Analysis of the of Customer Orientation on MSMEs' Performance: Testing the Mediating Role of Innovativeness

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ABSTRACT

Micro, Small, and Medium Enterprises (MSMEs) in Indonesia make an important contribution to the national economy but face various challenges that can hinder the optimization of their business performance. Although previous research has shown that customer orientation and innovativeness can improve business performance, studies focusing on this topic in developing countries are still limited. Therefore, this study aims to analyze the effect of customer orientation on MSME's performance mediated by innovativeness in Sleman district and Yogyakarta City. 82 MSME respondents in Sleman Regency and Yogyakarta City completed a questionnaire and were analyzed using SmartPLS4 with a non-probability convenience sampling technique. The results showed that customer orientation does not positively influence MSME's performance. However, there is a positive relationship between customer orientation and innovativeness, where customer orientation encourages an increase in innovativeness. In addition, innovativeness has a significant positive influence on MSME's performance. However, innovativeness does not significantly mediate between customer orientation and MSMEs' performance. MSMEs players can use the results of this study to consider the effect of innovativeness on customer orientation and MSMEs' performance.

Keywords: Customer Orientation; Innovativeness; Business Performance; MSMEs; Developing Countries

INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) are the backbone of the national economy (Puspadini, 2024). MSMEs' contribution significantly impacts the national economy, which is currently achieving growth of 5.3 percent (Putri, 2024). The Ministry of Finance stated that Indonesia has around 64 million MSMEs that contribute 60 percent to the Gross Domestic Product (GDP) and employ 97 percent (kemenkeu.go.id, 2022). Therefore, the government hopes to achieve sustainable economic growth by making Indonesia a developed country (dpr.go.id, 2024; Riswan, 2023). Efforts to

develop and empower MSMEs are the government's primary strategy for maintaining a competitive and stable economy in the long term (Riswan, 2023).

However, many MSMEs have been forced out of business due to less-than-optimal business planning and management (Fahriza, 2023). Based on data from the Financial Services Authority (OJK) shows that 84 percent of MSMEs in Indonesia have experienced a decline in income, which has an impact on several sectors, one of which is the food and beverage industry, which is a basic need of the community (Ramli & Djumena, 2023; Sidik, 2022). This phenomenon shows MSMEs' serious challenges in maintaining their performance and business sustainability amid increasingly fierce competition.

According to previous researchers, improving business performance can be influenced by several factors, including customer orientation and innovativeness (Domi et al., 2020). Customer orientation allows businesses to obtain relevant information about customer needs (Salomo et al., 2003) by increasing offerings that suit customer needs to help MSMEs increase profits (Dawes, 2000; Tajeddini & Trueman, 2012). In addition to customer orientation, innovativeness allows MSMEs to customize their innovative products by paying attention to customer needs and wanting to create customer satisfaction in an effort to achieve profits (Tajeddini & Trueman, 2012). Thus, innovativeness can impact increasing customer interest in buying products resulting from innovations that have been made.

Although previous research has proven that customer orientation and innovativeness can improve performance (Domi et al., 2020; Frambach et al., 2016) through the ability to meet customer needs more quickly and flexibly (Keskin, 2006; Maurya et al., 2015), research in this context conducted in developing countries is still limited. Furthermore, research by (Domi et al., 2020) only focuses on MSMEs in the tourism industry, so the results may be different if applied to MSMEs in other industries. In addition, previous research has not been able to validate the role of innovativeness as a mediator in the relationship between customer orientation and MSME performance (Domi et al., 2020).

Therefore, the author conducted a study investigating the role of customer orientation and innovativeness in improving the performance of MSMEs in Indonesia. In addition, this study also wants to reveal the role of innovativeness as a mediator in the influence of customer orientation on the performance of MSMEs in Indonesia. The results of this study are expected to provide important managerial implications for improving the performance of MSME players in Indonesia.

LITERATURE REVIEW

Business Performance

Business performance is the organization's ability to operate efficiently, profitably, develop, and be responsive to environmental opportunities and threats (Muhammed &

Hussaini, 2018). According to (Bamfo and Kraa, 2019), effective business performance is defined as the organization's ability to achieve its goals through competent management, good governance, and continuous efforts toward business goals. (Smith & Reece, 1999) explain that the operational ability of an organization to meet the needs of major shareholders is called business performance, and it must be evaluated to determine the success of an organization.

