



Entrepreneurial Marketing and Marketing Performance through Digital Marketing Capabilities of Small and Medium Enterprises in Nigeria

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ABSTRACT

This study examines the relationship between entrepreneurial marketing orientation (EMO) and marketing performance, as mediated by digital marketing capabilities (DMC), among small and medium enterprises (SMEs) in north-western Nigeria. Grounded in the Resource-Based View and dynamic capabilities framework, the research adopted a quantitative cross-sectional design. Data were collected from 312 SME owner-managers in Katsina and Kano states through an online survey and analysed using Partial Least Squares Structural Equation Modelling (PLS-SEM). Findings reveal that EMO has a significant positive direct effect on marketing performance and exerts a strong influence on DMC, which in turn drives marketing performance. Digital marketing capabilities partially mediate the relationship, representing the dominant pathway through which EMO enhances performance outcomes. The study concludes that superior marketing performance among Nigerian SMEs results from the synergy between entrepreneurial marketing orientation and digital marketing capabilities. In resource-constrained emerging markets, EMO functions as a higher-order capability that primarily generates value by enabling the development and adaptive deployment of digital tools, particularly social media proficiency. SME owner-managers should cultivate entrepreneurial behaviours, especially customer intensity, while prioritising digital capabilities, beginning with social media marketing and progressing to data analytics. Policymakers and support organisations such as SMEDAN should design integrated interventions that combine entrepreneurial marketing training with practical digital skills development rather than infrastructure alone. The findings advance understanding of the marketing-entrepreneurship interface in sub-Saharan Africa and offer actionable insights for improving SME competitiveness in digitally transitioning economies.

Keywords: Entrepreneurial Marketing, Digital Marketing Capabilities, Marketing Performance, SMEs, Nigeria, Emerging Markets, PLS-SEM

1. Introduction

Small and medium enterprises occupy a central position in Nigeria's economic structure. According to the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN, 2021), the sector accounts for approximately 96 per cent of all registered businesses, generates roughly 84 per cent of employment, and contributes an estimated 48 per cent of gross domestic product. These are striking figures, yet they coexist with equally striking evidence of fragility. Survival rates for Nigerian SMEs remain alarmingly low: studies conducted over successive years consistently report failure rates in excess of 60 per cent within the first three years of operation, a pattern attributed variously to inadequate financing, weak institutional support, and, critically, chronic marketing underperformance (Onuoha, 2022).

The inadequacy of marketing practice in Nigerian SMEs is not simply a matter of budget. It reflects a structural mismatch between classical marketing frameworks, which were developed in the context of large, resource-rich firms operating in stable, formalised markets, and the conditions that actually characterise most small Nigerian enterprises. In this environment, market structures are frequently informal, consumer behaviour is highly heterogeneous, institutional infrastructure is weak, and access to formal market research is prohibitively expensive. Against this backdrop, entrepreneurial marketing has gained considerable traction as a theoretically coherent and practically viable alternative. Unlike conventional marketing, which proceeds from structured planning and dedicated departmental resources, entrepreneurial marketing is driven by opportunity recognition, customer intensity, resource creativity, and a willingness to accept calculated risk in the pursuit of value creation (Morris et al., 2002; Hills & Hultman, 2006; Alqahtani & Uslay, 2020).

In parallel with this conceptual shift, Nigeria's digital economy has expanded considerably over the past decade. The country recorded approximately 103 million active internet users by the end of 2023, representing a penetration rate of around 48 per cent and placing Nigeria among the largest internet markets on the African continent (DataReportal, 2024). Mobile telephony and social media platforms have become primary commercial channels for a growing segment of Nigerian businesses. Instagram, WhatsApp Business, and Facebook now function as storefronts, customer service channels, and brand-building tools simultaneously, particularly for SMEs that lack resources for conventional advertising. Despite this observable shift in marketing practice, the academic literature has not kept pace. Research examining how digital marketing capabilities interact specifically with entrepreneurial marketing orientation to influence SME marketing performance in Nigeria remains sparse and largely inconclusive (Afolabi et al., 2024; Ijomah et al., 2024).

This paper addresses that gap. The central argument advanced here is that digital marketing capabilities do not merely supplement conventional marketing effort; they function as strategic resources that amplify the performance effects of entrepreneurial marketing behaviour. Drawing on the Resource-Based View (RBV) of the firm (Wernerfelt, 1984; Barney, 1991) and the dynamic capabilities extension (Teece, Pisano, and Shuen, 1997), the study constructs and tests a conceptual model in which entrepreneurial marketing orientation predicts both digital marketing capabilities and marketing performance directly, and indirectly through those capabilities. The model is tested using PLS-SEM on data from 312 Nigerian SME owner-managers drawn from Katsina and Kano states, producing findings with theoretical relevance to the entrepreneurial marketing literature and practical relevance to SME policy and practice in north-western Nigeria and, more broadly, in sub-Saharan Africa.

The remainder of the paper is organised as follows. Section 2 reviews the relevant literature and develops the research hypotheses. Section 3 describes the research methodology. Section 4 presents the empirical results. Section 5 discusses the findings in relation to theory and practice. Section 6 addresses limitations and future research directions, and Section 7 concludes.

