

## Service Innovation Stimulus Inevitable For Marketing Performance of Retail Modern Trade in Thailand? Role of Service Innovation and Employee Engagement

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**Abstract:** Marketing performance has become an essential factor for the organization's success and gained the attention of researchers and regulators. Thus, the present research investigates the impact of services innovation and employee engagement on the organizational competencies and market performance of the Retail business in Thailand. This study also examines the mediating impact of organizational competencies among the relationships of services innovation, employee engagement and market performance of the Retail business in Thailand. This study has gathered the data from the retailers by using the questionnaires that were selected based on purposive sampling and used smart-PLS for analysis. The results indicated that services innovation and employee engagement have a positive association with organizational competencies and also with the market performance of the Retail business in Thailand. The outcomes also revealed that organizational competencies mediate among the links of services innovation, employee engagement and market performance of the Retail business in Thailand. This research is valuable for the regulators while developing regulations related to innovation adoption and market performance.

**Keywords:** Services innovation, Employee engagement, Organizational competencies, Market performance

### 1. Introduction

Thailand has a population of 70 million (appx), with double-figure economic growth seen by the mid-1980s – 1990s and increasing its attractiveness among investors and creating an expansive upwelling. Literature also summarized why the Asia Pacific attracts overseas retailers, including fewer options at home in comparison to faster economic growth, younger demographics, and further store expansion opportunities (Dales, Coe, & Hess, 2019). In the last three decades, Thailand has seen massive growth in food retail, primarily in the capital, Bangkok, with a population of almost 10 million people. In Thailand, conventional exchange encompasses floating markets, new open-air markets, and mom-and-pop stores. Decades earlier, in order to cook morning and evening meals, people had to frequent the market until their houses had refrigerators and once again in the afternoon or at night to buy fresh food. Modern retailers in Thailand can trace their origins to the Central Group founder, which started selling at the end of the 1920s and founded the first departmental shop in Bangkok. For the first time in Thailand, retailers used commodity racks for displays and set pricing. Central inaugurated 'Central Chidlome' in 1973, a department store in the heart of Bangkok that has remained famous for more than 40 years. In 1964, Daimaru entered Thailand and later, Sogo, Tokyuu and Isetan. There are only a few Japanese stores for both of them, with one outlet, acting as the anchors in a local shopping mall. The latter two of them remain. Such early sizes were department stores and limited supermarkets (Shannon, 2009).

Jusco (Aeon) released the first standalone model in 1985, while Makro opened the first major cash and holding format, which was made available to conventional moms and pop stores and increasingly to hoReCa. The first large-size boxes are available (Hotels, Restaurants and Caterers sector). In the 1970s, Villa and Foodland, along with Home Fresh Mart that predominantly operates in the shopping centers, set up two independent supermarket chains. Many other international retailers only left the market fast (such as Auchan and Printemps, from France), while other transitions took place far longer and at a slower rate (Kelly, Seubsman, Banwell, Dixon, & Sleight, 2015). When they came to Food Lion supermarkets in 1997, sunshine supermarkets were taken over by Delhaize (Belgium), but in 2004 they left the business in Thailand and Tops became the largest supermarket chain. Royal Ahold was the minority shareholder of Central when Top's super marketing was launched in 1995 and later, after the financial crisis in 1997, Ahold grew to hold 99% of the stake but sold in 2004 to Central. When Carrefour left in 2011, Big C (Casino) took over most of their current stores and in 2013 Makro was taken over by the Thai conglomerate Charoen Pokphand or CP.

With the expansion of new retail formats, the retail scene in Thailand has become increasingly diverse. From 20,000 –40,000 m<sup>2</sup> stand-alone retail stores to 300,000 – 400,000 m<sup>2</sup>, all of which were next to each other, shopping centers have grown. Can this affect them adversely when the watersheds intersect or do they produce some sort of waste, as proposed by economic geographers (Gorton, Sauer, & Supatpongkul, 2011)? Based on their

continuing expansion, ample benefits seem to be available. Small growth, like "open-air malls," mostly two or three-story strip mall formats anchored by a supermarket and many restaurants, stores, and shops have also been expanded. In conventional department stores and malls, supermarkets exist, but certain independent locations do exist. In 1994, the CP Company initially introduced the Hypermarket format as Lotus, which after collaboration in 1998 was later called Tesco Lotus. 7-Eleven was franchised and introduced by the CP Group in 1989 at the opposite end of the spectrum (Jensen et al., 2019).

