

THE INFLUENCE OF SERVICE INNOVATION VALUE TOWARD THE TOURIST SATISFACTION OF RURAL COMMUNITY

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ABSTRACT

Service innovation, creative service idea, artistic service orientation, environmental protection, sustainable tourism, and supporting facilities are key components of the tourism industry. The purpose of this research is to: 1) identify the dimensions of service innovation value and the tourist satisfaction of rural communities in Shanxi. 2) To examine the influence of service innovation value on the tourist satisfaction of rural communities in Shanxi. The researcher used a random sampling method to select two locations and determined the size of the sample by calculating the percentage of tourists between October and December 2022. The findings of the quantitative part of the study, as well as the analysis and interpretation of the data, are presented and discussed. In the process of data analysis, frequency, percentage, mean, and standard deviation are examples of descriptive statistics, whereas multiple regression analysis is an example of an inferential statistic. The stepwise multiple regression technique was used to explain hypotheses. According to the findings, "Attractions should provide fair commodity prices, reasonable expenses, and similar budgets" was the one that contributed the most to the rural community in Shanxi's visitor satisfaction. "Give tourists opportunities to participate in culture" was slightly lower but still predicted tourist satisfaction. A total of 58.1% of the variations were explained ($R^2 = .581$). The results of the data analysis were discussed. Perceived value was the main factor that made rural Shanxi areas enjoyable for tourists, as visitors were happy with how friendly the town was, how well it took care of its surroundings, and how much they felt like they belonged there. Local and environmental protection can help add value to a place.

Keywords: Service innovation value, Tourist satisfaction, Rural community

INTRODUCTION

1.1 Background

Rural tourism has become increasingly popular due to China's industrialization and urbanization, the increase in people's economic income, the changing material and spiritual needs of humans, and the more diversified and multi-layered consumption outlook and values. It has become a way for people to get close to and experience nature and rural life, and it has become an important leisure tourism way to enrich people's material and cultural lives. It has experienced five stages of development in China, with unique traditional folk customs as the core in the 1980s and 1990s. The stage of all-round development from the mid-1990s to the early 21st century was characterized by the rise of holiday tourism and the coordinated

development of agriculture, rural communities, and farmers. From 2002 to 2006, the government developed severe industry regulations and released policy documents to promote the development of rural tourism. From 2007 to 2013, the state issued policies to further break the restrictions of land policy and worked together to promote rural tourism's scientific management, logical design, and rich content. At the 17th CPC Central Committee meeting, the Central Committee stated that developing distinctive rural tourism in accordance with local conditions is an important way to promote the industry. Rural tourism in China is growing rapidly, generating 10% of national tourist earnings and welcoming more than 2 billion visitors annually (Wan, Z. H., 2015; Sun, Shihua. (2017)). The evolution of the global tourist business has shifted away from sightseeing tours and toward more emphasis on experience, culture, and leisure, leading to the emergence of rural tourism in Europe and the US (He, 2004). China's rural tourism is facing a challenge from advanced tourism demand and primary tourism products, so it is important to change and upgrade as quickly as possible.

1.2 Research Questions

- 1) What are the aspects of service innovation value of rural community Shanxi Province?
- 2) What are the aspects of the tourist satisfaction of rural community in Shanxi?
- 3) How does the influence of service innovation value toward the tourist satisfaction of rural community in Shanxi?

1.3 Research Objectives

- 1) To identify the dimensions of service innovation value and the tourist satisfaction of rural community in Shanxi.
- 2) To examine the influence of service innovation value toward the tourist satisfaction of rural community in Shanxi.

1.4 Research Hypothesis

- 1) There is a significant positive impact between creating customer value toward the tourist satisfaction of rural community in Shanxi.
- 2) There is a significant positive impact between creative service idea value toward the tourist satisfaction of rural community in Shanxi.
- 3) There is a significant positive impact between perceived value toward the tourist satisfaction of rural community in Shanxi.
- 4) There is a significant positive impact between technological innovation value toward the tourist satisfaction of rural community in Shanxi.

