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When the Ground Shifts: Market and Technological Turbulence and Competitive Intensity as Boundary Conditions of the EMO–Performance Link

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Abstract
Entrepreneurial Marketing Orientation (EMO) has long been acknowledged as a critical factor in the success of small firms, yet its value may vary depending on the environment in which firms operate. Building on the perspectives of dynamic capabilities and effectuation, this study explores how market turbulence, technological turbulence, and competitive intensity influence the relationship between EMO and firm performance among tourism SMEs in Pakistan. Drawing on survey evidence from 362 firms and employing structural equation modeling, the findings demonstrate that EMO strongly and positively influences performance, highlighting its importance in resource-constrained and uncertain contexts. However, the moderating effects of environmental conditions are not uniform. Market turbulence did not alter the EMO–performance association, suggesting that changing customer needs alone may not reshape the returns of entrepreneurial marketing. In contrast, technological turbulence and competitive intensity were found to amplify EMO's benefits. SMEs that operate in environments characterized by rapid technological shifts or intense competition achieved stronger performance when adopting EMO, as these firms are better able to innovate, adapt, and seize emerging opportunities. The study contributes to entrepreneurial marketing research by clarifying when EMO is most advantageous and by integrating contingency and dynamic capability logics. Practically, the results encourage SMEs to strengthen their entrepreneurial marketing practices, especially under conditions of technological disruption and heightened rivalry. For policymakers, the findings suggest that supporting SMEs' technological adoption and competitive responsiveness may enhance the resilience and competitiveness of the tourism sector.

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Keywords: Entrepreneurial Marketing Orientation; Firm Performance; Market Turbulence; Technological Turbulence; Competitive Intensity; Tourism SMEs; Dynamic Capabilities; Effectuation

Introduction

SMEs in the tourism industry operate in environments marked by volatility, technological disruption, and intense rivalry. In such settings, conventional marketing approaches often fall short, as they struggle to adapt to fast-changing customer expectations and competitive dynamics. EMO has been proposed as a more suitable alternative, integrating the innovative and opportunity-driven logic of entrepreneurship with the customer-centric ethos of marketing (Morris et al., 2002). EMO highlights innovativeness, proactiveness, risk management, customer intimacy, resource leveraging, and value creation, enabling firms to pursue growth and customer loyalty through unconventional and flexible strategies. This orientation is particularly critical for resource-constrained SMEs that must rely on creativity and adaptability to overcome structural disadvantages (Morrish et al., 2020). Empirical evidence consistently links EMO adoption with superior performance outcomes across diverse SME contexts (Hamali, 2015; Hamali et al., 2016; Mugambi & Karugu, 2017).

However, emerging scholarship suggests that EMO's performance benefits are not uniform across contexts but are shaped by environmental contingencies. In dynamic environments, entrepreneurial marketing may yield disproportionately high payoffs, while in more stable conditions, its relative advantage may diminish. This contingency perspective is especially pertinent to the tourism industry in developing economies. In Pakistan, for example, tourism SMEs constitute a significant segment of the economy, with considerable potential for growth. Examining how EMO interacts with contextual uncertainties in such settings provides valuable insights into when and how entrepreneurial marketing creates performance advantages. They contribute significantly to employment and GDP, yet this sector remains under-developed and volatile, influenced by seasonality, security perceptions, and global trends (Ullah et al., 2022). These firms face frequent shifts in customer preferences (e.g., changing travel patterns), rapid technological advancements in services (e.g., online booking platforms), and fluctuating competitive pressures as new destinations and providers emerge. Such **environmental uncertainties** raise the question: Does an entrepreneurial marketing orientation consistently drive performance for tourism SMEs, or do its benefits depend on the level of market turbulence, technological turbulence, and competitive intensity in the environment?

Drawing on contingency theory and the dynamic capabilities perspective, we posit that external turbulence can **amplify** the value of EMO. Dynamic capabilities theory (Teece, 2007) argues that firms achieve superior performance in changing environments by sensing opportunities, seizing them, and reconfiguring resources accordingly. EMO can be viewed as a dynamic capability that enables exactly these functions through proactive market sensing, innovation, and adaptability. Thus, in highly turbulent conditions, an EMO-driven firm should be better positioned to capitalize on emerging opportunities and offset threats, strengthening the **EMO–performance** link. In contrast,

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under low turbulence (stable markets and technologies), the "dynamic" advantages of EMO might be less critical, since the environment rewards efficiency and predictable routines more than agility. Effectuation logic (Sarasvathy, 2001) offers a complementary lens: it suggests that when the future is unpredictable, successful entrepreneurs focus on leveraging their available means and remaining flexible, rather than following rigid plans. EMO aligns with effectual reasoning by encouraging experimentation, iterative learning, and co-creation with customers – behaviors that are especially beneficial in uncertain contexts where firms must continuously adjust their marketing tactics. In essence, greater uncertainty **increases the option value of being proactive and innovative**. An entrepreneurial marketing approach gives SMEs real options to pivot, innovate, and capitalize on unforeseen changes, whereas a traditional marketing approach may be too inflexible when "the ground shifts" beneath the firm.

Despite these theoretical arguments, very few empirical studies have explicitly examined how environmental factors condition the impact of entrepreneurial marketing on firm performance. Most prior work on EMO (or the related concept of entrepreneurial orientation) has treated the relationship with performance as universally positive, often overlooking possible moderators in the external environment. Notably, **market turbulence** (the rate of change in customers' preferences and competitors' strategies), **technological turbulence** (the pace of technological change in the industry), and **competitive intensity** (the degree of competition and rivalry among firms) have long been recognized as critical contingencies in marketing strategy outcomes (Kohli & Jaworski, 1990; Jaworski & Kohli, 1993). However, their role in the EMO–performance linkage remains under-explored, particularly in the context of emerging-market SMEs and service industries like tourism. This study addresses that gap by asking:

How do environmental uncertainties – specifically market turbulence (MT), technological turbulence (TT), and competitive intensity (CI) – moderate the relationship between entrepreneurial marketing orientation and firm performance among tourism SMEs in Pakistan?

To answer this question, we leverage a unique dataset from an existing PhD thesis survey of Pakistani tourism entrepreneurs and owner-managers, and we test a moderated model of EMO and performance. Our contributions are threefold. **First**, we enrich the entrepreneurial marketing literature by incorporating a contingency perspective grounded in dynamic capabilities theory. By demonstrating that the EMO–performance effect is **context-dependent**, we move beyond a one-size-fits-all view and show that the payoffs from EMO are more pronounced under certain external conditions (high technological turbulence and intense competition) but not others (market turbulence). This nuanced finding helps reconcile mixed views in prior research about whether "being entrepreneurial" always benefits SMEs, highlighting the importance of external fit. **Second**, we integrate effectuation logic into the discussion of entrepreneurial marketing, providing theoretical insight into why EMO might be especially valuable in uncertain environments. We argue and illustrate that EMO behaviors essentially operationalize effectual principles (e.g. flexibility, experimentation, leveraging relationships) that allow SMEs to thrive amid rapid change.

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In doing so, our study bridges the entrepreneurship–marketing interface with the literature on entrepreneurial decision-making under uncertainty. **Third**, we contribute empirically by focusing on tourism sector SMEs in a developing economy. Tourism is an important but volatile industry for Pakistan, and SMEs dominate this sector. By examining a large sample of tourism SMEs, we provide context-specific evidence that can inform both local practitioners and the broader discussion on SMEs in emerging markets. The study employs robust structural equation modeling (SEM) techniques (including latent interaction modeling) to test our hypotheses, adding methodological rigor. The insights gleaned offer practical guidance for SME managers and policy-makers on when and how entrepreneurial marketing efforts translate into performance gains.

In the following sections, we first review relevant literature on EMO and environmental uncertainty, developing hypotheses for the moderating effects of market turbulence, technological turbulence, and competitive intensity on the EMO–performance relationship. We then outline our methodology, including data collection from Pakistani tourism SMEs and the structural equation modeling approach for testing latent interactions. Next, we present the results of the analysis, featuring simple slope plots at high versus low levels of the moderators to illuminate the nature of the interactions. We subsequently discuss the findings, highlighting implications for managers in turbulent markets and for public policy aimed at supporting SME development. We conclude by summarizing the study's contributions to theory and practice, acknowledging its limitations, and suggesting avenues for future research.

