



The influence of competitive strategy, competitive rivalry, and orientation to the customer on the organizational performance of hospitality companies in Mexico

La influencia de la estrategia competitiva, la rivalidad competitiva y la orientación al cliente con el desempeño organizacional de empresas hoteleras en México

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Abstract

This research was carried out in hotels established in the state of Hidalgo, Mexico, and its objective was to validate the influence exerted by competitive strategy, competitive rivalry, and customer orientation on the organizational performance of these companies. Using the multivariate technique of structural equation modeling based on covariance, and according to the information collected in 235 hotels, a positive and significant influence was confirmed between the three aforementioned variables with organizational performance. In this way, this research provides empirical evidence on this relationship, in the context of developing countries, while collaborating in the field of research that measures organizational performance through nonfinancial or subjective measures.

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Keywords: customer orientatio; competitive rivalry; organizational performance; competitive strategy; hotels

Resumen

Esta investigación se realizó en hoteles establecidos en el estado de Hidalgo, México y tuvo como objetivo validar la influencia que ejercen la estrategia competitiva, la rivalidad competitiva y la orientación al cliente en el desempeño organizacional de estas empresas. Utilizando la técnica multivariante del modelado de ecuaciones estructurales basado en la covarianza, y de acuerdo con la información recabada en 235 hoteles, se confirmó una influencia positiva y significativa entre las tres variables mencionadas con el desempeño organizacional. De esta manera la presente investigación aporta evidencia empírica sobre esta relación, en el contexto de países en desarrollo, al tiempo que colabora en el campo de las investigaciones que miden el desempeño organizacional a través de medidas no financieras o subjetivas.

Código JEL: L10, L10, L83, M30

Palabras clave: orientación al cliente; rivalidad competitiva; desempeño organizacional; estrategia competitiva; hoteles

Introduction

In Mexico, tourism is an important source of wealth generation since, according to the National Institute of Statistics and Geography of Mexico (INEGI; Spanish: Instituto Nacional de Estadística y Geografía, 2021), the gross domestic product of the tourism sector (GDPT) represented a 6.7% share of the country's total economic production in 2020. This figure is lower than the 8.5% experienced in 2019, a drop caused by the COVID-19 pandemic. In the composition of the GDPT for the year mentioned, the contribution of restaurants, bars, and nightclubs stands out with 27%, followed by passenger transportation services (26%) and lodging services with 10.2% (National Institute of Statistics and Geography, 2021).

On the other hand, regarding the generation of paid jobs, in 2020 the tourism sector as a whole contributed 5.3% of the country's total employment, which represented 2 million jobs, 27% of which were in restaurants, bars, and nightclubs, followed by jobs generated in passenger transportation with 26% and, in third place, by the accommodation sector with 10% (National Institute of Statistics and Geography, 2021).

Within the tourism industry, the hospitality sector plays a determining role. Some authors state that the viability of tourism as an economic activity is a function of the sustainability of the hospitality sector (Kazemian, Djajadikerta, Mat Roni, et al., 2021; Sampaio et al., 2021), hence the need to conduct research that enables documentation of the determinants of the performance of these organizations.

The literature on strategy formulation, aiming to achieve better performance, offers organizations two main views. On the one hand, Barney (1991) states that when designing a competitive

strategy, companies should base it on their internal capabilities and aptitudes (Resource-based view). On the other hand, there is the position proposed by Porter (1980) to base the formulation of a strategy on the environment in which the organization is located, that is, to consider competitors, society, and the government (Position-based vision). The current study contributes to the line of research that seeks to document how both approaches simultaneously influence the performance of hospitality organizations (González-Rodríguez et al., 2018; Köseoglu et al., 2013).

Regarding empirical research on performance in hospitality companies, Sainaghi et al. (2019) group four periods of the fundamental studies conducted in this field: 1996-2000 (embryonic phase), 2001-2005 (foundational phase), 2006-2010 (development phase) and 2010 to 2015 (specialization phase). They also identify two areas of research that have been created; the first emphasizes performance measurement itself, and the second focuses on studying the determinants of performance. The present study is based on the latter.

