

Total Quality Management, Market Orientation, and Performance: Empirical Insights from the Moroccan Hospitality Industry

Ikram BEL HADDIOUI¹, Rachid JAHIDI²

¹ National School of Business and Management, Hassan First University, Settat, Morocco

² National School of Business and Management, Hassan First University, Settat, Morocco

Correspondence: Ikram BEL HADDIOUI, K1K2L9, Ottawa, Canada. E-mail: ibelhaddioui08@gmail.com

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Abstract

The intensity of competition in the hospitality industry has long since highlighted the importance of addressing the intellectual aspect through management practices that focus on the environment, which have become essential in responding to changing market demands. Market Orientation (MO) is widely recognized as a critical growth strategy. It enables organizations to use real-time market intelligence to capitalize on business opportunities and make strategic and operational decisions that align with changing market dynamics. This study takes MO as the research object and investigates the factors influencing its implementation focusing on Total Quality Management (TQM) practices. The research also examines the impact of MO on hotel performance (HP) and assesses how interfunctional coordination (IC) moderates the MO/HP relationship. The study formulates a comprehensive theoretical model, presenting 3 hypotheses. Subsequently, the questionnaire was distributed to hotels based in Morocco, and a total of 93 usable responses were collected. PLS-SEM via Smart PLS 4.0 is used to test the model. Results showed that TQM practices are internal drivers of MO and that MO fosters HP. Moreover, IC moderates the MO/HP relationship, reducing the direct effect. This research offers an empirical contribution by examining how hotels embrace two managerial approaches to enhance performance. Furthermore, it provides a deeper explanation of the current challenges within the Moroccan hospitality industry that justify the focus of the study.

Keywords: Total quality management, Market orientation, performance, hospitality industry, Structural equation model

1. Introduction

The Moroccan hospitality industry has experienced significant growth over the past two decades, becoming a major force in the global service economy. Foreign tourist arrivals have increased, and local employment opportunities have expanded. Data from Mordor Intelligence reveals that in 2023, Morocco received 992,000 tourists, with a 9.5% increase in returning Moroccan expatriates, surpassing the 11% rise in foreign tourists. The industry, characterized by a large number of players, is registering an acceleration of expansion efforts. The Moroccan government has proactively launched several initiatives to promote the sector, such as the Renovotel program, which aimed to increase hospitality capacity across the Kingdom, and encouraged private investment of up to \$135.4m. These efforts have created a more attractive investment climate and raised high expectations for those involved.

However, despite growing changes, the hospitality industry faces several challenges, particularly external ones. While Moroccan destinations are well-positioned to offer experiential travel, with a shifting demand towards authentic and culturally rich experiences, hotels must go beyond traditional accommodations to provide immersive and authentic experiences. First, the internal competition is intense and excessive, and hotels must differentiate themselves to stand out. Then, in reason of digital transformation, with the rise of online sales now accounting for 82% of the industry's revenue in 2023, the importance of a strong digital presence has become critical, as hotels increasingly rely on online platforms for visibility and customer engagement. Furthermore, data analytics to understand customer behavior becomes essential for customizing services and offers, ensuring that hotels can adapt to the diverse preferences of today's travelers. These challenges could significantly impact hotel profitability. Increased competition makes it difficult for hotels to maintain high occupancy and average daily rates, leading to decreased revenue. Moreover, hotels that fail to adapt may experience declines in customer

satisfaction, especially in the digital environment, where negative reviews can quickly damage a hotel's reputation, influencing customer choices. Failure to innovate could result in a loss of market relevance.

In this context, hotels need to adopt a market-oriented approach that focuses on understanding and responding to the market's voice. Moroccan hotels must emphasize Market Orientation (MO), a management philosophy focused on gaining insights into customer preferences and competitors' behaviors. MO enables hotels to anticipate market moves while enhancing their understanding of customer behavior, which is a key element of competition in the hospitality sector.

Since the foundation work of the Marketing Scientific Institute, MO has attracted considerable attention from researchers. In particular, studies have proposed testing models to identify the potential antecedents and consequences of MO (Kohli & Jaworski, 1993; Gotteland et al. 2007). Regarding the antecedents of MO, quality management programs have received less attention (Pulendran et al.2000), with a focus on the design of internal processes. These programs help create harmony within the organizational structure and encourage capacities related to building a market-driven culture. In this regard, Litton (2001) suggested that the Total Quality Management (TQM) approach provides a valuable set of tools to become a market-driven company by understanding the market in which it operates and, consequently, aligning competitive strategy with market characteristics.

