee relationship, supplier management quality, training, top management policy, and all management process plans, is managed and controlled by SMEs to improve competitiveness.

The research finding is also important to support the SME strategic plan. A program to improve the standard quality may probably be improper to support the excellent working performance that is flourishing. Given the dynamic organizational environment that commonly occurs in a developing country, the implementation of TQM is likely to not only improving the product quality, but also the quality of using information collected through MO. It can help SMEs plan flexible strategies to face the global competition.

Research by Keskin (2006) was done using the limited literature about the procedure of market orientation (MO), learning orientation (LO) and innovation implementation in SMEs. Most literatures discuss: (1) the study of MO and LO implemented in developed countries such as the USA and the

UK. If MO and LO are successfully implemented in big companies of those country, it is assumed that MO and LO can be implemented in different types of business environment such as Turkey, even though Turkey is not yet assumed as a developed country; (2) studies about MO and LO mostly done in big companies with 250 people or more, whereas MO and LO in SMEs are also an interesting topic. Since SMEs are considered as informal and unstructured, it is based on the leading style of an owner, short life of business and has many obstacles during the process; (3) empirical studies about MO, LO and innovation in SMEs done separately, such as MO and performance (Neneh, 2016); LO, firm growth and innovation (Anderson & Eshima, 2013; Tehseen & Sajilan, 2016), innovation and performance (Ismail & Alam, 2019). So, there are only a limited number of works that examine MO, LO and innovation and performance as an integrated learning model for SMEs.

In addition, to examine a direct relationship between MO and SME performance, this study also uses an indirect testing between market MO and SME performance. The mediating variables used are LO and innovativeness. It was done for 157 SMEs in Turkey; the respondent were managers from the manufacturing industry, construction, textile, food, chemical, transportation and electronic sectors, in which each industry has the maximum number of employees – 250 people.

This study proposed three things. First, testing the mixed effect of MO and LO on innovativeness and SME performance. The results show that LO has a higher effect on the SMEs' innovation and performance. At the same time, MO is needed to have effective LO. In conclusion, MO is customized with the LO to have better SME performance. Second, this study was conducted in a developing country, the east Turkey, that is close to Asia. Some steps were chosen, namely, market orientation, learning orientation, and innovation that are made based on the western perspective. But the result shows that it is reliable and valid. The step was chosen, since it is necessary to have a global perspective of developing SMEs, instead of having the ethnocentric perspective. Third, the study has explored new fields of SMEs, namely: social knowledge network, human connections to foster innovation, organizational memory, culture, and trust toward SMEs.

Yadav and Tripathi (2014) underline the important role of SMEs in supporting the economic growth of a developing country. The economy growth and development can be striven by doing some migration from the agriculture to product and service-based industry, which is assumed to be more appropriate to be done in SMEs. As mentioned previously, market orientation is commonly ignored by SMEs. This study also has a similar base. Market orientation needs great ability and many resources for implementation, so it is usually adopted by only big companies and neglected by SMEs since they do not see it as long-term investment. The fact that both big companies and SMEs need to implement market orientation to face the competition and the dynamic business environment cannot be ruled out.

The conceptual framework of this study is based on four main variables and three free variables, they are: customer orientation, competitor's orientation and inter-functional coordination that represent the structure of market orientation. And one more related variable is performance. The data were collected through a field survey using a structured questionnaire. The respondents were business owners/managers of all small manufacturers located in Agra and Firozabad cities, the north India. Both cities are well-known for its shoes and glass product manufacturing. From the direct survey, the respondents are both small and micro businesses.

The result of this study shows that market orientation is a significant predictor of performance. Therefore, in order to be successful, SMEs should focus on market orientation. Further, it is mentioned that performance and market orientation are related to each other in a strong and positive correlation. An SME is categorized as having good performance, if it focuses on customers and fulfilling the customer needs. However, simply fulfilling the need is not the key to success. Nowadays, in the consumerism era, a customer can compare one offer with another, therefore, in addition to only understanding the need, it is also necessary to understand the competitor. SMEs are expected to offer their customers a competitive cost along with the additional service in order to make the customers think their product is of great value and thus win the competition. But this requires inter-

nal reconstruction so that all departments are in good coordination.

