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Role of Entrepreneurial Marketing Orientation on New Product Development Performance of Food Retailers: Michelin Guide Restaurants in Thailand

Pongnarin PITJATTURAT¹, Chutima RUANGUTTAMANUN², Komkrit WONGKHAE³

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Abstract

Purpose: This study's purpose is to explore the relationship between entrepreneurial marketing orientation on new product development performance via marketing and innovation capabilities. **Research design, data, and methodology:** This research has applied a survey method which involved 159 respondents from food retailers among Michelin Guide Restaurants in Thailand. The literature's existing measurement scales were used to operationalize the constructs proposed in this study. The analyses were conducted using Partial Least Squares-Structural Equation Modeling (PLS-SEM) to test the hypotheses. **Results:** The results have shown that new product development performance received positive and direct impacts from entrepreneurial marketing orientation, particularly in three dimensions: customer value orientation, opportunity-driven initiatives, and leveraged resources. Likewise, new product development performance received a positive, indirect impact from opportunity-driven initiatives, risk management, customer value orientation, and innovation that is focused on marketing and innovation capabilities. **Conclusions:** The results are useful for Thai food retailers as to strategy formulation in order to attract tourists from all over the world to tourist destinations in Thailand. Therefore, this empirical study is extremely important for domestic economic development and the international economy. These findings provide theoretical and managerial contributions for developing competitive strategies which will lead to sustainable business practices, as well as for providing future research directions.

Keywords: Entrepreneurial Marketing Orientation, New Product Development Performance, Food Retailers, Michelin Guide Restaurants

JEL Classification Code : L26, L66, L81, M31

1. Introduction

For Thai restaurant entrepreneurs, there has been a high rate of profitable growth. The value of the restaurant businesses in Thailand during 2018 was more than 400 billion baht with a tendency toward continued growth. The increasing profitability of these restaurant businesses was an important factor that attracts new entrepreneurs to enter the restaurant business market (Peeraphatchara, Wisuttiapet, Boonyasopon, & Roopsing, 2018). Moreover, Thailand has a policy under its five-year government plan (2017-2021) to promote gastronomic tourism in collaboration with Michelin to introduce a guide for Bangkok named Michelin Guide Restaurants in Thailand. This guide has

1 First Author, Ph.D. candidate at Mahasarakham Business School, Mahasarakham University, Thailand.
 Email: pongnarin.pi@rmuti.ac.th

2 Corresponding Author or Second Author, Assistant Professor at Mahasarakham Business School, Mahasarakham University, Thailand. Email: chutima.r@acc.msu.ac.th

3 Co-Author, Ph.D. at Mahasarakham Business School, Mahasarakham University, Thailand.
 Email: komkrit.w@mbs.msu.ac.th

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become the standard for Thai restaurants and Thai chefs to achieve world-class reputations (Agmapisarn & Julbanyong, 2019). This guide has raised the reputations of restaurants as well as promoted Thailand as a quality destination for tourists around the world. In association with the study of Daries, Cristobal-Fransi, Ferrer-Rosell, & Marine-Roig (2018), it has been shown that the reputation of Michelin restaurants attracts tourists from all over the world to visit tourist sites. Therefore, the Michelin Guide Restaurants in Thailand is significantly important for domestic economic development and the international economy.

Furthermore, Entrepreneurial Marketing (EM) seeks discontinuous and dynamically continuous initiatives that lead to increased customers (Morris, Schindehutte, & LaForge, 2002). As a result, the recognition of the significance of interaction between entrepreneurship and marketing has led to the proposal of the concept of Entrepreneurial Marketing Orientation (EMO). Conversely, the idea of multiple Strategic Orientations (SOs) has taken place mainly within the context of large organizations (Sole, 2013). Accordingly, the study of Jones & Rowley (2011) proposed a conceptual model in small firms which also included innovation and entrepreneurship. However, currently there are still few empirical studies concerning the influence of the factors on new product development performance in the context of Thai food retailers.

New product success has been an important issue in New Product Development performance (NPD performance) research. In addition, enterprises must strive to optimize their product development and services according to their organizational resources to increase their market coverage and face the ever-changing market (Hsu, 2016). Therefore, in today's turbulent business environment, firms should pay more attention to improving NPD so as to maintain substantial growth for business survival (Lee, Kim, Seo, & Hight, 2015). Moreover, applying entrepreneurial marketing is an important topic for both academic research and industry applications. As for research within restaurant entrepreneurship, it is a more limited scope; but it plays a vital role in regional and national progress (Chen & Chon, 2016). Moreover, Ottenbacher and Harrington (2007) research has also studied the success of Michelin-starred restaurants through the development process of new food products. The study found that NPD performance is extremely important for a successful restaurant business. Therefore, NPD performance is necessary for firms' growth and maintaining competitive advantage (Yu, Hao, Ahlstrom, Si, & Liang, 2014).

