

Service-driven Advocacy: From Tourists' Felicity to Preeminent Destination Loyalty

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Abstract

Innovative endeavours targeting the tourism industry has prevailed as crucial attempts in cultivating tourist satisfaction and restoring destination image, while overcoming severe backlash of the Covid-19 pandemic in recent years through reconstructing destination loyalty. Founded above the established groundwork of Stimulus-Organism-Response (SOR) Theory, this study aims to examine the influence of service innovation on destination loyalty in the Malaysian tourism industry. A self-administered survey was conducted among 400 international tourists who visited Malaysia. Usable data was collected from 322 international tourists and analysed using the structural equation modelling technique. Obtained findings indicate the significance of interrelationships between service innovation, tourist satisfaction, destination image, and destination loyalty, with destination image being a mediating factor on tourist satisfaction and destination loyalty. Given intense competition of the tourism industry within the Asia Pacific region, current results are useful for tourism practitioners to formulate and implement effective and innovative marketing strategies towards sustainable competitive advantage. Generated knowledge enables tourism practitioners to benchmark service innovation practices in creating positive destination image, tourist satisfaction and destination loyalty.

Keywords: Service innovation, Destination image, Destination loyalty, Tourism behaviour, Tourism marketing.

Introduction

Tourism industry has shown exponential development prior outbreak of the Covid-19 pandemic, at recorded increase in inbound tourists of 23.10% since the year 2014 to a total of 2.403 billion inbound tourists in the year 2019 (The World Bank, 2022). Total exports as generated within the tourism sector further hit a whopping USD1.7 in the year 2018, making it the third-largest contributor to the global export economy (UNWTO, 2019). However, major international hiccups in recent years such as SARS (2003), financial crisis (2008) and the Covid-19 pandemic (2020) have surfaced as unforeseeable hindrances to such profitability. Adaptability and agility are further demanded by industrial players to ensure survivability against turmoil of international standstill and financial devaluation.

More often than not, innovation as endorsed by touristic practitioners in adherence to contemporary vogues and market conditions has emerged as crucial requisite to continuous sustainability (Warren et al., 2018). Innovative attempts further parallel uncertainty acceptance as the catalysing factor for successive exploitation of key proficiencies among industrial players to achieve robust hospitality servicing (Tang et al., 2019). With Purwanto et al. (2022) proposed an immediate causation between innovative working environment on satisfaction among internal stakeholders; alternative study by Cheng et al. (2020a); Jeong and Kim (2019) then complimented such findings on an indirect influence of transformative hospitality servicing on tourist satisfaction through development of destination image. Beyond prevalence of touristic offerings on market gratification, advancements as endorsed via aspects of organizational procedure, administration and promotions are notably influential towards visitors' satisfaction prior subsequent formation of destination loyalty (Cheng et al., 2020b). While multiple existing studies have primarily emphasized innovative endeavours from the organizational perspective (i.e., Senbeto & Hon, 2020), social scholars which highlight sequential impact of innovative servicing has fundamentally overlooked the potential of satisfaction on fabrication of destination image.

Established correlations through published results by Cheng et al. (2020a, 2020b); Nasir et al. (2020) where destination image and satisfactions possess comparable influence on destination loyalty further compels academic outlook on gratification-induced perception towards specified tourism location. Seeing this as an underexplored gap, this paper set to examine the interrelationships between service innovation, tourist satisfaction, destination image and destination loyalty within the Malaysian tourism front on established groundwork of the Stimulus-Organism-Response (SOR) Theory, with highlighting the influence of tourist satisfaction and destination image in the organism positions, and the indirect influence of tourist satisfaction on destination loyalty through the development of destination image. Uncovered results are deemed crucial towards greater understanding of market expectations within the tourism industry, besides offering new insights to policymakers for positive industrial growth.

Literature Review

Stimulus-Organism-Response Theory

The Stimulus-Organism-Response (SOR) paradigm defines stimuli in the form of external signals that induce inner appraisal among individuals to generate respective reactions (Mehrabian & Russell, 1976). This paradigm emphasized customers' emotional wellbeing as developed through both conscious and unconscious assessments for specific responses to a multitude of environmental conditions. Key elements of the theory essentially comprised environmental factors which made up the stimulus (S), cognitive reactions to the external factors known as organism (O) and observable behaviors driven by the cognitive evaluations known as response (R) (Bagozzi, 1986; Cham et al., 2021a). Expanded by Mehrabian and Russel (1976), one's internal appraisals are gauged through the spectrum of 1) pleasure which assesses the verbal discernment towards surrounding factors in expressing glee and satisfaction, 2) arousal which engages active participation within a specific environment, and 3) dominance which measures the degree of influence ascendancy one's is willing to express towards a situation. Whereas, dissimilar environmental contexts would contribute to diverging cognitive responses.

Facing business digitalization, SOR theory has been vastly adopted within areas of online consumerisms to identify the practical stimulus that induce favourable evaluations and actual consumptions (Zhu et al., 2020). Sequential relationships between components within the theoretical framework is concurrently employed to address respective significance of digital capacity and innovative servicing on market perception through individual appraisal regarding service confidence and perceived value (Ruan et al., 2020). Undertaken research within area of physical experience further exemplified the consecutive repercussion of servicing standard on organizational allegiance ensuing cognitive evaluation of image perception (Cham et al., 2021b). In return, responses in the form of innovative tendencies among hospitality workforce is anticipated following prevalence of customer reciprocity as the antecedent to affective cognition and physiological encouragement (Xu & Wang, 2019).

