



The Influence of Market Orientation on Strategic Success: Empirical Evidence from Tourism Institutions in Duhok Governorate in Iraq

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ABSTRACT:

This study explores the dimensions of market orientation and their impact on strategic success in the tourism segment. A descriptive-analytical approach was employed, with random sampling adopted due to accessibility challenges instead of surveying the entire population of tourism hotels in the Duhok Governorate in the Kurdistan Region of Iraq. Out of 110 distributed questionnaires, eighty-six were completed and analyzed. The hypotheses were examined using Structural Equation Modeling (SEM) with Smart-PLS, a suitable instrument for such models. The results showed that customer orientation, competitor orientation, and cross-functional integration each have a positive and statistically significant influence on strategic success, with significance confirmed at the 0.05 level. Among these, customer orientation confirmed the strongest impact, followed by cross-functional integration and competitor orientation. Based on these discoveries, the study suggests that hospitality directors prioritize customer orientation as the key driver of strategic success, while also highlighting the importance of monitoring and evaluating competitors' strategies and market positions to sustain competitive advantage.

KEYWORDS: *Market Orientation, Customer Orientation, Competitor Orientation, Cross-Functional Integration, Strategic Success*



اثر التوجه السوقي على النجاح الاستراتيجي: دراسة تطبيقية على المؤسسات السياحية في محافظة دهوك في العراق

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المستخلص:

تهدف الدراسة هذه إلى اختبار اثر أبعاد التوجه السوقي على النجاح الاستراتيجي. وقد استخدمت الدراسة المنهج الوصفي التحليلي. نظرًا لصعوبة الوصول إلى البيانات المطلوبة، تم اختيار عينة عشوائية بدلاً من عينة شاملة من الفنادق السياحية في محافظة دهوك بالعراق. وتم توزيع (110) استبانة، واسترجع منها 86 صالحة للتحليل. اعتمدت الدراسة المنهج الوصفي التحليلي، وتم تطبيق نموذج المعادلة الهيكلية (SEM) باستخدام تقنية Smart-PLS لاختبار الفرضيات. أظهرت النتائج أن جميع أبعاد التوجه السوقي، والمتمثلة في التوجه نحو الزبائن، التوجه نحو المنافسين، والتكامل بين الوظائف، كان لها تأثير إيجابي ودال إحصائيًا على النجاح الاستراتيجي عند مستوى دلالة (0.05). ومن بين هذه الأبعاد، كان لبعد التوجه نحو الزبائن التأثير الأكثر على النجاح الاستراتيجي، تلتها بعد التكامل بين الوظائف، وأخيرًا التوجه نحو المنافسين. وأوصى الدراسة مديري مؤسسات الضيافة بإعطاء الأولوية للتوجه نحو الزبائن لما له من تأثير كبير على النجاح الاستراتيجي. بالإضافة إلى ذلك، يُعد الرصد والتحليل المستمر لاستراتيجيات المنافسين ومواقعهم في السوق أمرًا ضروريًا للحفاظ على الميزة التنافسية.

الكلمات المفتاحية: التوجه السوقي، التوجه نحو الزبائن، التوجه نحو المنافسين، والتكامل بين الوظائف، والنجاح الاستراتيجي.



1. INTRODUCTION

The tourism sector has swiftly grown into a universal industry, playing an increasingly critical role in general economies by generating substantial revenue, creating employment prospects, and driving foreign currency arrivals (Khudher, 2017). Globally, the industry has occurred as a key source of Gross National Product (GDP), with countries like Malaysia heavily relying on tourism to account for a significant portion of total employment and economic output (Li Sa et al., 2020). A growing number of countries are understanding the enormous economic benefits of tourism and are making efforts to draw guests and improve policies linked to tourism a import to improve their attractiveness (Khalifah & Mustafa, 2019). The tourism sector improves total income, output, and job creation, which benefits social and economic growth beyond its immediate economic contributions (Alsaad & Lazim, 2023). In Iraq, particularly in the Iraqi Kurdistan Region, the tourism sector holds immense potential to become a secondary economic pillar after oil (Alsaad & Lazim, 2023). Duhok Governorate, known for its historical landmarks, natural beauty, and favorable climate, has made significant strides in recent years to promote tourism (Altaee et al., 2017). However, despite these benefits, the region remains largely underexplored on an global scale, facing challenges such as low tourist satisfaction and derisory tourism management practices (Altaee et al., 2017). Tackling these challenges requires the enhancement of customer satisfaction and the expansion of more effective tourism management strategies. Market orientation is accredited as a critical element across industries, including tourism.



It allows businesses to remain competitive by aligning their strategies to meet customer needs and respond to market dynamics (Waise Murad & Hama Saleh, 2021). Huge studies have revealed that market orientation—encompassing aspects such as customer and competitor orientation, in addition to cross-functional direction plays a key role in ornamental competitive advantage, improving corporate recital, and strengthening brand image (Elkrghli, 2014; Kovács & Szakály, 2022). For example, accepting customer-centric strategies is especially important for sustaining competitiveness in industries with high saturation, like hospitality. (Li Sa et al., 2020).