In addition, with the 2019 outset of the coronavirus disease (COVID-19), its effects have extended to every industry, from aerospace to food and beverage. Restaurants

and bars have struggled as nations have gone into lockdown, but everyone still needs to consume. Moreover, the expansion of large businesses and new entrepreneurs that have entered the restaurant market has resulted in increased, dynamic competition. Consequently, Thai restaurant entrepreneurs urgently need to formulate their marketing orientation to deal with these difficult challenges.

Further, the study of Grimmer, Miles, and Grimmer (2015) has suggested that research should be conducted which contributes to work in the field by extending the use of the resource-advantage theory in order to demonstrate that resources are related to entrepreneurial marketing orientation on capabilities and retailer performance. Moreover, this study is a new approach within the research on Michelin Guide restaurants, in that it has begun to introduce Thailand, where there are still very few studies. Thus, to fill this gap, this study purposes to explore the relationship between EMO on NPD performance via marketing, and innovation capabilities.

2. Literature Review and Hypotheses

This study, based on the Resource-Advantage theory (R-A theory) by Hunt and Morgan (1996), explains the associations of the conceptual framework for EMO. The R-A theory provides a strong theoretical foundation for empirical investigations of entrepreneurial empowerment that has significant impacts on business success. As for its role in marketing, Shehu and Mahmood (2014) suggest that the R-A theory clearly allows approaches to entrepreneurial marketing that imply an important role for marketing capabilities. In addition, the R-A theory has increased the level of entrepreneurial knowledge, leading to increased levels of innovation, which support organizational abilities that link innovation capabilities. For this reason, Griffith and Yalcinkaya (2010) argue that with R-A theory, the value of a resource is seen in terms of its potential to yield a competitive advantage that enhances NPD performance.

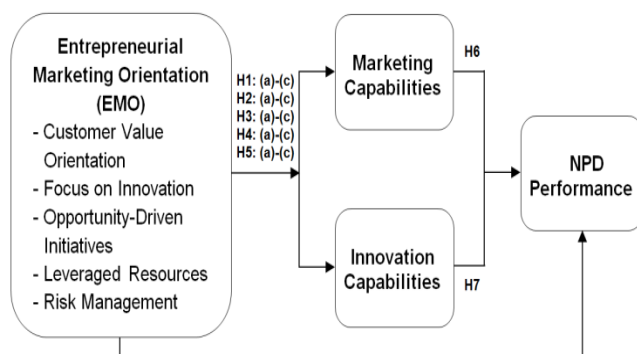
The background of the EMO concept originated from Morris et al. (2002), and from the study of EM in diverse SME businesses. After that, the interaction between entrepreneurship and marketing has led to the proposal of the concept of EMO. Consequently, the EMO paradigm is advanced to include an approach to marketing that is grounded in the knowledge bases of marketing, innovation, and entrepreneurship. This philosophical standpoint is operationalized through a focus on the various orientations (Jones & Rowley, 2011).

Moreover, Morris et al. (2002) critically explored the construct of EM. Seven core dimensions of EM were identified to be as follows: opportunity driven, proactiveness, innovation focused, customer intensity, risk

management, resource leveraging, and value creation. However, this study does not explore the three dimensions of proactiveness, customer intensity, and value creation. This is due to the lack of consistency in the context of food retailers included in the Michelin Guide Restaurants in Thailand for restaurants in Thailand.

In addition, the research of Jones and Rowley (2011) reveals sub-dimensions of EMO on customer value orientation, which is an important part that affects the success of restaurant entrepreneurs. Therefore, this study has brought the facet of “customer value orientation” that integrates into the dimensions of EMO, and provides a model for empirically testing and developing a set of models from relevant theory and the literature reviews.

This study contributes to the growing body of papers, and argues for the simultaneous adoption of EMO. Surprisingly, there are still very few studies with empirical research on EMO, which contain both quantitative and qualitative research. Thus, to fill this gap, this study has provided five dimensions of EMO (customer value orientation, focus on innovation, opportunity-driven initiatives, leveraged resources, and risk management) and its consequences, which are based on theory and literature reviews of empirical data as detailed below.