The discussed paradigm has, nonetheless, received far-reaching adoptions for exploration of market behaviours within the hospitality and tourism sector (Moe & Tan, 2016). With study by Isa et al. (2019) described the importance of tangible ambiances on positive destination affinity, acquired findings have yet to overlook the gravity of sociocultural layout as required stimulus to reach the similar outcome. Conceptual structure of the SOR Theory has, thus, been employed by Sageng et al. (2021) for the determination of environmental and intrinsic considerations towards constructive value perception and propensity to revisit. Efficacy of strategic executions in securing a sustainable tourist base is then explained with inherent consideration for sense of gratification and positive sentiments among inbound travellers (Cheng et al., 2020c). Given discussion, therefore, supports the paradigm's proficiency in explaining the investigated framework of this study, whilst acknowledging service innovation in the stimulus role, tourist satisfaction and destination image in the organism role, and destination loyalty as the response.

Service Innovation

Innovation is consensually viewed as any kind of endeavour to develop a new product/service, improvement in supply chain mechanisms and/or the implementation of an organizational transformation practice. As such, service innovation extended the definition to cover transformations towards elements of product/service design, presentation and delivery. The process, therefore, involves an organization's mechanism and coordination that go beyond the servicing landscape (Cham & Easvaralingam, 2012; Cham et al., 2020; Mansori et al, 2015); service innovation takes place in a different context of services, such as the development of new services or the gradual improvement of existing services.

Compared to comprehensive investigations undertaken towards product-driven innovations, service innovation has also achieved considerable status within the current academic front (Cheng et al., 2019; Mansori, 2012). Service innovation holds identical standing to viable consumption, collective benefits and innovative pursues towards creating a synergized approach for sustainable service. Whereas, the obtained outcome would then reciprocate receding internal organizations, with proactive effects of collaborative channel unification, compelling organizational-customer network, and productive marketing endeavours (Capriello & Riboldazzi, 2019). The current study, thus, takes on an utmost comprehensive outlook on this matter by adopting the definition by Sundbo and Gallaouj (1999) where service innovation represents cumulative improvements over subversive alterations; whilst, disseminated the construct across four main segments – product, process, organization and marketing. In the context of tourism industry, service innovation refers to the introduction of new tourist products, development of new tourism process (e.g., travel information acquisition and disassembly), service enhancement of tour operators and the implementation of contemporary tourism marketing strategies.

Product Innovation

Product innovation can be defined as an organizational endeavour towards introducing novel products and services which are original or substantially improved into the market (Chesbrough et al., 2018). Product innovation is essentially a customer-focused effort, where active customizations are of centrality to gain satisfaction upon acknowledging customers' requirements. Coupled with the spadework of inter-organization participation, destination attractiveness would be boosted through collaboration innovations (Hall & Williams, 2019). Current turbulence essentially urged digitalized automation through employment of synthetic technologies in accomplishing servicing tasks and responsibilities within the tourism sector without jeopardizing the health and well-being of existing stakeholders (Vuong & Tran, 2021).

Numerous strategies including event tourism (Liang, 2018), eco-tourism (Ab Rahman, 2021), loyalty programs (Pascual & Cain, 2021) and professional tours (Huang & Lee, 2018) are several endeavours as operationalized by practitioners within the tourism industry as attempts to secure lucrative monetary profits and returns. Eide et al. (2017) proposed from the organizational perspective, which placed product innovation in balancing both experience (conceptions and arrangement) and engagement (internal and external); which, yet again, placed the people factor at its center. In addition to robust handling of professional assets, organizational development, technological

adaptation and promotional endeavours, operational continuity among hospitality firms simultaneously requires substantial service alterations and differentiations that conform updated societal inclinations and disruptions (Surya et al., 2022). Nonetheless, the effectiveness of services provided can be rooted in the magnitude to which customers are gauged or have participated.

Process Innovation

Process innovation refers to an organization's adoption of the manufacturing process, distributional operations and subsidiary supply-chain affairs of both tangible and intangible offerings, that is either contemporary or has undergone significant improvements (Greenberg et al., 2019). The principle lies above elevated output through an extrapolated manufacturing capacity as aligned to diminished variable costs following production of current product and service lines (Greenberg et al., 2019). New and functional values can be generated particularly within service firms via process-based innovation through the employment of later workforce, re-evaluating the scope of each position, and rearranging of source allocations within the organization (Brem et al., 2016).

The significance of service innovation falls on responsive efforts within the product lifecycle, particularly for enhanced production capacity throughout its supply chain. Contemporary technological adoption among servicing organization has, therefore, emerged as essential venture in capturing service-based modernity, whilst reflecting successive operational improvement among hospitality organizations (Bhat & Sharma, 2021). Having constructive alterations towards procedures and processes within a company's administration would then improve customers' identifications (Parida et al., 2017). Reflected through organizational cultures, embedded values would act as assets that continuously cultivate customer relationships, by having contented customer experiences towards delivered hospitality as the calibre (Parida et al., 2017). Having dissatisfaction as an incidental reflection to innovative procedure, the variable holds high regard for customers' opinions in the long run by offering improved services as compensations to unfulfilled customers' expectations (Ashok et al., 2018).

Following increased informational transparency via borderless advancement of the digital world, substantial requirement for effective external intelligence is emphasized to produce commercial inbound through innovativeness across organizational processes, with accounts for components of technological orientation and capability of the existing supply chain (Ashok et al., 2018). Strategic implementations which uphold service excellence at the absence of physical contacts, alongside substantial precautionary procedures by hospitality practitioners in maintaining utmost sanitations amid the current pandemic period has concurrently shown as essential cornerstones in restoration of market confidence (Sharma et al., 2021). With standardized technological norms being recognized as a solid groundwork in shaping preeminent layout among industrial players in constructing unique procedures (Brem et al., 2016); process innovation would be an indisputable challenge for point of differentiation when formality was predetermined prior actual innovation (Parida et al., 2017).

