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RESEARCH ARTICLE

Investigating the Effect of Marketing Innovation, Opportunity Exploitation, and Market Response on New Product Success in the Saudi Market

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ABSTRACT

This study examines the effect of marketing innovation, exploiting opportunities, and market response on the success of new products launched in the Saudi market. Using a quantitative approach, the study surveyed a sample of 685 employers in the Kingdom of Saudi Arabia to analyse the relationships between these variables. The results reveal a significant positive association of marketing innovation and opportunity exploitation with new product success, highlighting that companies implementing innovative marketing strategies can respond better to dynamic customer demands and achieve sustainable competitive advantages. In addition, the results confirm that exploiting opportunities in emerging markets enables companies to generate rapid and positive consumer responses, thus enhancing the likelihood of new product adoption. This study identifies the mediating role of market response as a critical factor, demonstrating that effective alignment with consumer expectations increases product success significantly. The study provides valuable insights for companies in emerging markets, especially the Saudi market, especially in the context of rapid economic transformation based on Vision 2030. The study recommends enhancing the culture of marketing innovation and adopting entrepreneurial strategies to meet evolving market requirements and improve product launch results.

1. INTRODUCTION

Companies, especially in the unique Saudi market, are under tremendous constant pressure to innovate and meet renewable and evolving consumer demands, in a business landscape, characterised by rapid technological advancement and increasing market competition. Entrepreneurial marketing has recently gained popularity in responding to these demands and blends traditional marketing principles with entrepreneurial attitudes, including risk-taking, pro-activeness and innovation. In contrast to conventional marketing, which emphasises established strategies, entrepreneurial marketing emphasises flexibility, responsiveness and the ability to seize emerging market opportunities, thus fostering an environment conducive to product innovation and high market competitiveness. In the Saudi market, where economic diversification in light of Vision 2030 leads to significant growth and transformations, the application of entrepreneurial marketing is considered of particular importance. As companies seek to launch new products, compatible with both local needs and global standards, the adoption of entrepreneurial marketing practices represents a unique opportunity to capture emerging market segments and maintain competitive advantages. This study, focusing on marketing innovation and exploiting marketing opportunities, promises to provide valuable insights, that can enhance companies' response to market changes and

their ability to introduce new products successfully, thereby contributing to the growth and competitiveness of the Saudi market.

While the importance of entrepreneurial marketing in driving business growth and innovation is well recognised, more empirical studies are still needed to examine its specific impact on new product launches in the Saudi context. In much of the literature, entrepreneurial marketing has been approached from a general perspective, without delving into the precise relationships between its essential components, such as marketing innovation, exploiting marketing opportunities and the ultimate success of product launches. Moreover, the lack of understanding of how these factors operate in the unique Saudi market, where cultural preferences and economic conditions shape consumer behaviour, limits companies' ability to utilise entrepreneurial marketing to make the introduction of new products completely successful. Therefore, this study seeks to fill the gap this represents by investigating the roles of marketing innovation and marketing opportunity exploitation in enhancing market response and influencing the success of new products, and by examining market response as a mediating variable. The urgency of this research is underscored by the rapidly evolving Saudi market and the need for companies to adapt their marketing strategies to remain competitive.

This study is of great importance at both the academic and practical levels. Academically, it contributes to the limited body of knowledge on entrepreneurial marketing by providing empirical evidence of its impact on product launch success in the evolving Saudi market, a market characterised by significant and unique consumer dynamics and rapid economic growth (Ali & Al-Harbi, 2020). By focusing on the mediating role of market response, the study also enhances our understanding of the pathways through which emerging markets contribute to product success (Fiore et al., 2020). From a practical standpoint, the study provides valuable insights for companies operating in Saudi Arabia, especially those seeking to capitalise on emerging market opportunities by launching new products that meet the needs and preferences of the local market. The study results are expected to help managers and marketers identify effective strategies to align their products with consumer expectations, thus improving market acceptance and establishing a competitive advantage for companies (Wertz et al., 2017). As Saudi Arabia seeks to achieve the goals of its ambitious Vision 2030, to diversify the economy and stimulate innovation, insights from this study may play a critical role in helping companies develop flexible and responsive marketing strategies that support long-term growth (Al-Qahtani & Bourabdin, 2015).

The primary objective of this study is to investigate the role of entrepreneurial marketing, primarily through marketing innovation and exploitation of market opportunities, in influencing the successful launch of new products within the evolving Saudi market. The study evaluates how marketing innovation can enhance firms' responsiveness to changing customer needs, thus achieving competitive advantages (Bjerke & Hultman, 2002). It also examines how effective exploitation of opportunities facilitates rapid and favourable market response, ultimately leading to high acceptance of new products (Freel, 2005). In addition, this study aims to explore the mediating effect of market response on the relationship between marketing innovation strategies and exploitation of marketing opportunities in entrepreneurial marketing and the extent of product success, thus providing a deeper understanding of the mechanisms through which entrepreneurial marketing contributes to achieving positive results from launching new products (O'Dwyer et al., 2009). By addressing these objectives, the study seeks to provide practical recommendations for taking advantage of entrepreneurial marketing to enhance product innovation, enhance responsiveness and ensure success in the market, leading to the strategic development of Saudi companies in an increasingly competitive and dynamic business environment. Through a robust examination of variables, the study aspires to add to the academic literature on entrepreneurial marketing while providing practical recommendations and guidance for practitioners seeking to harness the potential of entrepreneurial marketing to achieve sustainable growth and competitive advantage (Covin & Miles, 1999).

2. LITERATURE REVIEW

The interplay between marketing innovation, opportunity exploitation, and market response is crucial for the success of new products in dynamic markets, especially in the Saudi context. Marketing

innovation refers to adopting new marketing strategies and advanced technological solutions to differentiate products and increase customer engagement. Marketing innovation has enhanced competitive advantage by enabling companies to adapt to ever-changing consumer needs and market dynamics (Chandy & Tellis, 2000; Henard & Szymanski, 2001). The focus on Vision 2030 and digital transformation in Saudi Arabia has created fertile ground for companies to leverage innovative marketing techniques, making this construct particularly important.