Against this background, the current research focuses on the question of whether there are consistent relationships between TQM and MO in hotels and between MO and performance (HP). If such relationships exist, it would imply significant implications for improving the efficiency of the hotel related to the market.

2. Literature Review and Theoretical Framework

2.1 MO

MO is a management approach that involves a deep understanding of the market, which is critical to organizations in several ways, including addressing customer needs, preferences, high competition, and the rapid growth in technology and communication methods. Considered the cornerstone of the marketing discipline (Kohli & Jaworski,1990), MO focuses on embracing the intellectual dimension that emerges within the market ecosystem, following a process of understanding, sharing, and responding to customers through different levels in the organization. Narver and Slater's (1990) cultural approach to MO, which forms the basis of the present study, emphasizes the role of organizational beliefs and values in parallel with the process of market behaviors. A market-oriented culture is essential for fostering behaviors that prioritize understanding and meeting customer needs, maintaining a keen awareness of competitor activities and strategies, and encouraging effective collaboration between different departments to achieve market objectives. MO represents a new form of market intelligence. Facing this strategic choice that shapes exchanges and decisions, companies are undergoing internal changes that affect cultural and human capital, ultimately aiming to place the customer at the forefront of organizational thinking.

2.2 TQM

TQM is a management philosophy focused on continuously improving overall business performance through effective leadership, supplier quality management, vision and planning statement, evaluation, process control and improvement, product design, quality system improvement, employee participation, recognition and reward, education and training, and customer focus (Zhang,2001). The study utilizes EFQM, a diagnostic tool featuring a set of criteria derived from the TQM approach, which organizations can use to evaluate their strengths, weaknesses, opportunities, and threats while monitoring their strategic actions. Additionally, it provides an analytical framework focused on continuous improvement and offers a common language that enables members to effectively share knowledge and experiences both within and outside the organization. This ensures that all management practices form a coherent system for ongoing enhancement.

3. Research Hypotheses

3.1 TQM and MO

TQM and MO are two popular management philosophies that organizations adopt to achieve excellence and competitiveness in the market. Studies have suggested that both share certain similarities (Mohrw-Jackson, 1991). TQM and MO have a similar theoretical foundation, which is translated into practical operational strategies. They share the "cultural change" principle, which legitimizes the idea of quality as a continuous process, focusing on the customer and greater involvement of employees, on the one hand, and the practice of monitoring to encourage progress towards a precise goal, on the other hand.

According to Demirbag (2006), one of the main aspects organizations focus on today is restructuring management modes in response to market changes. Customer demand, the organization's primary target, directly impacts all of its processes. The customer both regulates and controls these processes. To this end, TQM works to reconcile customer needs with the organization of work through the structuring of production and marketing processes.

Given the current literature, TQM facilitates the implementation of MO. Ahire et al. (1996) highlighted that TQM promotes interdepartmental collaboration, enabling organizations to continuously adapt and respond to market needs. Litton (2001) confirmed that TQM helps bridge the gap between customer expectations and technical specifications, offering a range of tools for a more market-oriented approach. Other researchers (Samat, 2004; Santos-Vijande and Álvarez-González, 2009; Julien, 2010; San Miguel et al., 2016; Pattanayak, 2015) have also supported that TQM, especially with top management commitment, fosters a culture of MO and strengthens marketing strategies for customer satisfaction.

In the hospitality industry context, TQM is a holistic management strategy that sustains market-oriented workplace behaviors and atmosphere. (Yam et al., 2005; Bazazo et al., 2017). The study by Wang et al. (2012) confirms that hotels embracing TQM principles experience improvements across various aspects, including customer focus, internal and external cooperation, leadership, continuous improvement, process management, employee training, empowerment, and rewards. Additionally, the study reveals that hoteliers are aware of the areas where they invest in TQM practices and those that require further improvements.

Nevertheless, Day (1994) identifies one weakness in TQM implementation for achieving MO. The excessive focus on internal processes and quality standards, considered repetitive, potentially diverts the company's attention from external market dynamics and customer needs. Employees may struggle to maintain the importance of understanding and responding to customer preferences and market trends if they become too preoccupied with meeting quality metrics or strictly adhering to TQM principles. Organizations may adopt a risk-averse attitude, preventing them from developing radically new products.

