

The Impact of Family Dynamics on Marketing Performance: The Role of Marketing Agility as a Mediating Variable in the Context of SMEs.

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Abstract

This Article discusses the impact of family dynamics on the marketing performance, with marketing agility as a mediating variable. This research is quantitative research that was conducted in the SME sector. The data was collected through 5 residents in central Java, using a sample of 150 SMEs using a 5-point Likert scale. The data was analyzed through structured equation modeling. Results found that family dynamics has an indirect impact on marketing performance because the family dynamics will impact the ability of a company to do the marketing agility. This research recommends that family corporations should do the best way to get the marketing agility so they can increase their

marketing performance. This research limit on its range for only has been done in 5 residents in central Java, so the next research should enlarge the sample of the study.

Key words: Family Dynamics, Marketing Agility, Marketing Performance, SME's, Family Corporation

INTRODUCTION

Micro Small and Medium size Enterprise is a sector that holds the economics of a country. MSMEs provide crucial business possibilities and support the economy in many nations by increasing GDP (gross domestic product). MSMEs, however, frequently encounter a number of obstacles while trying to preserve and improve their competitiveness, particularly when it comes to marketing. The Covid-19 pandemic that happened in 2019–2020 made a lot of change in SME's Sector. A lot of MSMEs were forced to close. Based on statement by the Indonesian MSME Association (Akumindo), 30 million Micro, Small, and Medium Enterprises (MSMEs) in Indonesia reported forced to closed as a result of the

coronavirus outbreak. During the Covid-19 pandemy, some MSMEs was be able to survive, while others had to close.

Internal Family Dynamics might be the factor that influence the workforce, ethic, and organizational structure of Micro, Small, and Medium-Sized Enterprises (MSMEs). Family members are often involved in daily operations and policy-making in the family firms. Family involvement give advantages like commitment and flexibility, but also shows problems like personal interests and professionalism issue. Family's involvement on SMEs' marketing agility is a significant but only few research has been done to see this impact. While some research looked at how families affect a overall performance of the family companny, a lot of of studies have not look at how family dynamics affect marketing agility and how it affects marketing performance.

Research by Ahmad & Quoquab (2021), family involvement impact on how long-term family enterprises can stay in operation. Golgeci et al.'s (2023) shows that family relationships in the workplace might affect marketing agility and overall company performance. Family support for entrepreneurs could make them more willing to take chances and be creative. However, family conflict often have negative impacts on a business, including bad decision making, high non-family workers turnover, and low productivity (Qiu & Fereel, 2019). Chaudhary et al. (2021) stated that family business are known for their capabilities, to increase marketing agility by creating good relationships with stakeholders to achieve economic and non-economic goals. The influence of family members maybe encourage the adoption of new ideas and technologies, and then increasing marketing agility. However, according to Basly and Hammouda (2020), family business may impact the interaction between components and the implementation of digital entrepreneurship. Family companies can adopt marketing agility. However, if there is no good relationship among the familly members, it might be harder for the company to adapt to the market conditions.

Not much research has been done expressly on how family dynamics impact ability to adjust marketing agility in SMEs' sector. By identifying and examining the family aspects that might be affecting marketing agility in SMEs, this research try to fill the gap. Family issues sometimes are not influence the Small and medium-sized enterprises' (SMEs) operations and decision-making . In addition the responsibilities related to ownership and administration, families also impact an organization's culture, values, and goals. Internal family dynamics sometimes influence marketing decisions in small and medium-sized businesses (SMEs), and they can also plays a role as moderators in the relationship between marketing agility and marketing performance.



Families, as the basic social unit, have a big impact on SME. Family members support and involvement in the company may influence on how well it does. Maharajh et al.'s 2023 demonstrates how family relations have a big impact on company performance, either directly and indirectly through strong leadership. Shared values, organizational adaptability, long-term relationships, and the potential for creativity in an open leadership style. However, the complexity of family dynamics can also be an obstacle, such as internal disputes that can affect company operations and decision-making processes (Jaskiewicz & Dyer, 2017). Pitirino et al. (2021) found that the impact of localization on performance is influenced by the level of family involvement in managing a company. This impact will get worse if more family members hold decisions. In addition, Chirico and Nordqvist (2010) show that family-run companies often prioritize stability and tradition over innovation and change, this hinders the organization's capacity to adapt to rapid market changes. One potential obstacle that family-run SMEs may face in increasing their marketing effectiveness is a lack of courage to take risks when working with unknown colleagues on marketing initiatives, (Alonso et al. 2021). This is a problem because managers with short-term goals will prefer to think about short-term company value above long-term value, which can cause investment decisions to be less effective.

