

# Service Innovation and Service Quality Effects on Marketing Performance of SMEs

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**Abstract:** *Purpose:* The purpose of this paper was to examine the relationship between service innovation, service quality and marketing performance of SMEs in Ghana. *Methods:* Data were obtained from 164 SMEs in the Kumasi metropolis of Ghana through a structured questionnaire. Convenience sampling techniques was used to select respondents. The paths of the relationships were estimated and tested using t-values and coefficient weights. The study made use of Statistical Package for Social Science (SPSS version 21) and AMOS in conducting the analysis. *Results:* The study found that service innovation has significant positive influence on marketing performance of SMEs. Service quality was also found to significantly influence marketing performance of SMEs. The results also showed that relationship between service innovation and service quality was positive. *Research limitations/implications–* This research has several managerial implications based on the results of the descriptive estimates and the inferential results. Future research should estimate relationships between service innovation, service quality, and marketing performances in other developing economies to expand understanding of the interactive effects of service quality and service innovative on marketing performance of SMEs and support in providing more insights into how its implementation will impact on overall marketing performance. *Originality:* Based on the research findings the study has added to the continuous research in the area of performance of SMEs, specifically marketing performance. This paper would be significant to service innovation and service quality dimensions in the operations of SMEs.

**Keywords:** Service Innovation, Service Quality, Marketing Performance, SMEs

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## 1. Introduction

In both developing and emerging economies of the world, legislatures at the local, regional and national governments' levels have been looking at the critical contribution of SMEs to their economies [64, 71, 75]. Critical to the survival of the SMEs is their ability to achieve higher business performance levels. Studies on SMEs performance have argued on the use of financial and non-financial indicators as measuring tools. The inconclusive nature of the argument in literature results from the numerous attributes that are used to predict firm performance. Management researchers like, Vargo et al, Atuahene-Gima, and Sampson have demonstrated that the ability to innovate and constantly providing quality of service can determine the outcome of business performance [82, 11, 72]. Issues relating to innovation of small firms has received

attention in management research.

In Ghana, the trend of innovation as found by some researchers has been as a result of the many challenges that restrain SMEs' ability to innovate. Asiedu, and Miles, explain that SMEs, significantly, do not have enough resources to compete with large organizations [10, 57]. Schilling and Werr [77] found that among the advantages most SMEs have is that they can be easily established and in terms of technology and capital; management and even utilities are not as required as in large companies as a result, the small business sector is the most prevailing system of business, accounting for 92% of firms in Ghana [1].

SMEs play a vital role in economic growth, even as they are key for creating employment in many other developing countries [45]. Therefore, the long run of the Ghanaian economy largely rests on the success of SMEs as in many other emerging nations. The Government of Ghana has

established an institutional fund to nurture and empower individuals and communities through entrepreneurship [61]. The SMEs sector is important to the economy, with the power to supply employment and produce for both domestic and export markets, thereby contributing to sustainable development [72, 24]. The SME sector provides employment opportunities for an oversized sector of the labour market [77]. They also support a more significant part of Ghana's population and contribute significantly to Ghana's gross domestic product. The SMEs sector, therefore, plays an important role in economic growth by improving the standard of lifetime of the people of Ghana.

Gefen and, Akbaba suggest that regardless of the growing importance of the service industry the world over and the role of quality as a critical competitive factor; service quality theories continue to face challenges [30, 6]. Luo and Bhattacharya and Gummesson, and Mele contend that, though there were numerous studies conducted in the area of service quality, quality related concerns in the SMEs sector will continuously receive considerable research attention [52, 36]. According to Vargo and Lusch, there is relatively limited studies on the antecedents and consequence of service quality in the SMEs sector of the economy [83]. Asiedu explain that SMEs are challenged with the complex problem of how to constantly provide quality service [10]. Researchers like, Parasuraman, et al and Nishtar, et al argued that SMEs pretend to provide service quality and customer focus [63, 59]. The lack of focus on service quality and customers results in organizations sometimes modeling their service and service delivery manners that do not precisely replicate the expectations and needs of their customers [86]. Such circumstances result in poor quality service supply [76]. SMEs organizations are also not able to provide the needed training, compensation and desired motivation for employees to efficiently deliver quality service [87]. However, there is limited research in the area of service quality, innovation and marketing performance of SMEs in Ghana, Bamfo, and Kraa, Dedeoğlu, et al, and Özkan et al, due to that this study seeks to conceptualized that there is going to be a positive impact on marketing performance of SMEs [16, 26, 62]. This study seeks to examine the relationship between service quality, service innovation and marketing performance of SMEs in Ghana from the perspective of a developing country.

