

The Influence of Brand Orientation in Market Performance Mediated by Marketing Capabilities in the Hospitality Industry

Autoria

Elder Semprebon - elder.semprebon@gmail.com

PPGADM UFPR/UFPR - Universidade Federal do Paraná

ANA MARIA MACHADO TOALDO - anatoaldo@hotmail.com

Centro de Pesq e Pós-Grad em Admin - CEPPAD/UFPR - Universidade Federal do Paraná

Shirlei Miranda Camargo - shirleicamargo@terra.com.br

PPGADM/UFPR - Universidade Federal do Paraná

Escola Superior de negócios/Uninter - Centro Universitário Internacional

Simone Regina Didonet - simonedidonet@ufpr.br

Centro de Pesq e Pós-Grad em Admin - CEPPAD/UFPR - Universidade Federal do Paraná

MARTIN DE LA MARTINIÈRE PETROLL - martin.petroll@ufsc.br

Prog de Pós-Grad em Admin - PPGA/UFSC - Universidade Federal de Santa Catarina

Resumo

The objective of this study is to analyze the impact of brand orientation on market performance mediated by marketing capabilities. A survey with 159 companies of hospitality industry from the south region of Brazil was performed. The results showed that brand orientation influence market performance when mediated by marketing capabilities, i.e. product management and sales capabilities. The main theoretical contribution of this study is that brand orientation does not impact market performance directly. For managers, this is important because they must focus their forces in developing services and coach their sales team for reaching better results.



The Influence of Brand Orientation in Market Performance Mediated by Marketing Capabilities in the Hospitality Industry

ABSTRACT

The objective of this study is to analyze the impact of brand orientation on market performance mediated by marketing capabilities. A survey with 159 companies of hospitality industry from the south region of Brazil was performed. The results showed that brand orientation influence market performance when mediated by marketing capabilities, i.e. product management and sales capabilities. The main theoretical contribution of this study is that brand orientation does not impact market performance directly. For managers, this is important because they must focus their forces in developing services and coach their sales team for reaching better results.

KEY WORDS: Brand Orientation; Market Performance; Marketing Capabilities; Hospitality Industry

INTRODUCTION

A strategy guides a company to manage assets in order to reach environment opportunities and offer products to the market (Obeidat, 2016). However, to achieve good levels of performance the organization needs to have internal strategic consistency (Al-Ansaari, Bederr, & Chen, 2015). It means that the firm requires a strategic orientation to respond the changes of the environment effectively. The literature on strategic orientation recognize market orientation as one of the most important orientation in this regard. However, a complementary strategic orientation can help to achieve a competitive advantage (Obeidat, 2016). This is the case of brand orientation. Brand literature has developed considerably over the past two decades with a growing understanding of the nature of brand management and brand formulation. Brands have become an inseparable part of an organization's value proposition and a valuable strategic asset. Moreover, it is a trigger for the whole marketing planning process and is considered as an essential competitive advantage in the market (Wong & Merrilees, 2008).

In this context, a new conception for business management emerged in the late 1990s, with the brand as the primary guideline of the organization's strategies. i.e. brand orientation. Since then, several studies in various sectors (multisectoral, charity, museums, NGOs, goods, retail, small and medium enterprises) have collaborated to develop this theory empirically by demonstrating the importance of this orientation to firm management. Most of research emphasized the internal importance of brand orientation as well as economic advantages, consumer loyalty, brand awareness, integration with marketing communication, market orientation, brand orientation versus marketing orientation (Urde, 1994; Hankinson, 2001; Bridson & Evans, 2004; Ewing & Napoli, 2005; Wong & Merrilees, 2005; Evans, Bridson, & Rentschler, 2012; Lanauze & Aurier, 2012; Urde, Baumgarth, & Merrilees, 2013).

According to Wong and Merrilees (2008), brand orientation can be defined as a way of thinking that ensures the brand is recognized, highlighted and favored in the marketing strategy, thus being a guide for marketing planning in firms. Overall, the literature on brand orientation suggests that brand orientation can optimize organizational performance (Urde, 1994; Wong & Merrilees, 2005). Apart from that, marketing literature also recognize that a firm needs to deal with its resources and develop them in order to improve performance (Morgan, 2012). Marketing capabilities are the process that coordinate patterns of skills and knowledge to combine and transform these resources to contribute to the firm goals (Morgan, 2012).

Thus, considering that “strategic orientations are seen as principles that direct and influence the activities of a firm and generate the behaviors intended to ensure its viability and performance” (Hakala, 2011, p. 199), we can accept that marketing capabilities are influenced by strategic orientations in order to achieve firm results. Therefore, it can be assumed that brand orientation facilitates the development of marketing capabilities to conduct the firm to the place where the competitive advantage can be reach. However, literature is still incipient in demonstrating how brand orientation can influence marketing capabilities and what are the results of this relationship to organizational performance.