Within this second area of research, the review of the literature found studies such as Espino and Gil (2015), who analyzed the strategies in the area of operations implemented in 5-star hotels in the Canary Islands, Spain, concluding that these companies experienced better organizational performance due to decisions related to technology, facilities, hotel organization and development of new services. Pereira et al. (2015) examined the influence of environmental proactivity and competitive advantage on the performance of the hospitality industry in Spain. Lee and Hee (2016) analyzed leadership styles and their impact on organizational performance in 20 hotels in the United States and South Korea. Amin et al. (2017) focused on measuring the impact of the implementation of quality systems in the company, the role of leadership styles, and the satisfaction level of their employees on the performance of 4- and 5-star hotels in Malaysia. They conclude that high performance of quality management measures significantly affects employee satisfaction and hotel performance. Nazarian et al. (2017) researched the impact of balanced organizational culture on the performance of English hotels. González et al. (2018) reviewed the link between business strategy and performance of Spanish hospitality companies.

Lado-Sestayo and Vivel-Búa (2019) analyzed market structure, market share, economies of scale, and demand levels as performance determinants in Spanish hospitality corporations. Li et al. (2020) conducted research linking customer orientation and knowledge creation to the organizational performance of small hotels in Malaysia. Presutti et al. (2020) studied the relation between learning orientation, entrepreneurial orientation, and market orientation in the performance of Italian hotels. Sampaio et al. (2021) verified a positive and significant relation between market orientation and hotel performance in Spain and Portugal. Kazemian et al. (2021) documented the impact of the three dimensions of market orientation on the social and financial performance of hospitality companies in Iran. Adem (2021), in a study on hotels in Turkey, concluded that there was no significant relation between customer

orientation and economic performance mediated by customer service. Kazemian, Djajadikerta, Said, et al. (2021) examined the mediating effect of market orientation between corporate governance and the performance of luxury hotels in Iran. Serafim and Cristóvão (2021) researched the relation between strategic orientation and innovation with hotel performance in Angola.

Andrei and Militaru (2022) documented that telecommuting in some managerial positions positively influenced the efficiency and financial viability of hotels in Romania. Baumane-Vitolina et al. (2022) confirmed that organizational innovation measures improve the competitiveness and performance of organizations, thus recommending rewarding employees' initiatives in innovation. On the other hand, research conducted in hotels in Colombia determined that human talent management is positively related to organizational performance, a relation mediated by innovation (Del Río-Cortina et al., 2022). López-Gamero et al. (2022) concluded that sustainability measures implemented in Spanish hotels improved their performance levels. Likewise, Ibarra-Cisneros et al. (2022) state that corporate social responsibility and total quality management improved the performance of hospitality companies in Mexico.

Research carried out in Malaysia established that dynamic capabilities were positively and significantly related to the performance of 3-, 4- and 5-star hotels. Likewise, it concludes that adopting information technologies and the entrepreneurial orientation of these organizations did not positively affect performance (Sarya et al., 2023). On the other hand, a study conducted among Mexican restaurants documented that customer orientation and marketing innovation were positively and significantly related to the performance of these organizations (Cerón et al., 2023). Research implemented in five-star hotels concluded that supply chain management was positively related to the operational performance of these organizations in Jordan (Almufleh & Alkhatib, 2023). The study conducted in Taiwan showed that hotel performance was positively and significantly related to environmental management (Chiu, 2023). Finally, Aburumman (2023) documented that relational marketing actions implemented by hospitality companies in Turkey positively impacted customer retention and organizational performance.

Thus, it can be observed that there is little research concerning the determinants of organizational performance in the hospitality sector conducted in the context of Mexico. In addition, no research has been found that jointly addresses competitive strategy, customer orientation, and competitive rivalry as determinants of performance in hospitality companies. (2020). In addition, as Presutti et al. (2020) point out, it is necessary to continue conducting empirical research to help improve hospitality performance since the few studies that have been carried out are still inconclusive. Accordingly, other researchers mention that few recent empirical studies relate customer orientation to organizational performance in the hospitality industry (Sampaio et al., 2021).

Therefore, this research aimed to examine the influence of competitive strategy, customer orientation and competitive rivalry as determinants of organizational performance in hospitality

companies in Hidalgo, Mexico, to fill a gap detected in the literature. The rest of the paper is structured as follows: a theoretical framework and empirical research that supports the hypotheses put forward in the research are presented. The methodology implemented is described, and the results are presented. The conclusions and implications follow the discussion.

Theoretical framework and hypothesis statement

Organizational performance

Malina and Selto (2004) state that one way to measure the success of the strategy and innovations being implemented in organizations is by measuring their impact on organizational performance. Therefore, companies seek to measure their performance to verify, among other things, the effectiveness of management personnel, to guide employee behavior, and, in general, to verify the efficiency of the strategy implemented. In addition, they suggest that given the changing environment in which they operate, their performance measures should be adapted according to their situation.