Opportunity exploitation involves systematically identifying, assessing, and capitalizing on emerging market gaps and trends. Leveraging the dynamic capabilities framework, companies must adapt their strategies to align with external market opportunities while leveraging internal resources efficiently (Teece, 2007; Kuckertz et al., 2017). In Saudi Arabia, a market characterized by rapid economic diversification and significant regulatory development, companies that excel in exploiting opportunities are better positioned than their counterparts to achieve growth and establish competitive dominance.

Market responsiveness also reflects companies' ability to actively measure customer reactions, incorporate feedback, and improve marketing strategies to meet market demands. Effective market response mechanisms are directly linked to enhancing customer satisfaction, brand reputation, and market position (Rust et al., 2004; Kohli & Jaworski, 1990). In the Saudi market, where global trends and cultural nuances increasingly shape consumer expectations, companies prioritizing responsiveness can better align their offerings with consumer preferences, ensuring the sustainable success of new products.

2.1 Theoretical basis

Resource-based theory (RBT) and dynamic capabilities theory (DCT) form the theoretical foundation of this study, providing a dual perspective on how entrepreneurial marketing practices drive product innovation and market responsiveness.

RBT posits that a firm's unique resources and capabilities are critical drivers of a firm's sustainable competitive advantage. The theory suggests that competitive success depends on the acquisition and effective use of valuable, rare, unique and non-substitutable (VRIN) resources. In marketing, these resources may include specialised knowledge, brand reputation, innovative marketing strategies and customer relationships. The theory is particularly relevant to this study because it emphasises how internal resources, such as marketing innovation capabilities, can enable a company to respond to market needs and introduce successful new products better. By using their VRIN resources, firms can achieve a competitive advantage and establish a strong foothold in the market (Barney, 2001). In examining the role of entrepreneurial marketing, RBT highlights the importance of marketing innovation as a unique resource that can differentiate a company's products and meet evolving consumer demands. For example, marketing innovation allows companies to develop creative promotional strategies and use technology to improve customer experiences. In the Saudi market, where market conditions are changing rapidly due to economic transformation, innovative marketing capabilities become an essential asset, from the perspective of RBT.

DCT concerns how companies can adapt, renew and reconfigure their resources to respond to changing market conditions, developing and deploying capabilities that allow them to sense opportunities, seize them and reconfigure assets accordingly. In rapidly evolving markets, the dynamic ability to recognise and exploit emerging opportunities is essential for sustainable corporate competitiveness. DCT is integral to this study because it explains how firms use entrepreneurial marketing practices, such as the exploitation of marketing opportunities, to remain flexible and responsive in the face of market changes and transformations (Tees, 2007). DCT emphasises the importance of companies' ability to adapt and respond to changes in market demand, which is of great importance when launching new products. The theory supports the exploitation of marketing opportunities as a dynamic capability that enables companies to identify new trends, consumer preferences, tendencies or gaps in the market and act accordingly. In the Saudi context, where economic reforms are creating new consumer needs and business landscapes, the ability to capitalise quickly on these changes is essential.

2.2 Conceptual model for the study

The conceptual model presented in the study (see Figure 1) explains the interrelationships between marketing innovation, exploitation of marketing opportunities, market response, and the success of new product launches. It is assumed that marketing innovation and exploitation of marketing opportunities are two pivotal factors directly affecting market response and the success of launching new products. In addition, the model assumes that market response acts as a mediating variable that enhances the impact of marketing innovation and opportunity exploitation on the success of new product launches.

Marketing innovation (MI) includes adopting advanced marketing strategies and innovative technological solutions to differentiate products and enhance customer engagement (Chandy & Tellis, 2000; Henard & Szymanski, 2001). By enhancing the ability to adapt to dynamic market demands, marketing innovation directly contributes to the success of new product launches in the market while at the same time enhancing the company's responsiveness to market changes. On the other hand, exploitation of marketing opportunities (EMO) reflects a company's ability to systematically identify, evaluate, and capitalize on recent and emerging trends and market gaps (Teece, 2007; Kuckertz et al., 2017). This construct emphasizes the importance of aligning internal capabilities with external opportunities, which is essential for achieving sustainable competitive advantage and company growth.

As a mediating variable, market response (MR) highlights its crucial function in capturing customer feedback, interpreting market signals, and refining marketing strategies to align with consumers' needs and desires (Rust et al., 2004; Kohli & Jaworski, 1990). An effective market response enhances customer satisfaction and brand reputation and ensures that marketing innovation and opportunity exploitation are translated into tangible market success. The model indicates that market response strengthens the association between the previous constructs (MI and EMO) and the dependent variable, New Product Launch (NPL), which measures the effectiveness of the product launch in terms of market share, customer acceptance, and competitive position (Florén et al., 2018).

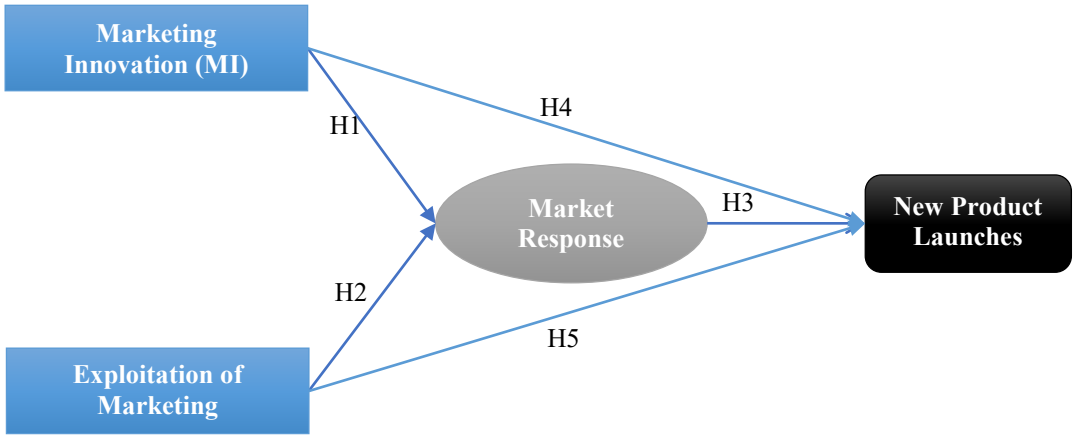

Figure 1: Conceptual model for the study
Source: Prepared by the author, 2024.

