Marketing Performance and Family-Owned Successor Skills in Foreign-Owned Businesses in Cambodia

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ABSTRACT

Purpose – Cambodia's liberal investment policies and economic growth have led to an increase in foreign-owned enterprises (FOEs), which often incorporate family-owned local partners. Market conditions, firm resources, and successor skills influence marketing performance in these hybrid business arrangements. This study investigates the relationship between family-owned successor skills and marketing performance in Cambodian FOEs, identifying critical successor competencies for success and offering managerial implications. **Methodology/Approach –** The study employed purposive sampling to gather information from foreigners with family businesses in Phnom Penh, Ta Khmau, and Sihanoukville, Cambodia. With 420 questionnaires distributed, 328 returned, and 38 rejected, 290 respondents provided valid data, aligning with Bowerman et al.'s formula for quantitative research and structural equation modelling (SEM). **Findings –** The study reveals that experiential knowledge and environmental sustainability intention significantly predict business alignment, positively influencing marketing performance and successor skills. The model supports hypotheses and offers valuable insights for strategic and succession planning, despite the rejection of the hypothesis about the family business mindset. **Novelty/value –** The study explores the impact of family-owned successor skills on marketing performance in foreign-owned businesses in Cambodia, using succession theory, marketing capability frameworks, resource-based view, knowledge-based View, stewardship theory, strategic fit theory, dynamic capabilities theory, and experiential learning theory to explain the research hypothesis development as proposed in Figure 1.

INTRODUCTION

Managing a family business is challenging, but succession planning is a crucial part of it. Continuity and preserving the family's legacy are of utmost importance. Family businesses are vital for social and economic growth worldwide, as they generate employment opportunities, foster innovation, and contribute to financial expansion (Gómez et al., 2025; Schlömer-Laufen & Rauch, 2020). Business owners in small and medium-sized enterprises (SMEs) play a crucial role in the growth of the world's

economies, as they significantly contribute to GDP and create jobs in their local communities. The World Bank (2024) states that Cambodia's economy is projected to grow at a rate of 7.7% per year from 1998 to 2019, making it one of the fastest-growing economies in the world. Plans that focus on digital transformation, financial support, and the adoption of new technologies will help SMEs remain crucial to Cambodia's economic success, even during challenging times. Researchers investigated what factors contribute to the success of small and medium-sized businesses (SMEs) and what business owners in Battambang City think about them. They found that SMEs are very important to Cambodia's gross domestic product (GDP) (Tieng et al., 2024).

Over the past twenty years, the Cambodian economy has experienced steady growth, driven by industries, tourism, construction, and foreign direct investment (FDI) (Kenh & Wei, 2023).The country's investment framework facilitates substantial foreign ownership and offers incentives to attract capital. Foreign-owned enterprises (FOEs) in Cambodia must excel in their marketing efforts, as it significantly impacts the number of customers they attract, the market share they hold, and the revenue they generate. Marketing performance is influenced by factors both within and outside the company, including demand, competition, regulations, and internal factors such as the marketing budget and product quality (McKinsey, 2023). In Cambodia's fast-paced and diverse market, a foreign-owned business's ability to effectively market its products is a key indicator of its competitiveness (World_Bank, 2024).

Family business succession is a well-known area of study in management. The processes of choosing, socializing, and training the next generation of leaders affect innovation, governance, the transfer of human capital, and the continuity of the company (Baltazar et al., 2023). Systematic reviews indicate that succession can either enhance or hinder innovation. Poorly managed transitions can stop knowledge transfer and slow down investment in market-facing projects. On the other hand, carefully planned succession that equips successors with managerial, strategic, and market skills can help companies become more resilient and perform better (Baltazar et al., 2023). Family businesses also tend to have unique resources (long-term orientation, socio-emotional wealth, network embeddedness) that can help them stay strong but also make it harder to govern during a transition (Yilmaz et al., 2024).

When family members work for or with companies owned by people from other countries, things get even more complicated. Foreign investors bring money, a global brand, and formal management systems. Local family businesses bring market knowledge, networks, and credibility in regional institutions. The interaction between foreign management practices and family successor skills influences how marketing strategies are adapted to local markets, how customer segments are targeted, and how distribution channels are established. Recent research on family businesses shows that successful family businesses intentionally train the next generation in both governance and business skills. They do this by combining family values (long-term orientation, mission) with strategic actions (talent development, resource reallocation) to achieve market success. These are important lessons for family successors who need to work with or integrate with foreign business models (Asaf et al., 2023).

What is missing in the research, and what the study adds. There is a considerable amount of research on family business succession and marketing performance; however, there is a lack of studies that examine the relationship between successor skills and marketing performance in foreign-owned businesses in emerging economies, such as Cambodia. The fields of family business succession and marketing performance are well-established. Still, there isn't much real-world evidence about how they

work together in FOEs in emerging economies, especially in Southeast Asia. Some important gaps include the lack of evidence on how successor competencies impact marketing performance, insufficient research on governance arrangements, and a dearth of studies on specific countries. The study brings together three areas of research: measuring marketing performance (marketing capabilities and customer metrics) and family-owned business succession (successor human and social capital). The research will use a quantitative survey of foreign-owned and foreign-partnered firms in Cambodia, as well as assessments of successor competency and marketing performance indicators (like market share growth, customer retention, and marketing ROI). This study explores the impact of family-owned successor skills on marketing performance in foreign-owned enterprises (FOEs) in Cambodia. It integrates literature on marketing capabilities, succession, and international business governance, offering insights for foreign investors and Cambodian partners on developing successor competencies for improved competitiveness.