## 2. Literature Review

### 2.1. The Concept of Service Quality

Service quality is described as the extent to which the expectation or the needs of consumers are provided [67, 56, 39]. In the situation measurement, service quality often has been theorized because the difference between the perceived and anticipated service [87, 13]. Measurement of service quality has been a key issue since the past numerous years and while a group of writers argue that it should be the difference between the perception and expectation [14] another group argues that perception includes expectation, and henceforth,

perception alone can be a measure of service quality [5, 60] applied the SERVQUAL framework to measure service quality including 22 items in five dimensions: reliability, tangible, responsiveness, assurance, and empathy. The dimensions have specific service characteristics that link to the expectation of consumers. The SERVQUAL [60] scale was primarily designed for the services marketing environment initially and subsequently extended to other service sectors.

Even though this framework as a tool has been applied in various researches across industries, some scholars have criticized the SERVQUAL scholars e.g. [5]. Several studies have established that SERVQUAL model is relevant in SMEs industry [25, 43, 85] and, hence, it is applied in this research to measure service quality. Donkor et al, also maintains that if service operators succeed in establishing a respectable relationship with their clients, a lifetime value will be attained [27]. There are three types of approaches used marketing that can be categorized for its purpose; acquiring the consumers, retaining the customers and creating customer loyalty [16].

### 2.2. The Concept of Service Innovation

Based on the constant changes in the business environment, there has been novel ways that services are provided. And as a result innovation in services involves transformation in a variety of aspects ranging from how the service is designed and developed to how it is delivered and managed [54, 78]. Service innovation can be said to be an amalgamation of product innovation, that is, "the introduction of new products, or a significant component transformation of an existing product," and process innovations [31]. Innovations in services is an interaction of service concepts, service delivery structures, client interfaces, and technologies [37], and often necessitates new paths in which consumers consider and use the service. [3] conceptualize service innovation as an improved service offering including new client encounter; new service delivery structure; new enterprise structure or marketing proposition; and/or developments in output and performance through human resources actions", further highlighting its multidimensional parts. Innovation in services is different from innovation in manufacturing principally because services are characterized by perishability, heterogeneity, intangibility, increased customer interactivity, and simultaneity between performing the service and consumption [69, 61]. The service innovations processes consist of a high degree of interactivity between the service supplier and customer [86]. This infers that service innovations can emphasis as much on these exchanges as on the actual service products or processes, and this is designated as "servuction" in the service innovation literature [65, 53]. The service dominant (S-D) logic [80, 79], is based on the ideas of service centricity and value co-creation between an organized network of suppliers and clients, is regarded as a valuable standpoint in appreciating service innovation across service systems [34, 19, 35, 80, 40].

