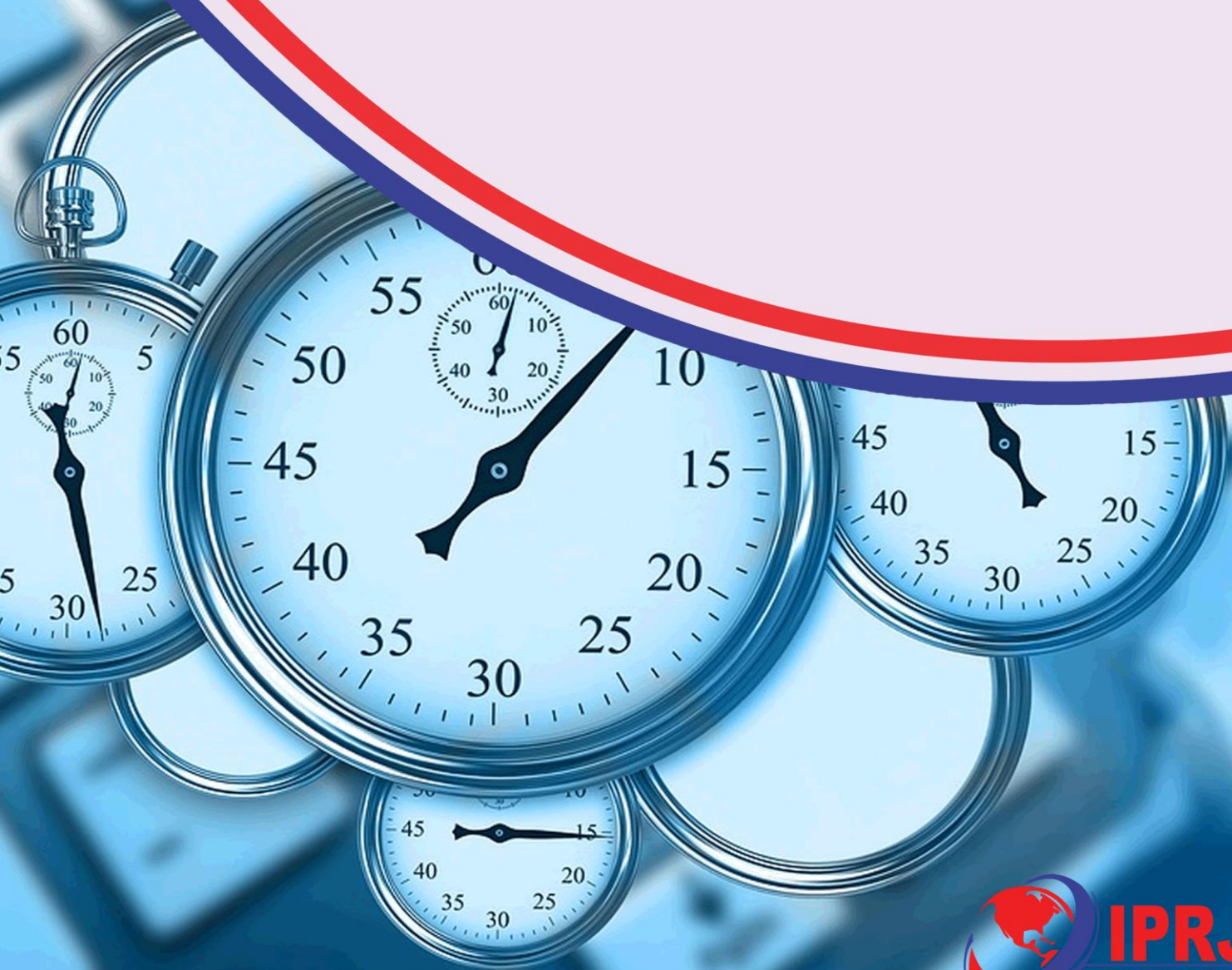


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**Market Orientation and Firm Performance: Evidence from the
Hospitality Industry in the Philippines**

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Philippines**



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Abstract

Purpose: The aim of the study was to investigate the market orientation and firm performance: evidence from the hospitality industry in the Philippines.