Customer Orientation

In business history, customer orientation is stated to have a goal with long-term benefits, such as meeting the needs and building relationships with customers (Ambler et al., 1999; Appiah-Adu & Singh, 1998). (Deshpandé et al., 1993) Customer orientation is defined as a company that believes in developing a business for long-term profit by focusing on customers' interests but not forgetting the interests of owners, managers, and employees. According to (Narver & Slater, 1990), customer orientation is knowledge for business actors to understand to understand customer goals to provide superior performance. In addition, (Slater & Narver, 1994) also said that companies that focus on customer orientation generally become more responsive to customer requests by providing the best service, responding quickly to customer complaints, and committing to customer companies.

Innovativeness

The concept of innovativeness is the first step taken by the company to innovate, part of the infrastructure that drives innovation, operational level actions that affect market orientation, and the environment that encourages the application of innovation (Dobni, 2010). Introducing new products, conducting research and development, and strategizing business operations are activities of innovativeness (Siguaw et al., 2006). Innovativeness is usually associated with creativity, novelty, value creation, and economic growth (Wikhamn, 2019). Innovativeness occurs when managers are proactive in promoting new ideas and motivating employees to implement them, even if the ideas are outside the traditional perspective of the company (Domi et al., 2020).

Customer Orientation and MSMEs' Performance

According to Domi et al. (2020), customer orientation can positively influence MSMEs' performance. These results are also supported by several previous studies proving that customer orientation can positively affect MSME's performance (Al Asheq et al., 2019; Bamfo & Kraa, 2019). Previous studies also confirm that customer orientation is important in significantly improving MSME performance (Neneh, 2018).

H1: Customer orientation has a positive effect on the performance of MSMEs

Customer Orientation and Innovativeness

Domi et al. (2020) states that customer orientation can help a culture of innovation and the implementation of new products and services. Employees focusing on innovativeness tend to pay more attention to customers and generate profits by increasing customer satisfaction (Tajeddini & Trueman, 2012). (Alhakimi & Mahmoud, 2020) also said that customer orientation significantly influences the orientation carried out by MSMEs. Furthermore, previous research (EREN, 2019) proved that customer-oriented MSMEs can significantly and positively influence innovativeness.

H2: Customer orientation has a positive effect on innovativeness

Innovativeness and MSMEs' Performance

Udriyah et al. (2019) found that innovativeness has a positive and significant influence on the performance of MSMEs in Malaysia. In addition, research conducted by (Kiiru et al., 2023) also proved that innovativeness positively improves the performance of MSMEs. Through innovativeness, MSMEs can create new products and services that result in competitive advantage, increased sales, and greater profits (Jalali et al., 2020). Furthermore, research by (Rhee et al., 2010) explained that innovativeness can drive company performance when companies face unstable market conditions.

H3: Innovativeness has a positive effect on the performance of MSMEs

Customer Orientation, Innovativeness, and MSMEs' Performance

Previous research reveals that customer orientation can positively influence innovativeness (Alhakimi & Mahmoud, 2020; Domi et al., 2020). Companies focusing on innovativeness tend to pay more attention to customers and generate more profits by increasing customer satisfaction (Tajeddini & Trueman, 2012). That way, innovativeness can also affect the performance of MSMEs (Kiiru et al., 2023). According to research by (Rhee et al., 2010), innovativeness can improve performance and give MSMEs a competitive advantage in an unstable market environment. Therefore, innovativeness is thought to mediate the effect of customer orientation on MSME's performance.