Numerous studies have underlined how crucial it is to comprehend how familial circumstances affect the connection between marketing performance and agility in SMEs. According to research by Maharajh et al. (2023), Family_Dynamics affect company success in a big way, both directly and indirectly, through their influence on effective leadership. According to Calabro et al. (2021), families can endure difficult times if they possess certain traits including cohesiveness, the use of social capital, crisis management, and adaptable structures. Thus, maximizing the impact of marketing agility on marketing success requires a thorough grasp of Family_Dynamics in SMEs.

Several studies have confirmed how important it is to understand family dynamics that can influence the relationship between performance and marketing agility in the SME sector. According to research by Maharajh et al. (2023), family dynamics can influence a company's success, both directly and indirectly, through effective leadership. According to Calabro et al. (2021), family companies can survive difficult times if they have special characteristics such as cohesiveness, use of social capital, crisis management, and flexible structures. Therefore, to maximize the impact of marketing agility on marketing success, a thorough understanding of family dynamics in SMEs is needed which is the basis for family companies to adopt marketing agility.

In Small and Medium Enterprises (SMEs), Family Dynamics is an interesting aspect for further research. This is because in family companies decisions such as strategy and



operations are made based on suggestion from family members. Non-economic factors such as traditions, values, and family ties sometimes has an impact the decisions made by the owners. Astrachan (2020) states that family dynamics have a big impact on a business. This is caused by various factors such as loss of loved ones, loss of work, rivalry between siblings, parental dominance, the relationship between parents and children, and support from parents. Family disputes can limit a company's operational flexibility and hinder the decision-making process, thereby reducing marketing agility (Kellermanns & Eddleston, 2016).

Tiwari et al. (2019) found that marketing agility allows companies to quickly adapt to market changes, thereby significantly improving sales performance. In line with these results Li et al. (2022) found that businesses with high marketing agility were better at modifying their marketing plans in response to changing market conditions so as to increase sales. According to Danes et al. (2024), a family is any group of two or more people who are related to each other through blood, marriage, adoption, or other long-term commitment and resource sharing. Families also perform various essential functions, such as capital management, upholding functional integrity, fostering an entrepreneurial culture, and assisting adaptive capacity. The essence of a family is the relationship process.

Parida (2019), states that family dynamics and how to handle change are equally important for business success. This shows that if family members are able to react and manage disruptions well, family-managed SMEs can successfully use marketing agility. SMEs who use marketing agility will have an advantage. Despite typically having fewer resources, family businesses are able to handle uncertainty, swiftly adjust to changes in the market, and more fully satisfy customer demands through increased marketing agility. According to Asseraf et al. (2019), a company's ability to innovate and adapt more successfully can be enhanced through marketing agility, ultimately leading to improved marketing performance.

Zhou, Mavondo, and Saunders (2019) show that financial advantages are influenced by marketing agility. Furthermore, Kalaighnam et al. (2020) state that the need for flexible and responsive tactics to deal with changing market conditions as a form of marketing agility. Furthermore Zahra et al. (2020) stated that family-based businesses with good leadership style usually react faster to market changes, this is because strong unity and shared values within the family.

Nonetheless, a number of studies show that, particularly for SMEs, marketing agility may not always have a beneficial impact on marketing success. marketing agility might be less effective to improving performance if a company face challenges such as scarcity of resources, lack of technology infrastructure, and challenges in implementing adaptable

tactics . Gölgeci and Kuivalainen (2020) state that SMEs do not always gain significant benefits from marketing agility as a competitive advantage. Furthermore, Nijssen, Schepers, and Belanche (2016) found that inappropriate management in the application of service technology can damage client relationships.

Consequently, it is crucial to take into account current family factors in order to fully comprehend the relationship between marketing agility and marketing performance in the context of SMEs. Previous research has yielded inconsistent results. While some studies (Asseraf et al., 2019; Zhou et al., 2019; Kalaigianam, 2020) suggest that marketing agility can improve performance in SMEs, other studies (Gölgeci and Kuivalainen, 2020; Nijssen et al., 2016) suggest that marketing agility is less effective in SMEs due to various issues, particularly in family businesses and technology usage. These problems indicate that more investigation is required to determine how Family_Dynamics, with marketing agility acting as a mediating component, can impact marketing effectiveness.