2.3 Marketing innovation, market response

The study of MI is essential for enhancing competitive advantage, as it enables companies to develop unique strategies that meet evolving consumer demand and changing market conditions (Chandy & Tellis, 2019). Examining MR is also crucial because it provides insights into how consumers react to new products when they are introduced to the market, guiding adjustments to achieve optimal alignment with customer expectations (Day & Schoemaker, 2016). These ideas support companies' sustainable growth and rapid adaptability in dynamic markets (Trott, 2017).

Research conducted on MI in diverse fields, such as technology and healthcare, has revealed its importance in creating customised approaches that enhance competitiveness and consumer

engagement (Chandy & Tellis, 2019; Trott, 2017). Studies examining MR also confirm its importance in the consumer goods space when evaluating the success of NPL, allowing companies to improve strategies based on real-time consumer feedback (Hopp et al., 2018). That companies' understanding of MR makes it possible to adjust products to match evolving customer needs has been shown for the financial sector (Day & Fahey, 2017).

Many studies have highlighted the impact of MI on MR. (Damanpour & Schneider, 2009) explain that innovative marketing methods lead to higher responsiveness in consumer goods industries, making products compatible with ever-changing customer preferences. (Calantone at al., 2002) also emphasise the growing role of MI in enhancing companies' ability to adapt quickly to market transformations, especially in the technology sector. Similarly, (Telles et al., 2009) find that innovation in marketing increases MR, especially in emerging markets. (Bock & George, 2018) show that MI affects MR positively by promoting innovative approaches to consumer engagement in service industries. This leads to the first hypothesis for this study.

H1: *Adopting innovative marketing strategies enhances companies' ability to respond to changing customer needs and achieve a competitive advantage in the market.*

2.5 Opportunities, market response

Studying EMO is crucial, as it enables companies to see gaps in the market and take advantage of them effectively, thus improving their competitive advantage and customer access (Morgan et al., 2009). On the other hand, companies' understanding of MR provides valuable insights into consumer behaviour, trends and expected reactions, allowing them to improve their strategies and enhance alignment with customer demand (Fang & Zhou, 2009). Together, these variables are of great importance for strategic adaptation and sustainable success in the market (Day, 2011).

Research has shed light on EMO in many fields, including digital media and e-commerce, emphasising its importance in improving customer interaction and facilitating rapid entry into markets (Kannan & Li, 2017). In the automotive industry, research shows that understanding MR helps companies adapt quickly to consumer preferences for sustainability and align their products with evolving environmental variables (Wells et al., 2020). In telecommunications, the use of insights from MR allows service providers to improve service quality and innovate in response to competitive pressures in the market (Cillo et al., 2021).

Studies that have examined the effect of EMO on MR highlight the strategic importance of adaptability. (Morgan et al., 2009) find that firms that take advantage of unique market opportunities improve responsiveness, leading to competitive growth. In a study conducted on service industries, (Griffith et al., 2010) highlight that market-orientated firms exploit emerging opportunities better and can, therefore, achieve more effective MR. In addition, (Atuahene-Gyima & Ko, 2001) show that firms in dynamic industries, such as technology, capitalise on opportunities by adjusting products in response to customer demand. (Srivastava et al., 2013) also report that rapid MR leads to optimal brand positioning, especially in fast-paced markets. This leads to the second hypothesis for this study.

H2: *Effectively exploiting marketing opportunities enables companies to achieve a swift and positive response from the market.*

2.7 Market response, new product launches

Studying MR is essential to understanding consumer behaviour and measuring the acceptance of innovations, which helps improve marketing strategies and product success (Kohli & Jaworski, 1990), and studying NPL provides insights to companies on effective introduction strategies, highlighting the role of timing and market fit in attracting consumer interest and showing how to enhance brand growth (Hultink & Langerak, 2017). Understanding these variables together enables companies to improve their competitive position and reduce launch risks (Rubera & Kirca, 2012).

Research on MR in areas as diverse as consumer electronics and pharmaceuticals emphasises its role in adapting strategies to consumer reactions to products, ensuring that these meet evolving demand (Calantoni et al., 2010). Studies on launching new products in the automotive sector also emphasise timing and innovation as crucial to capturing market share and meeting competitive pressures (Harmancioglu et al., 2020). Additionally, in technology, aligning NPL with MR insights enhances product acceptance (Debar, 2016).

Studies investigating the relationship between MR and NPL emphasise the importance of adaptive strategies (Srinivasan et al., 2009). Companies that realign on-going product launches with immediate market feedback can achieve better sales performance (Henard and Szymanski, 2001). A strong MR helps determine launch timing, enhancing product acceptance and reducing failure rates. In the mobile phone industry, (Balachander & Ghose, 2003) highlight that rapid response to market signals during NPL enhances consumers' interest in the brand. Similarly, (Lieberman & Montgomery, 1998) show that firms that quickly adjust NPL strategies according to competitors' actions improve their market positioning. This leads to the third hypothesis for this study.

H3: *A positive market response improves the chances of success for new products.*

2.7 Marketing innovation, new product launches

The study of MI is crucial to facilitating strategic differentiation and adapting to rapid market changes and developments, and helps companies and marketers meet customer demands better (Kohli & Melville, 2018). Understanding NPL is equally essential, as companies can thereby determine market acceptance and long-term success, especially in competitive industries (Lee & Tang, 2018). These variables are essential for achieving sustainable growth and maintaining competitive advantage (Kotabe & Kothari, 2016).

Studies have examined the topic of MI in various fields, such as e-commerce and the automotive industry, highlighting its role in enhancing consumer engagement and adapting products to evolving requirements (Voorhees & Morgan, 2005). Research on NPL in the biotechnology sector emphasises the importance of appropriate strategic timing and positioning to maximise market influence and competitive advantage (Chiesa & Frattini, 2011). Additionally, the combination of MI and timely NPL in the fashion industry has been shown to improve brand resonance and accelerate differentiation in the market (Kim & Ko, 2012).