LITERATURE REVIEW

Theoretical Foundation

This study integrates existing theoretical foundations to explain the proposed research hypotheses, as outlined in Figure 1. The details of each theoretical perspective are also described below.

Resource-Based View and Knowledge-Based View

According to the RBV, a company's competitive edge comes from resources that are valuable, rare, hard to copy, and not easily replaced (Barney, 1991). Experiential knowledge meets all of these requirements and helps businesses align their strategies with market opportunities. The KBV builds on this idea by saying that knowledge, especially tacit and experiential knowledge, is the most important strategic asset (Grant, 1996). Knowledge gained through operational practice enhances the quality of decisions and facilitates better collaboration among businesses.

Environmental Sustainability as a Strategic Capability

The natural-resource-based extension of RBV suggests that environmental sustainability objectives are strategic resources that enhance a company's legitimacy, facilitate better connections with stakeholders, and increase its flexibility (Barney et al., 2011). Proactive sustainability initiatives ensure that a company's operations align with the law and societal expectations, thereby strengthening strategic coherence and alignment.

Stewardship Theory and Family Business Orientation

Stewardship theory suggests that business managers, particularly in family-owned businesses, often assume the role of stewards by prioritizing long-term profits (Davis et al., 1997; Davis et al., 2009). The family business attitude is based on shared values, trust, and the passing of the business from one generation to the next. It helps ensure that strategic decisions align with the company's goals.

Strategic Fit and Business Alignment

The strategic fit theory posits that businesses perform better when their internal resources align with the external environment (Venkatraman & Camillus, 1984). Business alignment makes sure that strategic goals, operational processes, and market opportunities all work together. This enhances marketing and succession planning.

Dynamic Capabilities and Successor Skills

The dynamic capabilities theory illustrates how businesses combine, enhance, and adapt their resources to respond to changing situations (Teece, 2007). Business alignment is a dynamic skill because it enables people to learn new things and share their knowledge with others, preparing them for future leadership roles.

Experiential Learning and Marketing Performance

Kolb and Wolfe's experiential learning theory (1981) suggests that people learn best when they undergo cycles of experiencing something, reflecting on it, generating ideas, and trying out new approaches. Successors can utilize marketing performance results to obtain real-world data that will help them enhance their market skills. From a KBV perspective, these experiences help the company learn more (Nonaka & Takeuchi, 1995).

Hypotheses Development
The relationship between experiential knowledge and business alignment
According to RBV, experiential knowledge is a strategic resource that can give you a long-term advantage over your competitors (Barney, 1991). The KBV view suggests that this type of information, derived from past experiences and learning within the company, enables a business to better align its strategic goals with market demands (Grant, 1996). This study assumes that experiential knowledge is a rare and valuable resource that enables businesses to ensure their strategies align with opportunities. Therefore, the following hypothesis is proposed:

Hypothesis 1: Experiential knowledge has a positive impact on business alignment.

The relationship between environmental sustainability intention and business alignment
According to the natural-resource-based view (RBV), environmental policies can be used as strategic tools to improve legitimacy and market position (Hart, 1995). Companies that are serious about protecting the environment are more effective at integrating sustainability into their strategic alignment. Thus, environmental sustainability intentions serve as strategic resources that strengthen the fit between business operations and market trends. Then, the following hypothesis is proposed:

Hypothesis 2: Environmental sustainability intention has a positive impact on business alignment.

The relationship between family business mindset and business alignment
According to stewardship theory, family owners are responsible for ensuring that the business remains viable in the long term by aligning strategic choices with long-term principles (Davis et al., 1997). A family business mindset helps ensure that day-to-day tasks align with long-term goals. This study asserts that a long-term orientation and strong family values promote strategic alignment, focusing on organizational goals. Then, the following hypothesis is proposed:

Hypothesis 3: Family business mindset has a positive impact on business alignment.

The relationship between business alignment and marketing performance
The strategic fit theory posits that performance improves when internal resources and external conditions are well-aligned (Venkatraman & Camillus, 1984). Alignment enables businesses to tailor their marketing strategies to be more relevant to the market, utilizing fewer resources, which in turn improves marketing results (Teece, 2007). Business strategic alignment enhances marketing

effectiveness by ensuring that company resources align with market needs. Thus, the following hypothesis is proposed:

Hypothesis 4: Business alignment has a positive effect on marketing performance.

The relationship between business alignment and successor skills
The dynamic capabilities hypothesis posits that the ability to change and allocate resources effectively helps develop capabilities (Teece, 2007). Strategic alignment also helps pass on knowledge and leadership skills to successors in family businesses. Alignment enables successors to share information and acquire new skills. Thus, the following hypothesis is proposed:

Hypothesis 5: Business alignment has a positive impact on successor skills.