Table 1 provides a brief explanation of each study.

Table 1. Brief explanation of previous studies

Research	Description
Rogo et al. (2017)	The relationship between market orientation and performance is tested in this study, including the TQM variable and access to finance as mediation, with the research objects of SMEs in Nigeria. This study also talks about resource-based view (RBV), agreeing that RBV can provide a competitive advantage by selecting resources that are scarce, unique and irreplaceable. The limitation of this research continues to be that it is a conceptual study.
Dubihlela and Dhurup (2013)	The study was carried out in South Africa, since many SMEs went bankrupt. The research was conducted to determine the obstacles faced by SMEs. It was found that the bankruptcy of SMEs was due to IT factors, centralization and departmental conflicts.
Demirbag et al. (2006)	This research was carried out in Turkish textile SMEs. TQM is involved as a mediating variable in the relationship between market orientation and performance. TQM and market orientation are complementary. TQM is bottom up and market orientation is top down. In the study it was stated that when TQM was added, the financial performance of SMEs increased.
Keskin (2006)	This study examines the relationship between market orientation and performance, by involving learning organization and innovation as mediating variables. This study was conducted at SMEs in Turkey. The real research objective was to answer the question of whether market orientation support for performance becomes stronger by the addition of organizational learning and innovation variables.
Yadav and Tripathi (2014)	The research was conducted in SMEs that produce shoes and glass products in India. The research states that the role of market orientation will be maximized if it focuses on customer needs.

2. GENERALIZATION OF THE MAIN STATEMENTS

In general, the attention to the SMEs' role is increasing. In developing countries, SMEs are seen as the gold mine of the economic growth, they contribute to the country's economic condition and income, absorb workers, automatically reducing unemployment and poverty, adjust health welfare, and reduce crime. It is a challenging endeavor that requires a new approach to accelerating the

growth of SMEs. A quantum leap is needed to raise the SMEs class to the level of large companies. SMEs leaders need to be given an understanding of the factors that drive SME performance.

According to the World Bank's analysis of the Climate Productivity and Investment survey, there are six factors that affect the performance of SMEs: application of innovation and technology, development of strategies, development of human resources, access to finance, access to markets, legal and regulatory environment. Strategy development is mentioned as one of the factors influencing SME performance. The development of strategies chosen by SMEs must be adapted to their competitive environment (Dyer & Singh, 1998). Market analysis strategies can reduce the risk of market vulnerability due to the competitive environment and developing technology (Pierre & Fernandez, 2018). Market orientation strategy can be chosen by SMEs to be ready to face market challenges and achieve the desired level of performance (Chernev & Kotler, 2014; Cravens & Piercy, 2010). Market orientation is a strategic focus on identifying consumer needs and desires in order to define new products to be developed. Financing is an obstacle for SMEs when implementing a market orientation strategy. Thus, several studies have found that market orientation will have a stronger impact on SME performance when accompanied with the involvement of the access to finance (Aminu, 2015; Kuntchev et al., 2014).

Another obstacle faced by SMEs is the application of TQM. TQM is a management strategy that emphasizes a continuous organization-wide effort to maintain quality customer service and satisfaction. TQM strategy is closely related to SME leaders (Ahmad et al., 2017; Demirbag & Koh, 2006; Yunoh & Mohd Ali, 2015). SME leaders often disregard the role of TQM because they prefer not to take risks and limit the strategy taken (Gay & Szostak, 2019). The next strategy also often forgotten by SMEs is learning orientation. SMEs' learning process plays a key role in SME performance (Keskin, 2006; Calantone et al., 2002). Whatever the source of knowledge and the capacity to absorb, it is essential to create a knowledge-based competitive advantage (Farrell & Oczkowski, 2002). SMEs' usual lack of qualified human resources can have a negative effect on their ability to absorb knowledge (Kok, 2003).

