Jasmina Sladoljev, PhD[1]
Mijana Matošević Radić, PhD[2]
Josipa Đaković[3]

CUSTOMER ORIENTATION AND CUSTOMER-RELATED HOTEL PERFORMANCE UNDER CONDITIONS OF MARKET UNCERTAINTY

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The hotel industry faces numerous challenges during periods of market disruption, including changes in guest behaviour, increased uncertainty, and the need to adapt services while maintaining the quality of guest relationships. Under such conditions, customer orientation represents an important strategic approach that enables hotels to better understand guest needs, adapt services, and maintain competitiveness. Based on the Resource-Based View (RBV) and Market Orientation Theory, customer orientation is viewed as a valuable organisational capability that creates superior value for guests. The aim of this study is to examine the impact of customer orientation on customer-related hotel performance during periods of market disruption. The research was conducted on a sample of 73 hotels operating in Dalmatia. Customer-related performance was examined through guest satisfaction, guest loyalty, and guest health and safety. In addition, the relationships between guest health and safety and guest satisfaction, as well as between guest satisfaction and guest loyalty, were examined. Regression results show that customer orientation positively and significantly affects all dimensions of customer-related performance. The strongest effect was observed for guest loyalty, followed by guest health and safety, while the effect on guest satisfaction was weaker but still significant. Supplementary analyses confirmed a positive effect of guest health and safety on guest satisfaction, as well as a strong effect of guest satisfaction on guest loyalty. The findings confirm the importance of customer-oriented strategies and highlight the significance of safety, satisfaction, and long-term guest relationships under conditions of market uncertainty.

***Keywords**: customer orientation; customer-related performance; market disruption; hotel industry.*

[1] Senior Lecturer, Šibenik University of Applied Sciences, Trg Andrije Hebranga 11, Šibenik, Croatia; e-mail: jasmina@vus.hr
[2] Professor of Professional Studies, University of Split, University Department of Professional Studies, Split, Croatia, e-mail: mijana@oss.unist.hr
[3] Student, Šibenik University of Applied Sciences, Trg Andrije Hebranga 11, Šibenik, Croatia; e-mail: jdakovic@vus.hr

1. Introduction

The hotel industry is among the sectors most exposed to market disruptions, changes in consumer behaviour, and increased uncertainty. Fluctuations in tourism demand, rising safety requirements, changing guest expectations, and the need to adapt business processes create significant challenges for hotel companies. Under such conditions, hotels are required to respond rapidly to changing market circumstances while maintaining service quality, guest trust, and business continuity. Traditional sources of competitive advantage are often insufficient, increasing the importance of strategic organisational capabilities that enable a better understanding of guest needs and adaptation to their expectations (Narver and Slater, 1990; Kohli and Jaworski, 1990). The hotel industry is among the sectors most vulnerable to crises, disasters, and pandemics due to its strong dependence on travel demand, interpersonal interactions, and changing customer behaviour (Zhang et al., 2020; Chen et al., 2021). Health-related crises such as the COVID-19 pandemic have profoundly altered guest expectations, increasing the importance of safety, trust, flexibility, reduced personal contact, and personalised service while simultaneously challenging hotels to maintain business performance and strong customer relationships under conditions of heightened uncertainty (Sánchez-Cañizares et al., 2021; Gursoy & Chi, 2020; Kim et al., 2021). Hotels were therefore required to rapidly adapt their organisational practices, implement digital technologies, and develop innovative management strategies in response to these changing expectations (Donthu & Gustafsson, 2020; Hall et al., 2020). Consequently, during periods of market disruption characterised by uncertainty and rapidly evolving customer expectations, market and customer orientation become particularly important sources of competitive advantage (Sampaio & Régio, 2022). Consequently, customer orientation has become an increasingly important organisational capability, enabling hotels to better understand evolving guest needs, adapt service delivery, and sustain long-term customer relationships during periods of market disruption.

Against this background, understanding customer orientation requires an appropriate theoretical framework. Therefore, this study is grounded in two complementary theoretical perspectives: Market Orientation Theory and the Resource-Based View (RBV). Market Orientation Theory assumes that firms achieve superior outcomes when they continuously gather information about customer needs and align their activities with value creation for customers (Narver and Slater, 1990; Kohli and Jaworski, 1990). Within this framework, customer orientation represents a key dimension of market orientation and reflects an organisation's ability to understand and respond effectively to customer needs and expectations. From the RBV perspective, customer orientation can be understood as a valuable organisational capability that contributes to superior business performance through stronger customer relationships and better adaptation to market changes (Barney, 1991; Day, 1994).

Customer orientation has received considerable attention in the hospitality and service literature, where it is commonly associated with higher service quality, customer satisfaction, loyalty, and improved organisational outcomes (Brown et al., 2002; Donavan et al., 2004; Kim and Ok, 2009; Mathe et al., 2016). In hotel settings, understanding and responding to guest expectations are particularly important due to the service-intensive nature of hospitality operations and the central role of customer experience in shaping business success. Although previous studies confirm the positive relationship between customer orientation and business

performance, research focusing specifically on customer-related hotel performance in conditions of market uncertainty remains limited (Sampaio and Régio, 2022). Customer-related performance represents an important non-financial dimension of hotel performance, reflecting outcomes directly associated with guest perceptions and behaviours, such as satisfaction, loyalty, and perceptions of safety and health (Gupta and Zeithaml, 2006; Liao et al., 2009). These dimensions have become particularly relevant in periods of heightened uncertainty, when guests increasingly value trust, safety, and service responsiveness.