LITERATURE ANALYSIS AND METHODOLOGY

The evaluation of accomplishments from a company's whole marketing process is known as marketing performance. It capacities as a gage to find out whether a commerce is advancing. A company's promoting execution, which incorporates a run of variables like deals, income, and client checks, could be a significant gage of the viability of its showcasing procedure. It may paint a clear picture of the degree to which the trade is succeeding in its showcasing endeavors. Moreover, surveying showcasing victory can help businesses in making strategic and key choices that will progress the viability and proficiency of their promoting activities (Anggoro et al., 2022). The assessment of a company's showcasing endeavors in terms of their viability and productivity is known as showcasing execution. It involves analyzing a extend of measurements and key execution markers (KPIs) in arrange to survey the degree to which the showcasing technique is satisfying its intended objectives. These targets might be raising deals, moving forward shopper interaction, and raising brand presentation. Businesses may increment in general showcasing viability and make well-informed choices by following and altering showcasing execution.

Reijonen et al. (2019) stated that Optimizing marketing tactics through digitalization and technology has made marketing performance an important concern for Small and Medium Enterprises (SMEs) recently. Market orientation and innovation are two important elements that influence SME marketing performance.

According to the study, SMEs that innovated their products and processes and actively collected market data saw a 15% increase in sales and profitability compared to competitors that did not. This highlights the importance of innovation and adaptability for



SMEs to compete in a rapidly changing market. In addition, the use of social media as a marketing tool has been proven to improve SME marketing performance. Taneja and Toombs (2019) found that SMEs that use social media to communicate with customers and promote their products will experience increased brand awareness and customer engagement. The report found that SMEs that actively use social media sites such as Facebook and Instagram saw a 20% increase in online sales and a 30% increase in website traffic. This shows how social media can help SMEs increase their customer awareness and enhance their communication with customers.

According to Baehree et al. (2020), SMEs perform better performance when e-commerce stages are coordinated. Businesses can reach a wider consumer and boost annual income significantly by maximize the usage of e-commerce. In particular, SMEs who embrace e-commerce can increase a 25% boost in annual sales. Additionally, Nguyen et al. (2020) stated that the use of information analysis drives progress of 20% in the continuity of SME promotion. These findings emphasize the basic parts of computerized innovation and e-commerce procedures in presenting SMEs in the midst of the computerized era.

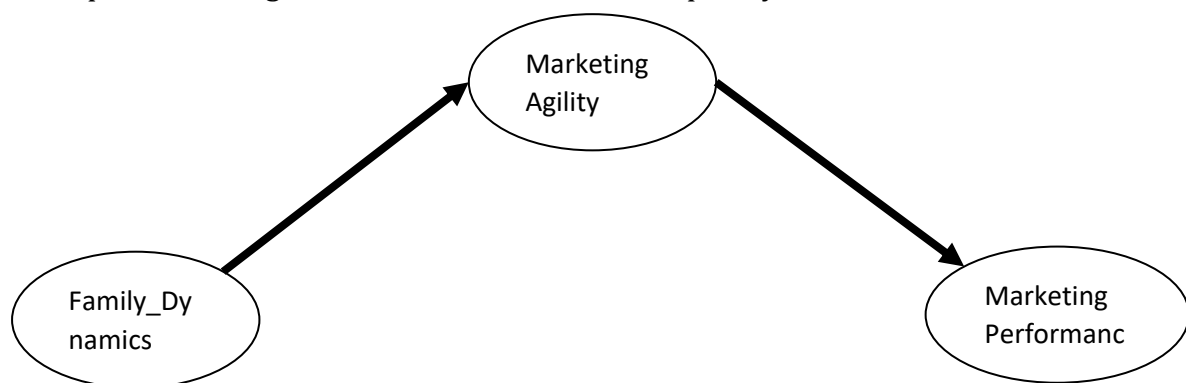
Previous studies have shown that SMEs are able to adjust to different environments, enabling them to thrive in a range of contexts. This means making decisions, adjusting promotions, and adjusting technology in a timely manner in response to changes in the market environment. Encouraging agility is the ability of a company to make swift adjustments to its marketing strategies. Dexterous promoting, or promoting dexterity, alludes to an organization's capacity to rapidly and responsively alter to changes within the advertise, client requests, and competitive weights (Kalaighnam et al., 2021). This agility includes the ability to quickly adjust marketing strategies to take advantage of unexpected opportunities or overcome unexpected obstacles, collect and evaluate real-time data, and create responsive marketing plans. Field evidence shows that companies that demonstrate agility in product presentation are more likely to maintain their competitive advantage and achieve competitive advantage.