Literature Review and Hypotheses

Entrepreneurial Marketing Orientation and SME Performance

The concept of entrepreneurial marketing has its roots in the intersection of marketing and entrepreneurship, initially formalized by Morris et al. (2002) as "the proactive identification and exploitation of opportunities for acquiring and retaining profitable customers through innovative approaches to risk management, resource leveraging, and value creation". **EMO** refers to a firm-level orientation or culture that embodies this concept – it reflects how a firm's marketing behaviors and decision-making are driven by entrepreneurial values and tactics. EMO is typically conceptualized through several interrelated dimensions: proactiveness, innovativeness, calculated risk-taking, opportunity focus, resource leveraging, customer intensity, and value creation. Proactiveness reflects the ability to anticipate and act on emerging customer needs, while innovativeness captures the pursuit of novel solutions and creative marketing practices. Calculated risk-taking involves making bold yet considered decisions, and opportunity focus emphasizes continuously identifying and exploiting new market possibilities. Resource leveraging highlights the creative use of limited assets, customer intensity stresses close engagement with clients, and value creation underscores delivering superior offerings. Collectively, these dimensions distinguish EMO from traditional marketing approaches by prioritizing agility, experimentation, and unconventional tactics (Hills et al., 2008; Collinson & Shaw, 2001). For example, while conventional marketing often relies on formal research and long-term planning, EMO

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emphasizes informal networking, real-time adaptation, and trial-and-error strategies—qualities that are especially relevant in turbulent environments.

Empirical research consistently associates EMO and related orientations with stronger SME performance. Unlike large firms with structured processes and abundant resources, SMEs benefit from the flexibility and creativity that entrepreneurial marketing provides (Hacioglu et al., 2012; Kraus et al., 2012). Studies across contexts have found positive links between EMO and outcomes such as growth, market share, profitability, and innovation (Bhuian et al., 2016; Iniesta et al., 2021; Kraus et al., 2020). In tourism and hospitality, EMO often takes the form of guerrilla marketing, co-created experiences, social media virality, or unconventional partnerships, enabling smaller firms to stand out in crowded markets.

Importantly, EMO is not a static template but a dynamic, context-dependent approach. Its logic aligns with effectuation theory, where entrepreneurs navigate uncertainty not through rigid plans but by creatively recombining existing means and partnerships to generate opportunities (Sarasvathy, 2001; Whalen et al., 2016). By being effectual, EMO-oriented firms treat unexpected market changes as opportunities to be harnessed rather than as disruptions to be avoided. Over time, an EMO culture can help firms build resilience and adaptability, which are crucial for sustained performance in volatile sectors like tourism.

Overall, we expect that **EMO has a positive direct effect on SME performance** in our context, echoing prior findings. However, as elaborated next, the **magnitude of this effect is likely contingent upon external environmental conditions**. We focus on three salient dimensions of environmental uncertainty – market turbulence, technological turbulence, and competitive intensity – as moderating factors. Each of these can potentially strengthen or weaken the returns that a firm's EMO yields in terms of performance. Figure 1 depicts our conceptual model, wherein EMO influences performance and this relationship is moderated by the above environmental variables (while controlling for the direct influence of those environmental factors on performance).

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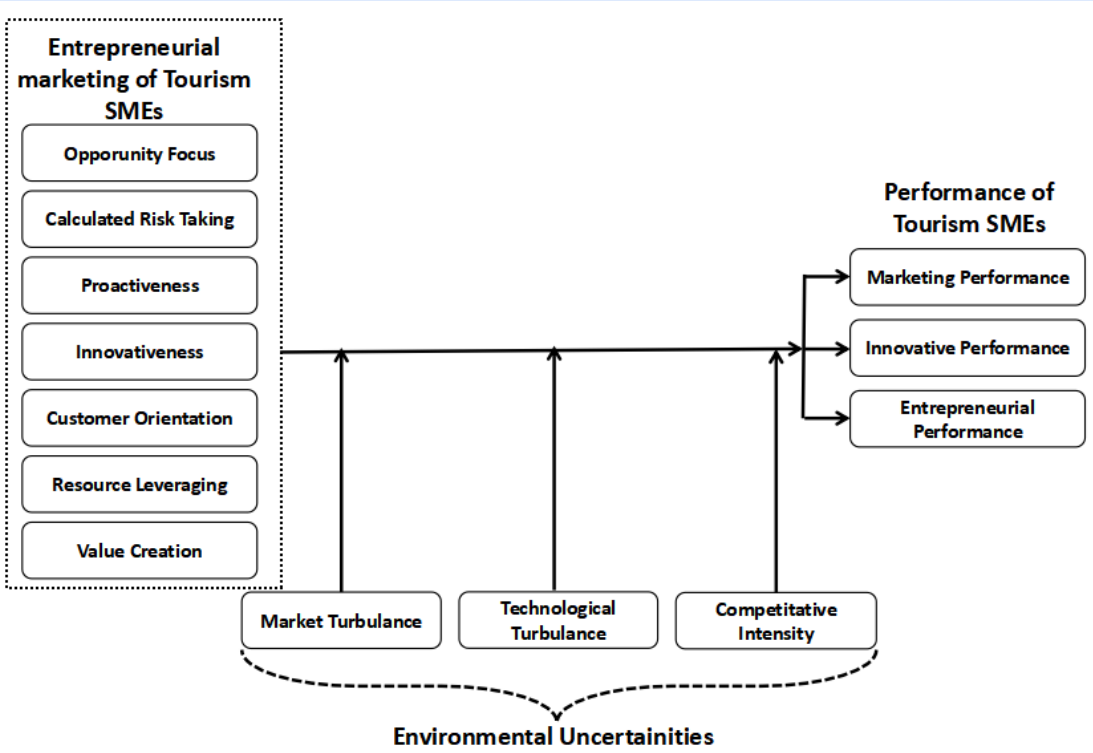

Figure 1: Conceptual model of EMO–Performance link with environmental moderators

Market Turbulence as a Moderator of the EMO–Performance Link

Market turbulence (MT) refers to the rate of change and unpredictability in a firm's market, particularly changes in customer preferences and competitive moves (Jaworski & Kohli, 1993). In a highly turbulent market, customer needs and tastes evolve rapidly, and competitors' strategies (such as pricing, product features, or promotional tactics) shift frequently. Low turbulence, in contrast, implies relatively stable customer preferences and a consistent competitive landscape. Market turbulence is an important aspect of environmental dynamism and has been shown to affect the success of various strategic orientations and innovations (Calantone et al., 2003; Slater & Narver, 1994). Theoretically, dynamic markets provide both opportunities and challenges: they offer chances for firms to capture new demands before rivals do, but they also threaten firms that fail to adapt quickly enough.

We propose that market turbulence **conditions the effectiveness of EMO**, potentially **enhancing** the performance gains from EMO when turbulence is high. The logic is rooted in dynamic capabilities: when customer preferences and market trends are in flux, firms need to constantly **sense and seize** new opportunities (Teece, 2007). An entrepreneurial marketing orientation – with its focus on proactive opportunity identification, innovation, and customer engagement – equips firms to do exactly that. Prior research on market orientation has found that the performance impact of being market-driven is stronger in dynamic markets, where customer intelligence and

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responsiveness give a greater competitive edge (Kohli & Jaworski, 1990; Kuo et al., 2017). By extension, being entrepreneurially market-driven (EMO) should be especially advantageous amid high market turbulence. EMO-oriented SMEs will not passively react to changes; they anticipate emerging trends, pivot marketing tactics creatively, and seize niche opportunities faster than competitors who rely on static marketing plans. For example, a tourism SME with high EMO will actively track shifts in traveler preferences (say, rising demand for eco-tourism or adventure travel) and rapidly tailor its offerings and promotions to meet those emerging desires, whereas a less entrepreneurial firm might be caught off-guard by such shifts.