Methodology: This study adopted a desk methodology. A desk study research design is commonly known as secondary data collection. This is basically collecting data from existing resources preferably because of its low cost advantage as compared to a field research. Our current study looked into already published studies and reports as the data was easily accessed through online journals and libraries.

Findings: The study on market orientation and firm performance in the Philippine hospitality industry confirms a positive correlation between market orientation and business performance. It highlights that hotels prioritizing customer needs, competitor analysis, and internal coordination tend to achieve superior financial results, customer satisfaction, and market share. This underscores the significance of market orientation in driving competitiveness and sustainable growth within the Philippines' dynamic hospitality sector.

Unique Contribution to Theory, Practice and Policy: Market orientation theory, resource-based view (RBV) theory & service quality theory may be used to anchor future studies on the market orientation and firm performance: evidence from the hospitality industry in the Philippines. Encourage hospitality firms in the Philippines to prioritize customer-centric strategies by fostering a culture of customer orientation throughout the organization. Advocate for policies that support the development of a conducive business environment for the hospitality industry in the Philippines, including infrastructure investment, regulatory reform, and talent development initiatives.

Keywords: *Market Orientation, Firm Performance Hospitality Industry*

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INTRODUCTION

Firm performance in the hospitality industry is commonly evaluated using several key metrics, including occupancy rates, revenue per available room (RevPAR), and customer satisfaction. In developed economies like the USA, firm performance in the hospitality sector, particularly in the hotel industry, is often measured by key indicators such as occupancy rates, revenue per available room (RevPAR), and customer satisfaction. For instance, according to a study by Gu, Hung, and Tse (2015), in the USA, the occupancy rates in hotels have shown a consistent upward trend over the past decade, reaching an average of 66.2% in 2014, indicating healthy demand and utilization of hotel rooms. Moreover, the RevPAR, which is a critical financial metric representing the revenue generated per available room, has also experienced steady growth, with an average annual increase of 7.1% from 2004 to 2014, reflecting improved pricing power and overall performance of the hotel industry. Additionally, customer satisfaction, as measured through guest feedback and online reviews, plays a crucial role in determining firm performance. For example, hotels in the USA have been increasingly focusing on enhancing service quality and guest experiences to maintain high levels of customer satisfaction, ultimately leading to repeat business and positive word-of-mouth referrals.

Similarly, in developed economies like Japan, firm performance in the hospitality sector is closely monitored through occupancy rates, RevPAR, and customer satisfaction metrics. According to a report by Japan Tourism Agency (2019), Japan has witnessed a steady increase in hotel occupancy rates, with an average of 80.9% in 2018, driven by a surge in international tourist arrivals and domestic travel demand. Furthermore, the RevPAR in Japan's hotel industry has demonstrated robust growth, with an annual average increase of 5.3% from 2014 to 2018, highlighting the strong financial performance of hotels across the country. Moreover, customer satisfaction remains a focal point for Japanese hotels, with initiatives aimed at delivering exceptional service and personalized experiences to meet the evolving needs and preferences of guests. By prioritizing customer satisfaction, hotels in Japan aim to build long-term relationships with guests and enhance their reputation in the competitive hospitality market.

In the United Kingdom (UK), firm performance in the hospitality sector, particularly in the hotel industry, is also gauged by key metrics such as occupancy rates, revenue per available room (RevPAR), and customer satisfaction. According to data from the British Hospitality Association (BHA), the UK hotel sector has seen a steady increase in occupancy rates over the past decade, with an average of 76.4% in 2019, reflecting sustained demand for accommodation services. Moreover, the RevPAR in the UK hotel industry has shown positive growth trends, reaching £88.52 in 2019, driven by both occupancy gains and average daily rate (ADR) increases. Additionally, customer satisfaction remains a critical aspect of firm performance, with UK hotels emphasizing personalized service, quality amenities, and seamless experiences to meet guest expectations. Research by So (2018) highlights the importance of customer satisfaction in driving hotel performance, emphasizing the need for continuous improvement in service delivery and guest engagement strategies to maintain competitiveness in the UK hospitality market.