Based on the literature on SMEs developing market orientation, two characteristics of SMEs that can influence their market orientation strategies have been identified: the scarcity of resources and the leading role of the owner/entrepreneur. First, unlike large companies, SMEs have scarce resources. This lack of resources influences common activities (Rogo et al., 2017; Dubihlela & Dhurup, 2013; Demirbag & Koh, 2006; Keskin, 2006; and Yadav & Tripathi, 2014). Each SME requires different resources. The needs of SMEs can vary depending on the company and the environment. To accomplish this, SMEs must organize and optimize their internal processes such as learning orientation; however, doing this is very challenging for SMEs (Pierre & Fernandez, 2018). Another option could involve accessing the required resources externally by using partnership with banking service to get a capital loan and another interorganizational collaborations. Second, market orientation strategies are strongly influenced by SMEs' leaders (Baker & Sinkula, 1999). The leader of an SME is perceived as a main driver of the market orientation strategy, and it depends on the leader's vision of the SME.

This study explores the concept of market orientation for SMEs in developing countries. To achieve this, five papers were selected that discuss market orientation in SMEs. Review papers were chosen as a method of analysis. There is a lot of research that discusses the role of SMEs in developing countries, but only a few have found that these SMEs apply market orientation as their business strategy. There are still several studies that discuss market orientation strategies in SMEs, which makes it possible to discuss them in this study.

3. RESULTS AND DISCUSSION

All of the research above agrees that SMEs are suitable for growth in a developing country. Their main contribution is in increasing the per capita income. SMEs are attracting so much attention from the global world since they play a vital role in the economic growth (Kadir et al., 2014). They also act as a sector that can provide jobs (Shehu & Mahmood, 2014). An employee of an SME is a valuable, rare and original resource, which, in terms of the resource-based theory perspective, is usually called micro level behavior.

One of the aspects that influence the SMEs performance is the market orientation, but so far only a big company pays attention to this (Keskin, 2006; Hinson & Mahmoud, 2011). In the era of consumerism, customers easily compare one offer with another, so it is expected that SMEs to behave like a big company understand their customer's needs and their competitors. Besides, they also insist on additional cost at a competitive price to be recognized by customers in order to get better value.

Though it is important to know market orientation, its implementation is a different case, since there are some obstacles to do so (Kohli & Jaworski, 1990; Vieira, 2010; Zebal & Goodwin, 2012). Similar to what was mentioned in the study conducted in South Africa, it is found out that there are some obstacles: centralization and formalization, competitive intensity, inter-departmental conflict and technological turbulences. In the same study, it is also stated that market orientation is definitely important for the new growing SME that is facing the high dynamic environment.

Market orientation in some studies show a good contribution to the SMEs' performance if TQM is used as a mediating variable. This is so that market orientation needs a top-down approach and TQM needs a bottom-up approach, in which these two approaches can complement each other. By involving TQM in market orientation, the financial performance of SMEs will also increase, but it is necessary to remember that in implementing TQM, it does not simply need a product, but also an increase in the quality of technological information use. TQM will be able to help the SMEs design flexible and competitive strategies to be able to survive in the global era. In addition, it will encourage the SMEs' confidence in joining the competition along with an increase in terms of the number of SMEs involved in the global market. This leads to the fact that applying market orientation and TQM becomes inevitable.

Market orientation done by SMEs' owners can improve performance by contributing TQM (Rogo et al., 2017; Yunoh & Mohd Ali, 2015; Asif et al., 2013; Ployhart & Moliterno, 2011). The availability of TQM gives an input to the significant impact on the success of SMEs, both for an employee and an owner, and, as a result, it will be ben-

eficial for SMEs themselves (Ahmad et al., 2017; Dollinger, 1984; Rogo et al., 2017; Jabeen et al., 2014; Demirbag & Koh, 2006).

In other words, TQM is a holistic quality management approach that integrates all the functions in SMEs to create a product or a service that can meet the customers' needs and wants with better processing cost, faster, safer and more competitive. It involves all the SMEs' employees led by the essentially effective leading management (Agus & Hassan, 2011; Al-Dhaafri & Zien Bin Yusoff, 2013; Leavengood et al., 2014).