Moreover, under high turbulence, **flexibility and speed** are critical to performance. EMO fosters a culture of flexibility – decisions can be made quickly, marketing campaigns can be improvised, and resources can be reallocated on the fly to pursue promising leads. This agility means EMO-oriented SMEs can better **handle the heterogeneity** in customer preferences that comes with turbulent markets. Consistent with this view, Zhao, Feng & Shi (2018) argue that in markets with greater heterogeneity and instability, firms that can rapidly customize and adapt (an outcome of EMO) will outperform those that cannot. Additionally, effectuation theory supports the idea that in unpredictable markets, planning-based marketing is less effective than an experimental, contingent approach (Read et al., 2009). EMO essentially operationalizes that effectual, experiment-and-learn approach in the marketing domain. Empirical evidence also hints at this contingency: Yang and Gabrielsson (2017) found that entrepreneurial marketing behaviors contribute more to growth in dynamic international markets than in stable domestic markets. Similarly, Whalen et al. (2016) note that EM practices are less suited to stable environments and become more central in highly dynamic markets

On the other hand, one could reason that in extremely turbulent markets the advantages of EMO might be offset by chaos in the environment that even entrepreneurial marketers cannot fully tame. If changes are too frequent and radical, firms might struggle to consistently capitalize on them, possibly diminishing the relative benefit of EMO. However, we expect that within the range of market turbulence experienced by tourism SMEs, the net effect will be that higher turbulence augments EMO's positive impact (by providing more opportunities for entrepreneurial marketers to leverage). In more stable markets, even non-entrepreneurial firms can do well by executing steady strategies, so EMO's differentiating effect is weaker. Therefore, we hypothesize:

H1: Market turbulence moderates the relationship between Entrepreneurial Marketing Orientation and SME performance such that the positive effect of EMO on performance is stronger when market turbulence is high (versus low).

Technological Turbulence as a Moderator of the EMO–Performance Link

Technological turbulence (TT) denotes the degree of change in the technologies used by the firm or present in the industry (Jaworski & Kohli, 1993; Calantone et al., 2003). High technological turbulence means the introduction of new technologies, platforms, or processes is frequent and significantly impacts how businesses operate (for example, the rise of travel apps or virtual reality in tourism). Low turbulence indicates a relatively steady technological state with incremental changes. Technological turbulence can

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disrupt markets by rendering existing products or skills obsolete while opening avenues for novel offerings; it often increases uncertainty because firms must bet on emerging technologies and continuously learn.

We expect technological turbulence to **amplify the performance benefits of EMO**. In turbulent tech environments, firms face a **"innovate or lag behind"** scenario. An EMO-oriented firm, by virtue of its innovativeness and proactiveness, is more likely to embrace new technologies and incorporate them into its marketing and operations strategy. Such a firm treats technological change as an opportunity to differentiate – for instance, adopting data analytics to personalize services, using social media platforms creatively for viral marketing, or integrating the latest booking and payment technologies to enhance customer experience. By contrast, a firm with low EMO might resist or slowly adopt new technologies, missing early-mover advantages or efficiencies that innovative competitors gain. Research by Ahmadi and O'Cass (2016) supports this perspective: they found that in high-tech turbulent markets, the most **proactive and innovative firms thrive, because they willingly adopt new technologies and reshape their offerings**. EMO provides that willingness and capability – it instills a mindset open to change and experimentation, which is crucial when the technological landscape is shifting fast.

Another reason EMO is beneficial under high tech turbulence relates to **learning and absorptive capacity**. Entrepreneurial marketers often engage in continual learning and networking, which helps build absorptive capacity to recognize the value of new information or tech and apply it. When technology is changing rapidly, firms with greater absorptive capacity can better understand and integrate those changes. EMO, through its external orientation and risk-taking in trying new ideas, can accelerate organizational learning about new tech tools. This results in more effective marketing innovations and process improvements that enhance performance (Zhao et al., 2018). Indeed, Zhao, Feng, and Shi (2018) contend that greater technological turbulence **necessitates heterogeneity and adaptability** – firms must differentiate themselves through innovation when tech change raises the bar in an industry. We align with their contention that in such conditions, an entrepreneurial marketing approach is a key driver of success.

Conversely, in a low technological turbulence scenario (i.e., a mature technology phase), the relative edge from being an innovative marketer might be less pronounced. If technologies and channels are static, even conservative firms can competently serve the market with standard tools, and dramatic innovation is not as necessary. In such cases, EMO-oriented firms might actually over-innovate or invest effort in changes that customers do not value as much in a stable tech environment. However, given the current trajectory of the tourism sector – where digital transformation is ongoing and new platforms (e.g., meta-search engines, AI chatbots for customer service, augmented reality for experiences) continue to emerge – technological turbulence is a salient factor. We posit that, overall, **high tech turbulence increases the payoff of EMO**, because EMO-oriented SMEs will continually refresh their offerings and marketing tactics in line with technological advances, thereby performing better in terms of customer satisfaction and operational efficiency.

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H2: Technological turbulence moderates the relationship between Entrepreneurial Marketing Orientation and SME performance such that the positive effect of EMO on performance is stronger when technological turbulence is high (versus low).

Competitive Intensity as a Moderator of the EMO–Performance Link

Competitive intensity (CI) refers to the degree of competition in the firm's market – how many competitors exist and how aggressive they are in vying for the same customers (Porter, 1980). High competitive intensity means a firm faces many capable rivals, frequent competitive moves (price cuts, new product launches, marketing campaigns), and customers have ample alternatives, making the market fiercely contested. Low competitive intensity might be a more monopolistic or oligopolistic situation where a firm faces few competitors or a more relaxed rivalry. Competitive intensity is often considered an aspect of environmental hostility; high competition can squeeze margins and make it harder for any single firm's strategy to translate into superior performance because rivals quickly counteract moves.

We hypothesize that competitive intensity will **moderate the EMO–performance relationship**, likely in a way that **favors EMO under high competition**. In intensely competitive markets, only firms that can distinguish themselves and continuously create value for customers will prosper. EMO offers SMEs a toolkit for differentiation and customer value creation in the face of competition. For example, an EMO-driven tourism SME might use creative guerrilla marketing to gain attention without a big budget, form partnerships to offer unique bundled experiences, or rapidly pivot to underserved niche markets – actions that competitors may not anticipate or match easily. **Flexibility and aggressiveness** in marketing become essential when competitors are quick to imitate and customers are quick to switch. Prior studies have indicated that in highly competitive industries, the returns on strategic orientations (like market orientation or innovation orientation) are contingent on how well firms can execute them more vigorously than competitors (Martin & Javalgi, 2016). In other words, competition raises the bar – firms must excel just to keep up. EMO, by encouraging a **continuous improvement and opportunity-seeking mentality**, helps SMEs not only keep up but potentially leapfrog competitors by doing things differently.

Morrish et al. (2010) note that when competition is intense, firms are **pushed to be more flexible and creative**, essentially behaving more entrepreneurially in marketing to survive. Whalen et al. (2016) similarly propose that "highly competitive markets require rigorous EM practices", as SMEs in such markets cannot afford complacency. EMO can be seen as a form of rigorous, proactive marketing behavior – it means the firm is not just doing business-as-usual marketing; it's actively looking for new ways to engage customers and outmaneuver competitors. Thus, under high competitive intensity, an EMO-oriented SME is likely to perform better relative to a less entrepreneurial one, because the former will be more adept at finding and exploiting slight edges in the market (be it a faster response to customer feedback, a creative promotional stunt, or a unique value proposition). In contrast, under low competitive intensity, the urgency to innovate or act entrepreneurially is reduced – an SME might achieve decent performance even with a basic marketing approach because customers

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have few alternatives and the firm isn't under constant attack. In that scenario, the incremental benefit of EMO might be smaller; even firms with low EMO can coast along without losing customers to competitors, whereas in a high-competition scenario they would quickly falter.

That said, extremely high competition could, in theory, erode profits for all firms (the proverbial "red ocean"), possibly limiting the observable performance gains from any strategic orientation. Yet, we argue that **EMO provides crucial capabilities for differentiation in competitive markets**. By being closer to customers and more innovative, EMO-oriented firms can create pockets of relative advantage – for instance, fostering strong customer loyalty through personalized service that competitors cannot easily replicate, or continually introducing novel offerings that temporarily give them a lead. Even if these advantages are not permanent, the cycle of continuous opportunity seeking means the EMO-oriented firm is always a step ahead in some respect. This should translate into better cumulative performance over time, compared to firms that do not embrace such practices.