Nazarian et al. (2017) state that organizational performance has become a central concern that enables companies' managers to evaluate the effectiveness of their strategy. In the same vein, Valmohammadi and Ahmadi (2015) state that improving organizational performance is the main task of managers, for which companies must establish the indicators that provide both managers and staff as a whole with the goals and objectives to be achieved. Waal and Kourtit (2013) argue that if the indicators are aligned with the strategy, information on the strategy's success will be obtained and will encourage staff behaviors to achieve these objectives. Therefore, organizational performance is an indicator that measures the efficiency of an organization in achieving its objectives (Valmohammadi, 2012).

Competitive strategy

Since companies compete internationally with increasingly unpredictable players and increasingly demanding and assertive clients, the implementation of a competitive strategy has become an imperative need for organizations seeking to maintain a long-term position in global markets through specific methods identified by company managers (Alves & Guerra, 2015; Haddad et al., 2015; Spencer et al., 2009). Ynzunza and Izar (2013) state that strategy should enable organizations to align themselves to the opportunities and threats imposed by the industry in which they perform while bringing together the resources and capabilities that provide them with a sustainable competitive advantage.

For Johnson et al. (2008), strategy is the direction and scope desired by an organization in the long term, which obtains advantages in the market through its resources and competencies, enabling them to achieve their objectives to meet stakeholders' expectations. On the other hand, for Villan et al. (2016), strategy is the direction a company wishes to follow in order to achieve a competitive advantage in the market, which implies that managers make decisions on how to compete based on the capabilities and characteristics of the organization they control and manage.

According to Porter (1996), the competitive strategy consists in being different; it implies the combination by a company of a series of different and unique activities that result in a unique value mix for the consumer. For companies to distinguish themselves from others, Porter (1996) proposed a typology of generic strategies: global cost leadership, differentiation strategy, and focus or concentration strategy.

The effect of competitive strategy on organizational performance

Porter's generic competitive strategies are widely implemented by organizations in various industries and business environments (Salavou, 2013) since, according to Porter (1980), organizations could outperform their rivals by implementing a global cost leadership strategy, differentiation, or focus. Accordingly, in the reviewed literature, several empirical studies show the impact of implementing Porter's generic competitive strategies on organizational performance (Köseoglu et al., 2013; Kyengo et al., 2016; Wangari & Kagiri, 2015). One of them is the research conducted by Kyengo et al. (2016), who concluded that telecommunications companies that developed such strategies in Kenya experienced significant improvements in their organizational performance. Similarly, in the context of 3-, 4- and 5-star hotels in Turkey, Köseoglu et al. (2013) concluded that these companies are more likely to follow a competitive strategy based on cost leadership, followed by the differentiation and focus or concentration strategy, also finding a positive and meaningful effect between Porter's strategies and their financial performance. Therefore, given the above, the following hypothesis is proposed:

H1. The competitive strategy implemented by the hospitality companies in the study region affects their organizational performance.

Competitive rivalry

It is considered that Hannan and Freeman (1977), through the application of a population ecology theory, were among the first researchers to analyze how organizations are affected by their environment and conceived their managers as the formulators of the strategy that sought to adapt to their context. Porter

(1980) later offered his structural analysis model of the industry, stating that the industry's structure determines the game's competitive rules and the strategies organizations can implement. For this author, an industry is a set of companies that produce similar goods and services. He considers that the intensity of competition that the industry will experience depends on five competitive forces: potential participants, bargaining power of buyers, threat of substitute products, bargaining power of suppliers, and competitive rivalry among the industry's current competitors.

The competitive force, competitive rivalry, can be price competition, introducing new products, advertising campaigns, or service improvements (Porter, 1980). These measures bring about reactions from rivals, whereby Porter explains that organizations are mutually dependent on each other, and at any given time, their situation may worsen due to these retaliations. In general, considerable competitive rivalry limits the industry's performance (Porter, 2015).

Effect of competitive rivalry on organizational performance

Previous studies have evaluated the effect of competitive rivalry on organizational performance. Nevertheless, the results are inconclusive. For example, in the context of Japanese manufacturing companies, empirical research concluded that marketing capabilities, followed by industry forces, particularly those related to competitive rivalry, supplier power, and market orientation, exert a greater positive influence on organizational performance (Takata, 2016). Nevertheless, the authors state that industry forces will tend to become less and less determinant of companies' performance due to a relatively competitive environment. Another study examined the relations of industry forces and competitive strategies with organizational performance in the restaurant market in Turkey, where it was concluded that there is a strong and positive relation between differentiation strategy and brand image strategy, as well as between organizational performance of restaurants and their human resources strategy. Nevertheless, no relevant effect was found between competitive rivalry and these companies' performance (Altuntaş et al., 2014). Due to the conclusions above, a second hypothesis may be proposed:

H2. The elements of competitive rivalry developed in the companies of the study region determine their organizational performance.

