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Marketing Capability and Firm Performance: Mediating Role of New Product Development and Management Innovation

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Abstract
Purpose: This study evaluated the functional relationship between marketing capability and firm performance of selected firms in FMCGs category in Lagos State, Nigeria, more so, it assessed the indirect effect of new product development and management innovation capability on the relationship between marketing capability and firm performance.
Methodology: This study employed a cross-sectional survey design and a sample of 452 employees of eight manufacturers of FMCGs in Lagos State, Nigeria. The multiple regression analysis to test the mediation hypotheses was conducted.
Findings: The results show that marketing capability has a positive and significant effect on firm performance ($R2 =0.414$, $\beta=.576$, $F (1,450) =317,344$, $t=17.814$, $p =0.000$). Further analysis shows that when the interaction term new product development and management innovation was included in the model as a multiple regression analysis, (Adj. $R2 = 0.579$, $F(2,449) =344,864$ $p =0.000$) reveals that while the coefficient of the interaction term of NPD & MI had significant effect ($\beta =0.080$, $t= 14.390$, $p= 0.000$) on firm performance, the coefficient of marketing capability became insignificant ($\beta =0.054$, $t= -1.046$, $p= 0.296$) suggesting that a full mediation effect is established.
Implications: The findings suggest that marketing capability benefit firms' performance through developing new products and innovative management processes. Given this result, the firms should strengthen their commitment to develop new product and adopting innovative management process. Both can serve as strategies in responding to changing customer taste, internal-firm work relationships, disrupt competitive rivalry in new product development, and position the firms' marketing capability to achieving significant superior performance. Also, it is imperative for management to possess the knowledge to deploy ambidextrous marketing capability that would enable the firms to expand and explore market opportunities which facilitates achieving competitive advantage.

Keywords: *FMCG, marketing capability, new product development, innovation, performance, dynamic capability theory, Lagos state*

1. Introduction

Marketing literatures have placed significant emphasis on the important role of marketing capability in sustaining customer lifetime value, improving market offering, enhancing firms' market performance and in sustaining competitive advantage (Day, 1994; 2011; Mu, 2015; Ngo, Bucic, Sinha, and Lu (2019). Hence, several scholars have conducted research on different aspects of marketing such as Outside-in capabilities; ambidextrous marketing capabilities, B2B branding, reference-marketing, sales-person involvement and inter-departmental collaboration as it affect the achievement of the market-related goal in developed and emerging markets (Balarabe *et al*., 2017; Boachie-Mensah & Acquah, 2015; Chang, Wang, & Arnett, 2018; Day, 2011; Fallah, Jafariyan, & Savabieh, 2018; Feng, Huang, & Avgerinos, 2018; Guo et al., 2018;Kim, Shin, & Min, 2016; Mu, 2015; Mukhtar-Shehu & Mahmood, 2014; Ngo, Bucic, Sinha, & Lu, 2019; Ngo & O'Cass, 2012a; Ogbechi *et al*., 2018; Sulaimon *et al*., 2015).

The few scholars who emphasized the performance-effect of marketing capability suggested that firms benefit significantly from marketing capability (Adeleke & Aminu, 2012; Balarabe *et al*., 2017; Mu *et al*., 2018; O'Cass & Weerawardena, 2010; O'Cass, Ngo, & Siahtiri, 2015; Ogbechi *et al*., 2018; Takata, 2018; Sulaimon *et al*., 2015). Although the reliability of these studies are not in doubt, it is natural to say that due to economic, geographical, cultural orientation, and contextual differences between these earlier studies and the present study may result in different outcomes. In addition, the concentration of majority of the studies has been centered on a mix of firms from different sectors with the potential to result in misleading findings (Sufian, 2012) for single industry concentration which is the trust of this study.