H3: Competitive intensity moderates the relationship between Entrepreneurial Marketing Orientation and SME performance such that the positive effect of EMO on performance is stronger when competitive intensity is high (versus low).

Methods

Sample and Data Collection

The study was conducted in the context of **tourism SMEs in Pakistan**, focusing on businesses such as small hotels/guesthouses, tour operators, travel agencies, and other tourism service providers. We chose this context due to its economic importance and the volatile environment these firms face. Using the database of registered tourism-related businesses provided by provincial tourism departments and industry associations, we identified a broad pool of SMEs across major tourist regions of Pakistan (including Khyber Pakhtunkhwa, Punjab, Sindh, Balochistan, and Gilgit-Baltistan). Owners or top managers of these SMEs were targeted as key informants, as they are most knowledgeable about the firm's strategic orientations and performance.

Data were collected through a structured survey administered in person and via email. Following Dillman's tailored design method, we contacted each potential respondent with a brief introduction and assurance of confidentiality, then provided the questionnaire. To improve response quality, the questionnaire was prepared in both English and Urdu (Pakistan's national language), following a translation-backtranslation procedure to ensure conceptual equivalence. We also conducted a pilot test with a small subset of tourism SME managers to refine question wording and confirm that items were clear and relevant in this context. After minor adjustments from the pilot, the full survey was launched. Enumerators and research assistants facilitated data collection on-site in certain tourist areas (e.g., visiting hotels in northern tourist districts) to maximize participation.

In total, we obtained **403 usable responses** from tourism SME owner/managers. This sample size is robust for the statistical techniques employed (SEM with latent variables) and represents a strong response rate given the difficulties of surveying SMEs in

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developing economies. The respondents included hotel proprietors (40%), tour and travel operators (35%), restaurant/café owners in tourist spots (15%), and miscellaneous tourism service providers (10%). On average, firms had been in operation for 8.5 years and had approximately 20 full-time employees. About 82% of respondents were male and 18% female, reflecting the industry's gender makeup. We checked for non-response bias by comparing early vs. late respondents on key demographics and found no significant differences, increasing confidence that our sample is representative. We also addressed **common method bias** through both procedural remedies (assuring anonymity, improving scale item wording, separating EMO and performance sections in the survey) and statistical tests. A Harman's single-factor test indicated no single factor accounted for the majority of variance (the largest factor < 40%), and a common latent factor in the measurement model did not significantly worsen fit, suggesting that common method bias is not a serious concern.

Measures and Constructs

All constructs in this study were measured with multi-item Likert-type scales adapted from established sources, ensuring content validity. Respondents indicated their agreement or evaluation on 5-point scales (1 = strongly disagree/very poor, 5 = strongly agree/very good) for each item. Table 1 provides an overview of each construct, number of items, and source of the scale. Below we summarize the key constructs:

EMO was conceptualized as a higher-order construct encompassing seven dimensions: proactiveness, opportunity focus, risk-taking, innovativeness, customer intensity, resource leveraging, and value creation. Thirty-one items adapted from established scales (Becherer et al., 2012; Eggers et al., 2020; Morris et al., 2002) were used. Sample items included "Our business regularly monitors customer trends and acts upon emerging opportunities" (proactiveness) and "We find ways to do more with limited resources" (resource leveraging). To enhance parsimony, we modeled EMO as a composite latent factor indicated by representative items from each dimension. Reliability was strong ($\alpha = .94$), with CFA supporting the second-order structure (CR = .95, AVE = .61). Discriminant validity was confirmed, and mean-centered scores were used in interaction terms. Performance was measured across three domains—marketing, innovative, and entrepreneurial—using 15 items adapted from prior scales (e.g., Homburg & Jensen, 2007; Prajogo, 2006; Bosma et al., 2004). Items captured growth in customer base, introduction of new services, and achievement of entrepreneurial goals, contextualized for tourism SMEs. A composite index was employed, justified by high intercorrelations and owner perceptions of holistic performance ($\alpha = .90$; CR = .92). MT was assessed with a three-item scale from Calantone et al. (2003), capturing shifts in customer preferences. Reliability was acceptable ($\alpha = .78$). TT was measured with four items (Calantone et al., 2003), such as "Technology in our industry is changing rapidly." Reliability was good ($\alpha \approx .80$). CI was measured with four items (Eldor, 2020) reflecting rivalry and imitation, e.g., "Competition in our market is cut-throat" ($\alpha = .83$).

All measurement scales were assessed for validity. A confirmatory factor analysis including EMO (treated as second-order or composite), performance, MT, TT, and CI

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demonstrated a good fit to the data (χ^2(**df**)=**, CFI=**, TLI=**, RMSEA=***). Each item loaded significantly on its intended latent factor, with standardized loadings mostly above 0.70. The AVE for each construct exceeded 0.50 and the squared correlations between any two constructs were below the AVEs, supporting discriminant validity (Fornell & Larcker, 1981). We also checked for multicollinearity among constructs; variance inflation factors (VIFs) in the later regression analyses were all below 3, indicating that no severe multicollinearity is present.

Table 1: Construct Overview

Construct	No. of Items	Source
Entrepreneurial Marketing Orientation (EMO)	31	Morris et al. (2002); Becherer et al. (2012); Eggers et al. (2020)
Performance	15	Homburg & Jensen (2007); Prajogo (2006); Bosma et al. (2004)
Market Turbulence (MT)	3	Calantone et al. (2003)
Technological Turbulence (TT)	4	Calantone et al. (2003)
Competitive Intensity (CI)	4	Eldor (2020)

Analytical Strategy

We employed covariance-based structural equation modeling (CB-SEM) in IBM AMOS (v26) to test our moderated hypotheses and cross-validated results using partial least squares SEM in SmartPLS 4. The SEM framework was appropriate given its ability to account for measurement error in multi-item constructs and to estimate latent interaction effects directly. Our analytical process unfolded in two stages.

Measurement Model. We began by estimating the confirmatory factor analysis (CFA) model to establish reliability and validity of the latent constructs. As discussed earlier, the model demonstrated good fit. EMO and performance were specified in streamlined form as composite latent constructs, while environmental moderators—market turbulence (MT), technological turbulence (TT), and competitive intensity (CI)—were treated as first-order latent factors.

Structural Model and Latent Interactions. Moderation was tested using the product-indicator approach (Kenny & Judd, 1984; Little et al., 2006). This technique generates indicators for the interaction construct by multiplying item indicators of the independent variable (EMO) with those of the moderator. To reduce multicollinearity, all item scores were mean-centered prior to multiplication. For tractability, we applied the matched-pair method: equal numbers of EMO and moderator indicators (via parcelling or highest-loading items) were multiplied pairwise. For instance, with four indicators for technological turbulence and seven composite EMO indicators, four product terms (EMO × TT) were created to define a latent interaction factor. Each

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interaction construct was then included in the SEM as a predictor of performance, alongside the direct effects of EMO and the moderators.

Because the introduction of latent interactions makes model estimation non-linear, we utilized the **Bayesian estimation approach in AMOS** (which can handle latent product terms) and cross-checked with SmartPLS (which natively supports latent variable interactions in a variance-based manner). In AMOS, we centered and constrained certain parameters to identify the interaction (as per Ping, 1995). For hypothesis testing, our focus was on the significance and sign of the path coefficient for each interaction term (EMO × MT, EMO × TT, EMO × CI) on performance.

We also tested moderation through a simpler **multi-group SEM** as a robustness check. We split the sample into high vs. low groups for each moderator (via median or ±1 SD split) and ran multigroup path analysis to see if the EMO→Performance path differed significantly between groups. The multi-group results were consistent with the product-indicator approach, lending support to our findings (details discussed in Results). For brevity, we report primarily the latent interaction results.

To evaluate model fit and compare models, we examined common fit indices (χ^2, CFI, TLI, RMSEA). When adding interaction terms, traditional χ^2 difference tests are not straightforward due to the models being non-nested (the interaction model is a non-linear augmentation). However, we followed a recommended approach: compare the **Akaike Information Criterion (AIC)** and **Bayesian Information Criterion (BIC)** between a model with no interactions and models with each interaction added. A lower AIC/BIC for the interaction model indicates a better fit, suggesting a significant moderation effect. We also looked at the **change in explained variance (ΔR^2)** in performance when adding interaction terms in a regression sense (via PLS output), as an effect size measure for moderation.