In addition to TQM, access to finance can also increase the performance of SMEs that finally directs them to give advantage for employees, SMEs' owners and the national economy (Roy, 2012). Thus, access to the valuable financial source of SMEs is essential and crucial (Aminu, 2015; Kuntchev et al., 2014).

Other studies explained that learning orientation and innovativeness are factors influencing SME performance, except market orientation and TQM

(Farrell & Oczkowski, 2002; Baker & Sinkula, 1999; Slater & Narver, 2014). These studies indicate that market orientation, learning orientation and innovativeness are highly correlated to SMEs' performances (Calantone et al., 2002; Hurley & Hult, 1998). One of the most important factors is synergizing between market orientation and learning orientation (Slater & Narver, 2014; Baker & Sinkula, 1999; Farrell M. A., 2000). These authors argued that market orientation only enhances performance when it is combined with learning orientation.

However, learning orientation requires a commitment to learning, sharing, openness and interorganizational knowledge, fosters a set of knowledge while questioning and enhancing values, leading to development through products, services, technologies, and new markets (Farrell, 2000; Slater & Narver, 2014). SMEs should be innovative in getting the competitive value since the limited resource is sensitive toward dynamic conditions and turbulences in the business environment (Keizer et al., 2002; Motwani & Dandridge, 1999).

CONCLUSION

Based on the theoretical and empirical analysis mentioned above, market orientation can directly and indirectly affect performance. The indirect influence occurs if there are mediated variables such as Total Quality Management (TQM), Access to Financing (AF), Learning orientation and Innovativeness. The availability of these variables forces market orientation to work better when influencing performance (the indirect impact is stronger than the direct one). All the studies above focus on SMEs with the small and micro scale in all aspects of business. Respondents range from managers to SMEs' owners and employees. The results of the study show that the influence of the variables gives suggestion or contribution to the performance of SMEs in financial and non-financial terms.

It is argued that a study in this field is important since it can provide benefits to the national economy, help reduce poverty, reduce unemployment, make SMEs less dependent on the government, and reinforce strong local wisdom that can prevent them from the dynamic market condition. It is hoped that there will be continuous research, developing a case, object and topic that can contribute to the development of SMEs in other field such as human resources, finance, marketing and production. They will help SMEs be more competitive with corporations, having their own uniqueness among their limits, without giving up the product outcome.

This study is not a field study that can provide high accuracy. It was conducted using review papers, and not many were found. The review papers examine only developing countries and most of them in Asia. Thus, the study is very limited, and it is hoped that further research can develop it both in terms of methodology and coverage of the research area and other more useful parts.

AUTHOR CONTRIBUTIONS

Conceptualization: Farika Nikmah, Sudarmiatin, Cipto Wardoyo, Agus Hermawan, Budi Eko Soetjipto.
 Data curation: Farika Nikmah.
 Formal analysis: Farika Nikmah.
 Funding acquisition: Farika Nikmah.
 Investigation: Farika Nikmah.
 Methodology: Farika Nikmah.
 Project administration: Farika Nikmah.
 Resources: Farika Nikmah.
 Supervision: Sudarmiatin, Cipto Wardoyo, Agus Hermawan, Budi Eko Soetjipto.
 Validation: Sudarmiatin, Cipto Wardoyo, Agus Hermawan.
 Visualization: Sudarmiatin, Cipto Wardoyo, Agus Hermawan.
 Writing – original draft: Farika Nikmah.
 Writing – review & editing: Farika Nikmah.