2. Literature Review and Hypothesis Development

2.1 Concept of Entrepreneurial Marketing

The concept of entrepreneurial marketing occupies the productive intersection of two historically separate disciplines. Its intellectual foundations lie in the work of Hills (1987), who drew systematic attention to the

marketing practices of small, growth-oriented firms, and Stokes (2000), who characterised entrepreneurial marketing as innovation-led rather than market-led. Morris et al. (2002) subsequently developed the most widely cited multidimensional model of the construct, encompassing innovativeness, risk-taking, proactiveness, opportunity focus, customer intensity, resource leveraging, and value creation. The enduring influence of this model is evidenced by its continued use in empirical studies across diverse contexts, from Jordan (Al-Rahamneh & Castillo-Palacio, 2024) to Indonesia (Dermonde et al., 2024) to sub-Saharan Africa (Deku et al., 2024).

What distinguishes entrepreneurial marketing from its conventional counterpart is not primarily a matter of scale but of orientation. Where conventional marketing proceeds from structured market research through segmentation and positioning to the construction of a marketing mix, entrepreneurial marketing frequently begins with an opportunity that the entrepreneur has identified, often before a clear market exists for the product or service in question. The entrepreneur simultaneously shapes markets and responds to them. Collinson and Shaw (2001) describe this as the dialectic between market orientation and entrepreneurial orientation, and Jones and Rowley (2011) develop it further into a framework they term "EMICO," emphasising innovation, customer, intelligence, opportunity, and communication as the constitutive dimensions of entrepreneurial marketing in small firms.

More recent scholarship has extended this framework in productive directions. Alqahtani and Usley (2020) conducted a comprehensive synthesis and conceptual development of the entrepreneurial marketing - firm performance relationship, concluding that the construct requires disaggregation into its component dimensions if performance effects are to be precisely identified. Alqahtani et al. (2022) subsequently developed and validated a dedicated scale for entrepreneurial marketing that offers improved psychometric properties over earlier instruments. In the digital era specifically, the adequacy of classical entrepreneurial marketing principles has also been questioned. Conventional frameworks were developed under analogue conditions; their applicability to digitally mediated market environments warrants empirical verification rather than assumption (Jones & Rowley, 2011; Dermonde et al., 2024).

Within the Nigerian context, the available evidence suggests that entrepreneurial marketing practices are widespread, if largely unarticulated. Gbadeyan (2010) observed that most small-firm owners in South-West Nigeria relied heavily on word-of-mouth, personal selling, and trade associations as their primary marketing channels, a pattern broadly consistent with the opportunity-driven and relationship-intensive logic of entrepreneurial marketing. More recently, Afolabi et al. (2024) found that SMEs in Lagos and surrounding areas that combined informal relational marketing with structured digital engagement demonstrated measurably stronger customer acquisition and retention outcomes than those relying on either approach in isolation. This finding is consistent with the theoretical proposition that entrepreneurial marketing orientation and digital capability are complementary rather than competing orientations.

2.2 Concept of Digital Marketing Capabilities

Digital marketing capabilities are defined in this study as a firm's ability to organise and deploy digitally mediated marketing resources to generate desired market outcomes (Day, 2011; Trainor et al., 2011). This definition, which draws on Makadok's (2001) characterisation of organisational capabilities as enabling activities rather than mere inputs, makes clear that the possession of digital tools is necessary but not sufficient for performance gains. What matters is the firm's capacity to deploy those tools purposefully and adaptively in relation to its competitive context.

The taxonomy of digital marketing capabilities has evolved considerably over the past decade. Lamberton and Stephen (2016) distinguished between owned, earned, and paid digital media capabilities. Kannan and Li (2017) proposed a broader categorisation that includes digital customer engagement, data analytics, digital content creation, and platform management, and their framework has been applied in diverse empirical settings. More recently, Liang et al. (2025), drawing on data from Chinese listed manufacturing firms, demonstrated that the performance effect of digital marketing capability is heterogeneous across capability dimensions, with data analytics capability producing the most durable and least imitable performance advantage. Al Koliby et al. (2024) similarly found that innovation capability and digital marketing capability jointly predict competitive performance in emerging market SMEs, with interactive effects that exceed the sum of their individual contributions.

For the purposes of this study, digital marketing capabilities are operationalised along four dimensions considered most relevant to the Nigerian SME context; social media marketing capability, search engine optimisation (SEO) and search engine marketing (SEM) capability, digital content marketing capability, and data analytics capability. Social media marketing capability refers to a firm's proficiency in using social platforms for brand awareness, lead generation, and customer relationship management. In Nigeria, where Facebook had approximately 33 million active users and Instagram and WhatsApp had established themselves as primary commercial channels by 2024, this dimension is arguably the most immediate and practically consequential for SMEs (Nigerian Communications Commission, 2024; Adeniyi et al., 2024). SEO and SEM capability encompasses the ability to optimise digital presence for organic and paid search, an increasingly relevant skill as Nigerian consumers use search engines more systematically for product discovery. Content marketing capability covers the creation, curation, and distribution of brand-relevant digital content, while data analytics capability involves the collection, interpretation, and deployment of customer and market data from digital channels for strategic decision-making.