Many studies have shed light on the effect of MI on NPL and the role of innovation in enhancing launch success. (Srinivasan et al., 2005) show that companies that use innovative launch marketing strategies achieve higher product adoption rates by meeting evolving customer needs (Chandy & Telles, 2000) Also, creative marketing can propel companies to successful market entry, especially in dynamic industries. Furthermore, (Song & Montoya-Weiss, 2001) report that aligning innovation with NPL strategies improves product performance significantly, while Workman (2004) shows that innovative marketing tactics in NPL enhance customer perception, leading to differentiation between brands. This leads to the fourth hypothesis for this study.

H4: *Relying on entrepreneurial marketing increases companies' ability to introduce new products to the market successfully.*

2.9 Opportunities, new product launches

Studying EMO is an issue of great importance for companies that aim to identify emerging market gaps, take advantage of them and enhance their ability to adapt and grow quickly in competitive environments (Slater et al., 2010). NPL is equally important, as it shapes the market path of the brand and customer interaction, especially when it is aligned with the demands of consumers and market timing (Crawford & Di Benedetto, 2021). These variables support strategic flexibility and sustainable competitive advantage for companies (Palladino, 2007).

Studies on EMO in retail and digital service sectors show that adopting innovative and agile approaches to market trends stimulates customer engagement and competitive advantage (Hwang & Rust, 2021). In biotechnology, research highlights that timely NPL can enhance market acceptance of these products significantly and support innovation strategies over the long term (Pisano & Shih, 2020). In the automotive industry, aligning NPL with consumer demand for sustainability has proven critical for brand differentiation and increasing market share (Wells et al., 2021).

Research that has studied the relationship between EMO and NPL confirms their joint effet on the success of companies in the market (Grewal & Tansuhaj, 2001). Companies that pro-actively capitalise on market opportunities during NPL are better positioned to navigate competitive pressures in international markets. In consumer technology, (Moorman & Slotegraaf, 1999) show that aligning NPL with market opportunities enhances customer acceptance. Similarly, (Atuahene-Gima, 2005) show that exploiting unique market gaps during NPL enhances product differentiation in high-tech industries. (Fang et al., 2014) also report that launching new market-orientated products would improve performance in rapidly developing sectors. This leads to the fifth hypothesis for this study.

H5: *Efficiently exploiting marketing opportunities facilitates the successful launch of new products in the market.*

3. STUDY METHODOLOGY

The impact of (MI), (EMO), and (MR) on the success of new products in the Saudi market is examined in this study using an inferential quantitative approach (Creswell & Plano Clark, 2017). This method was selected due to its capacity to quantify the correlation between quantitative variables and analyze the findings using numerical data from a sizable sample, improving the accuracy and generalizability of the findings (Kothari, 2004). This method works well for researching the intricate relationships between marketing innovation and taking advantage of opportunities and how these relationships directly affect the launch of new goods. Saudi entrepreneurs, marketers, and product managers comprise the study population, particularly those working for businesses that depend on innovation to create and introduce new goods. Since they are crucial in identifying market trends and assisting in the success of new products, focusing on this category is essential to understanding the degree to which entrepreneurial marketing techniques impact innovation and take advantage of marketing chances. To guarantee a thorough representation of the study population, a range of industrial and service sectors in the Kingdom of Saudi Arabia were covered. These included businesses looking to innovate and develop their products continuously, as this helps to provide a more comprehensive understanding of how the Saudi market reacts to such innovations (Punch, 2014). 685 participants made up the study's sample size, and they were chosen through a stratified random sampling technique to guarantee that the study population represented a range of societal groupings. Because all sectors and groups are similarly represented, this sample selection improves the accuracy of the findings (Smith et al., 2017; Turner, 2020). The main instrument used to gather participant data was a questionnaire inquiring about the dependent variable (NPL), the intermediate variable (MR), and the independent variables MI and EMO. The degree of agreement or disagreement with the statements in the questionnaire was measured using a five-point Likert scale. This scale makes it easier for participants to voice their thoughts about the variables under investigation, which enables the gathering of rich data that makes it easier to analyze the elements influencing marketing and innovation in Saudi businesses (Fowler, 2013). The validity of the study data collection method was verified by doing a preliminary test on a small sample to guarantee the precision and clarity of the questions. This pilot made it possible to make the required changes to the questionnaire to guarantee accurate final results and high-quality data gathering (Punch, 2014).

4. DATA ANALYSIS AND RESULTS

In November 2024, the researcher surveyed a sample of business owners in Saudi Arabian enterprises using a random sampling approach and manual and e-mail distribution. Of the 700 questionnaires distributed, 685 were deemed appropriate for study. Cronbach's Alpha was used to

examine the questionnaire's reliability, and AMOS25-SEM was used for structural equation modeling (SEM) analysis. The first component of the questionnaire requested demographic information such as gender, age, position, and number of years of experience. The active population (business owners in enterprises operating in the Kingdom of Saudi Arabia) is generally suitable for this study. The research data were acquired via a self-administered questionnaire issued to corporate managers in Riyadh, Saudi Arabia's capital and a hub for numerous industries. As Saudi Arabia's economic hub, Riyadh provides a representative sample of enterprises to investigate the study's postulated links in a developing urban context. The study used simple random sampling and referenced a sample size chart (Saunders et al., 2012) to determine a sample size 685.

4.1 Data collection and analysis techniques

Primary data were collected using survey instruments, and the questionnaire was designed to include assertions from past studies. The content validity was verified with the help of statistical professionals, whose feedback was integrated. Cronbach's alpha was used to determine instrument dependability. The values obtained were (MI 0.84), (EMO 0.73), (MR 0.82), and (NPL 0.85). These results imply that the constructs and measuring items had high internal consistency and were appropriate for the study. 700 questionnaires were sent to responders via email, and 685 were usable. The data were collected on a five-point Likert ordinal scale and analyzed using SEM in AMOS25-SEM. The analyses were performed at a 95% significance level ($\alpha = 0.05$), with the rule of rejecting the null hypothesis and accepting the proposed hypothesis if the computed statistic is less than 0.05 and vice versa.

