

Marketing Agility and Innovation: Boosting Performance in the Used Car Market

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ABSTRACT

Objectives: Marketing agility has become a critical capability within firms classified as small and medium-sized enterprises (SMEs) to sustain marketing performance within increasingly dynamic and competitive markets. Within the context of Indonesia's pre-owned car industry, the present research examines the intervening role of marketing innovation in explaining how marketing agility influences marketing performance.

Methodology: A quantitative approach was employed using survey data collected from 289 used car SMEs operating in the Jabodetabek region. Partial Least Squares Structural Equation Modeling (PLS-SEM) was employed to analyze the data, with the model specified at both the first-order and second-order levels.

Findings: The empirical results reveal that marketing agility exerts a significant positive influence on both marketing innovation and marketing performance. In addition, the findings indicate that marketing innovation partially mediates the relationship between marketing agility and marketing performance, suggesting that marketing agility influences performance both directly and indirectly through marketing innovation. At the dimensional level, proactiveness, responsiveness, and speed exhibit significant indirect effects on marketing performance through marketing innovation, whereas flexibility does not demonstrate a significant effect. Moreover, market turbulence is found not to moderate the relationships among marketing agility, marketing innovation, and marketing performance.

Conclusion: The results emphasize the crucial role of marketing agility and marketing innovation in enhancing marketing performance under relatively stable market conditions.

Keywords: Marketing Agility; Marketing Innovation; Marketing Performance; Market Turbulence; Small and Medium-sized Enterprises.

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INTRODUCTION

Small and medium-sized enterprises (SMEs) are widely recognized as key contributors to national economic development, through their contributions to gross domestic product, employment creation, and income distribution. In Indonesia, SMEs continue to face structural challenges related to limited capital, human resource constraints, and restricted market access. These challenges are intensified by a dynamic business environment characterized by rapidly changing customer preferences, intense competition, and continuous technological advancement, which demands more adaptive and effective marketing strategies to ensure competitiveness (Kalaighnam et al., 2020; Roberts & Grover, 2012b).

Technological progress, particularly in digital platforms, has significantly transformed the way businesses operate and compete. SMEs with the ability to adopt digital technologies, utilize social media, and engage online marketplaces are better positioned to expand market reach and enhance competitiveness. At the same time, Indonesian consumers have become increasingly selective with respect to brand value, product quality, and additional benefits offered. SMEs that fail to adapt to these evolving expectations risk declining performance, whereas adaptive firms demonstrate stronger resilience and growth potential. Within this context, marketing agility has emerged as a strategic capability that enables SMEs to respond effectively to market changes (Pranatasari & Dharma, 2020).

The concept of agility originated in the early 1990s, initially within the domain of agile manufacturing, and subsequently gained attention across various disciplines, including management, human resource management, and marketing (Nagel, 1991). Agility refers to an organization's capability to recognize changes in the environment, respond in a timely manner, and reorganize resources in order to preserve performance in dynamic contexts (Eckstein et al., 2015; Roberts & Grover, 2012). In the marketing domain, agility enables firms to identify emerging opportunities, adjust strategies swiftly (Osei & Amankwah-Amoah, 2018), and align marketing activities with market dynamics (Nurcholis, 2020). Despite its strategic relevance, marketing agility has received relatively limited empirical attention compared to other dynamic capabilities (Kalaighnam et al., 2020; Poolton et al., 2006). Recent systematic reviews further confirm that marketing agility research in volatile, uncertain, complex, and ambiguous (VUCA) contexts remains limited (Eckstein et al., 2023), underscoring the need for continued empirical inquiry, particularly in emerging market SMEs (Thoumrungroje & Racela, 2022).

From a dynamic capabilities perspective, marketing agility is regarded as an advanced organizational capability that facilitates firms in integrating, building, and realigning marketing resources in response to environmental changes (Teece et al., 2016). However, empirical findings regarding the contribution of marketing agility to marketing performance remain inconclusive. While some studies report a direct positive relationship, others suggest that marketing agility influences performance in ways that are indirect and operate through intermediate mechanisms such as innovation capability (Khan, 2020; Zhou et al., 2018). This inconsistency highlights the need for a more integrated framework that explains how and under what conditions marketing agility contributes to performance outcomes.