REFERENCES

1. Abdollahi, H., Razm, K., & Tan, H. R. (2014). TQM and market orientation's impact on SMEs' performance. *Management Science Letters*, 887-892. Retrieved from https://www.researchgate.net/publication/307734196_TQM_and_market_orientation's_impact_on_SMEs'_performance
2. Adelekan, S. A., Arogundade, S., & Dansu, O. (2016). Entrepreneurship and Economic Growth in Nigeria: Evidence from Small and Medium Scale Enterprises (SMEs) Financing using Asymmetric Auto-Regressive Distributed Lag. *Global Journal of Commerce & Management Perspective*, 43-50. Retrieved from <https://www.longdom.org/abstract/entrepreneurship-and-economic-growth-in-nigeria-evidence-from-small-and-medium-scale-enterprises-smes-financing-using-as-2783.html>
3. Agus, A., & Hassan, Z. (2011). Enhancing Production Performance and Customer Performance Through Total Quality Management (TQM): Strategies For Competitive Advantage. *Procedia Social and Behavioral Sciences*, 24, 1650-1662. <https://doi.org/10.1016/j.sbspro.2011.09.019>
4. Ahmad, M. F., Yin, J., Wei, C., & Rahman, N. A. B. A. (2017). The Relationship between TQM Practices with TQM Tools and Techniques in Small and Medium Enterprise (SMEs). *MATEC Web of Conferences*. EDP Sciences. Retrieved from https://www.researchgate.net/publication/321166617_The_Relationship_between_TQM_Practices_with_TQM_Tools_and_Techniques_in_Small_and_Medium_Enterprise_SMEs
5. Al-Dhaafri, H. S., & Zien Bin Yusoff, R. (2013). The Effect of Total Quality Management, Enterprise Resource Planning and the Entrepreneurial Orientation on the Organizational Performance: The Mediating Role of the Organizational Excellence – A Proposed Research Framework. *International Journal of Business Administration*. Retrieved from <http://www.sciedu.ca/journal/index.php/ijba/article/view/2259>
6. Aminu, I. M. (2015). *Mediating Role of Acces to Finance and Moderating Role of Business Environment on the Relationship Between Strategic Orientation Attributes and Performance of Small and Medium Enterprises in Nigeria*. Kedah: School of Business Management Universiti Utara Malaysia.
7. Anderson, B. S., & Eshima, Y. (2013). The influence of firm age and intangible resources on the relationship between entrepreneurial orientation and firm growth among Japanese SMEs. *Journal of Business Venturing*, 28(3), 413-429. <https://doi.org/10.1016/j.jbusvent.2011.10.001>
8. Angela, R. (2014). SMEs Sector Access to Finance: An Overview. *ResearchGate*, 431-437. Retrieved from https://www.researchgate.net/publication/227462778_SMES_SECTOR_ACCESS_TO_FINANCE_AN_OVERVIEW
9. Asif, M., Awan, M. U., Khan, M. K., & Ahmad, A. (2013). A model for total quality management in higher education. *Qual Quant*, 1883-1904. Retrieved from <https://link.springer.com/article/10.1007/s11135-011-9632-9>
10. Baker, W. E., & Sinkula, J. (1999). Learning Orientation, Market Orientation, and Innovation: Integrating and Extending Models of Organizational Performance. *Journal of Market-Focused Management*, 295-308. Retrieved from <https://link.springer.com/article/10.1023/A:1009830402395>
11. Calantone, R. J., Cavusgil, S., & Zhao, Y. (2002). Learning orientation, firm innovation capability, and firm performance. *Industrial Marketing Management*, 31(6), 515-524. [https://doi.org/10.1016/S0019-8501\(01\)00203-6](https://doi.org/10.1016/S0019-8501(01)00203-6)