4.2 Reliability statistics

After ensuring the data were acceptable, the constructions' reliability was examined to ensure internal consistency, with Cronbach's Alpha providing a numerical dependability coefficient (Cronbach, 1951). The reliability values for each construct and the scale were higher than 0.81. Table 1 shows the reliability analysis results for each factor and the scale's overall reliability.

Table 1: Reliability analysis results

Scale	Items	Cronbach's Alpha	Total scale Reliability
MI	5	0.82	**0.81**
EMO	5	0.84	
MR	5	0.73	
NPL	5	0.85	

4.3 Respondents' profile

KSA business owners and managers made up the study's respondents. Their direct participation in the enterprises' day-to-day operations and decision-making processes, essential to the study's goals, made their inclusion justifiable. After being given printed information about the survey and the questionnaire, participants agreed to take part. Of the participants, 25% were women and 75% were men. About 46% of the respondents were between 36 and 45, 41% were 46 or older, and 7% were between 26 and 35. About 36% were managers, 29% were marketing experts, and 16% were product managers. 54% had over ten years of experience, 29% had six to ten years, 16% had two to five years, and 9% had less than two years.

Table 2: Demographic profile of respondent's results

Demographic Information	Options	Number	Percentage
Gender	Male	513	0.75
	Female	172	25
Age	18-25	28	0.04

	26-35	51	0.7
	36-45	321	0.46
	46 and above	285	0.41
Position	Manager	245	0.35
	Marketing Professional	200	0.29
	Product Manager	112	0.16
	Entrepreneur	11	0.01
	Other (Please specify)	51	0.07
Experience	Less than 2 years	66	0.09
	2-5 years	114	0.16
	6-10 years	201	0.29
	More than 10 years	370	0.54
Total		685	**100**

4.4 (CFA) confirmatory factor analysis

To determine how effectively the measured variables represented the number of constructs, a (CFA) was conducted. To ascertain the overall model fit, (CFA) was employed rather than considering fit for individual constructs. Its goal is to gauge how well the data reflects the primary variables. The maximum likelihood approach was used to conduct the analysis, and factors with more than three items were kept in the study. Chi-square = 1167.754, freedom level = 634, CHIMIN/DF = 1.842, GFI = 1.833, AGFI =.788, CFI =.891, and RMSEA =.069 were the parameters that could be specified for the template's overall fit. According to (Hair et al., 2010), every result was deemed appropriate for the model fit values. Composite reliability (CR) was evaluated alongside the validity and reliability of each construct. Standardized loads must be greater than 0.6, average extracted variance (AVE) must be greater than 0.5, and all components must have statistically significant factor loads to assess convergent and discriminant validity. Over a square connection between the buildings and the (AVE), the unequal validity of two buildings by (AVE) was computed (Fornell & Larcher, 1981). The composite reliability and validity estimations utilizing the SEM by AMOS[25]-SEM are displayed in Appendix 1.

4.1.1 Spearman's correlation coefficient

Table 6 shows the correlation matrix and multi-collinearity diagnostics. The correlation matrix indicates that (MI), (MR), and (NPL) have a positive mid-level correlation (0.58, 0.55, and 0.50, respectively) and a positive str-level correlation. Additionally, the tolerance is less than 0.20, regarded as a good number and shows no multi-co-linearity issue. All variables' variance inflation factor (VIF) is less than 3.

Table 3: Spearman correlation coefficient

Variables	**MI**	**EMO**	**MR**	**NPL**	**VIF**
MI	**1**				**2.77**
EMO	0.602	**1**			**2.03**
MR	0.587	0.554	**1**		**2.94**
NPL	0.625	0.632	0.508	**1**	**2.83**

Latent variables (VIFs) are examined using the full co-linearity test; higher (VIFs) imply greater co-linearity and may be a sign of standard method bias (Kock, 2015). Pathological co-linearity and possible standard method bias in the model are indicated by a (VIF) greater than 3.3. On the other hand, the model is considered free of standard method bias if all (VIFs) are 3.3 or below (Kock, 2015).

4.1.2 Analysis of structural equations

The number of measurement variables in the current study reached a high 20s since each remark in the questionnaire was regarded as a single variable measure. Factor analysis was utilized to determine the precise number of elements employed as measurement variables in the questionnaire. Following the rotation, the factor rotation for each question in each factor is shown in Table 4. Loading_1 through Loading_3 are the labels assigned to the factors. The highest load factor in each row indicates the factor the question relates to. The Goodness-of-Fit (GOF) statistic developed by Tenenbaum is essential for assessing how well a model fits the data. The GOF of 0.615 indicates a significant degree of model fitness in the present situation. This evaluation aligns with accepted standards: a number greater than 0.1 indicates a noticeable impact, suggesting that a model is somewhat successful in identifying the underlying patterns in the data. As a result, Table 4 shows that the model exhibits an admirable level of explanatory power that aligns with the expectations established by accepted standards. Normalized structural loadings and cross-loadings for different constructs are shown in the table. Despite these exclusions, the remaining loadings provide important information about how observed variables relate to their corresponding constructs. Cross-loadings have been adjusted to above the threshold value, improving each variable's specificity to its intended construct. By maintaining the integrity of the measurement model, this methodical approach seeks to improve our understanding of how observed variables help define their constructs.

Table 4: Factor rotation for each question results

Variables	Loading_1	Loading_2	Loading_3	Status
MI_1	0.921	0.625	0.598	Valid
MI_2	0.924	0.604	0.577	Valid
MI_3	0.791	0.701	0.687	Valid
MI_4	0.885	0.632	0.553	Valid
MI_5	0.776	0.745	0.614	Valid
EMO_1	0.889	0.812	0.412	Valid
EMO_2	0.911	0.714	0.447	Valid
EMO_3	0.801	0.925	0.621	Valid
EMO_4	0.835	0.641	0.785	Valid
EMO_5	0.901	0.741	0.888	Valid
MR_1	0.912	0.651	0.895	Valid
MR_2	0.804	0.553	0.898	Valid
MR_3	0.911	0.614	0.781	Valid
MR_4	0.882	0.412	0.802	Valid
MR_5	0.789	0.447	0.881	Valid
NPL_1	0.784	0.621	0.788	Valid
NPL_2	0.783	0.811	0.812	Valid
NPL_3	0.799	0.701	0.899	Valid
NPL_4	0.889	0.735	0.845	Valid
NPL_5	0.889	0.788	0.787	Valid

4.5 Discriminant validity

Both the Fornell–Larcker criterion and the more reliable (HTMT) technique were employed to assess discriminant validity, ascertain the extent of differentiation between the constructs, and determine the degree to which each construct's measurement model is free of redundant items. Tables 5 and 6 provide examples.

