

# Systematic Literature Review of Competitive Advantage and Marketing Capability of Small Medium Enterprises (SMEs)

*by* Hanny Nurlatifah

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# 1 Systematic Literature Review of Competitive Advantage and Marketing Capability of Small Medium Enterprises (SMEs)

Hanny Nurlatifah \*, Asep Saefuddin, Marimin Marimin, Heny Kuswanti Suwarsinah

School of Business, Bogor Agricultural University, Bogor, West Java, Indonesia

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## ABSTRACT

The discussion about the formation of competitive advantage in work organizations such as SMEs is still not widely discussed. The current literature still discusses marketing activities in general, not specifically for SMEs. This article aims to find out the factors that influence SMEs' competitive advantage and marketing capabilities. The literature review method systematically uses three stages: planning for selecting articles, implementing, and reporting stage. The PRISMA Literature Review Model selects articles and data visualization using VOS Viewer software. The findings of this article are the related potential relationships between marketing capabilities as forming competitive advantages for small and medium enterprises. Eleven topics are frequently discussed in a collection of journals, and the dominant words are sustainable marketing orientation, marketing, and company performance. The three themes can be grouped into personality development, business management, and abilities. Differences in the types of business groups and business sizes as differentiators of business performance results are not widely seen in article searches. These findings suggest further research to examine business groups' role and size in determining SMEs' competitive advantage and marketing capabilities.

## ABSTRAK

Pembahasan tentang pembentukan keunggulan bersaing dalam organisasi kerja seperti UKM masih belum banyak dibahas. Literatur saat ini masih membahas kegiatan pemasaran secara umum, tidak khusus untuk UKM. Tujuan dari artikel ini adalah untuk mengetahui faktor-faktor yang mempengaruhi keunggulan bersaing dan kemampuan pemasaran UKM. Metode tinjauan pustaka secara sistematis menggunakan tiga tahap: perencanaan untuk pemilihan artikel, implementasi, dan pelaporan. Model Tinjauan Pustaka PRISMA digunakan untuk memilih artikel dan visualisasi data menggunakan software VOS Viewer. Temuan ini memetakan hubungan potensial terkait antara kapabilitas pemasaran sebagai pembentuk keunggulan kompetitif bagi usaha kecil dan menengah. Sebelas topik sering dibahas dalam kumpulan jurnal. Kata-kata yang dominan adalah orientasi pemasaran berkelanjutan, pemasaran, dan Kinerja Perusahaan. Ketiga tema tersebut dapat dikelompokkan menjadi pengembangan kepribadian, manajemen bisnis, dan kemampuan. Perbedaan jenis kelompok usaha dan ukuran usaha sebagai pembeda hasil kinerja usaha juga tidak banyak terlihat dalam pencarian artikel. Hal ini menyarankan penelitian selanjutnya untuk mengkaji peran dari kelompok usaha dan ukuran usaha dalam menentukan keunggulan bersaing dan kapabilitas pemasaran UKM

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## 1. INTRODUCTION

Small and Medium Enterprises (SMEs) are faced with challenges and opportunities in both domestic and international markets. Around 400 million SMEs are the backbone of economies worldwide. They are the primary source of job creation globally, accounting for more than 95% of companies and 60%-70% of employment (Business-humanrights,

2020). Many works of literature state that SMEs are recognized as essential contributors to the modern economy. The increasing number of SMEs currently strengthens the contribution of SMEs to a country's economy. SMEs are recognized as critical contributors to the contemporary economy. The expanding number of SMEs enhances the contribution of SMEs to a country's economy

\* Corresponding author, email address: hanny@uai.ac.id

presently. <sup>5</sup> The importance of the role of SMEs in the country's economy is often not accompanied by a high level of business continuity. The failure of SMEs usually occurs due to neglecting social and environmental activities.

It is necessary to pay attention to internal and external environmental factors <sup>2</sup> for business continuity. Ability to collaborate, assistance, and facilities from the government and organizations for improvement so that financial performance is an external factor that can affect business continuity. The SCA (Sustainable Competitive Advantage) concept in terms of financial excellence, leadership, differentiation, and focus are internal factors that SMEs must own (Das et al., 2020; Quayle & Mensah, 2019). Other internal factors related to business continuity are increasing organizational capabilities and the courage to create new things in business. Resource ownership is also an important factor affecting business continuity. The forms of resources are entrepreneurial orientation, human resources, and continuous operational capabilities (Ismail & Alam, 2019; Urban & Naidoo, 2012). Small work organizations will concentrate decision-making on business owners. The literature search results on gender differences have several competency advantages to maintain commitment, conceptual abilities, organizational abilities, and opportunities to understand competencies have a strong relationship with a competitive advantage that will lead companies to get company performance (Zainol & Al Mamun, 2018). The owner's ability to find the real purpose in doing business will affect the sustainability of the business in the first two years (Kesper, 2001). Local cultural values about discipline adopted by SME owners are also one of the strengths of SMEs (Sadiartha, 2018).

The discussion of competitive advantage in most literature involves large companies with complex organizational structures. The discussion about the formation of competitive advantage in work organizations such as SMEs is still not widely discussed. The organizational structure of SMEs, which is still simple, is to design a strategy to form a competitive advantage. One of the main problems in the sustainability of SMEs is market control related to managing management. The current literature still discusses marketing activities in general, not yet specific to SMEs. Based on this, a discussion of previous literature is needed to gain a competitive advantage by forming a structure that focuses on marketing capabilities. The existence of this conceptual model is expected to be the basis for further research that can be used as the basis for

strategies to improve business performance for SMEs. The novelty of this article can be seen from two sides. The first is the PRISMA literature review on article selection using the Vos Viewer. Second, the formation of a conceptual model to improve SME'S business performance by using a Competitive advantage and Marketing Capability approach.