Recent studies emphasize that innovation plays a critical role in translating dynamic capabilities into superior performance. Marketing innovation, in particular, enables firms to implement new approaches in pricing, promotion, distribution, and customer engagement, thereby enhancing marketing effectiveness (Kalaighnam et al., 2020; Sukardi et al., 2021). Furthermore, evidence from SMEs across emerging economies confirms that marketing capabilities, including both agility and innovation, are central determinants of competitive

performance (Oduro & Mensah-Williams, 2023; Salem & Khatib, 2024). Nevertheless, there is still limited empirical research investigating the mediating role of marketing innovation. There is still limited empirical research explaining how marketing agility translates into marketing performance, especially within SMEs in emerging market settings.

In addition, environmental conditions such as market turbulence may influence the outcomes generated by dynamic capabilities (Barreto, 2010). Prior research suggests that the influence of market turbulence as a contextual factor affecting the performance implications of dynamic capabilities is still debated, with mixed empirical evidence reported across industries and contexts (Drnevich & Kriauciunas, 2011; Schilke, 2014; Zhou et al., 2018). Understanding whether market turbulence strengthens or weakens the combined effects of marketing agility and innovation remains an important empirical question.

Despite extensive research examining the relationship between marketing agility, innovation, and performance, several important gaps remain. First, previous studies have primarily focused on manufacturing firms, retail businesses, and general SMEs, while empirical evidence from the used-car SME sector remains scarce. The used-car industry possesses unique characteristics, including high customer uncertainty, rapid inventory turnover, strong information asymmetry, and intensive digital competition, which may influence the effectiveness of agile marketing capabilities. Second, prior findings concerning the mechanisms through which marketing agility affects performance remain inconclusive, particularly regarding the mediating role of marketing innovation and the contingent role of market turbulence. Third, limited studies have simultaneously investigated these relationships within an integrated Dynamic Capabilities framework in emerging market contexts. Therefore, this study extends Dynamic Capabilities Theory by demonstrating how marketing agility is transformed into superior marketing performance through marketing innovation under varying levels of market turbulence in Indonesian used-car SMEs.

Based on these considerations, this research investigates marketing performance outcomes, examines marketing innovation as an intermediary mechanism, and considers market turbulence as a moderating factor within the context of Indonesian SMEs operating in the used car market. By maintaining alignment with the dynamic capabilities framework and addressing empirical inconsistencies in prior research, this research seeks to advance understanding of how marketing agility contributes to marketing performance in dynamic market environments.

LITERATURE REVIEW

Dynamic Capabilities Theory

Dynamic Capabilities Theory explains how firms achieve and sustain competitive advantage through their capacity to recognize changes in the external environment, capitalize on emerging opportunities, and reorganize internal and external resources in response to dynamic market conditions (Teece et al., 2016). Unlike ordinary capabilities that emphasize routine operational activities, dynamic capabilities focus on adaptability and continuous renewal, enabling firms to remain competitive in uncertain environments.

In the marketing context, dynamic capabilities provide a relevant theoretical foundation for understanding how firms adapt their marketing strategies in response to changes in customer preferences, competitive intensity, and technological developments. Marketing-related capabilities can therefore be conceptualized as domain-specific dynamic capabilities that support firms in managing market complexity and sustaining marketing performance over time (Asseraf et al., 2018; Kalaignanam et al., 2020; Khan, 2020). Within this framework, marketing

agility represents an adaptive capability, while marketing innovation functions as a reconfiguration mechanism that translates capability into performance outcomes (Chang et al., 2013; Sukardi et al., 2021; Zhou et al., 2018).

Marketing Agility and Marketing Performance

Marketing agility represents a firm's competence to sense market changes, address rapidly to emerging opportunities, and adjust marketing strategies in a flexible and timely manner. In dynamic and competitive markets, marketing agility allows firms to continuously align marketing decisions with customer expectations and competitive pressures (Kalaighnam et al., 2020; Khan, 2020).