LITERATURE REVIEW

2.1 Related concepts

2.1.1 Service Innovation Value

Service innovation is helping businesses find new revenue streams by satisfying their customers' need to get things done. Service innovation is the study of new service creation that focuses on the managerially significant question of what aspects of service innovation are

necessary for the venture to be successful. Den Hertog (2000)

Core service innovation is helping customers get a core job done better by improving a current service or introducing new services. Service delivery innovation is making it easier for customers to get the benefits of a service when doing a core job.

Customer value is most accurately described as the worth of a product or service to a customer. These are some ways that businesses may raise their value to enhance the customer experience and boost customer satisfaction. Customer value is important for three major reasons: generating more resources, better product assortment, and access to capital.

The Customer Star framework created by Stefan Michel helps executives and entrepreneurs align their decisions and actions around what customers really want. To successfully implement any service innovation, firms must make choices that align and support each point of the customer star. Service innovations may fail if the eight dimensions of the star are not in alignment. When using the Customer Star Framework to check service innovation alignment, a company must ask questions about the eight dimensions: customer segments, positioning, people, information/IT, products, operations, partners, and profit model. Customer segments include current and future segments, positioning, people, leadership style, and information/IT. Information/IT includes gathering, storing, and disseminating data. Products include innovate, manufacture, and distribute products, customize them to each customer's needs, and bundle them with services. Operations include designing and managing processes, linking customer-facing processes with back-office work, and handling variability in customer needs and demand/supply cycles. Partners include suppliers and distributors, and profit models include revenue drivers and cost drivers (Michel, S., 2020.)

Service innovation changes the way customers are served to create value for customers and revenue for the company. Companies must ask questions such as how to relieve customers from activities they do not like to perform, how to enable customers to perform activities they cannot do without our service, and how to make it easier for customers to do what they need or want to do. To increase customer value, businesses should evaluate their customer experience, focus on more than price, collect customer data, target their most loyal customers, and segment their customer base. The Customer Star framework created by Stefan Michel helps executives and entrepreneurs align their decisions and actions around what customers really want.

Innovation today takes into account the economic, environmental, and/ or social sustainability of an idea from the time it is first thought of until it is sold or used. This introduces business innovation, from incremental to radical, and examines how leaders foster a culture of innovation, how companies turn creativity into innovation, and how it transforms not only organizations, but economies as well.

Service innovation is the study of new service development that focuses on what parts of service innovation are important for success from a management point of view. Businesses must assess the customer experience, prioritize factors other than pricing, collect consumer data, target loyal customers, segment client bases, and deliver value. The customer's "perceived value is their total evaluation of the usefulness of a product or service based on their perspective of what they have gotten and been provided with. There are three elements to the service: a creative service concept, a change-oriented mentality, and generative learning. The three factors will positively affect business operations (Nunta, S., Ooncharoen, N., & Jadesadalug,

V., 2012). Entrepreneurs' vision and abilities are crucial. Drivers will play a crucial role in propelling business (Mumford & Licuanan, 2004). The construction of innovative services in the hotel and tourist industry has presented a paradigm that is centered on driving. With several advancements Leeekpai, P. et al. (2014): Developing an organization's innovation capacity establishes a path for identifying development opportunities. And ensure the firm's market competitiveness. (Naver & Slater, 1990) Much improved in terms of employee performance and the ability of the organization to respond to emerging technologies. Work has evolved. (Huber, 1991) 4. Establish a system of users and encourage innovation as a part of the company's culture in order for it to have current potential and be compatible. The current state of affairs in which innovation can successfully contribute to progress (Hult et al., 2004). 5. The business environment will be a factor that encourages innovation. Adjusting the atmosphere and providing stability for members of the organization to adapt to innovations that bring about change makes it easier and more efficient to function (Burton et al., 2004).

Customer value is most accurately described as the worth of a product or service to a customer. These are some ways that businesses may raise their value to enhance the customer experience and boost customer satisfaction. Customer value is important for three major reasons: generating more resources, better product assortment, and access to capital. The bigger the customer value, the better the lifetime value of a customer acquisition cost ratio. Customer value is a measure used to determine the worth of a product or service and its comparison with its alternatives. It is a tool that determines whether a customer feels that they got enough value for the money they spent. It is composed of four components: functional value, social value, psychological value, and monetary value.

