



### Article Title

Market Orientation, Strategy and Revenue Growth in the Turkish Hotel Industry

### Citation

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### Abstract

This empirical analysis of hotel properties in south-western Turkey draws on the market orientation, strategy, and capabilities literature to highlight the benefits of a differentiation strategy and customer-value focus for competitors in this industry. Relationship management and organizational resource management are key drivers of sales growth in this industry, and hotel operators facing high competitive intensity are particularly encouraged to develop these capabilities and to adopt a differentiation strategy instead of resorting to price cutting and other pricing and promotional tactics to grow revenues.

### Methods

Three waves of data collection punctuated by the distribution of two reminder notices were necessary to obtain completed surveys from 214 managers of 56 3- star, 67 4-star, and 91 5- star hotel properties in the Muğla region.

### Results

Specifically, the main effect of differentiation strategy on sales growth for Turkish hotel operators was fully mediated by the relationship management and resource management capabilities of the hotel operators. This analysis also shows significant positive relationships between differentiation strategy and both organizational capabilities (all  $p < .001$ ).

### Conclusion

In conducting market research to support a differentiation initiative, practitioners must remain mindful of the critical distinction between expressed and latent needs, and should avoid relying too heavily on a customer-led philosophy, which Slater and Narver (1998) noted is reactionary and fixated on expressed needs. Specifically, managers in the industry must adopt a proactive and long-term orientation that uncovers latent needs in order to facilitate the type of differentiation that can result in sustained competitive advantage.