Empirical studies consistently indicate indicating that marketing agility contributes positively to marketing performance. Agile firms tend to achieve superior marketing outcomes, such as increased sales growth, improved customer responsiveness, and stronger market positioning, due to their ability to adapt marketing strategies quickly and effectively (Sukardi et al., 2021; Zhou et al., 2018). For SMEs, marketing agility is particularly important because it compensates for resource limitations by enabling rapid decision-making and adaptive marketing actions.

Prior empirical evidence further confirms that firms operating in dynamic environments benefit significantly from agile marketing practices, as these practices allow firms to reduce response delays and improve the quality of marketing decisions, which ultimately enhances marketing performance (Kalaighnam et al., 2020; Khan, 2020).

Dimensions of Marketing Agility and Marketing Performance

Marketing agility is widely conceptualized as a multidimensional construct consisting of proactiveness, responsiveness, flexibility, and speed. Proactiveness captures a firm's ability to anticipate future marketplace trends and customer needs, enabling early strategic action, while responsiveness is defined as the capacity to respond effectively to customer feedback and competitive actions (Kalaighnam et al., 2020).

Flexibility allows firms to modify marketing strategies and resource allocation when facing uncertainty, whereas speed emphasizes the rapid execution of marketing decisions. Empirical evidence suggests that each of these dimensions plays a distinct yet significant role in enhancing marketing performance, as they collectively support timely and effective marketing responses in dynamic markets (Khan, 2020; Zhou et al., 2018).

Prior studies emphasize that examining marketing agility at the dimensional level contributes a more detailed understanding of how specific agile behaviors contribute to performance outcomes, particularly in SMEs facing varying degrees of environmental uncertainty (Kalaighnam et al., 2020; Khan, 2020).

Marketing Agility and Marketing Innovation

Marketing agility also plays a critical role in fostering marketing innovation. Firms exhibiting high levels of marketing agility are better able to experiment with new marketing approaches, rapidly implement changes, and learn from market feedback (Liang et al., 2025; Sukardi et al., 2021). Agile marketing processes facilitate continuous adaptation and reconfiguration of marketing practices related to pricing, promotion, distribution, and customer engagement. Empirical studies confirm that marketing agility significantly enhances firms' capacity to innovate in their marketing activities, particularly in competitive and dynamic market environments (Kalaighnam et al., 2020; Zhou et al., 2018). Empirical findings from

SME contexts further suggest that agile firms are more inclined to adopt innovative marketing practices as a response to changing customer preferences and competitive pressures (Sukardi et al., 2021).

Dimensions of Marketing Agility and Marketing Innovation

Each dimension of marketing agility contributes to marketing innovation in a different manner. Proactiveness supports opportunity recognition for novel marketing ideas, while responsiveness enables firms to refine innovations based on customer and market responses. Flexibility allows firms to adjust and recombine marketing practices during the innovation process, whereas speed accelerates the implementation of innovative marketing initiatives (Khan, 2020; Zhou et al., 2018). Empirical findings indicate that these dimensions significantly influence firms' ability to generate and apply marketing innovations, especially in markets associated with rapid change and competitive pressure (Sukardi et al., 2021). These findings suggest that marketing innovation is not driven by a single aspect of agility, but rather by the combined and individual effects of proactiveness, responsiveness, flexibility, and speed.

Marketing Innovation and Marketing Performance

Marketing innovation refers to the adoption of new marketing methods that enhance value creation and delivery to customers. Prior research demonstrates that innovation in marketing has a statistically significant positive effect on marketing performance by improving customer engagement, market reach, and brand differentiation (Kalaighnam et al., 2020; Zhou et al., 2018). Firms that successfully implement marketing innovations tend to achieve superior marketing performance compared to firms relying on traditional marketing approaches, particularly in SME contexts where differentiation through innovation is essential for sustaining competitiveness (Liang et al., 2025).