Accordingly, the aim of this study is to examine the impact of customer orientation on customer-related hotel performance under conditions of market uncertainty. Customer-related performance is conceptualised as a multidimensional construct observed through guest satisfaction, guest loyalty, and guest health and safety. In addition, the study examines the relationships between guest health and safety and guest satisfaction, as well as between guest satisfaction and guest loyalty, in order to better understand the interplay among key dimensions of guest-related outcomes.

This study offers several contributions to the hospitality and marketing literature. First, rather than relying on aggregated measures of business performance, it provides a more nuanced understanding by disaggregating customer-related performance into distinct but interrelated dimensions. Second, the study extends existing research by conceptualising guest health and safety as an integral dimension of customer-related performance, reflecting the growing importance of safety perceptions in shaping guest experiences under conditions of market uncertainty. Third, by focusing on hotels operating in a turbulent and uncertain environment, the study contributes to the literature on strategic organisational capabilities by highlighting the role of customer orientation as a capability that enables firms to adapt to changing customer expectations and environmental conditions.

The study focuses on hotels operating in Dalmatia, one of Croatia's most important tourism regions, characterised by strong tourism intensity and high dependence on service quality and guest relationships. By providing empirical evidence from this specific context, the study contributes to a better understanding of customer-oriented hotel management under conditions of market uncertainty.

2. Literature Review and Hypothesis Development

2.1. Market Orientation Theory and Resource-Based View

The marketing concept represents one of the fundamental foundations of modern marketing and emphasises the importance of understanding and satisfying customer needs as the basis of business success. Houston (1986) argues that marketing extends beyond advertising, sales, and promotion, encompassing a firm's willingness to recognise customer needs and desires and adapt its activities accordingly. Similarly, McKitterick (1957) emphasises that the marketing concept reflects an organisational culture in which customers occupy a central position in business strategy and operations.

The further development of the marketing concept led to the emergence of market orientation, which represents its application in business practice. According to Narver and Slater (1990), market orientation is an organisational culture focused on creating superior

customer value and achieving improved business performance. Within this framework, customer orientation represents one of the key dimensions of market orientation, as it relates to understanding target customer needs and creating value in line with their expectations. Kohli and Jaworski (1990) view market orientation as a process of generating market intelligence, disseminating it throughout the organisation, and responding to this information, emphasising that it requires the involvement of the entire organisation.

In the context of this study, Market Orientation Theory provides the foundation for understanding customer orientation as a business philosophy focused on creating superior value for guests. To explain why customer orientation may contribute to hotel performance, Market Orientation Theory is complemented by the Resource-Based View (RBV). According to the Resource-Based View, firms achieve sustainable competitive advantage through the development of valuable, rare, and difficult-to-imitate resources and capabilities (Barney, 1991). In this sense, customer orientation can be viewed as a valuable intangible organisational capability that enables hotels to better understand guest needs, adapt services, and build long-term relationships. Day (1994) further emphasises that market-oriented organisations develop capabilities related to understanding markets and connecting with customers, which is particularly important in service industries such as hospitality, where guest experience and interaction quality represent key elements of success. Under conditions of market uncertainty, hotels with a stronger customer orientation may be better positioned to recognise changes in guest expectations, adapt services, and maintain positive customer-related outcomes.

Accordingly, customer orientation is viewed in this study as a strategic organisational capability grounded in both Market Orientation Theory and the Resource-Based View. While Market Orientation Theory explains its focus on understanding and satisfying guest needs, the RBV perspective explains its role as an intangible capability that may contribute to customer-related hotel performance under conditions of market uncertainty.

2.2. Customer Orientation

Customer orientation is grounded in the marketing concept and represents a business philosophy focused on understanding and satisfying customer needs better than competitors. Early authors, such as Drucker (1954) and Levitt (1960), emphasised that the primary purpose of business is to create and retain customers, while long-term success depends on delivering superior value to them.

In contemporary literature, customer orientation is commonly viewed as one of the key dimensions of market orientation. Narver and Slater (1990) define it as a sufficient understanding of target customers to continuously create superior value, while Ruekert (1992) highlights the systematic collection of customer information and organisational responsiveness to customer expectations. Similarly, Jarideh (2016) emphasises customer knowledge and the ability to create superior value, whereas Yazdani et al. (2011) stress the ability and willingness of firms to identify, assess, understand, and respond to customer needs.

Building long-term customer relationships requires delivering high levels of value and satisfaction. Satisfied customers are more likely to become loyal, while loyal customers tend to increase their level of consumption with a particular service provider. Rather than focusing

solely on products or services, customer-oriented organisations emphasise understanding and responding to actual customer needs. Customer orientation is particularly important in service industries, especially hospitality, where direct interaction between employees and guests strongly influences service outcomes. Since service production and consumption occur simultaneously, guest feedback and preferences represent an important source of service improvement and innovation (Hall and Williams, 2008; Grissemann et al., 2013). Hotels with a stronger customer orientation continuously monitor guest satisfaction, adapt services, respond effectively to complaints, and develop long-term guest relationships.