Customer orientation

It can be considered that the term customer orientation began to take on greater relevance after Saxe and Weitz (1982) coined the concept of customer-oriented sales and defined it as the degree to which

salespeople practice the marketing concept, seeking to help customers make the best purchasing decision that enables them to satisfy their needs. Subsequently, three articles appeared that have greatly influenced the literature on the concept of customer orientation (Kirca et al., 2005). In the first of these, Kohli and Jaworski (1990) addressed the market orientation construct. They defined it as the generation, in all parts of the organization, of market intelligence related to the current and future needs of clients, the dissemination of this intelligence, and the responsiveness of all departments of the organization.

The second is the article by Narver and Slater (1990), which stated that market orientation had become the center of modern marketing management and strategy. For them, market orientation comprises three components: customer orientation, competitive orientation, and cross-functional coordination, and two decision criteria: long-term focus and profitability. The third article, referred to by Deshpandé et al. (1993), views customer orientation as a fundamental part of organizations' corporate culture. That is, they conceive it as the set of beliefs and values of the organization that put the client's interests first and do not neglect the interests of other related agents, such as employees and managers, seeking the company's profitability in the long term.

In this boom period in research related to market orientation, Kohli et al. (1993) proposed a new scale to measure the market orientation of organizations. This new proposal aimed for organizations to generate market intelligence in their various departments, disseminate it throughout the organization and subsequently develop marketing strategies.

The impact of customer orientation on organizational performance

According to the reviewed literature, it is clear that customer orientation leads to a privileged position for companies seeking economic success through a better understanding of the client's needs and the means of satisfying them (Hennig-Thurau, 2004).

In their seminal research, Narver and Slater (1990) report that the customer orientation developed by the companies studied significantly determines their level of profitability. On the other hand, research carried out in the context of retail trade companies showed evidence of a positive relation between customer orientation and company performance (Boles et al., 2001). Along the same line, research carried out in Nigeria showed a positive and significant relation between the customer orientation implemented by small and medium-sized companies and their performance level, which implies that customer orientation measures are not limited by the size of organizations (Asikhia, 2010). Likewise, Tajeddini (2010) found evidence that the customer orientation measures implemented in hotels located in a region of Switzerland significantly affected the achievement of profit and sales objectives. Based on the above, a third hypothesis is proposed:

H3. The customer orientation measures implemented by the hospitality companies in the state of Hidalgo, Mexico, explain their level of organizational performance.

The following conceptual model is proposed based on the hypotheses supported by the literature review (See Figure 1).

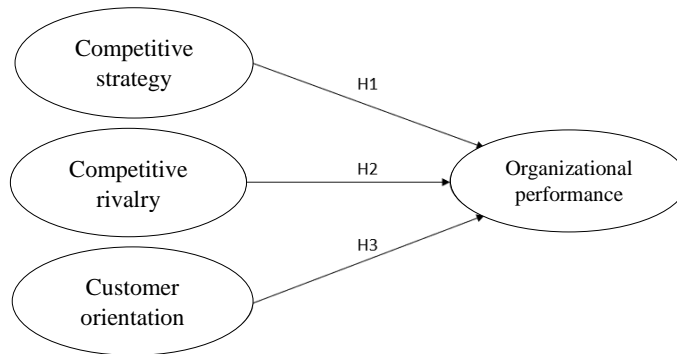


Figure 1. Proposed conceptual model
Source: created by the authors

Method

As mentioned in the introduction, this research aimed to examine the influence of competitive strategy, customer orientation, and competitive rivalry on the organizational performance of hospitality companies in Hidalgo, Mexico. In order to achieve the objective, hotels from one to five stars established in the state of Hidalgo, Mexico, were considered, and other types of temporary lodging establishments, such as motels, villas, cabins, and bungalows, among others, were not considered. According to the database provided by the Ministry of Tourism of the State of Hidalgo, in 2018 there were a total of 448 hotels established in the state.

A questionnaire with already validated scales was integrated in such a way that to measure organizational performance, 10 items proposed by Slavković and Babić (2013) were used, while the constructs of competitive strategy (9 items) and customer orientation (7 items), were tested using the scales proposed by Contò et al. (2015). Finally, the Achrol and Stern (1988) scale was applied to determine the competitive rivalry in which the hotels operate, consisting of four items (Table A1). Each item was presented to the informant using a seven-point Likert scale. It should be noted that the data collected are subjective. That is, they depend on the hotel managers' or owners' perceptions of the variables studied.