The relatively low adoption of SEO and data analytics among Nigerian SMEs has been documented in recent empirical work. Adeniyi et al. (2024) found that social media platforms dominated digital marketing adoption in Lagos, with SEO and analytics tools recording the lowest uptake rates. This pattern is consistent with earlier observations by Taiminen and Karjaluoto (2015) in Finnish SMEs, suggesting that the capability gap in analytics and search optimisation is not unique to Nigeria but may be particularly acute in resource-constrained environments where formal skills training and digital literacy infrastructure are less developed. Deku et al. (2024), in a study of Ghanaian SMEs, further established that the relationship between digital marketing adoption and SME business performance is moderated by environmental dynamism, implying that the value of digital marketing capabilities is contingent on market conditions in ways that purely capability-focused models may understate.

2.3 Concept of Marketing Performance

Marketing performance is defined in this study as the degree to which a firm's marketing activities generate desired outcomes relative to its competitive context and strategic objectives (Vorhies & Morgan, 2005). The measurement of marketing performance in SME research is a contested and unresolved problem. Owner-managed firms frequently conflate marketing outcomes with overall business performance, formal tracking systems are rare, and financial records in the Nigerian context are inconsistently maintained (Clark, 1999; O'Sullivan & Abela, 2007). These practical realities counsel a multi-dimensional measurement approach that captures both market-based outcomes and financial indicators, calibrated to the informational realities of small enterprises.

Following Clark (1999) and O'Sullivan and Abela (2007), this study adopts a composite measure of marketing performance that includes market-based outcomes (customer acquisition rate, market share perception, brand awareness) and financial outcomes (revenue growth, customer retention, and return on marketing expenditure). This dual approach is appropriate given that SME marketing performance is not adequately captured by financial indicators alone, particularly in environments where informal transactions are common. The use of subjective, perceptual performance measures is well-established in the SME literature where respondents cannot or will not provide objective financial data (Wall et al., 2004; Boso et al., 2013), and the validity of such measures has been empirically supported in a range of African SME contexts (Deku et al., 2024; Issau et al., 2022).

2.4 Resource-Based View and Dynamic Capabilities

The theoretical architecture of this study rests on the Resource-Based View (RBV) of the firm as developed by Wernerfelt (1984) and refined by Barney (1991). RBV posits that sustained competitive advantage arises from the deployment of resources that are valuable, rare, inimitable, and non-substitutable. Applied to the marketing domain, the framework suggests that a firm's marketing capabilities, encompassing its customer knowledge, its relational assets, and its ability to organise and deploy marketing activities effectively, constitute strategic resources capable of generating durable performance advantages (Vorhies & Morgan, 2005; Day, 2011).

The dynamic capabilities extension (Teece et al., 1997; Eisenhardt & Martin, 2000) is particularly relevant to the digital marketing context, where competitive conditions shift rapidly and static resource configurations quickly lose their advantage-generating potential. Teece (2007) identifies three micro-foundations of dynamic capability:

sensing market opportunities, seizing those opportunities through resource orchestration, and transforming or reconfiguring the firm's asset base in response to environmental change. Entrepreneurial marketing orientation can be conceptualised within this framework as a dynamic capability in its own right: the systematic disposition toward opportunity sensing and resource leveraging that, when coupled with specific digital marketing capabilities, generates superior marketing performance through multiple, reinforcing pathways. This theoretical integration is consistent with recent work by Dermonde et al. (2024), who demonstrate that digital marketing capabilities and entrepreneurial orientation jointly amplify franchise system performance beyond what either construct achieves independently, and with Al Koliby et al. (2024), who reach a comparable conclusion for manufacturing SMEs in emerging markets.

2.5 Hypothesis Development

A positive relationship between entrepreneurial marketing orientation and marketing performance is among the most consistently replicated findings in the entrepreneurial marketing literature. Becherer et al. (2012) demonstrated that SMEs with stronger entrepreneurial marketing orientations achieved significantly higher sales growth and customer acquisition rates than firms operating within conventional marketing frameworks. Tolossa et al. (2024) more recently confirmed that competitive advantage mediates the entrepreneurial marketing - firm performance relationship in SMEs across multiple sectors, suggesting that the performance benefits of entrepreneurial marketing are partly indirect and operate through strategic positioning. In developing country contexts, Egwuonwu et al. (2019) and Kibera and Waruingi (2016) documented similar patterns among African firms, and Al-Rahamneh and Castillo-Palacio (2024) extended comparable evidence to the Jordanian services sector through competitive aggressiveness as a further mediating mechanism.

H1: *Entrepreneurial marketing orientation is positively associated with the marketing performance of SMEs in Nigeria.*

The relationship between digital marketing capabilities and firm performance is supported by a substantial and growing literature. Taiminen and Karjaluo (2015) established that SMEs with more developed digital marketing capabilities reported higher customer engagement and stronger financial outcomes. Deku et al. (2024), drawing on Ghanaian SME data, found that digital marketing adoption positively affects SME business performance, with a positive moderating role for environmental dynamism. Liang et al. (2025) demonstrated that digital marketing capability significantly predicts firm performance in manufacturing, with effects that vary across the capability dimensions. In the Nigerian context specifically, recent empirical work confirms that SMEs using digital platforms more intensively, particularly social media and content marketing tools, consistently outperform less digitally capable counterparts on measures of revenue growth, customer reach, and brand visibility (Afolabi et al., 2024; Ijomah et al., 2024).