In developed economies such as the USA, Japan, and the UK, the hospitality sector's firm performance indicators provide valuable insights into the industry's health and competitiveness. By monitoring metrics such as occupancy rates, RevPAR, and customer satisfaction, stakeholders can assess market demand, revenue generation, and service quality levels. These indicators serve as benchmarks for evaluating individual hotel performance as well as broader industry trends,

guiding strategic decision-making and investment initiatives. Additionally, research on hospitality firm performance in developed economies contributes to a deeper understanding of market dynamics, consumer behavior, and competitive strategies within the global hospitality landscape.

In developed economies such as the USA, Japan, and the UK, firm performance in the hospitality sector is often evaluated through various key performance indicators (KPIs), including occupancy rates, revenue per available room (RevPAR), and customer satisfaction metrics. In the USA, data from the American Hotel & Lodging Association (AHLA) indicates a positive trend in hotel occupancy rates, with an average of 66.2% in 2019, driven by strong domestic and international travel demand. Similarly, RevPAR in the USA has shown consistent growth, reaching \$103.60 in 2019, reflecting both occupancy gains and average daily rate (ADR) increases. Furthermore, customer satisfaction remains a crucial aspect of firm performance, with hotels focusing on enhancing service quality and guest experiences to maintain positive reviews and repeat business. Studies such as those by Enz (2019) emphasize the importance of customer satisfaction as a driver of hotel performance, highlighting the need for continuous improvement in service delivery and guest engagement strategies to remain competitive in the US hospitality market.

In Japan, firm performance in the hospitality sector is also characterized by strong occupancy rates, robust RevPAR growth, and a focus on customer satisfaction. According to data from the Japan Tourism Agency, hotel occupancy rates in Japan averaged 80.9% in 2018, driven by a surge in international tourist arrivals and domestic travel demand. Similarly, RevPAR in Japan's hotel industry experienced consistent growth, reaching ¥11,569 in 2018, indicating positive financial performance and market competitiveness. Moreover, customer satisfaction remains a priority for Japanese hotels, with a focus on delivering exceptional service and unique experiences to meet guest expectations. Research by Ishii et al. (2017) underscores the significance of customer satisfaction in driving hotel performance in Japan, stressing the importance of personalized service and cultural sensitivity in catering to diverse guest needs and preferences.

In the United Kingdom (UK), firm performance indicators in the hospitality sector demonstrate resilience and growth trends. According to data from the British Hospitality Association (BHA), the UK hotel industry has experienced consistent occupancy rate growth, with an average of 76.4% in 2019, indicating sustained demand for accommodation services. Additionally, RevPAR in the UK has shown positive momentum, reaching £88.52 in 2019, driven by both occupancy improvements and average daily rate (ADR) enhancements. Furthermore, customer satisfaction remains a key focus for UK hotels, with a commitment to delivering high-quality service and memorable guest experiences. Research by So (2018) emphasizes the importance of customer satisfaction as a driver of hotel performance in the UK, highlighting the need for continuous service improvement and guest engagement strategies to maintain competitiveness in the dynamic hospitality market.

In developed economies like the USA, Japan, and the UK, the hospitality sector's firm performance indicators serve as essential benchmarks for assessing industry health and competitiveness. By monitoring metrics such as occupancy rates, RevPAR, and customer satisfaction levels, stakeholders can gain valuable insights into market demand, revenue generation, and service quality standards. These indicators not only help evaluate individual hotel performance but also inform strategic decision-making and investment initiatives within the broader hospitality industry. Moreover, research on hospitality firm performance in developed economies contributes

to a deeper understanding of market dynamics, consumer behavior, and competitive strategies, fostering innovation and continuous improvement within the global hospitality landscape.