### 2.3. Marketing Performance

Marketing performance has been defined by [38] as the effectiveness and efficiency of an organization's marketing activities with relevancy to market-related goals, like revenues, growth, and market share. Mostly, marketing performance uses financial and nonfinancial measures of output. Earlier labor on the measurement of marketing performance focused mainly on the financial measures of profit, sales (unit and value) [4] and cash flow [32, 9, 28]. However, there is some unease about the use of financial measures to assess marketing performance [41]. Traditional accounting systems have been criticized for the lack of consideration they give to long-term factors [8]. Presently, nonfinancial measures of output, such as customer satisfaction, customer loyalty, and brand equity have attracted considerable research interest [21]. Moreover, there has been a development from the measurement of just the output generated by marketing to measuring the marketing operations as well. Marketing operations including market orientation, marketing audit and marketing implementation lead to transitional outcomes such as customer satisfaction, brand equity and customer loyalty, which in turn result in financial output. The transitional outcomes may therefore be measured as marketing assets [17, 9] that may be used to produce greater marketing performance. A new development has emerged that links marketing performance to firm value, and in particular to shareholder value has been noted in existing literature [46, 49, 50, 68]. This development has developed because of burdens for marketing to possess greater accountability and credibility [50, 58, 15].

### 2.4. Service Innovation and Marketing Performance

According to [53] there has been a new trend in the study of service innovations in SMEs concerning the direction of in innovative networks and systems. It has been suggested that SMEs that wish to be innovative should reflect themselves being the part of creative systems. Research undertaken by [23] revealed that SMEs with innovative frameworks and schemes commonly have a strong creative ability because they have knowledge, skills and creative thinking in management, which is vital for innovation. As a result, they endorse considering SMEs service enterprises as a source of innovation since they develop the character of knowledge creators structured for customers. However, since several SMEs service firms' clients turn out to be creative, consumers have been realized being vital contributing issues to creativity in the SMEs. Customers could play a core role in service innovations by instituting guidelines for new services product augmentations [74, 51]. Using front-stage staff that could perhaps have the day-to-day interaction with consumers, acts like participants in the service innovation network continues to be recommended as one of the means of integrating the information from the clients during the innovation process. A study conducted by [48] found that service innovation affects marketing performances through direct and indirect paths where service quality plays a positive. Based on the argument

above, the study hypothesized that:

(H1): Service innovation has significant positive effects on marketing performance of SMEs

### 2.5. Service Innovation and Service Quality

Firms that focus on service quality have to consider that understandings the values that leads to innovation involves the adoption of new work practices in the continuous and radical changing environment. The firms that are geared towards delivering quality services have to be innovative oriented, [20, 39] hence, firms should encourage employees to convey new ideas in order to keep up with new market growths. Thus, putting in place measures that denotes the significance of mounting a culture that is set to accept new ideas through adopting new technologies and incorporated resources. Also, workers are inspired to take into account the adoption of innovation [20]. Some researchers highlight the consequence of employing cross purposeful teams [12], communication [47], counting both front-line workers as well as consumers [7] in the growth and development of new services [74]. The behaviours of competitors and consumers can affect the organizational practices towards innovation. Firms should leapfrog the essentials of competitors by conveying superior products and operating superior methods and strategies. Firms can accomplish this by developing innovative culture to offer new and current consumers successfully. They should think of how to produce and build new skills and knowledge concentrating on the dimensions of service quality successfully for their products and services [20, 42] to be anew. Thus, it can be hypothesized that:

(H2): Service innovation has significant positive relationship with Service quality of SMEs