Concurring to Kraus et al. (2020) inquire about, SMEs with solid promoting deftness can alter to changes within the showcase more rapidly and affordably. According to their investigation, expanding responsiveness to advertise changes driven to an 18% rise in deals and the next level of client fulfillment. These comes about adjust with Liu et al. (2020) investigate, which highlights the centrality of showcasing dexterity within the setting of the COVID-19 widespread. SMEs who adjusted their item offerings and quickly moved to computerized strategies illustrated more noteworthy versatility and higher income.

The thought of promoting dexterity has developed in centrality in later a long time, especially for little and medium-sized businesses (SMEs). This express depicts an



organization's capacity to quickly and successfully adjust to changes within the commercial center. In line with this, Nguyen et al. (2021) stated that increasing agility and the success of SMEs in Vietnam are closely related. The company's client engagement and satisfaction has grown significantly as a result of their quick adjustment to change. Likewise, Hidayat and Nurjanah (2020) found that the swift promotional procedures implemented by Indonesian SMEs had brought change because they showed an attitude of underestimating the negative impact of the COVID-19 pandemic on finances. Tseng and Wu's (2019) inquire about highlights how computerized innovation may progress SMEs' showcasing deftness. Concurring to their discoveries, social media and e-commerce stages permit Taiwanese SMEs to alter their showcasing procedure in real-time in reaction to client input. Sahi et al. (2020) found that Indian SMEs who utilize computerized innovation are more creative and can respond to changes within the advertise more quickly than those that do not.



Hypotheses

H1: Family_Dynamics have a positive effect on marketing performance.

H2: Marketing agility has a positive effect on marketing performance.

H3: Marketing agility mediates the relationship between Family_Dynamics and marketing performance.

In arrange to examine how Family_Dynamics influence promoting execution, this ponder utilized a quantitative inquire about plan and a study approach. Promoting nimbleness was utilized as an middle person variable within the setting of Little and Medium Endeavors (SMEs). This strategy makes it less demanding to accumulate a part of information and perform in-depth factual investigation to see at how diverse variables relate to one another. Glover et al., (2020); Chrisman et al., (2021) have emphasized the significance of particular criteria in family SME studies provide support for this sample base. According to quantitative research, 150 SMEs in Central Java should make up the sample size for this

investigation in order to guarantee the validity and reliability of the study's findings (Hair et al., 2019). Questionnaires were distributed to SMEs' owners and managers in order to collect data. The questionnaire was designed to examine three main characteristics: marketing agility, Family Dynamics, and marketing performance. A 5-point Likert scale was used to count the responses, with 1 representing strongly disagree and 5 representing strongly agree.

In order to assess the direct and indirect links between family dynamics, marketing agility, and marketing performance, data were studied utilizing route analysis techniques. The use of structural equation modeling was used for data analysis. Path analysis makes it easier to test the mediation model, which states that Family_Dynamics and marketing performance are influenced by marketing agility as a mediating variable (Hair et al., 2019). Validity and reliability tests were carried out to guarantee the validity and reliability of the study tools. Confirmatory factor analysis (CFA) was used to assess the construct validity, and Cronbach's Alpha coefficient, with a minimum acceptable value of 0.70, was used to measure reliability (Hair et al., 2019).

1	Family Dynamics	Communication styles, interpersonal ties, and organizational structures among family members employed in the family firm (Pitrino, 2021).	Power relationships, communication, the roles that each member plays, how dispute is addressed, and emotional support are some of the factors.	1. Family Talk and Emotional Assistance 2. Techniques for Resolving Conflicts 3. Parental Participation 4. Family Organization Pitrino et al., (2021)
2	Marketing Agility	The degree to which a business can swiftly react to comprehend the market and make marketing selections in response to changes in the market is known as marketing agility (Kalaiganam, 2021).	Determining and evaluating an organization's capacity to react swiftly and successfully to shifts in the market.	1) successfully to shifts in the market. 2) Speed of Decision-Making 3) Ability to Iterate 4) The responsiveness of marketing 5) Technology Use and Team Collaboration

				Kalaignanam (2021)
3	Marketing Performance	Marketing performance refers to the outcomes of marketing initiatives that include a range of metrics, including profitability, market share, sales growth, customer happiness, and customer loyalty (Reijonen et al., 2019).	All short- and medium-term marketing initiatives carried out to meet the objectives specified in the marketing plan.	1. Sales Growth, 2. Enhanced Awareness, 3. Enhanced Engagement, 4. Improved Sales Reijonen et al. (2019)

RESEARCH AND RESULTS

The number of responses can be classified demographically using the information gathered from the questionnaires that the researchers delivered.