From more than one angle, this research contributes to the existing literature. First, growth in the tourism sector calls for an understanding of factors underlying strategic success in tourism-related enterprises. Previous studies emphasize the importance of market orientation in influencing responsive strategies and directing market dynamics (Fariss & Tariq, 2022; Kovács & Szakály, 2022; Rattie, 2020). In further detail, the research describes some elements of market orientation, such as customer and competitor orientation, that render certain tourism businesses more appealing or effective than others. Second, as Li Sa et al. (2020) said, putting the customer at the center of business operations is important for staying competitive in today's changing market. This study looks at how strategies that focus on the customer affect important business outcomes like customer satisfaction, loyalty, and overall success. Third, research has shown that being market-oriented greatly improves performance in many areas, such as the textile SMEs in Malaysia and the tourism industry



(Elkrghli, 2014; Udriyah et al., 2019). By focusing on specific areas like customer orientation and inter-functional harmonization, this study gives us useful information about how these factors contribute to strategic success in the tourism industry (Kovács & Szakály, 2022). Finally, Altaee et al. (2017) and Alsaad & Lazim (2023) have talked about the Kurdistan Region's natural attractions and historical sites, as well as the problems with keeping tourists happy and managing tourism. This study focuses on the Duhok Governorate to find ways to make the tourism industry better and more present around the world. Because the tourism industry is becoming more competitive and dynamic all the time, this study set out to look into how market orientation affects the strategic success of tourism institutes in the Duhok Governorate. By investigative dimensions such as customer and, competitor orientation, and inter-functional integration, this research seeks to provide valuable insights into how tourism businesses can develop effective strategies to enhance market positioning, increase customer satisfaction, and eventually bring about durable growth. The significance of this research deceits in addressing the unique challenges met by tourism institutions in Duhok while contributing to the broader perception of the link between market orientation and strategic success in emerging tourism markets.

2. LITERATURE REVIEW

In this part, prior studies on market orientation and strategic success will be reviewed. First, the research explores the concept of strategic success, classifying key variables that might directly affect it. Second, the section examines market orientation, which is defined as the



independent variable in this research. Finally, the discussion will focus on the link between market orientation and strategic success, highlighting the connection between these two variables.

2.1. The Concept of Strategic Success

The concept of strategic success is vital for all organizations, as it represents the eventual purpose that modern enterprises strive to achieve. Achieving success requires organizations to increase their competitive and innovative competencies constantly. To do this, a strong understanding of the link between the organization and the environment is crucial, allowing it to capitalize on evolving opportunities. Moreover, effective management differs not only in exploiting these external opportunities but also in promoting internal relationships, building trust between management and employees, and safeguarding operational efficacy (Amanah et al., 2021). Strategic success is an intricate concept that lacks a universally accepted meaning. AL-Fatlawy & Al-Shammari (2021) pronounce it as an organization's capacity to control its intellectual, organizational, and core capabilities to acquire new knowledge, adapt, and boom in dynamic environments. This includes achieving organizational goals, excelling in its core business, and ensuring both subsistence and growth. Similarly, other studies (Amanah et al., 2021; Salman et al., 2021) define strategic success as the ability to implement established strategies effectively to achieve organizational goals. In a related attitude, Muhammad and Omar (2018) emphasize that strategic success involves leveraging competitive opportunities and adapting to external environments to confirm an organization's continuity in the



market. Mantk (2019) further supports this, noting that continuing awareness, adaptability, survival, and growth are essential components of strategic success. In the tourism industry, one of the most important things for strategic success is for a business to be able to come up with unique plans that are in line with its values, vision, and mission. In this case, the most important signs of success are keeping customers happy, staying ahead of the competition in the long term, and being able to adapt to a market that is always changing and getting more complicated. This means that everyone needs to do a lot of technical and managerial work (Al-Kamari & Saud, 2018).

The research suggests that strategic success means that organizations need to be able to come up with and carry out good strategies that help them survive, grow, and change with the changing conditions of the tourism industry. To be successful in this area, you need to take advantage of attractive opportunities, deal with environmental problems, and use your resources wisely. In addition, tourism organizations must take a broad approach to achieve strategic success. This includes understanding the market, coming up with new ideas, keeping customers happy, being environmentally friendly, and using good management practices. These things are very important for success in the tourism industry, which is very competitive.

Indeed, there is a necessity from which the organization seeks to attain its goals in facing challenges; that is, through achieving and developing goals of survival, adaptation, and growth. These aspects are fundamental for ensuring an organization's long-term viability (Amanah et al., 2021). Strategic success provides lasting advantages,



enhances market position, and fosters future growth by enabling organizations to adapt to new challenges and realities (Karim & Faraj, 2023). It also plays a vital role in improving performance, addressing organizational weaknesses, and developing intellectual capital, which is essential for organizational progress and mission success (Abdulrazak & Al-Saraf, 2024). Evaluating an organization's competitive standing is tied to its strategic potential for success. This evaluation includes the value derived from current investments, with data typically sourced from financial statements (Orlov et al., 2020). After discussing the fundamental concepts of strategic success, it is crucial to acknowledge the different dimensions of strategic success, which may vary according to the perspectives of various writers and researchers. These dimensions help in evaluating an organization's performance and identifying any internal or external issues that require attention. By addressing these problems, the organization can enhance its overall performance. In the field of administrative sciences, researchers have identified various components of strategic success. However, most researchers (AL-Fatlawy & Al-Shammari, 2021; Karim & Faraj, 2023; Mantk, 2019) and current studies concur that strategic success can be gauged by three indicators: survival, adaptation, and growth.