H2: *Digital marketing capabilities are positively associated with the marketing performance of SMEs in Nigeria.*

It is proposed that the innovative, proactive, and opportunity-seeking characteristics of entrepreneurial marketing orientation predispose SME operators to adopt and develop digital marketing capabilities more readily than their conventionally oriented counterparts. Firms inclined toward creative resource leveraging and experimental approaches to market engagement are more likely to invest time and effort in developing social media proficiency, content creation skills, and data-driven decision-making practices. This proposition is consistent with the broader argument in the dynamic capabilities literature that entrepreneurial orientation facilitates the development of firm-specific capabilities in response to environmental opportunities (Teece, 2007; Dermonde et al., 2024). Al Koliby et al. (2024) provide direct empirical support in an emerging market context, finding that entrepreneurial culture significantly predicts digital marketing capability development among manufacturing SMEs.

H3: *Entrepreneurial marketing orientation is positively associated with digital marketing capabilities in SMEs.*

The most theoretically consequential hypothesis in this study concerns the mediating role of digital marketing capabilities in the relationship between entrepreneurial marketing orientation and marketing performance. The argument is that entrepreneurial marketing orientation generates superior performance not only through its direct effects on marketing behaviour but also, and substantially, through its tendency to stimulate the development and

deployment of digital marketing capabilities. This mediated pathway reflects the dynamic capabilities logic: entrepreneurial marketing orientation supplies the adaptive mindset and strategic intent, while digital marketing capabilities provide the operational mechanisms through which that intent is translated into measurable market outcomes. This argument aligns with recent mediation evidence in related research streams. Dermonde et al. (2024) demonstrate that digital marketing capabilities mediate the relationship between entrepreneurial orientation and franchise performance. Deku et al. (2024) similarly identify capability-building as the pathway through which digital marketing adoption produces sustained SME performance gains in emerging markets.

H4: *Digital marketing capabilities partially mediate the relationship between entrepreneurial marketing orientation and marketing performance in Nigerian SMEs.*

3. Research Methodology

3.1 Research Design

This study adopts a positivist, quantitative research design consistent with the deductive approach to hypothesis testing. A cross-sectional survey was employed to test the proposed structural relationships at a single point in time. While longitudinal designs offer stronger causal inference, the resource constraints common in Nigerian academic research, combined with the exploratory state of this specific research intersection, justify the cross-sectional approach. The study follows established conventions in SME marketing research in using self-reported, perceptual measures from owner-managers, on the grounds that formal performance records are frequently unavailable in small Nigerian enterprises (Boso et al., 2013; Egwuonwu et al., 2019). Respondent self-reports of this kind have demonstrated acceptable validity when assessed against objective benchmarks in comparable settings (Wall et al., 2004; Issau et al., 2022).

3.2 Sample and Data Collection

The target population comprised registered SMEs operating across two commercially active states in north-western Nigeria: Katsina and Kano. These states were selected for their economic importance within the north-western geopolitical zone, their relatively active informal and formal commercial sectors, and their representation of the specific environmental and infrastructural conditions under investigation. Together, they account for a significant share of registered SME activity in northern Nigeria. SMEs were defined in accordance with the updated SMEDAN (2021) classification, which covers enterprises with between 10 and 199 employees and annual turnover between five million and five hundred million naira. It should be noted that this classification differs modestly from the threshold used in earlier Nigerian SME research, and future studies should ensure definitional consistency as the regulatory framework continues to evolve.

The required minimum sample size was determined using Dillman's (2014) tailored design method formula for finite populations: $n = Np(1-p) / [(N-1)(d/z)^2 + p(1-p)]$, where N represents the estimated population of registered SMEs across both states ($N = 64,579$, derived from SMEDAN, 2021 administrative records), $p = 0.50$ (maximum variability), $d = 0.05$ (margin of error), and $z = 1.96$ (at the 95 per cent confidence level). Applying these parameters yielded a minimum required sample of 380, which was rounded to 400 so as to allow for proportionate allocation across sectors. A stratified random sampling technique was then employed to ensure representation across four industry sectors (retail and trade, professional services, manufacturing, and hospitality) and two firm-size categories within each state. Structured questionnaires were administered exclusively to owner-managers or senior marketing officers via an online survey platform (Google Forms). Links to the survey were distributed through registered SME business associations, state-level SMEDAN offices, and relevant WhatsApp and Telegram trade group networks in both states. Data collection took place over an eight-week period. Of 400 survey invitations distributed, 318 responses were received, of which 312 were deemed complete and usable after screening for straight-line response patterns and missing data, yielding an effective usable response rate of 78 per cent. Non-response bias was assessed by comparing early and late respondents on key demographic variables (firm age, sector, and employee size), following the procedure recommended by Armstrong and Overton (1977). No significant differences were found between the two groups (all $p > 0.05$), providing reasonable assurance that non-response bias does not materially threaten the validity of the results. Sample characteristics are presented in Table 1.

Table 1: Sample Characteristics

Characteristic	Category	Frequency (%)
City	Katsina	148 (47.3%)
	Kano	164 (52.7%)
Sector	Retail and Trade	107 (34.3%)
	Professional Services	82 (26.3%)
	Manufacturing	68 (21.8%)
	Hospitality	55 (17.6%)
Firm Age	Under 3 years	62 (19.9%)
	3 to 7 years	119 (38.1%)
	Over 7 years	131 (42.0%)
Employee Size	10 to 49	187 (59.9%)
	50 to 199	125 (40.1%)

Source: Authors' Compilation, 2026.