		Frequency	%
Gender			
	Male	68	45%
	Female	82	55%
	Total	150	100%
Type Of Business			
	Retail	15	1%
	Creative	39	26%
	Food and Beverages	76	71,7%
	Service	18	1,3%
	<i>Farming and Husbandry</i>	2	0,1%
	Total	150	100%
Location			
	Kebumen	97	65,4%
	Banyumas	14	9%

	Cilacap	12	8%
	Purbalingga	14	9%
	Banjarnegara	13	8,6%
		150	100%

Construct Validity

The purpose of the test is to determine how well the construct indicators can represent the latent variables. If the critical ratio is higher than 1.96 and the probability level is less than 0.05, the results are deemed to meet the requirements.

			Estimate	S.E.	C.R.	P	Label
Marketing_Agility	<--	Family_Dynamics	,916	,143	6,426	***	par_28
Marketing_Performance	<--	Family_Dynamics	-,168	,306	-,549	,583	par_29
Marketing_Performance	<---	Marketing_Agility	,846	,343	2,467	,014	par_30
X10	<---	Family_Dynamics	1,000				
X9	<---	Family_Dynamics	,929	,148	6,257	***	par_1
X8	<---	Family_Dynamics	,727	,143	5,082	***	par_2
X7	<---	Family_Dynamics	,608	,149	4,073	***	par_3
X6	<---	Family_Dynamics	,763	,138	5,539	***	par_4
X5	<---	Family_Dynamics	,920	,143	6,448	***	par_5
X4	<---	Family_Dynamics	1,207	,173	6,982	***	par_6
X3	<---	Family_Dynamics	,775	,142	5,472	***	par_7
X2	<---	Family_Dynamics	,714	,139	5,136	***	par_8
X1	<---	Family_Dynamics	1,197	,167	7,175	***	par_9
X11	<---	Marketing_Agility	1,000				
X12	<---	Marketing_Agility	,988	,138	7,173	***	par_10
X13	<---	Marketing_Agility	,762	,136	5,621	***	par_11
X14	<---	Marketing_Agility	,884	,145	6,115	***	par_12
X15	<---	Marketing_Agility	,887	,131	6,787	***	par_13
X16	<---	Marketing_Agility	,805	,133	6,069	***	par_14
X17	<---	Marketing_Agility	,968	,148	6,547	***	par_15
X18	<---	Marketing_Agility	1,028	,140	7,348	***	par_16
X19	<---	Marketing_Agility	1,052	,150	7,001	***	par_17
X20	<---	Marketing_Agility	,741	,132	5,619	***	par_18
X21	<---	Marketing_Performance	1,000				
X22	<---	Marketing_Performance	,934	,168	5,559	***	par_19
X23	<---	Marketing_Performance	,817	,192	4,255	***	par_20
X24	<---	Marketing_Performance	1,057	,208	5,070	***	par_21

			Estimate	S.E.	C.R.	P	Label
X25	<---	Marketing_Performance	1,182	,206	5,734	***	par_22
X26	<---	Marketing_Performance	,626	,177	3,539	***	par_23
X27	<---	Marketing_Performance	,767	,187	4,109	***	par_24
X28	<---	Marketing_Performance	1,186	,198	5,986	***	par_25
X29	<---	Marketing_Performance	,969	,173	5,599	***	par_26
X30	<---	Marketing_Performance	1,070	,194	5,530	***	par_27

As can be shown from the preceding table, at a significance level of less than 0.05, every variable has a critical ratio larger than 1.96. It follows that all indicators have the capacity to represent the latent variables.

Convergent Validity

Each construct or indicator's proportion of variance is examined using the convergent validity test. By comparing standardized factor loadings, confirmatory factor analysis is used to conduct this test. There is more than 0.5 in the predicted value.