Therefore, we postulate the first hypothesis: *TQM positively affects hotel MO implementation.*

3.2 MO and Hotel Performance

The performance issue has attracted the interest of researchers and scholars in recent decades. Within the hospitality industry, there are two opposing views. On the positive side, scholars such as (Agarwal et al., 2003; Wang et al., 2012; Campo et al., 2014; Kitchlew et al., 2018; Herrero et al., 2018; Kasim et al., 2018; Selmi & Chaney, 2018; Sampaio, 2020) support the effectiveness of MO in generating positive results of hotel performance. Hotel performance is achieved by gathering market information about customers, competitors, and the external environment, sharing it throughout the organization, and developing strategic responses based on that information. In this way, market-driven hotels act on the knowledge generated about market components, resulting in an attractive value proposition for customers and competitors, while meeting the needs and expectations of customers with new solutions.

On the other hand, several authors have adopted the opposing point of view. For example, Au and Tse (1995) pointed out the weak relationship between MO and performance using a sample of large hotels in Hong Kong and New Zealand. They suggested that large hotels struggle to position themselves in the market within a turbulent and complex environment. Furthermore, Sargeant's (1999) study shows that MO does not directly impact business performance in the United Kingdom hotel sector, as measured by turnover and profitability. In this context, MO has proven to be an investment effort with a long-term effect.

Thus, we propose the following hypothesis: *MO positively impacts hotel performance.*

3.3 Moderator Variable: Interfunctional Coordination (IC)

The role of IC as a moderating variable has received limited attention from scholars. According to Ruiz Alba et al. (2020), the main aspects of this concept include sharing information, formulating and implementing strategies, and developing business plans. Hu et al. 2022 found that IC moderates the relationship between supply chain agility and competitive advantage, the relationship strengthens when its integration is high. Similarly, Mathafena (2021) stated that IC enhances the relationship between entrepreneurial orientation and financial performance by emphasizing the contribution of employees from all functions to deliver customer value. Our study examines how interfunctional coordination impacts HP through MO.

Therefore, hypothesis 3 states: *IC moderates the effect of MO on hotel performance.*

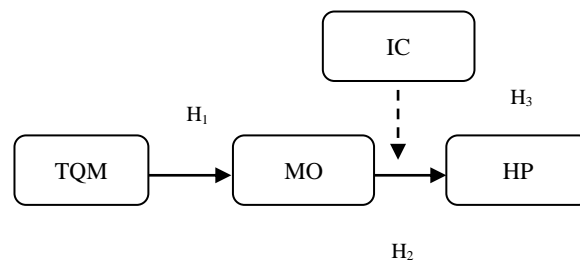


Figure 1. Research model and hypothesis

4. Method

Figure 1 illustrates a path diagram representing the research model based on the literature review.

4.1 Questionnaire

The research tool was a three-page questionnaire distributed online via Google Forms. All items were measured on a five-point Likert-type scale ranging from 1 (strongly disagree) to 5 (strongly agree). A pre-test involving five managers was conducted to ensure the clarity of the questionnaire items, the absence of bias, and to estimate the time required to complete the questionnaire. Initially, 47 responses were received from the first distribution, with an additional 25 responses collected after an initial follow-up, and a final follow-up was conducted via telephone, resulting in 21 questionnaires. In total, 93 accurately completed questionnaires were obtained for analysis.

The questionnaires consisted of four sections: one section for information on hotel respondents (classification, affiliation, respondent position, and work experience) and three sections for developed measures. The study used EFQM to assess TQM. According to Kim et al. (2010), excellence models or quality awards, such as the EFQM, provide suitable frameworks for implementing TQM practices. The five enablers are Leadership (LSH), Strategy (STRAT), People (PP), Partnerships and Resources (PR), and Processes (PROC).

Leadership (LSH): Leaders play a crucial role in providing necessary resources to employees, setting long-term organizational goals, organizing activities, facilitating coordination, and achieving these goals. Regarding MO development, Kohli & Jaworski (1993) argue that leadership actions can encourage market-oriented behaviors by demonstrating a commitment to this approach by providing necessary resources, motivating employees, and establishing support systems. Furthermore, excellent organizations foster MO culture through solid commitment, effective communication, and engagement from leaders and employees (Shoham et al., 2005). However, some studies have pointed to uncertainties about embracing MO, viewing it as a luxury rather than a necessity. In other words, leadership style is contingent upon the organization's objectives, available resources, and group characteristics.

