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NEO TOURISM AND SERVICE INNOVATION AFFECTING THE DECISION-MAKING OF TOURISTS IN CHOOSING THEIR TRAVEL

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Abstract

The objective of this research was to investigate the causal variables of neo tourism and service innovation affecting the decision-making of tourists in choosing their travel destinations. The study was conducted with Thai tourists who decided to travel in Chumphon Province, Thailand. The results of multiple regression analysis revealed that neo tourism, which consisted of nature seeking, hygieneaholic, and flexi needed dimensions, affected the decision-making of tourists with statistical significance. Three independent variables could jointly predict 50.5% of the variation in the dependent variable. Additionally, the service innovation, which consisted of information, process, technologies, and environment affected the decision-making of tourists with statistical significance. Four independent variable of service innovation could jointly predict 52.9% of the variation in the dependent variable.

Keywords: Neo Tourism, Service Innovation, Decision-Making in Choosing Travel

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Introduction

The tourism industry is crucial to the country's economy as it generates substantial revenue and significantly contributes to job creation, particularly in the service industry. This includes direct businesses such as hotels, restaurants, and tour companies. Furthermore, tourism plays a role in stimulating production and maximizing the use of the country's resources (Tachochalalai & Romprasert, 2019). Thailand is a world-leading quality tourism destination that grows sustainably and has significant economic benefits, generating and distributing income in every province (Department of Tourism, 2019). However, the spread of the COVID-19 virus that started in December 2019 has impacted various aspects, including the economy, public health, lifestyle, and society, particularly the behavior of tourists. Mahidol University (2021), studied the behavior of Thai tourists after COVID-19 under the topic "Neo Tourism: Unpacking the Insights of Travelers" through two sample groups: the new generation (people aged 18-35 years) and families (people with children or more than two generations). They concluded three trends for the Next Normal era, where behavior will change and three factors will be crucial for travel decisions: 1) nature seeking, 2) hygieneaholic, and 3) flexi needed. In the highly competitive tourism industry, many businesses strive to differentiate their products and services and create customer value. Service innovation is one strategy used to satisfy tourists (Ritwatthanavanich, 2019). It involves the application of business processes and information and communication technology knowledge to create organizational innovations under the concept of CO-CREATION. This leads to the design of creative processes that offer new proposals and create value for consumers or customers. It comprises 1) information, 2) process, 3) technologies, and 4) environment (Hertog, 2000).

Considering the importance of the factors of neo tourism and service innovation mentioned, the researcher aims to study "the neo tourism and service innovation affecting the decision-making of tourists in choosing their travel". The objectives were 1) to test the impact of neo tourism on the decision-making of tourists, and 2) to test the impact of service innovation on the decision-making of tourists. The results of the research can be used as information to promote tourism by developing neo tourism and creating innovative services for the tourism industry.

Literature Review

Neo Tourism and Decision-Making

Mahidol University (2021), conducted a study on the behavior of Thai tourists post-COVID-19 under the topic "Neo Tourism: Unpacking the Insights of Travelers". The study found that the most preferred types of tourism for the new generation and families were nature-based, accounting for 70% and 92%, respectively. The desire to travel to natural sites arose from boredom and stress from staying at home for a long time. Additionally, as tourism paused, nature was able to rejuvenate and become more abundant and beautiful, attracting tourists who want to appreciate the beauty and get closer to nature. The study concluded three trends for the "Next Normal" era of tourism, indicating behavioral changes and giving importance to three issues in travel decision-making: 1) Nature Seeking-the lockdown allowed nature to rejuvenate and become a desirable destination when the country reopens. People seek to get closer to nature, change their long-term home-staying atmosphere, and tourists view nature as a stress reliever, providing relaxation; 2) Hygieneaholic-if the situation does not ease, tourists will still prioritize hygiene and cleanliness. Tourist spots, services, or accommodation with good disease prevention measures will meet tourists' needs and create more confidence. Global health and safety standards are preferred, such as the Amazing Thailand Safety & Health Administration (SHA); 3) Flexi Needed-due to uncertainties about the disease, preparedness for each situation becomes important. Tourists look for risk-insured services and high-flexibility trips, particularly services that can adjust to situations, will become more popular.

