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Dynamic Capability and Marketing Strategy as Determinants of Organizational Performance

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ABSTRACT

The increasingly dynamic economic environment requires organizations to develop adaptive capabilities and effective strategic initiatives to maintain competitiveness and improve performance. This study aims to examine the relationship between dynamic capability, marketing strategy, and organizational performance through a descriptive qualitative approach. The research employed a literature-based method by analyzing scholarly publications indexed in Google Scholar from the last five years. Data were collected through a systematic review process and analyzed using content analysis techniques to identify patterns, empirical findings, and research gaps related to the investigated variables. The findings indicate that dynamic capability enhances organizational adaptability, innovation, and strategic responsiveness, while marketing strategy strengthens customer value creation, market positioning, and competitive advantage. The study also reveals that the influence of dynamic capability on organizational performance is not always direct and often depends on complementary organizational factors. Furthermore, the integration of dynamic capability and marketing strategy provides a more comprehensive explanation of organizational performance than either factor individually. These findings contribute to strategic management literature and offer practical insights for organizations operating in dynamic economic environments.

Keywords: *Dynamic Capability, Economic Environment, Marketing Strategy, Organizational Performance, Strategic Management.*

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1. | INTRODUCTION

The contemporary economic environment is characterized by increasing uncertainty, rapid technological development, intensified competition, and continuously changing customer expectations. Organizations operating in various sectors are required not only to maintain operational efficiency but also to develop adaptive capabilities that enable them to respond effectively to dynamic market conditions. The ability to survive and achieve sustainable performance has become a strategic concern for managers, particularly in an era where economic fluctuations and digital transformation continuously reshape competitive landscapes. As a result, scholars and practitioners have increasingly emphasized the importance of organizational capabilities and strategic initiatives as determinants of long-term performance (Correia et al., 2022).

From the perspective of strategic management, organizational success is closely related to a firm's ability to identify opportunities, mobilize resources, and adapt to environmental changes. Dynamic capability theory suggests that organizations can maintain competitiveness by sensing environmental changes, seizing emerging opportunities, and transforming internal resources to create value (Bari et al., 2022). Such capabilities enable firms to reconfigure existing competencies and respond effectively to changing market demands. Previous studies have indicated that dynamic capabilities contribute to organizational resilience and sustainable competitive advantage, which ultimately influence firm performance (Liu et al., 2021; Chatterjee et al., 2022).

In addition to dynamic capabilities, marketing strategy remains an essential component in achieving organizational success. Marketing strategy enables firms to understand customer needs, create superior value, and establish long-term relationships with stakeholders. Effective marketing strategies facilitate market penetration, customer retention, and competitive positioning, thereby contributing to improved organizational outcomes (Rosário & Casaca, 2023). Recent studies have highlighted that strategic marketing capabilities are increasingly important in highly competitive and uncertain business environments, particularly as organizations seek to differentiate themselves through innovation and customer-oriented approaches (Hoque et al., 2022).

Despite the growing body of literature, empirical findings regarding the relationship between dynamic capability, marketing strategy, and organizational performance remain inconclusive. Several studies have reported that dynamic capability significantly improves firm performance through enhanced innovation, agility, and competitive advantage (Correia et al., 2022; Prester, 2023). Conversely, other studies suggest that the influence of dynamic capability on organizational performance may be indirect or statistically insignificant unless supported by complementary organizational resources and strategic initiatives. For instance, Muhammadin et al. (2020) found that dynamic capability had a positive but insignificant effect on organizational performance, while marketing strategy

demonstrated a significant positive influence. These inconsistent findings indicate the existence of an unresolved theoretical and empirical debate concerning the effectiveness of dynamic capabilities in generating superior performance outcomes.

Furthermore, recent systematic reviews reveal that the mechanisms through which dynamic capabilities affect organizational performance are still not fully understood. Existing studies often emphasize mediating variables such as innovation capability, market orientation, digital transformation, and competitive advantage, resulting in fragmented empirical evidence across industries and organizational contexts (Mamédio et al., 2019). In addition, many previous studies have examined dynamic capability and marketing-related constructs separately, while research integrating both variables within a single framework remains relatively limited.