Creativity is essential for business problem-solving, as it allows us to view and solve problems more openly and with innovation. It also generates a positive impact on the ROI and helps us overcome prejudices. Critical and creative thinking capability helps students develop critical thinking skills and learning dispositions that support logical, strategic, flexible and adventurous thinking. Creative learning encourages group work and team building, and encourages children to listen, share, and build boundaries.

Creating new services is essential for service businesses to survive in the future. Examples of innovation include QR codes, Royal Hotel, and Yotel, a revolutionary hotel that transforms traditional rectangular rooms into first-class luxury rooms. Yotel's rooms are small but equipped with modern innovations, including flat-screen TVs, Wi-Fi, and rain showers. Its location is an advantage over other hotels in terms of finding the ideal location, which must have beautiful nature. The nine-hour hotel is a new type of hotel with a small space, but the Japanese are popular because of its facilities.

According to an article by Makoto Yusui from 2012, service innovation must take into account four things: the idea of a living customer, an examination of consumer needs and consumption patterns, a reform of the current framework, the development of new services that come from collaboration between businesses, and the development of a new infrastructure that goes beyond the traditional framework. Public health is divided into medical care, social security, and welfare, and work takes care of the elderly. Creating a platform for activities can have great benefits in the hospitality business, such as improving the quality of service and infrastructure, the quality and safety of food, and reducing operating costs. Services that have the characteristics of participation are co-thinking and coexistence of the company with

customers, or accepting comments. There is a growing trend to use EDLP (Everyday Low Price) methods, and Honest Cards are also issued. The most common way to build trust with customers is to give them information or use data they have given you. This idea of thinking as a group makes the store more productive and makes the employees happy who take part in the service.

Innovation is important for economic growth and solving important problems, but it also has a big impact on a lot of people, especially the poor and the next generation. Technology has made knowledge more accessible, and companies can benefit from it to learn life-sustaining skills and become self-reliant. Technological innovation strives to improve an existing product or process with new technological features to set it apart from the competition, benefiting the public and the company. Implemented technological product innovations are new products (product innovations) or processes that have been put to use (process innovations).

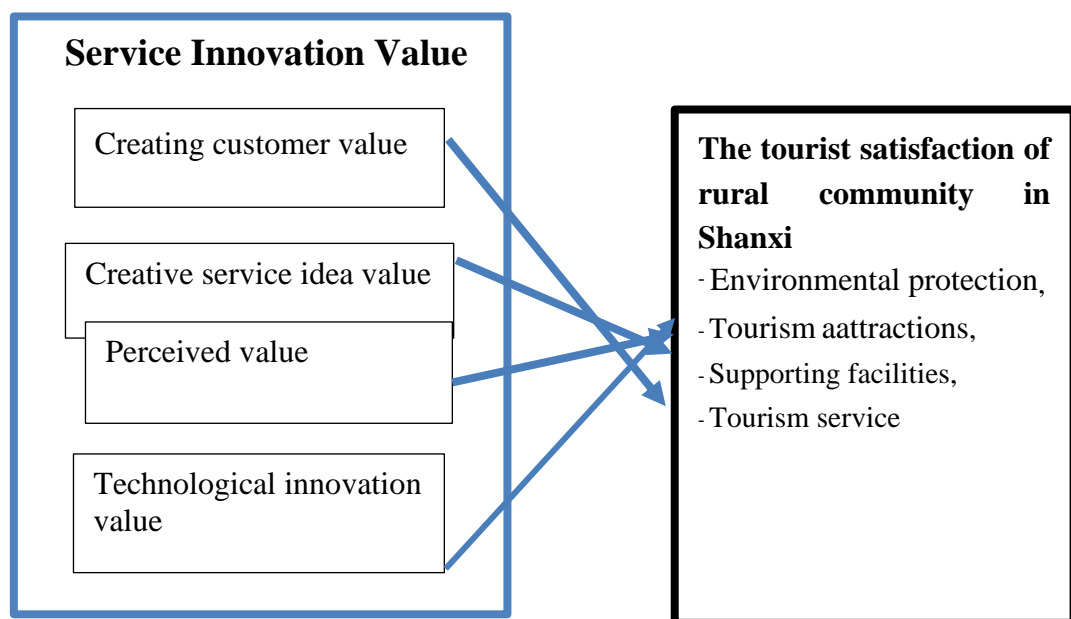
Conceptual Framework

Independent Variables: There are three components of the service: (Ooncharoen, N. & Ussahawanitchakit, P., 2011; (Nunta, S., Ooncharoen, N. & Jadesadalug, V., 2012)

Dependent Variables: There are four components of the Tourism (Fang (2016), (Wan, Z. H., 2015; Sun, Shihua., 2017).