			Estimate
Marketing_Agility	<---	Family_Dynamics	,919
Marketing_Performance	<---	Family_Dynamics	-,163
Marketing_Performance	<---	Marketing_Agility	,977
X10	<---	Family_Dynamics	,613
X9	<---	Family_Dynamics	,605
X8	<---	Family_Dynamics	,476
X7	<---	Family_Dynamics	,371
X6	<---	Family_Dynamics	,531
X5	<---	Family_Dynamics	,633
X4	<---	Family_Dynamics	,712
X3	<---	Family_Dynamics	,517
X2	<---	Family_Dynamics	,489
X1	<---	Family_Dynamics	,741
X11	<---	Marketing_Agility	,659
X12	<---	Marketing_Agility	,653
X13	<---	Marketing_Agility	,507
X14	<---	Marketing_Agility	,597

		Estimate
X15	<--- Marketing_Agility	,627
X16	<--- Marketing_Agility	,592
X17	<--- Marketing_Agility	,599
X18	<--- Marketing_Agility	,693
X19	<--- Marketing_Agility	,657
X20	<--- Marketing_Agility	,552
X21	<--- Marketing_Performance	,566
X22	<--- Marketing_Performance	,604
X23	<--- Marketing_Performance	,470
X24	<--- Marketing_Performance	,543
X25	<--- Marketing_Performance	,661
X26	<--- Marketing_Performance	,368
X27	<--- Marketing_Performance	,447
X28	<--- Marketing_Performance	,690
X29	<--- Marketing_Performance	,633
X30	<--- Marketing_Performance	,627

A few of the indicators in the above table—variables X2, X7, X8, X23, X26, and X27—have loading factors less than 0.05. As a result, the study removes these markers, producing the following result

		Estimate
Marketing_Agility	<--- Family_Dynamics	,913
Marketing_Performance	<--- Family_Dynamics	-,297
Marketing_Performance	<--- Marketing_Agility	1,119
X10	<--- Family_Dynamics	,610
X9	<--- Family_Dynamics	,604
X6	<--- Family_Dynamics	,478
X5	<--- Family_Dynamics	,647
X4	<--- Family_Dynamics	,719
X3	<--- Family_Dynamics	,487
X1	<--- Family_Dynamics	,742
X11	<--- Marketing_Agility	,656

		Estimate
X12	<--- Marketing_Agility	,647
X13	<--- Marketing_Agility	,499
X14	<--- Marketing_Agility	,480
X15	<--- Marketing_Agility	,432
X16	<--- Marketing_Agility	,596
X17	<--- Marketing_Agility	,498
X18	<--- Marketing_Agility	,689
X19	<--- Marketing_Agility	,666
X20	<--- Marketing_Agility	,454
X21	<--- Marketing_Performance	,581
X22	<--- Marketing_Performance	,617
X24	<--- Marketing_Performance	,492
X25	<--- Marketing_Performance	,669
X28	<--- Marketing_Performance	,673
X29	<--- Marketing_Performance	,617
X30	<--- Marketing_Performance	,494

Consequently, the variables with loading factors less than 0.5 must also be eliminated, yielding the subsequent results.

		Estimate
Marketing_Agility	<--- Family_Dynamics	,903
Marketing_Performance	<--- Family_Dynamics	-,001
Marketing_Performance	<--- Marketing_Agility	,834
X10	<--- Family_Dynamics	,630
X9	<--- Family_Dynamics	,597
X5	<--- Family_Dynamics	,611
X4	<--- Family_Dynamics	,730
X1	<--- Family_Dynamics	,732
X11	<--- Marketing_Agility	,679
X12	<--- Marketing_Agility	,655
X16	<--- Marketing_Agility	,597
X18	<--- Marketing_Agility	,685

		Estimate
X19	<--- Marketing_Agility	,672
X21	<--- Marketing_Performance	,588
X22	<--- Marketing_Performance	,654
X25	<--- Marketing_Performance	,665
X28	<--- Marketing_Performance	,639
X29	<--- Marketing_Performance	,566

till it is possible to use the remaining indicators.

Test of Reliability

If construct reliability has a value of 0.70 or higher, it is deemed to exhibit good construct reliability.

Variable	Construct Reliability
Family_Dynamics	0,865
Marketing_Agility	0,863
Marketing_Performance	0,837

All variables are consistent or trustworthy if the construct reliability values are over 0.70, as indicated by the construct reliability calculation results displayed in Table 4.9.

d. Variance extract

The squared standardized factor loadings (squared multiple correlation) are added up and divided by the sum of the squared standardized loadings plus the sum of the error variances to determine the variance extracted. If an AVE value is 0.50 or above, it shows satisfactory

Variabel	Variance Extracted
Family_Dynamics	0,564
Marketing_Agility	0,559
Marketing_Performance	0,507

The data is eligible for usage if the AVE values for each variable are more than 0.5, according to the variance extract test results.