H4: Innovativeness mediates the effect of customer orientation on MSME's performance

Hypothesis of the research
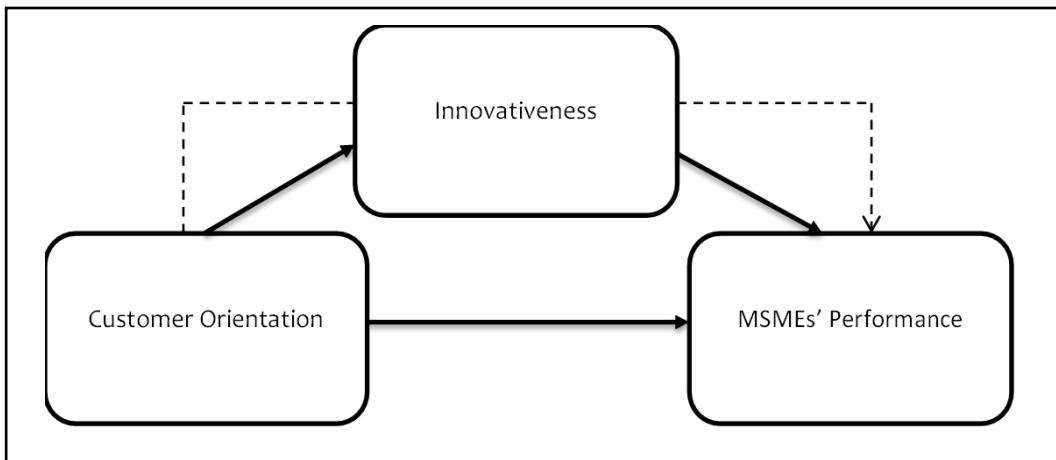
Source : Figure by authors

Figure 1. Hypothesis of the research

METHODOLOGY

The survey in this study was conducted in Sleman Regency and Yogyakarta City because both regions have significant potential for MSME development and a diversity of interesting sectors. The sample selected consists of MSMEs that emphasize customer satisfaction and the application of innovation in daily operations. It is expected to reveal insights into the link between customer orientation and the application of innovation. Sampling used a non-probability approach, where elements in the population do not have a known or predetermined chance of being selected as sample subjects (Sekaran & Bougie, 2016). Specifically, the non-probability sampling technique uses Convenience Sampling to enable the collection of information or data from easily accessible members of the population (Sekaran & Bougie, 2016).

The data source used in this quantitative approach research is a questionnaire distributed to MSMEs. The questionnaire was distributed to respondents so that researchers could determine and measure their responses using the Likert Scale for each measurement. (Sekaran & Bougie, 2016) State that the Likert Scale is an interval scale in which answers are rated based on five points, namely 1 (strongly disagree), 2 (disagree), 3 (neutral), 4 (agree), and 5 (strongly agree). Statistical power is used to determine the minimum amount of sampling in this study. (Hair et al., 2022) I suggest using statistical power in the Partial Least Squares Structural Equation Modeling (PLS-SEM) approach to estimate the minimum sampling size more reliably. Based on the targeted statistical power, which is in the range of 0.21 to 0.3 with a significance level of 5%, this study's minimum number of sampling data is 69 respondents (Hair et al., 2022).

Measurement

This study used a pre-validated 5-point Likert scale to measure the relevant constructs. Customer orientation (CO) was measured with eight items based on previous research by (Ambler et al. 1999; Deshpandé et al., 1993; Narver & Slater, 1990), while innovativeness (IN) was measured using four items adapted from (Hurley & Hult, 1998) and (Tsai & Yang, 2013). MSMEs performance (MP) was measured by four items adapted from the research of (Chen et al., 2009). The selection of this scale aims to ensure reliable and valid measurements, hence providing a strong basis for analysis in this study.

Table 1. Measurement

Variable	Indicator	Outer Loading	AVE	Composite Reliability	Results
MSMEs' Performance (MP)	MP1	0.801	0.581	0.847	Valid
	MP2	0.755			Valid
	MP3	0.737			Valid
	MP4	0.754			Valid
Innovativeness (IN)	IN1	0.740	0.586	0.849	Valid
	IN2	0.707			Valid
	IN3	0.861			Valid
	IN4	0.746			Valid
Customer Orientation (CO)	CO2	0.741	0.515	0.881	Valid
	CO3	0.640			Valid
	CO4	0.777			Valid
	CO5	0.725			Valid
	CO6	0.609			Valid
	CO7	0.782			Valid
	CO8	0.733			Valid