Organizational Innovation

Organizational innovation can be defined as the implementation of new administrative techniques in a company's commercial operations (Carboni & Russu, 2018). Circumstance hereby allocates organizational innovation in light of firms' behavioural culture for uniqueness as a foothold that connects organizational structures. Varied by hierarchical traits, integration levels and streamlined structures, the examined endeavor holds excessive capability in complementing robust corporate performance, with the like of enhanced efficiency via managerial and dealership spending, improved staffs' satisfaction, exploited essential aptitudes and decreased delivering expenses (Carboni & Russu, 2018).

From the buyers' perspective, administrative innovation, alongside learning capability, possesses an impactful consequence on customers' behaviors; in return, affects organizational performance (Vijande & Sánchez, 2017). More often than not, the subtlety of organizational innovation resonates various forms of product excellence, affordability, customizability and concise lead periods (Hjalager & Madsen, 2018). Information transparency among internal stakeholders, thus, acted as a unified foundation in striving nominal excellence of servicing frontier (Sayangbatti & Riyadi, 2021). Continuous rampage of the Covid-19 pandemic further provoked collaborations and exchange beyond organizational boundaries in seek of leveraging exclusive services through such partnerships for rejuvenation of domestic tourism sector (Shrestha & Decosta, 2021).

with the aim of securing patronages through performance superiority, undertaken innovation towards organizations' management layout would fundamentally precede practical potency and competency, information network, organization learning, as well as knowledge adoption and adaptation (Hjalager & Madsen, 2018). Superior executions are then foreshadowed by integrated adoption of external intelligence and internal transformation (Hameed & Nisar, 2021). These outlooks have once again highlighted the importance of external knowledge and its compelling adoptions towards business achievements where flexibility and experience triumph over standardized servicing in promoting proactive adjustments (Cozzarin, 2017). Despite the fore-discussed variables (i.e., product innovation and process innovation) are shown to similarly precede organizational performance, organizational innovation, on the other hand, has contradicted in its positive influence on technical improvements and negative influence on procedural alterations (Cozzarin, 2017). However, process and organization innovations have been cumulatively explored as the direct consequence of engaging administration within organizations, constituting undertakings throughout aspects of size, ownership, research and development, as well as product innovation. While the potential of organizational innovation towards satisfaction is highlighted, its implications for other segments of service innovation remains debatable.

Marketing Innovation

Undertakings within the market at large such as segmental exploitations of previously unrealized needs and prospective attempts towards unique areas within an existing business exposition are in alignment with the definition of marketing innovation (Sundbo & Gallouj, 1999). With intense product duplications among competitors in the marketplace, unique marketing strategies by participating firms rise as crucial resources

and expertise to advance and flourish in face of the current business environment (Grewal & Tansuhaj, 2001). Noteworthy influence of innovative servicing on respective consequences of destination perception, visitors' satisfaction and locational preference has similarly demonstrated service offerings within the tourism industry as crucial promotional instruments towards market position and touristic allegiance to specified destination (Cheng et al., 2021).

Nonetheless, the desire for differentiation, coupled with operational efficiency, are ingrained within the concept of marketing innovation towards attaining irreplaceable market competitiveness (Naidoo, 2010). Such achievements undoubtedly require customer-tailored products, services, and promotional approaches, whilst highlighting the need for service customization. Uncertain domains surrounding the current hospitality and tourism horizons have paralleled strategic promotion and marketing to the weights of product strategy, organizational design and intelligence management in ensuring survivability among industrial players (Surya et al., 2022). Referencing examined context of the current study, vast expectations among tourists have not fallen short of all-rounded travelling packages (i.e., with services like transit, accommodation and entertainment) as a prerequisite towards generating successful destination marketing (Hanna et al., 2018).

Service Innovation and Tourist Satisfaction

Service innovation often acts as a firm's stepping stone to expand clientele, generate unique expectations among existing customers, and construct superior customer relationships through exceptional service experience (Sridhar & Ganesan, 2015). While experiential marketing communicates servicing ideas to create destination familiarity, service innovation would ensure surpassed expectations through contemporary travelling experiences. Innovation in the hospitality sector, thus, holds an arbitrating role for value and perception creations. As such, service quality and innovation would independently command value creation and service excellence. Tourist satisfaction has also prevailed as the result of innovative endeavours on both product/service offerings and workforce proficiencies, besides the fabricated favourable locational image (Yeh et al., 2019).

Hospitality excellence as considered towards requirement meeting and expectation surpassing in the tourism front subsequently recognized segregated dominance of service innovation components, with process innovation possessing utmost significance to tourists' gratification (Cheng, 2014). The disposition as stated by Lee et al. (2013) then highlights improved tourist satisfaction from the perspectives of personalization, agility and congruency across offered services. With mass customization within the tourism industry being deemed inefficient, costly and haphazard, service innovation is often shown as a direct motivator to satisfaction in totality, provided compassions towards customers' opinions in term of administration, mechanism and supply chain are not neglected (Bellingkrodt & Wallenburg, 2015). Following the above review on service innovation, the current study investigates the four dimensions of service innovation that have a significant effect on tourist satisfaction by:

H1 Product innovation is positively related to tourist satisfaction.

H2 Process innovation is positively related to tourist satisfaction.

H3 Organizational innovation is positively related to tourist satisfaction.

H4 Marketing innovation is positively related to tourist satisfaction.

Service Innovation and Destination Image

Technologies including webpage contents, online navigation, mobile marketing and social media are frequently used to create positive destination images (Cham et al., 2022b). However, such efforts would be futile shall reformations are ignored to the previously unappealing elements (e.g., transportation system, accommodations and touring facilities). Repercussions are further accounted for tourists' information in yielding a constructive destination image, tourist satisfaction and revisiting intention (Micera & Crispino, 2017).