### 2.6. Service Quality and Marketing Performance

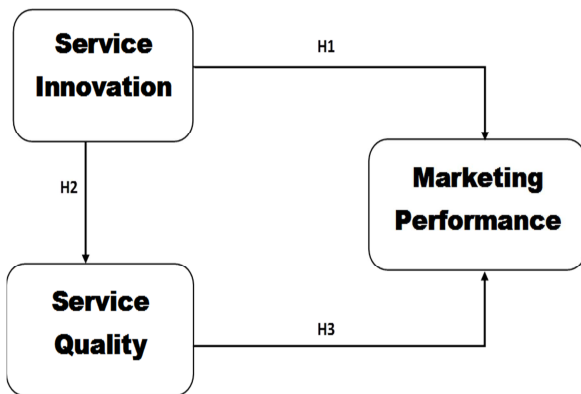
Service quality is a cognitive evaluation of business operator's performance whereas marketing performance is an emotional reaction to a specific operational performance [48]. The literature indicates that service quality by SMEs leads to an effective response in the form of customer satisfaction which results in higher marketing performance. The perceived higher levels service quality in of SMEs produce comparisons between customer expectations and perceptions results to a psychological state known as customer satisfaction. Therefore, customer satisfaction can be said to be an outcome of the customer's perceptions of service quality [22]. In the SMEs business operations, the management of quality cannot be separated from the management of performance. Quality improvement must embrace both customer delight and customer satisfaction [33]. Improving quality will lead to increased marketing performance through meeting customer expectations and achieving customer repeat purchase. That is, quality should reduce customer complaints through better handling of problems by reducing obstacles that usually cause customer to defect [68]. Identifying the specific expectations of the customers, the dimensions of the service quality and their relative importance for the customers for each specific

segment of the SMEs managements to surmount the challenge of upgrading the service quality delivering [6] service quality and its effects on marketing performance may have positive impact as this study seek to suggest. Thus, the relationship between service quality and marketing performance will be positively correlated only when the company can manage and control patterns of service quality elements to meet customer expectation. Based on the discussions on the relationship between service quality and marketing performance, this study hypothesized that;

(H3): *Service quality has significant positive effects on marketing performance of SMEs*

### 2.7. Conceptual Framework

The conceptual framework shows the representation of the relationship between the variables of the study thus, service quality, service innovation and market performance and the hypotheses path developed.



Source: Researcher's construct 2020

Figure 1. Conceptual framework.

## 3. Research Methodology and Measurement of Constructs

The study implemented explanatory research design approach. The study population comprised of SMEs owner/managers within the area of services with 200 SMEs sampled within the Kumasi metropolis of Ghana, and 164 questionnaires were returned for data cleaning and data management. Convenience and purposive sampling techniques were utilized in selecting respondents. Questionnaires on a 7-point Likert scale starting from very strongly disagree (1) to very strongly agree (7) to the statements was accustomed collect data from owner/ managers. The study made use of Statistical Package for science (SPSS version 21) and AMOS in conducting the analysis. Confirmatory factor analysis (CFA) was done after which problematic indicators that loaded poorly were taken out.

The study adopted service quality scale measurement from [22] to measure service quality. 5-items were summarized from the servqual model were used to measure the service quality. Marketing performance of SMEs was measured by subjective approach measurement approach. Subjective marketing performance had 7-items; customer acquisition,

customer satisfaction, customer expectation, customer repeat purchase and customer referrals, improved customer delight, customer relations and handling customer complaints). These measures have been used in previous studies (see; [55]; Agarwal et al. (2003). Service innovation of the SMEs was measured by how actively SMEs seek ways of doing things new, constantly making changes to lines of business operations among others used in previous studies [41, 18].

## 4. Demographic Characteristics

The demographic characteristic of the respondents was carefully considered. These includes their gender, age, position, diversity type and years of experience. The results

Table 1. Demographic characteristics of respondents.

Variables	Frequency (%)
<i>Gender Distribution</i>	
Males	94 (57.3)
Females	70 (42.7)
Total	164 (100)
<i>Age Distribution</i>	
25 – 34 years	20 (12.2)
35 – 45 years	66 (40.2)
46 – 55 years	60 (36.6)
Above 55 years	18 (11.0)
Total	164 (100)
<i>Working Experience</i>	
Below 5 years	17 (10.4)
6 – 10 years	60 (36.6)
11 – 15 years	33 (20.1)
16 – 20 years	26 (15.9)
Above 20 years	28 (17.1)
Total	164 (100)
<i>Position Level</i>	
Position Cert.	5 (3.0)
Cert. A	26 (15.9)
Graduate (BA, BSc. etc.)	104 (63.4)
Post Graduate (MA, MSc, MPHIL)	22 (13.4)
None	7 (4.30)
Total	164 (100)
<i>Diversity Types</i>	
Age Diversity	43 (26.2)
Tenure Diversity	69 (46.1)
Position Diversity	52 (31.7)
Total	164 (100)