7-Eleven, Tesco, and Tops all spent aggressively to grow even more than their rivals and become dominant market share players for each format. In 25 years' time, 7-Eleven grew nationally to more than 8,000 convenience shops by the middle of 2014 to overtake the US, while Japan remains the second-largest market for supermarkets. In 2013, Family Mart (Japanese) sold its convenience store chain of approximately 1000 stores to tops who, in addition to their current 100 Supermarkets, had started in smaller formats, with approximately 100 Top Daily stores (Rimpeekool et al., 2017). In 2003, the Sahapat Party traditionally founded the 108 outlets, because modern retailers thought they had acquired so much control and wished that more alternatives would be feasible (Shannon 2009a). The idea of the 108 shops allowed conventional mom and pop shops to pay a nominal fee to transform their current store into a grocery store of modern format, training, and a modernized inventory and delivery system. There were some issues with the introduction of the idea: downloads for some shops and a lack of good brand coherence in all shopping. With a greater focus on ready-to-eat Japanese cuisine, Sahapat collaborated with Lawson Inc. in 2013 and opened Lawson's 108 shops. Jusco (Aeon) caused their super companies to steadily decline until only two remained from the first 14 in 2014. However, with the opening of Max Value supermarkets and mini supermarkets at the base of condo shops in Bangkok, they have become more militant and their visibility has expanded significantly. Most new food retailers are opening smaller shop sizes, partly because of rules on big shops, room restrictions, and expense and customer behavior. Like a number of other studies conducted on retail in Thailand but this study will shine the spotlight on the food retail trade in Thailand (Gorton et al., 2011; Shannon, 2009). The details of newly opened restaurants in Thailand are given in figure 1.

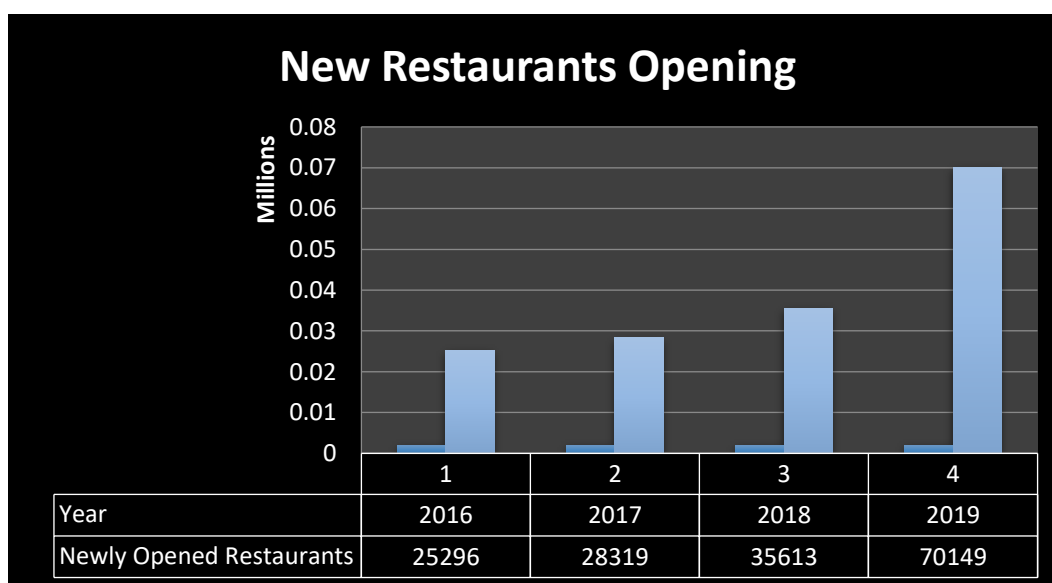


Figure 1: New Opened Restaurants in Thailand

## 2. Literature Review

Service is inevitable for every sector of the industry and even for attaining higher performance of markets. The stimulus of service innovation has inserted a dominant role in modern trade in the past few decades. Therefore, the technology and service innovation in Thailand retail and modern trade are more correlated due to new means of providing services. Certain efforts of service innovation are operationalized by dominating influence on the market assessments of performance (Jaaron & Backhouse, 2018). This is based on the extractions of new ideas and creative elements. The new means of services in the markets have captured the attraction of consumers which leads to high marketing performance. Service innovation is not only beneficial to the companies but also provides potential benefits to the companies as well, especially in the retail modern trade of Thailand. This capability of providing joint benefits has been asserted from the new services innovation. Numerous antecedents of service innovation are motivated and empowered over the marketing performance (Hsiao, Lee, & Hsu, 2017). While responding to the competitive allocations of different industries, the marketing performance could be measured through various