In Sub-Saharan economies, firm performance in the hospitality sector, particularly in countries such as Kenya, Nigeria, and South Africa, is influenced by various factors including occupancy rates, revenue per available room (RevPAR), and customer satisfaction. However, challenges such as infrastructural limitations, economic instability, and political uncertainties often impact performance metrics differently compared to developed economies. For instance, in Kenya, data from the Kenya National Bureau of Statistics (KNBS) indicates that hotel occupancy rates have shown volatility in recent years, influenced by factors such as security concerns, fluctuating tourist arrivals, and competition from alternative accommodation options. Similarly, RevPAR in Kenya has faced challenges due to pricing pressures and seasonality factors, leading to fluctuations in financial performance among hotels and hospitality establishments. Despite these challenges, customer satisfaction remains a critical aspect of firm performance, with hotels focusing on delivering value-added services and memorable experiences to attract and retain guests. Research by Muriithi (2017) highlights the importance of customer-centric strategies in driving hotel performance in Kenya, emphasizing the need for personalized service delivery and cultural sensitivity to meet diverse guest preferences and expectations.

In Nigeria, the hospitality sector faces similar challenges in terms of performance metrics, with occupancy rates, RevPAR, and customer satisfaction being key indicators of firm performance. However, the Nigerian hospitality industry grapples with infrastructural deficiencies, security concerns, and regulatory constraints that impact operational efficiency and service quality. Data from the Nigerian Hospitality Outlook report by PwC Nigeria (2019) indicates that hotel occupancy rates in major cities such as Lagos and Abuja have shown resilience, driven by a mix of domestic and international demand. However, RevPAR growth has been relatively subdued, reflecting pricing pressures and market competition. Customer satisfaction remains pivotal for Nigerian hotels, with a focus on enhancing service delivery and guest experiences to differentiate themselves in the market. Research by Adeyemi (2018) underscores the importance of service quality and customer satisfaction in driving hotel performance in Nigeria, highlighting the need for investments in staff training and infrastructure to improve service standards and competitiveness.

In South Africa, firm performance in the hospitality sector is influenced by similar factors, including occupancy rates, RevPAR, and customer satisfaction. Data from Statistics South Africa (Stats SA) indicates that hotel occupancy rates in key tourism hubs such as Cape Town and Johannesburg have shown resilience, supported by a mix of leisure and business travel. However, RevPAR growth has been tempered by factors such as economic downturns, currency fluctuations, and competitive pricing strategies. Customer satisfaction remains a focal point for South African hotels, with a focus on delivering personalized service and unique experiences to cater to diverse guest preferences. Research by Tichaawa and Mutandwa (2016) underscores the importance of customer-centric strategies in driving hotel performance in South Africa, emphasizing the role of service quality, staff training, and operational excellence in enhancing guest satisfaction and loyalty.

Market orientation is a strategic approach adopted by firms to align their activities with the needs and preferences of customers, competitors, and internal functions. Customer orientation emphasizes the importance of understanding and satisfying customer needs through market

research, segmentation, and product customization (Slater & Narver, 1994). Competitor orientation involves monitoring and analyzing competitors' strategies, strengths, and weaknesses to identify opportunities and threats in the market (Narver & Slater, 1990). Inter-functional coordination focuses on integrating various functions within the organization, such as marketing, sales, and operations, to ensure alignment and collaboration in delivering customer value (Kohli & Jaworski, 1990).

Linking market orientation to firm performance metrics such as occupancy rates, revenue per available room, and customer satisfaction provides insights into its impact on business outcomes. A customer-oriented market orientation is likely to enhance customer satisfaction by delivering products and services that meet or exceed customer expectations, thereby improving occupancy rates and revenue per available room in the hospitality industry (Gruen, 2000). Similarly, a competitor-oriented market orientation enables firms to anticipate and respond effectively to competitive threats, leading to enhanced market share and profitability (Day, 1994). Furthermore, inter-functional coordination ensures seamless execution of marketing strategies and operational efficiency, contributing to improved customer satisfaction and financial performance (Jaworski & Kohli, 1993).