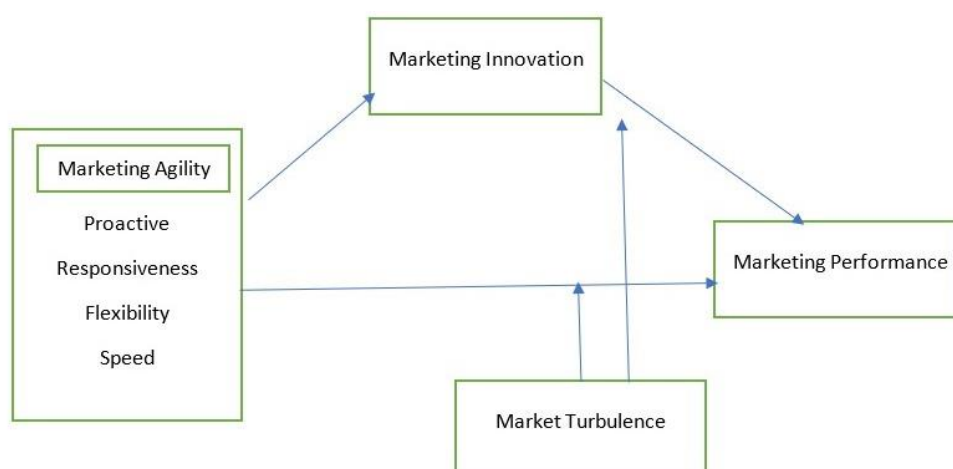
Marketing Innovation as a Mediating Mechanism

Recent empirical studies suggest that innovation functions as an intermediary mechanism linking dynamic capabilities and performance outcomes. In the marketing context, marketing innovation enables firms to transform marketing agility into tangible improvements in marketing performance by reconfiguring marketing practices in line with market requirements (Sukardi et al., 2021; Zhou et al., 2018). This perspective indicates that marketing agility may influence marketing performance indirectly through marketing innovation rather than solely through a direct relationship.

Market Turbulence as a Moderating Variable

Market turbulence is characterized by varying levels of change and unpredictability in customer preferences as well as competitors' actions. High levels of market turbulence increase environmental uncertainty and may alter the effectiveness of firms' dynamic capabilities (Kalaighnam et al., 2020; Khan, 2020). Empirical findings regarding the moderating role of market turbulence remain mixed. Some studies suggest that turbulence strengthens the influence of adaptive capabilities on performance, while others indicate weakening effects under highly uncertain conditions. Recent research also suggests that market turbulence may influence the extent to which marketing innovation contributes to marketing performance (Zhou et al., 2018).

Figure 1. Illustrates The Conceptual Model



METHOD

A quantitative survey design is adopted to investigate the relationships among marketing agility, marketing innovation, marketing performance and market turbulence in Indonesian SMEs in the used car sector. A cross-sectional design was applied because it is suitable for testing Examines relationships between variables at a specific point in time and is commonly used in marketing research (Hair Jr et al., 2021; Sekaran & Bougie, 2016).

The respondents were SME owners or managers who are directly involved in marketing activities, as they are considered the most appropriate informants for assessing marketing-related capabilities and performance (Kalaighnam et al., 2020; Khan, 2020). Data were collected using a structured questionnaire distributed both online and offline. All items were measured using a five-point Likert scale ranging from strongly disagree to strongly agree, following common practice in management and marketing studies (Hair Jr et al., 2021).

Marketing agility was measured as a multidimensional construct consisting of proactiveness, responsiveness, flexibility, and speed, adapted from prior empirical studies (Kalaighnam et al., 2020; Khan, 2020). Marketing innovation was measured based on firms' implementation of new marketing methods related to promotion, pricing, distribution, and customer engagement (Liang et al., 2025; Sukardi et al., 2021). Marketing performance was assessed using subjective indicators such as sales growth, market share, and customer satisfaction, which have been shown to be reliable in SME research (Khan, 2020; Zhou et al., 2018). Market turbulence was measured by capturing changes in customer preferences and competitive conditions (Kalaighnam et al., 2020).

Data analysis was conducted using Structural Equation Modeling to test the proposed hypotheses, including direct, mediating, and moderating relationships. SEM was selected because it allows simultaneous assessment of measurement and structural models and is appropriate for complex research models (Hair Jr et al., 2021).

RESULTS AND DISCUSSION

This section outlines the empirical findings from the data analysis, organized into respondent characteristics, measurement model evaluation, and structural model assessment.