Strategy (STRAT): The strategy is designed to remain responsive to market dynamics, with developed, reviewed, and refined policies in line with the evolving characteristics of the market. Internal stakeholders effectively communicate and implement these strategies, ensuring that the entire organization is aligned and engaged in achieving the strategic objectives. In this sense, the strategy focuses on transforming resources into valuable capabilities that foster market-oriented behaviors, enabling the hotel to adapt and thrive in a competitive environment. Additionally, the strategy is underpinned by a strong commitment to sustainable development, ensuring that all initiatives are environmentally responsible and contribute to long-term success.

People (RH): The human resource plans are designed to facilitate the implementation of MO, ensuring that the workforce is adequately equipped with the knowledge and skills required to respond effectively to customer needs and market trends. The development of employees' knowledge and abilities is a pivotal aspect of this approach, fostering a culture of continuous learning that enhances performance and adaptability. In contrast to the traditional managerial approach, employees are encouraged to take an active role in the organization's success, with a focus on their responsibility for their contributions. Furthermore, the organization's management team places great importance on implementing effective reward and recognition strategies to acknowledge and value the contributions of their employees. This approach has the potential to enhance motivation and commitment among the workforce.

Partnerships and resources (PART): The organization's approach to managing its partnerships and suppliers is

characterized by a strong emphasis on fostering sustainable, mutually beneficial relationships, through the transparent exchange of information between involved parties. Furthermore, buildings, equipment, and natural resources are managed to minimize environmental impact through efficient use and sustainable practices. The utilization of technology is of paramount importance in the implementation of a market-oriented strategy. This technology is actively managed and developed to enhance operational efficiency, improve customer experiences, and adapt to emerging market demands. According to Rozemeijer et al. (2012), partnerships, alliances, and social networks, supported by the EFQM model, enhance engagement to support business strategies centered around customer focus. Conversely, Miguel (2016) suggests that external alliances may not significantly impact the definition of MO.

Processes (PPS): The EFQM emphasizes the importance of designing, executing, monitoring, and improving key processes to support organizational management and planning. Kohli and Jaworski (1990) highlight the importance of monitoring market forces through the implementation of processes and engaging all firm departments in developing the appropriate market response. A market-oriented strategy that aligns with internal processes can contribute to firms achieving sustainable competitive advantage, as noted by Lam et al. (2012).

MO was illustrated using the MKTOR scale developed by Narver & Slater (1990), which considers two environmental components: customers (OC) and competitors (OCO). On the one hand, being customer-oriented involves establishing closer interactions with customers and enhancing incremental improvements to products and services, moving them toward optimal levels of quality, features, and costs. As a result, firms can more accurately predict customer changes, learn from customers to develop superior knowledge about their evolving needs, and gain a clearer understanding of those needs. On the other hand, generating market intelligence on competitors includes understanding their strengths and weaknesses, as well as monitoring competitive factors that may influence customers' preferences when conceiving future strategies. Competitor-oriented organizations develop a comprehensive evaluation of targeted and possible rivals using this awareness to outperform competitors and achieve sustainable competitive advantage.

Lastly, hotel performance (HP) was assessed using various hospitality performance measures, including occupancy rate, turnover, market share, customer satisfaction, customer loyalty, and compliance with requirements.

4.2 Sampling

Respondents have backgrounds in marketing and quality management. The data were gathered from senior management representatives of four- and five-star luxury hotels in Morocco. These hotels are affiliated with international and national chains such as Pullman, Accor, Mövenpick, MGallery, Mogador, and others. Table 1 presents the respondents' demographic data.

Table 1. demographic data

Category	Type	Frequency	Percentage%
Classification	4*	26	28%
	5*	40	43%
	Luxury	27	29%
Affiliation	Independent	36	39%
	Moroccan	15	16%
	International	26	28%
Profile of the participant	Director	13	14%
	Quality Manager	27	29%
	Marketing Manager	53	57%
Work experience	Less than 3 years	46	49%
	From 3 less than 10 years	34	36%
	More than 10 years	13	14%

4.3 Data Analysis

The research tested the hypothesis of translating complex relationships using multiple variables. For this reason, the methodology of Partial Least Square is chosen based on structural equations (PLS-SEM). According to Hoyle (1995), PLS-SEM provides a comprehensive framework for testing hypotheses concerning relationships between observed and latent variables (Figure 2). It is advantageous in several research contexts, including when the analysis tests a theoretical framework from a predictive perspective or when the structural model is complex, involving many constructs, indicators, and relationships. It is also valuable in exploratory research where the aim is to understand increasing complexity levels or extend established theories. (Hair et al., 2019). The confirmatory analysis process has two steps following the recommendations of Hair et al. (2021).