The research related to the neo tourism and tourism decision-making: Mahidol University (2021), studied the approach to transform the tourism industry post-COVID-19. From the research data "NEO TOURISM" Unpacking the Insight of Travelers", it was found that Thai tourism may not return to its previous state. The tourism industry must adapt to the new way of life, thus there are three points that tourism operators should consider in the "NEO TOURISM" era include 1) Consumers will focus on nature-aligned tourism; 2) Consumers will consider cleanliness as a priority; 3) Service conditions must be flexible. Four crucial factors help the tourism industry to adapt and align with changing traveler behaviors include 1) The target groups are the new generation, specifically the Young Neo Traveler group aged 18-35 years who do not have children. They are the first group that operators should consider and adjust their services to match this group's behavior. The Family Neo Traveler group, aged 27-45 years and above, who already have children, are the majority of Thai society currently and have a higher cost per trip than other groups; 2) Nature-oriented tourism will be the most popular after COVID-19, and domestic tourism will be the most desired choice; 3) The tourism business should enhance D2H or Direct to Hotel to accommodate the changing behavior of travelers; 4) The tourism business group should promote direct communication with travelers via various platforms such as LINE OA, Facebook, Instagram, etc., to facilitate and accommodate such behaviors.

The synthesized literature led to the hypotheses H1a-H1c:

H1a: Neo tourism in terms of nature seeking affects the decision-making of tourists in choosing their travel.

H1b: Neo tourism in terms of hygieneaholic affects the decision-making of tourists in choosing their travel.

H1c: Neo tourism in terms of flexi needed affects the decision-making of tourists in choosing their travel.

Service Innovation and Decision Making

Hertog (2000) concluded that the creation of service innovation requires a framework for use as a guideline in the service innovation process. This framework consists of four components of the service innovation structure, which are: 1) Information: In this context, information refers to the objectives or expected value from the results of the service innovation, as well as constraints. In short, it's the challenge that needs a solution. 2) Process: This refers to the steps of providing service from the service provider's side and the process of using the service from the user's side. It is an essential part of service innovation and a valuable intellectual property, as it comes from new ideas considered innovative. Particularly in an era where the development of ICT has advanced greatly, service innovation often needs to be built on the basis of information and communication technology, especially broadband internet and wireless mobile devices. 3) Technologies: To support the processes that are part of the proposition to create value, and the connection of resources from both inside and outside the organization to jointly create propositions and value, it is necessary to rely on service systems that are ICT systems. Importantly, these ICT service systems are also used as systems to deliver propositions to customers to create value. This service system is designed to relate to the proposition and the value creation process. The design of the service system is another critical part of service innovation. 4) Environment: This refers to recognizing the history and phenomena of the service recipients that will help create value together between the service provider and the service recipient effectively. It's the characteristic of trying to understand various contexts of consumers in order to answer customer questions in various contexts. Moreover, it may also refer to other environmental aspects that are significant to the design of propositions and service systems that lead to fully supporting customers in creating value. In a study by Chueluecha (2019), it was found that service innovation has a relationship with the decision to use the services of Kasemrad Bangkake hospital users. The most influential service innovation

is the environmental factor (Pearson Correlation 0.188 Sig 0.00), followed by the service process factor (Pearson Correlation 0.181 Sig 0.00), and the information factor (Pearson Correlation 0.098 Sig 0.04). Furthermore, Thongtao (2018) conducted a study titled "Causal Relationship Model Affecting Customer Loyalty to Use Mobile Phone System Services in Thailand". The study found that 1) innovation and relationship quality had both direct and indirect effects on customer loyalty towards mobile phone systems. 2) The developed causal model was considered suitable because it was consistent with the empirical data. The model's elements demonstrated accuracy (validity), predictive capability, and reached an acceptable level. Based on the literature reviewed, the following hypotheses can be drawn:

H2a: Service innovation in terms of information affects the decision-making of tourists in choosing travel.

H2b: Service innovation in terms of process affects the decision-making of tourists in choosing travel.

H2c: Service innovation in terms of technology affects the decision-making of tourists in choosing travel.

H2d: Service innovation in terms of environment affects the decision-making of tourists in choosing travel.