Based on these considerations, this study seeks to examine the influence of dynamic capability and marketing strategy on organizational performance within a broader economic context. By integrating these two strategic factors into a unified model, this research contributes to the ongoing discussion regarding the determinants of organizational success and provides additional empirical evidence to address inconsistencies identified in previous studies. The findings are expected to enrich strategic management literature and provide practical insights for organizations seeking to improve performance in increasingly dynamic economic environments.

2. | LITERATURE REVIEW

Dynamic Capability

Dynamic capability refers to an organization's ability to integrate, build, and reconfigure internal and external resources in response to rapidly changing environmental conditions. In an increasingly competitive economic environment, organizations are required to continuously adapt their strategies and operational processes to maintain competitiveness. Dynamic capability enables firms to identify emerging opportunities, respond to market changes, and transform existing resources into strategic advantages (Lee & Yoo, 2019). The concept emphasizes organizational flexibility, learning capability, and managerial responsiveness in dealing with uncertainty.

According to Correia et al. (2022), dynamic capabilities play a critical role in enhancing firm competitiveness by facilitating resource reconfiguration and strategic renewal. Organizations possessing strong dynamic capabilities are more capable of adapting to changing customer preferences, technological developments, and market turbulence. Similarly, Liu et al. (2021) argue that dynamic capability contributes significantly to organizational success because it allows firms to sense environmental changes and respond proactively through innovation and strategic decision-making.

However, empirical evidence regarding the direct impact of dynamic capability on organizational performance remains inconsistent. Muhammadin et al. (2020) found that dynamic capability positively influences organizational performance, although the effect was statistically insignificant. This finding suggests that dynamic capability alone may not guarantee superior performance unless supported by complementary strategic resources and

organizational initiatives. Therefore, dynamic capability remains an important theoretical construct for explaining how organizations achieve long-term competitiveness and sustainable performance under dynamic economic conditions.

Marketing Strategy

Marketing strategy represents a comprehensive plan designed to achieve organizational objectives through effective market positioning, customer engagement, and value creation. In highly competitive environments, organizations must develop strategic approaches that enable them to understand customer needs, differentiate their offerings, and strengthen relationships with stakeholders (Varadarajan, 2020). Effective marketing strategies contribute to customer satisfaction, market expansion, and organizational sustainability.

Hoque et al. (2022) emphasize that dynamic marketing capability enables organizations to align strategic initiatives with changing market demands, thereby improving organizational performance. Marketing strategy not only focuses on promotional activities but also encompasses product development, pricing decisions, distribution channels, and customer relationship management. These elements collectively support firms in creating superior value and sustaining competitive advantage.

Furthermore, Chatterjee et al. (2022) highlight that marketing-related capabilities become increasingly important in the digital era, where organizations must continuously adjust their strategies to evolving consumer behavior and technological innovations. Effective marketing strategies facilitate organizational adaptability and improve business sustainability. Supporting this argument, Muhammadin et al. (2020) reported that marketing strategy had a significant positive effect on organizational performance, indicating that strategic marketing initiatives remain one of the most influential determinants of business success. Consequently, organizations are encouraged to develop market-oriented strategies that enhance customer value and strengthen competitive positioning in dynamic economic environments.

Organizational Performance

Organizational performance reflects the extent to which an organization achieves its strategic objectives and operational goals. It is commonly measured through financial outcomes, operational efficiency, market growth, customer satisfaction, and overall competitiveness. Performance serves as an important indicator of organizational effectiveness because it demonstrates how successfully resources and capabilities are transformed into valuable outcomes (Akhtar et al., 2019).

Prester (2023) argues that organizational performance is strongly influenced by the organization's ability to develop and utilize both operational and dynamic capabilities. Firms that effectively coordinate resources and strategic initiatives tend to achieve superior performance compared to competitors. In addition, performance improvement often depends on the organization's capacity to adapt to environmental changes and exploit emerging opportunities.

Research conducted by Mamédio et al. (2019) suggests that organizational performance is influenced by multiple mechanisms, including innovation, market responsiveness, strategic flexibility, and competitive advantage. These findings indicate that performance is a multidimensional construct shaped by both internal capabilities and external environmental

factors. Likewise, Correia et al. (2022) demonstrate that firms possessing strong strategic capabilities generally achieve higher levels of competitiveness and long-term sustainability.

Based on the literature, organizational performance can be viewed as the ultimate outcome of strategic management processes. Therefore, understanding the factors that contribute to performance improvement remains an important area of research, particularly in dynamic economic environments characterized by uncertainty, technological change, and increasing market competition.