Tourists often travel to an identical destination for dissimilar motivations and service requirements. Cordiality among visiting tourists is hereby achieved when destination attributes including religiosity and physical environments matched their specific identities (Gannon et al., 2017). Service quality and locational impression have demonstrated respective tenacity on destination image and loyalty. Travelers' perception is, therefore, fabricated in through successive administration and positive eminence surrounding service encounters within the visited location, pending ensuing influence on constructive buzzes and revisiting tendencies (Cervera-Taulet et al., 2019). Immediate influence of service innovation components is consequentially demonstrated via previous findings by Cheng et al. (2020a) on destination perception, with process innovation being the most impactful element to visitors' evaluation of travelled destination. Whereas, a study by Cham et al. (2020) have recognized the indirect impact of service excellence on destination loyalty through the formation of destination image and perception.

Findings as reported by Scherrer et al. (2009) suggested the importance of destination image from the aspects of locational history and products' superiority on successful destination marketing. Similar results may be achievable through offering unique and original services, which prompted the hypotheses:

H5 Product innovation is positively related to the destination image.

H6 Process innovation is positively related to the destination image.

H7 Organizational innovation is positively related to the destination image.

H8 Marketing innovation is positively related to the destination image.

Destination Loyalty

Loyal clients are considered as irreplaceable assets towards organizational successes within the hospitality industry (Cheng et al., 2020a). Parallel across tourists of distinct origins, loyalty formed upon specific location can be defined through different factors including emotional and intuitive recognitions on the locational image, source of related information, travelling purposes, cultural attributes, habits and underlying patronages (Cheng et al., 2020a; Jeong & Kim, 2019).

Overall, destination loyalty can be established through services, location's image, human factors, and positive interaction among tourists. While destination image and travel experience directly influence tourists' satisfaction towards a destination, loyalty prevails as a collective result of generated satisfaction and image. Yolal et al. (2017) then suggested the account for both rational evaluations in terms of service experience and emotional assessment as per satisfaction among both first-timers and repeated tourists in constructing further allegiances, with greater intensity weighed by the former on service quality over affective perceptions.

In hindsight, relationship management and cultural integration would entail noteworthy travel encounters, following eventful experiences that yield destination loyalty (Yolal et al., 2017). With this in mind the current study hasn't overlooked the possibility of future revisits, by considering the mentioned variable in light of destination image constructed upon tourists' perceptions on the uniqueness of experienced services.

Destination Image as a Mediator

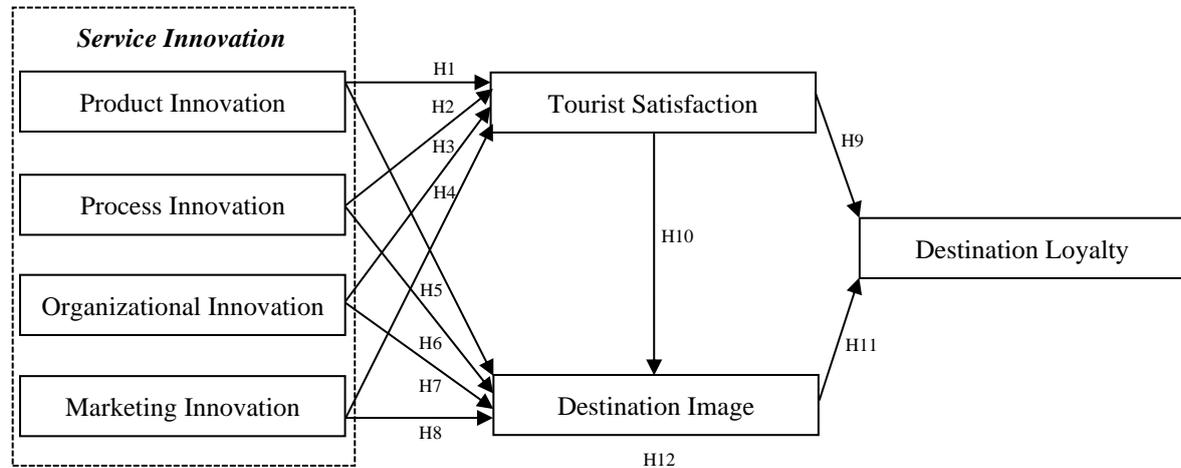
Destination image constitutes one's apprehension and expectation on the notion, appeal, sentiment and complete speculation of a destination (Cham et al., 2022a). Such perceptions are cumulatively formed through a person's emotional, intuitive and behavioural dimensions (Kock et al., 2016). The positive disconfirmation to travelling elements like tourists' involvement, destination information, committed information search, and locational attractions would entail positive destination image and tourists' retention. As an initiator, destination image holds a tendency in predicting tourists' locational identification, shape attitudes; subsequently, causes actual tourists' visits. Customers' identification often acts as the determinant that bridges emotional attachments to particular destinations, besides rational evaluations, which manifested towards the intention of revisit (Aw et al., 2021; Aw & Chuah, 2021; Chuah et al., 2022; Kim et al., 2019).

However, results as obtained from current studies are mix, and to some extent, contradictory on reciprocated association between both variables of tourist satisfaction and destination image. While most scholars have investigated destination image as the predicting factor to tourist satisfaction (i.e., Cheng et al., 2020a; Jeong & Kim, 2019); the study by Sundbo and Gallaouj (1999) in the context of service innovation has suggested otherwise, by having satisfaction as the antecedent to image formed towards a visited location. Through endorsing service innovation in the independent position of the currently examined framework, significance of destination image in bridging tourist satisfaction to destination loyalty is hereby rationalized. Intention to validate the correlation as proposed by Sundbo and Gallaouj (1999) is, therefore, objectified through this study, succeeding the hypotheses:

- H9** Tourist satisfaction is positively related to destination loyalty.
- H10** Tourist Satisfaction is positively related to the destination image.
- H11** Destination image is positively related to destination loyalty.
- H12** Destination image mediates the relationship between tourist satisfaction and destination loyalty.