aspects. These aspects may vary with the pressures and conformity of financial as well as management effects. Therefore, the service innovation in the retail modern trade of Thailand stated the priorities to the marketing audit concepts which are beneficial for marketing performance. By employing a significant marketing strategy, the marketing performance and marketing innovativeness cover gaps (Mulyana, Hendar, Zulfa, & Ratnawati, 2020). These gaps are based on the establishment of customer management and sensing capabilities of service innovation. A significant relationship between marketing performance and marketing innovation is elaborated in different business communities.

**H1:** Service Innovation significantly influences marketing performance.

For the asserting of marketing performance, the employees of a company or industry play a vital role. The engagement of employees has been widely stated its due diligence toward the performance of retail trade in Thailand. The determination of retail trade in Thailand is most probably integrated with the demands and concerns toward the marketing performance. There are positive implications of international prospective over the engagement of employees (Segalla & DeNisi, 2019). These are prevalent on different employee engagement factors dominating human resource management. Due to the lack of consensus among the employee engagement and the marketing performance, some sectors have depicted low performance toward markets. This performance is the proper engagement of employees who insert their skills in the market to uplift the marketing performance. Few consequences and antecedents of employee engagement have inserted significant domains of attaining significant marketing performance. When the employees are engaged in businesses, public relations are effectively managed (Shen & Jiang, 2019). It is upon the working conditions of organizations that are based on strategic behaviors. Within the marketing performance of retail modern trade of Thailand, the engagement of employees is also a dominant factor. Small businesses have grown in the past few years while comparing with large companies. Therefore, the ability of knowledge and understanding with better planning practices of engaged employees inserted adequate strategies to assert the marketing performance. For boosting the marketing performance, there is a need for ambidexterity among the consumer goods in retail trade businesses (Adiwijaya, Wahyuni, Gayatri, & Mussry, 2020). These are managed with the fragmentation of activities relates to marketing competition. The marketing competition is prevalent on the superiority of performance which eliminates the elements of exploration of exploitation.

**H2:** Employee engagement significantly impacts marketing performance.

The continuous use and association of service innovation with the organizational competencies help competitors to develop significant measures for innovation in Thailand retail and modern trade. This partial factor of service innovation is the broader term while in-depth, the use of specific technology and some shopping assistants in the retail trade have been limelight. While examining the practices of human resources, the service innovation is positively depicting among the organizational competencies (Okoe, Boateng, Narteh, & Boakye, 2018). The industry of retail modern trade in Thailand has gained more importance with the emergence of service innovation that inevitably uplifted the organizational competencies. Competitive markets have viewed the consistent changes that have been evolved from the implementation of innovative behavior among the less developed sector. A speedy track of performance has been lime lighted due to service innovation in the retail modern trade. There is significant power of coworkers in the innovation of services that enable competitiveness and business success (Maqbool, Razzaq, Ul Hameed, Atif Nawaz, & Ali Niaz, 2019). This is due to the importance of organizational competencies which is affected by new innovative ideas of desirable coworker's feedback and support. For the attainment of competitive advantage in the firms, the organizational competencies insert a dominant role. This role is positively enumerated by the emergence of service innovation in the retail modern trade of Thailand. The sector of retail modern trade in Thailand has emerged with the competencies structure of the business industry in Thailand. The effectiveness of collaboration is due to organizational competence and individual efforts (Merritt & Kelley, 2018). This simulates the governance structure of organizations which are implemented with the emergence of service innovation.