The gender distribution places males at 57.3% corresponding to a total of 94 and 70 respondents to a valid percent of 42.7. This implies that the male gender was dominant in this research. From the survey, the age group with the least respondents was above 55 corresponding to a valid percentage of 11.0%. However, the age group with the highest responses corresponding to 40.2% was 35 – 45 with a total of 66 respondents. This means majority of the respondents were old enough to make decisions and contribute to the evaluation policies. The survey also looked at the diversity types of the respondents in three groups (namely, Age, Tenure and Position Diversity). This was done to establish the difference between respondents. The results however, favors the tenure diversity with 46.1% as majority. The age diversity in the survey contribute 26.2% and the position have a portion of

31.7%. The survey also evaluated the years of experience of each respondent to ascertain their duration of knowledge of operations of SMEs. The result shows the experience group of '5 years and below' with a percentage contribution of 10.4. The results of majority years of experience came from group of 6-10 years followed by 11-15 years with 36.6% and 20.1% respectively.

#### 4.1. Reliability and Validity Test

Testing the reliability of the measurement instrument, the Cronbach's alpha test was employed. From literature, the most accepted lower limit for Cronbach's alpha is 0.7 [66], however this may decrease to 0.6 in an exploratory research [66] suggested that the score for each construct should be greater than 0.6 for it to be reliable. In this respect, a score of 0.6 and above were accepted in this study as shown in table II. The

measurement model will be considered by observing the reliability, discriminant validity, and convergent validity. Especially, reliability which refers to the internal consistency of measurement, can be assessed by proving if the value of composite reliability (CR) is over 0.7, the average variance extracted (AVE) is  $>0.5$ , and Cronbach's  $\alpha$  is  $>0.6$  (Hair et al., 2006). Table 3 shows that the CR values ranged from 0.709 to 0.905 and also the AVE values ranged from 0.443 to 0.587. Most of those values are on top of the acceptance values 0.70 and 0.50 which indicate good construct reliability. Besides, so as to test the convergent validity, loading factor for every item was calculated. All item loadings are larger than 0.6 and t values show that each loading is significant at 0.05 which shows that the scale has good convergent validity. The bootstrapping method in AMOS software was used to test the statistical significance of the path coefficients of the studies.

**Table 2.** Reliability and Validity Test Factor Loading.

Marketing Performance (MP)					
Items	Factor Loadings	Composite Reliability (CR)	Cronbach's $\alpha$	Average Variance Extracted (AVE)	Means $\pm$ SD
MP1	.776	.882	.885	.517	4.3086 $\pm$ 1.86596
MP2	.760				4.2963 $\pm$ 1.69357
MP3	.753				4.3148 $\pm$ 1.88973
MP4	.701				4.3025 $\pm$ 1.62316
MP5	.686				4.4506 $\pm$ 1.84173
MP6	.681				4.4012 $\pm$ 1.90931
MP7	.667				4.1543 $\pm$ 1.69973
Service Quality (SQ)					
Items	Factor Loadings	Composite Reliability (CR)	Cronbach' $\alpha$	Average Variance Extracted (AVE)	Means $\pm$ SD
SQ1	.788	.851	.849	.533	4.5988 $\pm$ 1.77792
SQ2	.762				4.7778 $\pm$ 1.57228
SQ3	.703				4.7284 $\pm$ 1.63055
SQ4	.697				4.6296 $\pm$ 1.75835
SQ5	.697				4.1667 $\pm$ 1.88241
Service Innovation (SI)					
Items	Factor Loadings	Composite Reliability (CR)	Cronbach' $\alpha$	Average Variance Extracted (AVE)	Means $\pm$ SD
SI1	.769	.775	.833	.535	4.6852 $\pm$ 1.80569
SI2	.740				4.7469 $\pm$ 1.37553
SI3	.682				4.4938 $\pm$ 1.90862
SI4	.636				4.1728 $\pm$ 1.75726

The composite scale measures for the various constructs was used in this part of the study. Upon modification with covariance suggestions from the AMOS Graphics software used, the model was identifiable and the following summary for the structural equation model (SEM) was obtained as showed in the tables and discussions below.