Overall, the role of marketing to explain firm performance has received significant attention throughout the development of marketing discipline (Morgan, 2012). Several studies have shown the positive influence of marketing skills on financial performance (Morgan, Vorhies, & Mason, 2009; Fang & Zou, 2009; Vorhies, Orr, & Bush, 2011) and organizational performance (Vorhies & Harker, 2000). Furthermore, numerous empirical studies have demonstrated a positive relationship between brand orientation and firm performance in different contexts (Baumgarth, 2009; Bridson & Evans, 2004; Gromark & Melin, 2011; Napoli, 2006; Wong & Merrilees, 2008). However, how specific types of performance, i.e., market performance, can be affected by the interactions between brand orientation and marketing capabilities is still an incipient topic in strategic marketing research. Specifically, what is the combined effect of the brand orientation and marketing capabilities on market performance is an unanswered question. Hence, the objective of this study is to analyze the impact of brand orientation on market performance mediated by marketing capabilities in the hospitality industry.

We expect to contribute to the marketing literature in several ways. First, we contribute to the marketing literature by complementing the studies on strategic orientation and its influences on performance. This is an important field of work because strategic orientations still have no widely agreement about its nature or its essence (Obeidat, 2016). Second, we provide better understanding about marketing capabilities and its impact on performance exploiting specific capabilities. Morgan (2012) subdivided marketing capabilities into architectural, cross-functional, dynamic and specialized. As the notion of marketing capabilities is relatively new to the marketing discipline, the specific capabilities still need to be studied exhaustively. Two specific marketing capabilities are considered in our study, i.e. product and selling capabilities. Thus, we explore the ability to develop and market new products/services that meet customer needs and the ability of the sales force in firms (Morgan, 2012). Third, we explore the impact of brand orientation on specific marketing capabilities as a way of enhancing market performance. This corroborate and complement recent research findings that had emphasized the positive influence of marketing capability in firm's brand orientation (Chang, Wang, & Arnett, 2018). Several studies have dealt with marketing capabilities as a mediating variable and thus present different constructs as antecedents (Vorhies, 1998; Weerawardena, 2003; Weerawardena & O’Cass, 2004; Merrilees et al., 2011; Vorhies et al., 2011; Ngo & O’ Cass, 2012). We explore a specific antecedent in this regard, i.e. brand orientation. To do so, we assume that the brand orientation of the firm can emphasize the improvement of adapting, maintaining and delivering customer value (product and selling capabilities). The brand-oriented firms are committed to developing and delivering superior brand value to its customers (Chang et al., 2018) and this value is inside product and selling activities.

Finally, the hospitality industry is an important sector to study brand, marketing capabilities and their impact on market performance. This industry is in a competitive marketplace and is also influenced by a technological growth. Thus, brand is an important intangible asset that can attract travelers. As noted by Foroundi (2019), firms in this sector work hard to create customers familiarity with the product through the brand (Foroudi, 2019).

LITERATURE REVIEW

Service Sector and Hospitality Industry

Service sector is one of the largest and fastest growing sectors in global market (SEPC, 2016). It can be divided into several sectors. One of them is the travel & tourism that has an annual impact on world economy of around 6.5 trillion U.S. dollars (Statista, 2018a). In addition, inside this sector there is a hotel industry which retail value was 570.18 billion U.S. dollars in 2017 worldwide (Statista, 2018b).

One of the countries that stand out in the hotel sector is Brazil. According to IBGE (Brazilian Institute of Geography and Statistics), the offering of bed places in Brazil increased 71% between 2011 and 2016. Currently, the country has the capacity to accommodate 2.4 million people simultaneously in 31,299 establishments (hotels, resorts and hostels) (Governo do Brasil, 2017).

Nonetheless, due to the aggressive market competition in hotel sector, it is critical that hotels adopt suitable strategies for improve their performance, increase occupancy rates and achieve profit (Mohammed, Rashid, & Tahir, 2014).

In this competitive hospitality industry, branding have an important role. The market, that is, the clients, usually select a hotel which they have solid connection with the hotel brand. Then, the efficient management of hotel brand brings to the company many positives results in terms of getting a premium price for rooms, increasing the market share and reaching customer loyalty (Casidy, Wymer, & O'Cass, 2018).

Therefore, brand orientation can influence the development of marketing capabilities and conduce to better company performance. Thus, one effective brand can develop good abilities of a product and selling, as marketing capabilities.

Brand Orientation

The concept of strategic orientation is defined as guiding principles that influence the activities of strategy formulation. The strategic orientation of a company is not always the explicit choice of management. It may include the standard of decisions or the results of organizational learning as well as other factors. This question is relevant for the analysis of the influence of different strategic orientations on corporate performance (Urde et al., 2013).

Using branding as the starting point of the strategy is the expression of a mindset that involves putting a specific resource (branding) at the heart of the strategic process. Learning to see intangible values and symbols as resources is the necessary step for branding. In some companies, this can mean a step in a new reality focused on the brand. In the field of research that deals with strategic brand management, considerable steps have been taken by developing concepts such as brand equity and brand identity (Urde, 1999).

The term "brand orientation" was coined in the mid-1990s by Frans Melin and Mats Urde. The main reason for introducing this concept was, first, to create a better understanding of how branding is a strategic resource at a time that many people still considered it as an additive to the product and secondly to spreading knowledge about how to successfully manage a brand, since at that time the administration of brands was the responsibility of marketing departments alone (Gromark & Melin, 2013).