Based on the literature review, conceptual framework for the current study is outlined as per Figure 1.

Figure 1: Conceptual Framework



Methodology

The current research especially prioritized assessment on potential relationships between the underlying factors of service innovation within the tourism industry, tourist satisfaction and destination image. Herewith, the construct for service innovation consisted of four components as described by Sundbo and Gallouj (1999) that include product, process, organization and marketing. Instruments as employed to measure variables of service innovation, tourist satisfaction, destination image and destination loyalty were adapted from the existing literature, as outlined in *Appendix 1*.

A quantitative survey was used for data collection. For this purpose, a self-administered questionnaire was designed incorporating two main sections. The first section seeks participants' perceptions of service innovation, experience-based satisfaction, impression of a tourist destination, and underlying patronage. Whereas, the second section covers the participants' demographic details (i.e., gender, age and educational level). Participants' responses were measured by a 7-point Likert scale, ranging from 1 = "Strongly Disagree" to 7 = "Strongly Agree". The questionnaire was pre-tested with 15 experts from academics and industry to ensure the clarity of the items prior to actual data collection.

Sample and Sampling Procedures

Nonprobability convenience sampling was adopted for the selection of participants. The survey questionnaires were distributed to 400 international tourists across various tourism attractions within Kuala Lumpur, the capital city of Malaysia and transportation hubs (i.e., airports, railway stations) to cover respondents with different demographic characteristics and international backgrounds. A screening criterion was concurrently imposed to ensure sufficient service encounters following the requirement where participated tourists had spent a minimum of one night in the country. Gathered

responses ultimately contributed 68 removed responses for incompleteness, with 332 usable responses (which represent 83 percent of the response rate) being further proceeded for the final analyses. The analyses for the present study were conducted with the use of SPSS (Statistical Package for the Social Sciences) and AMOS (Analysis of Moment Structures) statistical software.

Results

Through descriptive analysis, information presents close equilibrium between male and female tourists, with female tourists hold a marginally higher constitution (53.1% vs. 46.9% respectively). A bell-shaped distribution is observed in the age category of the respondents, with 7.5% and 14.9% of them being tourists below 26 and above 40 years old, respectively. In particular, largest group of the respondents fall within the cohort of 36 to 40 years old with a fraction of 27.6%. In terms of their educational level, slightly over one-third (35.1%) of the respondents possessed a Bachelor's degree, which constituted the largest group of the respondent.

Table 1: Sample Profile

Variable	Characteristic	Percentage (%)
Gender	Male	46.9
	Female	53.1
Age Group	25 years old and below	7.5
	26 – 30 years old	23.3
	31 – 35 years old	26.7
	36 – 40 years old	27.6
	Above 40 years old	14.9
Education Level	High School	14.3
	Diploma	24.8
	Bachelor's Degree	35.1
	Master's Degree	15.8
	Doctoral Degree	2.2
	Professional Certificate	5.9
	Others	1.9

Assessment of the Measurement Model

Confirmatory factor analysis (CFA) was used to test the validity of the variables within the conceptual framework. The model was hereby validated through tests on aspects of i) model fit ii) convergent validity and iii) discriminant validity (Guo et al., 2008). In assessing model fit, criteria were understated in earlier literature that a model possesses heightened fitness when normed chi-square falls between the arrays of 1.0 to 5.0, goodness-of-fit (GFI) falls beyond 0.90, root mean square error of approximation (RMSEA) falls below 0.08, Comparative Fit Index (CFI) falls beyond 0.90, and Parsimony Comparative Fit Index (PCFI) falls beyond 0.50. The constructs have yielded a Chi-square value of 685.674, df of 304, normed chi-square of 2.256, GFI of 0.886, RMSEA of 0.058, CFI of 0.911, as well as TLI=0.906. Upon previously specified criteria, the model for this study is, therefore, presumably fit.

Convergent validity is represented by the consent between measurements towards identical constructs, as appraised through implementations of diverging approaches; whereas, discriminant validity is reflected by the uniqueness discovered within distinct constructs (Guo et al., 2008). Convergent validity was assessed using the criteria as stated by Fornell and Larcker (1981) following the criteria where (1) factor loading is higher than the value of 0.60 (2), composite reliability is more than the value of 0.70, and (3) average variance extracted (AVE) exceeds the value of 0.50. Conversely, discriminant validity was assessed through the correlation matrix by comparing the current constructs and the squared of their respective AVE, in which the former should be diminished in comparison to the latter (Fornell & Larcker, 1981). With reference to the statistical layout in Table 2, factor loadings for the measured items are all above the value of 0.60, composite reliability of more than 0.70, with square root of AVE of respective constructs (bold) having higher values than their correlation coefficients with other constructs (italics). Under such circumstances, the existence of convergent and discriminant validities is, thus, confirmed.

Table 2: Results obtained for Discriminant and Convergent Validity

	F.L	C.R	AVE	1	2	3	4	5	6	7
PROI	0.692 - 0.813	0.841	0.565	0.755						
OI	0.764 - 0.856	0.883	0.671	<i>0.221</i>	0.809					
MI	0.636 - 0.821	0.800	0.512	<i>0.165</i>	<i>0.155</i>	0.710				
PRDI	0.768 - 0.765	0.854	0.589	<i>0.095</i>	<i>0.061</i>	<i>0.046</i>	0.771			
SAT	0.674 - 0.742	0.834	0.523	<i>0.234</i>	<i>0.135</i>	<i>0.243</i>	<i>0.064</i>	0.709		
DI	0.721 - 0.819	0.867	0.586	<i>0.363</i>	<i>0.146</i>	<i>0.246</i>	<i>0.261</i>	<i>0.332</i>	0.753	
DL	0.620 - 0.825	0.832	0.534	<i>0.157</i>	<i>0.225</i>	<i>0.344</i>	<i>0.161</i>	<i>0.294</i>	<i>0.312</i>	0.718

Note: PROI= process innovation; OI= organizational innovation; MI = marketing innovation; PRDI= product innovation; SAT= tourist satisfaction; DI= destination image; DL= destination loyalty; FL= factor loading; CR= composite reliability; AVE= average variance extracted; Model fit for measurement model (Chi-square= 685.674, df= 304, Ratio= 2.256, GFI = 0.886, RMSEA = 0.058, TLI =0.906, CFI =0.911).