Source: Primary Data Processing, 2024

Table 1 shows the evaluation of the measurement model by assessing the constructs of MSMEs performance (MP), innovativeness (IN), and Customer orientation (CO) through Outer Loadings, Average Variance Extracted (AVE), and Composite Reliability, as recommended by (Hair et al., 2022) to ensure construct validity and reliability. The research evaluation was conducted in two stages to ensure indicator validity and reliability. In the initial stage, item CO1 was deleted because the outer loading value was below 0.4 or did not meet the convergent validity criteria. In the second stage, most items must have an outer loading above 0.7 to confirm indicator reliability. However, as shown in Table 1, items CO3 (0.640) and CO6 (0.609) have an outer loading below 0.7 but are still retained based on the guidelines of (Hair et al., 2022), which considers the value acceptable if the AVE of the construct exceeds 0.5. All constructs in this study met the AVE threshold of 0.5, so convergent validity was confirmed. Therefore, items CO3 and CO6 remain in use to maintain the completeness of the measurement model.

In addition, table 1 presents the composite reliability values for all constructs in this study in the range of 0.7 to 0.9, by the standards of (Hair et al., 2022), which indicates adequate internal consistency. The constructs are considered reliable and stable when measuring variables by the required threshold value. These results strengthen the reliability and validity of the measurement model and ensure that the research data is accurate and reliable. The measurement model used proved consistent and relevant to achieve the research objectives.

RESULTS

Respondents Profile

Based on the data in Table 2, the respondents' profiles provide important insights into the demographic characteristics of the MSMEs participating in this study. The results of the questionnaire analysis in this study show that the majority of respondents, 57 people or 69.5%, are business owners, while 25 respondents or 30.5% are MSMEs managers. With 82 respondents, this study has met the minimum sample requirement of 69, thus providing a strong basis for further analysis. This data highlights the significant representation of MSME owners and managers as key decision-makers in business operations and strategy, which is the primary focus of this study.

The length of time a business has been in operation is also included in the demographic characteristics of MSMEs in this study, as it provides a snapshot of business experience and operational stability. Of the four criteria presented, most respondents' businesses are aged more than 1 to 3 years, and as many as 69.5% or 57 respondents. In addition, businesses aged more than 3 to 5 years were 6.1%, businesses aged more than 5 to 10 years were 8.5%, and businesses aged more than 10 years were 15.9%.

Furthermore, based on the type of MSME industry filled in by respondents, the most dominating result is culinary, which reaches 46.3% of the total respondents. Other categories that have significant numbers include fashion at 8.5%, services at 7.3%, technology at 6.1%, and many other categories. In addition, it is also seen based on the business turnover owned. The results of the study, as in Table 2, show that respondents with a turnover of less than 300 million rupiahs are 75.6%, respondents with a turnover of more than 300 million to 2.5 billion rupiahs reach 14.6%, and respondents with a turnover of more than 2.5 billion to 50 billion rupiahs are 9.8%. Then this data indicates that 75.6% of respondents are micro businesses, 14.6% are small businesses, and 9.8% are medium-sized businesses.

Table 2. Respondents' Profile

Demographics	Freq	%
Position		
MSMEs owners	57	69.5
MSMEs managers	25	30.5
Business Age		
1-3 Years	57	69.5
>3-5 Years	5	6.1
>5-10 Years	7	8.5
>10 Years	13	15.9
Industry Types		
Culinary	38	46.3
Retail	4	4.9
Fashion	7	8.5
Furniture	3	3.7
Technology	5	6.1
Automotive	3	3.7
Handcraft	3	3.7
Processing	4	4.9
Services	6	7.3
Others	9	11
Revenue per Year		
≤ IDR 300 Million	62	75.6
> IDR 300 Million - 2,5 Billion	12	14.6
> IDR 2,5 Billion - 50 Billion	8	9.8

Source: Primary Data Processing, 2024

Outer Model

This study evaluated the measurement model using a reflective testing model assessment. This evaluation involves several aspects, such as convergent validity, discriminant validity, and reliability tests.