The relationship between marketing performance and successor skills

Experiential learning (Kolb, 1984) suggests that people learn by doing things, interacting with real-world consequences, and reflecting on what they have learned. KBV is all about building knowledge, and good marketing performance gives successors real-world experience that makes them better at their jobs (Nonaka & Takeuchi, 1995). Market results provide successors with an opportunity to learn new things that will enable them to perform better in the market. Thus, the following hypothesis is proposed:

Hypothesis 6: Marketing performance has a positive impact on successor skills.

The conceptual framework (Figure 1) is based on several theories that work together to explain the proposed relationships. The Resource-Based View (Barney, 1991) and the Knowledge-Based View (Grant, 1996) both suggest that experiential knowledge is a strategic asset that facilitates collaboration among businesses. Barney et al. (2011) say that the natural-resource-based RBV sees environmental sustainability as a way to improve legitimacy and relationships with stakeholders. Stewardship theory (Davis et al., 1997) connects a family business's focus to long-term strategic coherence. Strategic fit theory (Venkatraman & Camillus, 1984) stresses the importance of aligning resources with market opportunities. Dynamic capabilities (Teece, 2007) and experiential learning (Kolb & Wolfe, 1981) help us understand how business alignment, marketing performance, and successor skills change in environments that are always changing.
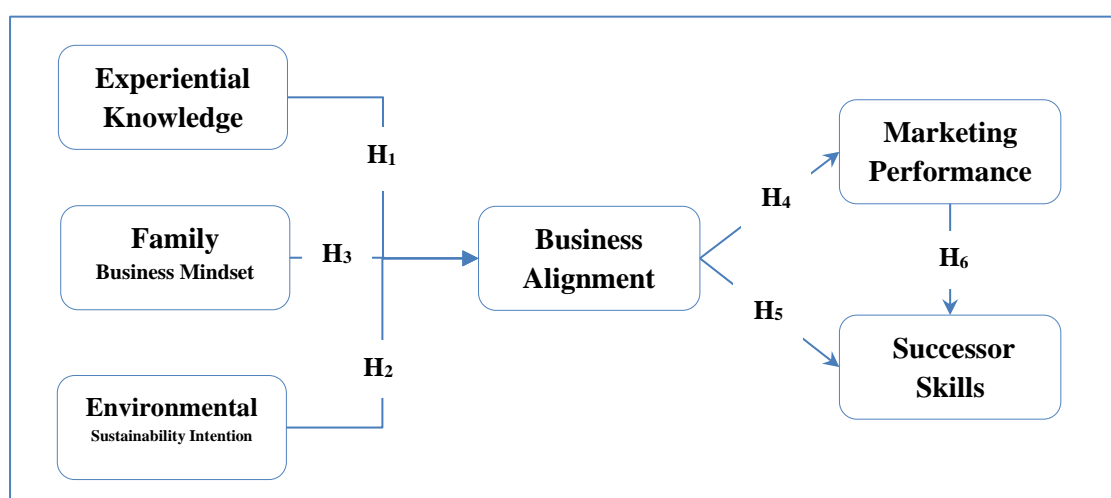
Source: Own authors
Figure 1. Conceptual Framework of Family Foreign-Owned Business Successor Skills

METHOD

Sampling Procedures and Sample Sizes

A non-probability sampling technique (i.e., purposive sampling) is adopted to collect information from a foreigner (i.e., one who can speak and read English) who owns a family business in three core business sectors in Phnom Penh City, Ta Khmau City, and Sihanoukville City, Cambodia. A total of 420 questionnaires were distributed, and 328 were returned, resulting in a response rate of 78.10%. Additionally, 38 questionnaires were rejected due to the presence of serious missing information during the survey. Thus, a total of 290 respondents provided valid data for this study. The sample size of this study is also consistent with the formula proposed by Bowerman et al. (2019), which suggests that the sample size for quantitative research should be at least 196 respondents for structural equation modeling (SEM) (Veasna et al., 2013).

Measurement Scales

This study adopted questionnaire items from existing literature reviews and scholars, such as four items of Experiential Knowledge, which were adopted from Royer et al. (2008). Eleven items of Family Business Mindset were adopted from Rieg et al. (2025). Five items of Marketing Performance were adopted from Pisicchio and Toaldo (2021). Seven items of Business Alignment were adopted from Pisicchio and Toaldo (2021). Fifteen items of Successor Skills were adopted from Georgiou et al. (2023). Five items of Environmental Sustainability Intention were adopted from Singh et al. (2021). All questionnaire items were designed in English to gather information from foreign-owned family businesses in the potential main areas of Phnom Penh City, Ta Khmau City, and Sihanoukville City, Cambodia—a self-administered survey with structured questionnaires (Appendix: Questionnaire design).

Statistical Analysis

This study utilizes SPSS 29 and AMOS 29 to perform descriptive statistics, exploratory factor analysis, reliability tests, correlation matrices, confirmatory factor analysis (CFA), and structural equation modeling (SEM) to explore the research objectives and test the proposed research hypotheses.