To further the discussion on performance-effect of marketing capability, this study argue that through effective market analysis firm can acquire information that would help develop new product that meets consumer desires. More so, the possession of management innovative tendencies coupled with the firm's capability to develop new product should explain how marketing capability influence firm performance. While this seem conceptually logical, yet it is important to provide empirical examination to substantiate this indirect interaction. It is important to stress that while several empirical work have been done to account for the effect of marketing capability on firm performance in many research context involving multinational firms and mid-sized companies, yet there is paucity of studies (conceptual and empirical) that have presented the combine indirect effect of new product development and management innovation on the relationship between marketing capability and firm performance. Hence, this present a gap worthy of study.

In view of this discussion, this study examined the mediating effect of the interaction term of new product capability and management innovation on the relationship between marketing capability and firm performance of selected FMCG Rice/Pasta/Spaghetti manufacturers in Lagos State, Nigeria. The reminder of the article is in four sections. Section two which follows after this introduction is the literature review. Section three addressed the methodology. Section four focused on data analysis and section five incorporate discussions of findings, conclusion and recommendations.

2. Literature Review

2.1. Theoretical Framework and Hypotheses Development

Previous empirical studies have appraised existing theories to explain how firm level capabilities such as; marketing innovation, new product development capability and management innovation capability has influenced firm performance (Abiodun, 2017; Adeoye, Agbawodikeizu,& Egwakhe, 2019). However, this study adopts the dynamic capability theory (DCT) to substantiate the effect of marketing capability on firm performance focusing FMCG- Rice/Pasta/Spaghetti companies in Lagos state, Nigeria and to ascertain the mediating effect of NPD and management innovation capability on the interaction between marketing capability and firm performance. The dynamic perceptions offered precise implication for this study.

The proponents of the DCT opined that firms who possess the capability to integrate, develop internal and external competences peculiar to it and constantly reconfigure these competencies to accommodate market dynamics and changing macro-environment would achieve superior performance (Teece, 2014a; Zhang & Hartley, 2018). This suggest that there must be a direct and indirect interaction between the ownership of dynamic internal-external capabilities and superior firm performance (Chukwuemeka & Onuoha, 2018; Kaur & Mehta, 2017; Lee, Wu, Kuo, & Li, 2016). More so, NPD and Management innovation are considered dynamic capability that would explain how firm achieves superior performance. This narrative aligns with the interactionist perspective; particularly fit-as-mediator. The mediation perspective specifies the existence of a significant intervening mechanism (NPD*Management innovation) between a predictor variable (marketing capability) and the outcome variable (firm performance). Thus, the mediation perspective suggests the existence of indirect effects between a predictor variable and its consequent variable subject to the introduction of a third variable.

The main supposition of the DCT provide the theoretical explanations for the variables under investigation and the hypotheses formulated. Specifically, DCT been an outside-in and inside-out perspective suggest that organizations desirous of achieving superior performance must develop and deploy renewable internal and external competences that are considered peculiar to it. Furthermore, the interactionist perspective of fit-as-mediator suggests that when the indirect effect between two variables is explained by a third, then a mediation effect is achieved. Given the foregoing, this study proposed that: (H_1) Firm who possess marketing capability will experience significant effect on firm performance. More so, (H_2) the interaction term of new product development and management innovation would mediate the function-relationship between marketing capability and firm performance.

2.2. Empirical Review

2.2.1. Marketing Capability and Firm Performance

Takata (2018) focused on manufacturers in Japan for a duration of three years between 2009 to 2011, something Prange and Pinho, (2017) did not do in their study, They revealed that amongst many predictor variables such as marketing capability, market orientation, and industry forces, that marketing capability, was the strongest determinant of organisational performance measured as profitability, market share, and sales growth followed by industry rivalry and market orientation. Regarding the relevance of marketing-related capabilities to firms' competitiveness, O'Cass and Weerawardena (2010) result suggested that the significant success recorded by brands was attributed to marketing capabilities. This finding aligned with similar studies that position marketing capability as a significant contributor to both innovative tendencies and market share (Ngo & O'Cass, 2012a). Takata (2018) aligns with O'Cass and Weerawardena (2010) as the study also revealed that marketing capability explained a significant contribution to market share. Likewise, Fallah *et al.* (2018) established the relevance of market orientation. The result suggested that all the dimensions of market orientation (sales, customer, and inter-departmental collaboration) have contributed significantly to market performance.