Survival is crucial for strategic success because maintaining competitiveness is essential in dynamic environmental conditions (Mantk, 2019). Survival means the competence of an organization to persist. Merely surviving in competitive conditions is considered a success because it allows the organization to search for opportunities



and constantly cope with its surroundings in the long run (Amanah et al., 2021). In addition, survival is the primary goal of any organization, and it must demonstrate commitment to fulfilling the needs of various stakeholders, including the market, working staff, shareholders, investors, host communities, and the government (Ozigi & Onuoha, 2023). Thus, a company's success is not solely determined by its financial performance. Long-term survival should be the ultimate measure of success; thus, prioritizing long-term survival over short-term financial gains is crucial.

Adaptation refers to an organization's capacity to anticipate and mitigate internal and exterior challenges, actively adjusting to the environment (Amanah et al., 2021). Adaptation is essential in transforming non-purposeful organizations into purposeful ones. It helps build capabilities, maximize management, and support organizational and social responsibility. This leads to a sustainable competitive advantage and proves the organization's existence (AL-Fatlawy & Al-Shammari, 2021).

Growth reflects an organization's ability to thrive by diversifying activities and developing strategies and initiatives (Amanah et al., 2021). Successful growth is often a result of aligning services with market interests, as well as diversifying offerings to cater to broader market segments. In the tourism industry, for example, expansion may include developing targeted service offerings or diversifying tourism services to meet varying customer needs. Other tactical expansion strategies may involve forming strategic partnerships, increasing the number of outlets and branches, or growing the hotel chain (Al-



Kamari & Saud, 2018). Growth is a critical stage in an organization's life cycle, signified by a noticeable change in size and performance. This change stems from the organization's desire and determination for survival and continuity. It is supported by effective organizational structures designed to achieve the management's goals, whether those goals are short-term or long-term (AL-Fatlawy and Al-Shammari 2021). Moreover, an organization's growth can be reflected in its current volume of real investments. This volume indicates the company's commitment to financing both current and non-current assets to expand its market capacities, improve its offerings, and ultimately increase competitiveness (Orlov et al., 2020).

2.2 Market Orientation

Market orientation is widely regarded as a modern marketing concept that intrigues scholars and professionals alike. It is recognized for its proactive approach to meeting customer needs and desires, which ultimately contributes to customer satisfaction and organizational success (Rattie, 2020). The effectiveness of an organization's marketing performance is closely tied to the extent to which it applies market orientation, as it represents a business philosophy that prioritizes the alignment of all organizational activities toward customer satisfaction and market demands (Puspaningrum, 2020). Innumerable studies have approached market orientation from different viewpoints, giving it both as a management philosophy and an organizational culture. Nevertheless, the studies have in one way or another some common objective: satisfying customer needs, retaining customers, and assuring safety for all stakeholders involved in the



production process, such as competitors, distributors, and shareholders. Hadi & Amor (2020) assert that the market orientation is the practical realization of marketing theory, as it affirms that an organization acts upon key marketing concepts that lead ultimately to better marketing performance (Wójcik-Karpacz et al., 2021).

According to Kohli et al. (2010), to generate market intelligence about present and prospective customer needs from an organization-wide perspective, which is the popularly cited definition of market orientation. The intelligence being spoken about flows throughout the organization, both down the hierarchy and laterally, and responses are organization-wide. Fariss & Tariq (2022) further iterated that market orientation consists of identifying changes in the marketplace that can be linked to customer needs so that the organization is considered to be preempting any evolving dynamics. Moreover, market orientation is often defined as a management philosophy that integrates and coordinates all marketing functions with other administrative functions. This arrangement is essential to build and meet market needs (Rattie, 2020). Mahmoud & Hammadi (2021) clarify that market orientation is an organizational effort to direct all the activities, operations, and products toward fulfilling the needs of the customer through cooperation and integration internally, and, in the end, offering customers the value they deserve.

Market orientation is the way an organization collects and presents evidence of the current and future needs of the target markets. These will then form the basis for providing superior value to customers to be able to defeat competitors and achieve long-term success (Hadi &



Amor, 2020). According to Narver & Slater (1990), market orientation is an organizational culture that fosters actions aimed at delivering greater customer value, which, in turn, drives sustained high performance for the firm (Dabrowski et al., 2019). On the whole, market orientation has universal applications, irrespective of the organization's scope, since it aims to create customer satisfaction by aligning available organizational processes and resources to meet market needs (Puspaningrum, 2020; Wójcik-Karpacz et al., 2021). The organizations apply the gathered market knowledge in enhancing sustained competitiveness and market excellence by maximizing customer value (Mahmoud & Hammadi, 2021).