RESULT AND DISCUSSION

According to the results in Table 1, this research manuscript employed a principal component factor analysis with varimax rotation to assess the degree to which the study variables cohere. The Kaiser–Meyer–Olkin (KMO) measures of sampling adequacy ranged from 0.619 to 0.960, which is higher than the minimum recommended value of 0.60 (Kaiser, 1974). This means that the sample was good for factor analysis. Eigenvalues for all constructs were more than 1.0, and the cumulative variance explained ranged from 53.389% (Marketing Performance) to 73.501% (Environmental Sustainability Intention). This meets Hair et al.'s (2019) standards for acceptable explained variance in social sciences. All of the retained items had factor loadings (FLs) above the threshold of 0.60. The deleted items (FBM10, ESI5, ESI2) were removed to improve the cumulative variance and factor clarity (Hair Jr et al., 2019). The corrected item-total correlations (ITC) ranged from 0.442 to 0.813, indicating that the items were able to distinguish between them. Cronbach's alpha (α) values ranged from 0.743 (Experiential Knowledge) to 0.958 (Successor Skills), which is higher than the recommended minimum of 0.70 (Kline, 1999). This means that all constructs had strong internal consistency reliability. The factor analysis revealed that the research variables were one-dimensional and demonstrated construct validity. The reliability analysis showed that all retained items were highly consistent with one another. Based on these results, we can say that the tools we used to measure experiential knowledge, family

business mindset, marketing performance, business alignment, successor skills, and environmental sustainability intention in this study are both valid and reliable.

Table 1. The results of the factor analysis and the reliability test

Research Variables	Codes	Factor Analysis				Reliability Test	
		FL	KMO	Eig.	CUM%	ITM	α
Experiential Knowledge	EXK2	0.804	**0.682**	**2.264**	**56.600**	0.613	**0.743**
	EXK1	0.794				0.592	
	EXK3	0.716				0.491	
	EXK4	0.689				0.466	
Family Business Mindset			**0.924**	**5.204**	**65.054**	0.794	**0.923**
	FBM2	0.850					
	FBM3	0.835				0.778	
	FBM5	0.818				0.746	
	FBM7	0.813				0.752	
	FBM6	0.800				0.706	
	FBM8	0.795				0.731	
	FBM1	0.777				0.728	
	FBM4	0.760				0.686	
	FBM10	*0.624*	*Deleted to increase the level of CUM%*				
	FBM9	*0.603*					
	FBM11	*0.557*					
Marketing Performance			**0.749**	**2.669**	**53.389**	0.633	**0.779**
	MAP5	0.796					
	MAP3	0.753				0.576	
	MAP2	0.75				0.578	
	MAP4	0.724				0.545	
	MAP1	0.618				0.442	
Business Alignment			**0.875**	**4.252**	**60.750**	0.748	**0.892**
	BUA3	0.827					
	BUA2	0.793				0.707	
	BUA7	0.785				0.696	
	BUA5	0.783				0.692	
	BUA4	0.761				0.661	
	BUA6	0.760				0.667	
	BUA1	0.744				0.649	
Successor Skills	SSK14	0.830	**0.960**	**9.445**	**62.968**	0.801	**0.958**
	SSK10	0.830				0.799	
	SSK2	0.824				0.793	
	SSK9	0.817				0.784	
	SSK8	0.804				0.771	
	SSK5	0.804				0.769	
	SSK11	0.801				0.767	
	SSK7	0.797				0.763	
	SSK4	0.792				0.759	
	SSK1	0.785				0.749	
	SSK13	0.772				0.735	
	SSK12	0.770				0.732	
	SSK15	0.765				0.727	
	SSK3	0.758				0.719	

	SSK6	0.749				0.711	
Environmental	ESI3	0.929	**0.619**	**2.205**	**73.501**	0.813	**0.815**
Sustainability	ESI4	0.886				0.709	
Intention	ESI1	0.746				0.516	
	ESI5	*0.406*	*Deleted FL<0.60*				
	ESI2	*0.243*					

Source: Own authors (2025)

Note:

FL= Factor loading score > 0.60; KMO=Kaiser-Meyer-Olkin Measure > 0.50; Eig=Eigenvalue > 1; CUM = Cumulative % > 60%; ITM = Item-Total Correlation > 0.50; α = Cronbach's Alpha > 0.70.

Confirmatory Factor Analysis (CFA)

By using Confirmatory Factor Analysis (CFA), a statistical tool, to verify the factor structure of observable data, this study confirms all of EFA's formal conclusions twice (Hair et al., 2014). Researchers can use it to test their ideas about how observed measurements relate to the latent conceptions that underlie them (Kline, 2023). Researchers can use CFA to test their hypotheses and verify whether measurement tools and theoretical models are accurate (Kwon et al., 2023). Average Variance Extracted (AVE) and Composite Reliability (CR) are two key measures used in Confirmatory Factor Analysis (CFA) to assess the validity of a measurement model. An AVE score of 0.5 or higher signifies that the error variance is less than the average variation that the latent constructs explain. Hair et al. (2014) and Kline (2023) say that composite reliability (CR) shows how consistently indicators measure a latent concept in CFA. A CR of 0.7 or greater is a very good level of internal consistency.