In a related study on the performance effect of marketing capability on firm performance in Kano State, Balarabe *et al.* (2017) result posit that the increase in market share is significantly accounted for by marketing competence. Balarabe *et al.* (2017) upheld the submission of prior empirical literature such as; Boachie-Mensah & Acquah (2015) Hassan, Shakat, Nawaz, and Naz (2013) and Saunila and Ukko (2013). These studies implied that firms desirous of achieving significant performance should invest and develop sound marketing capability (O'Cass, Ngo & Siahtiri, 2015). Much like Balarabe *et al.* (2017) and Boachie-Mensah and Acquah (2015), Mukhtar-Shehu and Mahmood (2014), result confirmed that marketing orientation and firm performance are positive correlates. Hence, providing support for existing studies (Oyedijo *et al.*, 2012; Webster, Hammond, & Rothwell, 2014).

Sulaimon *et al.* (2015) shared some similarities with Mukhtar-Shehu and Mahmood (2014); however, the scholar focused on large manufacturing companies in Lagos state, Sulaimon *et al.* (2015) findings revealed that marketing competence contributes substantially to sale growth and customer patronage. Furthermore, Ogbechi *et al.* (2018) examined the factors responsible for customer satisfaction and loyalty, focusing on insurance companies in Nigeria. The result revealed that marketing variables positively influence customers' satisfaction and that the ripple effect of a satisfied customer leads to improved market performance. This finding is an offshoot of Takata's (2018) study, which posited that marketing capability has a significant influence on market performance. A similar study that focused on the GSM market, Adeleke and Aminu's (2012) result suggested that there exists a strong positive association between marketing effect such managing corporate image, customer satisfaction, and loyalty.

The submission in Adeleke and Aminu, (2012), Ogbechi *et al.* (2018), and Takata, (2016) are in alignment with the study conducted by O'Cass and Weerawardena (2010). The scholars corroborate existing literature to posit that marketing capabilities lead to higher brand performance. In line with this study and similar research interest, Ngo and O'Cass, (2012a) revealed that marketing capability significantly influences innovation and customer satisfaction, thereby indicating the significance of marketing capabilities for firm higher performance. Mu *et al.* (2018) considered all the dimensions of marketing capability to position its relevance to organisational performance. The study revealed that possessing proficiency in market sensing, partner-linking, customer engagement, selling, communication, and market implementation (dimensions of outside-in marketing capability) guarantee superior performance measured as profitability, market share, and customer satisfaction. Moreover, since all the performance measures used by Mu *et al.* (2018) are the standard measure for NPP, it would not be out of place to say that Outside-in marketing capability significantly explains the performance of a new product.

2.2.2. The Mediating Effect of New Product Perform and Management Innovation

Previous studies have suggested that new product development affect firm performance because the development of new product directly influence changes consumer taste, purchase intentions and allow firms to stay competitive (Lee, Lee & Garrett, 2017; Mu, 2015; NPP, Wei, Yi, Guo, 2014; Ukpabio et al., 2017). Similarly, several empirical studies have established that management innovation present firms the opportunity of achieving superior performance mainly because as the business environment changes, management innovation (a dynamic capability) allow the firms to adapt quickly to changing business dynamics and to take advantage of the changes (Abiodun, 2017; Atalay, Anafarta & Sarvan, 2013; Azubuike, 2013; Mohammed et al., 2017; Sharma, Davcik, & Pillai, 2016). In addition, another category of scholars have established that innovation capability significantly moderates the relationship between different firm-level capabilities and firm performance (Anning-Dorson, 2018; Fallah, Jafariyan & Savabieh, 2018; Ngo, Bucic, Sinha, & Lu, 2019; Prange & Pinho, 2017). However, literature that combined both new product performance and management innovation in a mediation capacity seem sparse. Since, little is known about how both firm-level capabilities mediate the functional relationship between marketing capability and organisational performance, it is imperative to position the likely interaction effect by adopting a theoretical framework. The theory appropriate for explaining interaction effect is the contingency theory of fit-as-mediation. According to this theory, where the association between an independent variable (marketing capability) and outcome variable (organisational performance) is explained mainly by the introduction of a third variable (new product development*management innovation), then a mediation exist. This study aligns with this narrative that the performance effect of marketing capability will be fully mediated by the interaction term of new product development and management innovation.