Independent Variables

Dependent Variables



Figures 1 Conceptual Framework

METHODOLOGY

This section describes the research techniques, provides a study summary, and discusses data collection and analysis. Data collection from respondents by the researcher. The sample population, sampling unit, sample size, and sampling methods are divided into four areas. This study examines the researcher-created tools and questionnaire. In the next part, a pretest approach establishes independent variable reliability. The final report covers data gathering techniques and data management statistics.

SUMMARY OF RESEARCH RESULTS

Part 1: Summarize the results of the questionnaire quality inspection.

The goal of this study was to find out how service innovation value and tourist satisfaction are linked in rural areas of Shanxi. Quantitative research methodology and a single round of primary data collection were used to investigate the overarching research topic. The study's quantitative approach findings, data analysis, and data interpretation were presented and explained to address research questions. We can see that the total construct reliability for all 30 items in the measurement model exceeded 0.9. It's excellent. It can be identified as acceptable.

This study's overarching goal is to shed light on the connections between service innovation value and the tourist satisfaction of rural communities in Shanxi. Quantitative research methodology and a single round of primary data collection were used to investigate the overarching research topic. The study's quantitative approach findings, data analysis, and data interpretation are presented and explained to address research questions.

Part 2: Summarize the results for demographic characteristics.

385 people took part in this research, with 190 female responses and 195 males. Male samples were slightly larger than female ones, indicating that the proportion of male and female tourists is fairly balanced. Undergraduate education accounts for 46.7% of respondents' academic qualifications, while bachelor degrees account for 31.2%. Respondents have a high level of education, reflecting the market features of rural tourism.

Part 3: Summarize opinion-level results on job characteristics and service quality influence customer satisfaction in China.

Research Objective 1) To identify the dimensions of service innovation value and the tourist satisfaction of rural community in Shanxi.

The Likert scale score division indicates that service innovation value is acceptable for creating customer value, creative service idea value in the part of improving its service idea with the new innovation, and artistic service orientation and rural tourism's perceived value. The dimension division of the tourist satisfaction of rural communities shows that environmental protection, sustainable tourism, and supporting facilities have mean values of 4.09, 3.96, 3.94, and 3.91, respectively. The main components of the tourism industry are the protection of the environment and the attraction of tourist destinations. It is also necessary for the management of tourist attractions to have services geared toward tourists and infrastructures that assist tourism.

Part 4: Summarize the results of the research hypothesis test

Research Objective 2) To examine the influence of service innovation value toward the tourist satisfaction of rural community in Shanxi.

Data on generating customer value toward the satisfaction of tourists in rural Shanxi villages is needed for the service innovation value hypothesis test. The findings showed that functional items had statistically significant significance (p.05). The statement that made the biggest impact on visitor happiness was "Attractions should offer fair commodity pricing, reasonable expenses, and similar budgets." Although slightly less accurate, the statement "Attractions have access to pharmacies to treat cuts caused by tools" nevertheless predicted visitor happiness.

For the service innovation value hypothesis test, we need information about how tourists in rural Shanxi villages see the value of what they are getting. "Improved its service concept with the new innovation" was the statement that made visitors happy the most. It was significantly lower than expected and anticipated tourist satisfaction to "offer opportunities for tourists to participate in culture." It was statistically insignificant to state that "technology can promote autonomy, security, and the value of automated service options."

Finally, according to the data analysis results, it is proved that the dimensions of service innovation value have a great significance positive impact on the four sub-dimensions; 1) perceived value, 2) technological innovation value, 3) creative service idea value and 4) creating customer value of tourist satisfaction of rural community in Shanxi.