**H3:** Service innovation significantly influences organizational competencies.

Various predictabilities of employee engagement and the performance of employees have contributed a significant portion toward the organizational competencies. Although, organizational competencies in the retail modern trade of Thailand have been known due to the abilities of workers. These abilities may vary but the efficiency inserted in markets significantly denotes the organizational competencies. There is the engagement of looks between the employee engagement and mental construal with efficient mindsets (Taghavi, 2019). Variety of factors corresponding to the importance of employee engagement and its impact on the organizational competencies. There is a significant relationship between employee engagement and organizational competencies

due to the feasible working environment and better benefits to workers. Especially in the retail modern trade of Thailand, employee engagement promotes the efficient channels of performance that state organizational competencies. Practices of human resource development induce counterproductive behaviors with employee engagement (Kura, Shamsudin, Umrani, & Salleh, 2019). To view the importance of competencies structure of organizations, the manager abilities in the competitive markets are role models. The abilities developed in the workers and employees from the organizations state the organizational competencies toward the attainment of competitive advantage. This competitive advantage is supported by the engagement of employees striving in the retail modern trade of Thailand. After the development of different scales of competency, the role of employee engagement significantly works (Chen & Ma, 2020). This could be positively through the validation and development of engagement programs that affect the organization's competencies. Various levels of organizational competencies are supported by the implementation of practices by the engagement of employees. These are formally portioned with the elements of employee engagement and organizational competencies which participate in the marketing elements.

**H4:** Employee engagement significantly impacts organizational competencies.

Organizational competencies not only help to attain the marketing performance but also help to counter the difficulties prevailing in markets. This could be asserted by the capabilities which are implemented in the markets by managers. While some confusions and misunderstandings among the service innovation and marketing performance could be rectified by the positive implementation of organizational competencies. The explanation of organizational competencies significantly exports the performance of service innovation with business competencies (Birru, Runhaar, Zaalberg, Lans, & Mulder, 2019). Certain factors are also prevalent in the service innovation that affects the marketing performance of retail trade. These actors also help the retail trade industry to develop significant terminologies to retain higher performance with trustability and organizational competencies. It also eliminates the elements of anxiety in marketing performance due to the likelihood of service innovation and its adjustment with marketing conditions. Service innovation is enabled by the proper inducement of individual efforts and affordance with materiality (Lehrer, Wieneke, vom Brocke, Jung, & Seidel, 2018). Some failures have been viewed due to the lack of knowledge and competencies in marketing performance. This is clear that without the organizational competencies as well as service innovation, the marketing performance could suffer from slight effects of incapable mishandling. Some controls are required to be established with the service innovation to attain marketing performance in the retail modern trade of Thailand. Some strengthening actions are collectively taken by the different groups of business to increase the marketing performance (Ochieng, Knerr, Owuor, & Ouma, 2018). The implementation of various programs in retail modern trade is due to the significant mediating role of organizational competencies. It is evident from different business communities of various countries which induce pathways to enhance market performance.

**H5:** Organizational competencies significantly mediates the relationship between service innovation and marketing performance.

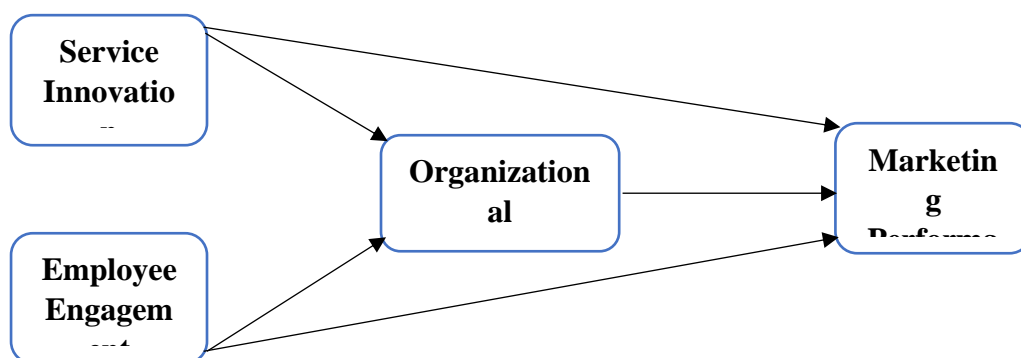
The relationship between firm performance and the competencies perception is significantly elaborated by the competence of managers. This linkage the characteristics of organizational competencies and the success of organizations. The retail modern trade of Thailand has positively been highlighted due to the structure of organizational competence developed among the employees' engagement and marketing performance. While listening to the approach of marketing competency, the organizational role is also evident in different accounts (Maben & Gearhart, 2018). With the role of organizational competencies, the marketing performance could be significantly elaborated with employee engagement (Basheer, Nawaz, & Afridi, 2019). This association of employee engagement with organizational competencies helps companies to attain higher performance. With mediating effects of organizational competencies, the performance of employee engagement shall be efficacious to achieve positive marketing performance in the retail modern trade of Thailand. With significant effects on employee engagement by the satisfaction of leadership, the role of organizational competencies is also prevalent (Book, Gatling, & Kim, 2019). It is important to enumerate the importance of retail modern trade in Thailand which is emerging gradually and steadily. This is due to the engagement of employees who are indulged in small industries with speedy skills and knowledge. The marketing orientation and engagement of employees are significantly elaborated by the role of organizational competencies. Different tools are importantly discussed with the relevance of marketing performance and organizational competence (Bruni, Cassia, & Magno, 2017). The practices may vary with the competitive positioning in the markets which are prevalent in the operational and financial performance. Therefore, the large focus is upon the successful implementation of organizational competencies between employee engagement and marketing performance.