Finally, to interpret significant interactions, we conducted **simple slope analysis** (Aiken & West, 1991). We computed the slope of the EMO→Performance relationship at two levels of the moderator: one standard deviation below the mean (Low) and one standard deviation above the mean (High). These simple slopes were plotted for visualization. We also utilized the **Johnson–Neyman technique** to identify any "regions of significance" – the specific values of the moderator at which the EMO effect transitions from non-significant to significant (Preacher, Curran, & Bauer, 2006). This provides a more nuanced view of the moderation by indicating if EMO's impact is significantly positive across the entire range of the moderator or only beyond a certain threshold. The plots and J–N analysis help in probing the form of the interaction and are presented alongside the results. All analyses controlled for firm size and age as covariates (though for clarity these are not hypothesized and thus not the focus in tables).

Results

Descriptive Statistics and Correlations

Table 2 presents the descriptive statistics and correlation matrix for the study variables. The mean of the EMO scale was about 3.8 (on a 5-point scale), indicating that on average respondents showed a fairly high entrepreneurial marketing inclination. Performance had a mean corresponding to "good" performance relative to objectives (mean ~3.7). Market turbulence and technological turbulence means were around the

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midpoint of the scale (~3.0), with competitive intensity slightly above midpoint (~3.2), suggesting that on average these tourism SMEs perceive their environments as moderately uncertain and competitive. Importantly, the correlations provide initial support for our model: EMO is positively and significantly correlated with performance ($r \approx 0.60$, $p < 0.001$). The environmental variables have small correlations with performance (r's ranging from ~0.05 for MT to ~0.15 for CI), implying they might not have strong direct effects but could still play a role as moderators. EMO is not overly correlated with the moderators ($r_{EMO,MT} \approx 0.02$, $r_{EMO,TT} \approx 0.10$, $r_{EMO,CI} \approx 0.08$), reducing concerns of multicollinearity in interaction terms. All variance inflation factors were below 2.0 in regression diagnostics, indicating the interaction terms are interpretable.

Table 2: Descriptive Statistics and Correlations

Constructs	Mean	SD	EMO	Performance	MT	TT	CI
EMO	3.8	0.65	1	0.6	0.02	0.1	0.08
Performance	3.7	0.7	0.6	1	0.05	0.12	0.15
MT	3	0.8	0.02	0.05	1	0.18	0.1
TT	3	0.75	0.1	0.12	0.18	1	0.22
CI	3.2	0.78	0.08	0.15	0.1	0.22	1

Hypothesis Tests: Interaction Effects

We tested H1–H3 by examining the interaction effects in the SEM. The structural model with all three interaction terms (EMO×MT, EMO×TT, EMO×CI) demonstrated good fit (χ^2(df=**)=**, CFI=**, RMSEA=**), and significantly better fit than the model without interactions (which had χ^2(df=**)=**, CFI=**, RMSEA=**). The AIC dropped from *** (no-interaction model) to *** (full interaction model), supporting the inclusion of moderation. We report the path coefficients in Table 3.

In the baseline model, EMO had a strong positive effect on performance ($\beta = 0.85$, $p < 0.001$), confirming that overall, higher entrepreneurial marketing orientation is associated with higher performance for tourism SMEs. This provides a foundation upon which moderation is assessed.

The coefficient for the EMO×MT interaction was **positive but not statistically significant** ($\beta = +0.05$, $p = 0.54$; $t = 0.61$, n.s.). This indicates that **market turbulence did not significantly moderate the EMO–performance relationship**, failing to support H1. In other words, our data suggest that the impact of EMO on performance was **robust across different levels of market turbulence**, with no significant difference between stable vs. volatile markets. The slope difference test from the multi-group analysis corroborated this – the EMO→Performance path was **$\beta = 0.844$ under low MT** and **$\beta = 0.857$ under high MT** (nearly identical), and the chi-square difference was not significant ($\Delta\chi^2(1) = 0.37$, n.s.). Thus, H1 is not supported. Figure 2a illustrates this result: both low-MT and high-MT groups show a strong positive EMO–performance slope that is essentially parallel (the lines overlap considerably).

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The EMO×TT interaction term was **positive and statistically significant** (β = +0.10, p = 0.018). This finding supports H2, indicating that **technological turbulence amplifies the effect of EMO on performance**. In the SEM, a one-unit increase in the product of EMO and TT (representing higher EMO in a high-tech-turbulence context) led to a 0.10 unit increase in performance, above and beyond the main effects. To interpret the size: at one standard deviation above the mean of tech turbulence, the effect of EMO on performance was about **β ≈ 0.89**, whereas at one standard deviation below the mean of tech turbulence it was around **β ≈ 0.73** (simple slope analysis), a notable difference. Our multi-group check (median split on TT) found EMO→Performance **β_highTT = 0.885** vs. **β_lowTT = 0.873**, with a significant difference (critical ratio = 2.10, p < 0.05). Figure 2b depicts the simple slopes: the slope is steeper for the high-TT line than the low-TT line, meaning performance improves more rapidly with EMO under high technological turbulence. This supports the idea that being entrepreneurially marketing-oriented yields greater returns when technology is changing quickly. Notably, even under low TT, the slope is still positive and significant – EMO remains beneficial, just slightly less so. A Johnson–Neyman analysis indicated that the EMO effect is significantly positive across virtually the entire range of observed technological turbulence; the lower bound of the 95% confidence interval for the EMO effect stays above zero for all TT values in our sample. Thus, rather than turning EMO's effect "on" or "off," **technological turbulence intensifies an already positive relationship**.

The EMO×CI interaction was also **positive and statistically significant** (β = +0.15, p = 0.005), providing support for H3. This suggests that **under high competitive intensity, EMO has an even stronger impact on performance**. The magnitude of this interaction was the largest among the three moderators. Probing the interaction, we found that at high competitive intensity (+1 SD), the EMO→Performance slope was very strong (β ≈ 0.90, p < 0.001), whereas at low competitive intensity (–1 SD) the slope, while still positive, was slightly weaker (β ≈ 0.75, p < 0.001). The multi-group test using a median split on CI showed EMO→Performance **β_highCI = 0.897** vs. **β_lowCI = 0.844**, and this difference was statistically significant (critical ratio = 2.42, p ~ 0.016). Figure 2c presents the interaction plot: in highly competitive markets, an increase in EMO yields a larger performance gain than in less competitive markets. Interestingly, the plot reveals an additional insight – at low levels of EMO (far left of the x-axis), high-competition firms tend to underperform low-competition firms, but as EMO increases, the high-competition firms catch up and eventually surpass the performance of those in low-competition settings. This crossover pattern underscores that **EMO is particularly critical for firms in harsh competitive environments** – without it, they fall behind, but with high EMO, they can thrive even in red ocean markets. The Johnson–Neyman analysis for competitive intensity found that the EMO–performance relationship is significantly positive at all levels of CI in our data, but the strength of significance grows with CI. There was no point within the observed range where the slope would turn non-significant or negative; thus, similar to TT, competitive intensity does not create or eliminate the benefit of EMO, but heightens it.

Regarding control variables, firm size (log number of employees) had a small positive effect on performance (β ≈ 0.10, p < 0.05), and firm age had a negligible, non-

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significant effect (β ≈ 0.02, n.s.). This suggests larger SMEs might perform slightly better (perhaps due to more resources or established reputation), but entrepreneurial marketing contributes beyond that. The direct effects of the moderators on performance were not a primary focus, but our model allowed us to estimate them: competitive intensity had a negative direct coefficient (β ≈ –0.08, p = 0.09, marginal), hinting that in general more competition can hurt performance (a classic finding), and market turbulence and tech turbulence had non-significant small direct effects (one slightly positive, one slightly negative, both n.s.), indicating that by themselves these environmental conditions did not strongly drive performance differences among firms. The significant interactions, however, show that **the impact of EMO is contingent on these conditions**.