Previous scientific literature establishes that by using both objective and subjective measures in research, broadly similar results are obtained (Sharabati et al., 2010).

A non-probabilistic sampling, called convenience sampling, was used. The information collection period ranged from September 2018 to May 2019, obtaining a response rate of 52%, corresponding to 235 valid questionnaires. The fieldwork involved two stages. The first consisted of contacting the establishment's management through phone calls, emails, or physical visits. The second stage consisted of the director, manager, or owner answering the survey electronically through Google Forms once the agreement to collaborate in the study had been obtained. In some cases, up to four reminders had to be sent to hotel managers to ask them to answer the survey, with at least one week between these reminders.

The structural equation modeling technique was applied to test the proposed model, and according to the recommendation of Hair et al. (2019) and with the support of Stata v. 15 software, the measurement model was first evaluated by verifying the internal consistency (Cronbach's alpha and composite reliability) as well as the convergent and discriminant validity. Subsequently, the structural model was evaluated to corroborate the predictive capacity of the model. The results were analyzed once the thresholds recommended by the literature had been verified.

Results

Characteristics of the companies under study

Tourism, particularly accommodation services in the state of Hidalgo, has experienced a boost since the implementation of the Magical Towns program in 2001 by the Secretary of Tourism of Mexico. In this context, the community of Huasca de Ocampo, in the state of Hidalgo, was declared the first Magical Town during that year. Since then, six other towns have been cataloged in that list (Lopez, 2018). In this way, responses were obtained mainly from hotels cataloged as 3-star, representing 43%, followed by 4-star hotels with 34%. Most of these hotels (44%) have more than 10 years in operation, and only 25% of the hospitality companies in the sample have less than 5 years, which may reflect the market's maturity to some extent.

Regarding the number of jobs generated by each of these companies, it was found that 45% generate between 1 to 10 jobs. Most of these economic units (44%) have between 16 and 30 rooms, followed by hotels with 31 to 50 rooms (20%) (Table 1). On the other hand, according to Table 2, the informants participating in the sample were mostly male (63%), and most had a bachelor's degree (63%).

Table 1
 Category and years in operation of the hotels under study (%)

Hotel category	Years in operation of the hotel				Total
	Less than one year	More than one year and less than five years	More than five years and less than ten years	More than 10 years	
1 star	0.4	1.3	0.9	0.0	2.6
2 stars	1.7	6.0	3.4	7.6	18.7
3 stars	3.0	10.2	10.2	20.0	43.4
4 stars	2.1	7.2	8.5	16.2	34.0
5 stars	0.0	0.0	0.4	1.0	1.3
Total	7.2	24.7	23.4	44.8	100.0

Source: created by the authors

Table 2
 Characteristics of the hotel managers in the sample

Variable	Category	Percentage
Gender	Female	37
	Male	63
Level of education	Upper middle	28
	Higher	63
	Postgraduate	9

Source: created by the authors

Analysis of the measurement model

Following Hair *et al.* (2010), in order to measure the reliability of the constructs of the measurement model, in addition to considering Cronbach's alpha, the composite reliability of the constructs was evaluated. According to the authors mentioned above, it is recommended that both indicators are above 0.7. On the other hand, to verify convergent validity, the average variance extracted (AVE) was calculated, and it is suggested that it should exceed 0.5 for each of the constructs considered (Fornell & Larcker, 1981). As can be seen in Table 3, the latent variables considered have the required reliability and validity characteristics.

Table 3
 Indicators of reliability and validity of the measurement model

Construct	Cronbach's alpha	Composite reliability	AVE
OC	0.86	0.93	0.73
EC	0.82	0.90	0.63
CR	0.84	0.89	0.67
OP	0.91	0.94	0.62
Total of instrument	0.94		

Note: OC=Orientation to the customer; EC=Competitive Strategy; CR=Competitive Rivalry
 OP=Organizational Performance

Source: created by the authors

On the other hand, the loadings of the construct items were evaluated, and following Hair et al. (2010), those with loadings above 0.6 were retained. To this end, items 5 and 6 of the customer orientation construct, items 2, 7, 8, and 9 corresponding to competitive strategy, and item 1 of the latent variable organizational performance were disregarded. Regarding the discriminant validity of the constructs, this was verified using the criterion established by Fornell and Larcker (1981), which establishes that the square root of the AVE should be greater than the intercorrelations between constructs (Table 4).