2.1. Customer Value Orientation

Customer value orientation is considered central to achieving competitive advantage for a company. The importance of superior customer value is acknowledged in most marketing literature. Consequently, delivering value for customers has become a central theme in business (Gronroos, 2000). The research of Ma and Ding (2010) has suggested that delivering good customer value can lead to higher customer loyalty and retention, and higher market share leads to marketing capabilities. In addition, innovation often starts with the invention of new technology. The seller then works backward to design new processes and product attributes for customer value orientation in a superior way. In conclusion, customer value orientation is related to innovation capabilities

(Woodruff, 1997). Moreover, Ottenbacher and Harrington (2007) looked at the innovation development process used by Michelin-starred chefs in Germany. The research findings indicated that customer value orientation plays a very important role in fine-dining NPD performance. Thus, this study defines the hypothesis as follows:

H1: Customer value orientation positively affects (a) marketing capabilities, (b) innovation capabilities and (c) NPD performance.

2.2. Focus on Innovation

Focus on innovation has become a pre-requisite for a firm's competitive advantage and survival. This seems particularly vital to small entrepreneurial firms with limited resources (Van de Vrande, de Jong, Vanhaverbeke, & de Rochemont, 2009). Traditional marketing emphasizes customer orientation which is market-driven and is connected to product development. Entrepreneurial marketing orientation, on the other hand, is more focus on innovation which means that idea-driven innovation affects marketing capabilities (Stokes, 2000). In addition, Rajapathirana and Hui (2018) found that evidence in empirical verification confirms that the relationship between innovative efforts and innovative capabilities is significant and strong. The results of focus on innovation affects innovation capabilities. This focus on innovation on entrepreneurial marketing orientation would promote changes and creative behaviors which encourage the active exchange of ideas, increase information flows, and create novelty in NPD performance (Olannye & Eromafuru, 2016). Thus, this study defines the hypothesis as follows:

H2: Focus on innovation positively affects (a) marketing capabilities, (b) innovation capabilities and (c) NPD performance.

2.3. Opportunity-Driven Initiatives

Opportunities are seen as objective phenomena that exist independently of the entrepreneur, and as such, reside in a stream experience that is external to the entrepreneur awaiting discovery. Therefore, entrepreneurial marketing orientation emphasizes opportunity-driven initiatives regardless of available resources to engender organization-wide marketing capabilities (Alvarez & Barney, 2013). Opportunity-driven initiatives have been examined as the strengthening of innovative capabilities (Ozgen & Baron, 2007). Thus, strengthening the innovative aspects and knowledge of SMEs brings major opportunity, as innovation is a key to long-term competitiveness (Buenechea-Elberdin, 2017). Since entrepreneurial firms

are resource-constrained, they need to acquire external resource opportunities to complement their relatively limited marketing and R&D resources, which may be the most important contributor to the success of their NPD performance (Pangarkar & Wu, 2013). Thus, this research defines the hypothesis as follows:

H3: Opportunity-driven initiatives positively affect (a) marketing capabilities, (b) innovation capabilities and (c) NPD performance.

2.4. Leveraged Resources

The research of Mugambi and Karugu (2017) suggested that SMEs should, therefore, utilize leveraged resources as a performance strategy for greater effectiveness. In addition, some research has suggested a link between marketing capabilities and leveraged resources (Vorhies & Morgan, 2005). Nonetheless, the research findings of Ostendorf, Mouzas, and Chakrabarti (2014) demonstrated that manufacturers and retailers jointly leverage resources to launch innovation. Meanwhile, the research of Hacıoglu, Eren, Eren, & Celikkan (2012) analyses results revealed that leveraged resources dimensions of entrepreneurial marketing are positively related with innovation capabilities. However, developing new products is critical to entrepreneurial continued success which is based on leveraged resources (Yu et al., 2014). Thus, this study defines the hypothesis as follows:

H4: Leveraged resources positively affects (a) marketing capabilities, (b) innovation capabilities and (c) NPD performance.

2.5. Risk Management

Uncertainty and risk are the major inherent difficulties in developing innovative products, which are due to highly dynamic markets and technologies (Wang, Lin, & Huang, 2010). However, study has found that the risk management of SMEs is positively related to their marketing capabilities (Jin, Jung, & Jeong, 2018). Furthermore, the research of Lee and Hsieh (2010), concluded that entrepreneurship with risk management directly influences marketing capability, innovative capability, and sustained competitive advantage. Meanwhile, the research of Andersen (2009) explained that effective risk management capabilities improve performance and enhance innovation capabilities. Moreover, in the research results of Mu, Peng, and MacLachlan (2009), it was shown that risk management strategies target specific risk factors, i.e., technological, organizational, and marketing influences on NPD performance. Thus, this research defines the hypothesis as follows:

H5: Risk management positively affects (a) marketing capabilities, (b) innovation capabilities and (c) NPD performance.