Overall, customer orientation can be viewed as a strategic organisational capability that enables hotels to better understand guest needs, adapt services, strengthen long-term relationships, and improve business performance, particularly under conditions of market uncertainty. Previous studies suggest that customer orientation contributes to competitive advantage, service innovation, guest satisfaction, and improved hotel performance, ultimately supporting stronger guest loyalty and a more stable market position.

2.3. Business Performance and Customer-Related Performance

Business performance represents one of the central concepts in management and refers to the extent to which an organisation achieves its strategic and operational objectives through the effective use of available resources. Performance is commonly associated with organisational success, growth, competitiveness, efficiency, and long-term sustainability (Taouab and Issor, 2019). Since no single set of criteria exists for measuring business performance, both objective and subjective indicators are commonly used, including financial and non-financial measures (Vij and Bedi, 2012). Traditionally, business performance has been assessed primarily through financial indicators such as profitability, sales growth, return on investment, market share, and productivity (Venkatraman and Ramanujam, 1986). However, reliance solely on financial indicators has increasingly been criticised because such measures mainly reflect past performance and provide limited insight into future competitiveness. Consequently, contemporary approaches emphasise the importance of incorporating non-financial dimensions of performance, including customer satisfaction, service quality, and market position (Kaplan and Norton, 1992; Martínez-López and Vargas-Sánchez, 2013). This perspective is particularly important in service industries such as hospitality, where business success strongly depends on service quality, guest experience, and long-term customer relationships.

Accordingly, customer-related performance has become an important dimension of overall hotel performance. It includes indicators associated with guest perceptions and behaviours, such as guest satisfaction, guest loyalty, perceived service quality, trust, and guest retention (Gupta and Zeithaml, 2006; Liao et al., 2009). Previous studies suggest that customer-related outcomes are important predictors of future business performance, as satisfied and loyal guests are more likely to revisit hotels, recommend them to others, and contribute to more stable revenue streams. Under conditions of market uncertainty and disruption, customer-related performance becomes even more important. In addition to satisfaction and loyalty, guests increasingly value safety, health, flexibility, and reliable communication.

Therefore, hotel performance cannot be assessed solely through financial outcomes but also through the ability to maintain positive guest perceptions, trust, and feelings of safety.

In this study, particular attention is given to the role of customer orientation in shaping guest satisfaction, guest loyalty, and perceptions of guest health and safety. These dimensions are viewed as key aspects of customer-related performance under conditions of market uncertainty, where safety and health increasingly represent important elements of guest experience and long-term hotel competitiveness.

2.4. Customer Orientation and Customer-Related Hotel Performance

In line with Market Orientation Theory, customer orientation reflects an organisation's ability to understand customer needs and expectations and direct its activities toward creating superior value (Narver and Slater, 1990; Kohli and Jaworski, 1990). In hospitality, where employees represent an important part of service delivery, customer orientation is particularly relevant because it enables a better understanding of guest needs, service personalisation, and the development of long-term guest relationships. Brown et al. (2002) define customer orientation as employees' predisposition to recognise and satisfy customer needs, while Grizzle et al. (2009) emphasise employees' attitudes toward fulfilling guest expectations. From the Resource-Based View perspective, customer orientation may also be viewed as a valuable organisational capability associated with superior business performance (Narver and Slater, 1990; Cano et al., 2004).

Previous studies suggest that customer orientation positively contributes to customer-related outcomes. In hospitality settings, employees with higher levels of customer orientation pay greater attention to guest interactions and more effectively respond to guest needs, thereby enhancing guest experience (Donavan et al., 2004). Kim and Ok (2009) identify customer orientation as an important mechanism for creating customer satisfaction, while Mathe et al. (2016) confirm its positive effect in hospitality settings. Hotels with stronger customer orientation are more likely to understand guest preferences, personalise services, and respond effectively to guest expectations, resulting in higher levels of guest satisfaction.

H1: Customer orientation positively and statistically significantly affects guest satisfaction.

Customer orientation is also important for building long-term guest relationships. Customer-oriented employee behaviours contribute to service quality, customer satisfaction, and customer retention (Liao et al., 2009). Furthermore, customer-oriented firms develop stronger customer relationships, increase trust, and foster long-term commitment (Crosby et al., 1990; Sirdeshmukh et al., 2002). In hospitality, hotels with stronger customer orientation are more effective in responding to guest needs and encouraging repeat visits (Colwell et al., 2009).

H2: Customer orientation positively and statistically significantly affects guest loyalty.

Under conditions of market uncertainty, guest health and safety have become increasingly important dimensions of hotel performance. Customer-oriented hotels are more likely to adapt services to guest expectations, implement appropriate safety protocols, and communicate protective measures effectively, thereby contributing to safer and more reliable guest experiences. Previous studies also suggest that market-oriented firms are more likely to develop innovations related to health and safety standards (Božić and Radas, 2005).