2.2.1 Market Orientation Dimensions

They claim that market orientation encompasses three core activities: gathering market intelligence, disseminating market intelligence throughout the organization, and responding to it from a strategic perspective (Kohli & Jaworski, 1990). Similarly, Narver and Slater (1990) identified customer orientation, competitor orientation, and cross-functional coordination as the major dimensions of market orientation. Together, these dimensions allow firms to deliver maximum value to their customers by understanding customer needs, evaluating how well competitors are satisfying those needs, and coordinating their internal resources to ensure that customers receive superior value (Tawfiq, 2017). The three-dimensional framework of Narver and Slater (1990) is endorsed in this study, as it allows an organization to enhance its capability in reacting to changes in



peripheral environments while maintaining competitive advantage and reputation (Fariss & Tariq, 2022).

1. Customer Orientation

Customer orientation is the ability of an organization to identify and respond to customers' ever-growing needs economically (Khalifa, 2018). This approach emphasizes building long-term relationships with customers, promoting strategic partnerships through exchanging info, and cultivating loyalty and satisfaction. Contrary to other classifications, a relationship with the customer is a resource of immense usefulness to the market because it creates a continued advantage for it (Mahmoud & Hammadi, 2021). Li Sa et al. (2020), analyze that in considerations such as hospitality, customer satisfaction and loyalty are central to long-term business viability. Communicating an organized working relationship between the various departments and units of an organization contributes to better service at the customer end (Ighomereho et al., 2022). Moreover, Dabrowski et al. (2019) proved that the strongest customer orientation, which, by fostering marketing creativity, had a greater influence than other dimensions such as competitor orientation and cross-functional integration in determining financial performance.

2. Competitor Orientation

Competitor orientation refers to the understanding of both existing and potential competing parties' strategies and actions, thus allowing the organization to evaluate its strengths and weaknesses in contrast to these parties (Tawfiq, 2017). In addition, Akintola et al. (2024) The continuous appraisal of the products and capabilities of a firm against



its competitors is known as competitor orientation. With this focus on competitor orientation, organizations can gain the ability to foresee market changes and enhance their products and services to remain competitive (Dabrowski et al., 2019). In the current international environment, Stocker and Várkonyi (2022) have indicated that competitor orientation actually raises the level of competition among internationalized medium-sized and large European firms. Similarly, Mahmoud and Hammadi (2021) show how competitor orientation allows firms to better satisfy customer needs by continually valuing the refinement of their products and services, which in turn leads to better overall business performance.

3. Cross-Functional Coordination

The third dimension that gives meaning to market orientation, cross-functional coordination, refers to the configuration and integration of various departments within the organization for delivering a determined value to the customer. This means efficient resource utilization and that all employees will work toward the same organizational goals irrespective of their departmental boundaries (Narver & Slater, 1990). Internal coordination simplifies the flow of info about customers and competitors, enabling a cohesive organizational response (Mahmoud & Hammadi, 2021). In the same connection, Khalifa (2018) emphasizes that cross-functional coordination strengthens internal relationships and improves communication, ultimately promoting harmony and efficiency within the organization. The integration of departments is essential for dropping inefficiencies, fostering innovation, and driving superior



customer value (Dabrowski et al., 2019; Saidani, 2016). By sharing information and aligning efforts across departments, organizations can effectively adapt to market changes and ensure that their strategic decisions are well-informed and responsive to both customer and competitor dynamics. This, in turn, improves overall business performance and creates a sustainable competitive advantage (Mahmoud & Hammadi, 2021).

2. Conceptual Framework and Hypothesis Development

The conceptual framework outlined in this research is illustrated in Figure 1, which illustrates the estimated impact of market orientation dimensions, specifically customer orientation, competitor orientation, and inter-functional coordination, on strategic success. Additionally, Figure 1 illustrates the model constructs and the hypothesized relationships between them, presenting a conceptual graph statement of the research model and its predicted outcome.

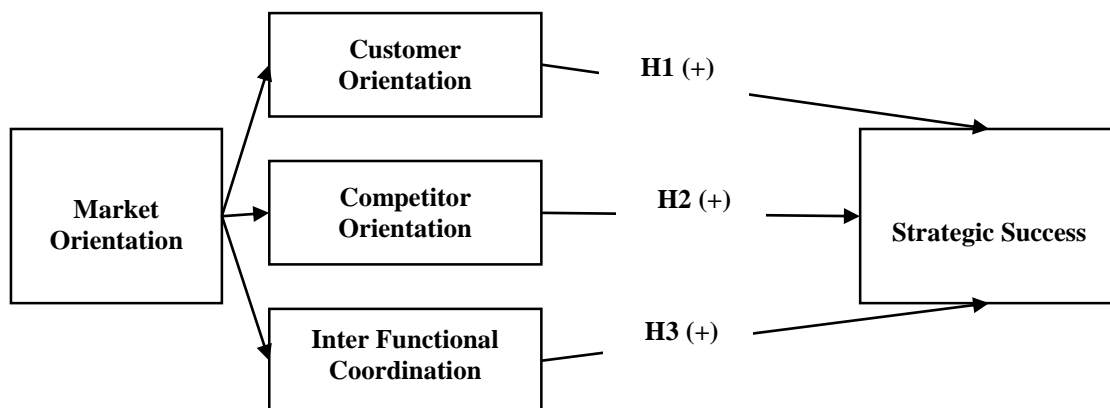


Figure 1: The research conceptual framework

2.1. Market Orientation and Strategic Success

Market orientation may ensure strategic success in organizations. The move in favor of this strategy places more emphasis on coordinating organizational behaviors and practices to boost