12. Chernev, A., & Kotler, P. (2014). *Strategic Marketing Management Eight Edition*. USA: Cerebellum Press.
13. Cravens, D., & Piercy, N. (2010). *Strategic Marketing* (8th ed.). India: Mc Graw Hil.
14. Demirbag, M., & Koh, S. (2006). TQM and market orientation's impact on SMEs' performance. *Industrial Management & Data Systems*, 1206-1228. Retrieved from https://www.researchgate.net/publication/220672426_TQM_and_market_orientation's_impact_on_SMEs'_performance
15. Dollinger, M. J. (1984). Environmental Boundary Spanning and Information Processing Effects on Organizational Performance. *The Academy of Management Journal*, 351-368. Retrieved from <https://www.jstor.org/stable/255929?seq=1>
16. Dubihlela, J., & Dhurup, M. (2013). A Factorial Analysis Of The Barriers To Market Orientation Adoption Among Small And Medium Enterprises (SMEs) In A Developing Country. *International Business & Economics Research Journal*, 1331-1342. Retrieved from https://www.researchgate.net/publication/264853575_A_Factorial_Analysis_Of_The_Barriers_To_Market_Orientation_Adoption_Among_Small_And_Medium_Enterprises_SMEs_In_A_Developing_Country
17. Dyer, J. H., & Singh, H. (1998). The Relational View: Cooperative Strategy and Sources of Interorganizational Competitive Advantage. *The Academy of Management Review*, 660-679. Retrieved from <https://www.jstor.org/stable/259056?seq=1>
18. Evbuomwan, G. O., Okoruwa, & Akinyosoye. (2012). Preferences of micro, small and medium scale enterprises to financial products in Nigeria. *Journal of Agricultural Economics and Development*, 80-98. Retrieved from <https://www.semanticscholar.org/paper/Prefereces-of-micro%2C-small-and-medium-scale-to-in-Evbuomwan-Ikpi/15b280ff39823d0c27e013b207683e30a6e8012c>
19. Farrell, M. A. (2000). Developing a Market-Oriented Learning Organisation. *Australian Journal of Management*, 201-223. <https://doi.org/10.1177%2F031289620002500205>
20. Farrell, M. A., & Oczkowski, E. (2002). Are Market Orientation and Learning Orientation Necessary For Superior Organizational Performance? *ResearchGate*. Retrieved from https://www.researchgate.net/publication/225888593_Are_Market_Orientation_and_Learning_Orientation_Necessary_for_Superior_Organizational_Performance
21. Fowowe, B. (2017). Acces to finance and firm performance: Evidence from African countries. *Review of Development Finance*, 7(1), 6-17. <https://doi.org/10.1016/j.rdf.2017.01.006>
22. Gay, C., & Szostak, B. (2019). *Innovation and Creativity in SMEs: Challenges, Evolutions and Prospects*. John Wiley & Sons, Inc.
23. Hinson, R. E., & Mahmoud, M. (2011). Qualitative Insights into Market Orientation in Small Ghanaian Businesses. *International Journal of Marketing Studies*. Retrieved from https://www.researchgate.net/publication/49610973_Qualitative_Insights_into_Market_Orientation_in_Small_Ghanaian_Businesses
24. Hurley, R. F., & Hult, G. (1998). Innovation, Market Orientation, and Organizational Learning: An Integration and Empirical Examination. *Sage Publications, Inc. on behalf of American Marketing Association*, 42-54. Retrieved from <https://www.jstor.org/stable/1251742?seq=1>
25. Ismail, M. D., & Alam, S. (2019). Innovativeness and Competitive Advantage among Small and Medium Enterprise Exporters: Evidence from Emerging Markets in South East Asia. *The South East Asian Journal of Management*, 74-91. Retrieved from <http://journal.ui.ac.id/index.php/tseajm/article/view/9872>
26. Jabeen, R., Shehu, A., Mahmood, R., & Mata, B. (2014). TQM and Knowledge Management Impacts on SME Performance. *ResearchGate*, 23-43. Retrieved from https://www.researchgate.net/publication/313851985_TQM_AND_KNOWLEDGE_MANAGEMENT_IMPACTS_ON_SME_PERFORMANCE
27. Kadir, Hassan, Yusuf, & Abdulaziz. (2014). Poverty reduction through the ICT: Global system for mobile communication (GSM) perspective. *Journal of Economics and International Finance*, 211-215. Retrieved from <https://pdfs.semanticscholar.org/c2c2/9b13b585f9f4db1a0ba233988281799b962e.pdf>
28. Keizer, J. A., Dijkstra, L., & Halman, J. (2002). Explaining innovative efforts of SMEs: An exploratory survey among SMEs in the mechanical and electrical engineering sector in the Netherlands. *Technovation*, 22(1), 1-13. [https://doi.org/10.1016/S0166-4972\(00\)00091-2](https://doi.org/10.1016/S0166-4972(00)00091-2)
29. Keskin, H. (2006). Market orientation, learning orientation, and innovation capabilities in SMEs An extended model. *European Journal of Innovation Management*, 396-417. <https://doi.org/10.1108/14601060610707849>
30. Kohli, A. K., & Jaworski, B. (1990). Market Orientation: The Construct, Research Propositions, and Managerial Implications. *Journal of Marketing*, 1-18. Retrieved from <https://www.jstor.org/stable/1251866?seq=1>
31. Kok, J. D. (2003). *Human Resources Management within small and medium – sized enterprises*. Tinbergen Institute Research: (Research Program SMEs and Entrepreneurship).
32. Kuntchev, V., Ramalho, R., Meza, J., & Yang, J. (2014). *What Have We Learned from the Enterprise Surveys Regarding Access to Credit by SMEs?* Retrieved from <https://ideas.repec.org/p/wbk/wbrwps/6670.html>
33. Leavengood, S., Daim, T., & Anderson, T. (2014). Exploring linkage of quality management