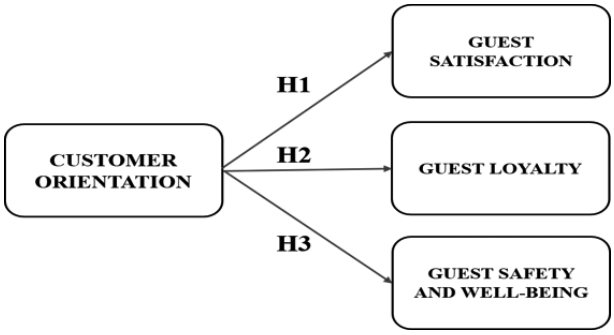
H3: Customer orientation positively and statistically significantly affects guest health and safety.

In addition to the primary hypotheses, supplementary analyses were conducted to examine relationships among selected dimensions of customer-related hotel performance. Given the importance of health and safety perceptions during periods of market uncertainty and the well-established relationship between satisfaction and loyalty in hospitality research, additional analyses examined the relationships between guest health and safety and guest satisfaction, as well as between guest satisfaction and guest loyalty. These additional relationships were examined as supplementary analyses rather than formal hypotheses, as they represent well-established links in hospitality research and were included to provide further insight into the underlying structure of customer-related performance.

2.5. Conceptual Model

Figure 1 presents the conceptual model developed for this study.

Figure 1. Conceptual Model



Source: Author's elaboration

The model examines the role of customer orientation as an important strategic determinant of customer-related hotel performance under conditions of market uncertainty. Customer orientation is positioned as the independent variable and refers to a hotel's ability to understand, recognise, and respond to guest needs and expectations. The model proposes three direct positive relationships between customer orientation and selected dimensions of customer-related performance. Specifically, customer orientation is expected to positively influence guest satisfaction (H1), guest loyalty (H2), and guest health and safety (H3). These dimensions represent important non-financial indicators of hotel performance, particularly under conditions of increased market uncertainty and changing guest expectations. Guest satisfaction refers to the overall evaluation of hotel services and the guest experience. Guest loyalty reflects guests' willingness to revisit and recommend the hotel to others, while guest health and safety encompass perceptions of protection, hygiene, and safety standards provided by the hotel during the guest stay.

Drawing on Market Orientation Theory and the Resource-Based View (RBV), it is assumed that hotels with higher levels of customer orientation create superior value for guests more

effectively, develop stronger guest relationships, and achieve more favourable customer-related outcomes. Therefore, the conceptual model highlights the importance of customer-oriented strategies in maintaining positive guest relationships and hotel performance under conditions of market uncertainty. In addition to the main relationships proposed in the conceptual model, supplementary analyses were conducted to provide a better understanding of the relationships among selected dimensions of customer-related performance, particularly between guest health and safety and guest satisfaction, as well as between guest satisfaction and guest loyalty.

3. Methodology

3.1. Data Collection and Sample

This study uses a subsample of three-, four-, and five-star hotels operating in Dalmatia, extracted from a broader empirical study conducted in the Croatian hotel sector. The geographical scope of the study includes the Zadar, Šibenik-Knin, Split-Dalmatia, and Dubrovnik-Neretva counties. Dalmatia was selected due to its importance for Croatian tourism, high tourism intensity, and the strong dependence of hotel operations on service quality and guest relationships, particularly under conditions of market uncertainty.

In this study, market disruption refers to the period characterised by increased uncertainty, changing guest expectations, and instability in tourism demand during and following the COVID-19 crisis, specifically from 2020 to 2022. This period was marked by major disruptions in tourism flows, increased importance of health and safety, changing guest preferences, and the need for hotels to adapt service delivery and communication practices. Although data were collected during 2023, respondents retrospectively assessed changes in customer-related hotel performance in relation to this period of market disruption. Specifically, respondents evaluated perceived changes in guest satisfaction, guest loyalty, and guest health and safety under conditions of market uncertainty.

The sampling frame included all registered three-, four-, and five-star hotels operating in the observed area, resulting in a total of 308 identified hotels. Data were collected through an online survey questionnaire distributed via e-mail to all identified hotels. The survey was conducted between June and December 2023, and response rates were enhanced through e-mail reminders and follow-up telephone contacts. A total of 73 valid questionnaires were collected, representing a response rate of 23.7%. The respondents included hotel owners, directors, and managers with insight into the strategic and operational aspects of hotel management and guest relationships. Most respondents had extensive experience in the hotel industry and higher education qualifications, which further contributes to the reliability of the assessments used in the study.

The structure of hotels included in the sample is presented in Table 1. Small hotels accounted for the largest share of the sample (45.2%), followed by medium-sized hotels (32.9%) and large hotels (21.9%). Four-star hotels dominated the sample (63.0%), while three-star and five-star hotels accounted for 28.8% and 8.2%, respectively. Most hotels operated as independent establishments (63.0%), whereas 37.0% were part of hotel chains.