The importance of brand orientation is unquestionable as it has become a central theme in marketing and branding studies (Balmer, 2013). The notion that organizations should orient themselves around their brands can be seen as a growing perspective, attracting the attention and research efforts of scholars (Urde, 1994, 1999; Bridson & Evans, 2004; Ewing & Napoli, 2005; Reid, Luxton, & Mavondo, 2005; Wong & Merrilees, 2005, 2008; Napoli, 2006; Baumgarth, 2010; Gromark & Melin, 2011; Evans et al., 2012; Lanauze & Aurier, 2012).

Brand orientation is a way of thinking that ensures that the brand is recognized, highlighted and favored in the marketing strategy, thus being a direction for the company regarding marketing planning. Brand orientation should be the first step for an organization to build its competitive edge in the marketplace (Wong & Merrilees, 2008).

Marketing Capabilities

The interest in the study of marketing capabilities arises among the successors of the resource-based view theory from the 1980s and has as its presupposition the marketing vision embedded in a comprehensive organizational approach (Webster, 1988; Deshpande & Webster, 1989; Day, 1994). It is possible to characterize the progress of the studies on the subject in three phases: focus on marketing capabilities as a means to understand strategy and organizational performance; analysis of specific marketing capabilities; and the relationship between specific marketing capabilities and organizational performance (Merrilees, Rundle-Thiele, & Lye, 2011).

Marketing capabilities are constituent elements of organizational capabilities, supported by specific knowledge and skills of the area, having a procedural nature, allowing the organization to become more market-oriented by being attentive to the needs and desires of its customers and delivering products with a higher value.

According to Morgan (2012), marketing capabilities are subdivided into architectural, interfunctional, dynamic and specialized. These specific capabilities enable marketing resources to be acquired, combined, and transformed into value propositions for target markets.

The multiple specific marketing capabilities, defined by Morgan (2012), have different approaches to resource management according to the organizational level, ranging from strategic market learning processes, resource reconfiguration and capacity enhancement (dynamic capability) to tactical decisions about the marketing compound (specialized capability). There is also an emphasis on the selection, integration, and orchestration of multiple specialized and cross-functional capabilities (architectural capability) represented by brand management, customer relationship management, and new product development. Therefore, there is a hierarchical structure of capabilities. For example, the specialized ones are at a lower level and the architectural ones at a higher level (Grant, 1996; Kemper, Engelen, & Brettel, 2011).

Product capability is a specialized marketing capability that is the basis for the development of higher-level capabilities. It is this study's focus. Specifically, on specialized marketing capabilities, it can be said that they are those that involve activities of marketing mix such as product, price, distribution and communication (Vorhies, Morgan, & Autry, 2009; Morgan, 2012). Within the specialized capabilities, product capability is highlighted because it relates to the ability to develop and market new products / services that meet customer needs (Morgan et al., 2009).

However, in order to the product to perform well, the company must also have another well-developed specialized capability: sales capability. According to Morgan (2012), sales capabilities are formed by two elements. Firstly, skills of the personnel involved in sales activities such as analysis of current and potential customer needs, development and management of relationships with these customers in addition to providing information. The second element concerns efficient and effective sales force management: integration and training of sales force; and development of control and management systems for this team (Morgan, 2012). That is, company needs to provide adequate training and support to its sales force as well as know how to plan, control and manage its sales (Morgan et al., 2009).

Market Performance

The role of marketing to explain company performance has received significant attention throughout the history of marketing discipline (Morgan, 2012). One of these approaches relates to marketing-related capabilities which are considered to be essential drivers for organizations' superior performance (Day, 1994).

The impact of marketing on organizational performance has some reasons. Marketing capabilities reflect the organizational ability to connect and serve specific customer groups. These capabilities allow companies to build beneficial relationships with customers and maintain the customer base already achieved, which in turn impacts on organizational performance (Wilden & Gudergan, 2015). Marketing capabilities affect financial performance by creating customer satisfaction and loyalty and superior market performance (Hooley, Greenley, Cadogan, & Fahy, 2005).

Organizational performance can be subdivided into different types. For example, Richard, Devinney, Yip and Johnson (2009) claim that organizational performance is composed of financial performance; market performance and shareholder return. In turn, Morgan (2012) divides performance into market, product and financial performance. Santos-Vijande, Sanzo-Pérez, Gutiérrez and Rodríguez (2012) state that organization performance is formed by market and financial performance. However, scholars agree that market performance is an antecedent of financial performance (Homburg, Grozdanovic, & Klarmann, 2007; Gama, 2011; Gao, 2010). Therefore, in this study, we used market performance.

HYPOTHESES DEVELOPMENT

The strategic orientation of the organization is about how firms respond to modifications on the environment through managing some strategy, which, in turn, improve performance (Obeidat, 2016).