## 2. THEORETICAL FRAMEWORK

Research <sup>39</sup> competitive advantage, marketing capability, and business performance in SMEs has been carried out based on the literature search. The ability of a company to gain an economic advantage compared to other companies in the same industry is an understanding of a company's competitive advantage (Meyskens et al., 2010). Four main factors can affect competitive advantage. The first is a value where the company must know customers' appropriate or embraced values. Second is the company's ability to meet customer desires regarding product delivery, speed, and customer sensitivity. Next is the perception of product prices by consumers. The fourth factor is the level of consumer loyalty, and the more companies can master these factors, the company can be considered to have a competitive advantage (Dobele & Pieterse, 2015). <sup>2</sup> Ownership of competitive advantage results from the ability to innovate, human capital, and entrepreneurial orientation (Ismail & Alam, 2019). Mastery of resources that are not easily imitated and cannot be substituted is a natural strength of a company to build a competitive advantage (Wills-Johnson, 2008). Motivation to innovate within the company can be applied to increase the incentive to innovate employees individually to achieve a competitive advantage that is useful for the company (Dustin et al., 2014). Entrepreneurial competence is a factor that influences competitive advantage and acts as a mediating variable for the company's capability variable (Hwang et al., 2020). Moving and taking competitive actions can form a competitive advantage (Zultraqawa et al., 2019). Market domination strategies have a relationship with the formation of competitive advantage. The system is from implementation and calculated by the costs arising from implementing the plan (Borbert, 2008).

<sup>5</sup> Based on the previous literature that explains the importance of ownership of competitive advantage for improving business performance, it is necessary to look at the company's internal side in understanding consumer wants and needs, one of which is the ability of human resources to innovate



in these activities. The other side is the presence of ownership of a market domination strategy that looks at the company's ability to achieve a particular position in the market. Mastery of competitive advantage requires a conceptual model that can be reduced to an operational model to improve SME'S business performance. However, there is much literature that discusses it. Still, there is not much literature discussing the relationship between these three concepts. To have a complete picture of how competitive advantage and marketing capability can determine the success of business performance owned by SMEs. A literature review is needed to identify and analyze research trends, factors influencing competitive advantage, marketing capabilities, and SME'S business performance.

### 3. RESEARCH METHOD

#### Review Methods

A Systematic approach for reviewing the literature

on competitive advantage is chosen. A systematic literature review (SLR) is defined as a process of identifying, assessing, and interpreting all available research questions (Kitchenham & Charters, 2007). The literature published in 2010-2021 is used as the literature review period. This period is used to ensure the updating of the article and the condition of the research object. The literature that has years outside the period is used to trace the basic concept of competitive advantage. Search for every article published between 2010 and 2020 with the keywords Competitive advantage, Marketing capability, and SMEs with the reference database is J Store, Emerald, Science direct, and Proquest. This database is chosen as a publicly accessible database. Selection of articles based on the use of predetermined categories. The stages of the literature study in this article are shown in Figure 1 as follows:

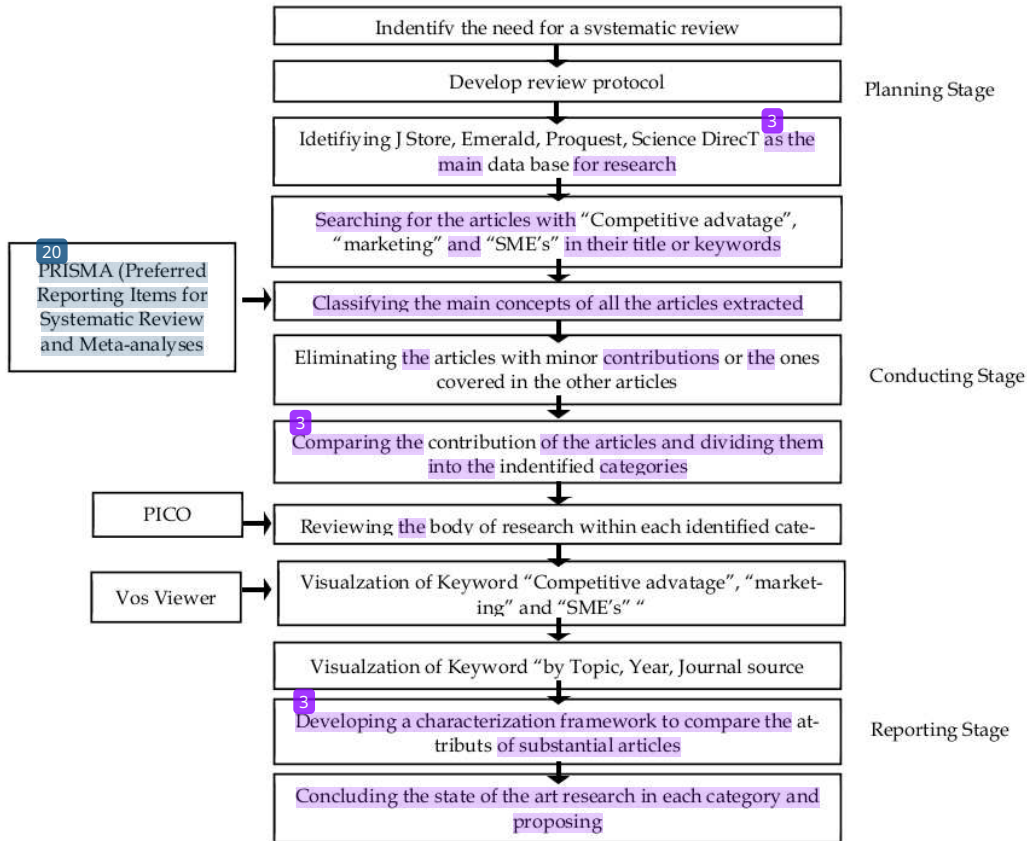


Figure 1. Research method

The first stage is to carry out the planning process for selecting source articles. The second stage is implementing a literature review by conducting a literature search and selection based on the planning in the first stage. The third stage reports the search results by visualizing and analyzing the existing literature to prepare a conceptual framework for developing competitive advantage through marketing capabilities. The PRISMA literature review model selects articles using "Competitive Advantage," "Marketing," and "SMEs." Data visualization to show the network between keywords using VOS viewer software. The findings in this article are expected to contribute to marketing

management by identifying, categorizing, and mapping the related potential relationships between marketing capabilities as gaining competitive advantages specifically for small and medium enterprises. Based on the synthesis of articles, eleven topics are frequently discussed in various journals.

The literature search method using Systematic Review with PRISMA obtained 1,139,468 articles with the keywords of "competitive advantage, marketing, and SMEs" (Gurevitch et al., 2018). Based on the selection stages, 115 critical essays are used as the primary reference for this article. The complete article selection stages can be seen in Figure 2.

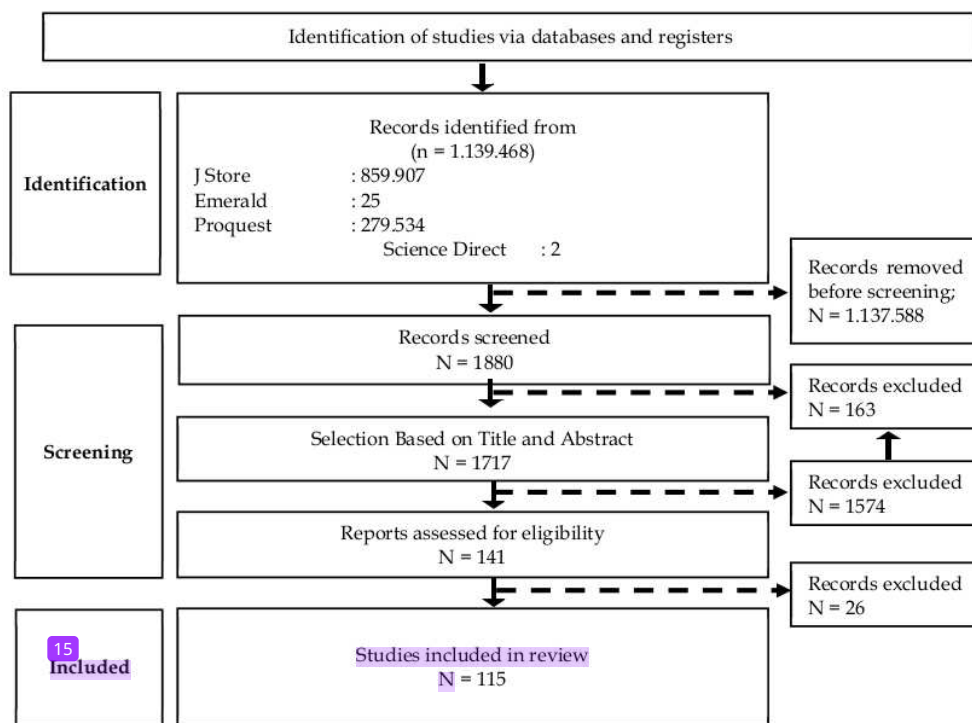


Figure 2. PRISMA flow diagram

The results of selecting articles using the PRISMA method are continued by downloading documents in the form of RIS, which are further processed in the VOS viewer. The results of the article selection using the PRISMA method are followed by selecting articles based on keywords using the VOS Viewer Mapping Software analysis tool. This analytical tool aims to visualize and analyze trends in previous studies in bibliometric form. The use of VOS Viewer to obtain publication

maps, country maps, journal maps based on networks, and co-citations forms a network (maps) based on predetermined keywords that are sourced from an extensive collection of articles.

#### Research Questions

The research questions (RQ) were designed to focus on this literature review. The preparation of these questions uses the PICOC criteria or Population, Intervention, Comparison, Outcomes, and Context

(Kitchenham & Charters, 2007). Table 1 shows the structure of the PICOC that forms the basis for the research question.

<sup>19</sup> Table 1. Summary of PICOC

Population	SME's
Intervention	Competitive Advantage, Marketing Capability, SME's Sustainability
Comparison	None
Outcomes	Development of a sustainability strategy for SMEs
Context	Academic scale research, qualitative and quantitative data

Based on the PICO method mentioned above, three research questions can be raised, as shown in <sup>36</sup> Table 2.