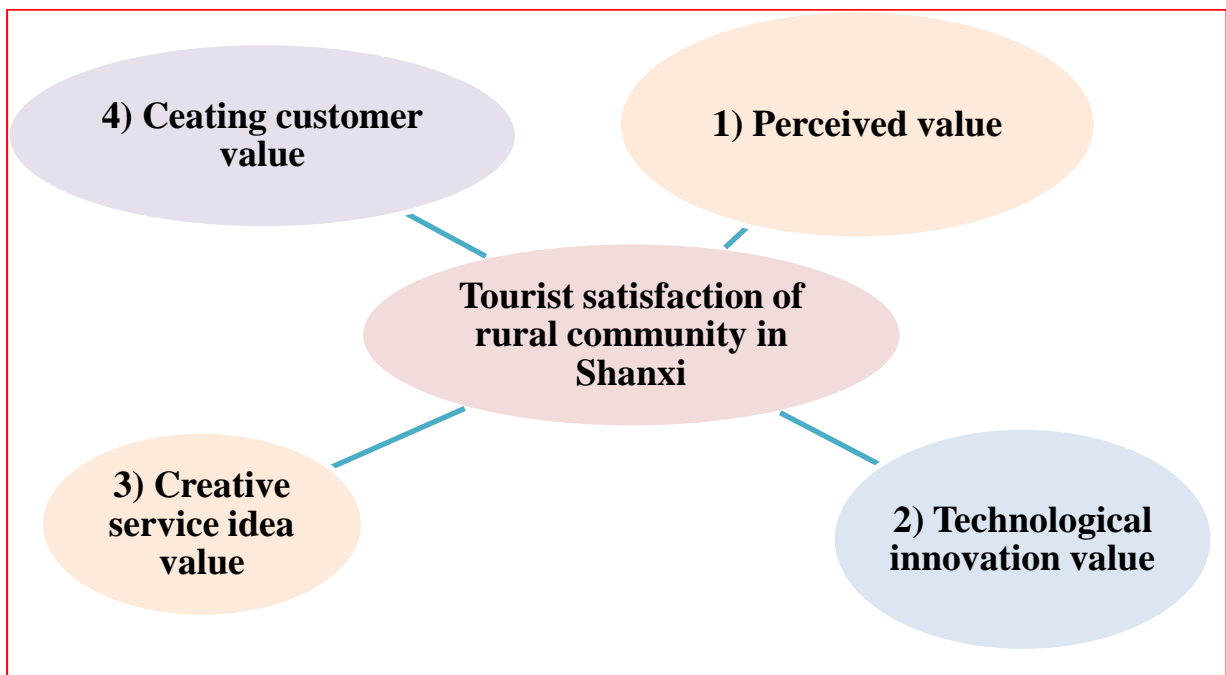


Figure 2 Relationship sequence of service innovation toward ttourist satisfaction of rural community in Shanxi

Research Discussion

This research has provided a theoretical contribution to the study of tourism about the development creative tourism value which is tied to the two key points discussed below.

The past studies of service innovation value in perceived value, mostly focused on general tourist but there is none of the literature focus on tourist satisfaction of rural community. Therefore, the studied topic of service innovation toward tourist satisfaction of rural community in Shanxi, will explain academic gap. From the result of the research question one found that all components of perceived value, technology value, creative customer value and creative idea value related to tourists satisfaction is the most important relation. Result from the research question found that service innovation value is acceptable for creating customer value, creative service idea value in the part of improving its service idea with the new innovation, and artistic service orientation and rural tourism's perceived value. The dimension division of the tourist satisfaction of rural communities shows that environmental protection, sustainable tourism, and supporting facilities have mean values of 4.09, 3.96, 3.94, and 3.91, respectively. Data on generating customer value toward the satisfaction of tourists in rural Shanxi villages is needed for the service innovation value hypothesis test.