Empirical studies in different contexts have demonstrated a positive relationship between brand orientation and firm performance (Bridson & Evans, 2004; Gromark, Melin, 2011; Napoli, 2006). Research findings suggest that brand orientation can optimize organizational performance (Urde, 1994; Wong & Merrilees, 2005). For example, results from Wong and Merrilees (2008) highlight the strong positive relationship between brand orientation and brand performance. Baumgarth (2010) found positive influence of brand orientation on market performance and on firm's economic performance in the B2B context. Studying museums, Baumgarth (2009) also found a positive relationship between brand orientation and market performance. Thus, we hypothesize:

H1 - Brand orientation positively influences market performance.

According to Urde (1999), firm resources are the base of strategic analysis. However, the authors note that brands have been considered only superficially in this perspective. Reijonen, Laukkanen, Komppula and Tuominen (2012, p.699) state that brand orientation "is measured in terms of whether the brand is seen as a valuable asset and whether it plays an essential part of the firm's strategy, marketing and management of the firm". Otherwise, resource-based view (RBV) theory argues that competitive advantage and organizational performance depend on resource allocation including various strategic orientations that lead firms to invest in marketing capabilities (Hooley & Greenley, 2005; Luxton, Reid, & Mavondo, 2017). To Balmer (2013), brand orientation informs, guides and keeps control of firm activity to support branding process. Complementing this statement, Wong e Merrilees (2008) declare that brand orientation should be a precondition to enhance companies' capability to compete as well as to generate growth and profitability. However, in existing surveys on brand orientation

little is known about how brand orientation interact with firm capabilities and affect firm performance (Anees-ur-Rehman, Wong, & Hossain, 2016).

In a recent study, Luxton et al. (2017) found that integrated marketing communication capability is directly influenced by brand orientation. Reijonen, Hirvonen, Nagy, Laukkanen and Gabrielson (2015) corroborate these findings by noting that there is a need of brand orientation to be aligned with other company efforts and capabilities. Thus, it is acceptable to consider that marketing capabilities are influenced by brand orientation, as is the case of product and selling capabilities. Some previous research evidences can reinforce this argument. For example, Luxton et al. (2017) attested that brand orientation and marketing capabilities are positively related. Furthermore, previous studies also attest a positive influence of marketing capabilities in performance (Vorhies & Morgan, 2005; Theodosiou, Kehagias, & Katsikeas, 2012; Kemper, Schilke, & Brettel, 2013; Shou, Chen, Zhu, & Yang, 2014). Moreover, researchers consider that brand orientation influences positively organizational performance (Urde, 1994; Bridson & Evans, 2004; Wong & Merrilees, 2005; Gromark & Melin, 2011; Napoli, 2006; Baumgarth, 2010). Based on these findings, we can consider that marketing capabilities can mediate the relationship between brand orientation and market performance. Therefore, we propose that:

H2 - Brand orientation mediated by product marketing capabilities positively influences market performance.

H3 - Brand orientation mediated by sales marketing capabilities positively influences market performance.

RESEARCH METHODOLOGY

The objective of this research is to analyze the influence of brand orientation on market performance through product and selling capabilities. Figure 1 shows the model and the hypothesis of the study.

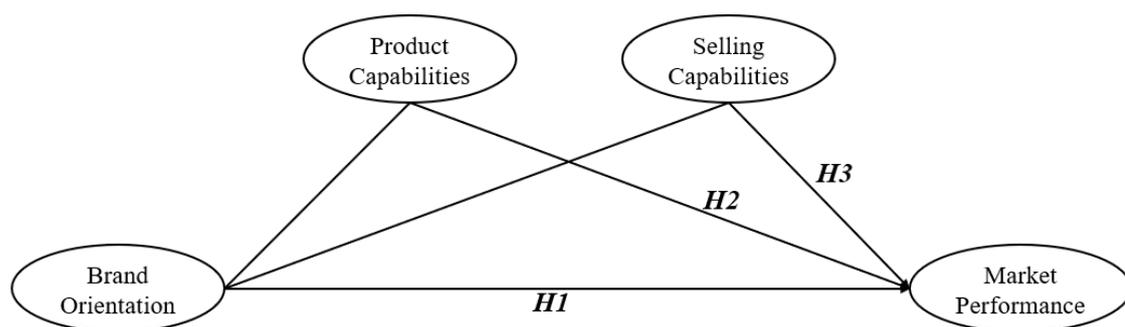


Figure 1 – Research Model

The context of the study is the hospitality industry in the south region of Brazil. The sample of this research is composed of hosting service companies present in the states of Paraná, Santa Catarina and Rio Grande do Sul. Firms were requested to participate of the survey through e-mail and telephone contact. The questionnaire was developed in an electronic format. 159 valid answers were obtained and composed the final sample of the study. The electronic questionnaire was composed of brand-orientation scales (Wong & Merrilees, 2008), product

marketing capabilities (Morgan et al., 2009), sales marketing capabilities (Morgan et al., 2009) and questions about the company profile. Confirmatory factor analysis and regressions based on mediation models using structural equation modeling via AMOS were applied to analyze the data. Researchers often conduct mediation analyzes to indirectly estimate the effect of a proposed cause on some outcome through a mediator. The usefulness of mediation analysis arises from its ability to go beyond mere description to a more functional understanding of the relationship between variables.