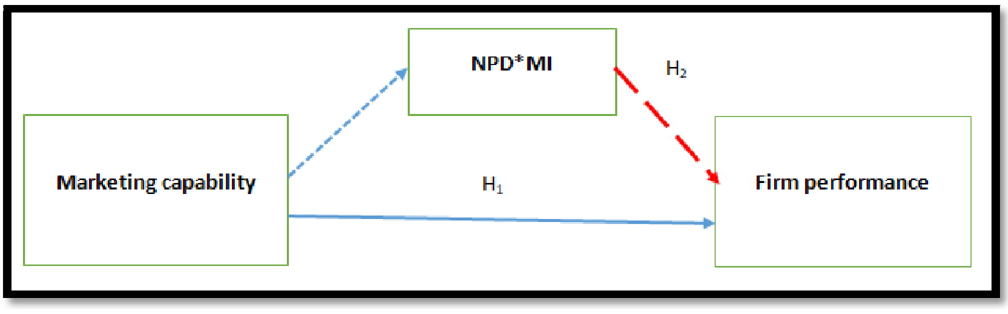

*Figure 1: Conceptual Model: Marketing Capability, NPD*MI, and Firm Performance*

3. Methodology

This study adopted a quantitative approach to research because it sought to use quantifiable data to analyse its objective. To achieve this objective, the cross-sectional survey design which involves data collection at a point in time was employed. Several studies have employed this research design and found it appropriate in collecting data to substantiate the effect of an independent variable on a dependent variable at a point in time (Ogbechi et al., 2018; Onamusi et al., 2019).

3.1. The Study Context, Sampling and Data collection

The population of this study comprised of 7,372 employees of eight manufacturers of Rice/Pasta/Spagetti in Lagos State, Nigeria. Thus, the sample size appropriate for 7372 according to Krejcie and Morgan sample size determination table is 365 . To accommodate anticipated non-response and inappropriate filling of questionnaires 30% of the sample size (109) was incorporated into the initial sample size (365+109=474). The category of staff that made up the population are those in the management level in the firms. The research instrument for data collection was a structured questionnaire. The use of questionnaire is relevant because it helps in collecting feedback based on the opinion of the respondents, more so, it is suitable for collecting data from respondents in a short time on current issues, and it facilitates quantitative data analysis (Onamusi et al., 2019). The items in the questionnaire were adapted. The adapted questionnaire was a standardized scale that has been used by authors on the subject matter of this research in another research context. The response options provided in this study's questionnaire followed the 6-point Likert type scale (1 = strongly disagree, 6 = strongly agree), consistent with (Arokodare et al., 2019; Onamusi et al., 2019). The administration and retrieval of the questionnaire took 8 weeks. After collating the questionnaires, the researcher then screened the questionnaires in such a way that questionnaire that were not properly filled were dropped. In all 452 questionnaire were considered usable representing 95.3% response rate.

3.2. Measurement of Variables

Taken a cue from this study's research framework, the following dependent (firm performance), independent (marketing capability), and mediating (new product development*management innovation) variables were discussed taking cognizance of their measurement in extant literature.