2.6. Marketing and Innovation Capabilities

Entrepreneurship is an important influential factor for sustained competitive advantage and NPD (Weerawardena & O'Cass, 2004). Entrepreneurship, marketing and innovative capabilities might positively influence competitive advantage and NPD performance; but there is little literature that discusses the relationships among them. Lee and Hsieh (2010) studied these strategic constructs in research structure, and investigated their influence on business performance. They discuss marketing and innovative capability as variables which mediate between entrepreneurship and sustained competitive advantage. However, the results of the recent studies of Teguh, Hartiwi, Ridho, Bachtar, Synthia, & Noor (2021) showed a positive effect of entrepreneurial marketing on innovative capability and competitive advantage through innovative capability. Therefore, the enterprise needs to develop two kinds of capabilities, which are marketing and innovation. These will hopefully enhance the enterprise's sustained competitive advantage and NPD performance. Thus, the hypothesis is offered as follows:

H6: Marketing capabilities positively affect NPD performance.

H7: Innovation capabilities positively affect NPD performance.

2.7. New Product Development Performance

NPD performance refers to the extent to which the new product has achieved its expected performance, including profit margin, return on assets, market share, and return on investment (Brown & Eisenhardt, 1995; Darawong, 2021). However, the research of Ottenbacher and Harrington (2009) presented six innovation development processes of Michelin-star chefs' similarities and the differences between Spanish, German and New York chefs, consisting of: (1) idea generation; (2) screening; (3) trial and error; (4) concept development; (5) final testing; and (6) commercialization. This study adapted the NPD performance measures proposed by Brown & Eisenhardt (1995), and Ottenbacher & Harrington (2009), which measures a firm's commercial performance from customer service in the restaurants that achieved their expected objectives including profit margin, return on assets and return on investment.

3. Research Methodology

3.1. Sample Selection and Data Collection

The population and sample was food retailers listed in the Michelin Guide Restaurants in Thailand for Bangkok, Chiang Mai, Phuket, and Phang-Nga (2020), 3rd edition. This database was a reliable source that provided complete addresses, and listed a total of 282 entrepreneurs. The research instrument was a self-administered questionnaire distributed via the postal service. The key informants were business owners or executive chefs. The total number of questionnaires sent were 282 packages mailed mid-April 2020. After four weeks, to increase the response rate, a follow-up postcard was sent to the restaurants that had not yet responded, to remind them to fill out the questionnaire, and asking them to cooperate. A total of 159 surveys were returned, representing a response rate of 56.38 percent. According to Aaker, Kumar, and Day (2001), a 20% response rate for a postal survey is considered acceptable.

The participant characteristics of the 159 respondents were as follows. Most respondents were male. The age span of the respondents was 41-50 years old, with restaurant work experience over 15 years. Most respondents were restaurant owners of Thai nationality. Most respondents had received Michelin Plate awards, and their restaurants have been established for more than 10 years. The revenue forecasted, based on past performance in 2019, was less than 5,000,000 baht. The number of restaurant seats ranged from 20 to 40.

3.2. Analysis Method

To establish validity, five academic experts reviewed and adjusted the measurement items in the questionnaire to achieve the best possible scale measure. To achieve valid results and conclusions for this research, reliability was established through use of Cronbach's alpha. All scale items were defined and accepted on the basis of the conventional guidelines proposed by Nunnally (1978). In this research, the first thirty questionnaires sent back from respondents were used to perform a pre-test of the reliability of all measurements that were used in the questionnaire. Consequently, these thirty questionnaires were included in the final data analysis for testing hypotheses and assumptions with Partial Least Square (PLS), Structural Equation Model (SEM), or PLS-SEM. However, Hair, Ringle, and Sarstedt (2011); and Cohen (1992) suggested the use of PLS-SEM when the sample size is small. Likewise, previous research has suggested a suitable number of samples for the evaluation of structural equation modeling using the PLS-SEM method. The

samples size should be between 100 and 200 (Sarstedt, 2008). However, the values, as established for the validity and reliability of this measurement model, passed the initial examination criteria as described. Based on the past advice of scholars concerning a limited number of samples, this study tested the hypotheses by running the PLS algorithm as well as a bootstrapping algorithm in ADANCO (analysis software).