RESULTS AND DISCUSSION

As aforementioned, the sample of this research is composed by 159 hosting companies. Of these, 61% are hotels, 26% are inns, and 13% refer to another kind of hospitality service. Only 25% of the companies belong to a hotel chain. The customer are predominantly from (89%) and 62% of the establishments stated that the rate of return of customers is higher than 40%.

Regarding marketing structure and actions, 54% of companies have a commercial department, and 40% declare to invest from 1% to 5% of sales revenue in marketing activities. Still, 54% carry out after-sales actions with their clients.

Table 1 demonstrates the descriptive results for brand orientation scales, product and sales capabilities, and market results. The scales of product capabilities, sales capabilities, and market results were measured according to the original proposal of Morgan et al. (2009) (-3 "much worse than competitors" to +3 "much better than competitors"). For analysis and comparison with the other scales, it was decided to transform the values to the scale of 1 to 7 items.

	n	Mean	S.E.	Cronbach's Alpha
Brand Orientation	159	5.82	1.24	
BO1 - Branding is essential to our strategy	159	5.98	1.38	0.89
BO2 - Branding flows through all our marketing activities	159	5.70	1.33	
BO3 - Branding is essential in running this company	159	5.65	1.48	
BO4 - Long-term brand planning is critical to our futuresuccess	159	5.51	1.61	
BO5 - The brand is an important asset for us	159	6.06	1.38	
Product Marketing Capabilities	159	5.04	1.09	
PMC1 - Ability to develop new products/services	159	5.22	1.18	0.89
PMC2 - Developing new products/services to exploit R&D investment	159	4.59	1.34	
PMC3 - Successfully launching new products/services	159	5.06	1.14	
PMC4 - Ensuring that product/service development efforts are responsive to customer needs	159	5.16	1.12	
Sales Marketing Capabilities	159	4.94	1.12	
SMC1 - Giving salespeople the training they need to be effective	159	4.74	1.31	0.92
SMC 2 - Sales management planning and control systems	159	4.99	1.17	
SMC 3 - Selling skills of salespeople	159	5.05	1.21	
SMC 4 - Sales management skills	159	5.06	1.30	
SMC 5 - Providing effective sales support to the salesforce	159	4.85	1.25	
Market Performance	159	5.27	0.93	
MP1 - Market share growth relative to competition	159	5.19	1.07	0.91
MP 2 - Acquiring new customers	159	5.48	1.0	
MP 3 - Increasing sales to current customers	159	5.23	1.09	
MP 4 - Growth in sales revenue	159	5.19	1.05	

Table 1 – Descriptive analysis of the scales

The results exhibited in Table 1 indicate that, in general, brand-orientation is relevant for organizations. Regarding product and sales capabilities, as well as market results, it can be

stated that in general companies consider themselves to be adequately managed on these factors compared to competitors. Cronbach's Alpha values demonstrate the adequacy of the scales.

Table 2 shows the results of the confirmatory factorial analysis. It was verified that the adjustment measures as average variance extracted and composite reliability values it is considered ideal (Hair, Black, Babin, Anderson, Tatham, 1998).

Itens	Estimate	AVE	Composite Reliability
BO1	0.887**	0.65	0.90
BO2	0.797**		
BO3	0.877**		
BO4	0.614**		
BO5	0.829**		
PMC1	0.845**	0.67	0.89
PMC 2	0.793**		
PMC 3	0.823**		
PMC 4	0.820**		
SMC1	0.689**	0.69	0.92
SMC 2	0.773**		
SMC 3	0.928**		
SMC 4	0.919**		
SMC 5	0.822**		
MP1	0.873**	0.72	0.91
MP2	0.880**		
MP3	0.811**		
MP4	0.825**		

CMIN/DF: 1.942; NFI: 0.888; IFI: 0.942; CFI: 0.942; RMSEA: 0.077

Table 2 – Confirmatory Factorial Analysis

The results of hypotheses test are presented in Table 3.

	Hypothesis	Estimate	SE	Sig	Sobel test	SE (Sobel test)	Sig
BO -->MP	H1	0.004	0.063	0.945			
BO-->PMC		0.234	0.066	<0.01			
(BO-->) PMC -->MP	H2	0.224	0.09	0.013	2.037	0.025	0.041
BO-->SMC		0.355	0.071	<0.01			
(BO-->) SMC -->MP	H3	0.398	0.087	<0.01	3.375	0.042	<0.01

Table 3 – Test of the hypotheses of the research model

There was only indirect mediation, that is, the mediated effects exist, but there is no direct effect. In this way, it cannot be said that brand orientation directly influences market results (Estimate: 0.004; Sig: 0.945), so H1 is refuted. Brand orientation has a positive impact on product marketing capability (Estimate: 0.234; Sig: 0.00) and sales marketing capability (Estimate: 0.355; Sig: 0.00). Product marketing capability (Estimate: 0.224; Sig: 0.01) and sales marketing capability (Estimate: 0.398; Sig: 0.00) have a positive effect on market results.