competitiveness. Organizations may create responsive strategies that lead to a thorough grasp of the market and enhanced competitiveness by combining market research and exchanging data across departments. Rivalry has less of an impact on organizations that are more focused on the market (Fariss & Tariq, 2022; Kovács & Szakály, 2022; Rattie, 2020). This approach fosters a culture that prioritizes monitoring and satisfying customer needs more effectively than competitors, leading to sustained long-term performance (Souad, 2020). To excel, organizations must understand and respond to customer needs, focusing on market dynamics internally and externally. Continuous monitoring of environmental changes and internal coordination is essential (Rattie, 2020; Souad, 2020).

In addition, the study by Navia et al. (2023) established that market orientation is indeed a very strong and positively correlating variable for economic performance. Past studies have shown that market orientation improves competitive advantage, corporate performance, and brand image. It improves performance in textile SMEs in Malaysia and promotes favorable outcomes within the tourism sector (Hadi & Amor, 2020; vElkrghli, 2014; Junfeng et al., 2022; Karnowati & Handayani, 2022). The key elements of market orientation, such as customer orientation and inter-functional coordination, are significant in explaining an organization's competitiveness and effectiveness (Kovács & Szakály, 2022). In general terms, market orientation is known to enhance competitiveness for the organization and create an environment that encourages continuous improvement and responsiveness to market needs, thus securing sustainable strategic



success. Notably, Lima et al. (2024) proved the important relationship between customer orientation and sustainability. Consequently, the following hypotheses have been proposed:

H1: Customer orientation significantly impacts strategic success.

H2: Competitor orientation significantly impacts strategic success.

H3: The orientation of inter-functional coordination significantly impacts strategic success.

3. METHODOLOGY

The current study employs a cross-sectional design, as it was conducted at a specific point in time, offering a snapshot of the conditions and variables during that period (Cooper & Schindler, 2014). Additionally, quantitative research focuses on the precise measurement and analysis of specific variables or phenomena (Zikmund, Carr, Griffi & Babin, 2009). Due to the explanatory nature of this research random sampling is adopted. Analysis unit is the organizational level especially owners, managers, and staff in 60 hotels within hospitality institutions in Kurdistan Region, specifically in Duhok. Since the PLS-SEM technique operates effectively for handling small sample sizes and intricate models, as it requires few assumptions about the underlying data (Hair et al., 2014),. This study has utilized it to explore the relationships between the constructs.

3.1 Measurement and Instrumentation

The survey instrument for obtaining empirical data was thoughtfully designed following an in-depth review of the existing literature. To guarantee coherence and clarity, much care was taken in the design of each question, including consideration for overall presentation,



language, and sequencing. This questionnaire is made up of two sections: the first part deals with the features of the research participants, including six important items that represent the necessary demographic and background information pertinent to the research experiment.

The scale goes from strongly agreeing to strongly disagreeing. The questions are related to the market orientation, with a total number of eighteen questions and categorizing customer orientation measures into six, competitive measures into six, and employees of the same organization into six measures. So, eighteen items are measuring strategic success in this research. Validity and reliability tests were done to warrant the validity and reliability of the questionnaire. For testing the model, this research used the path analysis approach; SPSS 21.0 was used to analyze the data for the descriptive side of the study. To test the hypotheses, structural equation modeling (SEM) was used.

3.2. Statistical Analysis Technique

Structural equation modeling (SEM) expresses the measurement model used to relate observed variables with latent constructs. According to Hair et al. , (2017) (SEM) allows researchers to use many observed indicators to represent one independent or dependent construct. After these constructs have been defined, the model measures the scope of measurement error which is reliability. In addition, SEM allows this research study to analyze the structural models, permitting the analysis of interrelationships between the study variables (Ringle, Wende, & Will, 2005; Hair et al., 2022). Moreover, SE has the capacity to accommodate multivariate dependent variables



at once which is not possible with regression analysis models considered to be traditional.(Chin et al., 2003; Gefen et al., 2000). In addition, it can combine smaller data sample models without requiring a normal distribution of the data (Chin et al., 2003). Furthermore, PLS path modeling overcomes issues related to small sample sizes, making it suitable for applications where other methods may not be viable (Shao et al., 2012). Thus, all these features motivate the researcher to employ PLS path modeling in this study.

4. DATA ANALYSIS

4.1 Participants Features

A total of 110 questionnaires were gathered, 86 were valid and suitable for analysis. Most of the respondents were males, making up 82.4% of the sample, while the females constituted 17.6%. Concerning marital status, 40.5% of participants were single, while 59.5% were married. The age brackets indicated that the most dominant group of respondents was those aged 50 years and above, at 41.1%, thus showing a high end of the elder participants in this research. The age category of 40-49 years also represented 41.1% of the respondents. The 30-39 age group comprised 11.0%, while the under-30 age category made up 1.14%. This indicates that most sampled individuals are older. Looking at education level, the results show that many of the respondents hold a preparatory certificate (41.9%), followed by those with a technical diploma or less (25.7%), and those with a bachelor's degree (21.6%). This indicates that many individuals in the sample possess a preparatory certificate in tourism projects in Duhok city. In terms of work experience, 57.5% of the respondents had



worked at the institution for 6-10 years, while 42.5% had worked for less than 5 years.