3.3. Measurements

The quantitative research setting for the empirical analysis was based on primary data obtained by a survey questionnaire. In this research, there were four sets of variables to be measured. The dependent variable was NPD performance; while the independent variable was EMO. The mediating variable was marketing and innovation capabilities. These constructs were transformed into operational variables for true measuring. To measure each construct in the conceptual model, all variables were defined and measured by survey questions that used a five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree).

4. Results and Discussion

4.1. The Measurement Models

The study of reflective models was conducted using ADANCO which is new software for variance-based SEM, and includes PLS path-modeling (Henseler, Hubona, & Ray, 2016). For the measure of convergent validity of the analysis, all weight values above 0.50 (factor loading) were statistically significant. The statistical tool used to measure convergent validity was Average Variance Extract (AVE), which requires values to be greater than 0.50 (Hair et al., 2011). The measure of discriminant validity was based on a correlation measurement between the latent variable where all values of the latent variable must be below the square root of AVE. The measure of discriminant validity was the Fornell-Larcker Criterion (measurement along a diagonal matrix) $> (AVE)^2$ and discriminant validity: Heterotrait-Monotrait Ratio of Correlation (HTMT) < 1 (Fornell & Larcker, 1981). In addition, reliability measurements were measured with Composite Reliability (CR), Dijkstra-Henseler's rho (ρ_A), Jöreskog's rho (ρ_C), and Cronbach's alpha (α) values, with all reliability values greater than 0.70 (Nunnally & Bernstein, 1994; Hair et al., 2011).

The results of the statistical analysis of the measurement models were obtained from Table 1. There were 35 observable variables in this research, each of

which had a factor loading value in the range of 0.736-0.895, with all variables having a loading value > 0.50 . The total AVE of eight latent variables was in the range of 0.643-0.725, with all variables having an AVE > 0.50 . The section of reliability consisted of Composite Reliability (CR), and an analysis of latent variables returned scores of between 0.881 and 0.929. The Dijkstra-Henseler's rho (ρ_A)

analysis of each variable was between 0.832 and 0.905. The Jöreskog's rho (ρ_C) analysis of latent variables was in the range of 0.880-0.929. The Cronbach's alpha (α) analysis of latent variables was between 0.821 and 0.904. In conclusion, (CR), (ρ_A), (ρ_C), and (α) values were all > 0.700 , indicating that all values were fit for the model analysis, as shown in Table 1.

Table 1: Factor Loading, AVE, CR, ρ_A , ρ_C and α Values

Variables	Loading	AVE	CR	ρ_A	ρ_C	α
Customer Value Orientation (CVO)		0.663	0.887	0.832	0.887	0.830
CVO1	0.774					
CVO2	0.832					
CVO3	0.787					
CVO4	0.862					
Focus on Innovation (FI)		0.721	0.912	0.872	0.911	0.871
FI1	0.851					
FI2	0.837					
FI3	0.865					
FI4	0.843					
Opportunity-Driven Initiatives (ODI)		0.710	0.907	0.880	0.907	0.865
ODI1	0.832					
ODI2	0.851					
ODI3	0.865					
ODI4	0.821					
Leveraged Resources (LR)		0.649	0.881	0.834	0.880	0.821
LR1	0.777					
LR2	0.768					
LR3	0.829					
LR4	0.845					
Risk Management (RM)		0.668	0.889	0.850	0.889	0.834
RM1	0.765					
RM2	0.866					
RM3	0.782					
RM4	0.851					
Marketing Capabilities(MC)		0.643	0.900	0.885	0.900	0.863
MC1	0.827					
MC2	0.852					
MC3	0.836					
MC4	0.736					
MC5	0.753					
Innovation Capabilities (IC)		0.689	0.917	0.888	0.917	0.887
IC1	0.843					
IC2	0.845					
IC3	0.805					
IC4	0.851					
IC5	0.806					

Table 1: (Cont.)

Variables	Loading	AVE	CR	ρ_A	ρ_c	α
NPD Performance (NPDP)		0.725	0.929	0.905	0.929	0.904
NPDP1	0.895					
NPDP2	0.890					
NPDP3	0.888					
NPDP4	0.754					
NPDP5	0.822					

Table 2: Discriminant Validity: Fornell-Larcker Criterion

Construct	CVO	FI	ODI	LR	RM	MC	IC	NPDP
CVO	0.663							
FI	0.357	0.721						
ODI	0.215	0.276	0.710					
LR	0.263	0.184	0.072	0.649				
RM	0.301	0.321	0.200	0.280	0.668			
MC	0.272	0.293	0.274	0.148	0.257	0.643		
IC	0.386	0.405	0.231	0.195	0.257	0.271	0.689	
NPDP	0.397	0.377	0.378	0.237	0.325	0.407	0.381	0.725

Table 2 the results of the study were analyzed for discriminant validity of the Fornell-Larcker criterion was used for all eight latent variables by structure. For the diagonal AVE matrix and the correlation of the latent variable for each passive variable, the value $(AVE)^2$ should

be greater than the correlation between the passive variables. The range of values of the latent variables along the diagonal line, was 0.643-0.725. The results of all of them were considered greater than the correlation between the latent variables.