Table 2 and Figure 2 show that the Cronbach's Alpha values (Table 1) for each research concept meet the minimum standards set by Hair Jr et al. (2019). The Composite Reliability (CR) value was higher than 0.7, while the Average Variance Extracted (AVE) value was lower at 0.418. This study finds that all of the research constructs have adequate and satisfactory levels of validity and reliability based on the results of both Exploratory Factor Analysis (EFA) and CFA.

Table 2. The result of CFA

Indicators	**Research Constructs**	**λ**	**t-value**	**AVE**	**CR**
EXK1	Experiential Knowledge	0.797	A	**0.420**	**0.731**
EXK2		0.781	11.086		
EXK3		0.465	7.296		
EXK4		0.466	7.469		
FBM6	Family Business Mindset	0.772	A	**0.622**	**0.892**
FBM5		0.787	16.373		
FBM3		0.814	16.957		
FBM2		0.753	15.45		
FBM7		0.816	17.042		
MAP2	Marketing Performance	0.703	A	**0.418**	**0.779**
MAP3		0.770	10.135		
MAP4		0.526	7.884		
MAP5		0.629	9.518		
MAP1		0.575	7.822		
BUA7	Business Alignment	0.760	A	**0.520**	**0.883**
BUA6		0.775	13.322		
BUA5		0.759	12.984		

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BUA4		0.658	10.992		
BUA3		0.756	12.872		
BUA2		0.679	11.35		
BUA1		0.648	10.86		
SSK8	Successor Skills	0.802	A	**0.551**	**0.953**
SSK9		0.794	15.463		
SSK10		0.814	16.022		
SSK11		0.790	15.577		
SSK2		0.802	15.89		
SSK5		0.800	14.282		
SSK7		0.787	15.217		
SSK4		0.759	14.476		
SSK1		0.757	14.418		
SSK13		0.725	13.749		
SSK12		0.732	14.026		
SSK15		0.732	13.817		
SSK3		0.720	13.518		
SSK6		0.731	13.811		
ESI4	Environmental Sustainability Intention	0.820	A	**0.645**	**0.839**
ESI3		0.977	23.465		
ESI1		0.555	10.425		

	Statistical Fit Index (Thresholds)	**Results**		**Evaluation**	
	CMIN/DF < 2.50	1.897		Good	
	GFI > 0.90	0.833		Adequate	
	AGFI > 0.90	0.800		Adequate	
	NFI > 0.90	0.862		Good	
	CFI > 0.90	0.929		Good	
	RMSEA < 0.08	0.056		Good	
	Overall model is adequate fit for this study (i.e., Phou et al., 2025)				

Source: Authors (2025)

Note: ***p<0.001 and significant at t-value > 1.96; A is fixed at the regression weight equal to 1. λ= Standardized estimates.

[1] Average Variance Extracted—AVE ($AVE = \frac{\sum_{i=1}^{n} \lambda_i^2}{n}$)   (1)