Table 1. Characteristics of Surveyed Hotels

Variable	Category	N	%
Hotel size	Small	33	45.2
	Medium	24	32.9
	Large	16	21.9
Hotel category	3-star	21	28.8
	4-star	46	63.0
	5-star	6	8.2
Business form	Independent hotel	46	63.0
	Hotel chain	27	37.0

Source: Authors' calculation based on survey data

Prior to participation, respondents were informed about the purpose and objectives of the study, while participation was voluntary and anonymous. Since data were collected through self-reported measures and from a single source, the possibility of common method bias (CMB) cannot be excluded. To reduce this risk, several procedural remedies recommended in the literature were applied, including ensuring respondent anonymity and confidentiality (Podsakoff et al., 2003). Additionally, Harman's single-factor test was conducted as a statistical assessment of common method bias. The results showed that the first unrotated factor accounted for 48.53% of the total variance, suggesting that common method bias may not represent a dominant source of bias in this study. Nevertheless, because both independent and dependent variables were collected from the same respondents using a single survey instrument, the possibility of common method variance cannot be entirely excluded. Therefore, the results should be interpreted with appropriate caution, particularly regarding the strength of the observed relationships.

Descriptive statistics, Pearson correlation analysis, and simple linear regression analysis were employed. Regression analysis was used to examine the effect of customer orientation on individual dimensions of customer-related performance, namely guest satisfaction, guest loyalty, and guest health and safety. The analysis included the estimation of regression coefficients, model significance, coefficients of determination, and diagnostic tests of regression assumptions.

3.2. Measurement of Constructs

Customer orientation was measured using the scale developed by Narver and Slater (1990), consisting of six items assessing the extent to which hotels understand and respond to guest needs and expectations. All items were measured using a five-point Likert scale ranging from 1 = strongly disagree to 5 = strongly agree.

Customer-related performance dimensions were measured using single-item indicators reflecting perceived changes in guest satisfaction, guest loyalty, and guest health and safety, following prior studies and considering the managerial nature of the survey and the need to reduce respondent burden. Guest satisfaction and guest loyalty were measured using items adapted from Pivčević (2010), while guest health and safety were measured using a modified item based on Božić and Radas (2005), adapted to the hotel context and changing guest expectations under conditions of market uncertainty. Respondents assessed perceived

changes using a five-point Likert scale ranging from 1 = significantly decreased to 5 = significantly increased. The use of single-item measures was considered appropriate given the managerial nature of the survey, the retrospective assessment of performance changes during the period of market uncertainty (2020–2022), and the need to reduce respondent burden among hotel managers. Previous research suggests that single-item measures may be suitable when constructs are concrete, unambiguous, and easily understood by respondents, particularly in managerial and hospitality research contexts (Bergkvist and Rossiter, 2007; Diamantopoulos et al., 2012). In the present study, respondents evaluated overall perceived changes in clearly defined guest-related outcomes rather than multidimensional psychological constructs, which supports the appropriateness of this measurement approach. Nevertheless, the use of single-item indicators may limit construct reliability and the ability to fully capture the multidimensional nature of guest-related outcomes.

Given the exploratory nature of the study and the relatively small sample size, simple linear regression analysis was applied to examine the effect of customer orientation on guest satisfaction, guest loyalty, and guest health and safety. Additional analyses examined the relationships between guest health and safety and guest satisfaction, as well as between guest satisfaction and guest loyalty. The analysis included the estimation of regression coefficients, coefficients of determination (R^2), statistical significance of the estimated models, and diagnostic tests of regression assumptions, including the Durbin–Watson statistic.

4. Results

This section presents the descriptive statistics, Pearson correlation analysis, and regression results related to customer orientation and customer-related hotel performance.

Table 2 presents the descriptive statistics for customer orientation, indicating a high overall level of customer-oriented practices among the surveyed hotels (M = 4.46). The highest mean value was recorded for regular monitoring of customer satisfaction (M = 4.55), followed by business strategy focused on creating customer value (M = 4.47) and business goals driven by customer satisfaction (M = 4.45). The lowest mean value was found for attention to after-sales services (M = 4.04), although this still reflects a relatively positive assessment. Overall, the results indicate a high level of customer orientation among the surveyed hotels.

Table 2. Descriptive statistics of customer orientation items

Variable	Mean	SD	Min	Max
Monitoring employee commitment and guest orientation	4.37	0.71	1.00	5.00
Business goals driven by customer satisfaction	4.45	0.63	2.00	5.00
Competitive strategy based on customer needs	4.42	0.69	1.00	5.00
Business strategy focused on creating customer value	4.47	0.64	2.00	5.00
Regular monitoring of customer satisfaction	4.55	0.57	3.00	5.00
Attention to after-sales services	4.04	0.89	2.00	5.00
Overall Customer Orientation	4.46	0.58	1.50	5.00

Source: Authors' calculation based on survey data

The customer orientation construct demonstrated satisfactory reliability and convergent validity. Cronbach's alpha (0.892) and AVE (0.600) exceeded recommended thresholds, while standardized factor loadings ranged from 0.647 to 0.829. Although CO6 showed a slightly lower loading, it was retained due to its theoretical relevance and satisfactory overall construct validity.

Table 3. Reliability and convergent validity assessment of the customer orientation construct

Construct	Item	Standardized loading	Cronbach's α	AVE
Customer orientation	CO1	0.793	0.892	0.600
	CO2	0.778		
	CO3	0.794		
	CO4	0.829		
	CO5	0.793		
	CO6	0.647		

Note: Recommended thresholds: factor loadings > 0.70 (acceptable ≥ 0.60), Cronbach's alpha > 0.70, and AVE > 0.50.