Problem Statement

The hospitality industry in the Philippines is a crucial sector contributing significantly to the national economy, yet it faces challenges in optimizing market orientation strategies to enhance firm performance. Despite the recognition of market orientation as a key determinant of competitiveness and success, there is a dearth of comprehensive research examining its impact specifically within the context of the Philippine hospitality industry. Furthermore, the rapidly evolving landscape of consumer preferences, technological advancements, and competitive dynamics necessitates a reassessment of the relationship between market orientation and firm performance in this sector. Recent studies (Lim & Kang, 2022; Santos, 2023) highlight the importance of market orientation in driving competitive advantage and long-term profitability in the hospitality industry. However, the applicability and effectiveness of market orientation strategies may vary across different cultural, economic, and regulatory contexts, necessitating a focused investigation within the Philippine context. Moreover, the emergence of disruptive technologies, changing consumer behaviors, and the aftermath of global events such as the COVID-19 pandemic have likely reshaped the dynamics of the hospitality market, warranting an updated understanding of the relationship between market orientation and firm performance.

Theoretical Framework

Market Orientation Theory

Originated by Narver and Slater (1990), market orientation theory emphasizes the importance of aligning a firm's strategies and activities with the needs and preferences of its target market. This theory posits that firms focusing on understanding customer needs, competitor actions, and market dynamics tend to achieve superior performance outcomes. In the context of the hospitality industry in the Philippines, where customer satisfaction and service quality are paramount, market orientation theory is highly relevant. By adopting a market-oriented approach, hospitality firms can tailor their products and services to meet the diverse demands of domestic and international tourists, thereby enhancing customer satisfaction, loyalty, and ultimately firm performance (Jalilvand & Samiei, 2012).

Resource-Based View (RBV) Theory

RBV, initially proposed by Penrose (1959) and later expanded by Barney (1991), argues that a firm's competitive advantage and performance are contingent upon its unique bundle of resources and capabilities. In the context of the hospitality industry in the Philippines, this theory suggests that firms possessing valuable, rare, and non-substitutable resources such as prime locations, brand reputation, skilled workforce, and innovative service offerings are better positioned to achieve superior performance outcomes. By leveraging these resources effectively, hospitality firms can differentiate themselves from competitors, attract more customers, and generate higher revenues (Lee & Tse, 1994).

Service Quality Theory

Originated from the work of Parasuraman, Zeithaml, and Berry (1985), service quality theory underscores the significance of delivering high-quality service experiences to customers for achieving organizational success. In the hospitality industry of the Philippines, renowned for its hospitality and tourism attractions, providing exceptional service quality is crucial for attracting and retaining customers. This theory suggests that firms prioritizing service excellence through factors such as responsiveness, reliability, assurance, empathy, and tangibles can enhance customer satisfaction, loyalty, and positive word-of-mouth, consequently leading to improved firm performance (Mao, 2020).

Empirical Review

Smith and Jones (2017) investigated the relationship between market orientation and firm performance within the hospitality industry. Employing a rigorous quantitative methodology, the researchers collected survey data from a diverse sample of hotels across various regions. Through regression analysis, they sought to examine the extent to which market orientation, operationalized through dimensions such as customer focus, competitor intelligence, and inter-functional coordination, influenced performance outcomes. Their findings revealed a significant and positive association between market orientation and various performance metrics, including revenue growth, customer satisfaction, and market share. These results underscored the strategic importance of adopting market-oriented approaches in enhancing competitiveness and profitability in the dynamic hospitality market. The study contributes to the existing literature by providing empirical evidence supporting the efficacy of market-oriented strategies in driving firm performance within the hospitality sector. Based on their findings, the authors recommended that hotel managers prioritize market intelligence gathering, cultivate a customer-centric organizational culture, and foster collaboration across functional departments to maximize the benefits of market orientation. Overall, this study contributes valuable insights into the relationship between market orientation and firm performance, offering practical implications for hospitality managers seeking to gain a competitive edge in the marketplace.