3. | RESEARCH METHOD

This study employed a descriptive qualitative approach to explore and analyze the relationship between dynamic capability, marketing strategy, and organizational performance within a broader economic context. A qualitative approach was selected because it enables researchers to gain a comprehensive understanding of phenomena, organizational practices, and strategic processes that influence performance outcomes. Unlike quantitative methods that focus primarily on statistical measurement, descriptive qualitative research emphasizes the interpretation of concepts, patterns, and relationships derived from relevant literature and empirical findings. This approach is considered appropriate for examining how organizations adapt to changing economic environments through strategic capabilities and marketing initiatives.

The study relied on secondary data collected from scholarly articles, scientific journals, conference proceedings, and academic publications indexed in Google Scholar over the last five years. The selected references were chosen based on their relevance to the research variables, namely dynamic capability, marketing strategy, and organizational performance. In addition, a previous study conducted by Muhammadin et al. (2020) was used as a foundational reference because it examined the influence of dynamic capability and marketing strategy on organizational performance and provided important empirical evidence regarding the inconsistency of research findings in this field.

Data collection was conducted through a systematic literature review process involving identification, screening, evaluation, and synthesis of relevant studies. The collected literature was then analyzed using content analysis techniques to identify recurring themes, theoretical perspectives, empirical findings, and research gaps. Particular attention was given to studies discussing the role of organizational adaptability, strategic marketing practices, and performance improvement in dynamic economic environments. Through this process, similarities and differences among previous findings were identified and interpreted to develop a comprehensive understanding of the research problem.

Data analysis followed an inductive procedure in which findings from the literature were categorized, compared, and interpreted to generate meaningful conclusions. The analysis focused on understanding how dynamic capability contributes to organizational adaptability, how marketing strategy supports competitive positioning, and how both factors influence organizational performance. According to Mamédio et

al. (2019), synthesizing evidence from multiple studies is essential for clarifying inconsistent findings and identifying theoretical gaps. Furthermore, Correia et al. (2022) emphasize that dynamic capability research requires comprehensive examination across different organizational contexts to better understand its contribution to performance outcomes. Therefore, the descriptive qualitative approach was considered suitable for achieving the objectives of this study and providing a holistic understanding of the examined phenomena.

4. | RESULTS

The analysis of the selected literature indicates that dynamic capability and marketing strategy have emerged as two of the most important determinants of organizational performance in contemporary economic environments. Organizations increasingly face challenges associated with economic uncertainty, technological advancement, changing customer preferences, and intensified market competition. Under such circumstances, firms are required to continuously adapt their resources, processes, and strategic initiatives to maintain competitiveness and achieve sustainable performance. The reviewed studies consistently demonstrate that organizations possessing adaptive capabilities tend to exhibit superior organizational outcomes compared to those that rely solely on traditional operational approaches (Correia et al., 2022).

The findings reveal that dynamic capability contributes significantly to organizational adaptability by enabling firms to sense environmental changes, seize emerging opportunities, and transform internal resources according to market requirements. Organizations with strong dynamic capabilities are generally more responsive to environmental turbulence and are better equipped to address strategic challenges. Such capabilities support continuous learning, innovation, and strategic renewal, which collectively strengthen organizational competitiveness. Several studies indicate that dynamic capability allows firms to effectively manage uncertainty while simultaneously enhancing their ability to exploit new business opportunities (Liu et al., 2021).

Furthermore, the literature demonstrates that dynamic capability is closely associated with innovation-oriented behavior. Organizations capable of reconfiguring resources and integrating new knowledge are more likely to develop innovative products, services, and business processes. This adaptive capacity contributes to long-term organizational sustainability and improved market positioning. Chatterjee et al. (2022) found that organizations with stronger dynamic capabilities tend to achieve better business sustainability because they are able to align technological developments with strategic objectives and customer expectations.

Despite these positive findings, evidence regarding the direct relationship between dynamic capability and organizational performance remains inconclusive. Some studies report significant positive effects, while others identify indirect or weak relationships. A notable example is the study conducted by Muhammadin et al. (2020), which found

that dynamic capability positively influenced organizational performance but did not achieve statistical significance. This suggests that dynamic capability alone may be insufficient to generate superior performance unless supported by complementary organizational resources and strategic mechanisms.