Testing Model Fit

Checking the goodness-of-fit index is the next stage in testing the model after structural equation modeling and confirmatory analysis. This evaluates how well the model fits the data.

<i>Goodness of Fit Index</i>	<i>Cut Off Value</i>	Hasil Analisis	Evaluasi Model
Chi-Square	< 228,179	104,134	Marginal
DF	87		
Significance Probability	≥ 0,05	0,102	Marginal
RMSEA	≤ 0,08	0,36	Good
GFI	≥ 0,90	0,915	Good
AGFI	≥ 0,90	0,882	Marginal
CMIN/DF	≤ 2,00	1,197	Good
TLI	≥ 0,95	0,972	Good
CFI	≥ 0,95	0,977	Good

Chi-Square (χ^2) Value

104.134 is the resulting χ^2 value. Since this value yields a probability value of 0.000 < 0.05, it is considered mildly accepted. Therefore, it can be concluded that the proposed model fits the data because there is no difference between the estimated population covariance matrix and the sample covariance matrix.

Probability Value

The probability value that results is 0.102, which is less than the 0.05 cut-off value. This score, however, still shows that the model is moderately fit and is therefore acceptable. This shows that the estimated covariance matrix and the data covariance matrix do not significantly differ from one another.

The Degree of Freedom and Minimum Sample of Discrepancy Function (CMIN/DF)

An indication for gauging a model's degree of fit is CMIN/DF. As CMIN/DF in this instance is 1.197—less than 2.00—it can be concluded that the model is widely accepted.

d. The approximation's root mean square error (RMSEA)

Given that it is ≤ 0.08 , the final RMSEA value of 0.036 indicates a very excellent fit. It is therefore thought to demonstrate a good match.

The GFI, or Goodness of Fit Index

Given that $GFI > 0.90$, the study's GFI value of 0.915 is regarded as a very excellent fit.

f. The AGFI, or Adjusted Goodness-of-Fit Index

The obtained AGFI value is 0.882, less than the 0.90 cut-off value. This result is still reasonable, though, and the model is deemed to be marginally fit.

f. TLI, or Tucker-Lewis Index

The TLI value that is obtained, 0.972, is higher than the 0.95 cut-off number. TLI indicates a satisfactory fit by comparing the tested model to a baseline model.

h. The CFI, or Comparative Fit Index

The model has an extremely good fit, as evidenced by the CFI value of 0.977 that results, which is higher than the cut-off value of 0.95.

Testing of Hypotheses

Structural equation model analysis is used in hypothesis testing. The following table displays the findings from the structural equation model analysis of Family Dynamics, Marketing Agility and Marketing Performance on the Context of SME.

			Estimate	S.E.	C.R.	P
MA	<---	FD	,907	,143	6,327	***
MP	<---	FD	-,001	,258	-,004	,997
MP	<---	MA	,633	,273	2,320	,020

The links among family dynamics, marketing agility, and marketing performance are outlined in this table, which also provides evidence for the hypotheses using standardized estimates, critical ratios (C.R.), and p-values.

H1: The Positive Impact of Family Dynamics on Marketing Agility

Table 4.23 indicates that the impact of Family Dynamics on Marketing Agility has a significant level of $0.000 < 0.05$ and a critical ratio (C.R.) value of $6.327 > 1.96$. This test result suggests that marketing agility is positively impacted by family dynamics. Thus, it is agreed upon that, in the context of SMEs, Family Dynamics has a good impact on Marketing Agility.

H2: Dynamics of Families Possess a favorable impact on marketing performance

Table 4.23 indicates that there is a significant level of $0.997 > 0.05$ and a critical ratio (C.R.) value of $-0.004 < 1.96$ for the effect of family dynamics on marketing performance. According to the test results, family dynamics do not improve marketing performance. Thus, it is concluded that the second hypothesis, which claimed that family dynamics had a favorable impact on marketing performance in the setting of SMEs, is false.

H3: Marketing Performance Benefits from Marketing Agility

The influence of marketing agility on marketing performance is known to have a critical ratio (C.R.) value of $2.230 > 1.96$ with a significance threshold of $0.020 < 0.05$, based on Table 4.23. According to the test result, marketing performance benefits from marketing

agility. As a result, the third hypothesis—which holds that, in the context of SMEs, marketing agility positively influences marketing performance—is accepted.