4.2. Establishing Reliability and Validity

Before conducting hypothesis testing, we first performed confirmatory factor analyses (CFA) using PLS-SEM modelling to assess the distinctiveness of our study variables and to evaluate the validity and reliability within the measurement model. "Composite reliability to evaluate internal consistency, individual indicator reliability, and average variance extracted (AVE) to evaluate convergent validity. In addition, the Fornell-Larcker criterion and cross-loadings are used to assess discriminant validity" (Hair et al., 2014, p. 100). The findings from the Confirmatory Factor Analysis, presented in Table 1, confirm the significance of the measurement model. The results indicate that the reliability and validity of all constructs in the model were thoroughly assessed, and the convergent validity of the measures was also verified.

Table 1: Factor Loading Cronbach's Alpha and Convergent Validity Value for the Overall Measurement Model.

| Construct | Item | Convergent Validity | | | Internal Reliability Cronbach Alpha |
|-----------------------------|--------|---------------------|---|---|-------------------------------------|
| | | Factor Loading | Average Variance Extracted (AVE) ^a | Composite Reliability (CR) ^b | |
| Customer orientation (CUST) | CUST 1 | 0.729 | 0.581 | 0.874 | 0.820 |
| | CUST 2 | 0.514 ^c | | | |
| | CUST 3 | 0.792 | | | |
| | CUST 4 | 0.776 | | | |
| | CUST 5 | 0.738 | | | |
| | CUST 6 | 0.775 | | | |

Table 1: Factor Loading Cronbach's Alpha and Convergent Validity Value for the Overall Measurement Model. (Continue)

| | | | | | |
|--|---------|--------------------|--|--|--|
| | COMPT 1 | 0.595 ^c | | | |
|--|---------|--------------------|--|--|--|



| | | | | | |
|---------------------------------------|------------|--------------------|-------|-------|-------|
| Competitor Orientation (COMPT) | COMPT 2 | 0.784 | 0.583 | 0.848 | 0.762 |
| | COMPT 3 | 0.713 | | | |
| | COMPT 4 | 0.816 | | | |
| | COMPT 5 | 0.738 | | | |
| | COMPT 6 | 0.559 ^c | | | |
| Cross-Functional Integration (CRS_IN) | CRS_IN 1 | 0.789 | 0.580 | 0.805 | 0.706 |
| | CRS_IN 2 | 0.638 ^c | | | |
| | CRS_IN 3 | 0.617 ^c | | | |
| | CRS_IN 4 | 0.781 | | | |
| | CRS_IN 5 | 0.528 ^c | | | |
| | CRS_IN 6 | 0.712 | | | |
| Strategic Success (STR_SUC) | ADAPTATION | 0.940 | 0.867 | 0.952 | 0.924 |
| | GROWTH | 0.929 | | | |
| | SURVIVAL | 0.925 | | | |
| | SURVIVAL | | | | |

Notes: ^a: $AVE = \sum \lambda_i^2 / n$ λ = Standardized Factor Loading n = Number of Item in a Model

^b: $CR = (\sum k_j)^2 / [(\sum k_j)^2 + (\sum 1 - k_j^2)]$ k_j^2 = Factor loading of every item

^c denotes for a discarded item due to insufficient factor loading that was below cut-off of 0.7

Based on that, convergent validity represents a type of construct validity, which means that Multiple measures or indicators of the same construct are correlated and consistent, confirming that they accurately represent the underlying theoretical concept (Sekaran & Bougie, 2016). "Construct reliabilities and variance-extracted estimates are useful in establishing convergent validity. Discriminant validity is supported when the average variance extracted for a construct is greater than the shared variance between constructs" (Hair et al., 2010, p. 687). Following the elimination of (6) items (CUST 2, COMPT 1, COMPT 6, CRS_IN 2, CRS_IN 3, CRS_IN 5) that related to measures the dimensions of market orientation to as a consequence of low factor loadings less than 0.70. The factor loadings for the remaining items clearly Spanned from 0.713 to 0.940, exceeding the recommended target value of 0.70 as suggested by Hair et al. (2010). Additionally,



the results of the convergent validity analysis indicate that the Average Variance Extracted (AVE) for all construct variables exceeds the threshold value of 0.50, as established by Nunnally and Bernstein (1994). Moreover, the (CR) values for all construct variables surpass the recommended minimum level of 0.6, as Hair et al. (2010) outlined, demonstrating that the items are free from any reliability concerns. The values of (CR) for each construct in the current study were Varied between 0.805 - 0.952. Additionally, Cronbach's alpha was exploited for assessing the measures reliability. The closer Cronbach's alpha is to 1, the greater the internal consistency and reliability of the measurement (Sekaran & Bougie, 2016). The Cronbach's alpha values for each construct in this study covered a range from 0.706 to 0.924, Surpassing The suggested threshold of 0.7 proposed by Nunnally and Bernstein (1994), as presented in Table 1.