First, using SMART PLS 4.0, the measurement model is evaluated to precisely identify the constructs' reliability and validity. Then, for hypothesis testing, the structural model is examined. We followed Baron and Kenny's method (1986) for testing moderating effects. Moderation implies that the causal relationship between two variables changes depending on the moderating variable. Statistical analysis must measure and test the independent variable's differential effect on the dependent variable depending on the moderator. A new variable is created by multiplying the independent and moderating latent variables ($X_p * Z$). Two conditions are suggested: The moderating impact should be significant, and the moderator should assist with the intention (Increase or Decrease).

5. Main Results

5.1 Measurement Model

Measurement model quality was analyzed by reliability, followed by convergent and discriminant validity. The internal consistency of items can measure reliability, while validity can be measured by constructs' convergent and discriminant validity. Assessing convergent validity provides correlational measures reflecting how well multiple indicators of the same construct agree. The discriminant validity assessment ensures that the constructs of interest and their indicators have strong relationships as opposed to other constructs and their indicators.

Table 2 summarizes the measurement model's reliability results. All Cronbach's alpha and composite reliability (CR) values exceed the recommended level, indicating robust construct reliability across all factors. The "Partnerships and Resources" construct demonstrates Cronbach's alpha value slightly below the threshold. However, its reliability is confirmed based on the robust CR criterion of 0.832.

Table 2. Internal reliability and convergent validity

Constructs	Cronbach's alpha > 0.8 to 0.9	CR > 0.7	AVE > 0.5
MO	0.864	0.892	0.459
OC	0.798	0.950	0.508
OCO	0.820	0.882	0.654
HP	0.868	0.902	0.606
FP	0.859	0.914	0.781
NFP	0.795	0.880	0.710
TQM	0.912	0.925	0.429
LSH	0.869	0.921	0.795
PART	0.627	0.832	0.624
RH	0.755	0.844	0.575
PPS	0.944	0.964	0.899
STRAT	0.896	0.927	0.761

Next, to evaluate the convergent validity, we use the average variance extracted (AVE) (table 2) and loadings (Figure 2, Appendix A). All values surpassed the thresholds (respectively 0.5 and 0.708). Consequently, convergent validity is confirmed. Discriminant validity tests allow us to demonstrate whether concepts or measures are supposed to be unrelated. Fornell and Larcker's matrix shows that the square root of each construct, represented as the diagonal axis of the matrix, should be superior to off-diagonal correlation estimation. The discriminant validity test shows satisfactory results for all constructs. (Table 3)

Table 3. Discriminant validity

	1	2	3	4	5	6	7	8	9
(1) OCO	0.865								
(2) OC	0.605	0.712							
(3) FP	0.665	0.401	0.884						
(4) LSH	0.174	0.300	0.349	0.892					
(5) NFP	0.614	0.602	0.627	0.311	0.842				
(6) PART	0.422	0.576	0.315	0.484	0.459	0.853			
(7) RH	0.538	0.530	0.400	0.336	0.466	0.471	0.758		
(8) PPS	0.502	0.678	0.387	0.523	0.534	0.664	0.453	0.948	
(9) STRAT	0.370	0.399	0.402	0.425	0.445	0.568	0.672	0.821	0.873

5.2 Structural Model

Evaluating the structural model ensures the robustness of the proposed conceptual framework, which is measured by three criteria, namely the quality of the structural equation (Q^2), the nomological validity (Chin R²), and the goodness to fit (GOF). The results obtained are highly satisfactory. The Q^2 values exceed the threshold

(0.197 for MO; 0.277 for HP), indicating a robust predictive ability of the model. The R^2 values for the two dependent variables are 0.493 and 0.499, respectively (greater than 0.1), demonstrating that the model possesses sufficient predictive power, according to Falk and Miller (1991). TQM can account for 49.3% of the variance in MO, and the two dimensions of MO together can explain 49.9% of the variance in HP. Additionally, the goodness-of-fit (GOF) is robust, with a ratio of 0.7, surpassing the threshold of 0.3, indicating the predictive power of the exogenous variables. These findings demonstrate the strength and validity of the model in explaining the relationships between the variables under investigation.