**H6:** Organizational competencies significantly mediate the relationship between employee engagement and marketing performance.

### 3. Research Methods

This research investigates the impact of services innovation and employee engagement on the organizational competencies and market performance and also examines the mediating impact of organizational competencies among the relationships of services innovation, employee engagement and market performance of the Retail business in Thailand. This study has gathered the data from the retailers by using the questionnaires that were selected based on purposive sampling. The retailers that are implement or willing to implement the innovation and creativity in the organization are the respondents. The questionnaires were sent to them by personal visit and distributed about 520 surveys, but after one month received only 295 that represents 56.73 per cent response rate.

This study has executed the smart-PLS for analysis to test the convergent and discriminant validity and to examine the nexus among the variables. This study has adopted the PLS-SEM because it provides the best estimation when the sample size is large, and a complex model has been used by the study (Hair Jr, Babin, & Krey, 2017). This study has taken two predictors named as services innovation (SI) with four items and employee engagement (EE) with six items. This study has also taken one mediator named as organizational competencies (OC) with three items, and market performance (MP) has been taken as a dependent variable with five items. These variables are highlighted in Figure 2.



**Figure 2:** Theoretical Model

### 4. Findings

This study has shown the convergent validity in the results section that shows the relationships among items. The figures have shown that the Alpha and CR values are not lower than 0.70, and loadings and AVE values are not lower than 0.50. These figures highlighted that high relationships among items and valid convergent validity. These figures are shown in Table 1.

**Table 1:** Convergent Validity

Constructs	Items	Loadings	Alpha	CR	AVE
Employee Engagement	EE1	0.830	0.919	0.937	0.712
	EE2	0.863			
	EE3	0.812			
	EE4	0.877			
	EE5	0.871			
	EE6	0.805			
Marketing Performance	MP1	0.822	0.852	0.900	0.693
	MP2	0.830			
	MP4	0.855			
	MP5	0.823			

Organizational Competencies	OC1	0.754	0.755	0.859	0.671
	OC2	0.793			
	OC3	0.903			
Services Innovation	SI1	0.896	0.923	0.945	0.812
	SI2	0.905			
	SI3	0.904			
	SI4	0.899			

This study has also shown the discriminant validity in the results section that shows the relationships among variables. This study has checked it with cross-loadings and Fornell Larcker. The figures have shown that the figures highlighting the nexus with variables themselves are larger than the figures that highlighted the links with other variables. These figures highlighted a low relationship among variables and valid discriminant validity. These figures are shown in Table 2 and Table 3.

**Table 2:** Fornell Larcker

	EE	MP	OC	SI
EE	0.844			
MP	0.426	0.832		
OC	0.332	0.656	0.819	
SI	0.415	0.510	0.386	0.901

**Table 3:** Cross-loadings

	EE	MP	OC	SI
EE1	<b>0.830</b>	0.330	0.273	0.305
EE2	<b>0.863</b>	0.353	0.273	0.354
EE3	<b>0.812</b>	0.302	0.212	0.370
EE4	<b>0.877</b>	0.389	0.277	0.368
EE5	<b>0.871</b>	0.417	0.338	0.383
EE6	<b>0.805</b>	0.342	0.288	0.316
MP1	0.327	<b>0.822</b>	0.537	0.385
MP2	0.350	<b>0.830</b>	0.562	0.488
MP4	0.371	<b>0.855</b>	0.555	0.449
MP5	0.368	<b>0.823</b>	0.530	0.370
OC1	0.210	0.423	<b>0.754</b>	0.290
OC2	0.241	0.501	<b>0.793</b>	0.245
OC3	0.343	0.655	<b>0.903</b>	0.394
SI1	0.347	0.465	0.336	<b>0.896</b>
SI2	0.397	0.459	0.367	<b>0.905</b>
SI3	0.401	0.453	0.365	<b>0.904</b>
SI4	0.348	0.463	0.322	<b>0.899</b>