Convergent Validity

Convergent Validity measures the extent to which item variation can be explained by its construct, and construct indicators are positively related to other constructs (Hair et al., 2022). In this study, several statement items, namely CO1, CO3, and CO6, have outer loading below 0.6. Based on the guidance of (Hair et al., 2022), if the indicator load or statement item has an Outer Loading below 0.4, it can be deleted, while items that have an Outer Loading between 0.40 and 0.70 can be deleted or retained by considering convergent validity. As Table 3 shows, items CO3 (0.640) and CO6 (0.609) have an outer loading below 0.7 but are retained following the guidance of (Hair et al., 2022), which considers the value acceptable if the AVE of the construct exceeds 0.5. All constructs in this study met the AVE threshold of 0.5, so convergent validity was confirmed.

Therefore, items CO3 and CO6 remain in use to maintain the completeness of the measurement model.

Table 3. Convergent Validity Test

Variable	Indicator	Outer Loading	AVE	Results
MSMEs' Performance (MP)	MP1	0.801	0.581	Valid
	MP2	0.755		Valid
	MP3	0.737		Valid
	MP4	0.754		Valid
Innovativeness (IN)	IN1	0.740	0.586	Valid
	IN2	0.707		Valid
	IN3	0.861		Valid
	IN4	0.746		Valid
Customer Orientation (CO)	CO2	0.741	0.515	Valid
	CO3	0.640		Valid
	CO4	0.777		Valid
	CO5	0.725		Valid
	CO6	0.609		Valid
	CO7	0.782		Valid
	CO8	0.733		Valid

Source: Primary Data Processing, 2024

Discriminant Validity

Table 4. Discriminant Validity Test

	MSMEs' Performance	Innovativeness	Customer orientation
MP1	**0.801**	0.291	0.170
MP2	**0.755**	0.271	0.195
MP3	**0.737**	0.236	0.198
MP4	**0.754**	0.397	0.349
IN1	0.318	**0.740**	0.438
IN2	0.348	**0.707**	0.275
IN3	0.319	**0.861**	0.456
IN4	0.276	**0.746**	0.432
CO2	0.244	0.344	**0.741**
CO3	0.170	0.224	**0.640**
CO4	0.243	0.478	**0.777**
CO5	0.324	0.453	**0.725**
CO6	0.176	0.368	**0.609**
CO7	0.177	0.391	**0.782**
CO8	0.220	0.313	**0.733**

Source: Primary Data Processing, 2024

Discriminant validity was tested using the Cross Loadings criterion. Cross-loadings help determine whether each indicator is more related to the construct that should be measured than other constructs (Hair et al., 2022). Table 4 shows that the cross-loading between statement items MP1, MP2, MP3, and MP4 with MSMEs performance has the

highest cross-loading value compared to other variables. Likewise, items IN1, IN2, IN3, and IN4 have the highest cross-loading value compared to those crossed with the MSMEs' performance and customer orientation variables. Likewise, CO2, CO3, CO4, CO5, CO6, CO7, and CO8 have the highest cross-loading value when crossed with the customer orientation variable. Thus, all variable items are considered valid because the loading value on each construct is higher than the correlation with other constructs. Therefore, the variables of this study fulfilled the criteria for validity.

Reliability Test Results

The reliability test applied in this study uses composite reliability to assess the internal consistency of constructs; this method is known to be reliable, accurate, consistent, and relevant (Hair et al., 2022). Based on the guidelines of (Hair et al., 2022), the composite reliability value must be more than 0.70 to indicate adequate reliability. According to Table 5, the MSMEs performance variable has a composite reliability value of 0.847, while the innovativeness variable also has a value of 0.849. In addition, the customer orientation variable has a composite reliability value of 0.881. So, all variables in the study have sufficient internal consistency so that they can be relied upon for use in further analysis.

Table 5. Reliability Test

Variable	Composite Reliability
MSMEs' Performance (MP)	0.847
Innovativeness (IN)	0.849
Customer Orientation (CO)	0.881

Source: Primary Data Processing, 2024

Testing the Structural Model (Inner Model)

Structural model evaluation is a process that ensures that the model has sufficient predictive power to explain the relationship between variables (Hair et al., 2022). In this evaluation process, the predictive ability is measured by four indicators: the collinearity test, coefficient of determination (R-square), hypothesis testing using the bootstrapping resampling method, and path coefficients (Sarstedt et al., 2021).