Table 2. Research questions

No	Research Questions	Purpose
RQ 1	Which journals discuss competitive advantage and marketing capabilities?	Identify journals with competitive advantage and marketing capabilities.
RQ 2	What research topics were chosen by previous researchers to see the competitive advantage and marketing capabilities of SMEs?	Identifying research topics that have been carried out to analyze SMEs' competitive advantage.
RQ 3	What factors shape competitive advantage, marketing capabilities, and the sustainability of SMEs?	Identify and classify <sup>38</sup> factors that form competitive advantage, marketing capabilities, and the sustainability of SMEs.

Referring to the keywords used, the literature <sup>34</sup> can be classified into three major groups, namely the impact of competitive advantage, marketing capability, and the third is the implementation of the two SMEs' keywords (RQ 3). The description of the

<sup>5</sup> grouping can be seen in Figure 3. Based on the level of importance, RQ 3 is the core of this literature review, and RQ 1 and 2 will provide an overview of the research theme.

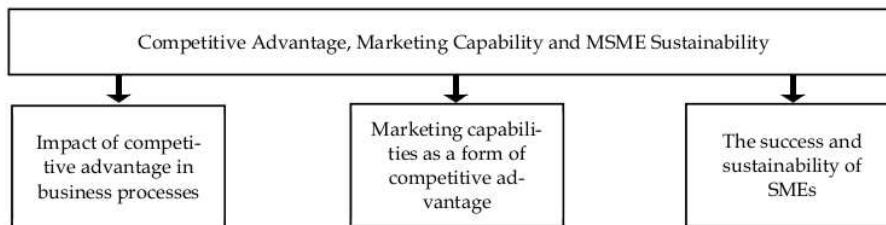


Figure 3. Literature group by keyword

#### 4. DATA ANALYSIS AND DISCUSSION

##### Data Analysis

One hundred fifteen articles <sup>45</sup> match the keywords that have been determined. Figure 4 below shows

the distribution of the year of publication of articles from 2010 to 2021. Figure 4 reveals that the trend saw a decline in coverage in the 2015-2019 period, but it increased again in 2020



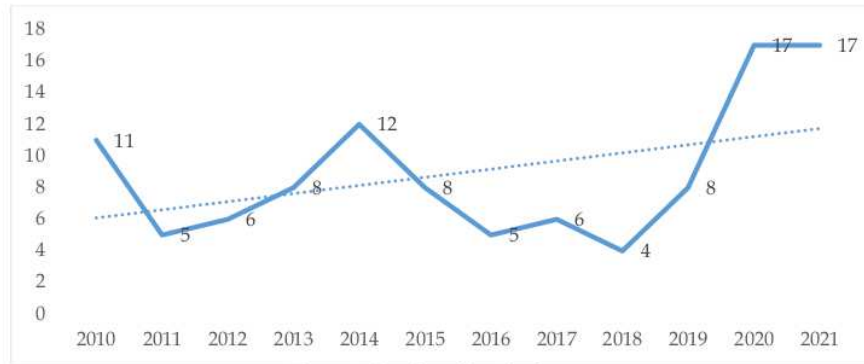


Figure 4. Number of articles by year

The three keywords used in this literature review were published in 18 journals containing more than one theme and 40 other journals containing one theme. The journals and the number of articles covered are presented in Table 3. The journal covering

the most keywords is the Journal of Small Business Economics, with 17 research documents. Furthermore, as presented in Figure 6, the most studied keywords are related to a sustainable marketing orientation, followed by marketing.

Table 3. Journal name and number of articles

Journal Name	No. of Articles	Journal Name	No. of Articles
Journal of Small Business Economics	17	Industrial Marketing Management	3
Journal of Business Ethics	11	Journal of Systems and Information Technology	3
European Journal of Innovation Management	5	Management of Environmental Quality: An International Journal	2
Academy - Social and Behavioral Sciences	4	Journal of Entrepreneurship in Emerging Economies	2
Journal of International Business Studies	4	International Journal of Law and Management	2
Sustainability	3	Journal of Cleaner Production	2
Journal of Innovation and Entrepreneurship	3	Journal of Asia Business Studies	2
International Journal of Quality and Reliability Management	3	International Journal of Productivity and Performance Management	2
Journal of Rural Studies	3	Journal of Marketing Management	2

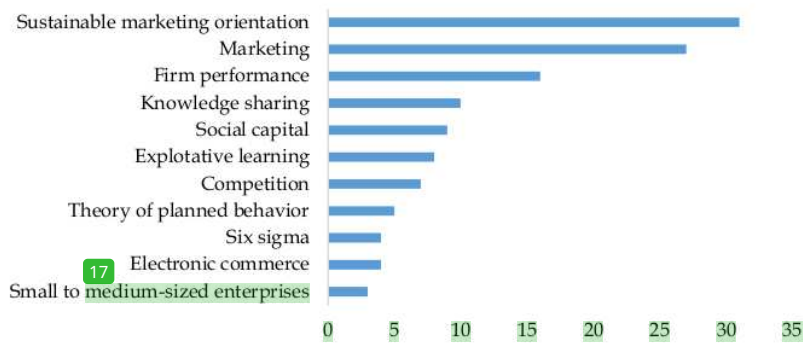


Figure 5. The most frequently discussed keywords

Previous studies analyses on business performance, competitive advantage, and marketing

capabilities were conducted using software developed by Van Eck and Waltman in 2010, namely

VOS viewer. The keywords used are business performance, competitive advantage, marketing, and SME'S capabilities. The network is obtained based on the processing results, as shown in Figure 6. The web and color describe clusters divided based on the keywords used. The size of the circle indicates the amount of research that has been done regarding the selected keyword. The division of keyword groups can also be seen from the number of clusters formed; different color marks in each set.