Table 5: Discriminant validity results

Variables	MI	EMO	MR	NPL
MI	0.922			
EMO	0.954	0.885		
MR	0.599	0.514	0.844	
NPL	0.891	0.936	0.511	0.902

Table 6: Discriminant validity based on (HTMT criterion) results

Variables	MI	EMO	MR	NPL
MI	0.455			
EMO	0.524	0.577		
MR	0.504	0.494	0.565	
NPL	0.588	0.552	0.522	0.617

According to the findings, all of the study's constructs exhibit discriminant validity, which means they are unique. As suggested by (Fornell & Larcker, 1981), each construct measures a distinct and independent element of the research variables, as evidenced by the square root of the (AVE) for each construct is more significant than its correlation coefficients with other constructs. As suggested by (Voorhees et al., 2016), the results in Table 6 show that all values fall well within the (HTMT) threshold, less than 0.80. This suggests that discriminant validity was also attained from an (HTMT) perspective.

A comprehensive co-linearity test was used to evaluate common method bias and determine if latent variables in AMOS25-SEM models were co-linear. The entire co-linearity test outperforms widely used validity tests such as Harman's single-factor test and provides a better tool for identifying standard method bias in AMOS25-SEM models (Kock, 2017). Research suggests that Harman's one-factor test is not very good at detecting common technique bias, which could jeopardize the reliability of statistical results (Aguirre-Urreta & Hu, 2019; Baumgartner et al., 2021). Accordingly, the complete co-linearity test approach offers a more accurate assessment of common method bias in the structural equation modeling of partial least squares (Kock, 2015).

4.6 Test hypothesis results

Table 7: The results of the hypotheses tested using AMOS^{25}-SEM

Hypothesis	Structural path	Standardized coefficient (β)	*t*-values	Decision
H_1	**MI > MR**	0.434*	5.986	**Supported**
H_2	**EMO > MR**	0.392*	6.027	**Supported**
H_3	**MR > NPL**	0.374*	6.142	**Supported**
H_4	**MI > NPL**	0.298*	3.678	**Supported**
H_5	**EMO > NPL**	0.365*	6.047	**Supported**

According to the study's conclusions, implementing creative marketing techniques helps businesses better adapt to the shifting demands of their clientele and get a competitive edge in the marketplace. Because t-values > 1.96 (β = 0.434 and t-values = 5.98) have an effect and significance on marketing innovation performance. Additionally, the model shows that implementing creative marketing techniques improves businesses' capacity to adapt to shifting consumer demands and gain a competitive edge in the marketplace; the coefficient is 0.43, meaning that for every unit increase in marketing innovation, stores' competitive advantage would rise by 0.43 units. Hypothesis H1 is thus approved. According to the study's findings (β = 0.392 and t-values = 6.02), businesses can obtain a prompt and favorable response from the market by successfully utilizing marketing chances. Similarly, the model shows that businesses can obtain a prompt and favorable response from the market by successfully utilizing marketing opportunities (P value 0.00). According to the coefficient values, there is a 0.39 rise in the likelihood of receiving a prompt and favorable response from the

market for every unit increase in using marketing chances. Hypothesis H2 is thus approved. Furthermore, a favorable market reaction raises the likelihood that new products will succeed (β = 0.374 and t-values = 6.14), and using entrepreneurial marketing boosts businesses' capacity to successfully launch new products (β = 0.298 and t-values = 3.67). Hypothesis H3 is thus approved. Since a favorable market reaction increases the likelihood that new items will succeed, innovation marketing only made up 0.37 of the difference in the innovation value overall. Hypothesis H4 is thus approved. With β = 0.365 and t-values = 6.04, new items can be successfully introduced to the market through marketing opportunities. Nevertheless, compared to other innovation dimensions, the impact and significance are lesser. Additionally, with a P value of 0.00, the model shows that effectively using marketing opportunities promotes the successful introduction of new products. The coefficient is 0.36, meaning that a one-unit increase in marketing opportunity exploitation will result in a 0.36-unit increase in consumer value. Hypothesis H5 is thus approved.

4.7 Confirmatory factor analysis: second-order

A second-order (CFA) was then conducted to ascertain whether the two variables with each indicator represent a created variable in measuring marketing innovation. Figure 2 displays the findings.

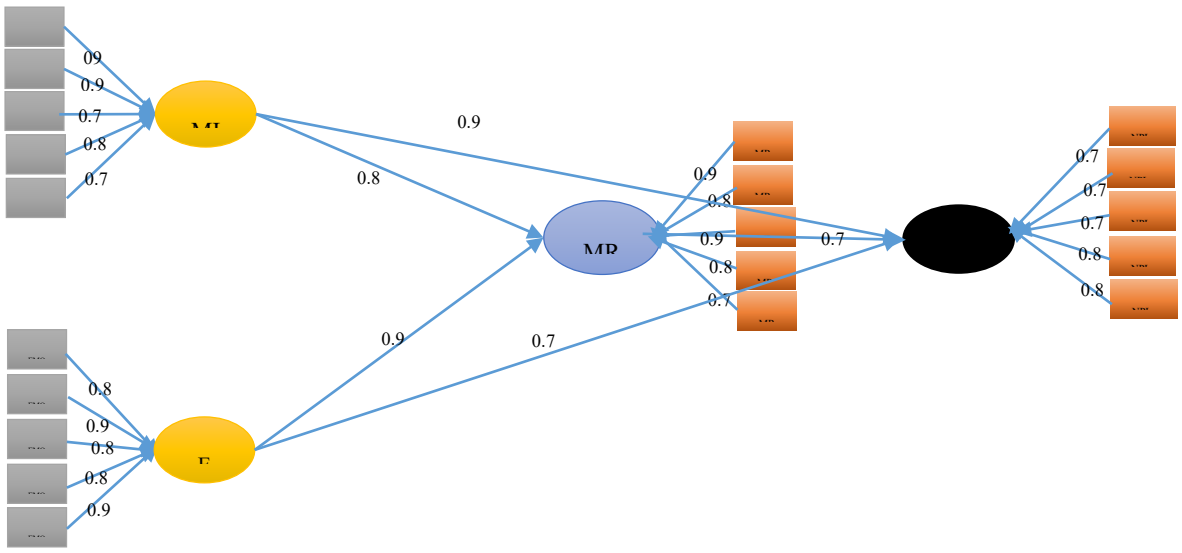

Figure 2: Measurement model from AMOS
Source: Structural Model and Outcomes from AMOS[25]-SEM.