Discriminant validity can be evaluated through two primary methods: the Fornell-Larcker criterion and cross-loadings. According to the Fornell-Larcker criterion, a latent construct must have a higher proportion of variance shared with its own indicators compared to any other latent variable within the structural model (Kline, 2011). Statistically, this means that The AVE for each latent construct should be greater than the highest squared correlation it shares with any other latent construct. The second method examines an indicator's loading on its associated latent construct, which should be greater than its loadings on all other constructs (Fornell & Larcker, 1981). According to Hair et al. (2011), an AVE value of 0.50 or higher indicates a sufficient degree of convergent validity. As it is illustrated in Table 2,



both assessments proved the discriminant validity of all constructs. Broadly speaking, the measurement model displayed adequate, convergent, and discriminant validity.

Table 1: Discriminant Validity of Constructs

| Construct | CUS | | COMP | CRS_I | STR_SUC |
|---------------------------------------|--------------|---|--------------|--------------|--------------|
| | T | T | | N | C |
| Customer orientation (CUST) | 0.764 | | | | |
| Competitor Orientation (COMPT) | 0.525 | | 0.762 | | |
| Cross-Functional Integration (CRS_IN) | 0.453 | | 0.525 | 0.762 | |
| Strategic Success (STR_SUCC) | 0.564 | | 0.659 | 0.714 | 0.931 |

Notes. Diagonals characterise the AVE, while the other matrix entries manifest the square correlations.

4.3. Structural Model

In PLS-SEM, assessing the structural model focuses on its ability to predict the variance in the dependent variables. Comparable to CB-SEM, the performance indicators for assessing measurement model in PLS-SEM are reliability, convergent validity, and discriminant validity. However, while R^2 (explained variance) and f^2 (effect size) are the specific evaluation criteria with respect to the structural model, other assessment criteria do exist, Q^2 (predictive relevance), and the magnitude and statistical significance of the structural path coefficients. (Hair et al., 2017). p.n.192

The most critical way to evaluate the structural model is by its R^2 values, which measure the proportion of variance in the dependent variable attributable to the independent variables in the model. The study shows that the model may account for 64.5% of the variance in Strategic Success (STR_SUCC). The researchers should also consider



Q^2 values according to Stone and Geisser (1974; 1975) since they are an indicator of predictive relevance of the model. For a certain reflective endogenous latent variable in the structural model, if the Q^2 value is strictly greater than zero, it means that the path model has predictive relevance for that construct. The recommended threshold provided by Chin (2010) denotes that Q^2 for Strategic Success (STR_SUCC) with a value of 0.531 certainly indicates predictive relevance because a positive figure clearly indicates predictive relevance. Overall, the model demonstrates a satisfactory fit and strong predictive capability. Bootstrapping is used to calculate empirical t-values, p-values, and confidence intervals without relying on strict parametric assumptions. This makes it particularly useful for evaluating the significance of path coefficients and other parameters in structural equation modeling (SEM). If the empirical t-value is greater than the critical threshold, it indicates that the coefficient is statistically significant at the chosen significance level. The commonly applied critical values for a two-tailed test are 1.65 for a 10% significance level, 1.96 for 5%, and 2.57 for 1%. In the current study, Nonparametric bootstrapping has been used with 1000 replications to check the structural model (Wetzels et al., 2009). The structural model brought about the PLS analysis is shown in Figure 2.

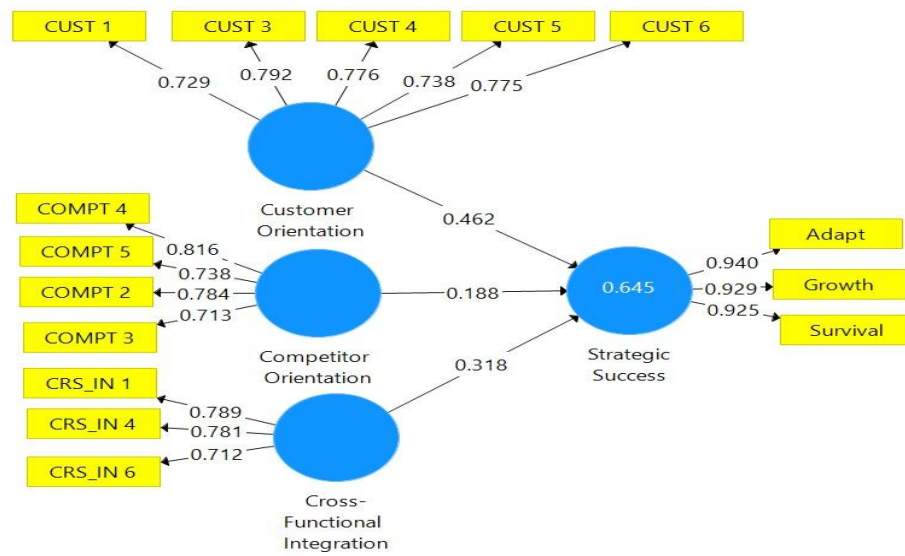


Figure 2: PLS Analysis of the Structural Model

As illustrated in Figure 2, all the hypotheses were proven. The details of investigating hypotheses are stated in Table 3.