5.3 Testing of the Proposed Model

Finally, a bootstrapping procedure was carried out using 5,000 bootstrap resamples with no sign change. Based on two criteria, significance of relationships ($t > 1.96$ with a significance level of 5%) and relevance of meaningful relationships. ($p = 0.000$), led us to confirm all hypotheses. (Table 4)

Table 4. Validity of research hypotheses

Effects	Original sample (O) > 0	T Statistics > 1.96	P- Value < 0.05
<i>Direct effects</i>			
<i>TQM → MO</i>	0.702	7.711	0.000
<i>LSH → MO</i>	0.120	3.499	0.000
<i>STRAT → MO</i>	0.215	10.021	0.000
<i>PP → MO</i>	0.149	5.573	0.000
<i>P & R → MO</i>	0.082	5.205	0.000
<i>PROC → MO</i>	0.232	6.890	0.000
<i>MO → HP</i>	0.706	10.115	0.000
<i>Moderating effect</i>			
<i>IC → HP</i>	0.303	1.997	0.046
<i>MO*IC → HP</i>	0.115	2.577	0.010
<i>MO → HP</i>	0.607	3.067	0.002

6. Discussion

The results highlighted the effectiveness of TQM practices based on the EFQM model as a crucial mechanism for fostering a culture of MO within Moroccan hotels ($\beta = 0.710$, $p < 0.000$). These results confirm that TQM practices help hotels understand market trends and future growth opportunities. TQM enhances MO culture and atmosphere by establishing clear business policies that align with the organization's mission and objectives, particularly those grounded in current and future stakeholder expectations and needs, market opportunities and threats, and inclusive processes shared with employees.

As shown in Table 4, the efficacy of internal process conception is the most critical enabler in fostering MO behaviors. The path coefficient between PROC and MO is the highest with ($\beta 0.229$, $p < 0.000$). In this context, the processes are well designed to respond effectively to the market's demands, and information is accessible throughout the value chain. Hotel processes are adaptable and aligned with market-driven goals, ensuring consistency and continuous improvement, while the fluid sharing of information across departments enables informed, responsive decision-making and collaboration.

The people enabler is the second most influential MO behaviors ($\beta 0.175$, $p < 0.000$). Employees are motivated, engaged, and committed to gathering and disseminating market information, contributing to a market responsiveness and customer orientation culture.

Then, understanding market evolution and complexity through strategy declination is crucial ($\beta 0.152$, $p < 0.000$), as it translates strategic messages into operational practices. Strategies and policies are regularly reviewed and adapted to reflect market characteristics. Effective communication, implementation, and management of these strategies with internal stakeholders ensures alignment across all departments, promoting a consistent approach to market behaviors. The strategy also focuses on transforming resources into capabilities that drive market-driven behaviors.

Leaders engage with stakeholders, foster a culture of excellence and empowerment among staff, and ensure organizational flexibility to manage market changes, thereby strengthening MO significantly. These leadership behaviors promote a market mindset, encourage innovation, and drive responsiveness to market shifts, enabling hotels to stay attuned to customer needs, build strong relationships, and quickly adapt to changes. However, a fundamental dilemma arises from the findings on the impact of leadership. While the relationship between leadership and MO has been extensively studied and proven robust (Kohli & Jaworski, 1993), the research confirms positive but not strong effects ($\beta = 0.120$, $p < 0.000$). In the present context, leaders may need to

remain constantly aware of emerging customer and competitor management trends. These trends create an asymmetry between hoteliers' perceptions of their customer-focused efforts and customers' perceptions of them.

Partnerships and resources are the least impactful enabler of MO implementation ($\beta = 0.082$, $p < 0.000$). They play a role in the hotel's market strategy, facilitating the exchange of information on market needs, segmentation, competitor analysis, and evolving partner roles. Nevertheless, hoteliers may need to better understand the collaborative nature of these partnerships, characterized by shared information aimed at mutual benefit and enhancing the hotel's MO.

Regarding the second hypothesis, the findings confirm that MO positively influences the development of hotel performance ($\beta = 0.679$, $p < 0.000$) by effectively acquiring market knowledge and translating it into strategic actions, thereby enhancing financial and customer performance. MO is recognized as a valuable and profitable culture within the hospitality industry, characterized by its dynamic and fluctuating nature. Prior studies align with the results cited in the previous section. A strong market focus drives the hotel to perform well by aligning its offerings with customer needs and market trends, resulting in increased occupancy rates, revenue growth, and market share. By continuously gathering customer feedback and analyzing competitors' strategies, the hotel can deliver personalized experiences that increase customer satisfaction and loyalty. Both customer and competitor orientations contribute to improved performance.