Respondent Profile

Respondent characteristics participating in the present study are presented in Table 1. The table summarizes the characteristics of SME owners or managers in the used car sector based on demographic and business-related attributes. Overall, the sample reflects respondents who are directly involved in marketing decision-making, indicating that the data are suitable for examining marketing agility, marketing innovation, and marketing performance in the SME context.

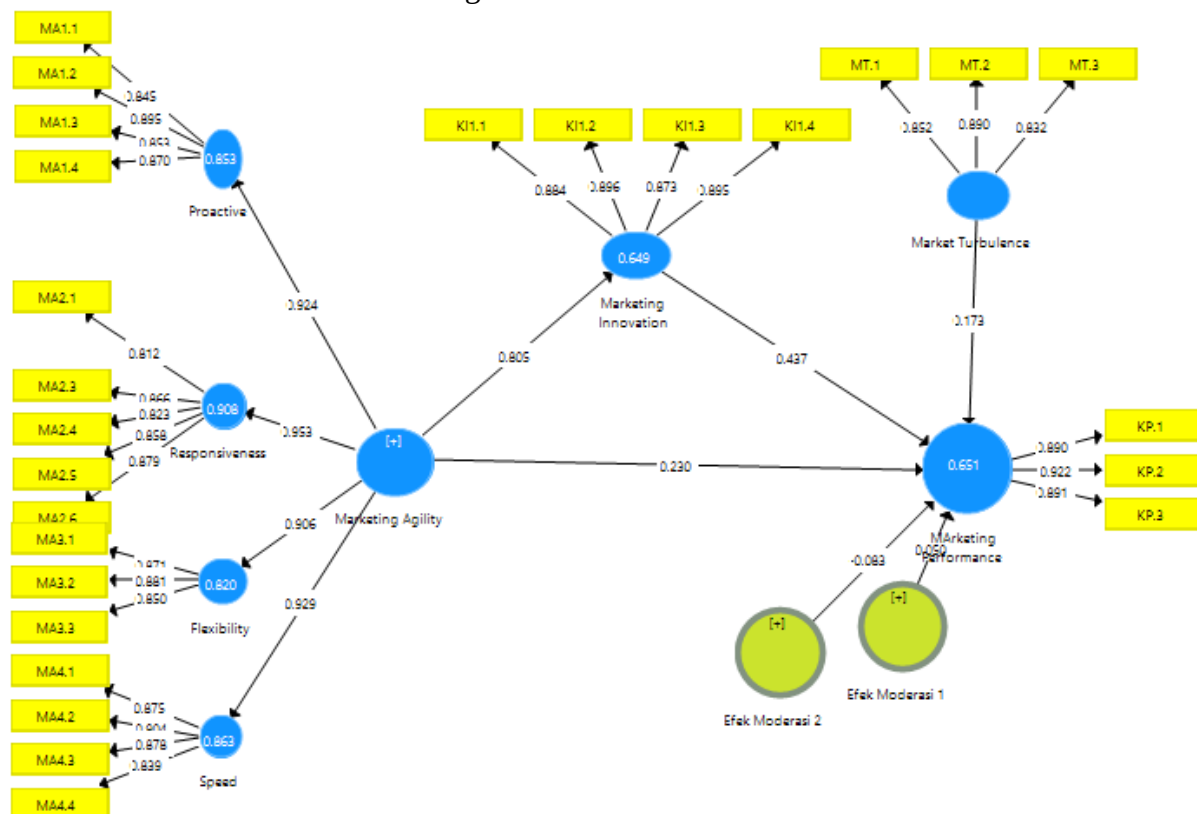
Table 1. Sample composition (N=289)

Monthly income	Firm age	Region
<25 million 29.3%	<1 years 12.4%	DKI Jakarta 20.4%
25-200 million 47.9%	1-2 years 14.8%	Tangerang 56.7%
200-500 million 16.6%	2-3 years 17.2%	Bogor 5.5%
More than 500 million 6.2%	>3 years 55.5%	Depok 10.4%
		Bekasi 2.8%
		Others 4.2%

Measurement Model Evaluation

The measurement model was first assessed to examine indicator reliability.