Source: Authors' calculation based on survey data

Table 4 presents descriptive statistics and Pearson correlation coefficients among the observed variables. The descriptive results indicate relatively high mean values for all dimensions of customer-related performance. The highest mean value was recorded for guest health and safety (M = 3.973; SD = 0.866), followed by guest satisfaction (M = 3.795; SD = 0.971) and guest loyalty (M = 3.767; SD = 1.007), indicating generally positive evaluations of customer-related hotel performance. Pearson correlation analysis was conducted to provide a preliminary insight into the relationships among the observed variables prior to hypothesis testing. The results indicate positive and statistically significant relationships between customer orientation and all dimensions of customer-related performance. The strongest relationship was found between customer orientation and guest loyalty ($r = 0.485$, $p < 0.001$), followed by guest health and safety ($r = 0.403$, $p < 0.001$), while the relationship with guest satisfaction was weaker but statistically significant ($r = 0.251$, $p < 0.05$). Strong positive relationships were also found between guest satisfaction and guest loyalty ($r = 0.760$, $p < 0.001$), as well as between guest health and safety and guest loyalty ($r = 0.741$, $p < 0.001$). A moderate relationship was observed between guest health and safety and guest satisfaction ($r = 0.555$, $p < 0.001$). These findings provide preliminary support for the proposed relationships among the observed variables.

Table 4. Descriptive statistics and Pearson correlations among variables

Variables	M	SD	1	2	3	4
1. Customer orientation	4.457	0.581	1			
2. Guest satisfaction	3.795	0.971	0.251*	1		
3. Guest loyalty	3.767	1.007	0.485***	0.760***	1	
4. Guest health and safety	3.973	0.866	0.403***	0.555***	0.741***	1

Note: ***p < 0.001; **p < 0.01; *p < 0.05.

Source: Authors' calculation based on survey data

4.1. Hypothesis Testing Results

The proposed hypotheses were tested using simple linear regression analysis. The results are presented for each individual dimension of customer-related hotel performance, namely guest satisfaction, guest loyalty, and guest health and safety. In addition, supplementary analyses were conducted to examine the relationships between guest health and safety and guest satisfaction, as well as between guest satisfaction and guest loyalty. All regression models were statistically significant, while Durbin–Watson statistics indicated no substantial autocorrelation of residuals.

The regression results indicate that customer orientation has a positive and statistically significant effect on guest satisfaction (β = 0.419; Beta = 0.251; t = 2.183; p = 0.032), supporting H1. Although the effect was relatively modest, hotels with stronger customer orientation tended to report higher levels of guest satisfaction. The model explained 6.3% of the variance in guest satisfaction (R^2 = 0.063), suggesting that additional factors may also influence this outcome.

Table 5. Effect of Customer Orientation on Guest Satisfaction

Predictors	**Unstandardized coefficients**		**Standardized coefficients**	**t**	**Significance**
	β	Standard error	Beta		
Customer orientation	0.419	0.192	0.251	2.183	0.032
	Regression model: R = 0.251; R^2 = 0.063; Adjusted R^2 = 0.050; Standard error of estimate = 0.947; Durbin–Watson test = 1.827 **ANOVA:** F = 4.764; p = 0.032				
Dependent variable: Guest satisfaction					

Note: * β = unstandardized regression coefficient; Beta = standardized regression coefficient; R^2 = coefficient of determination; Adjusted R^2 = adjusted coefficient of determination; F = model F-statistic; t = t-statistic; p = significance level; ***p < 0.001; **p < 0.01; p < 0.05.

Source: Authors' calculation based on survey data

The regression results indicate that customer orientation has a positive and statistically significant effect on guest loyalty (β = 0.841; Beta = 0.485; t = 4.675; p < 0.001), supporting H2. Compared to the other dimensions of customer-related performance, the effect on guest loyalty was the strongest. The model explained 23.5% of the variance in guest loyalty (R^2 = 0.235), confirming the importance of customer orientation in shaping long-term guest relationships.

Table 6. Effect of customer orientation on guest loyalty

Predictors	**Unstandardized coefficients**		**Standardized coefficients**	**t**	**Significance**
	β	Standard error	Beta		
Customer orientation	0.841	0.180	0.485	4.675	<0.001
	Regression model: R = 0.485; R^2 = 0.235; Adjusted R^2 = 0.225; Standard error of estimate = 0.887; Durbin–Watson test = 1.882 **ANOVA:** F = 21.852; p < 0.001				
Dependent variable: Guest loyalty					

Source: Authors' calculation based on survey data

The regression results indicate that customer orientation has a positive and statistically significant effect on guest health and safety (β = 0.601; Beta = 0.403; t = 3.709; p < 0.001), supporting H3. The findings suggest that hotels with higher levels of customer orientation are more effective in meeting guest expectations related to safety and health standards. The model explained 16.2% of the variance in guest health and safety (R^2 = 0.162), indicating a moderate contribution of customer orientation to this performance dimension.