All indirect mediation effects were significant, thus confirming H2 and H3. Significant simple mediation was obtained when the relationship between brand orientation and market outcomes was mediated by product marketing capability (Sobel: 2.037; Sig: 0.041) and also by sales marketing capability (Sobel: 3.375; Sig: 0.00).

In summary, except for H1, the other hypotheses of the studies were empirically confirmed through the test of direct and indirect relations. Thus, the positive influence of brand orientation on market performance only occurs when there is mediation of product and sales

capabilities. The strongest indirect effect occurs in the simple mediation of sales marketing capacity.

Therefore, our study corroborates previous studies that found brand orientation affects performance (Ahmad & Iqbal, 2013; Baumgarth, 2010; Wong & Merrilees, 2008), but we discovered that this impact is not directly. It needs some elements to improve performance: marketing capabilities – product and selling marketing capabilities. In special, the strongest mediation of selling capability is emphasized and it can be based in the fact that sales force is the responsible to implement the company's product strategies (Cruceu & Moise, 2017).

CONCLUSION

The objective of this study was to analyze the impact of brand orientation on market performance mediated by marketing capabilities. Our study contributed to the literature of brand orientation and performance to elucidate this relationship. The research demonstrated that the link between brand orientation and performance is not direct but rather occurs through marketing capabilities represented here by products and sales capabilities.

Chang et al. (2018) pointed out that brand-oriented company is engaged to give superior brand value to the market and, consequently, achieve superior performance. However, the results of this work in the hospitality industry show that this relationship is not direct. We prove the necessity of having and developing marketing capabilities to get performance. When considering that marketing capabilities are the transformation of marketing resources (as product and selling) into value propositions to target market (Morgan, 2012), it can be real that the operationalization of brand value creation happen when the organization has the ability to develop products and to deliver it to the clients through the selling process. Therefore, pursuing an organization brand orientation in the company is relevant in this context as well as product and selling marketing abilities are critical to achieve performance. Thus, managers in the hospitality industry must concern about creating excellent services as well as training and supporting their sales team as both will reflect the company's performance. That is, as Guenzi and Troilo (2007) argue, the effective interface between marketing and sales is required.

As limitations, the study was carried out in a single sector and only with companies in the southern region of Brazil, reflecting the reality of this context. Thus, it is suggested that this model can be tested in other localities or in other sectors as physical goods industry, for example, to analyze if variables involved behave similarly. It could also be analyzed whether the size of companies can bring different results. It is possible that in smaller hotels with fewer resources, sales team plays an even more important role. Therefore, it is suggested to test a moderation of company's size in the proposed relations.

However, despite its limitations, this study fills a gap in literature of brand and performance and brings the first insights of the relationship between brand orientation and marketing capabilities of creating and selling products as important variables in organizational results.

REFERENCES

- Ahmad, N., & Iqbal, N. (2013). The impact of market orientation and brand orientation on strengthening brand performance: An insight from the beverage industry of Pakistan. *International review of management and business research*, 2(1), 128-132.
- Al-Ansaari, Y., Bederr, H., & Chen, C. (2015). Strategic orientation and business performance: An empirical study in the UAE context. *Management Decision*, 53(10), 2287-2302.
- Anees-ur-Rehman, M., Wong, H. Y., & Hossain, M. (2016). The progression of brand orientation literature in twenty years: A systematic literature review. *Journal of Brand Management*, 23(6), 612-630.