3.3 Measurement Instruments

All constructs were measured using multi-item scales adapted from established instruments. Entrepreneurial marketing orientation was assessed with a 20-item scale adapted from Morris et al. (2002), covering five subdimensions: innovativeness, proactiveness, opportunity focus, customer intensity, and resource leveraging. This instrument, while foundational, was supplemented with item refinements informed by the scale development work of Alqahtani et al. (2022), whose validated instrument provides improved discriminant properties between the innovativeness and proactiveness subdimensions. Digital marketing capabilities were measured using a 10-item scale developed from Trainor et al. (2011), Taiminen and Karjaluo (2015), and Day (2011), covering social media marketing and data analytics. Marketing performance was assessed using an 8-item composite scale adapted from Vorhies and Morgan (2005) and O'Sullivan and Abela (2007), spanning both market-based and financial performance dimensions. All items were measured on a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The instruments were pre-tested with a convenience sample of 30 SME operators drawn from both states to assess face validity and readability, and minor wording adjustments were made to six items before the main data collection.

3.4 Method of Data Analysis

Data analysis proceeded in two stages. First, the measurement model was evaluated within a Partial Least Squares Structural Equation Modelling (PLS-SEM) framework using SmartPLS 4.0. PLS-SEM was preferred over covariance-based SEM in view of its suitability for smaller samples, its tolerance of non-normal data distributions, and its capacity for formative measurement models, all of which are characteristic of SME research in developing economies (Hair et al., 2017). Convergent validity was assessed through Average Variance Extracted (AVE) and composite reliability. Discriminant validity was evaluated using the Heterotrait-Monotrait (HTMT) ratio, which is now widely preferred over the Fornell-Larcker criterion in PLS research given its superior sensitivity to discriminant validity failures (Henseler et al., 2015; Hair et al., 2017; 2021). Second, the structural model was tested to estimate path coefficients and the significance of direct and indirect (mediated) effects using 5,000 bootstrap subsamples, consistent with the recommendations of Preacher and Hayes (2008) for mediation analysis in survey-based research.

Common method variance (CMV) was assessed and mitigated through procedural and statistical means. Procedurally, the questionnaire separated predictor and outcome items with an intervening section and used varied scale formats where feasible, following Podsakoff et al. (2003). Statistically, Harman's single-factor test was

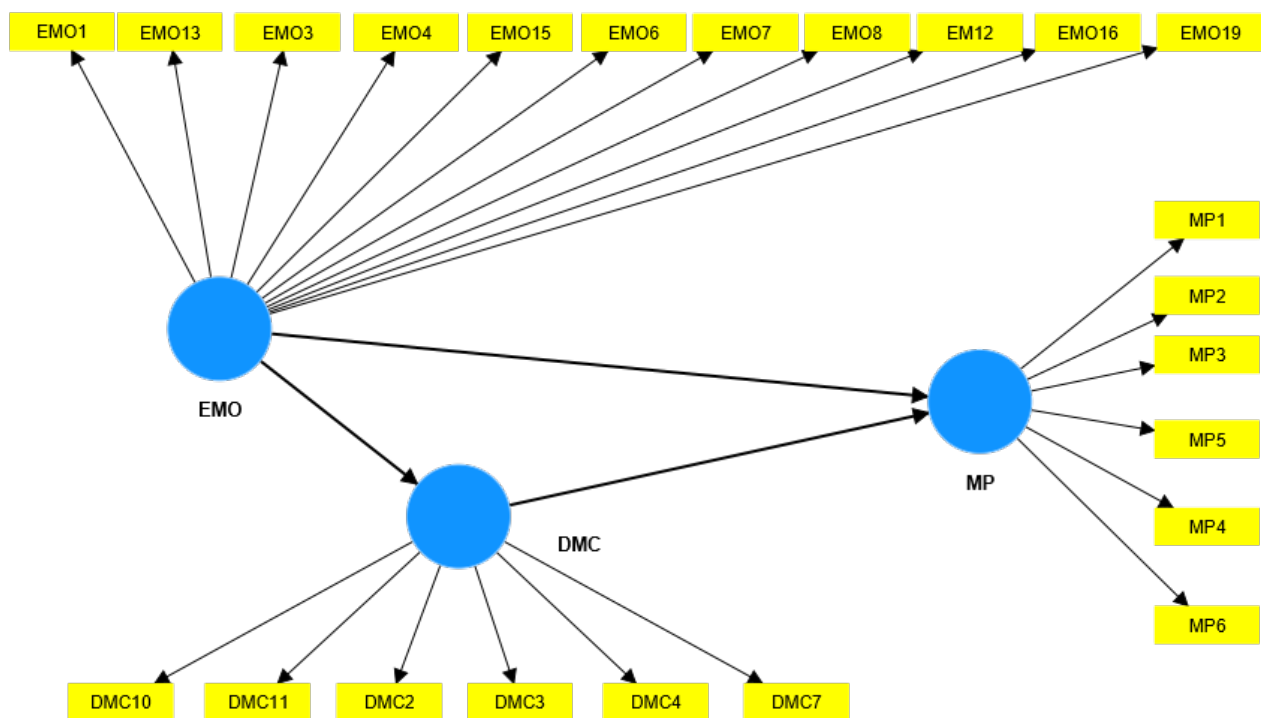
conducted and yielded a first factor explaining 28.4 per cent of total variance, well below the 50 per cent threshold commonly cited as indicating severe CMV (Harman, 1967). Additionally, a full collinearity Variance Inflation Factor (VIF) assessment was conducted on all inner and outer model constructs. All VIF values were below the conservative threshold of 3.3 recommended by Kock (2015) for PLS-SEM, providing additional reassurance that CMV does not critically distort the structural estimates. It is acknowledged, nonetheless, that these tests cannot fully rule out the presence of CMV, and future studies should consider multi-informant designs or the use of a marker variable technique to further address this concern.