This study has also checked the discriminant validity with Heterotrait Monotrait (HTMT) ratio method. The figures have shown that the figures that the ratios are not bigger than 0.85. These figures highlighted a low relationship among variables and valid discriminant validity. These figures are shown in Table 4.

**Table 4:** Heterotrait Monotrait Ratio

	EE	MP	OC	SI
EE				

MP	0.476		
OC	0.383	0.800	
SI	0.449	0.573	0.452

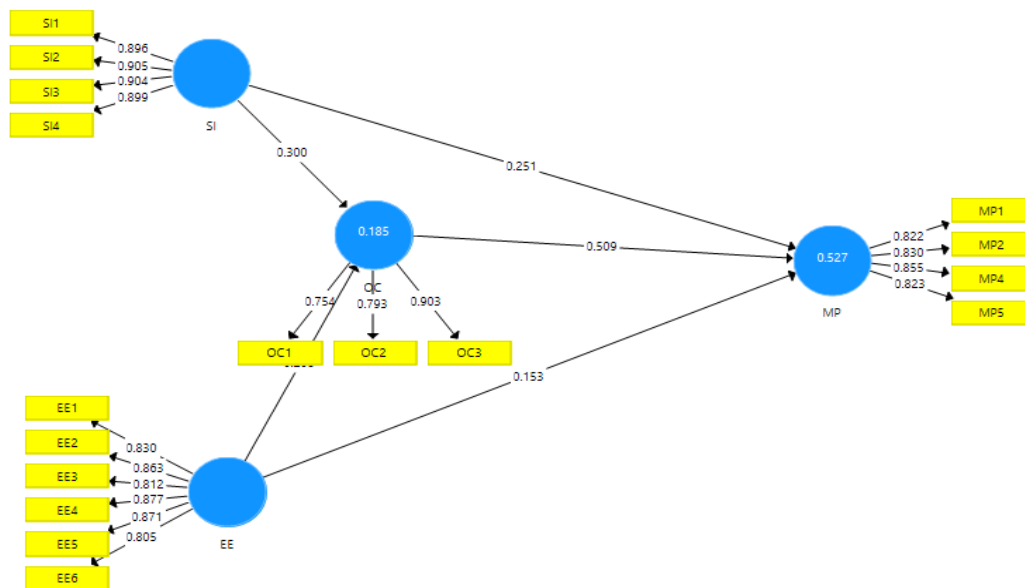


Figure 3: Measurement Model Assessment

This study has examined the nexus among the constructs, and the results indicated that services innovation and employee engagement have a positive association with organizational competencies and accept H3 and H4. In addition, the results also indicated that services innovation and employee engagement have a positive association with the market performance of the Retail business in Thailand and accept H1 and H2. Moreover, the outcomes also revealed that organizational competencies mediates among the links of services innovation, employee engagement and market performance of the Retail business in Thailand and accept H5 and H6. These links are highlighted in Table 5.

Table 5: A path analysis

Relationships	Beta	S.D.	T Statistics	P Values	L.L.	U.L.
EE -> MP	0.153	0.046	3.350	0.002	0.060	0.234
EE -> OC	0.208	0.068	3.069	0.003	0.096	0.326
OC -> MP	0.509	0.040	12.671	0.000	0.417	0.561
SI -> MP	0.251	0.045	5.594	0.000	0.163	0.317
SI -> OC	0.300	0.057	5.280	0.000	0.184	0.388
EE -> OC -> MP	0.106	0.037	2.864	0.006	0.041	0.166
SI -> OC -> MP	0.153	0.033	4.575	0.000	0.093	0.212