First, customer-oriented hotels focus on establishing closer interactions with customers and making incremental improvements that move products toward optimal levels of quality, features, and costs. Consequently, these hotels can more accurately predict customer changes, learn from customers, develop superior knowledge about their evolving needs, and gain a more accurate understanding of them. Second, generating market intelligence on competitors involves understanding their strengths and weaknesses and monitoring competitive factors that may influence customers' preferences when conceiving future strategies. Competitor-oriented hotels, in this context, develop a comprehensive evaluation of targeted and potential rivals and use this substantial awareness to outperform their competitors and achieve a sustainable competitive advantage and improved performance.

The introduction of the moderator (IC) significantly alters the relationship between MO and HP, as shown by the statistical result $\beta = 0.607$, $p < 0.000$. This means that when IC is added to the model, the link between MO and HP becomes stronger or more meaningful (since $p < 0.000$ indicates high statistical significance). However, the key insight here is that the moderator weakens the relationship between MO and HP. This suggests that IC does not simply amplify the effect of MO on HP but reduces the strength of that effect.

7. Conclusion

Based on the discussion, the EFQM enablers of TQM are antecedents of MO. TQM internally motivates hotels to adapt more effectively to market changes. Hotels with high TQM levels tend to be more proactive in responding to the market. The study found a positive relationship between MO and profitability (Narver & Slater, 1990). The more hotels are customer- and competitor-oriented, the more performant they are. Ultimately, a market-oriented strategy enhances a hotel's competitiveness, adaptability, and ability to meet customer expectations, driving both short-term results and long-term business growth.

The study's findings have important theoretical and practical implications. The main contribution to theory development involves the confirmation of the relationships among the studied concepts. To the best of our knowledge, no empirical research in the Moroccan context has linked these three variables in the hospitality industry. Additionally, the present research integrates two international models (EFQM and MKTOR) into a broader conceptual framework to understand how both approaches shape hotel performance in the context of market uncertainties.

Regarding practical implications, TQM's role in implementing MO in hotels has proven to be effective. Interestingly, the study provides the first empirical evidence of these relationships. It also opens a discussion on the role of TQM in effective market monitoring. Specifically, the "Processes" and "People Programs" constructs influence MO more strongly than the other factors. Meanwhile, leadership is important but relatively less direct. The dynamic nature of the Moroccan market may help explain this. In this context, leadership may not always be able to directly control or influence MO to the same extent as external pressure can. While leadership plays a role in orienting the hotel towards a market-oriented culture, the implementation is often carried out by employees and departments in direct contact with customers and market components, which influence MO more directly. MO in the hospitality industry is a two-dimensional aspect. Customers and competitors represent the hospitality industry's most relevant external market components, and it may not be appropriate to limit the range of stakeholders to just these two groups. Hoteliers must be aware that coordination between departments is crucial for translating market intelligence into high performance. If departments work in silos, the full potential

of market intelligence may not be realized, and the effectiveness of the MO approach may be reduced. The study suggests that hospitality organizations should invest in improving internal communication and collaboration to ensure that MO leads to tangible, high-performance results.

Several research limitations must be acknowledged, which should be addressed in future studies. The confirmatory study was limited by the confidentiality of certain information and by the small size of our sample. The limited sample size may have restricted the study's ability to detect additional effects or patterns that could emerge in a larger population. Moreover, it provides only a snapshot at a single point in time, meaning the research is valid only if external environmental variables remain unaffected. Lastly, the current study focused on two specific market components. Future research could expand the scope to include a broader range of components for more nuanced conclusions about market dynamics. Furthermore, future research could build upon this study by replicating it with different samples and service sectors. The validated research framework proposed could serve as a basis for hypothesis formulation in future studies in these areas. Additionally, other models, such as MARKOR, could replace MKTOR for MO and other critical factors of TQM's success in the hospitality industry within the EFQM framework.

Authors' contributions

Dr. Ikram BEL HADDIOUI and Dr. Rachid Jahidi were responsible equally for the study design and revising.

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Data sharing statement

No additional data are available.

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Appendix A: Extracted model from PLS-SEM