Examining Marketing Agility's Mediation Effect

More research is needed to determine whether marketing agility mediates the association between family dynamics and marketing performance. The Sobel test was used in this study to evaluate Marketing Agility's function as a mediating variable.

	Memasukkan:		Statistik uji:	Std. Kesalahan:	p -nilai:
A	0.907	Tes sobel:	2.1777263	0.26363781	0.02942642
B	0.633	Tes Aroian:	2.15423625	0.26651255	0.03122165
s_a	0.143	Tes orang baik:	2.20200191	0.26073138	0.02766517
dengan b	0.273	Reset all	Menghitung		

The Sobel test yielded a result of 2.17, which is higher than 1.96. This finding suggests that it is acceptable to embrace marketing agility as a mediating component. According to the research, Family Dynamics and Marketing Performance are successfully mediated by Marketing Agility. Accordingly, marketing agility is positively impacted by family dynamics, and marketing performance is positively impacted by marketing agility. The recognition of marketing agility as a mediating variable highlights the role that agility plays in SMEs' marketing strategies and the ways in which Family Dynamics can improve marketing agility to indirectly impact marketing performance.

CONCLUSION AND RECOMMENDATIONS

The study's result shows that, in the context of SMEs, Family Dynamics have a favorable impact on marketing agility. Family Dynamics, which include clear responsibilities, efficient communication, and constructive conflict resolution, are critical in helping SMEs quickly adjust to changes in the market.

Firstly, swift and precise information flow is made possible by efficient family communication, and this is crucial for marketing agility. Zhang and Chang (2021) demonstrate how effective communication guarantees that all team members get the knowledge they need to promptly modify their marketing plans and facilitates prompt and accurate decision-making. Second, responsibilities that are distinct and well-defined inside a family business improve operational efficiency and lessen misunderstanding. Family members are better able to concentrate and act swiftly when they know what their roles are in the marketing world. Tandon et al. (2024) stress how crucial this clarity is for SMEs, who sometimes have

less resources yet must react quickly to changes in the market. Third, one more important consideration is the capacity for dispute resolution. Families can reduce negative effects and maintain focus on company goals by constructively resolving conflicts, even when poorly handled conflicts can be major impediments. Because of this, SMEs may continue to be flexible and adaptable to changes in the market without being hampered by internal problems.

These results are corroborated by earlier studies. For example, a study by Fachrunnisa et al. (2020) shows that, in the midst of the COVID-19 epidemic, SMEs' digital transformation and sustainable performance are greatly aided by agile leadership and strategic adaptability. Furthermore, Govuzela and Mafini's (2019) research revealed a favorable correlation between SME success in South Africa and best practices in business and organizational agility, highlighting the significance of flexibility and adaptability in a dynamic corporate environment.

This study, however, demonstrates that Family_Dynamics have no direct impact on marketing effectiveness. Research by Herhausen et al. (2019) and Villarroel Ordenes et al. (2017, 2018) indicates that social media usage and online Word-of-Mouth (WOM) are frequently more important for marketing success than family factors. Businesses may reach a wider audience and respond more quickly to shifting market trends by using digital channels. Family engagement in business may not necessarily result in the innovation required to compete in the modern market, according to research by Lee et al. (2019). In addition, businesses with an individualistic organizational culture are typically more inventive and flexible in response to shifting market conditions than those with a more collective family structure.

The study's findings suggest that marketing performance is impacted by marketing agility. According to research by Bhatti et al. (2022), businesses that can spot possibilities and react fast to market changes—especially by utilizing data and analysis—generally perform better in the marketing arena. These results emphasize how crucial it is to be quickly adaptable in a changing business environment. According to research by Ritz, Wolf, and McQuitty (2019), SMEs may stay competitive by implementing digital marketing and being quick to adopt new technology. To put it another way, firms can improve their total marketing performance by reaching consumers more effectively and efficiently when they implement marketing technology with agility. According to Herhausen et al.'s research from 2019, marketing strategies are far more successful when they are receptive to customer input on social media. A key component of marketing agility that raises the efficacy and efficiency of marketing strategies is the capacity to modify them in response to real-time client interactions and feedback.

The study's findings demonstrate that the association between Family_Dynamics and marketing performance is totally mediated by marketing agility. Family_Dynamics are antecedents of marketing performance, which makes this conceivable. Future studies will thus need to conduct additional research on this topic.

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