According to the research, the key elements of rural community tourism must be the value of innovation, hospitality and importance to the tourist group, which is consistent with the theory of innovation and customer satisfaction. The Diffusion of Innovation (DOI) theory explains why users adopt new technology based on its relative benefit, complexity, compatibility, testability, and observability (Rogers Everett, 1995). Customer satisfaction theory defines customer satisfaction as the degree to which someone is happy or disappointed with the observed performance of a product in relation to their expectations (Driediger and Bhatiasevi, 2019). The customer satisfaction model shows that word-of-mouth, personal needs, past experiences, and marketing and public relations determine customers' needs and expectations. The disconfirmation paradigm and the expectancy-value notion are two ideas that best describe consumer satisfaction. Product performance control has been found to enhance expectations and satisfaction (Thomassen, 2003; Kotler & Keller, 2008). Robab Naghizadeh, Maryam bayati Khatibi (2020) studied "An Analysis Tourist Satisfaction". This study used the KANO model to assess visitor satisfaction with Ardabil County tourism service quality based on socioeconomic variables (gender, age, education level, marital status, and occupation). 384 questionnaires were given by a sampling approach among visitors in the township of Ardabil during the summer of 2016. The results revealed that tourists from One Dimensional had the highest satisfaction coefficient (0.731) and the least quantity of visitor satisfaction (0.337). Demographic characteristics are important for assessing the satisfaction of tourists, and there is a link between socio-demographic characteristics and tourist loyalty. Additionally, this study presents a shift in investor, attendant, and marker techniques for boosting visitor satisfaction in Ardabil County.

The findings showed that functional items had statistically significant significance (p.05). The statement that made the biggest impact on visitor happiness was "Attractions should offer fair commodity pricing, reasonable expenses, and similar budgets." Although slightly less accurate, the statement "Attractions have access to pharmacies to treat cuts caused by tools" nevertheless predicted visitor satisfaction. Finally, the dimensions of service innovation value have a great significance positive impact on the four sub-dimensions of perception value,

technological innovation value, creativity service idea value and customer value. However, it was noticed that service innovation value can predict the tourist satisfaction of rural community in Shanxi. That means tourists will be satisfied with the rural community and the four sub-dimensions ;1) perceived value, 2) technological innovation value, 3) creative service idea value and 4) creating customer value. The above findings are consistent with other concepts and findings. Research on rural tourism in China has focused on preserving and making effective use of the distinctive culture and folklore of rural areas to promote rural development and poverty alleviation. Yin Yuan and Li Xiaoqin (2018) proposed a mutually beneficial relationship between rural tourism and the rural regeneration plan. Wang Chen proposed a "collectivized rural tourist development model". This is also similar to the findings of other studies, such as Robab Naghizadeh and Maryam Bayati Khatibi's (2020) study, "An Study of Visitor Satisfaction." The KANO model was used in this study to assess visitor satisfaction with the quality of Ardabil County tourism services based on socioeconomic characteristics (gender, age, education level, marital status, and occupation). During the summer of 2016, 384 questionnaires were distributed through a sampling strategy to visitors in the township of Ardabil. According to the findings, tourists from One Dimensional had the highest satisfaction coefficient (0.731) and the lowest amount of visitor satisfaction (0.337). Tourist satisfaction is influenced by demographic features, and there is a correlation between socio-demographic characteristics and visitor loyalty. This study also demonstrates a shift in investor, attendant, and marker strategies for increasing tourist happiness in Ardabil County.

The results supported the idea that perceived value was the main thing that made rural Shanxi areas enjoyable for tourists. Visitors have been happy with how friendly the small town is to tourists, how well it takes care of its surroundings, and how much they feel like they belong there. Local and environmental protection can be thought of as the first impression of a place in order to add value to it.

Suggestions

There are numerous challenges for this study which have limited of the ability to generalize from its research findings.

1. According to the study, the tourist group has prioritized the value perception of the location and creative activities, and community leaders have a creative attitude in delivering services and caring for the environment.

2. Studies have also discovered that the organization of creative activities for clients has the highest positive association with value perception and the lowest correlation. As a result, for the economic and social benefit of rural areas, the topic of producing innovative activities that affect the expectations or needs of each group of tourists should be included in the next study.

3. A future study should concentrate on stakeholders from the government, corporate sector, local government, or anyone else involved in the tourism industry in order to see the various elements and contribute to the development of the value of creative tourism

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