Figure 6 also shows five collections of research titles based on the keyword competitive advantage. This Figure reveals visible colors: red, blue, purple, yellow and green. This color difference shows that five clusters are formed based on the keywords used. The distance between the clusters also shows the closeness of the discussion on the emerging topic. Seen in the red and blue clusters have a close distance. The purple cluster is quite far from the other four clusters. In the red cluster, the dominant topics are SMEs and Knowledge, followed by several other topics such as green marketing, innovative performance, and exploratory learning. Topics on performance, social capital theory, business sustainability, and other topics have almost the same circle size. In the first group, the green cluster looks divided into two parts, with the dominant topic being entrepreneurship orientation. In the second part, firm performance is the central topic that shows the

relationship with various topics in the previous collection of articles.

The topic of competitive advantage in the green cluster seems to be related to firm performance, it still has a long distance. It can be seen in Figure 6 that there is no dominant relationship between competitive advantage and SMEs and marketing topics. Based on the visualization, it can be concluded that there is still much room to conduct research involving these variables to add information for the development of SME's business strategy.

The dominant words are marketing, business and economic-market, and strategic management. The central cluster formed is green, with a theme that often appears. It can be seen from the size of the circle that appears in the image, the larger the process that occurs, the more frequently the topic is discussed by researchers. The closer each subject is between circles, the more these topics are discussed together. Many researchers have chosen the topic of Competitive advantage and entrepreneurial orientation. Terms of space with the firm performance are not close, so it concluded that studies on athletic performance, competitive advantage, and entrepreneurial orientation are themes that are quite often. Nevertheless, to see the relationship between pieces is still rare. This description provides an opportunity to study the relationship between these themes.

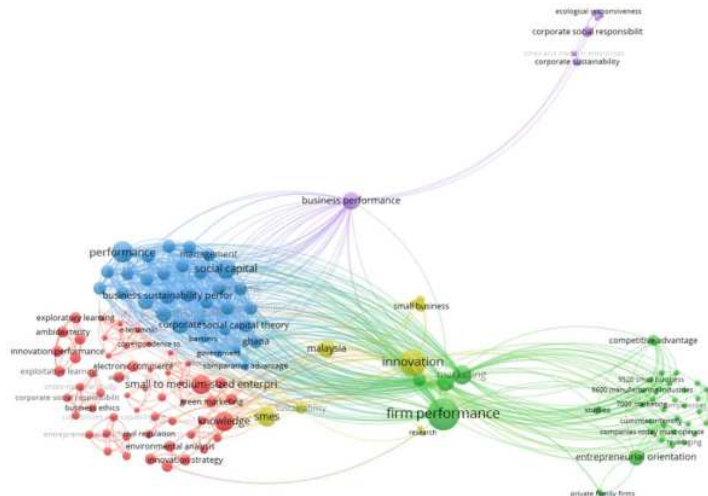


Figure 6. The visualization of keywords using the VOS viewer

The visualization overlay in Figure 7 has the same pattern as the network visualization, only displayed based on the score for each keyword. Keywords with a high score will see the size of the

circle, and the color will show the score based on the year of publication. The darker it is, the longer the year the research is carried out. Figure 7 shows research related to the keyword firm performance



was mainly after 2010.

It can be seen that firm performance is a focal point related to existing topics from various periods. Articles with the latest period discuss a lot about business continuity. More recent research with the keywords corporate social capital theory and business sustainability, social capital, and several

others are described in green. The topic of competitive advantage has not been much discussed in the 2010 period. It seems to have a relationship with the marketing topic in the same period. The same can be seen in the relationship between firm performance and business sustainability.

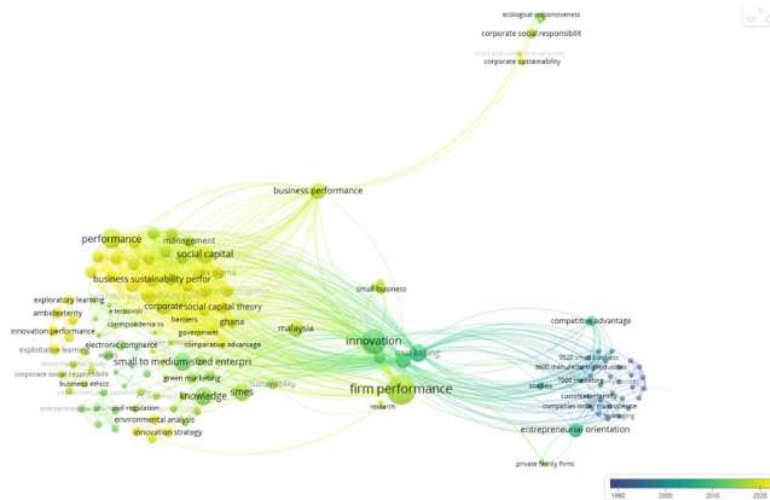


Figure 7. Overlay visualization

**Discussion**

Marketing capability is an internal strength of the organization. It has a high value in terms of scarcity, inimitability, and non-substitutability, so it must be considered a determining factor of comparative advantage (Day, 1994; Vorhies & Morgan, 2005). Micro, Small, and Medium Enterprises (SMEs) need to use specific marketing strategies and approaches due to their limited resources and capabilities. The results of data analysis show that entrepreneurial marketing has a positive and significant effect on the market and innovative appearance of halal food SMEs. However, the impact of entrepreneurial marketing on the company's production performance has not been confirmed. Production, market, and innovative implementation of halal food SMEs have a relationship with financial performance (Fard & Amiri, 2018).