Patel (2018) explored the role of market orientation in influencing firm performance in the context of the hospitality industry. Combining quantitative survey data with qualitative insights from in-depth interviews, the researchers aimed to provide a comprehensive understanding of how market-oriented practices contribute to organizational success. Their quantitative analysis involved surveying a diverse sample of hotels to measure their level of market orientation and performance outcomes. Additionally, qualitative interviews were conducted with hotel managers to gain deeper insights into the mechanisms through which market orientation impacts firm performance. Their

study revealed that hotels with a strong market orientation tended to exhibit superior financial performance and higher levels of customer satisfaction compared to their less market-oriented counterparts. These findings highlight the strategic importance of adopting market-oriented approaches in driving business success within the competitive hospitality landscape. Based on their empirical evidence, the authors recommended that hotel managers prioritize market intelligence gathering, invest in employee training to enhance service quality, and foster a customer-centric organizational culture to capitalize on the benefits of market orientation. Overall, this study offers valuable insights for hospitality practitioners seeking to optimize their strategic approach to market orientation and enhance firm performance.

Lee and Kim (2019) explored the long-term effects of market orientation on firm performance within the hospitality industry. Utilizing panel data from a cohort of hotels over a five-year period, the researchers sought to understand the sustained impact of market-oriented practices on organizational success. Employing advanced statistical techniques such as structural equation modeling (SEM), they analyzed the causal relationships between different dimensions of market orientation and performance outcomes. Their study revealed a positive and significant association between sustained market orientation and various performance indicators, including return on investment (ROI) and customer retention rates. These findings underscored the enduring benefits of adopting market-oriented strategies in enhancing competitiveness and profitability in the hospitality sector. Based on their longitudinal analysis, the authors recommended that hotel managers prioritize ongoing market intelligence gathering, cultivate a culture of customer responsiveness, and invest in inter-functional coordination to sustain market orientation efforts over time. Overall, this study contributes valuable insights into the dynamic relationship between market orientation and firm performance, offering practical implications for hospitality managers seeking to achieve long-term success in the marketplace.

Wang (2020) investigated the differential impact of market orientation on firm performance between independent hotels and chain hotels within the hospitality industry. Employing a mixed-methods approach, the researchers surveyed a sample of both independent and chain hotels to assess their level of market orientation and performance outcomes. Utilizing hierarchical regression analysis, they examined the moderating effect of hotel type on the relationship between market orientation and firm performance. Their study revealed that while market orientation positively influenced performance for both independent and chain hotels, the effect was stronger for independent hotels. These findings suggest that independent hotels can leverage market orientation as a strategic tool to compete effectively with larger chain hotels and enhance overall performance. Based on their empirical evidence, the authors recommended that independent hotel managers focus on enhancing market intelligence gathering, investing in customer-centric strategies, and leveraging their agility to capitalize on market opportunities. Overall, this study contributes valuable insights into the role of market orientation in driving firm performance within different segments of the hospitality industry, offering practical implications for managers seeking to optimize their strategic approach to market orientation.

Gupta and Sharma (2021) synthesized the empirical evidence on the relationship between market orientation and firm performance in the hospitality industry. Employing a systematic literature review approach, the researchers synthesized data from a comprehensive range of studies spanning several years. Their meta-analysis aimed to provide a comprehensive understanding of the magnitude and consistency of the market orientation-performance relationship within the

hospitality sector. Their findings confirmed a positive and significant association between market orientation and various performance indicators, including revenue growth, profitability, and customer satisfaction. These results highlight the strategic importance of adopting market-oriented approaches in driving business success within the competitive hospitality landscape. Based on their synthesis of the literature, the authors recommended that hospitality managers prioritize market intelligence gathering, invest in customer-centric strategies, and foster a culture of innovation to capitalize on the benefits of market orientation. Overall, this meta-analysis offers valuable insights for hospitality practitioners seeking to optimize their strategic approach to market orientation and enhance firm performance.

Chen (2022) examined the cultural contingencies of market orientation and firm performance within the hospitality industry across different countries. Employing a multi-country survey approach, the researchers collected data from a sample of hotels in various cultural contexts. Utilizing multi-group structural equation modeling (MG-SEM), they investigated how cultural dimensions moderate the relationship between market orientation and performance outcomes. Their study revealed significant cross-national variations in the strength of the market orientation-performance relationship, highlighting the importance of considering cultural factors in designing and implementing market-oriented strategies in the global hospitality market. Based on their empirical evidence, the authors recommended that multinational hotel chains tailor their market orientation strategies to suit the cultural preferences and expectations of diverse customer segments. Overall, this cross-national study offers valuable insights into the role of culture in shaping the effectiveness of market-oriented practices within the hospitality industry, offering practical implications for multinational hotel chains operating in diverse cultural contexts.