[2] Composite Reliability—CR ($CR = \frac{(\sum_{i=1}^{n} \lambda_i)^2}{(\sum_{i=1}^{n} \lambda_i)^2 + (\sum_{i=1}^{n} \delta_i)}$)   (2)
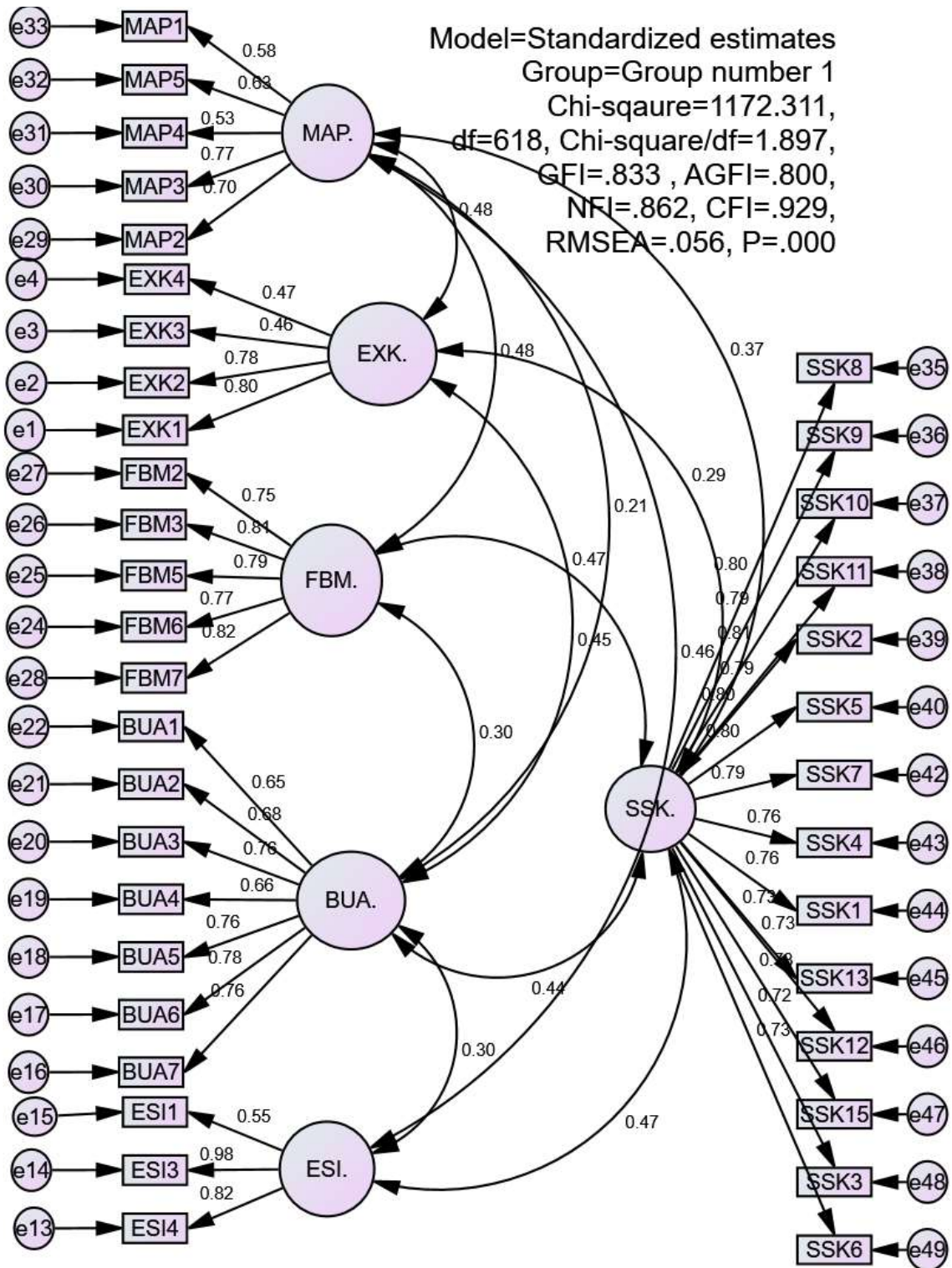
Figure 2. Overall model of CFA

Structural Equation Modeling (SEM)

This research manuscript utilized the last formal research items from the Confirmatory Factor Analysis (CFA) to conduct Structural Equation Modeling (SEM) and test the research hypotheses we developed. SEM is a statistical method that combines factor analysis and multiple regression analysis to examine complex relationships between observed and latent variables. It examines causal links, tests theoretical models, models latent constructs, and accounts for measurement error (Bollen, 1989). The Goodness-of-Fit Index (GFI) indicates how well the proposed model fits the data obtained. According to Hair et al. (2014), a common threshold is 0.9 or higher. The Adjusted Goodness of Fit Index (AGFI) is a type of GFI that examines the complexity of the model. It predicts that models with more parameters will fit less well (Jöreskog et al., 2016). GFI and AGFI are both important for evaluating the goodness of fit of a model. However, you should consider them in conjunction with other fit indices to gain a comprehensive understanding of the model's performance. There are three types of fit indices: absolute fit indices (like $RMSEA < 0.08$), incremental fit indices (like CFI, NFI, and $TLI > 0.90$), and parsimony fit indices (Kline, 2023).

The results (Table 3 and Figure 3) indicated that experiential knowledge has a significant impact on business alignment ($\beta = 0.368^{***}$, t-value = 5.289, p-value < 0.001)—Hypothesis 1 is accepted and environmental sustainability intention has a significantly predicted business alignment ($\beta = 0.232^{**}$, t-value = 2.67, p-value= 0.008 < 0.05)—Hypothesis 2 is accepted, whereas family business mindset did not significant influence business alignment ($\beta = 0.012$, t-value = 0.162, p-value = 0.872)—Hypothesis 3 is rejected. Additionally, business alignment significantly influenced marketing performance ($\beta = 0.253^{***}$, t-value = 3.635, p-value < 0.001)—Hypothesis 4 is accepted, and successor skills ($\beta = 0.37^{***}$, t-value = 5.888, p-value < 0.001)—Hypothesis 5 is accepted. Finally, marketing performance had a significant positive effect on successor skills ($\beta = 0.27^{***}$, t-value = 4.204, p-value < 0.001)—Hypothesis 6 is accepted.

In summary, the Structural Equation Model reveals several significant connections between the variables (Table 3). Experiential Knowledge (EXK) and Environmental Sustainability Intention (ESI) are both important factors that can help predict Business Alignment (BUA). Business Alignment (BUA) is a good indicator of how well Marketing Performance (MAP) and Successor Skills (SSK) will perform. Successor Skills (SSK) are also greatly affected by Marketing Performance (MAP). But the idea that Family Business Mindset (FBM) directly predicts Business Alignment (BUA) was not supported by the data in this model. Therefore, the overall model provides a good explanation of the relationships between the variables, and several key fit indices indicate that it fits the data well, supporting most of the hypothesized relationships.