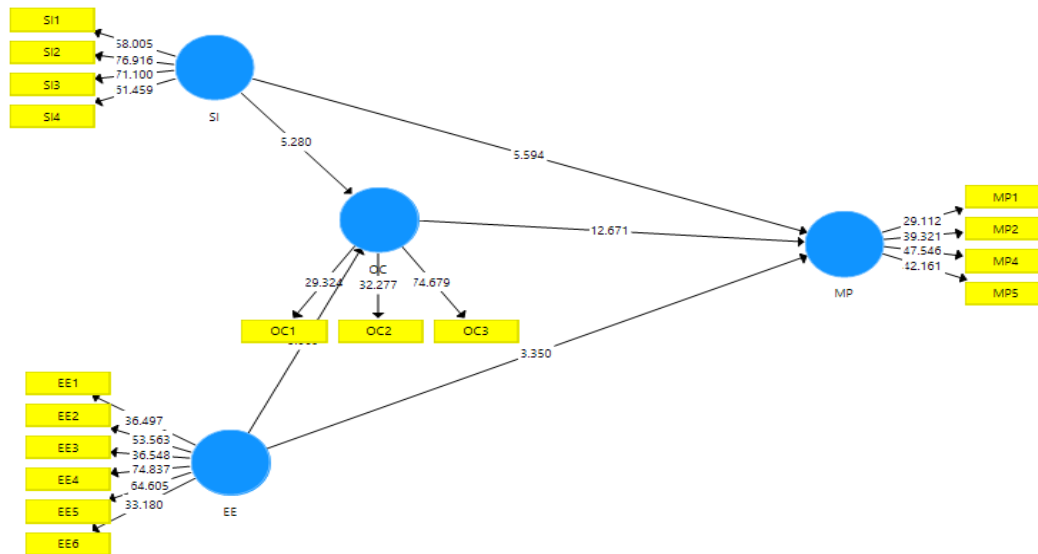


Figure 4: Structural Model Assessment

### 5. Discussions and Implications

The study results have revealed that innovation in services to customers has a positive relationship with the marketing performance of the firm. The study implies that the management's policy to provide innovation-based services to the customers and strategies and their effective implementation improves the market performance of the business firms. These results are in line with the past study of Vakulenko, Shams, Hellström, and Hjort (2019), which shows that the market level of a business firm increases when the policies and strategies of the management include the creation and development of innovation into the products quality, advertisement quality, and the interaction to customers. These results are also in line with the past study of Fernando, Jabbour, and Wah (2019), which reveals that innovation production and marketing strategies help meet the innovation requirements of customers. When current or potential customers find that they are provided by the firm with the innovation-based services from the firm, they retain with the firm, and even new consumers attach with the firms to seek service satisfaction. The study results have also shown that employee engagement in business activities is also linked with the marketing performance of the firm. This study clarifies that when the employees are internally attached to the organization, committed to organizational goals, and follow the organizational policies in favor of the organization, the business organizations achieve higher marketing performance. These results are also supported by the previous study of Salunke, Weerawardena, and McColl-Kennedy (2019), which analyzes the role of employee engagement in getting the superior operation, production, and marketing performance.

This study analyzes that the high level of employee engagement in operation and production within the business organization leads to the provision of better services to the customers and, thus, raise the marketing performance of the firms. These results are also supported by the past study of Huang, Ma, and Meng (2018), which throws light on the employee engagement contributing to the firm's performance. This study concludes that in the firms where the employees are committed to the firm's goals and strategies and put discretionary efforts into different marketing projects, there is high marketing performance. The study findings have also shown that the service innovation to the customers is linked with the organizational competencies in a positive manner. The study highlights that when a business organization intends to give innovation-based services to the customers and shows extra efforts in this regard, it is more likely for the organization to develop better competencies like critical analysis, choice, decision making, and teamwork, etc. These results are also in line with the previous study of Lütjen, Schultz, Tietze, and Urmetzer (2019). This study demonstrates that the business policy to bring innovation into the manufacturing of goods, internal business operations, and marketing procedures in order to provide innovation-based services to the customers motivates the organization to build dynamic competencies. These results are also supported by the past study of Dirani et al. (2020), which demonstrates the remarkable significance of policies and strategies of the management of a business firm to promote innovation in the services to customers as such policies or strategies motivate the firms to create and develop competencies to acquire quality information, to respond to the market requirements, problem-solving skills, and decision making, etc.