Figure 2. Structural Model



The standardized factor loadings for the first-order constructs are presented in Table 2. The results show that all indicators load adequately on their respective constructs, indicating satisfactory indicator reliability.

Table 2. Item and Loading Factor First Order

	Marketing Innovation (KI)	Marketing Performance KP	Proactive (MA1)	Responsive ness (MA2)	Flexibility (MA3)	Speed (MA4)	Markey Turbulence
KI1.1	0.884						
KI1.2	0.896						
KI1.3	0.873						
KI1.4	0.895						
KP.1		0.890					
KP.2		0.922					
KP.3		0.891					
MA1.1			0.845				
MA1.2			0.895				
MA1.3			0.853				
MA1.4			0.870				
MA2.1				0.812			
MA2.3				0.866			
MA2.4				0.823			
MA2.5				0.858			
MA2.6				0.879			
MA3.1					0.871		
MA3.2					0.881		
MA3.3					0.850		
MA4.1						0.875	
MA4.2						0.904	
MA4.3						0.878	
MA4.4						0.839	
MT.1							0.852
MT.2							0.890
MT.3							0.832

The second-order construct of marketing agility was then evaluated. The outer loadings of proactiveness, responsiveness, flexibility, and speed, as shown in Table 3, the findings suggest that all dimensions significantly represent marketing agility, supporting the multidimensional conceptualization of this construct.

Table 3. Outer Loading Factor Second Order

Dimensions of Marketing Agility	Outer loading
Proactive	0.924
Responsiveness	0.953
Flexibility	0.906
Speed	0.929

Construct reliability and convergent validity were evaluated using Cronbach's alpha, composite reliability, and average variance extracted (AVE). As shown in Table 4, all constructs exceed the recommended thresholds, indicating satisfactory internal consistency and adequate convergent validity.

Table 4. Validity and Reliability Construct

Description	Cronbach's Alpha	Composite Reliability	AVE
Moderation Effect 1	1.000	1.000	1.000
Moderation Effect 2	1.000	1.000	1.000
Flexibility	0.836	0.901	0.753
Marketing Performance	0.884	0.928	0.812
Market Turbulence	0.822	0.894	0.737
Marketing Agility	0.969	0.971	0.652
Marketing Innovation	0.910	0.937	0.787
Proactive	0.889	0.923	0.750
Responsiveness	0.902	0.927	0.719
Speed	0.897	0.928	0.764

Discriminant validity was assessed using the Fornell–Larcker criterion. Results for the first-order constructs are reported in Table 5, and those for the second-order construct are shown in Table 6. Overall, the findings confirm that the constructs are empirically distinct and appropriate for structural model analysis.

Table 5. Fornell-Larcker criteria First Order Construct

	Flexibility	Marketing Performance	Market Turbulence	Marketing Innovation	Proactive	Responsiveness	Speed
Flexibility	0.868						
Marketing Performance	0.640	0.901					
Market Turbulence	0.602	0.641	0.858				
Marketing Innovation	0.708	0.774	0.662	0.887			
Proactive	0.789	0.667	0.566	0.745	0.866		
Responsiveness	0.822	0.689	0.612	0.757	0.838	0.848	
Speed	0.842	0.707	0.680	0.783	0.806	0.841	0.874

Table 6. Fornell-Larcker criteria Second Order Construct

	Marketing Agility
Marketing Agility	0.808

To ensure that multicollinearity does not bias the estimation results, variance inflation factor (VIF) values were examined. As shown in Table 7, all VIF values are below the recommended threshold, indicating that multicollinearity is not a concern in this study.

Table 7. Variance Inflation/Factor/Multicollinearity

	Marketing Innovation	Marketing Performance
Marketing Agility	1,000	3,202
Marketing Innovation		3,316
Market Turbulence		1,930

The R^2 values indicate substantial explanatory power of the proposed model. Predictive relevance assessed using Q^2 values exceeded zero, suggesting adequate predictive capability. Furthermore, the SRMR value was below the recommended threshold of 0.08, indicating satisfactory model fit.