Table 3: Examining Results of Hypotheses

| Path Shape | Path Coefficient | Standard Error | T-value | P-value | Hypothesis Result |
|------------|------------------|----------------|---------|---------|-------------------|
| CUST → | 0.462 | 0.093 | 4.969 | 0.000 | H1 |
| COMPT → | 0.188 | 0.075 | 2.500 | 0.013 | H2 |
| CRS_IN → | 0.318 | 0.091 | 3.503 | 0.000 | H3 |

Table 3 illustrates the direct impact of the Market Orientation dimensions, specifically (CUST), (COMPT), and (CRS_IN), on Strategic Success (STR_SUCC). The direct impact was determined to be 0.462, 0.188, and 0.318, respectively. This indicates that Customer Orientation (CUST), Competitor Orientation (COMPT), and Cross-Functional Integration (CRS_IN) have a positive and statistically significant direct impact on Strategic Success (STR_SUCC), with p-values showing significance at the 0.05 level. Accordingly, hypotheses H1, H2, and H3 have been supported. These findings align with the results of Kovács and Szakály (2022), which demonstrated that the



dimensions of market orientation, specifically customer orientation and competitor orientation, play a significant role in explaining competitiveness and effectiveness. Table (3) provides insights into the direct impact of Customer Orientation (CUST), Competitor Orientation (COMPT), and Cross-Functional Integration (CRS_IN) on Strategic Success (STR_SUCC). The analysis shows that Customer Orientation has The greatest impact on Strategic Success is attributed to Customer Orientation, followed by Cross-Functional Integration, with Competitor Orientation having the least influence.

5. CONCLUSIONS AND POLICY IMPLICATIONS

This research is carried out to analyse the link between Market Orientation dimensions, specifically Customer Orientation (CUST), Competitor Orientation (COMPT), Cross-Functional Integration (CRS_IN), and Strategic Success (STR_SUCC) in a sample of tourism institutions in Duhok Governorate in Iraq. More precisely, it sought to elucidate the impact of Market Orientation dimensions, specifically Customer Orientation (CUST), Competitor Orientation (COMPT), and Cross-Functional Integration (CRS_IN), on Strategic Success (STR_SUCC). This is explanatory quantitative research that utilizes a cross-sectional survey. Random sampling is employed due to the explanatory nature of the research. The unit of analysis is the organizational level, specifically focusing on owners, managers, and staff of hospitality institutions in the Kurdistan Region, particularly in the city of Duhok. Structural Equation Modeling was implemented to inspect the relationship between the variables. The study sample consisted of 86 owners, managers, and staff from these institutions,



out of a total population of 265 working in these institutions. Based on (86) usable questionnaires, the results of this research showed that Customer Orientation (CUST), Competitor Orientation (COMPT), and Cross-Functional Integration (CRS_IN) have a positive and statistically significant direct impact on Strategic Success (STR_SUCC), with p-values showing significant at the 0.05 level. The analysis shows that Customer Orientation has the most significant influence on Strategic Success, followed by Cross-Functional Integration, and lastly Competitor Orientation.

5.1. Theoretical Implications

First, this study reinforces and extends the theory of Market Orientation by demonstrating its applicability in the tourism sector of the Kurdistan Region. This contributes to the existing body of knowledge by validating the positive impact of Market Orientation dimensions—Customer Orientation, Competitor Orientation, and Cross-Functional Integration—on Strategic Success in non-Western context countries. Second, by focusing on hospitality institutions in Duhok Governorate, Iraq, the research provides context-specific insights, highlighting the unique challenges and opportunities in emerging markets. It thus gives one an insight into how Market Orientation theories are impacted by different cultural and economic regimes. Third, the findings from this research underscore that the various dimensions of Market Orientation encourage Strategic Success to different degrees, creating the need for theoretical exploration into the interrelationships and potential synergies among these dimensions and urging future inquiries to explore them further in terms of their



joint contribution. Fourth, this study adds to the literature on strategic management by demonstrating how Market Orientation can significantly elevate Strategic Success. Further, this adds to the theoretical discussions about how strategic initiatives anchored in market awareness could potentially help organizational performance.

5.2. Managerial Implications

Managements of hospitality establishments must put customer orientation at the top of their list, given its greatest importance on strategic success. This involves actively seeking customer feedback, understanding customer needs and preferences, and tailoring the products and services accordingly. Hospitality Institutions' managers should regularly watch and analyze competitors' strategies and market positions. This can be skilled through competitive intelligence activities, benchmarking, and integrating competitor understandings into strategic planning to maintain a competitive edge in the market. Reassuring collaboration and communication across different functional areas within the organization is crucial. Managers can implement cross-functional teams, regular inter-departmental meetings, and integrated info systems to ensure unified coordination and information flow. Organizations should integrate Market Orientation principles into their strategic planning processes. This incorporates training programs for employees at all levels to understand the reputation of market orientation and how to implement its dimensions effectively.

Declaration of Conflicting Interests

The author hereby declares no conflict of interest in the study, authorship, and publication of this article. In addition, the conservancy



of the integrity and impartiality of the research results and conclusions has been established.

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