Table 3: Discriminant Validity: Heterotrait-Monotrait Ratio of Correlation (HTMT)

Construct	CVO	FI	ODI	LR	RM	MC	IC	NPDP
CVO								
FI	0.699							
ODI	0.527	0.596						
LR	0.610	0.511	0.306					
RM	0.650	0.661	0.534	0.632				
MC	0.586	0.614	0.574	0.438	0.582			
IC	0.724	0.723	0.526	0.503	0.582	0.568		
NPDP	0.723	0.689	0.679	0.551	0.637	0.694	0.684	

Table 3 shows the results of the study for Discriminant Validity using the Heterotrait-Monotrait Ratio of Correlation (HTMT). The criteria which considered discriminant validity returned values of between 0.306 and 0.724, and all variables were less than 1.00. From all of these results, consideration of the outer model indicated that it showed validity and reliability, leading to an interpretable structural model.

In Table 4 the hypothesis testing of the structure model found that out of 17 hypotheses tested for the structural model, a total of 9 hypotheses were accepted, and a total of 8 were rejected. However, the primary evaluation criteria for the structural model were the R^2 measures, with values between 0.431 and 0.634, which were at a moderate level.

Table 4: Hypothesis Testing Results

Hypothesis	Path	S.E.	t-value	p-value	Results
H1a:CVO→MC	0.171	0.098	1.738	0.082	Rejected
H1b:CVO→IC	0.291	0.076	3.815	0.000***	Accepted
H1c:CVO→NPDP	0.160	0.078	2.036	0.042*	Accepted
H2a:FI→MC	0.187	0.099	1.883	0.060	Rejected
H2b:FI→IC	0.324	0.071	4.553	0.000***	Accepted
H2c:FI→NPDP	0.086	0.073	1.179	0.238	Rejected
H3a:ODI→MC	0.258	0.080	3.192	0.001**	Accepted
H3b:ODI→IC	0.124	0.070	1.774	0.076	Rejected
H3c:ODI→NPDP	0.246	0.075	3.282	0.001**	Accepted
H4a:LR→MC	0.064	0.075	0.846	0.399	Rejected
H4b:LR→IC	0.086	0.066	1.302	0.192	Rejected
H4c:LR→NPDP	0.112	0.055	2.016	0.044*	Accepted
H5a:RM→MC	0.157	0.078	2.008	0.044*	Accepted
H5b:RM→IC	0.062	0.076	0.807	0.419	Rejected
H5c:RM→NPDP	0.081	0.077	1.050	0.293	Rejected
H6:MC→NPDP	0.222	0.065	3.384	0.000***	Accepted
H7:IC→NPDP	0.137	0.064	2.121	0.034*	Accepted

Note: * Significant at the 0.05 level. ** Significant at the 0.01 level. *** Significant at the 0.001 level.

Table 5: Results of Direct Effects, Indirect Effects, and Total Effects

Effect	Direct Effects	Indirect Effects	Total Effects
MC→NPDP	0.222	-	0.222
ODI→MC	0.258	-	0.258
ODI→NPDP	0.246	0.057	0.303
RM→MC	0.157	-	0.157
RM→NPDP	0.081	0.034	0.115
IC→NPDP	0.137	-	0.137
CVO→IC	0.291	-	0.291
CVO→NPDP	0.160	0.039	0.199
FI→IC	0.324	-	0.324
FI→NPDP	0.086	0.044	0.130

Table 5 shows the results of direct effects, indirect effects, and total effects of the factors. The results show that NPD performance received positive, indirect impact from opportunity-driven initiatives and risk management, via marketing capabilities. In addition, NPD performance received positive, indirect impact from customer value orientation and focus on innovation, via innovation capabilities.

4.3. Discussion

In Table 4, the results from the hypothesis testing show

that customer value orientation has no effect on marketing capabilities. The study of Woodruff (1997) suggested that value delivery will force organizations to compete on superior customer value, but this transition will not be easy depending on the marketing capabilities of each firm. However, customer value orientation improvements also may require more involvement by restaurant employees in gathering data from customers. For example, restaurant employees may have to become more skilled interviewers and observers when working with customers to get real-time data on customer value. In addition, customer value orientation has a positive effect on innovation capabilities and NPD performance. This is consistent with the study of Ottenbacher and Harrington (2007); Ma and Ding (2010), where the research results indicated that the development process in these innovation capabilities is achieved by customer value orientation, and is the finest approach to new products development.