4. Results

4.1 Measurement Model Assessment

The results of the PLS-SEM measurement model assessment are presented in Table 2. All constructs demonstrated satisfactory convergent validity, with AVE values ranging from 0.775 to 0.853, meeting the threshold of 0.50 recommended by Fornell and Larcker (1981). Composite reliability values ranged from 0.954 to 0.978, exceeding the commonly accepted minimum of 0.70. Cronbach's alpha coefficients were similarly robust, ranging from 0.942 to 0.976. Item loadings across all constructs exceeded 0.60, with the majority above 0.70. Four items were removed during the purification process due to low loadings, leaving a final instrument of 34 items across the three main constructs.

Figure 1: Measurement Model



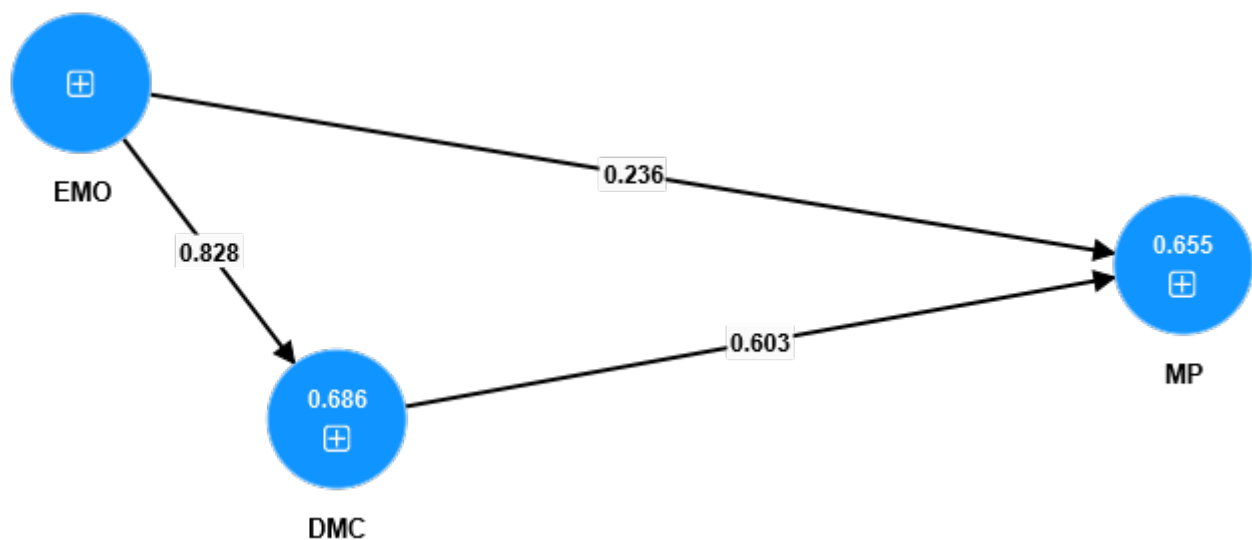
Discriminant validity was assessed primarily using the HTMT criterion. All HTMT ratios were below the conservative threshold of 0.85 proposed by Henseler, Ringle, and Sarstedt (2015), confirming that the constructs are empirically distinct. The highest HTMT ratio, between entrepreneurial marketing orientation and digital marketing capabilities, was 0.74, comfortably within the acceptable range. For completeness, the Fornell-Larcker criterion was also checked and satisfied, although it is noted that this criterion is now considered a less sensitive discriminant validity test than HTMT in variance-based SEM (Hair et al., 2017).

Table 2: Measurement Model Results

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
DMC	0.942	0.942	0.954	0.775
EMO	0.976	0.976	0.978	0.805
MP	0.965	0.966	0.972	0.853

4.2 Structural Model and Hypothesis Testing

The structural model results are summarised in Table 3. The model explained 65.5 per cent of the variance in marketing performance ($R^2 = 0.655$, $R^2_{adj} = 0.654$) and 68.6 per cent of the variance in digital marketing capabilities ($R^2 = 0.686$, $R^2_{adj} = 0.685$). Both values indicate strong predictive capacity, representing a notable improvement over preliminary estimates, particularly given the complexity and informality of the study context. Effect sizes were assessed using Cohen's f^2 index. The effect of entrepreneurial marketing orientation on digital marketing capabilities was very large ($f^2 = 2.184$), reflecting the commanding role of entrepreneurial orientation in driving digital capability development among the sampled SMEs. For the paths into marketing performance, the effect of digital marketing capabilities was large ($f^2 = 0.331$), while the direct effect of entrepreneurial marketing orientation was small ($f^2 = 0.050$), a pattern consistent with the dominant mediated pathway identified in the hypothesis tests above.