Assessment of the Structural Model

The structural model indicated that the Chi-square= 693.552, df= 305, Ratio= 2.274, GFI = 0.866, RMSEA = 0.063, TLI =0.900, and CFI =0.913, which suggested that the model is deemed sufficiently fit. Further demonstrated through the figures in Table 3, tourist satisfaction and destination image are proven to precede the components of service innovation, while tourist satisfaction and destination image significantly predict destination loyalty. At a 99% confidence level, product, process, and organizational innovations are shown to positively influence tourist satisfaction. Such is further reflected via the impact of organizational and marketing innovations on destination image, and destination image on destination loyalty. At a 95% confidence level, marketing innovation is shown to promote the development of tourist satisfaction: as

well as the influence of product and process innovations on destination image. Similar output also reflects the impact of tourist satisfaction on destination image and destination loyalty. Path analysis, thus, proven the significance of hypotheses as proposed upon direct associations between each investigated variable (**H1** to **H11**). The final hypothesis, **H12**, which proposed the mediating effect of destination image between tourist satisfaction and destination loyalty was examined using the bootstrapping methods.

Results as tabulated in Table 4 then confirmed the indirect effect of tourist satisfaction and tourist loyalty following operationalization of bias-corrected bootstrapping technique on 5,000 bootstrap samples. It was found that the 95 per cent bias-corrected confidence interval (lower level 0.021; upper level 0.176) does not straddle a zero in between. Such evidence, therefore, corroborates mediating role of destination image on the relationship between tourist satisfaction and destination loyalty. The mediating effect is statistically confirmed. In this case, H12 is supported.

Table 3: Results for Hypothesis Tests

Hypothesized Path	S.E.	C.R.	Hypothesis supported
H1: Product Innovation → Tourist Satisfaction	0.173	2.654**	Yes
H2: Process Innovation → Tourist Satisfaction	0.157	3.105**	Yes
H3: Organizational Innovation → Tourist Satisfaction	0.145	3.324**	Yes
H4: Marketing Innovation → Tourist Satisfaction	0.274	3.423*	Yes
H5: Product Innovation → Destination Image	0.234	4.254*	Yes
H6: Process Innovation → Destination Image	0.345	2.765*	Yes
H7: Organizational Innovation → Destination Image	0.121	2.754**	Yes
H8: Marketing Innovation → Destination Image	0.215	5.132**	Yes
H9: Tourist Satisfaction → Destination Loyalty	0.485	5.762*	Yes
H10: Tourist Satisfaction → Destination Image	0.246	4.318*	Yes
H11: Destination Image → Destination Loyalty	0.312	3.443**	Yes

Note: S.E = Standardized Estimate, C.R = Critical Ratio, **p-value < 0.01, *p-value < 0.05

Table 4: Result of the Mediation Analysis

	Indirect	C.I	t-value	p-value
H12: Tourist satisfaction → Destination image → Destination loyalty	0.164	0.021/0.176	5.864	0.0001

Note: C.I = Confidence intervals at 95%

Discussion

Obtained findings essentially demonstrated the significance of service innovation on tourist satisfaction. Mirroring the results from Sridhar and Ganesan (2015); Yeh et al. (2019), sense of gratification among inbound travellers are shown to be direct resultant superior service experience, besides destination-oriented amenities and infrastructures. Instances where expectation meeting and surpassing has, nonetheless, been confirmed as compulsory predicament in ensuring joyous service encounters, whilst concurrently fabricate satisfactions among targeted consumers. While such discovery has supported the proposition by Eide et al. (2017) on needed equilibrium between aspects of

intangible participation and consumers' involvement; notably influence as recorded for the component of marketing innovation has then fostered communication effectiveness beyond transformative physical contact points towards development of positive sentiment among current and potential customers. With service innovativeness being thoroughly reflected through studies by Bhat and Sharma (2021); Vijande and Sánchez (2017) on procedural and administrative improvements, practical bedrock as suggested via the current research on findings by Cheng et al. (2021), thus, confirmed the importance of such offerings for virtual experience through organizational efforts on tourism-related marketing and promotions.

Direct influence of service innovation on destination image has then been proven through the results as attained within this study. Reflected through the previous findings by Cham et al. (2020), tourists would withhold favourable judgment on visited locations upon experiencing mediocre and subpar servicing. The proposition by Gannon et al. (2017) regarding eminence of cultural and environmental characteristics in addressing both empathy and appreciation among visitors from similar backgrounds would then be complimented by courteous and respectable hospitality. Besides expectation surpassing which yields individualistic gratifications, positive evaluation of touristic service is directly interposed to the general interpretation of its encountered destination. With relevance of service based intelligence being highlighted by Micera and Crispino (2017) as necessary consideration towards perception forming of particular destination, the latter is fundamentally achieved through organizational efforts towards service excellence (i.e., personalized treatment, procedural efficiency and administrative effectiveness) and superior interactivity (i.e., marketing of service line). Organizational culture being crucial instrument towards cultivation of customer value (Parida et al., 2017); current findings ultimately voiced potential congruence between perceived qualities of tourism organizations and destinations, with the latter being promoted by excellency of the former.