Table 4
 Discriminant validity test. Fornell-Larker criterion

Construct	OC	EC	CR	OP
OC	0.856			
EC	0.529	0.795		
CR	0.657	0.649	0.820	
OP	0.687	0.611	0.807	0.785

Note: EC=Competitive strategy; OP=Organizational performance; CR=Competitive rivalry;
 OC=Orientation to the customer

Source: created by the authors

Fit of the structural model

To verify the model's overall fit, the root mean square error of approximation (RMSEA) was evaluated according to the criteria proposed by Hair et al. (2010). Likewise, the comparative fit index (CFI) was calculated, for which it was established that levels greater than 0.90 correspond to an acceptable fit and values greater than 0.95 correspond to a good model fit (Medsker et al., 1994). In this case, the maximum likelihood technique estimation yielded an overall fit of 0.90 for the CFI and 0.098 for the RMSEA. Therefore, considering that the model is within the thresholds of an acceptable fit and following the recommendations of Kenny et al. (2015), it is concluded that the model's results can be further analyzed.

Structural model results

The hypotheses previously proposed were tested through structural equation modeling, verifying the standardized coefficients (β), their significance, and the coefficient of determination (R^2). The results show that the three proposed hypotheses show a significant and positive relation between the constructs. It can be observed that competitive rivalry has the greatest impact on organizational performance ($\beta_2=0.55$). On the other hand, the relation between competitive strategy and organizational performance was the weakest ($\beta_1=0.16$) among the three hypotheses proposed (Table 5). Finally, it should be noted that the latent variables customer orientation, competitive strategy, and competitive rivalry explain 59% of the variance of the organizational performance variable (Figure 2).

Table 5
 Summary of direct effects between variables

Independent variable	Dependent variable	β	SE	Z-value	Hypotheses
Competitive strategy	Organizational performance	0.16	0.07	2.6**	H1: Validated
Competitive rivalry	Organizational performance	0.55	0.07	6.48***	H2: Validated
Customer orientation	Organizational performance	0.36	0.07	6.6***	H3: Validated

Source: created by the authors based on results obtained from Stata software

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

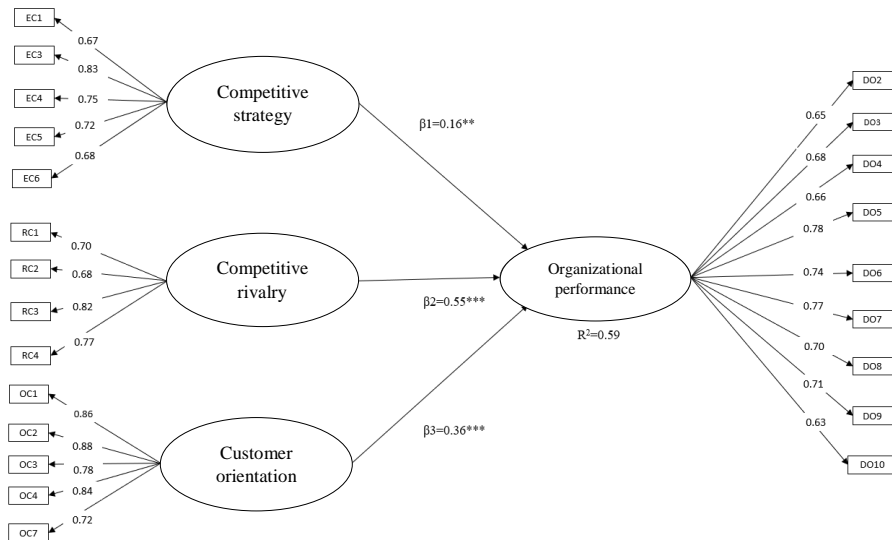


Figure 2. Results of the proposed structural model, load factors, and coefficient of determination

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Source: created by the authors

Discussion

This research evaluated the influence of competitive strategy, competitive rivalry, and customer orientation on hotel organizational performance in Hidalgo, Mexico. The results showed that these three variables have a positive and significant influence on the organizational performance of these companies, with competitive rivalry having the greatest impact on performance, followed by customer orientation.