Focus on innovation has a positive effect on innovation capabilities. The empirical verification of Rajapathirana and Hui (2018) has given evidence to confirm the relationships among innovation capabilities are significant and strong. In addition, focus on innovation has no effect on marketing capabilities and NPD performance. The existing literature shows that the innovativeness of Korean SMEs' entrepreneurship has not been verified as related to their marketing capabilities (Jin et al., 2018). Furthermore, a study by Li, Chu, and Lin (2010) described that in today's environment, most firms face major problems related to NPD due to the increasing complexity of

technology and the increasing cost of focus on innovation. In other words, with higher marketing costs coupled with more sophisticated technology, this may lead to entrepreneurs neglecting marketing development and new products.

Opportunity-driven initiatives has a positive effect on marketing capabilities and NPD performance. In conclusion, the entrepreneurship of opportunity-driven initiatives significantly influences marketing capabilities (Lee & Hsieh, 2010). Furthermore, the firm must be willing to act upon initiatives which are opportunity-driven. Consequently, opportunity-driving initiatives are intended to positively influence firm NPD performance (Schindehutte, Morris, & Kocak, 2008). On the other hand, opportunity-driven initiatives have no effect on innovation capabilities. The study of Webb, Kistruck, Ireland, & Ketchen (2010) suggested that, for a number of reasons, opportunities may not perfectly satisfy the need to innovate. Entrepreneurs may not have the technological capabilities to develop a product that addresses the entirety of customer needs, nor may they develop an innovation that satisfies only a subset of those customers' needs.

Leveraged resources has no effect on marketing and innovation capabilities. The study of Mugambi and Karugu (2017) suggested that SMEs are small businesses with limited resources affecting marketing strategies, and should be guardedly tailored to the available resources. Therefore, the resource constraints of SME businesses is an important factor that does not affect marketing capabilities. In addition, entrepreneurs may be leveraging too many weak or ineffective resources that can lead to loss of innovation capabilities and inefficiencies (Nohria & Gulati, 1996). However, leveraged resources has a positive effect on NPD performance. This is consistent with the study of Lehman, Fillis, and Miles (2014) which showed the positive effect of leveraged resources on firm NPD performance.

Risk management has a positive effect on marketing capabilities. The study of Jin et al. (2018) suggested that the risk management of SMEs is positively related to their marketing capabilities and upgrading to higher capabilities. Furthermore, risk management has no effect on innovation capabilities and NPD performance. In the existing literature, an associated firm's strategic risk factors are more difficult to predict, because the implied changes often are irregular and unique, which are hard to foresee. Therefore, this imposes limitations on the use of innovative technology (Andersen, 2009). Moreover, the study of Thamhain and Skelton (2007) suggested that the senior manager's effort to manage risk could be confounded with the abilities of other departments. However, risk management is conditioned by specific corporate structures and market positions which can limit innovation and NPD

performance.

Marketing capabilities has a positive effect on NPD performance. In the study of Mu (2015), the results suggested that marketing capability is positively associated with NPD performance. This theoretical account offers a novel perspective on the mechanism by which the impact of new product development performance can be impinged upon by marketing capability. However, innovation capability has a positive effect on NPD performance. The study of Sulisty and Ayuni (2018) showed that the ability to innovate is an important driving force in improving NPD performance. Therefore, innovation capabilities are positively related to the quantity of NPD performance.

5. Theoretical and Managerial Contributions

5.1. Theoretical Contribution

This research has been inspired by ongoing debates regarding the link between EMO, marketing capabilities, innovation capabilities; and NPD performance. Moreover, the conceptual framework of this research is determined by the R-A theory, which led to the following results, including the main objectives in this study. R-A theory's explanatory and predictive successes have resulted in its being well-received by both marketing and non-marketing scholars. The role of management is to recognize, understand, create, select, implement and modify strategies, which consist of allocations among resources (Hunt & Arnett, 2003). The R-A theory argues that firm resources can be leveraged to provide competitive advantage that results in financial performance. Therefore, to expand the R-A theory, management's resource allocation was consistent with the research findings of this study as follows:

NPD performance received a positive, direct impact from EMO on the following three factors: customer value orientation, opportunity-driven initiatives and, leveraged resources. (A) Customer value orientation and offering new services for the benefit of the customers can be considered as innovations. In other words, entrepreneurs creating new menus and services will give a good impression to customers. However, in customer value orientation, the employee's factor should not be overlooked. Employees are still critical to delivering service value as well as in playing an increasingly important role in customer value orientation in fine dining innovation. Moreover, the study results of Phornlaphatrachakorn and Nakalasindhu (2020) found that Thai food businesses need to enhance their employees' skills in understanding the creation of outstanding organizational efficiency and increase their competitiveness. (B) Opportunity-driven initiatives are

able to create the potential for change in driving new things that arise from the external environment. Consequently, opportunity-driven initiatives are intended to positively influence firm NPD performance. In addition, the driven opportunities represent unnoticed market positions that are sources of sustainable, potential profit. (C) Leveraged resources is strongly connected to NPD performance. Leveraged resources is the utilization of resources that others are unable to realize, using other people's or other firms' resources to accomplish one's own purpose, and complementing one resource with another to create higher NPD performance.

NPD performance received positive, indirect impact from opportunity-driven initiatives, risk management, customer value orientation and, focus on innovation via marketing and innovation capabilities. In conclusion, Thai entrepreneurs should focus on the development of opportunity-driven initiatives and risk management in order to gain marketing capabilities leading to NPD performance. In addition, Thai entrepreneurs should focus on development customer value orientation and focus on innovation in order to gain innovative capabilities leading to NPD performance.

5.2 Managerial Contribution

This study has provided managerial guidelines to be useful for Thai restaurant entrepreneurs who should focus on the application of EMO in their restaurant business to increase NPD performance. However, NPD performance is a measure of the success of the restaurant business, with many factors that contribute to NPD performance. Moreover, entrepreneurs should develop their marketing and innovation capabilities in parallel while engaging in the restaurant business. This study showed practical implications as follows:

Firstly, Thai food retailers should increase NPD performance directly with three key factors: (A) Focus on developing and customer value orientation by constantly creating new menus and services such as quick food delivery services to satisfy customers. This is consistent with the study of Kwak and Cho (2020) conclude that food retailer that provides quick food delivery satisfied customers and convenience. (B) Focus on opportunity-driven initiatives by creating a unique identity and higher food quality consistent with customer needs. Likewise, the study of Lamai, Thavorn, Klongthong, and Ngamkroekjoti (2020) found that restaurant should hypothetically change to higher quality by improving the hygienic process in providing food to customers. (C) Focus on leveraged resources through the use of local quality ingredients to creating value-added product offer to customers. This is consistent with the study of Kim and

Hwang (2020) which the research results indicated that bakery retailers succeeded in launching localized products after thoroughly analyzing products that suit local tastes.

Second, entrepreneurs should focus on strengthening their marketing and innovation capabilities, because those will lead to NPD performance. Building marketing capabilities must be driven by the pursuit of new opportunities to develop products and services that are outstanding and different. Meanwhile, there must be a backup plan for managing the risks that may arise, such as dealing with the current pandemic situation and natural disasters. In addition, enhancing innovation capabilities requires technology systems that facilitate services such as reservation systems, payment systems, and food delivery applications. This is consistent with the study of Cha and Seo (2020) who suggested that companies need to introduce new marketing strategies through the development of innovative applications; and it is urgent to develop mobile food applications that can generate customer loyalty.

6. Conclusion

This study purposes to explore the relationship between EMO on new product development performance via marketing and innovation capabilities. This study uses data from 159 respondents among food distributors listed in the Michelin Guide Restaurants in Thailand for restaurants in Thailand. The results of the study found that NPD performance received a positive and direct impact from EMO via three factors: customer value orientation, opportunity-driven initiatives, and leveraged resources. In addition, NPD performance received positive, indirect impact from opportunity-driven initiatives and risk management thru marketing capabilities. Moreover, innovation capabilities acts as an intermediary for the transmission of customer value orientation, and focus on innovation to NPD performance. In conclusion, entrepreneurs should develop entrepreneurial marketing orientation in terms of customer value orientation, opportunity-driven initiatives, and leveraged resources, including the development of marketing and innovation capability in order to gain better NPD performance.

This research was conducted only to investigate the Michelin Guide Restaurants in Thailand, which has a unique identity among the population group. Future research may include the study of other types of restaurant groups to make comparisons and analyses of the differences in the results. Finally, the author of this study is hopeful that empirical evidence regarding the role of EMO on NPD performance of food distributors in the Michelin Guide for restaurants will stimulate in-depth research on

this subject in the future. These findings are also important for further studies in food retailer strategy.

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