The reviewed literature also highlights the critical role of marketing strategy in determining organizational success. Marketing strategy enables firms to understand customer needs, develop competitive positioning, and deliver superior value propositions. Effective marketing strategies help organizations establish strong customer relationships and improve market responsiveness. As competition intensifies across industries, firms increasingly rely on strategic marketing initiatives to differentiate themselves and strengthen market presence (Hoque et al., 2022).

Another important finding concerns the relationship between marketing strategy and customer value creation. Organizations implementing customer-oriented marketing strategies are more capable of responding to evolving consumer preferences and building long-term customer loyalty. Such strategies facilitate stronger market engagement and contribute directly to organizational growth. Several studies suggest that marketing strategy serves not only as a promotional tool but also as a strategic mechanism for creating sustainable competitive advantage (Chatterjee et al., 2022).

The literature further indicates that organizations integrating marketing strategy with broader organizational capabilities tend to achieve better performance outcomes. Marketing activities become more effective when supported by flexible organizational structures, learning capabilities, and adaptive decision-making processes. This integration allows firms to respond more rapidly to environmental changes while maintaining consistency in customer value delivery. Consequently, marketing strategy functions as both an operational and strategic driver of organizational performance (Correia et al., 2022).

A recurring theme across the reviewed studies is the importance of combining dynamic capability and marketing strategy rather than treating them as independent factors. Organizations that simultaneously develop adaptive capabilities and effective marketing strategies are better positioned to manage uncertainty and capitalize on emerging opportunities. Such integration enhances organizational agility and strengthens competitive positioning. This finding supports the argument that organizational performance is influenced by multiple interconnected strategic dimensions rather than a single capability or resource (Prester, 2023).

The evidence also suggests that dynamic capability frequently operates through intermediary mechanisms. Rather than directly influencing performance, dynamic capability often enhances innovation capability, market responsiveness, organizational learning, and strategic flexibility, which subsequently contribute to improved organizational outcomes. This perspective helps explain why previous studies have produced inconsistent findings regarding the direct relationship between dynamic capability and performance (Mamédio et al., 2019).

In addition, several studies reveal that organizational performance is increasingly dependent on an organization's ability to respond to digital transformation. Digital technologies have altered customer expectations, communication channels, and competitive dynamics. Consequently, organizations must continuously update their capabilities and marketing approaches to remain relevant. Dynamic capability plays an important role in facilitating this adaptation process by enabling organizations to integrate technological changes into their strategic operations (Liu et al., 2021).

The findings further indicate that market-oriented organizations generally demonstrate stronger performance outcomes than organizations lacking strategic customer focus. By continuously monitoring customer needs and competitor actions, firms can develop more effective marketing strategies and allocate resources more efficiently. This capability enhances organizational responsiveness and contributes to superior performance outcomes in dynamic economic environments (Hoque et al., 2022).

Another significant finding concerns the role of organizational learning. Organizations capable of acquiring, sharing, and applying knowledge are more likely to develop effective dynamic capabilities and marketing strategies. Learning-oriented cultures support innovation, strategic adaptation, and continuous improvement. Consequently, organizational learning serves as an important foundation for sustainable performance improvement (Mamédio et al., 2019).

The reviewed literature also highlights the importance of strategic alignment. Organizations achieve better performance when dynamic capability, marketing strategy, and organizational objectives are aligned. Strategic alignment ensures that resources, processes, and managerial decisions support common goals and contribute to value creation. Without such alignment, organizations may experience inefficiencies that weaken the impact of strategic initiatives on performance (Prester, 2023).

The results demonstrate that organizational performance is influenced by a combination of dynamic capability and marketing strategy. Dynamic capability enables organizations to adapt to environmental changes and exploit opportunities, while marketing strategy facilitates customer engagement and competitive differentiation. The literature consistently indicates that the integration of these factors contributes more effectively to organizational performance than either factor operating independently. These findings support the proposition that sustainable organizational success requires a balanced combination of adaptive capability, strategic marketing orientation, organizational learning, and continuous innovation. Furthermore, the identified inconsistencies among previous studies suggest the need for continued investigation into the mechanisms linking dynamic capability, marketing strategy, and organizational performance across different economic contexts (Muhammadin et al., 2020).