3.2.1. Dependent Variable

3.2.1.1. Firm Performance (FP)

Previous empirical studies measured firm performance by including both financial and non-financial measures on a multi-item scale (Anning-Dorson, 2018; Bendig *et al*., 2018). This approach ensures that a robust measure that reflects the organisational realities is adopted to measure firm performance.

3.2.2. Independent Variable

3.2.2.1. Marketing Capability (MC)

Chen, Chen and Zhou (2014) posit that MC, is an integrative process of utilizing firm resources (tangible and intangible) to recognize the specific needs of consumers, attain competitive product differentiation and to realize superior brand equity. Marketing capability involves multidimensional tasks. Existing studies measured marketing capability by incorporating: marketing communication (Advertising), market sensing, partner linking, pricing & selling, market planning, and marketing implementation. These elements were measured (using Likert-type scale) by earlier scholars (Mu, 2015; Mu et al., 2018; Vorhies & Morgan, 2005). Overall, this study follow similar procedures used by earlier scholars to measure all the variables identified in this study.

3.2.3. Moderating Variable

3.2.3.1. New Product Development (NPD)

New product development reflects the extent to which firms can conceive and introduce new products to the market. Previous studies measured NPD by incorporating different dimensions of NPD. The dimension includes New-product introduction, time to market of the new product, the development cycle of the new product, and market potential of new products in comparison to the major firm competitor. These elements were measured using the Likert-type scale by earlier scholars (Griffin & Page, 1993; Mu et al., 2017; Wei et al., 2014).

3.2.3.2. Management Innovation (MI)

Prior studies on Innovation capability measured the variable by incorporating both technical and management innovation (Ngo & O'Cass, 2013). However this study's focus is on management innovation which involves the application of knowledge and skills to engage in innovative work practice, service operation and the development of new services operations (Camisón & Villar-López, 2014). This construct was measured using a Likert scale by scholars (such as Camisón & Villar-López, 2014; Foroudi et al., 2016; Ngo & O'Cass, 2013). Overall, this study follow similar procedures used by earlier scholars to measure all the variables identified in this study.

3.3. Data Analysis

The study employed simple regression analysis to establish the functional relationship between marketing capability and firm performance as well as the relationship between new product development*management innovation and marketing capability. Lastly, the study established the indirect effect of new product development*management innovation on the relationship between marketing capability and firm performance using multiple (mediated) regression analysis.

3.4. Model Specification

Y = f(X)

Y =Dependent variable: FirmPerformance (OP)

X = Independent variables: Marketing Capability (MC)

Z = Mediating variable: New Product Development and Management Innovation (NPD*MI)

To analyse mediation, this study followed Baron and Kenny's (1986) three steps identified below

$FP = \beta o + \beta_1 MC_i + \mu_i$......................................Step 1

$NPD*MI = \beta o + \beta_1 MC_i + \mu_i$ ....Step 2
$FP = \beta o + \beta_1 MC_i + \beta_2 NPD*MI_i + \mu_i$ ....Step 3
Where:
βo = the intercept expected value of y when x is equal to zero.
b = the Coefficient of the independent variable (it is the rate of change in y with respect to x).
μ = the error term to accommodate the effect of other variables that can influence firm performance, but which were not included in the model.

4. Analysis and Result

4.1. Validity and Reliability Test

The questionnaire items were subjected to principal factor analysis to establish the overall adequacy and validity of the instrument. A Kaiser-Meyer-Olkin (KMO) statistic greater than 0.72 confirmed the suitability of the items for factor analysis since (Hair, Black, Babin & Anderson, 2018). The factor loadings of these items were used to establish the composite reliability and Average Variance Extracted. All the constructs have an AVE value above the threshold 0.5. The construct, convergent validity and reliability result is presented in Table 2 below.