As many as 40 indicators in each variable have a factor loading with a value greater than 0.65, as Figure 2 demonstrates. As a result, it is possible to use every indicator in every construct variable. Similarly, each variable's factor loading is more than 0.65. Since the Chi-Square, probability, (GFI), (RMSEA), and (TLI) values satisfy the requirements, the model is fit for the goodness of fit from the model above. The dark yellow ellipses in Figure 2 also indicate that (MI) and (EM) are the independent variables the researcher employed in the study. On the other hand, a pale blue ellipse represents (MR) and denotes the mediating variable that the researchers employed. The black ellipse represents the dependent variable (NPL). Factor patterns or structure matrix coefficients represent factor loadings. Regression coefficients in the first matrix predict observed variables, sometimes referred to as manifest variables, by multiplying standard components. On the other hand, product-moment correlation coefficients between common components and observed variables are included in the second matrix. Factor analysis results include factor loadings, a data reduction technique to explain the relationships between observable variables using fewer components.

5. DISCUSSION

The study results show a strong link between MI, EMO and the success of NPL in the Saudi market. It proves that MI plays a vital role in building competitive advantage by improving a company's

response to evolving consumer needs, and this finding is consistent with the findings of Chandy & Telles (2019). It also supports the RBT, highlighting the importance of unique resources, such as marketing capabilities, in gaining competitive advantage (Barney, 1991). Prior studies also indicate that adopting innovative strategies allows companies to create distinctive products, essential to success in an economy working towards diversification, as outlined in Vision 2030 (Al-Qahtani et al., 2021; Fiore et al., 2020). The synergy between theoretical concepts and empirical findings reinforces the necessity of promoting innovative marketing approaches to achieve long-term market sustainability.

The results also show that taking advantage of marketing opportunities leads to rapid and favourable market response, a conclusion supported by dynamic capabilities theory (Tees, 2007), which asserts that successful firms quickly adapt to opportunities in dynamic markets. This finding supports the study (Day & Moorman, 2019), which indicates that companies that excel at identifying and seizing opportunities in emerging markets achieve higher performance than competitors. In Saudi Arabia, where economic reforms are transforming consumer expectations, company's adept at exploiting opportunities are positioned to gain significant market share and enhance consumer brand interest (Wells et al., 2021; Cielo et al., 2021).

A key finding of this study is the mediating role of market response in driving new product launch success. The association between consumer response and product launch success is widely documented in the literature (Rubera & Kirca, 2012; Harmancioglu, Droge & Calantone, 2020), especially in competitive environments where brand perception and cultural fit are crucial, such as the Saudi market. Leveraging market response as a strategic advantage is a reliable indicator of product success (Calantone et al., 2010).

In addition, the study confirms the finding that entrepreneurial marketing strategies support successful product launches. This finding confirms (Morris, Schendhout, & LaForge, 2002) that entrepreneurial marketing, emphasizing innovation, proactiveness, and risk-taking, is highly effective in enhancing responsiveness to consumer preferences. This adaptability is essential in Saudi Arabia's competitive business environment, underscoring the importance of entrepreneurial marketing for successful product launches (Fiore et al., 2020; Kannan & Lee, 2017).

Finally, the study confirms that effective EMO is critical to successful NPL. This is consistent with the research of Atuahene-Gimma (2005), who showed that identifying and capitalising on market gaps can improve product differentiation significantly. In the Saudi context – characterised by unique social and economic characteristics and major consumer transformations in light of Vision 2030 – companies that adopt agile and effective strategies focusing on opportunities will benefit greatly.

6. CONCLUSION

The study has made an essential contribution to the literature on marketing innovation, opportunity exploitation and competitive advantage by exploring their joint influences on the success of new products in the Saudi market. It also promotes resource-based and dynamic capabilities theories by demonstrating the importance of marketing capabilities and adaptive strategies in an emerging and dynamic economy. By placing the study in the context of Saudi Arabia's Vision 2030, it highlights how unique resources, such as innovative marketing practices, enhance competitive positioning and maintain market relevance amid rapid economic changes.

At the empirical level, the study has enriched understanding of how market response influences the effect of marketing innovation and opportunity exploitation on product success. This insight adds depth to the body of knowledge, especially concerning non-Western markets, by showing that market responsiveness - rooted in cultural fit and brand perception – influences product adoption significantly in competitive and evolving markets. Moreover, the results confirm that entrepreneurial marketing strategies, including innovation and adaptability, are essential to meeting changing consumer expectations and achieving successful product launches, especially in the Saudi market.
Overall, this study provides valuable findings for theory and practice, demonstrating that effective marketing innovation and opportunity exploitation are essential for companies seeking sustainable

competitive advantage in emerging economies. By extending established theoretical frameworks and providing empirical insights specific to the economic landscape in Saudi Arabia, this study lays the foundation for future research on adaptive marketing strategies in similar developing markets.

7. LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

Despite its contributions, this study suffers from several limitations that may provide opportunities for future research. First, the study focuses specifically on the Saudi market, which limits the generalisability of the findings to other cultural and economic contexts. Saudi Arabia's unique economic environment, shaped by Vision 2030 reforms, may affect consumer behaviour and market dynamics differently than in emerging or established markets in other environments. Future research could explore these relationships across different regions to assess the applicability of the findings in diverse cultural and economic settings.