**Table 3.** Model Identification— composite scale indicators.

Convergent Validity	(MP)	(SQ)	(SI)
CR	.882	.851	.775
Factor Loadings $\sqrt{(\text{CR})}$	.939	.880	.930
Error Variance (1-CR)	.118	.149	.225

The composite model modifications however caused great improvements to the model fit indices so there seem to be significance in the changes in measures. Convergent Validity is established in all the constructs.

**Table 4.** Discriminant validity.

Construct Correlation	Factor Correlation	Correlation Squared ( $r^2$ )	AVE 1 AVE 2 (AVEs should be $>r^2$ )	Discriminant Validity Status
MP $\leftarrow$ (SI)	.088	.008	.517.535	Established
SQ $\leftarrow$ (SI)	-.068	.005	.587.533	Established
MP $\leftarrow$ (SQ)	.168	.028	.517.533	Established

As can be seen from the above table, discriminant validity was established for each of the casual effect for the constructs. That is, both AVE estimates have to be greater than the shared variance estimate, not the average of the AVE estimates, as argued by (Bove et al., 2009).

**Table 5.** Standardized Residual Covariance (Group number 1 - Default model).

	(SQ)	SI	MP
(SI)	.000		
SQ	.000	.041	
MP	.000	.065	.055

It can also be seen from the above standardized residual covariances that none was outside the range 2 and -2. Hence also alluding to the model fit being good at examining the casual effect between the constructs.

**Table 6.** Fit indices.

CMIN	GFI	NFI	RMR	CFI	TLI	RMSEA	IFI
.990	.998	.995	1.137	1.000	1.069	.000	1.022

Some of the model fit indices obtained as shown in Table 6 includes Normed Fit Index (NFI), Goodness of Fit Index (GFI), root mean square residual (RMR), Non-Normed Fit Index (NNFI, also known as TLI (Tucker–Lewis index)), Incremental Fit Index (IFI), and root mean square error of approximation (RMSEA). Hu and Bentler (1999) suggested that for continuous data—RMSEA <.06, TLI >.95, CFI >.95, NFI >.90 and standard root mean square residual (SRMR) <.08. It appears all measured model fit indices is satisfactory

except for SRMR. Seven (7) out of eight (8) indices indicate that our model is a good fit.

#### 4.2. Path Hypothesis Testing

From the unstandardized regression weights coefficients obtained for each construct and their relationships test, the table below results was obtained. This is done to test our model hypothesis. i.e. H<sub>1</sub> – H<sub>3</sub>.

**Table 7.** Hypothesis Test.

Path Hypothesis	t – value	Coefficient ( $\beta$ )	P - value	R <sup>2</sup>	Decision
Service Innovation (SI) → Marketing Performance (MP)	4.757	.431	0.001***	.423	Supported
Service Innovation (SI) → Service Quality (SQ)	8.295	.672	0.001***	.712	Supported
Service Quality (SQ) → Marketing Performance (MP)	5.039	.601	0.001***	.531	Supported

\*\*\* (significance level)