As a result of the review of the literature conducted, several recent studies were found, which account for the relation that organizational performance has with human resource management (Asiaei & Jusoh, 2015; Lee & Hee, 2016; Ogunyomi & Bruning, 2015; Sharabati et al., 2010), with quality management (Amin et al., 2017; Pereira et al., 2016; Valmohammadi & Roshanzamir, 2015), with innovation (Junge et al., 2016; Lee et al., 2016; Nieves et al., 2014; Palacios et al., 2015), with customer orientation (Adem, 2021, Li et al., 2020), with market orientation (Kazemian, Djajadikerta, Said, et al., 2021), and with strategic orientation (Serafim & Cristóvão, 2021), among others; Nevertheless, the main contribution of the present research lies in jointly incorporating competitive rivalry, competitive strategy, and customer orientation with organizational performance in the hospitality industry in Mexico, thus contributing to fill some gaps identified by researchers on the subject (Presutti et al., 2020; Sampaio et al., 2021).

Using the multivariate technique of structural equation modeling, this study used the scale proposed by Contó et al. (2015) to measure the competitive strategy construct and found that it positively affects, albeit weakly but significantly, organizational performance in the hotels studied, which was measured using the scale proposed by Slavković and Babić (2013), thus corroborating hypothesis 1. This result confirms the statement by Porter (1980) in the sense that organizations that implement cost leadership, differentiation, or focus strategies can achieve superior performances than their rivals and are widely implemented in varied business and industrial environments (Salavou, 2013). This result is consistent with the findings reported in recent empirical research, such as the one showing that those Taiwanese companies that apply a certain competitive strategy experience better performance levels (Haddad et al., 2015), as well as the one documented by Kyengo et al. (2016), in the context of telecommunications companies in Kenya, where it is established that the most influential strategies in the performance of these organizations were those related to cost leadership and differentiation.

Likewise, this study found that, of the three exogenous variables addressed, competitive rivalry was the construct with the greatest influence on organizational performance, thus confirming hypothesis 2. This result is related to the findings obtained by Takata (2016), who observed that, of the five industry forces, only competitive rivalry and supplier bargaining power influenced company performance, although with a lesser impact than that reported in the present research.

On the other hand, this result conflicts with the findings reported by González et al. (2018). In their work, the researchers state that the context in which the companies they studied competed is particular due to the existence of hotels belonging to the same chain. That is why, under these circumstances, some of the known forms in which rivalry between companies can occur were not manifested, such as price discounts, introduction of new products, marketing strategies, and service innovations (Altuntaş et al., 2014), causing competitive rivalry to be low. These conditions were not observed in the present research.

Finally, this research provides evidence of customer orientation's influence on hospitality companies' organizational performance, which does not contradict hypothesis 3. This result supports some of the research consulted, such as that reported by Tajeddini (2010), who found that customer orientation influenced hotels in Switzerland to reach their sales target, one of the dimensions in which the performance of the companies can be expressed. A similar result was reported by Li et al. (2020), who documented the positive and significant relation of customer orientation measures on the performance of small hotels in Malaysia.

This result is also reminiscent of the research reported by Neneh (2018), whose results show a positive association between the customer orientation of women-owned companies and the organizational performance they experienced. Moreover, this finding reinforces the theoretical position that states that those organizations that drive customer-oriented policies, both at the employee level and at the organization-wide level, obtain better performance results compared to those that do not incorporate them (Hennig-Thurau & Thurau, 2003; Jawoerski & Kohli, 1993).

Conclusions

At the beginning of this research, the objective was to validate the influence on organizational performance of three variables, competitive strategy, competitive rivalry, and customer orientation, through the multivariate technique called structural equation modeling, which can test direct, indirect, and total relations between several variables. This objective was achieved by proposing a measurement model that meets the requirements of convergent validity through the AVE indicator and discriminant validity through the criterion established by Fornell and Larcker. On the other hand, according to the CFI and RMSEA indices, the proposed structural model is acceptable.

The three hypotheses proposed in the research were supported. The findings show that the three exogenous variables explain 59% of the variance of the organizational performance variable, which confirms a significant relation between competitive strategy and organizational performance for the companies studied so that the implementation of a competitive strategy in the hotels in question will

increase the probability of improving their organizational performance levels. Likewise, the competitive rivalry factor, expressed in the physical characteristics of the hotel and the service provided, in combination with the implementation of promotional strategies and access to effective sales channels, is positively and significantly related to the performance of these hotels.

Regarding the results of this research, it is possible to offer some ideas for the management of hospitality companies. First, customer orientation is based on a system for generating information on clients' current and future needs and seeks to create greater value for them, so managers should constantly evaluate guests' perception of the service received, either through direct mechanisms in the hotel itself or through digital platforms. This generation of intelligence about the clients should help managers to know what services or facilities that the hotel lacks are being requested by guests, in order to verify the feasibility of being able to offer them immediately, such as facilities for seniors and bicycle storage spaces, among others.