- to innovation. *Total Quality Management and Business Excellent*.
34. Lin, & Yun, C. (1998). Success Factors of Small- and Medium-Sized Enterprises in Taiwan: An Analysis of Cases. *Journal of Small Business*. Retrieved from <https://www.questia.com/library/journal/1G1-56057813/success-factors-of-small-and-medium-sized-enterprises>
 35. Martin, B. A., & Martin, J. (2005). Building a Market-Oriented Organizational Environment: An Implementation Framework for Small Organizations. *Mid-American Journal of Business*, 20(2), 45-58. <https://doi.org/10.1108/19355181200500011>
 36. Motwani, J., & Dandridge, T. (1999). Managing Innovation in French Small and Medium-Sized Enterprises. *Journal of Small Business Management*. Retrieved from <https://www.questia.com/library/journal/1G1-54711444/managing-innovation-in-french-small-and-medium-sized>
 37. Narver, J. C., & Slater, S. (1990). The Effect of a Market Orientation on Business Profitability. *Journal of Marketing*, 20-35. Retrieved from <https://www.jstor.org/stable/1251757?seq=1>
 38. Neneh, B. N. (2016). Market orientation and performance: the contingency role of external environment. *Environmental Economics*, 130-137. Retrieved from https://www.researchgate.net/publication/307527874_Market_orientation_and_performance_the_contingency_role_of_external_environment
 39. Pertiwi, Y. D., & Siswoyo, B. (2016). Pengaruh Orientasi Pasar terhadap Kinerja Pemasaran pada UMKM Kripik Buah di Kota Batu. *Menakar Peran Profesi sebagai Engine of Reform dalam Pembangunan Global Berkelanjutan Seminar Nasional dan The 3rd Call for Syariah Paper*. Surakarta: Syariah Paper Accounting FEB UMS.
 40. Pierre, A., & Fernandez, A.-S. (2018). Going Deeper Into SMEs Innovation Capacity: An Empirical Exploration of Innovation Capacity Factors. *Journal of Innovation Economics & Management*, 139-181. Retrieved from <https://www.cairn.info/revue-journal-of-innovation-economics-2018-1-page-139.htm>
 41. Ployhart, R. E., & Moliterno, T. (2011). Emergence of Human Capital Resource: A Multilevel Model. *The Academy of Management Review*, 127-150. Retrieved from https://www.researchgate.net/publication/258442014_Emergence_of_the_Human_Capital_Resource_A_Multilevel_Model
 42. Rahardjo, P., & Sirait, J. (2009). Pengaruh Orientasi Pasar terhadap Kinerja Bisnis: Suatu Studi pada Industri Ritel dengan Menggunakan Skala Market Orientation. *Media Riset Bisnis dan Manajemen*, 173-200. Retrieved from <https://www.neliti.com/publications/52506/pengaruh-orientasi-pasar-terhadap-kinerja-bisnis-suatu-studi-pada-industri-ritel>
 43. Rogo, H. B., Shariff, M., & Hafeez, M. (2017). Moderating Effect of Access to Finance on the Relationship between Total Quality Management, Market Orientation and Small and Medium Enterprises Performance: A Proposed Framework. *International Review of Management and Marketing*. Retrieved from https://www.researchgate.net/publication/320263826_Moderating_Effect_of_Access_to_Finance_on_the_Relationship_between_Total_Quality_Management_Market_Orientation_and_SMEs_Performance_A_Proposed_Framework
 44. Roy, S. K. (2012). Financial Inclusion in India: An Overview. *Asian Journal of Multidimensional Research*.
 45. Samat, N., Ramayah, T., & Saad, N. M. (2006). TQM practices, service quality, and market orientation Some empirical evidence from a developing country. *Management Research News*, 713-728. Retrieved from https://www.researchgate.net/publication/235303393_TQM_practices_service_quality_and_market_orientation_Some_empirical_evidence_from_a_developing_country
 46. Shariff, M., & Aminu, I. M. (2015). Determinants of SMEs Performance in Nigeria: A Pilot Study. *Mediterranean Journal of Social Sciences*. Retrieved from <https://www.mcser.org/journal/index.php/mjss/article/view/5449/0>
 47. Shehu, A. M., & Mahmood, R. (2014). Market Orientation and Firm Performance among Nigerian SMEs: The Moderating Role of Business Environment. *Mediterranean Journal of Social Sciences*. Retrieved from <https://www.mcser.org/journal/index.php/mjss/article/view/4512>
 48. Slater, S. F., & Narver, J. (2014). Market Orientation and the Learning Organization. *Journal of Marketing*. Retrieved from <https://www.jstor.org/stable/1252120?seq=1>
 49. Srimindarti, C. (2004). Balanced Scorecard Sebagai Alternatif Untuk Mengukur Kinerja. *Fokus Ekonomi*.
 50. Tambunan, T. T. (2011). Development of Micro, Small and Medium Enterprises and Their Constraints: A Story from Indonesia. *Gajah Mada International Journal of Business*, 21-43. Retrieved from <https://jurnal.ugm.ac.id/gamaijb/article/view/5492>
 51. Tehseen, S., & Sajilan, S. (2016). Impact of Innovative Practices on Business Growth Under The Moderating Impacts of Culture – A Conceptual Model. *Review of Integrative Business & Economics Research*, 28-46. Retrieved from https://www.researchgate.net/profile/Shehnaz_Tehseen/publication/299337159_Impact_of_Innovative_Practices_on_Business_Growth_Under_The_Moderating_Impacts_of_Culture_-_A_Conceptual_Model/links/56f1063608ae584badc96408/Impact-of-Innovative-Practices-on-Business-Growth-Under-The-Moderating-Impacts-of-Culture-A-Conceptual-Model.pdf
 52. Uma, P. (2013). Role of SMES in Economic Development of India.