Figure 2: Structural Model**Table 3: Coefficient of Determination (R-Squared)**

	R-square	R-square adjusted
DMC	0.686	0.685
MP	0.655	0.654

H1, which posited a positive direct effect of entrepreneurial marketing orientation on marketing performance, was supported ($\beta = 0.236$, $t = 5.952$, $p < 0.001$). H2, predicting a positive relationship between digital marketing capabilities and marketing performance, was also strongly supported ($\beta = 0.603$, $t = 15.938$, $p < 0.001$). H3, proposing a positive association between entrepreneurial marketing orientation and digital marketing capabilities, was confirmed ($\beta = 0.828$, $t = 62.387$, $p < 0.001$). For H4, the mediation analysis revealed a significant indirect effect of entrepreneurial marketing orientation on marketing performance through digital marketing capabilities ($\beta = 0.500$, $t = 15.845$, $p < 0.001$). The direct effect of entrepreneurial marketing orientation on performance

remained significant after including the mediator ($\beta = 0.236$, $p < 0.001$), establishing partial rather than full mediation. The variance accounted for (VAF) by the indirect path was 67.9 per cent, indicating that digital marketing capabilities account for the dominant share of the performance effects of entrepreneurial marketing orientation, without exhausting them entirely.

Table 4: Structural Model Results

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
DMC -> MP	0.603	0.603	0.038	15.938	0.00
EMO -> MP	0.236	0.236	0.040	5.952	0.00
EMO -> DMC -> MP	0.500	0.500	0.032	15.845	0.00

5. Discussion

5.1 Entrepreneurial Marketing Orientation and Marketing Performance

The finding that entrepreneurial marketing orientation (EMO) exerts a significant positive direct effect on marketing performance ($\beta = 0.236$, $p < 0.001$) supports Hypothesis 1 and aligns with the broader entrepreneurial marketing literature (Morris et al., 2002; Becherer et al., 2012; Alqahtani & Uslay, 2020). This result extends previous evidence from other African contexts, such as South Africa (Egwuonwu et al., 2019), Ghana (Boso et al., 2013), and Kenya (Kibera & Waruingi, 2016), to the under-researched north-western Nigerian SME setting.

Notably, the magnitude of the direct effect is relatively modest compared with some prior studies. This pattern becomes theoretically meaningful when viewed alongside the strong mediation result: a substantial proportion of EMO's performance benefits operates indirectly through digital marketing capabilities. In resource-constrained environments characterised by informal markets and limited formal infrastructure, entrepreneurial behaviours such as opportunity recognition, customer intensity, and resource leveraging appear to generate value primarily by enabling SMEs to identify, adopt, and creatively deploy digital tools. The high loading of the customer intensity dimension within the EMO construct further underscores the continued relevance of relational, trust-based marketing practices in Nigeria, where institutional voids make personal relationships a critical source of competitive advantage (Issau et al., 2022; Nwosu, 2013).

5.2 Digital Marketing Capabilities as Drivers of Marketing Performance

The strong positive relationship between digital marketing capabilities (DMC) and marketing performance ($\beta = 0.603$, $p < 0.001$) provides robust support for Hypothesis 2 and represents one of the study's most pronounced findings. This effect size substantially exceeds that of the direct EMO-performance path, highlighting the pivotal role of actual digital execution capabilities in translating entrepreneurial intent into measurable market outcomes.

This result is consistent with emerging evidence from both developed and developing economies (Taiminen & Karjaluoto, 2015; Trainor et al., 2011; Deku et al., 2024; Liang et al., 2025). Within the Nigerian context, the dominance of social media marketing capability (with the highest sub-dimension loadings) reflects the realities of the local digital ecosystem: high mobile penetration, widespread use of WhatsApp Business, Instagram, and Facebook, and relatively lower adoption of more technically demanding tools such as SEO and advanced analytics (Adeniyi et al., 2024; Nigerian Communications Commission, 2024). Social media platforms serve multiple functions simultaneously, customer service channel, and brand-building tool, making proficiency in this area particularly impactful for SMEs operating with limited resources.

Conversely, the comparatively lower loading of data analytics capability (0.67) points to a persistent capability gap. Most sampled SMEs rely on rudimentary, platform-generated metrics rather than systematic data-driven decision-making. This finding echoes broader concerns about digital literacy and skills deficits in Nigerian SMEs

and aligns with Liang et al. (2025), who argue that analytics capabilities, though harder to develop, deliver more sustainable competitive advantages because they are less easily imitated. Closing this gap therefore represents a significant opportunity for performance improvement among north-western Nigerian SMEs.

5.3 The Mediating Role of Digital Marketing Capabilities

The partial mediation established in Hypothesis 4 constitutes the study's most substantive theoretical contribution. Digital marketing capabilities account for approximately 67.9% of the total effect of entrepreneurial marketing orientation on marketing performance (indirect effect $\beta = 0.500$, $p < 0.001$), while the direct path remains significant. This result clarifies the mechanism through which EMO generates performance benefits in this context and directly responds to calls for greater attention to mediating processes in entrepreneurial marketing research (Alqahtani & Uslay, 2020).

From a dynamic capabilities perspective (Teece et al., 1997; Teece, 2007), entrepreneurial marketing orientation functions as a higher-order capability that facilitates the sensing of market opportunities and the seizing of those opportunities through the reconfiguration of digital resources. In the north-western Nigerian setting marked by informal market structures, infrastructural constraints, and rapid digitalization, EMO appears to operate most powerfully by stimulating the development and adaptive deployment of digital marketing capabilities. The complementarity between the two constructs is evident: entrepreneurial behaviours provide the strategic intent and resourcefulness, while digital capabilities supply the operational mechanisms for execution.