Second, according to the findings on the influence of competitive strategy on hotel performance, managers must constantly seek innovative management and operational processes that enable them to maintain cost leadership. Likewise, they should maintain innovative pricing measures that distinguish them from competitors, such as offers for clients in certain cities or promotions that seek to build loyalty among travelers accompanied by pets. Finally, this study provides important information about competitive rivalry, as its influence on hotel performance was documented. Thus, managers should gather market intelligence that enables them to understand the situation of their hotel concerning the competition in terms of their physical facilities, their promotional strategies, and their marketing networks. To this end, being present at national and international tourism fairs is highly advisable. Likewise, the managers of these hospitality companies could be motivated to approach professionals in universities or private consultants to identify trends in marketing and promotional strategies in the accommodation industry.

With the results of this research, in addition to helping to fill a gap detected in the literature, it is intended that entrepreneurs and managers of hospitality organizations recognize the importance of devising customer-oriented policies and implementing competitive strategies since it was documented that they have a positive impact on the performance of their organizations. Thus, they will be contributing to improve the competitiveness of the country's tourism-oriented regions.

Among the limitations observed, it should be remembered that this research was limited to the study of hotels located in a particular region of Mexico; therefore, the generalization of the results should be taken with caution. Furthermore, it should not be forgotten that subjective measures were used to evaluate the construct of organizational performance. Nevertheless, as previously documented, the scientific community widely accepts and uses these measures. Accordingly, it should be noted that the

information provided by the companies came from only one source; although it does not detract from the robustness of the findings, the use of a larger number of sources can be considered in future research.

New research can be directed more specifically to analyzing the marketing and promotional channels in the digital context that hotels are using and verifying their impact on organizational performance. It is also recommended to continue conducting studies that relate competitive rivalry with organizational performance since, on the one hand, few studies of this nature were found in the literature reviewed, and the relation shows contradictory results in the empirical research consulted. Finally, research of this type should be conducted on accommodation types other than hotels, such as rest cabins, rural houses, villas, and bungalows, which are companies that complement the accommodation offered in various tourist destinations in Mexico.

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Annex

Table A1

Constructs and items

Organizational performance

Adapted from Slavković and Babić (2013)

- OP1. This organization can reduce production/sales/service costs and overhead costs.
- OP2. This company has better revenue growth or stability compared to its competitors.
- OP3. Employee productivity at this hotel is better compared to the competition.
- OP4. A satisfactory level of profitability characterizes this organization.
- OP5. The quality of service at this hotel is better compared to the competition.
- OP6. The development of new services is better compared to the competition.
- OP7. Customer satisfaction at this hotel is better compared to the competition.
- OP8. This organization can respond quickly and effectively to technological and market changes.
- OP9. This organization solves new problems quickly.
- OP10. This organization has a good reputation.

Competitive strategy

Adapted from Contó, Fiore, Vrontis and Silvestri (2015)

- EC1. Compared to the competition, this hotel is always ahead in using innovative pricing strategies (Differentiation).
- EC2. This company distinguishes itself from the competition through the quality of its services (Differentiation).
- EC3. This company emphasizes cost reduction in all business activities (Cost Leadership).
- EC4. In this hotel, processes constantly change, intending to reduce production costs (Cost Leadership) constantly.
- EC5. This company invests mainly in large projects to conduct economies of scale (cost leadership).
- EC6. In this company, costs are the most important consideration for selecting the marketing system (Cost Leadership).
- EC7. This company tries to drive competitors out of the market by good cost control (Cost Leadership).
- EC8. This company produces only one service (Focus).
- EC9. This hotel targets a specific and limited part of the market (niche) with its service (Focus).

Competitive rivalry

Adapted from Achrol and Stern (1988)

CR1. The physical characteristics of this hotel.

CR2. The characteristics of the service delivered.

CR3. Promotional strategies.

CR4. Access to sales channels and marketing networks.

Customer orientation

Adapted from Contó, Fiore, Vrontis and Silvestri (2015)

OC1. This hotel's strategies are primarily driven to satisfy the client.

OC2. The company's strategies are necessarily based on understanding the client.

OC3. This hotel's strategies are driven by its beliefs about creating greater client value.

OC4. The clients' interests are one of this company's key priorities.

OC5. This hotel conducts market research with clients periodically to evaluate the quality of services.

OC6. This company evaluates consumers' service satisfaction as part of its quality assessment.

OC7. If this company discovers that its clients are not satisfied with the quality of its services, it immediately takes corrective action.