5. | DISCUSSION

The findings of this study confirm that dynamic capability and marketing strategy are important determinants of organizational performance in contemporary economic environments. The literature synthesis demonstrates that organizations operating under conditions of uncertainty require not only operational efficiency but also strategic flexibility to adapt to environmental changes. Dynamic capability enables organizations to identify emerging opportunities, respond to market turbulence, and reconfigure resources to maintain competitiveness. These findings support the argument that organizational adaptability has become a critical factor in sustaining long-term performance in increasingly complex economic conditions.

The results further indicate that dynamic capability contributes to organizational performance primarily through its role in enhancing organizational learning, innovation, and strategic responsiveness. This finding is consistent with the view of Correia et al. (2022), who argue that dynamic capabilities facilitate the development of competitive advantages through continuous resource renewal and strategic adaptation. Similarly, Liu et al. (2021) emphasize that organizations with stronger adaptive capabilities are more capable of responding to environmental changes and achieving superior performance outcomes. Therefore, dynamic capability should not be viewed merely as an operational competence but as a strategic mechanism that supports organizational sustainability.

However, the findings also reveal that the influence of dynamic capability on organizational performance is not always direct. This observation helps explain the inconsistencies reported in previous studies. While some researchers found significant positive effects, others reported weaker relationships. The findings of Muhammadin et al. (2020), which identified a positive but insignificant relationship between dynamic capability and organizational performance, suggest that the effectiveness of dynamic capability may depend on the presence of complementary organizational factors. This supports the argument that performance improvement is often generated through a combination of capabilities rather than a single strategic resource.

In addition, the study highlights the significant role of marketing strategy in enhancing organizational performance. Effective marketing strategies enable organizations to understand customer needs, strengthen market positioning, and create superior value. These findings align with Hoque et al. (2022), who emphasize that marketing-related capabilities contribute substantially to competitive advantage and organizational success. Marketing strategy therefore functions as a practical mechanism through which organizations translate strategic capabilities into measurable market outcomes.

Most importantly, the findings address the research gap identified in previous studies by demonstrating the importance of integrating dynamic capability and marketing strategy within a single analytical framework. Rather than operating independently, both factors appear to reinforce one another in supporting organizational performance.

This interpretation is consistent with the conclusions of Mamédio et al. (2019), who argue that organizational performance is influenced by multiple interconnected mechanisms and capabilities. Consequently, organizations seeking sustainable performance should focus on simultaneously strengthening adaptive capabilities and market-oriented strategies. Such integration allows firms to respond effectively to environmental uncertainty while maintaining strong customer relationships and competitive positioning. The findings therefore contribute to the growing body of strategic management literature by providing a more comprehensive understanding of how organizational performance can be enhanced through the combined influence of dynamic capability and marketing strategy.

6. | CONCLUSION

This study aimed to examine the relationship between dynamic capability, marketing strategy, and organizational performance through a descriptive qualitative approach based on a review of relevant literature. The findings indicate that organizational performance is influenced by an organization's ability to adapt to environmental changes and implement effective marketing strategies. Dynamic capability plays an important role in helping organizations identify opportunities, respond to uncertainty, and reconfigure resources to maintain competitiveness. Meanwhile, marketing strategy contributes to performance improvement by strengthening customer relationships, enhancing market responsiveness, and creating competitive advantages. The analysis also shows that the influence of dynamic capability on organizational performance is not always direct. In many cases, its effectiveness depends on supporting factors such as organizational learning, innovation, strategic flexibility, and market orientation. This finding helps explain the inconsistencies identified in previous studies and highlights the importance of examining multiple organizational factors simultaneously.

Furthermore, the study demonstrates that the integration of dynamic capability and marketing strategy provides a more comprehensive explanation of organizational performance than either variable alone. Organizations that are capable of combining adaptive capabilities with customer-oriented strategic initiatives are better positioned to achieve sustainable performance in dynamic economic environments. Therefore, organizations should continuously strengthen their adaptive capabilities, encourage learning and innovation, and develop effective marketing strategies to remain competitive. Future studies are encouraged to examine additional variables and different organizational contexts to further enrich understanding of the mechanisms influencing organizational performance.

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Conflict of Interest Statement

The authors declare that there is no conflict of interest.

Ethical Approval and Originality Statement

Ethical approval was obtained for this study. The manuscript represents original work and has not been previously published, nor is it under consideration by another journal.

Data Disclosure Statement

The data that support the findings of this study are available from the corresponding author upon reasonable request.

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