Structural Model Results

The structural model analysis results, presented in Table 8, include the path coefficients and significance levels of the hypothesized relationships. The analysis indicates that marketing agility significantly affects marketing performance and marketing innovation, while marketing innovation also significantly impacts marketing performance. These findings empirically support hypotheses H1, H2, and H3.

Table 8. Significance

	Sample (O)	Sample mean(M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Moderation Effect 1 -> Marketing Performance	0.050	0.045	0.069	0.719	0.473
Moderation Effect 2 -> Marketing Performance	-0.083	-0.077	0.069	1.203	0.230
Market Turbulence -> Marketing Performance	0.173	0.170	0.054	3.215	0.001
Marketing Agility -> Marketing Performance	0.582	0.586	0.058	10.018	0.000
Marketing Agility -> Marketing Innovation	0.805	0.803	0.032	25.080	0.000
Marketing Innovation -> Marketing Performance	0.437	0.425	0.080	5.485	0.000

The mediation analysis results are presented in Table 9. The findings indicate a significant indirect effect of marketing agility on marketing performance through marketing innovation, confirming the mediating role of marketing innovation and supporting hypothesis H4.

Table 9. Mediation

	Sample (O)	Sample mean(M)	Standard Deviation (STDEV)	T Statistik (O/STDEV)	P Values
Marketing Agility -> Marketing innovation -> Marketing Performance	0.352	0.341	0.066	5.341	0.000

At the dimensional level, the results reported in Table 10 show that proactiveness, responsiveness, and speed exhibit significant effects on marketing performance through marketing innovation, while flexibility does not show a significant effect. These findings suggest that not all dimensions of marketing agility contribute equally to marketing outcomes in the used car SME context.

Table 10. First Order and Marketing Performance

	Direct Effect	Indirect Effect	Total Effect
Flexibility -> Marketing Performance	-0.007*	-0.003*	-0.010*
Proactive -> Marketing Performance	0.061*	0.101**	0.163*

			Direct Effect	Indirect Effect	Total Effect
Responsiveness	->	Marketing	0.095*	0.092**	0.187**
Performance					
Speed ->		Marketing Performance	0.092*	0.185**	0.277**
Flexibility ->		Marketing Innovation	-0.007*		
Proactive ->		Marketing Innovation	0.232**		
Responsiveness	->	Marketing	0.212**		
Innovation					
Speed ->		Marketing Innovation	0.424**		

*no significant > 0.05; ** significant <0.05

Finally, the moderating effects of market turbulence were examined. As reported in Table 8, the interaction effects between market turbulence and marketing agility, as well as between market turbulence and marketing innovation, are not statistically significant. Therefore, hypotheses H5 and H6 are not supported.

Common Method Bias Assessment

Since all data were collected from single respondents using a self-administered questionnaire, common method bias was assessed using the full collinearity variance inflation factor (VIF). Following Kock (2015), VIF values below 3.3 indicate the absence of common method bias. The results revealed that all full collinearity VIF values were below the recommended threshold, suggesting that common method bias was not a serious concern in this study

Discussion

The results of this study offer empirical evidence for the role of marketing agility as a key dynamic capability influencing marketing performance. The significant link between marketing agility and marketing performance aligns with previous research highlighting the importance of adaptive marketing capabilities in dynamic and competitive environments (Kalaigianam et al., 2020; Khan, 2020; Zhou et al., 2018). This result indicates that agile marketing practices enable SMEs to better adapt to fast-changing market conditions in the used car industry.

Marketing agility has a positive influence on marketing innovation, supporting the argument that agile firms are better positioned to experiment with and implement innovative marketing practices. This finding aligns with previous research suggesting that agility enhances firms' capacity to innovate by facilitating rapid learning and adaptation (Liang et al., 2025; Sukardi et al., 2021). Furthermore, recent empirical and conceptual studies confirm that firms with higher marketing agility are better positioned to leverage data-driven capabilities for improved performance (Vesterinen et al., 2024; Alghamdi & Agag, 2024). Marketing agility, therefore, functions not only as a performance driver but also as a catalyst for continuous marketing innovation. From the Dynamic Capabilities perspective, marketing agility facilitates continuous sensing, seizing, and reconfiguring activities, enabling firms to identify emerging customer needs and rapidly implement innovative marketing practices.