The study results have also indicated that employee engagement in the firm has a positive impact on the development of organizational competencies. The study implies that when our employees are committed to the



organizational goals and put extra efforts to implement the organizational strategies, the organization is more likely to create and develop dynamic competencies. These results are in accordance with the literary investigation of Lara and Salas-Vallina (2017), which proves that the passionate attachment of employees with the organization, their active performance in different operations and production improves the dynamic organizational capabilities and different competencies. These results are also in line with the past study of Ravichandran and Mishra (2018). This study analyzes the employees' engagement within a business organization and checks its contribution to organizational performance. It concludes that organizations that have high employee engagement can develop better competencies that are needed for achieving higher business performance. The study results have also indicated that organizational competencies play a significant mediating role between innovation services to customers and the achievement of superior marketing performance. These results are supported by the past study of Bargsted (2017), which shows that the intention of organizational management to render innovation-based to the customers in the form of higher quality innovation-based products, satisfactory interaction with them, and pollution-free operational services leads to the improvement in the organizational competencies and the dynamic competences of an organization are helpful in the achievement higher marketing performance. The study findings have also revealed that organizational competencies play an important mediating role between employee engagement within the organization and the achievement of organizational performance. These results are in line with the literary work out of Appiah-Adu, Okpattah, and Amoako (2018), which indicates that the organizational competencies like critical analysis, adaptive behavior to market shifts, better combination of resources, and optimal use of technology, can be improved under the higher employee engagement within business activities and these organizational competencies are helpful in getting superior marketing performance.

The current study carries theoretical and empirical implication at the same time. This study has a great theoretical consideration because it successfully makes a large contribution to the economic literature. The study analyses the level of marketing performance of a business firm due to the change in the innovation in the services to the customers and the extent of employee engagement within the organization. The study also deals with the influences of innovation in the services to customers and employee engagement within the business on the creation and development of organizational competencies. It is one of the initial attempts that the study introduces organization as a mediator between innovation in services and employee engagement within organizations and the achievement of marketing. Besides the theoretical contribution, this study also has a great empirical significance to the business management within an emerging economy like Thailand as it provides guidance on how to accelerate the level of marketing performance. This research is valuable for the regulators while developing regulations related to innovation adoption and market performance. This study guides that a business organization can achieve a superior position in the market place by enhancing its sales level through higher innovation-based services to customers like high-quality production and convenient access and through higher employee engagement within the organization. The study also suggests that organizational competencies can be improved with the intention to provide innovation-based services and high employee engagement, which help in maintaining marketing performance.

## **6. Conclusion and Limitations**

The current study analyses the development of the marketing position of retail marketing trade within Thailand, which is an emerging economy. In this regard, the study examines the influences of services innovation, employee engagement, and organizational competencies on marketing performance. The states that innovation in the services to the customers help the organization to improve its marketing performance. When the management of an organization forms the policies and strategies to provide up-to-date services to customers and implement them effectively, it can improve marketing performance. This study suggests that the higher engagement of employees within the business organization leads to higher marketing performance. When the employees feel passionate about their business functions and committed to the organization to the largest greatest extent, they put extra efforts into the business activities, which results in the sales level and high marketing position. Moreover, the study implies that up-to-date services to the customers enable the business organization to develop higher business competencies. The firm where the organizational goals include the provision of up-to-date quality services in the form of a straightforward approach to the firm through up-to-date plate-forms, and quality products and services, the management tries its best to create and develop dynamic competencies which are further helpful to raise marketing performance. Similarly, the study examines that employee commitment to the organization, and in this way, its extra focus results in the higher development of organizational competencies and, thereby, higher marketing performance.

The current study has several limitations, like some other past studies. These limitations give an opportunity to future authors to show their literary capabilities in replicating or extending this study. First of all, very few organizational factors such as service innovation to customers, employee engagement in business functions, and

organizational capabilities have been addressed by this study as the constructs of market performance. The use of this limited number of factors to conduct this study has made the scope of this study limited as many other economic, cultural, and environmental factors also affect market performance. In order to remove this limitation, future authors must increase the number of factors of the market in their study. Similarly, the quantitative data has been collected from a single source to be presented in support of this study. Thus, the amount of data acquired from a single source is limited. For the acquisition of more comprehensive data, the authors in future must apply more than one source.

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