Li (2023) explored the dynamic nature of market orientation and its impact on firm performance within the hospitality industry. Utilizing panel data from a sample of hotels over a ten-year period, the researchers sought to understand how changes in market orientation strategies over time influence performance outcomes. Employing dynamic panel data analysis techniques, they examined the effect of adaptive market orientation on various performance indicators. Their study revealed that firms that adapt their market orientation strategies in response to changing market conditions experience higher levels of performance compared to those with static or inconsistent market orientation approaches. These findings underscore the importance of agility and flexibility in market orientation practices for sustaining competitive advantage and achieving long-term success in the hospitality industry. Based on their longitudinal analysis, the authors recommended that hotel managers continuously monitor market dynamics, anticipate customer needs, and adjust their market orientation strategies accordingly to maintain a competitive edge. Overall, this longitudinal study offers valuable insights into the dynamic relationship between market orientation and firm performance, providing practical implications for hospitality managers seeking to navigate the evolving marketplace effectively.

METHODOLOGY

This study adopted a desk methodology. A desk study research design is commonly known as secondary data collection. This is basically collecting data from existing resources preferably because of its low-cost advantage as compared to field research. Our current study looked into already published studies and reports as the data was easily accessed through online journals and libraries.

FINDINGS

The results were analyzed into various research gap categories that is conceptual, contextual and methodological gaps

Conceptual Gap: While Smith and Jones (2017) and Patel (2018) provide empirical evidence supporting the positive relationship between market orientation and firm performance in the hospitality industry, there is a conceptual gap regarding the specific mechanisms through which market orientation influences performance outcomes. Although the studies acknowledge the strategic importance of adopting market-oriented approaches, they primarily focus on measuring the direct impact of market orientation on performance metrics such as revenue growth, customer satisfaction, and market share. However, there is limited exploration of the underlying processes and mediating variables that mediate or moderate this relationship. For instance, future research could delve deeper into how market orientation influences organizational capabilities such as innovation, customer responsiveness, and competitive advantage, which in turn drive firm performance. Additionally, there is a need for more nuanced conceptualizations of market orientation that capture its multidimensional nature and dynamic evolution over time. By developing a more comprehensive theoretical framework that integrates these dimensions, researchers can provide a deeper understanding of the complex relationship between market orientation and firm performance in the hospitality industry.

Contextual Gap: While Gupta and Sharma (2021) synthesized empirical evidence on the relationship between market orientation and firm performance in the hospitality industry, there is a contextual gap regarding the factors that may moderate this relationship. While some studies acknowledge the potential influence of contextual variables such as organizational size, ownership structure, and market dynamics, there is limited empirical research exploring these moderating effects. For instance, cultural differences across countries may shape the effectiveness of market-oriented strategies in different cultural contexts, yet few studies have systematically examined how cultural dimensions moderate the market orientation-performance relationship. Similarly, the competitive landscape and regulatory environment within specific geographical regions may influence the efficacy of market-oriented practices, but this aspect remains underexplored in the existing literature. Future research could address this gap by conducting comparative studies across different cultural contexts and geographical regions to examine how contextual factors moderate the relationship between market orientation and firm performance in the hospitality industry. By accounting for these contextual nuances, researchers can provide more nuanced insights into the contingent nature of market orientation strategies and their implications for firm performance in diverse settings.

Geographical Gap: While Lee and Kim (2019) explored the long-term effects of market orientation on firm performance within the hospitality industry, there is a geographical gap in our understanding of the relationship between market orientation and firm performance. The studies predominantly focus on the hospitality industry within specific geographical regions, such as India or multinational contexts, leaving a geographical gap in our understanding of the relationship between market orientation and firm performance. While these studies offer valuable insights into the dynamics of market orientation within these contexts, there is a lack of research exploring the relationship in other regions or countries. For instance, studies focusing on emerging markets in Africa, Latin America, or Southeast Asia could provide unique insights into how market-oriented strategies are adopted and implemented in different cultural and economic contexts. Additionally,

there is limited research examining the market orientation-performance relationship in specific segments of the hospitality industry, such as restaurants, travel agencies, or event management firms. By addressing this geographical gap and diversifying the sample of studies to include a broader range of geographical regions and industry segments, researchers can enhance the generalizability and applicability of findings, thus contributing to a more comprehensive understanding of the relationship between market orientation and firm performance in the global hospitality industry.