Internal marketing is another element of marketing capability. Internal marketing influences the achievement of an organization or company (Wedzerai et al., 2020). Employee satisfaction with the company is one of the influencing factors of internal marketing. They have employees who are satisfied with their company will affect employee retention rates. High employee retention will affect

the quality of marketing capabilities and export performance (Luigi, 2013). In the case of information technology companies, internal marketing capabilities make employees more resilient to cyber security attacks (Bowen & Sethi, 2020).

The research above provides an overview of the direct influence between competitive advantage and marketing capabilities; several other studies have varying results. Kamboj et al. (2015) state that marketing capability significantly influences competitive advantage. Marketing success will positively affect financial performance, but marketing capability weakens financial performance when competitive advantage is included in the structural model. That shows that competitive advantage is a moderator variable for marketing capability and business performance (Charoenrat & Harvie, 2017). Competitive advantage is also a mediating variable between marketing capabilities and export performance (Tan & Sousa, 2021).

Competitive advantage is one of the factors that affect business continuity. The principle of business continuity is to concentrate on using renewable resources as a sustainable marketing strategy to improve company performance (Prosekov & Ivanova, 2018). Sustainable competitive advantage

can be realized by optimizing the organization's strategic resources owned and controlled.

The difference in ownership of core competencies owned by the company causes no single business to have strengths and weaknesses similar to other companies. The scope of different areas and the right resources are needed to drive different production results from competitors (Alexandri et al., 2019). The continuity of ownership of comparative advantage is also determined by marketing strategies that will help companies find sources of innovation, opportunities, and competitive advantages (Lenssen et al., 2012).

The literature groupings in this article are structured to assess each study individually and compared to predefined categories. These categories are the impact of competitive advantage in business processes, marketing capabilities as a form of competitive advantage, and business continuity in SMEs. The division of literature groups was carried out to gain an in-depth understanding of competitive advantage. They are positioning competitive advantage in business processes, being the first group. SME entrepreneurs are managers of business units that aim to get financial benefits from their business continuity, just like businesses carried out by large companies. This condition requires the management of all available resources. It is necessary to measure productivity and maximize their use.

An understanding of competition in the

industry also needs attention. One of the keys to winning the competition is possessing a competitive advantage. Mastery of resources that are not easily imitated and cannot be substituted is a natural strength of a company to build a competitive advantage (Wills-Johnson, 2008). Companies with competitive business advantages have better innovative products, human capital, and entrepreneurial orientation (Ismail & Alam, 2019). Nefat & Lucic (2011) state that implementing the company's vision and mission also form a competitive advantage. The three opinions above form competitive advantage factors originating from resource ownership, business management, and personal development. The literature grouping to see the factors that influence the formation of competitive advantage is presented in Table 4.

The development of SMEs is very dependent on the ability of business owners to manage their businesses. Understanding the need to carry out self-development to improve business skills is one of the factors forming the competitive advantage obtained from the selected literature review. There are six variables: motivation to innovate, entrepreneurial competence, internal marketing, ability to innovate, ownership of particular characteristics, and ability to act competitively. In accordance to write this article, it is evident that marketing ability is proven as one of the variables forming competitive advantage.

Table 4. Competitive advantage in SME'S business processes

Factor	Variable	Source
Personal development	Motivation to innovate.	Dustin et al. (2014)
	Entrepreneurial competence.	Hwang et al. (2020)
	Internal Marketing (internal communication, employee empowerment, interdepartmental coordination, employee training and development, and organizational commitment).	Wedzerai et al. (2020)
	Ability to innovate, capital, human resources, entrepreneurial orientation	Ismail & Alam (2019)
	Special characteristics as an entrepreneur (gender). Ability to act competitively.	Ng & Fu (2018) Zultaqawa et al. (2019)
Business management	Internal resources/company capabilities.	Nagano (2020)
	Diversity management.	Urbanová et al. (2020)
	Company capabilities	Mooney (2007)
	Implementation of the company's vision and mission. Dynamic capabilities.	Nefat & Lucic (2011) Chukwuemeka & Onuoha (2018)
Resource ownership	Market domination strategy and costs incurred for strategy implementation.	Borchert (2008)
	Mastery of specific expertise in the industry.	Barreira (2016)
	Value chain costing Ownership of resources that are not easily imitated. Marketing ability, asset ownership that is useful for market domination.	Ussahawanitchakit (2017) Wills-Johnson (2008) Srivastava et al. (2001)



The resources used to run SMEs are not that large and complex but still require an effective and efficient management strategy to run a business. Business management strategies can be the key for SMEs to react to changes in the current market situation. SMEs that have the right management strategy will become strong SMEs to face market developments. The variables that can determine the quality of business management are internal resources, diversity management, company capabilities, implementation of the vision and mission, dynamic capabilities, ownership of the strategy, and the calculation of the

costs required for the strategy's performance.

