

## HOW COMPETENCY MARKETING INFLUENCES SME SECTOR: A MIXED-METHODS APPROACH

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### Abstract

Small and Medium Enterprises (SMEs) have been facing huge competition from national and international firms. At the same time, they need to innovate all the systems to sustain in the competitive market. SME's have a severe need to develop proper and appropriate competencies for marketing to face the challenges. This study explores the factors of competency marketing for the SME sector in Sri Lanka. A mixed-methods approach is adopted for this study. The population of the study is the SMEs in Northern Province. Initially, twenty-five SMEs were selected for this research study using snowball sampling. In-depth discussions were conducted with the interviewees. The thematic analysis method was conducted to identify the competencies of SMEs. Nineteen factors were identified by using thematic analysis, and it was categorized into six dimensions as knowledge itself, accumulated knowledge, communication competency, judgmental competence, joint innovation competence and absorption competence. Under the quantitative method, the questionnaire was developed to identify the dimensions of competency marketing. 436 questionnaires were received back out of 450. The study revealed four dimensions of loading structures of competence marketing, viz experiential knowledge, joint innovation competence, absorption competence, and judgmental competence. Experiential knowledge competence contributes high, whereas judgmental competence contributes low in order to SMEs on marketing competencies. SME owners need to consider accomplishments, capabilities, interactions, two-way communications, and qualifications. Joint innovation competence should focus more on the new production process and new product process. Adoption of new technology in the current changing world is more important for every SMEs. Ever-changing business atmosphere will trigger the business to focus more on judgmental competency.

**Keywords:** Absorption competence, Competency marketing, Experiential knowledge, Joint innovation, Judgmental competence