Results from the current study further manifested the indirect influence of tourist satisfaction on destination loyalty through development of destination image. Prevailed as an extension to the study by Kim et al. (2019), customizability and flexibility of hospitality services within the tourism industry could inevitably enhance sentimental affinity towards the visited destination, whilst presented as an emotional prerequisite tourists' revisit intention. Nevertheless, such outcome contradicts academic staples including Alcoser and Ruiz (2020); Cheng et al. (2020a); Jeong and Kim (2019) on the direct influence of destination image on tourist satisfaction. An inverse relationship between both variables is hereby showcased, toppling the presumption where sense of fulfilment is yielded above the foundation of perception forming. Depicted via recommended framework by Sundbo and Gallaouj (1999), conventional outlook on gratification-induced perception towards a visited destination holds in the face of service innovativeness. Immediate significance of tourist satisfaction and destination image on destination loyalty, alongside mediating role of destination image on the indirect causation between the other variables, thus, advocated two distinct cognitive directions: The first direction being service-based assessment on destination preference among current consumers; and the second being opinion-based assessment on destination preference among potential customers. Having the first direction being conveniently explained through actual experience, the second direction would require secondary touchpoints by market endorsements. As such, substantial virtue of buzzes as generated through excellent hospitality within the tourism sector is well-established.

Implications

A detailed survey enclosing tourists' perceptions regarding relevance of service innovation across tourism organizations on experiential gratification, destination perception and destination loyalty is thoroughly demonstrated through the current study. Revealed correlations have especially recognized the direct and indirect effects of service innovation on tourist retention through favourable travelling experience and locational perception. At the absence of direct correlations between service innovation and destination loyalty, significant influence of satisfaction and destination image has, therefore, highlighted dominance of both variables in transforming excellent hospitality servicing to sustainable allegiance. Proven correlation further supplemented the direct impact of locational perception on sense of gratification among tourists by Cheng et al. (2020a), upon justifying the formation of favourable destination perception through positive hospitality experience. Such discovery fundamentally showcased the requirement of strategic partnership between industrial practitioners and destination authorities towards attraction and retaining of inbound travellers. Having service offerings by hospitality and touristic firms which emphasize personalization as initiatives to meet and outstrip customers' expectations; plenitude of public infrastructures and amenities, alongside superior maintenance of tourism landmarks to guarantee pleasing impressions shall serve as complimentary reinforcement to experience building.

Rectified framework, therefore, manifested three distinct schools of thought on touristic retention through constructive endorsement of innovative servicing. Primary outlook essentially highlighted the importance of service-induced appreciation on subsequent buzzes and revisits. Secondary outlook recognized the role of positive locational acumen through positive service perception on future visits. Final outlook then acknowledged the interrelated causation on both evaluations of expectation surpassing and locational façade to corroborate positive destination judgment. Supported by the psychology paradigm as addressed via the SOR Theory, identical market response is seemingly yielded by peripheral cognitive processes towards evaluation of external stimulus. On one hand, loyal customer base among tourism organizations are preserved and expanded through individual encounters of designated services. On the other hand, allegiance from new visitors is achieved on constructive perceptions regarding available services and image of a destination. While intangibility remains an essential trait of service-based offerings which demands physical engagements, mental predisposition would also be an invaluable consideration to actual visitation. With this in mind, the need for positive word-of-mouth on service experience and successful marketing centering hospitality supremacy and locational characteristics should not be forgone for perceptual forming across the international horizon.

Embedded fidelity in the face of competitive tourism ultimately goes beyond initial encounters to enclose subsequent touchpoints and endorsements. Services, being recognized as the products of first-hand experience, have transcended tangible limitations to include disclosure and sharing through extended broadcast and media. Facing adverse consequence of the Covid-19 pandemic, continuous innovation of current services among hospitality firms is needed foreseeing superior serving of existing customers and gradual recovery of the tourism industry. Acknowledging travelling as a major hindrance in the near future, adaptability and agility of tourism organizations in accordance to updated pandemic norms have, yet again, been identified

as an important scholastic topic towards market survivability, with communication of such transformation as preparatory tapestry in captivating contemporary necessities of potential visitors. Asia Pacific as a world-class tourism region remains, such service intensive sector would require combined implications of actual experience and developed perception forwarding industrial restoration and fortification.

Limitations and Recommendations for Future Research

Consider the study explores consumption norm within the tourism industry from a service standpoint, several limitations are well-acknowledged towards rectifying ensued implications. With influence of service innovation on tourists' beliefs and loyalty being investigated, the potential influence of demographic variables (e.g., gender and age) and external factors (e.g., technology, social and political) have not been included within this study. The cross-sectional nature of this research which gauges respondents' reactions solely on a single interval further overlooked the diverging traits among visitors from different cultural backgrounds, upbringings and touristic seasons.

Additionally, the nonprobability sampling method of this study has limits overall generalizability of current results to the industry in its entirety. Future studies can be conducted across a larger sample in obtaining more comprehensive responses. A differential employment of probability sampling method would further ensure respondents' diversity, whilst being a preventive measure to possible coverage error. Not to mention, moderations of demographic and environmental variables can be studied to further segregate tourists into groups in accordance with their interpretations of service innovation. Likewise, the adoption of longitudinal study may include opinions by tourists from different travelling seasons.

Implications for Asian Business

Findings of this research have indicated the significant impact of service innovation on tourist satisfaction, destination image and subsequently destination loyalty. Clearly, destination loyalty (i.e., tourist retention) can be developed through various means of cognitive investment. In general, the practices of strategic marketing among Asian tourism operators can be superior to subsequent emotional efforts in order to develop and sustain a strong customer base. Coordination between internal strategies with customer requirements remain utmost imperative in tourism service innovation to build a foothold in the Asia Pacific region. In addition to cultural richness and unique sights, tourist satisfaction is directly related to the messages delivered, customer interactions, personal travel preferences, and service technology and practice. While service innovation describes direct delivery, delivery processes, internal expertise and market position; current research shows customer care through both unconventional service delivery and integrity at all tourism touchpoints are crucial to enhance tourist satisfaction as well as their profound perception of the destination. If a country's tourist attractions are generally perceived to be less attractive, tourists will probably change their travel plans to alternative destinations. This justifies the importance of initial touchpoints in establishing trust, thereby solidifying lasting impressions among visitors.