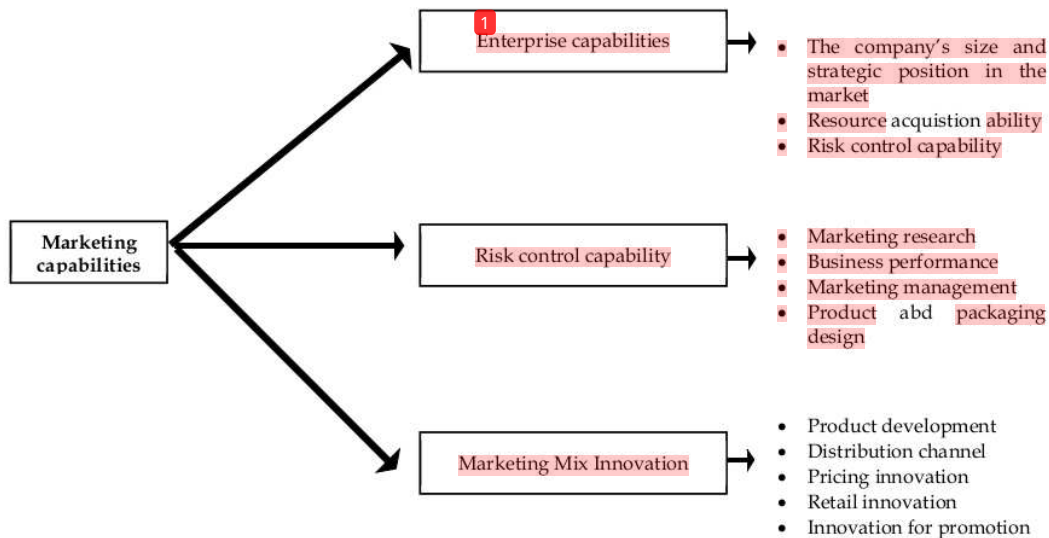
Marketing ability in this literature review is essentially the ability of SMEs to respond to the market by innovating in various fields. The variables of the quality of marketing ability, resource ownership that are not easy to imitate, cost planning, and ownership of particular skills are included in the resource ownership factors (Srivastava et al., 2001). Table 5 shows that the variables that affect marketing ability in some literature have something in common: the ability to innovate in marketing activities.

**Table 5.** Variables affecting marketing capability

Variables Affecting Marketing Capability	Source
Export marketing strategy	Taherdangkoo et al. (2017)
Product excellence.	Madan & Srivastava (2015)
Product innovation	Nuryakin (2018)
Innovative product design, packaging, promotions, sales channels, and pricing.	Quaye & Mensah (2019)
Marketing research, pricing, product development, distribution channels, promotion, and marketing management.	Vorhies & Morgan (2005)
The ability to master resources, risk management capabilities, and the performance of SMEs.	Pulka et al. (2018)

Figure 8 shows the grouping of variables into three parts: the company's ability factor, strategic development orientation, and marketing mix innovation. These three factors group determinants of marketing capability by placing the company's ability as a factor originating from the company's internal. The strategic orientation factor is how SMEs respond to their external business

environment conditions. The last one is how SMEs execute strategies prepared in the form of an innovative marketing mix. The relationship between marketing ability, resource mastery ability, risk management ability, and SME'S performance is also a mediating variable for the ability to be recognized by the market (Pulka et al., 2018).



**Figure 8.** Grouping of variables affecting marketing capabilities



The last part is to group the literature, which mentions several vital factors that maintain the sustainability of SMEs. The model is most clearly expressed by Oxborrow & Brindley (2013), which composes the building blocks of initiation, development, and learning to lead to business continuity, cost advantage, and market advantage. The success of SME entrepreneurs in maintaining their business's sustainability can be seen in Table 6. The variables are abstracted from examples of the success of SMEs that have succeeded in sustaining their business. Variables of increasing personal capability to manage a business dominate the key to success from ten literature sources, six related to

entrepreneurs' personal development. These variables are related to maintaining commitment, conceptual ability, organizational ability, discipline values, unique characteristics, and the ability to have the courage to create renewal in business. Based on these findings, business continuity is highly dependent on the personal skills of business owners. The desire to continue to improve abilities is a characteristic of entrepreneurs who can maintain business continuity. Another factor that is also a factor supporting success is the ability to carry out operational activities with good regulation. This condition will cause the implementation of the business to take place effectively and efficiently.

**Table 6.** Variables supporting the sustainability of SMEs

Variables that support the sustainability of SMEs	Source
Competence to maintain commitment, conceptual ability, organizational ability.	Zainol & Al Mamun (2018); Sadhana (2018)
Discipline values that are trusted by the local community.	Ng et al. (2016); Marjanova et al. (2015)
Characteristics of women entrepreneurs.	Ismail & Alam (2019); Uhlener et al. (2013)
Understanding competitors as part of market orientation.	Quaye & Mensah (2019) Urban & Naidoo (2012)
Improved organizational capabilities and the ability to have the courage to create innovations in business.	Das et al. (2020)
Internal processes.	Oxborrow & Brindley (2013)

Based on the literature review, factors that play a role in developing competitive advantage are personal development, business management, and resource ownership. One variable that affects the level of resource mastery for business continuity is the marketing capability variable. The marketing capability variables in this literature review can be grouped into three sources: company capabilities, development strategy orientation, and marketing mix innovation. The three groups of variables can be used

to measure marketing capability in further research. Mastery of marketing capability is expected to be one of the determining factors for the sustainability of SMEs. A complete model can be formed that describes the factors, including the competitive advantage of SMEs and the role of marketing capability as one of the variables that affect competitive advantage. The concept of the model based on the literature review above can be seen in Figure 9.