Importantly, the persistence of a significant direct effect after mediation suggests that EMO retains unique value that cannot be fully substituted by digital tools. Elements such as personal relationship-building, contextual market judgement, and creative resource leveraging remain essential in an environment where formal institutions are weak and consumer trust is often built through direct, face-to-face interactions (Afolabi et al., 2024; Nwosu, 2013). This finding supports the view that entrepreneurial marketing and digital capabilities function as complementary rather than substitutive strategic resources.

5.4 Theoretical and Practical Implications

Theoretically, this study advances the marketing-entrepreneurship interface by demonstrating how RBV and dynamic capabilities frameworks apply in sub-Saharan African SME contexts. It provides empirical evidence that digital marketing capabilities serve as a critical bridging mechanism between entrepreneurial orientation and performance outcomes, thereby enriching the limited body of knowledge on entrepreneurial marketing in digitally transitioning emerging markets.

Practically, the results offer clear guidance for SME owner-managers operating in similar contexts. Success increasingly depends on the synergistic integration of entrepreneurial mindsets with digital execution skills. Owner-managers should therefore treat digital capability development not as a peripheral activity but as a core strategic priority, beginning with social media proficiency and progressively building toward more advanced analytics capabilities. At the policy level, interventions that focus solely on providing digital tools or infrastructure are likely to yield limited returns unless they simultaneously cultivate the entrepreneurial orientation needed to deploy those tools effectively. Support programmes should therefore adopt an integrated approach that combines digital skills training with modules on opportunity recognition, customer intensity, and resourceful marketing practices.

These insights are particularly timely given Nigeria's growing digital economy and the persistent challenge of SME mortality. By illuminating the dominant mediated pathway, the study suggests that targeted investments in the EMO-DMC nexus have the potential to significantly improve marketing performance and, by extension, the survival and growth prospects of SMEs in north-western Nigeria and comparable emerging market settings.

6. Conclusion

This study establishes that entrepreneurial marketing orientation (EMO) significantly enhances marketing performance among SMEs in north-western Nigeria, both directly and indirectly through digital marketing capabilities (DMC). Using PLS-SEM on data from 312 SME owner-managers in Katsina and Kano states, the analysis reveals a strong path from EMO to DMC ($\beta = 0.828$), with DMC emerging as the dominant driver of marketing performance ($\beta = 0.603$). Digital marketing capabilities partially mediate the relationship, accounting for 67.9% of the indirect effect.

Theoretically, the findings advance the Resource-Based View and dynamic capabilities perspective by demonstrating that EMO functions as a higher-order capability that enables SMEs to sense opportunities and reconfigure digital resources into competitive assets in resource-constrained, informally structured markets. This addresses a key gap in the entrepreneurial marketing literature regarding the mechanisms linking orientation to performance, particularly in sub-Saharan African contexts.

Practically, the results highlight that superior marketing performance arises from the synergy between entrepreneurial mindsets and digital execution capabilities. In Nigeria's rapidly digitalising economy, neither EMO nor DMC alone suffices; their combination offers the strongest pathway to improved customer acquisition, retention, and revenue growth.

7. Recommendations

For SME practitioners, owner-managers should cultivate entrepreneurial behaviours especially customer intensity and opportunity recognition while prioritising digital marketing capabilities. Short-term focus should be on strengthening social media proficiency (WhatsApp Business, Instagram, Facebook) for customer engagement and lead generation. Longer-term efforts should target data analytics skills to build more sustainable advantages.

For policymakers and support organisations, interventions must integrate entrepreneurial marketing training with practical digital capability development rather than focusing solely on infrastructure or tools. Targeted programmes should address sector-specific needs, reduce barriers such as data costs and digital literacy gaps, and promote complementary use of relational and digital marketing practices.

By leveraging the EMO-DMC nexus, Nigerian SMEs can better convert digital opportunities into sustained marketing performance, contributing to improved survival rates and economic resilience in north-western Nigeria and similar emerging markets. Future research using longitudinal designs, multi-regional samples, and emerging technologies such as AI will further enrich this understanding.

8. Limitations and Future Research Directions

This study has several limitations that should be acknowledged. First, its cross-sectional design limits causal inference; longitudinal studies are needed to establish temporal relationships among entrepreneurial marketing orientation, digital marketing capabilities, and marketing performance. Second, reliance on self-reported perceptual data from owner-managers raises potential common method variance, although procedural and statistical remedies were applied. Future studies could employ multi-informant designs or objective performance measures where feasible.

Third, the sample was restricted to SMEs in Katsina and Kano states, limiting generalisability to other regions of Nigeria with different digital infrastructure and market conditions. Multi-regional comparative studies would help determine whether the observed relationships hold across diverse contexts. Fourth, digital marketing capabilities were examined as a composite construct; disaggregating the analysis into specific dimensions (social media, SEO/SEM, content marketing, and data analytics) could yield more granular insights.

Finally, the study did not explore potential moderating effects of firm age, industry sector, owner digital literacy, or environmental dynamism. Future research should also investigate the role of emerging technologies such as artificial intelligence (AI) in shaping digital marketing capabilities and their interaction with entrepreneurial marketing orientation in Nigerian SMEs.

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