- Balmer, J. M. (2013). Corporate brand orientation: What is it? What of it?. *Journal of Brand management*, 20(9), 723-741.
- Baumgarth, C. (2009). Brand orientation of museums: Model and empirical results. *International Journal of Arts Management*, 30-45.
- Baumgarth, C. (2010). "Living the brand": brand orientation in the business-to-business sector. *European Journal of Marketing*, 44(5), 653-671.
- Bridson, K., & Evans, J. (2004). The secret to a fashion advantage is brand orientation. *International Journal of Retail & Distribution Management*, 32(8), 403-411.
- Casidy, R., Wymer, W., & O'Cass, A. (2018). Enhancing hotel brand performance through fostering brand relationship orientation in the minds of consumers. *Tourism Management*, 66, 72-84.
- Chang, Y., Wang, X., & Arnett, D. B. (2018). Enhancing firm performance: The role of brand orientation in business-to-business marketing. *Industrial Marketing Management*, 72, 17-25.
- Cruceru, A. F., & Moise, D. (2017). Marketing Capabilities and Selling Capabilities. Implementing a Framework Guide for a Business Performance. *Journal of Emerging Trends in Marketing and Management*, 1(1), 135-141.
- Day, G. S. (1994). The capabilities of market-driven organizations. *The Journal of Marketing*, 37-52.
- Deshpande, R., & Webster Jr, F. E. (1989). Organizational culture and marketing: defining the research agenda. *The Journal of Marketing*, 3-15.
- Evans, J., Bridson, K., & Rentschler, R. (2012). Drivers, impediments and manifestations of brand orientation: An international museum study. *European Journal of Marketing*, 46(11/12), 1457-1475.
- Ewing, M. T., & Napoli, J. (2005). Developing and validating a multidimensional nonprofit brand orientation scale. *Journal of Business Research*, 58(6), 841-853.
- Fang, E. E., & Zou, S. (2009). Antecedents and consequences of marketing dynamic capabilities in international joint ventures. *Journal of International Business Studies*, 40(5), 742-761.
- Foroudi, P. (2019). Influence of brand signature, brand awareness, brand attitude, brand reputation on hotel industry's brand performance. *International Journal of Hospitality Management*, 76, Part A, 271-285.
- Gama, A. P. D. (2011). An expanded model of marketing performance. *Marketing Intelligence & Planning*, 29(7), 643-661.
- Gao, Y. (2010). Measuring marketing performance: a review and a framework. *The Marketing Review*, 10(1), 25-40.
- Governo do Brasil (2017, july 19). Oferta de hospedagem cresce 71% no Brasil. Retrieved from: <http://www.brasil.gov.br/noticias/turismo/2017/07/oferta-de-hospedagem-cresce-71-no-brasil>
- Grant, R. M. (1996). Prospering in dynamically-competitive environments: Organizational capability as knowledge integration. *Organization science*, 7(4), 375-387.
- Gromark, J., & Melin, F. (2011). The underlying dimensions of brand orientation and its impact on financial performance. *Journal of Brand Management*, 18(6), 394-410.
- Gromark, J., & Melin, F. (2013). From market orientation to brand orientation in the public sector. *Journal of Marketing Management*, 29(9-10), 1099-1123.
- Guenzi, P., & Troilo, G. (2007). The joint contribution of marketing and sales to the creation of superior customer value. *Journal of Business Research*, 60(2), 98-107.
- Hair, J. F., Black, W. C., Babin, B. J., Anderson, R. E., & Tatham, R. L. (1998). *Multivariate data analysis*. Vol. 5, No. 3. Upper Saddle River, NJ: Prentice hall.

- Hakala, H. (2011). Strategic orientations in management literature: three approaches to understanding the interaction between market technology, entrepreneurial and learning Orientations. *International Journal of Management Reviews*, 13(2), 199–217.
- Hankinson, P. (2001). Brand orientation in the Top 500 fundraising charities in the UK. *Journal of Product & Brand Management*, 10(6), 346-360.
- Homburg, C., Grozdanovic, M., & Klarmann, M. (2007). Responsiveness to customers and competitors: the role of affective and cognitive organizational systems. *Journal of Marketing*, 71(3), 18-38.
- Hooley, G., & Greenley, G. (2005). The resource underpinnings of competitive positions. *Journal of Strategic Marketing*, 13(2), 93-116.
- Hooley, G. J., Greenley, G. E., Cadogan, J. W., & Fahy, J. (2005). The performance impact of marketing resources. *Journal of business research*, 58(1), 18-27.
- Kemper, J., Engelen, A., & Brettel, M. (2011). How top management's social capital fosters the development of specialized marketing capabilities: a cross-cultural comparison. *Journal of International Marketing*, 19(3), 87-112.
- Kemper, J., Schilke, O., & Brettel, M. (2013). Social capital as a microlevel origin of organizational capabilities. *Journal of Product Innovation Management*, 30(3), 589-603.
- Lanauze, G., & Aurier, P. (2012). Impact of perceived brand relationship orientation on attitudinal loyalty: An application to strong brands in the packaged goods sector. *European Journal of Marketing*, 46(11–12), 1602-1627.
- Luxton, S., Reid, M., & Mavondo, F. (2017). IMC capability: antecedents and implications for brand performance. *European Journal of Marketing*, 51(3), 421-444.
- Merrilees, B., Rundle-Thiele, S., & Lye, A. (2011). Marketing capabilities: Antecedents and implications for B2B SME performance. *Industrial Marketing Management*, 40(3), 368-375.
- Mohammed, A. A., Rashid, B. B., & Tahir, S. B. (2014). Customer Relationship Management (CRM) Technology and Organization Performance: Is Marketing Capability a Missing Link? An Empirical Study in the Malaysian Hotel Industry. *Asian Social Science*, 10(9), 197–212. <https://doi.org/10.5539/ass.v10n9p197>
- Morgan, N. A. (2012). Marketing and business performance. *Journal of the Academy of Marketing Science*, 40(1), 102-119.
- Morgan, N. A., Vorhies, D. W., & Mason, C. H. (2009). Market orientation, marketing capabilities, and firm performance. *Strategic Management Journal*, 30(8), 909-920.
- Mosmans, A., & van der Vorst, R. (1998). Brand based strategic management. *Journal of Brand Management*, 6(2), 99-110.
- Napoli, J. (2006). The impact of nonprofit brand orientation on organisational performance. *Journal of Marketing Management*, 22(7-8), 673-694.
- Ngo, L. V., & O'Cass, A. (2012). Performance implications of market orientation, marketing resources, and marketing capabilities. *Journal of Marketing Management*, 28(1-2), 173-187.
- Obeidat, B. Y. (2016). The effect of strategic orientation on organizational performance: the mediating role of innovation. *International Journal of Communications, Network and System Sciences*, 09 (11), 478-505.
- Reid, M., Luxton, S., & Mavondo, F. (2005). The relationship between integrated marketing communication, market orientation, and brand orientation. *Journal Of Advertising*, 34(4), 11-23.
- Richard, P. J., Devinney, T. M., Yip, G. S., & Johnson, G. (2009). Measuring organizational performance: Towards methodological best practice. *Journal Of Management*, 35(3), 718-804.