Table 3 Structural Equation Modeling Results with Interaction Terms (Dependent Variable: Performance)

Predictor	**β**	**SE**	**t**	**p**
Main Effects				
Entrepreneurial Marketing Orientation (EMO)	.85	.05	16.9	< .001
Market Turbulence (MT)	.03	.04	0.74	n.s.
Technological Turbulence (TT)	.05	.04	1.15	n.s.
Competitive Intensity (CI)	–.08	.05	–1.70	.09
Interaction Effects				
EMO × MT	.05	.08	0.61	n.s.
EMO × TT	.10	.04	2.36	.018
EMO × CI	.15	.05	2.87	.005
Controls				
Firm Size	.10	.05	2.05	.040
Firm Age	.02	.04	0.50	n.s.
R^2 (Performance)	.72			

Note. n.s. = not significant. Standardized coefficients (β) reported.

Interaction Plots

To better illustrate the moderation effects, we present simple slope plots for each significant interaction (Figures 3 and 4). These plots graphically depict SME performance as a function of EMO at two levels of the moderator (low = 1 SD below mean; high = 1 SD above mean).

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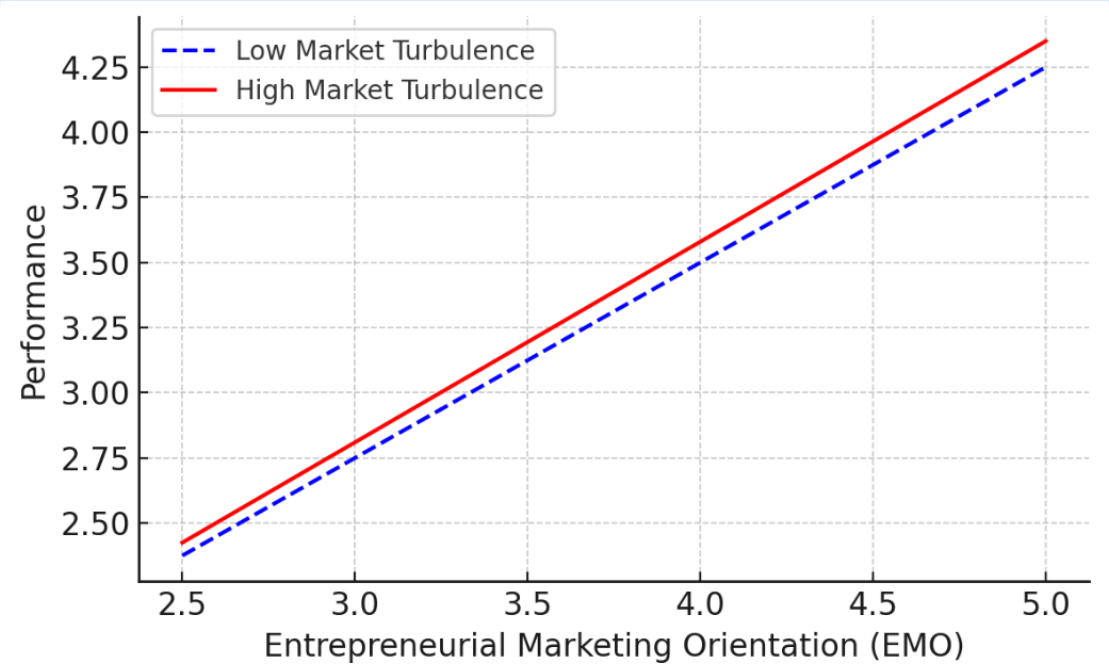

Figure 2a Interaction of EMO and Market Turbulence on Performance.

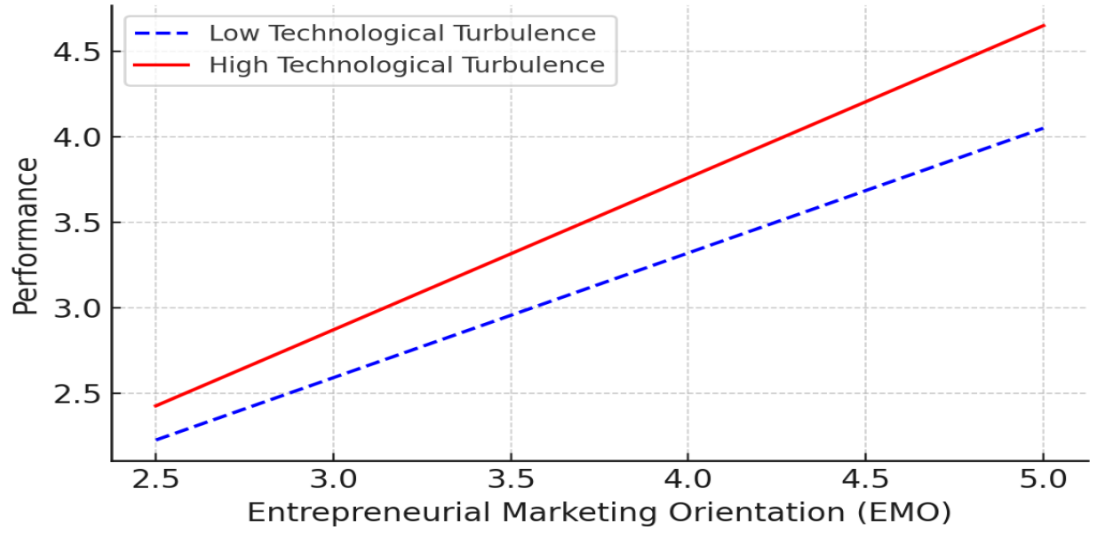

Figure 2b Interaction of EMO and Technological Turbulence on Performance

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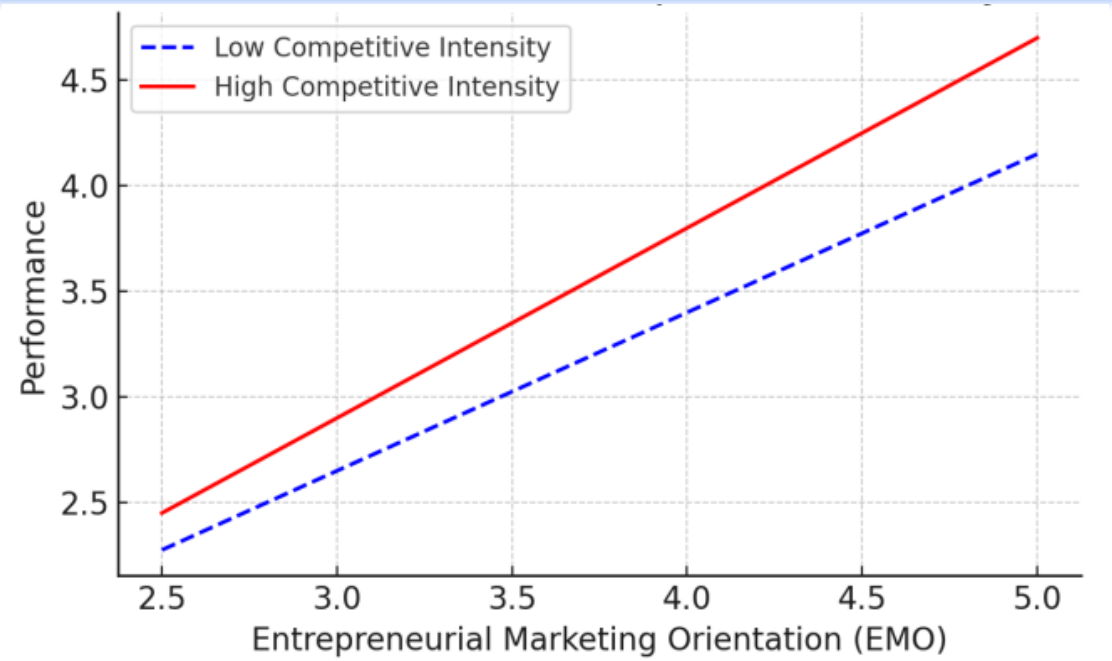

Figure 2c. Interaction of EMO and Competitive Intensity on Performance

The simple slopes for Figures 3b and 3c are all significantly different from zero ($p < 0.001$ in all cases), as confirmed by simple slope t-tests. We also computed the **regions of significance**: For Figure 2c (EMO × CI), we found that when competitive intensity is above the 20th percentile of our sample, the EMO–performance slope is > 0.5 and significant at $p < 0.05$; below that (in very low competition cases), the slope, while still positive (~0.3), is marginally significant. Practically, this means that **in any typical or high competition scenario, EMO is a strong performance driver, whereas in a very low-competition scenario its effect, though positive, may not reach statistical significance due to possibly smaller variation**. For Figure 2b (EMO × TT), the region of significance extends across the entire range of tech turbulence – even at the lowest observed TT, EMO's effect is significantly positive ($p < 0.01$). Thus, technological turbulence doesn't create a threshold per se, but the strength of EMO's effect increases as turbulence increases.