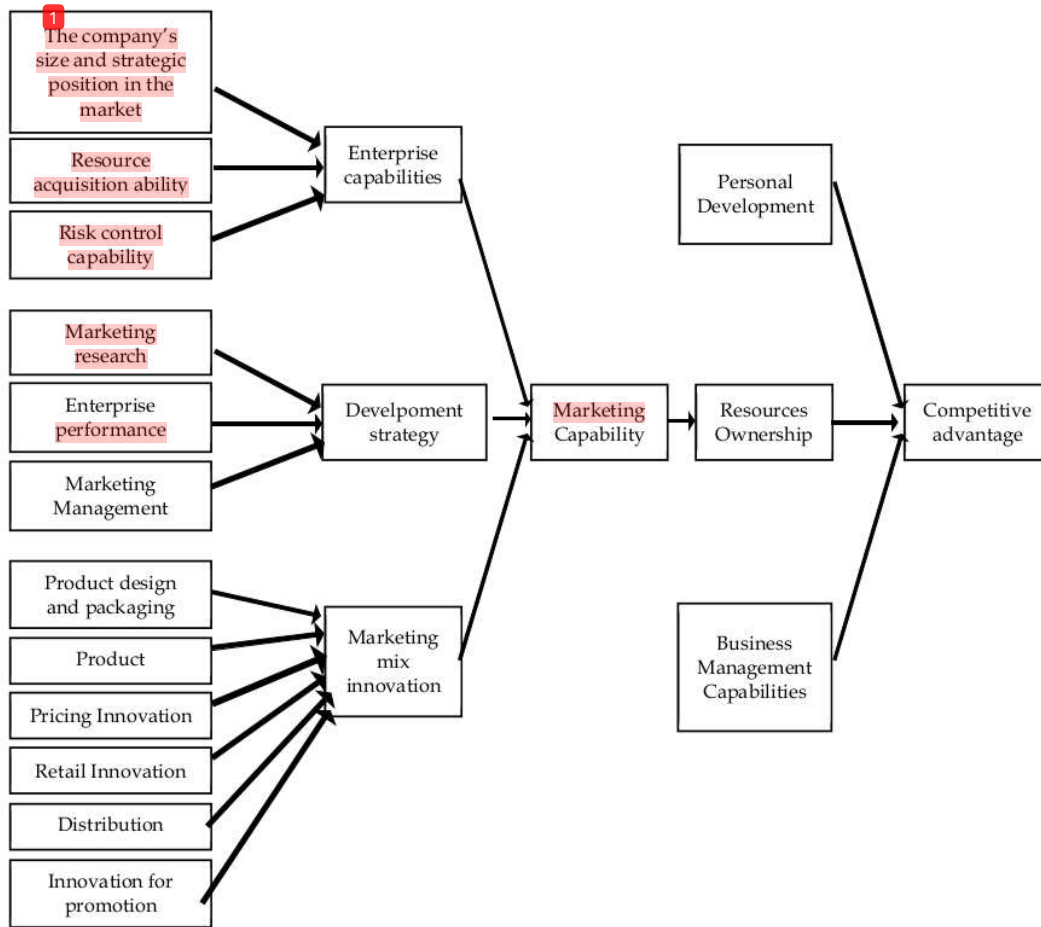


Figure 9. Conceptual model of competitive advantage formation through marketing capabilities

## 5. CONCLUSION, IMPLICATION, SUGGESTION, AND LIMITATIONS

Based on the literature search, the journal that most discusses competitive advantage and marketing capability is Small Business Economics. Researchers classified as active in discussing the topic are Signori, Silvana Fassin, Yves. van Stel, André von Weltzien Hoivik, Heidi, Werner, Andrea. The years distribution of the research theme is spread from 2010 to 2021.

The factors influencing competitive advantage can be grouped into personal development, resource ownership, and business management capabilities. Marketing capability is one of the variables that affect resource ownership. Indicators of marketing capability can be grouped into three sub-indicators: company capability, orientation, strategy development, and marketing mix innovation. There

are a large number of articles discussing the keywords of "competitive advantage," "marketing," or "SME." However, the number becomes very limited when including the three keywords at once. Therefore, further research will be conducted that can focus on marketing capabilities as the key to mastering competitive advantage that can maintain the sustainability of SMEs.

Eleven topics are discussed in a collection of journals. The dominant words are sustainable marketing orientation, marketing, and firm performance. The firm performance topic visualization results are topics that have the most frequently discussed topics. The relationship between performance and competitive advantage seems to still have quite a distance in the visualization of the net. The size of each is quite visible so it can be concluded that there is still a lot



of research space to fill to see the relationship. Therefore, further studies are suggested to examine the relationship between firm performance and competitive advantage.

These categories are the impact of competitive advantage in business processes, marketing capabilities as a form of competitive advantage, and Business Continuity in SMEs. Based on the analysis, three groups can be grouped into persona development, business management, and the last is ownership of resources (Capabilities). The capability needed as one of the essential capabilities is the ownership of marketing capabilities. For this reason, the next group is to select articles related to marketing capabilities into three groups based on the source. Articles with a discussion of company capabilities, strategic development orientation, and marketing mix innovation. The three groups are formed from keywords related to marketing capabilities. Based on the results of the literature grouping, empirical research is needed that shows the relationship between competitive advantage and marketing capability to become a strategy for improving SME'S business performance.

Factors identified to influence SMEs' competitive advantage, marketing capabilities, and sustainability can be grouped into persona development, business management, and ownership of resources or marketing capability. This last group is essential for SMEs' performance. This finding suggests further studies to explore the influence of competitive advantage and marketing capability for improving SME'S business performance.

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