- Asia Pacific Journal of Marketing & Management Review*. Retrieved from <https://kredx.com/blog/role-of-smes-in-the-economic-development-of-india/>
53. Uncles, M. (2000). Market Orientation. *Australian Journal of Management*.
 54. Vieira, V. A. (2010). Antecedents and Consequences of Market Orientation: a Brazilian Meta-Analysis and an International Mega-Analysis. *Brazilian Administration Review*, 40-58. Retrieved from https://www.scielo.br/scielo.php?script=sci_arttext&pid=S1807-76922010000100004
 55. Woldie, A., & Thomas, B. (2018). *Financial Entrepreneurship for Economic Growth in Emerging Nations*. Hershey: IGI Global.
 56. Yadav, S. K., & Tripathi, V. (2014). Market Orientation and SMEs Performance. *Journal of Entrepreneurship and Management*.
 57. Yunoh, M. N., & Mohd Ali, K. A. (2015). Total Quality Management Approach for Malaysian SMEs: Conceptual Framework. *International Journal of Business and Social Science*. Retrieved from https://ijbssnet.com/journals/Vol_6_No_1_January_2015/17.pdf
 58. Zebal, M. A., & Goodwin, D. (2012). Market orientation and performance in private universities. *Marketing Intelligence & Planning*, 339-357. Retrieved from https://www.researchgate.net/publication/241978448_Market_orientation_and_performance_in_private_universities