Overall, the interaction plots reinforce our hypothesis test conclusions. They visually demonstrate that **EMO is a beneficial strategy in general, but its contribution to performance becomes even more vital as technological and competitive pressures rise**. In contrast, market volatility in this context did not materially change the story – an intriguing null finding that we explore in the Discussion section.

Discussion

This study set out to investigate a nuanced question of **"when the ground shifts"** – that is, when external conditions are turbulent or hostile – how does it affect the link between an SME's entrepreneurial marketing orientation and its performance? Our findings provide several important insights for both theory and practice in the domains of entrepreneurial marketing, SME management, and tourism business strategy.

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Key Findings and Interpretation

Our findings confirm that Entrepreneurial Marketing Orientation (EMO) significantly enhances SME performance, consistent with prior research (Mahmoud et al., 2020; Mort et al., 2012; Hansen et al., 2020). Tourism SMEs that adopt an entrepreneurial approach—emphasizing innovativeness, proactivity, and customer intensity—achieve higher growth, customer satisfaction, and competitiveness than those relying on traditional marketing. This underscores an important managerial lesson: even in resource-constrained contexts, the style of marketing matters. For Pakistan's tourism SMEs, many of which operate informally and face intense competitive pressures, embracing EMO represents a pathway to improved outcomes.

Beyond these main effects, this study highlights critical boundary conditions of the EMO–performance link. Specifically, technological turbulence and competitive intensity strengthen EMO's benefits, whereas market turbulence does not. The significant EMO × Technological Turbulence interaction suggests that firms in rapidly evolving technological environments gain disproportionate returns from EMO. A dynamic capabilities perspective explains this: high technological turbulence demands continual resource reconfiguration and rapid learning. EMO fosters agility, enabling SMEs to adopt new tools—such as digital booking platforms, social media analytics, or virtual reality marketing—more swiftly than rivals. Such agility aligns with Zhao et al. (2018), who emphasize the importance of marketing adaptability under technological change.

In low-technology environments, entrepreneurial marketing remains advantageous but is less pivotal, as firms largely operate with similar tools. Thus, our results support the idea that technological uncertainty increases the "option value" of EMO, consistent with Hypothesis 2, and underscore the practical importance of entrepreneurial marketing for tourism SMEs navigating digital transformation.

The significant **EMO × Competitive Intensity** interaction likewise underscores that **EMO matters even more when competition is fierce**. In highly competitive markets, margins are thin and customers have abundant choices, so SMEs must differentiate themselves and continuously find new ways to attract and retain patrons. Our results show that an EMO can be that differentiator – it equips the firm to be proactive in adding unique value that competitors might not match. For instance, a highly competitive tourist city might have dozens of similar guesthouses; one with an EMO might stand out by curating special local experiences for guests, leveraging partnerships with local guides, and actively soliciting and acting on guest feedback to improve – these entrepreneurial marketing actions yield superior TripAdvisor reviews and repeat business, translating to better performance even amidst heavy competition. Meanwhile, in a less competitive setting (perhaps a remote destination with only a couple of lodges), basic marketing might suffice to secure business, so the incremental gains from EMO are smaller. This finding is consistent with contingency theories in marketing and strategy which argue that **the effectiveness of strategic orientations is contingent on environmental hostility/competition** (Covin & Slevin, 1989; Martin & Javalgi, 2016). Specifically in marketing, some studies found that when competition is high, firms benefit more from being market-oriented or innovative because the penalty for not

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doing so is immediate loss of market share. Our study extends that logic to **entrepreneurial market orientation**, demonstrating its heightened importance under competition. H3 is thus supported, highlighting that **EMO is a critical capability for SMEs to not just survive but thrive in cut-throat markets**.

The non-significant **EMO × Market Turbulence** result (H1 not supported) is intriguing. We hypothesized a positive moderation, so the lack of interaction suggests that EMO's performance benefits were **consistent across both stable and volatile customer market conditions**. In other words, whether customer preferences were stable or changing, an entrepreneurial marketing approach conferred a strong advantage to firms. How do we explain this? One interpretation is that **market turbulence in the Pakistan tourism context may not have been pronounced or impactful enough during the study period** to alter the EMO–performance dynamic. Perhaps customer preferences in tourism (e.g., preferences for certain destinations or types of experiences) were relatively stable, or SMEs might have had other ways to cope with changes (such as relying on travel intermediaries or government tourism promotions) that made turbulence less relevant. Another explanation is offered by the resource-based view: some scholars argue that internal capabilities (like EMO) can sometimes outweigh external factors in determining performance. Our finding could imply that EMO is such a potent internal capability that it **delivers performance improvements regardless of market volatility**, at least up to a point. This aligns with the idea of **"differentiated fit"** – maybe EMO helps firms adapt in volatile markets and excel in stable markets by identifying pockets of opportunity even when overall demand is stable. The qualitative evidence from our respondents suggested that many tourism SMEs in Pakistan have fairly stable target segments (e.g., educational tour groups, religious pilgrimage groups) that do not dramatically change year to year. In such scenarios, market turbulence as measured by broad changes might have low variance or low salience, hence moderating effect is muted. It's also possible that our measure of market turbulence (focused on customer preference shifts) did not capture other aspects of market change (like regulatory changes, or shocks such as security events) that might interact with EMO. Interestingly, some prior studies have also found weak or inconsistent moderation by market turbulence in related contexts (e.g., for market orientation's effect on performance, some found strong moderation, others found none or even negative). This suggests that **not all types of environmental uncertainty operate the same way** – technological and competitive forces might simply impose greater demands on SMEs than changing customer tastes do, at least in this industry. We discuss this further as a direction for future research.

Theoretical Implications

Our research contributes to the theoretical development of entrepreneurial marketing by embedding it in a **contingency framework**, specifically through the lens of dynamic capabilities and effectuation. We provide empirical evidence to support what dynamic capabilities theory posits: that the value of certain capabilities or orientations (like EMO) **increases in turbulent environments**. EMO can be conceptualized as a dynamic capability – a higher-order resource enabling the firm to sense opportunities (through

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market immersion and opportunity focus), seize them (through proactive and innovative marketing actions), and reconfigure resources (through resource leveraging and networking). Our findings that EMO's impact is magnified under technological turbulence and intense competition reinforce this conceptualization. They suggest that **EMO plays a role analogous to a dynamic capability** that becomes especially valuable when rapid change or competitive pressure demands timely adaptation. This adds to the scholarly conversation by linking the micro-level practices of entrepreneurial marketing to macro-level outcomes under varying environmental conditions, thereby answering calls for more integrative theories at the marketing–entrepreneurship interface (Morrish, 2011; Whalen et al., 2016).

Additionally, by integrating **effectuation theory** into our hypotheses rationale, we offer a fresh perspective on why EMO works under uncertainty. Effectuation emphasizes control over prediction: entrepreneurs succeed by controlling what they can (their resources, partnerships, and ability to pivot) rather than accurately predicting the future (Sarasvathy, 2001). EMO-oriented marketing is essentially effectual marketing – it involves trying things, learning from feedback, and leveraging contingencies. The fact that our results show EMO consistently beneficial (and more so in high uncertainty) aligns with effectuation's claim that in unpredictable environments, those who adopt an effectual logic (which EMO encapsulates) will outperform those who rely on predictive, rigid planning. This study empirically substantiates the often-assumed link between effectual decision-making and firm performance in the SME context. By demonstrating that entrepreneurial marketing practices operationalize effectuation within ongoing strategy, we show how such practices generate performance benefits under uncertainty. This offers a practical bridge between the largely theoretical effectuation literature and observable marketing behavior. Future research could extend this by directly contrasting effectual and causal marketing approaches across varied environments.