CONCLUSION AND RECOMMENDATIONS

Conclusions

In conclusion, the study on market orientation and firm performance in the hospitality industry of the Philippines underscores the critical importance of market-focused strategies for achieving sustainable competitive advantage and enhancing organizational performance. Through an analysis of market orientation dimensions including customer orientation, competitor orientation, and inter-functional coordination, the research has revealed significant positive correlations between market orientation and various performance indicators such as profitability, customer satisfaction, and market share. These findings highlight the effectiveness of market-oriented approaches in driving business success within the dynamic and competitive landscape of the hospitality sector in the Philippines. Moreover, the study sheds light on the role of market intelligence, customer responsiveness, and strategic alignment with market needs in fostering organizational resilience and adaptability, particularly in the face of challenges such as changing consumer preferences and intense market competition. As such, the insights gleaned from this research have practical implications for hospitality firms operating in the Philippines, emphasizing the importance of prioritizing market orientation as a fundamental aspect of strategic management to achieve long-term growth and success in the industry. Moving forward, further research efforts can explore the nuances of market orientation within specific subsectors of the hospitality industry and investigate the potential moderating effects of contextual factors such as regulatory environments and cultural dynamics on the relationship between market orientation and firm performance. Overall, the findings contribute to a deeper understanding of the dynamics between market orientation and firm performance, offering valuable insights for practitioners, policymakers, and researchers seeking to enhance competitiveness and sustainability in the hospitality industry of the Philippines and beyond.

Recommendations

Theory

Conduct further research to explore the nuanced relationship between market orientation and firm performance within the hospitality industry in the Philippines. This could involve longitudinal studies or qualitative research methods to gain deeper insights into the underlying mechanisms and contextual factors influencing this relationship. Investigate the role of specific dimensions of market orientation, such as customer orientation, competitor orientation, and interfunctional coordination, in driving firm performance outcomes. Understanding the relative importance of these dimensions can contribute to refining existing theoretical frameworks and models of market orientation.

Practice

Encourage hospitality firms in the Philippines to prioritize customer-centric strategies by fostering a culture of customer orientation throughout the organization. This may involve investing in customer relationship management systems, training frontline staff in customer service excellence, and regularly soliciting feedback from customers to identify evolving needs and preferences. Promote collaboration and knowledge sharing among hospitality firms in the Philippines to enhance competitor orientation and market responsiveness. By monitoring competitors' strategies and industry trends, firms can better position themselves in the market and capitalize on emerging opportunities. Emphasize the importance of interfunctional coordination within hospitality firms to align marketing efforts with other functional areas such as operations, finance, and human resources. This integrated approach can facilitate more effective resource allocation and decision-making, ultimately contributing to improved firm performance.

Policy

Advocate for policies that support the development of a conducive business environment for the hospitality industry in the Philippines, including infrastructure investment, regulatory reform, and talent development initiatives. By addressing infrastructure gaps and streamlining bureaucratic processes, policymakers can help reduce barriers to market entry and expansion for hospitality firms. Promote industry-academia partnerships to facilitate knowledge transfer and skills development within the hospitality sector. Collaborative initiatives such as internships, research projects, and training programs can help bridge the gap between academic theory and industry practice, equipping hospitality professionals with the necessary competencies to thrive in a competitive market environment. Implement measures to enhance market transparency and consumer protection in the hospitality industry, such as standardized quality assurance systems, fair pricing regulations, and dispute resolution mechanisms. By fostering trust and confidence among consumers, policymakers can stimulate demand for hospitality services and incentivize firms to invest in market-oriented strategies that drive superior firm performance.

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