Table 3. The results of SEM

Path Relationships			β	*t*-value	*p*-value	Results
EXK	→	BUA	0.368^{***}	5.289	0.000	Accepted
ESI	→	BUA	0.232^{**}	2.67	0.008	Accepted
FBM	**→**	**BUA**	**0.012**	**0.162**	**0.872**	**Rejected**
BUA	→	MAP	0.253^{***}	3.635	0.000	Accepted
BUA	→	SSK	0.37^{***}	5.888	0.000	Accepted
MAP	→	SSK	0.27^{***}	4.204	0.000	Accepted
Statistical Fit Index	**Thresholds**		**Results**			
$CMIN(\chi^2)//DF$	< 2.50		1.903	Overall model is adequate fit		
GFI	> 0.90		0.835	for this study.		
AGFI	> 0.90		0.802			

NFI	> 0.90	0.861
CFI	> 0.90	0.928
RMSEA	< 0.08	0.056

Source: Authors (2025)

Note: β: Standardized Coefficient, ***p<0.001; **p<0.05; significant at t-value > 1.96

EXK= Experiential Knowledge; FBM = Family Business Mindset; MAP = Marketing Performance; BUA = Business Alignment; SSK = Successor Skills; ESI = Environmental Sustainability Intention
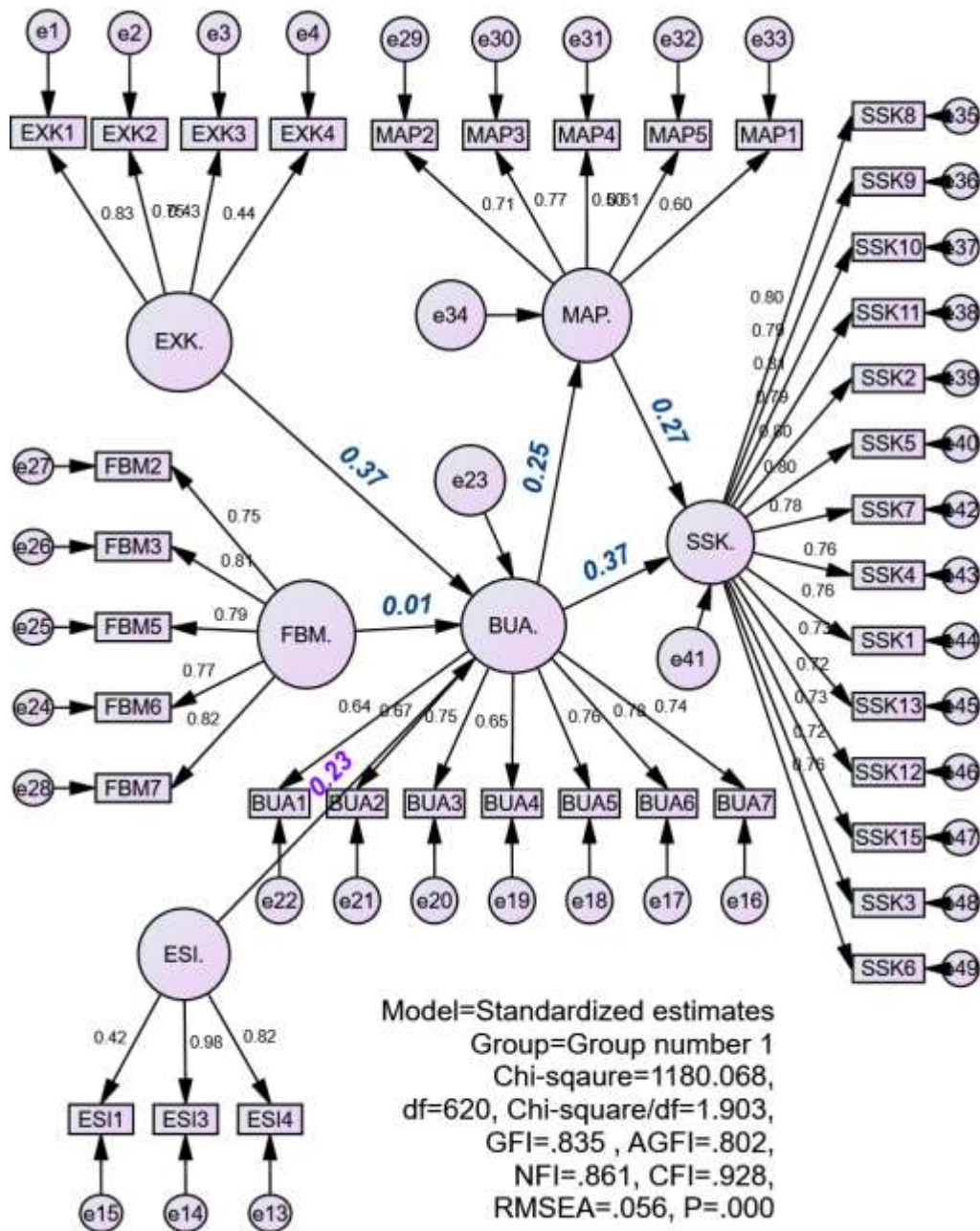