- Reijonen, H., Laukkanen, T., Komppula, R., & Tuominen, S. (2012). Are growing SMEs more market-oriented and brand-oriented? *Journal of Small Business Management*, 50(4), 699-716.
- Reijonen, H., Hirvonen, S., Nagy, G., Laukkanen, T., & Gabrielsson, M. (2015). The impact of entrepreneurial orientation on B2B branding and business growth in emerging markets. *Industrial Marketing Management*, 51, 35-46.
- Santos-Vijande, L., Sanzo-Pérez, M., Trespalacios Gutiérrez, J., & Rodríguez, N. (2012). Marketing capabilities development in small and medium enterprises: implications for performance. *Journal of CENTRUM Cathedra*, 5(1), 24-4.
- SEPC – Services Export Promotion Council. Annual Report 2014-2015. 2016. <http://www.servicesepc.org/wp-content/uploads/2016/01/sepc-annual-report-2014-15.pdf>
- Statista (2018a). Market size of the global hotel industry from 2014 to 2017 (in billion U.S. dollars). Retrieved from: <https://www.statista.com/markets/420/travel-tourism-hospitality/>
- Statista (2018b). Travel, Tourism & Hospitality - Statistics and Market Data on Travel, Tourism & Hospitality. Retrieved from: <https://www.statista.com/statistics/247264/total-revenue-of-the-global-hotel-industry/>
- Theodosiou, M., Kehagias, J., & Katsikea, E. (2012). Strategic orientations, marketing capabilities and firm performance: An empirical investigation in the context of frontline managers in service organizations. *Industrial Marketing Management*, 41(7), 1058-1070.
- Urde, M. (1994). Brand orientation—a strategy for survival. *Journal of Consumer Marketing*, 11(3), 18-32.
- Urde, M. (1999). Brand orientation: A mindset for building brands into strategic resources. *Journal of Marketing Management*, 15(1-3), 117-133.
- Urde, M., Baumgarth, C., & Merrilees, B. (2013). Brand orientation and market orientation—From alternatives to synergy. *Journal of Business Research*, 66(1), 13-20.
- Vorhies, D. W. (1998). An investigation of the factors leading to the development of marketing capabilities and organizational effectiveness. *Journal of Strategic Marketing*, 6(1), 3-23.
- Vorhies, D. W., Harker, M., & Rao, C. P. (1999). The capabilities and performance advantages of market-driven firms. *European Journal of Marketing*, 33(11/12), 1171-1202.
- Vorhies, D. W., & Harker, M. (2000). The Capabilities and Performance Advantages of Market-Driven Firms: An Empirical Investigation. *Australian Journal of Management*, 25(2), 145-171.
- Vorhies, D. W., & Morgan, N. A. (2005). Benchmarking marketing capabilities for sustainable competitive advantage. *Journal of Marketing*, 69(1), 80-94.
- Vorhies, D. W., Morgan, R. E., & Autry, C. W. (2009). Product-market strategy and the marketing capabilities of the firm: impact on market effectiveness and cash flow performance. *Strategic Management Journal*, 30(12), 1310-1334.
- Vorhies, D. W., Orr, L. M., & Bush, V. D. (2011). Improving customer-focused marketing capabilities and firm financial performance via marketing exploration and exploitation. *Journal of the Academy of Marketing Science*, 39(5), 736-756.
- Shou, Z., Chen, J., Zhu, W., & Yang, L. (2014). Firm capability and performance in China: The moderating role of guanxi and institutional forces in domestic and foreign contexts. *Journal of Business Research*, 67(2), 77-82.
- Webster Jr, F. E. (1988). The rediscovery of the marketing concept. *Business Horizons*, 31(3), 29-39.
- Weerawardena, J. (2003). The role of marketing capability in innovation-based competitive strategy. *Journal of Strategic Marketing*, 11(1), 15-35.
- Weerawardena, J., & O'Cass, A. (2004). Exploring the characteristics of the market-driven firms and antecedents to sustained competitive advantage. *Industrial Marketing Management*, 33(5), 419-428.

- Wilden, R., & Gudergan, S. P. (2015). The impact of dynamic capabilities on operational marketing and technological capabilities: investigating the role of environmental turbulence. *Journal of the Academy of Marketing Science*, 43(2), 181-199.
- Wong, H. Y., & Merrilees, B. (2005). A brand orientation typology for SMEs: a case research approach. *Journal of Product & Brand Management*, 14(3), 155-162.
- Wong, H. Y., & Merrilees, B. (2008). The performance benefits of being brand-orientated. *Journal of Product & Brand Management*, 17(6), 372-383.