Second, while this study examines marketing innovation, opportunity exploitation and market response as factors influencing the success of new products, it has overlooked the potential impact of digital transformation, including e-commerce and social media, on these variables. Given the increasing role of digital platforms in shaping consumer preferences and market responses, future research could incorporate digital marketing channels to investigate how they interact with innovation strategies and exploit opportunities to influence product success.

Moreover, the cross-sectional design of this study may limit its ability to capture changes over time, especially as economic reforms and market conditions evolve. A longitudinal approach in future research could provide deeper insights into how the effectiveness of marketing innovation and opportunity exploitation strategies changes as markets mature. Such studies could also examine whether the initial effects of these strategies on new product success persist over time or their effectiveness diminishes as market conditions stabilise.

Finally, this study has relied primarily on quantitative methods, which, although helpful in identifying relationships between variables, may not capture the precise perspectives of decision-makers and consumers involved in marketing innovation and opportunity exploitation. Future research may benefit from a mixed methods approach, incorporating qualitative insights to explore the contextual factors and decision-making processes that support these strategies. Such techniques may yield richer insights into firms' strategic considerations in rapidly evolving competitive markets.

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APPENDIX 1: EVALUATING MEASUREMENT MODEL (SEM BY AMOS)

Construct	Item	AVE	MSV	√AVE	IC	CR	Loading	Rho-A
MI	**MI_1**	0.525	0.574	0.725	0.811	0.871	0.921	0.625
	MI_2						0.924	0.604
	MI_3						0.791	0.701
	MI_4						0.885	0.632
	MI_5						0.776	0.745
EMO	**EMO_1**	0.564	0.514	0.761	0.841	0.825	0.889	0.812
	EMO_2						0.911	0.714
	EMO_3						0.801	0.925
	EMO_4						0.835	0.641
	EMO_5						0.901	0.741
MR	**MR_1**	0.558	0.568	0.727	0.826	0.814	0.912	0.651
	MR_2						0.804	0.553
	MR_3						0.911	0.614
	MR_4						0.882	0.412
	MR_5						0.789	0.447
NPL	**NPL_1**	0.592	0.593	0.771	0.855	0.815	0.784	0.621
	NPL_2						0.783	0.811
	NPL_3						0.799	0.701
	NPL_4						0.889	0.735
	NPL_5						0.889	0.788

Source: prepared by researchers from the outputs of the statistical analysis program.

APPENDIX (2): QUESTIONNAIRE

Constructs, Scales, and Sources for Survey Questions			
Demographic Information	Gender	Male	(prepared by the author, 2024)
		Female	
	Age	18-25	
		26-35	
		36-45	
		46 and above	
	Position	Manager	
		Marketing Professional	
		Product Manager	
		Entrepreneur	
		Other (Please specify)	
		Years of Experience	
	Experience	Less than 2 years	
		2-5 years	
		6-10 years	
		More than 10 years	
Marketing Innovation	MI1	Our company regularly adopts innovative marketing strategies to differentiate our products.	(Chandy & Tellis, 2000; Henard & Szymanski, 2001)
	MI2	We leverage new marketing technologies to enhance customer engagement.	
	MI3	Marketing innovation in our company is a critical factor in staying relevant in the market.	
	MI4	Our marketing team continuously develops creative campaigns to align with market trends.	
	MI5	Innovation in marketing helps our company respond effectively to evolving customer needs.	
Exploitation of Marketing Opportunities	EMO1	Our company actively identifies and capitalizes on emerging market opportunities.	(Teece, 2007; Kuckertz et al., 2017)
	EMO2	We have a structured approach to evaluating and implementing market opportunities as they arise.	
	EMO3	Recognizing market gaps is crucial for our competitive advantage.	
	EMO4	Our company excels in adapting quickly to market trends.	
	EMO5	Exploiting market opportunities positively impacts our company's growth.	
Market Response	MR1	Our company actively measures customer reactions to our marketing efforts.	(Rust et al., 2004; Kohli & Jaworski, 1990)
	MR2	Customer feedback plays a crucial role in adjusting our marketing strategies.	
	MR3	We achieve high customer satisfaction through our response to market demands.	
	MR4	Our market response strategies help in building a strong brand reputation.	
	MR5	Positive market responses are essential for our product's success.	

New Product Launches	NPL1	Our company follows a well-structured process for launching new products.	(Florén et al., 2018).
	NPL2	We align our product launches with current consumer trends and preferences.	
	NPL3	Timely new product launches significantly impact our market share.	
	NPL4	New product launches are critical for maintaining our competitive position.	
	NPL5	Customer acceptance is a key indicator of a successful product launch.	

APPENDIX (3): CONSTRUCTS SCALE

The study questionnaire constructs are based on foundational and contemporary marketing and business management literature contributions. For Marketing Innovation (MI), these constructs are derived from the works of Chandy and Tellis (2000) and Henard and Szymanski (2001), which highlight the importance of adopting innovative marketing strategies and leveraging modern technologies to enhance customer engagement and ensure organizational sustainability in increasingly competitive markets (Chandy & Tellis, 2000; Henard & Szymanski, 2001). Regarding the Exploitation of Marketing Opportunities (EMO), the theoretical foundations are inspired by Teece (2007) and the empirical studies conducted by Kuckertz et al. (2017). These constructs focus on systematically evaluating market opportunities, capitalizing on existing market gaps, and rapidly adapting to market trends to ensure sustainable organizational growth (Teece, 2007; Kuckertz et al., 2017). For Market Response (MR), the constructs are based on the work of Rust et al. (2004) and Kohli and Jaworski (1990), emphasizing the importance of measuring customer reactions to marketing efforts, integrating customer feedback to adjust marketing strategies, and achieving customer satisfaction as a fundamental factor in enhancing brand success and market position (Rust et al., 2004; Kohli & Jaworski, 1990). Concerning New Product Launches (NPL), the constructs are informed by the research of Florén et al. (2018), which underscores the importance of structured product launch processes, aligning these processes with consumer trends and needs, and the critical role of timing in achieving a significant market share and maintaining competitive advantage. Additionally, customer acceptance is highlighted as a key determinant of successful product launches (Florén et al., 2018).