Collinearity Test Results

The researcher applied Collinearity VIF to ensure that the research results were not affected by collinearity that could interfere with data interpretation (Hair et al., 2022). In the context of this study, the results show that the VIF value for each variable is below 3, which indicates the absence of collinearity deviations in the research model (Hair et al., 2022). Table 6 shows that innovativeness on MSME performance and customer orientation on MSME performance have the same VIF value of 1.391. In addition, the relationship between customer orientation and innovativeness shows a VIF value 1.000.

Thus, this finding confirms that all relationships between variables in this study have no collinearity deviations because the VIF value in Table 6.

Table 6. Collinearity Test

	MSMEs' Performance	Innovativeness	Customer orientation
MSMEs' Performance			
Innovativeness	1.391		
Customer Orientation	1.391	1.000	

Source: Primary Data Processing, 2024

Hypothesis Test Results

Table 7 presents the results of hypothesis testing between customer orientation (CO), innovativeness (IN), and MSMEs performance (MP) using PLS-SEM, which shows that customer orientation (CO) has a significant positive influence on innovativeness (IN) with a path coefficient of 0.530 (t = 6.199, p < 0.001). The test results support the hypothesis that customer orientation can drive innovation. In addition, the R^2 value of 0.281 indicates that customer orientation can explain 28.1% of the variance in innovativeness, signifying a substantial influence. Although customer orientation affects innovativeness, its direct effect on MSME's performance is insignificant. A path coefficient of 0.142 (t = 0.893, p = 0.370) indicates no significant relationship between customer orientation and MSMEs' performance.

In contrast, innovativeness significantly positively affects MSME's performance, with a path coefficient of 0.334 (t = 2.029, p = 0.040). It can explain 18.2% of the variance in MSME's performance (R^2 = 0.182), confirming that innovativeness can improve MSMEs' performance to achieve desired profits. Furthermore, the indirect path analysis revealed that innovativeness has potential as a mediator with a path coefficient of 0.177 (t = 1.796, p = 0.073). However, this effect is not statistically significant at the 95% confidence level (α = 0.05). Therefore, while innovativeness remains an important element, further research is needed to identify other mediating variables that are more significant in bridging the relationship between customer orientation and MSMEs' performance to provide deeper insights into the factors that influence MSMEs' success amid dynamic market challenges. The results of hypothesis testing conducted using SmartPLS software can also be seen in Figure 2.

Table 7. Hypothesis Test

Hypotheses	Path Coeff.	t-stat	P-Values	Results	R-Squares
CO → IN	0.530	6.199	0.000	Supported	0.281
CO → MP	0.142	0.893	0.370	Not Supported	
IN → MP	0.334	2.029	0.040	Supported	
CO → IN → MP	0.177	1.796	0.073	Not Supported	0.182

Source: Primary Data Processing, 2024
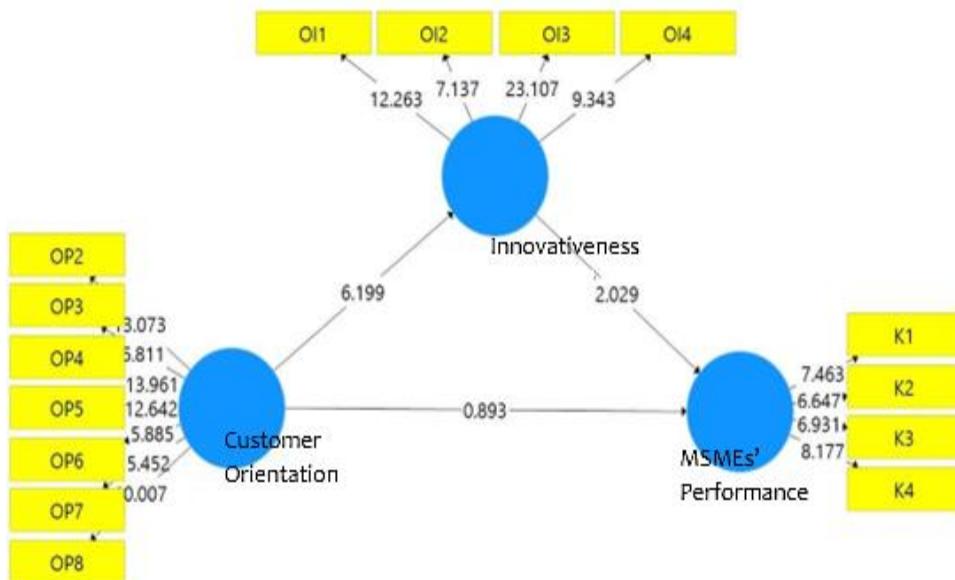
Source: Primary Data Processing, 2024