Latent Variables	Items	Loadings	CA	CR	AVE
Marketing Capability	Manage corporate image	0.602	0.786	0.86	0.607
	Support Sales Reps	0.833			
	Segment market	0.836			
	Allocate mkt resources effectively	0.849			
	Alert to market dynamics	0.72			
	Monitor Competitors' price changes	0.721			
	Anticipate market trends	0.812			
	Know competitors pricing tactics	0.831			
Management Innovation	Innovative manufacturing processes	0.884	0.746	0.868	0.626
	Innovative support for production unit	0.895			
	Quality management system	0.746			
	Innovative work relationship	0.605			
New Product Development	Improve production process	0.572	0.825	0.848	0.589
	Highly innovative product	0.869			
	First to introduce product	0.848			
	Cost reduction	0.746			
Firm Performance	Acquire New Market	0.88	0.891	0.834	0.712
	Customer satisfaction	0.837			
	Gross profit margin	0.899			
	Achieving financial target	0.718			
	Net profit margin	0.838			
	Sales growth	0.881			

Table 1: Validity and Reliability Test for Measurement Items
Note CA= Cronbach Alpha, CR= Composite Reliability, AVE= Average Variance Explained
Source: Author's Computation Using SPSS V23

4.2. Hypotheses Testing

Summary of hierarchical regression analysis for the mediating effect of new product development*management innovation on the relationship between marketing capability and firm performance

Model	Beta	t	Sig.	R	R^2	Adj. R^2	F(df)	ANOVA Sig
1 (Constant)	1.992	13.092	0.000	0.643	0.414	0.412	317.344(1,450)	0.000
Marketing capability	0.576	17.814	0.000					
2 (Constant)	2.468	37.716	0.000	0.853	0.728	0.727	1201.572(1,450)	0.000
NPDMI	0.092	34.664	0.000					
3 (Constant)	3.032	20.872	0.000	0.774[a]	0.599	0.597	334.864(2,449)	0.000[c]
Marketing capability	-0.054	-1.046	0.296					
NPDMI	0.080	14.390	0.000					

Table 2

a. *Predictors: (Constant), Marketing capability*
b. *Predictors: (Constant), NPDWIC: New product development*Management innovation*
c. *Predictors: (Constant), Marketing capability, NPDWIC*
d. *Dependent Variable: Firm Performance*
e. *Note in Model 2 Marketing capability is the dependent variable in line with Baron and Kenny (1986)*

Source: Author's computation using SPSS V23

In the first step (Model 1), the effect of marketing capability on firm performance was examined. In the Second step (Model 2), the effect of new product development*management innovation on marketing capability was examined and in the third step (Model 3), the relative effect of marketing capability and the interaction term of new product development*management innovation on firm performance were examined respectively and discussed in three paragraphs below.

More specifically, in the first step (Model 1), a simple regression analysis was conducted and the R^2 was used as the determinant of the effect relationship. From the analysis, it was discovered that marketing capability accounted for 41.4% of the variance recorded in Firm performance (R^2 =0.414, F (1,450) =317,344, p =0.000), while the remaining 58.6% is explained by extraneous variables not considered in this study. The βeta coefficient of determination shows that a unit change in marketing capability will increase firm performance by 0.576 and the corresponding t-static and probability values showed the influence is statistically significant (β= 0.576, t= 17.814, p= 0.000). The first precondition to conducting a mediation analysis suggest that the initial functional relationship between a predictor variable and an outcome variable must present a significant effect. This study as fulfilled this first precondition.

In the second step (Model 2), a simple regression analysis was conducted and from the analysis, it was discovered that new product development*management innovation accounted for 72.8% of the changes recorded in marketing capability (R^2 =0.728, F(1,450) =1201.572, p =0.000), while the remaining 27.2% is explained by extraneous variables not considered in this study. The βeta coefficient of determination shows that a unit change in new product development*management innovation will result in 0.092 increase in marketing capability and the corresponding t-static and probability values showed the influence is statistically significant (β= 0.092, t= 34.664, p= 0.000). The second precondition to conducting a mediation analysis suggest that the new product development*management innovation must have statistical significant effect of marketing capability. This study as fulfilled this second precondition.