Given that Asia is a cultural crucible, target engagement needs a compelling location image as a major initiative, and tourists need to be satisfied through a good service experience on a real visit. According to Yeoman et al. (2019), Asia continues to experience urbanization of various communities and technological advances, historical and cultural, while paying great attention to the marketing-induced food stalls (street food) that shapes the culture and image of most tourist destinations within the region. Current findings also provide a form of cultural embedding through excellent service, for instance, this can be simply achieved through a sincere "terima kasih" (thank you) with every purchase and/or after a service encounter took place. Furthermore, the level of tourist satisfaction is ultimately linked to the adaptability of the services being offered by the tourism operators (Cheng et al., 2020a). As mentioned in the concept of disconfirmation, achieving a positive perception of a tourist attraction and/or product if the tourist's expectations are clearly identified, met and exceeded. Tourism operators should, therefore, be aware of the idea that individual tourists adopt different tastes and preferences requires detailed specifications of the tourism services provided. Such revelation then implies the importance of balancing efficiency for delivering superior value with superior fulfilment capabilities in the recovery and reintroduction of tourism service innovation. Attention should be refocused on the adaptation of tourists to service-oriented cognitive development. Such efforts, in turn, can lead to lasting appeal through long vacations, revisit intentions, and active referrals.

Due to the outbreak of Covid-19, various tourism campaigns have been cancelled. Nevertheless, specific new approaches would then be required to attract tourists to the Asian region following subside of the global standstill. In view of that, tourism operators should formulate and implement effective service innovation strategies, including (i) development of new tourism products/tourist attractions/destinations; (ii) improvement of process innovation by implementing a comprehensive tourism system; and (iii) development of tourist-friendly marketing plans to sustain destination loyalty. The findings of this research also testified the fact that organization innovation (i.e., service quality enhancement among tourism related organizations) including tour operators, tourism entertainment sectors, hotel operators and transportation firms are playing their equal roles to enhance service innovation in the Asian tourism industry. Taken together, the distinctive elements of service innovation can increase perception, experience and the likelihood that tourists will return to the region, which further recommend favourable tourist destinations to others. Researchers such as Brunn (2004) declared the widespread excellence of Asian religions in European countries and the spread of cultural views on globalized affairs; with Orishev (2020) discussed the pandemic recovery of tourism in Asia following the dynamics of domestic recovery through cultural proximity. Obviously, tangible tourism products (e.g., accommodation, facilities, tour operators) are only part of the overall touristic offerings. As time goes by, contemporary tourists are more sophisticated and demanding; thus, the need for innovative tourism services is increasing. Asian tourism operators should focus equally on the intangible tourism products (e.g., enhancement of tourist travel experience and memory), as they are the details of tourism events and experience that could also lead to positive perceptions of destination image, tourist satisfaction and alternately revisit intention. Following realization that the convenience sampling approach as employed within this study does not guarantee comprehensive representations of every inbound cluster within the domestic tourism market, its nonprobability nature as demonstrated through the recorded descriptive statistics has, nonetheless, secured substantial preponderance of major segments apropos the

investigated context within Malaysia, and the broader Asia Pacific region. Thus, current findings of this research are essential for tourism operators to formulate and implement sustainable tourism service innovation strategies ranging from the tourism products, processes, organizations and marketing. These insights not only benchmark better service innovation practices among the practitioners, but they also help to build favourable perception of destination image; as well as to improve tourist satisfaction and destination loyalty.

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Appendix

Appendix 1 – Measurement Items

Constructs	Measurement Items	Sources
Service Innovation		
<i>Product Innovation</i>	Malaysia offers innovative tourism products Malaysia offers new travel experience Malaysia offers various tourism products at a reasonable price Malaysia offers complete tourism products	Cheng et al. (2014)
<i>Process Innovation</i>	Staff in the Malaysian tourism industry are well-trained Travel information in Malaysia is easily accessible Tourism arrangements in Malaysia are user-friendly (for tourists) Tourism organisations in Malaysia are well-collaborated Tourism organisations in Malaysia offer excellent services	
<i>Organizational Innovation</i>	Tourism organisations in Malaysia are well-managed Tourism organisations in Malaysia are easily accessible Tourism organisations in Malaysia are innovative in information system Tourism organisations in Malaysia are innovative in assisting tourists	
<i>Marketing Innovation</i>	Tourism marketing strategies in Malaysia are well-planned Tourism marketing strategies in Malaysia are innovatively implemented	

<p>Tourist Satisfaction</p>	<p>Tourism marketing strategy activities in Malaysia are attractive Malaysia tourism information is helpful I am sure it was the right thing to be a tourist in Malaysia Visiting Malaysia has been a good experience I feel good about my decision to visit Malaysia I have truly enjoyed Malaysia as a tourist destination</p>	<p>Veasna et al. (2013)</p>
<p>Destination Image</p>	<p>I am satisfied with my decision to visit Malaysia Malaysia has a positive reputation as a tourism destination Malaysia has a good accessibility The quality of accommodations in Malaysia meets my expectations Malaysia has a lot of cultural attractions Malaysia has variety of existing tourist attractions for tourists</p>	<p>Veasna et al. (2013) & Cham et al. (2021b)</p>
<p>Destination Loyalty</p>	<p>Malaysia has high-quality tourism services Will say positive things about Malaysia to other people Suggest Malaysia to friends and relatives as a vacation destination to visit Encourage friends and relative to visit Malaysia Consider Malaysia as your choice to visit in the future</p>	<p>Mohamed et al. (2011)</p>



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