Table 7. Effect of customer orientation on guest health and safety

Predictors	**Unstandardized coefficients**		**Standardized coefficients**	**t**	**Significance**
	β	Standard error	Beta		
Customer orientation	0.601	0.162	0.403	3.709	<0.001
	Regression model: R = 0.403; R^2 = 0.162; Adjusted R^2 = 0.151; Standard error of estimate = 0.798; Durbin–Watson test = 1.583 **ANOVA:** F = 13.756; p < 0.001				
Dependent variable: Guest health and safety					

Source: Authors' calculation based on survey data

4.2. Supplementary analyses

In addition to the main relationships proposed in the conceptual model, supplementary analyses were conducted to examine the relationships between guest health and safety and guest satisfaction, as well as between guest satisfaction and guest loyalty.

The results of the supplementary regression analysis indicate that guest health and safety has a positive and statistically significant effect on guest satisfaction (β = 0.623; Beta = 0.555; t = 5.621; p < 0.001). The model explained 30.8% of the variance in guest satisfaction (R^2 = 0.308), suggesting that perceptions of safety and health standards represent an important element of the overall guest experience.

Table 8. Effect of guest health and safety on guest satisfaction (supplementary analysis)

Predictors	**Unstandardized coefficients**		**Standardized coefficients**	**t**	**Significance**
	β	Standard error	Beta		
Guest health and safety	0.623	0.111	0.555	5.621	<0.001
	Regression model: R = 0.555; R^2 = 0.308; Adjusted R^2 = 0.298; Standard error of estimate = 0.814; Durbin–Watson test = 1.900 **ANOVA**: F = 31.591; p < 0.001				
Dependent variable: Guest satisfaction					

Source: Authors' calculation based on survey data

The results of the supplementary regression analysis indicate that guest satisfaction has a strong positive and statistically significant effect on guest loyalty (β = 0.788; Beta = 0.760; t = 9.844; p < 0.001). Among all analysed relationships, this effect was the strongest. The model explained 57.7% of the variance in guest loyalty (R^2 = 0.577), confirming the importance of guest satisfaction as a key determinant of long-term guest relationships.

Table 9. Effect of guest satisfaction on guest loyalty (supplementary analysis)

Predictors	**Unstandardized coefficients**		**Standardized coefficients**	**t**	**Significance**
	β	Standard error	Beta		
Guest satisfaction	0.788	0.080	0.760	9.844	<0.001
	Regression model: R = 0.760; R^2 = 0.577; Adjusted R^2 = 0.571; Standard error of estimate = 0.660; Durbin–Watson test = 1.883 **ANOVA**: F = 96.897; p < 0.001				
Dependent variable: Guest loyalty					

Source: Authors' calculation based on survey data

5. Discussion

The findings of this study confirm the importance of customer orientation as a strategic organisational capability in shaping customer-related hotel performance under conditions of market uncertainty. The findings are consistent with the assumptions of Market Orientation Theory and the Resource-Based View (RBV). The results demonstrate that customer orientation positively affects guest satisfaction, guest loyalty, and guest health and safety, although the magnitude of these effects differs across dimensions. These findings provide a more nuanced understanding of how customer orientation contributes to customer-related outcomes in uncertain and turbulent environments.

The positive effect of customer orientation on guest satisfaction supports H1 and reinforces previous hospitality research suggesting that customer-oriented hotels are better able to understand guest expectations and adapt their services accordingly (Kim and Ok, 2009; Mathe et al., 2016). Hotels characterised by stronger customer orientation are more likely to systematically monitor guest preferences, personalise service delivery, and respond effectively to guest concerns, thereby contributing to more favourable guest evaluations. However, compared to the other analysed dimensions, customer orientation exhibited the weakest effect on guest satisfaction. One possible explanation lies in the multidimensional nature of satisfaction, which is influenced not only by customer-oriented practices but also by a range of contextual and situational factors, including service quality, price perceptions, physical environment, and emotional aspects of the guest experience. Under conditions of market uncertainty, satisfaction may additionally be shaped by external circumstances beyond managerial control, such as travel restrictions, changing expectations, and heightened perceptions of risk. Therefore, although customer orientation contributes to guest satisfaction, it may represent only one of several determinants shaping guests' overall evaluations.

The strongest effect of customer orientation was observed for guest loyalty, supporting H2 and highlighting the importance of customer-oriented strategies in building long-term guest relationships. This finding suggests that hotels capable of understanding guest needs and maintaining consistent communication are more successful in fostering repeat visitation and positive word-of-mouth intentions. In periods of heightened uncertainty, loyalty may become particularly important, as guests tend to prefer familiar and trusted service providers capable of reducing perceived risks associated with travel decisions. Consequently, customer orientation may function not only as a mechanism for improving service experiences but also as a capability that strengthens trust and relationship continuity under uncertain conditions. This finding is consistent with previous studies emphasising the role of customer orientation in fostering trust, commitment, and long-term customer relationships (Crosby et al., 1990; Sirdeshmukh et al., 2002; Colwell et al., 2009). From the RBV perspective, the findings further suggest that customer orientation represents an intangible organisational capability that becomes particularly valuable during periods of market turbulence, when maintaining stable customer relationships may represent an important source of competitive resilience.