Figure 1. Bootstrapping Structural Model Test

DISCUSSION

Customer Orientation and MSMEs Performance

The findings of this study indicate that customer orientation does not have a direct impact on improving MSME's performance, in contrast to previous findings such as those (Al Asheq et al., 2019; Bamfo & Kraa, 2019; Domi et al., 2020; Neneh, 2018), which show a positive relationship between customer orientation and MSMEs performance. Although the (Neneh, 2018) study states that customer orientation is an important factor that can significantly improve MSME's performance, the findings of this study show conflicting results. This difference may be due to the different socio-economic contexts of the research locations. Thus, the impact of customer orientation on MSME performance is contextual and not universal, making it necessary to explore other factors that can explain the complex relationship between customer orientation and MSME performance in specific contexts.

Customer Orientation and Innovativeness

This study's results align with the findings of Mahmoud 2020; Domi et al., 2020; EREN, 2019), which emphasize customer orientation as a key driver in improving innovation culture, such as introducing new products and services. Research (Tajeddini & Trueman, 2012) states that when an organization has a strong orientation toward innovation, it tends to focus more on customer needs and wants. Therefore, this research confirms that customer orientation is proven effective in increasing customer satisfaction by developing innovative and quality products and services and creating a sustainable competitive advantage. This approach is not only able to meet customer expectations

but also ensure sustainable customer satisfaction in the long term to maintain a competitive advantage.

Innovativeness and MSMEs Performance

This research is on the study conducted by (Kiiru et al., 2023), which proves that innovativeness can positively improve the performance of MSMEs. When MSMEs face various new challenges, innovativeness can be an important driving factor in improving business performance (Rhee et al., 2010). Innovativeness, such as developing new products and services, has been proven to provide a competitive advantage, increase sales, and drive profitability (Jalali et al., 2020). Therefore, this study suggests that MSMEs should prioritize innovation in their business operations to achieve optimal performance improvement and long-term success.

Customer Orientation, Innovativeness, and MSMEs Performance

The results prove that customer orientation on performance through innovativeness is still limited and requires further research for a deeper understanding. The findings of this study support research conducted by (Domi et al., 2020), where substantial evidence of innovativeness has not been found to significantly mediate customer orientation to business performance in the context of the MSMEs studied. Thus, this finding suggests that although customer orientation is important for MSMEs, innovativeness may require additional approaches or factors to improve MSMEs' performance through the influence of customer orientation effectively. This indicates that the innovation process in MSMEs may be more complex and influenced by other factors that are not limited to innovativeness alone.

CONCLUSION

The conclusion from the results of this research analysis is that customer orientation has not been proven to have a significant influence on MSME's performance. In addition, this study shows that innovation orientation has not been proven to mediate significantly between customer orientation and MSMEs' performance. However, this study succeeded in proving that customer orientation has a positive influence on innovation orientation. The research also proved that innovation orientation positively influences MSME's performance. These overall findings suggest that although customer orientation does not directly improve MSMEs' performance, it is still important because it can encourage innovation, which positively affects MSMEs' performance.

Implications of the Research

The findings provide valuable insights for MSME owners and managers, emphasizing the importance of balancing customer orientation and innovativeness as key factors in improving business performance. Owners and managers must prioritize developing a culture of innovation by integrating customer feedback into innovative practices to

improve performance and support business growth. The dual focus on customers and innovation is crucial to ensure optimal business outcomes in a dynamic market environment.

Limitation and recommendations

This study has limitations, such as limited geographical coverage, which may affect the generalizability of the findings. In addition, the insignificant effect of customer orientation on MSME's performance suggests further research to explore other relevant mediating factors. Future studies are expected to examine the role of customer orientation in a broader context, covering different regions and industries, and investigate additional variables, such as market competition, to enrich the understanding of the relationship between customer orientation, innovativeness, and MSMEs success.

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