Figure 3. The result of SEM

CONCLUSION

This study utilized the final measurement items from the Confirmatory Factor Analysis (CFA) to create and test a Structural Equation Model (SEM) examining the proposed relationships between the study constructs. SEM combines factor analysis and multiple regression analysis, enabling the simultaneous evaluation of measurement models and structural paths while accounting for measurement error (Bollen, 1989). This method works especially well for identifying complex cause-and-effect relationships between hidden constructs, such as the skills of family-owned successors and the marketing performance of foreign-owned businesses in Cambodia. The research model explained a lot of the differences in the endogenous constructs and fit well across all the important indices. The results indicate that EXK and ESI are significant predictors of BUA, a crucial factor influencing both MAP and SSK. Additionally, MAP is essential for strengthening SSK. On the other hand, FBM did not turn out to be a strong direct predictor of BUA in this group of foreign-owned businesses in Cambodia. The lack of a significant link between Family Business Mindset (FBM) and Business Alignment (BUA) in Cambodian companies owned by foreigners could be due to factors related to the situation or the structure of the businesses. In these types of companies, corporate policies, professional management systems, and shareholder directives often determine strategic alignment rather than traditional family values (Calabrò et al., 2021). Additionally, FBM may indirectly affect BUA through factors such as leadership style, culture, or succession planning, rather than directly (Zahra et al., 2004). Differences in culture and ownership can also weaken the power of family-centered values. For example, when people from other countries own a business, they may value standardized global practices more than family business traditions. Therefore, these results support most of the proposed hypotheses and demonstrate that the model is robust enough to illustrate how marketing performance and successor skills interact in this unique business setting.

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Appendix—Questionnaire design

1. Experiential Knowledge—[EXK] (Royer et al., 2008)
1. Prior legal knowledge
2. Prior marketing knowledge
3. Prior industry experience in other firms
4. Prior experience in the same firm

2. Family Business Mindset—[FBM] (Rieg et al., 2025)
1. Family members approach changes with a positive mindset.
2. Family members are adequately able to deal with role changes (e.g, succession) within the family.
3. If necessary, the family is willing to change rules immediately.
4. Family members can handle changes well.
5. Family members actively initiate change.
6. Our family approaches change without hesitation.
7. All family members know how important change is.
8. Family members do not consider changes as threats.
9. Change is normal for family members.
10. The family gladly let's change happen.
11. The family is willing to make difficult decisions when it considers them necessary.

3. Marketing Performance—[MAP] (Pisicchio & Toaldo, 2021)

Related to the objectives stablished in the last year . . .

1. . . . we improved our customer´s satisfaction.
2. . . . we acquired new costumers more than what was expected.
3. . . . we improved our costumer´s attendance.
4. . . . we achieved our sales goals.
5. . . . we improved the customer´s loyalty.

4. Business Alignment—[BUA] (Pisicchio & Toaldo, 2021)
1. We carefully manage our internal horizontal communication insuring everyone to know the organization objectives.
2. Our company carefully manages the vertical communications making sure that the information flow goes through all organizational levels.
3. We seek that our external agent and partners maintain contact among themselves at least once a month.
4. In our company, horizontal and vertical cooperation is crucial, because all areas affect our reputation.
5. In our company, employees and managers share corporative values and company goals, that guide their tasks and functions.
6. Encourage and promote a collaborative culture is highly relevant to achieve coordination mechanisms between our organizational functions.
7. We train our employees to develop coordination and cooperation skills.

5. Successor Skills—[SSK] (Georgiou et al., 2023)
1. To be dynamic and hard worker knowing that there is "no free lunch"
2. To have leadership skills in order to lead, inspire others and delegate.

3. To be caring and passionate about the winery, the vines, and wine.
4. To be bright, pro-active, flexible, and reflected professional.
5. To be highly self-managed and self-motivated.
6. To be a relentless pursuer of positive change and innovation.
7. To develop social skills (such as leadership, negotiation, and presentation skills, vision, and respect the family principles and values etc.)
8. To respect incumbent's endeavors
9. To be a team player and accepted from the family members and employees and life time contribution to business success.
10. To present an outstanding academic knowledge, wine culture and know-how.
11. To maintain good interpersonal relationships with the members of the family owners, customers, suppliers, other associates and national authorities.
12. To seek to maximize shareholders' equity while being a socially responsible and helpful.
13. To have a multidimensional professional experience gained from the inside of the family winery as well as from the wine industry in general.
14. To be open-minded and ready to listen to incumbent's recommendations and guides.
15. To engender and preserve a quality relationship with incumbent.

6. *Environmental Sustainability Intention—[ESI] (Singh et al., 2021)*

1. I intend to have my family-owned business to be environmentally sustainable.
2. I predict that I would have my family-owned business to be environmentally sustainable.
3. I plan to have my family-owned business to be environmentally sustainable.
4. I will always try to have my family-owned business to be environmentally sustainable.
5. I will recommend to others to be environmentally sustainable.