The significant relationship between marketing innovation and marketing performance further confirms that innovation plays a critical role in translating adaptive capabilities into tangible performance outcomes. This result is consistent with earlier studies demonstrating that marketing innovation enhances customer engagement, market reach, and competitive

positioning (Kalaighnam et al., 2020; Zhou et al., 2018). Marketing innovation thus serves as a practical mechanism through which SMEs can strengthen their market presence.

The mediation analysis highlights that marketing innovation serves as an important mechanism linking marketing agility and marketing performance. This finding supports the dynamic capabilities perspective, which posits that capabilities influence performance through intermediate processes such as innovation rather than through direct effects alone (Teece et al., 2016; Zhou et al., 2018). Marketing agility contributes to performance by first enabling firms to innovate their marketing activities.

At the dimensional level, the stronger effects of proactiveness, responsiveness, and speed compared to flexibility suggest that timely market sensing and rapid execution are more critical than structural flexibility in the used car SME sector. This result may reflect the operational characteristics of the industry, where fast responses to customer inquiries and market trends are more influential than extensive strategic reconfiguration (Kalaighnam et al., 2020; Khan, 2020). The insignificant effect of flexibility may indicate that excessive strategic adjustments are less important in the used-car industry, where rapid responsiveness and execution speed are more critical than broad structural changes.

Contrary to expectations, market turbulence does not significantly moderate the examined relationships. The non-significant moderating role of market turbulence may be attributed to the specific characteristics of the used-car market in Jabodetabek. Although competition is relatively intense, market conditions tend to be relatively stable because customer demand for affordable vehicles remains consistently high. Consequently, marketing agility and innovation appear to remain effective regardless of fluctuations in market turbulence. This finding differs from Zhou et al. (2018), who reported significant moderation effects in highly dynamic industrial markets. From a Dynamic Capabilities perspective, the finding suggests that agile marketing capabilities may function as robust strategic resources whose effectiveness is relatively independent of environmental volatility. This finding is consistent with studies reporting that dynamic capabilities may retain their effectiveness across varying levels of environmental uncertainty (Kalaighnam et al., 2020; Schilke, 2014). It suggests that marketing agility and innovation remain valuable capabilities even when market conditions fluctuate. This perspective is further supported by evidence from SME contexts in post-conflict and crisis environments, where marketing agility dimensions such as proactiveness and responsiveness proved effective regardless of environmental instability (Arslan et al., 2024; Li et al., 2022). The study contributes to Dynamic Capabilities Theory by empirically demonstrating that marketing innovation serves as a transformation mechanism through which agile capabilities generate superior performance outcomes.

CONCLUSION

This study examines how marketing agility influences marketing performance, the mediating effect of marketing innovation, and the moderating impact of market turbulence in Indonesian used car SMEs. The findings should be interpreted within the context of used-car SMEs operating in the Jabodetabek region. Therefore, caution should be exercised when generalizing the findings to SMEs in other industries or geographical settings. The findings demonstrate that marketing agility significantly enhances marketing performance, both through direct effects and indirectly via marketing innovation.

The findings confirm that marketing innovation functions as a key mechanism through which marketing agility is transformed into improved marketing outcomes. Among the

dimensions of marketing agility, proactiveness, responsiveness, and speed play more prominent roles than flexibility. In addition, market turbulence does not significantly alter the effectiveness of marketing agility and innovation in improving marketing performance.

From a managerial perspective, the findings suggest that SME managers should focus on developing agile marketing capabilities and fostering marketing innovation to remain competitive. Integrating digital marketing capabilities and IT resources with agile marketing practices represents a promising avenue for SMEs seeking to strengthen their marketing performance (Haryanto & Sultoni, 2024). From an academic perspective, this study adds to the existing literature on marketing agility by clarifying the mechanisms through which agility influences performance in an emerging market context. Future studies could apply this model to other industries or employ longitudinal designs to capture dynamic changes over time. Additionally, examining the role of organizational agility alongside knowledge management capabilities (Idrees et al., 2022) may further advance our understanding of how SMEs navigate competitive uncertainty.

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