To test the hypotheses developed in this study, path analysis using the maximum likelihood estimation was used to consider the significant role of service quality and service innovation in marketing performance of SMEs in Ghana. We used t-values and coefficient estimates ( $\beta$ ) to test our hypotheses. The results summarized in Table 7 show that model 1 Service Innovation (SI) has a significant and positive influence on Service Quality (SQ) with values ( $t=8.295$ ,  $P \leq 0.001$ ) and can explain ( $R^2=.712$  (71.2%)) of the variance in Marketing performance (MP). Thus, H<sub>2</sub> was supported. The study found support for Service Innovation (SI) has a significant positive influence on Marketing Performance (MP) with values ( $t=4.757$ ,  $P \leq 0.001$ ) and explain ( $R^2=.423$  (42.3%)) of the variance in marketing performance (MP) variance; therefore, H<sub>1</sub> was supported as shown in Table 7. Finally, the study found support that Service Quality (SQ) has a significant positive influence on Marketing Performance (MP) with values ( $t=5.039$ ,  $P \leq 0.001$ ) and explain ( $R^2=.531$  (53.1%)) of the variance in Marketing Performance. Thus, H<sub>3</sub> was supported.

## 5. Discussion of the Study

Service innovation, Service quality and marketing

performance measurement models are the focus of considerable attention in academic and practitioner business environment. Service innovation elements and Service quality dimensions make significant contributions to the marketing performance of SMEs [42]. The study sought to enrich the combine model of service innovation, service quality and marketing performance of SMEs in developing economies. More specifically, the study aims to answer the following research questions: to examine the effect of service quality on the marketing performance of SMEs in Ghana, to examine the effect of service innovation on the marketing performance of SMEs in Ghana and to examine the influence of service innovation on service quality of SMEs in Ghana. The study findings point to the fact that service innovation plays a vital role in marketing performance. Our results indicate that these impacts are substantial and have a significant on SMEs in the marketplace. The study tested that service quality has a positive and significant effect on Service Innovation of SMEs. This supports the studies of [20, 12, 47, 7, 74]. Thus, putting in place measures that signifies the importance of developing a culture that is ready to accept new ideas via using new technologies and integrated resources. Also, workers are motivated to take into account the adoption of innovation. Some research studies highpoint the significance of

employing cross functional teams, communication including both front-line workers as well as customers in the growth and development of the firm. SMEs should advance the benefits of competitors by delivering superior products and services by practicing superior methods and strategies. SMEs can undertake this by developing innovative culture to offer new and current customer service successfully. The study established that service innovation has a positive and significant effect on marketing performance of SMEs. This supports the studies of [84, 2]. Thus, an enhancement in the level of innovation activities (product, process, marketing, and organization) is likely to enhance marketing performance. Therefore, SME managers/owners must focus on and diligently invest more in innovation activities primarily in the area of new product development, new marketing programs, process innovation, and organizational innovation, which will contribute to enlightening marketing performance. The study finally confirmed that service quality has a positive and significant effect on marketing performance of SMEs. This is in line with, [81] description of service quality is the match between service expectations and service performance. In order to deliver quality, customer expectations should be met by the service provider on a consistent basis. Also, Service quality is the subjective comparison that customers make between the quality of service that they receive and the one they get [29].

## 6. Managerial Implications and Future Research

This research has several managerial implications based on the results of the descriptive estimates and the inferential results. The key finding of the study was that if marketing performance enhancement is the aim of the SMEs in Ghana, they need to emphasis principally on service quality indicators reliability, tangibility, responsiveness, empathy and assurance in their activities. This study has further concluded that for service quality to impact heavily on marketing performance SMEs in Ghana, SMEs owners have to continuously introduce new ideas. SMEs that are able to constantly innovate can achieve higher marketing performance levels. In developing contents for programmes and activities of SMEs, stakeholders such as National Board for Small Scale Industries, Association of Ghana Industries (AGI) and other enterprise support organizations must inculcate service quality and service innovation training packages for SMEs. SMEs sector should constantly remind their employees on the need to contribute to innovative culture of the business and also seek to provide service quality to clients. Future research should estimate relationships between service innovation, service quality, and marketing performances in other developing economies to expand understanding of the interactive effects of service quality and service innovative on marketing performance of SMEs and support in providing rich insights into how its implementation will impact on overall marketing performance. Other studies using service innovation should

look at the mediating role of service quality in measuring marketing performance of SMEs in Ghana.

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