A second contribution concerns our nuanced findings on market turbulence. While competitive intensity and technological turbulence moderated the EMO–performance relationship, market turbulence did not. This suggests the need to refine how turbulence is conceptualized for service SMEs. Distinguishing between demand instability and competitive instability may be especially important: our evidence indicates that competition-driven uncertainty is more consequential than demand-driven shifts, which SMEs may accommodate through incremental adjustments. This highlights that environmental uncertainties are not uniform in their strategic impact. Contingency theory in entrepreneurship should therefore move beyond treating "the environment" as a monolithic factor, specifying which types of turbulence are most likely to shape firm-level orientations and outcomes.

Finally, our methodological contribution lies in the use of latent interaction modeling within SEM. Entrepreneurial marketing research has often relied on subgroup comparisons or median splits to test moderation, approaches that reduce statistical power and neglect measurement error. By applying a full structural product-indicator method, we illustrate a more rigorous approach to testing moderation in latent constructs, encouraging future studies to adopt similar techniques for greater precision.

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We also triangulated with multi-group SEM, which provided complementary evidence and illustrated the magnitude of differences in path coefficients. The convergence of these methods in our study strengthens confidence in the robustness of the moderation effects observed.

Managerial Implications

For practitioners – specifically SME owners, managers, and support organizations in the tourism industry – our findings carry several actionable insights. **Firstly, "entrepreneurial marketing" is not just academic jargon but a real source of competitive advantage** for small businesses. SME managers should evaluate their marketing mindset and practices: Are they simply following the same old playbook (relying on travel agents, routine ads, waiting for customers to come), or are they proactively seeking new ways to create value and attract customers? Our research suggests that cultivating an EMO can lead to better performance outcomes. Concretely, this means instilling a culture of innovation in marketing (try new promotional methods like social media challenges, experiment with dynamic pricing or packaging), encouraging team members to spot and act on emerging opportunities (e.g., a sudden surge of interest in a local festival or sport event), and being willing to take calculated risks in marketing investments. For instance, a small hotel might take the risk of partnering with an adventure sport startup to offer a unique package – something that might or might not yield returns, but if it does, sets the hotel apart. Managers who adopt such an entrepreneurial approach to marketing are likely to see higher customer engagement and loyalty, which translate to repeat business and positive word-of-mouth, essential drivers of performance in tourism.

Secondly, the importance of an entrepreneurial marketing approach increases when facing high competition and rapid technology changes. Managers should particularly heed this if they operate in tourist markets that are crowded or undergoing digital transformation. If a tourism SME finds itself struggling because "every competitor is offering similar tours" or "online travel agencies are taking over our customer interface," it is a signal that doubling down on EMO is necessary. **In highly competitive areas**, managers should focus on differentiation through innovative marketing: for example, developing a brand story that resonates emotionally with travelers, leveraging unique local knowledge to offer off-the-beaten-path experiences, or creating a customer community (perhaps via social media groups or events) that fosters loyalty beyond transactions. The data show that in cut-throat markets, those who do not continuously innovate and proactively market will likely fall behind (indeed, in our Figure 2c, at low EMO and high competition, performance was lowest). Thus, competitive intensity can be reframed as a call to action – it raises the stakes for marketing ingenuity. Managers can use competitor presence as a motivator to push creative boundaries, allocate more resources to marketing experimentation, and encourage their team to keep an entrepreneurial mindset ("What can we do differently that competitors can't easily copy?").

Under rapid technological turbulence, managers should invest in learning and adoption of new marketing technologies. For example, given the rise of digital travel

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platforms, a tour operator SME should quickly learn how to optimize their presence on TripAdvisor, Airbnb Experiences, or other emerging platforms. They might also try implementing customer relationship management (CRM) software to personalize communication, or explore emerging tech like virtual reality tours as marketing tools. Our findings imply that those who embrace tech changes in their marketing (consistent with an EMO mentality) can capture disproportionate gains. Managers might worry about the costs or skills required for new tech, but an entrepreneurial approach often involves forging partnerships – e.g., collaborate with a tech-savvy startup or hire interns with digital skills – to leverage resources without heavy investment. Government and industry bodies could facilitate this by providing digital marketing training workshops targeted at tourism SMEs, highlighting practical ways to implement new technologies in marketing on a small budget. Essentially, **the mindset should be to view technology as an ally for creativity rather than a threat**. Those who do so will likely find innovative paths to attract today's digitally native travelers.

Thirdly, even in relatively stable market conditions, maintaining an EMO can yield benefits, as our study shows a uniformly positive effect of EMO. So, SME managers should not be complacent if they currently face little market change or limited competition – these conditions can change, and having an entrepreneurial marketing capability is a form of "insurance" for when the environment does shift. In Pakistan's context, for example, opening of new tourist destinations or shifting political climates can suddenly alter demand patterns. A firm that has ingrained entrepreneurial marketing habits will adapt faster and more successfully to such changes than one that has been marketing in a rote manner.

For policymakers and support institutions, the results suggest that efforts to strengthen SME performance should explicitly incorporate entrepreneurial marketing practices. Conventional training often separates "marketing" from "entrepreneurship," yet our findings indicate the need for integrated programs that show SMEs how to market with an entrepreneurial mindset. Tourism boards, for example, could design acceleration schemes or grant competitions that reward innovative marketing campaigns, thereby reinforcing EMO behaviors.

Because competitive intensity amplifies the importance of EMO, targeted support is also advisable in highly saturated tourist destinations. Here, cluster-based associations could help SMEs share distinctive marketing practices, reducing the tendency to imitate rivals in a zero-sum manner. Moreover, our findings emphasize the value of networking and resource leveraging—central dimensions of EMO. Facilitating networking platforms where tourism SMEs, even competitors, exchange ideas may foster collaborative campaigns that expand the collective market rather than fragment it.

For instance, several operators could jointly promote a destination as an adventure hub, combining their resources to reach wider audiences in ways no single firm could achieve alone. Such cooperative entrepreneurial marketing paradoxically mitigates some competitive pressures by enlarging the overall pool of visitors, generating benefits for all participants. Thus, practical interventions should not only focus on individual

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firm capacity-building but also on cultivating ecosystems where entrepreneurial marketing thrives through collaboration and innovation.

Finally, a broader implication for managers is the mindset of effectuation: focus on what is within your control (your marketing actions, service innovation, customer relationships) rather than what is not (macroeconomic swings, global travel trends). By adopting an EMO, managers essentially operationalize this effectual philosophy. Our results show that doing so consistently pays off, validating the approach as not just philosophically appealing but financially sound.

Limitations and Future Research

This study offers important insights but is constrained by several limitations. First, the sample was limited to tourism SMEs in Pakistan, which may restrict generalizability. The sector's unique features—emerging yet underdeveloped, and shaped by security perceptions—could explain why market turbulence did not moderate the EMO–performance link. Future research should test these relationships in other sectors and countries to assess whether our findings reflect contextual anomalies or broader patterns. Second, the cross-sectional design limits causal inference. While theory suggests EMO enhances performance, it is equally plausible that successful firms adopt more entrepreneurial marketing. Longitudinal or experimental designs would help establish causality, for instance, tracking whether SMEs increasing EMO under turbulence subsequently outperform others. Third, our use of streamlined measures of EMO and composite performance may obscure nuances. EMO's facets—such as innovativeness or customer intensity—may differentially interact with environmental conditions, while performance outcomes (marketing, innovative, entrepreneurial) may respond uniquely. Future studies could unpack these dimension-level effects. Fourth, additional environmental moderators warrant attention. Regulatory and economic turbulence, resource scarcity, or combinations of environmental stressors could shape the EMO–performance link. Testing higher-order interactions or employing meta-analyses would extend our understanding. Finally, while this study emphasizes moderation, mediation deserves attention. Mechanisms such as innovation capability or customer satisfaction may transmit EMO's influence on performance. A moderated mediation design could clarify how and under what conditions EMO drives performance outcomes.

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