In the third step (Model 3), multiple regression analysis was conducted and the Adjusted R^2 was employed as the determinant of the effect relationship given the presence of multiple predictor variables. The result revealed that marketing capability and new product development*management innovation explained 57.9% variation experienced in firm performance (Adj. R^2 = 0.579, F (2,449) =344,864 p =0.000), while the remaining 42.1% is explained by variables not included in the regression model. The βeta coefficient of determination shows that a unit change in marketing capability will decrease firm performance by -0.054 and the corresponding t-static and probability values showed the influence is insignificant (β= -0.054, t= -1.046, p= 0.296). However, the relative effect of new product development*management innovation shows that the βeta coefficient of determination shows that a unit change will increase firm performance by 0.080 and the corresponding t-statistic and probability values showed the influence is insignificant (β=-0.080, t= -14.390, p= 0.000).

The third mediation precondition according to Baron and Kenny (1986), suggested that where a new predictor variable (new product development*management innovation) is introduced into the regression in model one changing it into a multiple regression model, the initial significant β coefficient effect in model one become insignificant or disappears. If this assumption holds then a full mediation (indirect effect) effect is achieved. Hence, from the results in model 1, 2, and model 3, the study achieved the three preconditions for a mediate analysis, thus it establishes that new product development*management innovation fully mediate the functional relationship between marketing capability and firm performance and the indirect effect is positive and statistically significant.

5. Discussion, Conclusion, and Recommendation

The study examined the performance effect of marketing capability and the mediating effect of interaction term of new product development*management innovation on the relationship between marketing capability and firm performance.

The findings align with the hypotheses formulated in this study hence providing important implications for theory and practice. The first hypothesis proposed that marketing capability would positively influence firm performance. This study shows that marketing capability has significant effect on firm performance. This result aligns with past empirical study like who positioned that marketing capability contribute significantly to a firm performance (Balarabe et al., 2017; Fallah et al., 2018; Mu et al., 2018; Mukhtar-Shehu and Mahmood, 2014; Prange and Pinho, 2017; Ogbechi et al., 2018; Takata, 2018), more so that firm can achieve competitive advantage through ownership and ability to deploy marketing capability that is conceptualised from both Outside-in and Inside-out perspective (Mu et al., 2018).

The second hypothesis upholds the suppositions of both the dynamic capability and the contingency theory of fit-as-mediator. The dynamic capability promote the ideology that firms desirous of achieving superior performance must develop and deploy unique internal and external competencies that is adaptable to a changing environment. All the predictor variables; marketing capability, new product development, and management innovation in this study are capabilities that are developed by firms and possess the attributes of changing to meet the demands of a changing environment. Also, by this study's result, the contingency perspective of fit-as-mediator is strengthened in the sense that where the functional relationship between two variables is explained by the introduction of a third variable (in this case new product development*management innovation) then a contingency theory of fit-as-mediator holds. This study strongly affirm this position with its result.

The contribution of this study to knowledge is in many ways. First, the study developed a conceptual model that expressed the functional relationships between marketing capability and firm performance. The model further showed the mediating effect of new product development*management innovation on the established effect of marketing capability on firm performance. Third, the empirical results add to current literature in marketing to showed that the interaction term of new product development and management innovation significantly mediate the relationship between marketing capability on firm performance. Lastly, this study further corroborates the position of the dynamic capability theory and the contingency perspective, hence, providing further support for the assumptions of both theories.

The study conclude that marketing capability benefit firms' performance through developing new products and innovative management processes. On the basis of this findings, this study recommend that firms should strengthen their commitment to develop new product and adopting innovative management process. This is because both capabilities can be adopted as competitive strategies in responding to changing customer taste, internal-firm work relationships, disrupt competitive rivalry in new product development, and position the firms' marketing capability to achieving significant superior performance. Also, it is imperative for management to possess the knowledge to deploy ambidextrous marketing capability that would enable the firms to expand and explore market opportunities which facilitates achieving competitive advantage.

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