The results also support H3, indicating a positive relationship between customer orientation and guest health and safety. Although previous research has rarely examined this relationship directly, the findings suggest that customer-oriented hotels are more capable of adapting service processes and communication practices to evolving guest expectations regarding protection, hygiene, and safety standards. During periods of heightened uncertainty, particularly in the context of the COVID-19 crisis, guests increasingly valued transparency, reliability, and visible safety practices. Hotels with stronger customer orientation may therefore be better positioned to recognise changing guest concerns and implement measures aligned with guests' expectations. In this context, customer orientation extends beyond traditional service quality considerations and becomes closely linked to perceptions of trust and care. These findings partially align with prior research suggesting that market-oriented firms are more likely to implement adaptive practices and innovations associated with changing environmental conditions (Božić and Radas, 2005).

The supplementary analyses provide additional insight into the structure of customer-related hotel performance. The positive relationship between guest health and safety and guest satisfaction suggests that safety perceptions represent an important component of the guest experience under uncertain conditions, as guests may interpret visible safety practices as indicators of service reliability and organisational responsibility. Furthermore, the strong effect of guest satisfaction on guest loyalty confirms its central role in shaping long-term guest relationships, consistent with prior hospitality literature (Kotler, 2004; Luarn & Lin, 2003). The strength of this relationship may indicate the possibility that customer orientation influences loyalty through guest satisfaction and safety perceptions. However, since mediation effects were not formally tested in this study, such relationships should be considered only as potential avenues for future research.

Overall, the findings extend existing hospitality literature in several ways. First, rather than treating customer-related performance as a single aggregate construct, the study demonstrates that customer orientation affects different dimensions of guest-related outcomes with

varying intensity. Second, the inclusion of guest health and safety contributes to a more contemporary understanding of customer-related performance under conditions of uncertainty, where perceptions of protection and trust increasingly shape service evaluations. Third, the findings strengthen the RBV perspective by demonstrating that customer orientation represents an intangible organisational capability whose value may become particularly pronounced during periods of market disruption and changing customer expectations. Hotels capable of maintaining close relationships with guests and adapting to evolving expectations may therefore be better positioned to preserve customer trust and long-term competitiveness in uncertain environments.

6. Conclusion

The aim of this study was to examine the impact of customer orientation on customer-related hotel performance under conditions of market uncertainty, observed through guest satisfaction, guest loyalty, and guest health and safety. The findings confirm that customer orientation represents an important determinant of positive customer-related outcomes in the hotel industry, particularly in environments characterised by increased uncertainty and changing guest expectations.

The results indicate that hotels with stronger customer orientation achieve more favourable outcomes related to guest satisfaction, loyalty, and perceptions of health and safety, with the strongest effect observed for guest loyalty. These findings highlight the importance of understanding guest needs, adapting services, and developing high-quality guest relationships as key elements of successful hotel management under conditions of uncertainty.

This study provides several contributions to the existing literature. First, it extends prior research by disaggregating customer-related performance into distinct dimensions, enabling a more nuanced understanding of how customer orientation affects specific guest-related outcomes. Second, the study introduces guest health and safety as an important dimension of customer-related performance, reflecting the growing role of safety perceptions in shaping guest experiences. Third, the findings contribute to the understanding of customer orientation as a strategic organisational capability, consistent with Market Orientation Theory and the Resource-Based View, particularly in the context of turbulent and uncertain environments.

The findings also offer practical implications for hotel managers. Hotels should invest in the systematic collection of guest information, service personalisation, employee support, and transparent communication, particularly regarding health and safety standards. Under conditions of uncertainty, these elements represent important drivers of guest satisfaction, trust, and long-term loyalty. The results suggest that investments in customer-oriented practices may be particularly beneficial for strengthening guest loyalty, as customer orientation demonstrated its strongest effect on this dimension. Hotel managers should therefore prioritise customer feedback systems, personalised service delivery, and proactive communication strategies aimed at sustaining long-term guest relationships. At the

same time, customer orientation may support guest perceptions of health and safety, which represent an important component of the overall guest experience in uncertain environments.

Despite its contributions, the study has several limitations. It is based on a relatively small sample from a single region and relies on managerial self-reported data, which may limit the generalisability of the findings. Another limitation relates to the retrospective nature of data collection. Although the survey was conducted in 2023, respondents were asked to assess perceived changes in customer-related performance during the period of market disruption between 2020 and 2022. Consequently, the results may be affected by recall bias, as managerial perceptions may not fully reflect actual events or changes that occurred during the observed period. In addition, guest satisfaction, guest loyalty, and guest health and safety were measured using single-item indicators. Although previous studies have suggested that single-item measures may be appropriate for concrete and easily understood constructs (Bergkvist & Rossiter, 2007; Diamantopoulos et al., 2012), such measures may not fully capture the multidimensional nature of these concepts.

Furthermore, the use of cross-sectional survey data and simple linear regression analysis does not allow strong causal inferences. Although the results indicate statistically significant associations between customer orientation and customer-related performance outcomes, the direction and causality of these relationships should be interpreted cautiously.

Future research should include larger and more diverse samples, apply multi-item measurement scales, employ longitudinal research designs where possible, and further examine potential mediating and moderating mechanisms related to organisational capabilities, service processes, and changing guest expectations.

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