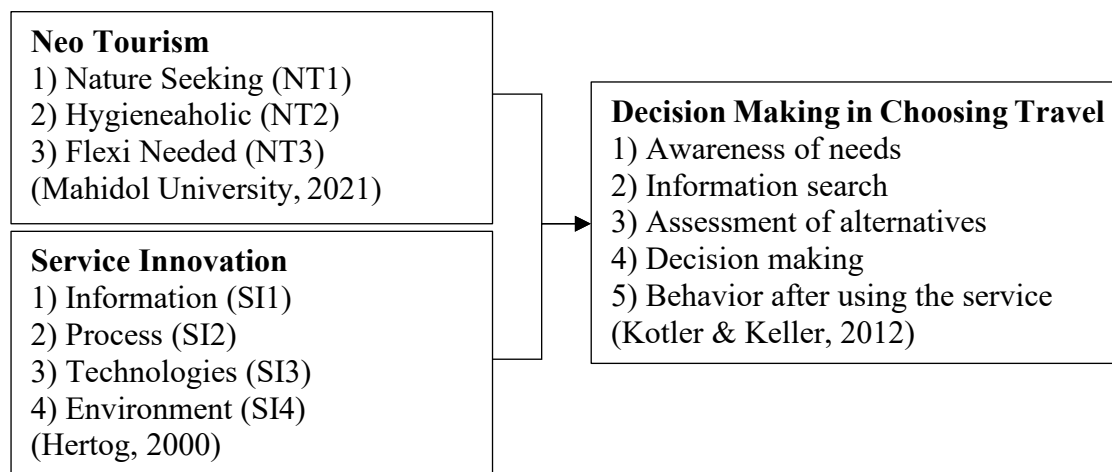


Figure 1 Conceptual Framework

Research Methodology

This research aimed to study the causal variables of neo tourism and service innovation that impacted the travel decision-making of tourists. The population used in the study were Thai tourists who had decided to travel to Chumphon Province. As the exact number of the population was unknown, the sample size was determined using W.G. Cochran's formula at a 0.05 error level (Cochran, 1977), resulting in a sample size of 400 individuals. The research tool used was a questionnaire, designed according to the research objectives, conceptual framework, and operational definitions.

Tool for quality assurance research, consisting of 1) Content validity by 3 experts. The index of consistency using the IOC technique (Index of Item-Objective Congruence) found that each aspect had a value between 0.67-1.00, which was considered consistent and could be used (Rovinelli & Hambleton, 1977). 2) The reliability test found that the value was 0.94, which had to be greater than 0.70 so it was acceptable (Hair et al., 2010) 3) The discrimination of power by means of correlation between questions and total scores of the whole questionnaire (Item-Total correlation) found that it was between 0.67-1.00.

Enter method of multiple regression analysis was used for data analysis, which can be written in the form of an equation as follow:

Equation 1 decision making in choosing travel:

Decision making in choosing travel = $\beta_0 + \beta_1$ nature seeking + β_2 hygieneaholic + β_3 flexi needed + ε

Test of effects of neo tourism regarding nature seeking, hygieneaholic, flexi needed on decision-making of tourists in choosing their travel according to hypothesis 1a-1c.

Equation 2 decision making in choosing travel:

Decision making in choosing travel = $\beta_0 + \beta_4$ Information + β_5 Process + β_6 Technologies + β_7 Environment + ε

Test of effects of Service innovation regarding Information, Process, Technologies, Environment on decision-making of tourists in choosing their Travel according to hypothesis 2a-2d.

Research Results

Analysis of correlation coefficients to determine the relationship between independent variables used in research found to be between 0.310-0.655, which is less than 0.80 (Cooper & Schindler, 2003). It showed that the independents had no relationship and could be used in prophecy. In addition, the Variance Inflation Factor (VIF) of independent variables was between 1.418-2.158, which did not cause Collinearity problems as shown in Table 1.

Table 1 Correlation Between Variables Analysis

Variables	NT1	NT2	NT3	SI1	SI2	SI3	SI4	VIF
Mean	4.06	4.14	4.09	4.08	4.16	4.17	4.16	
S.D.	.716	.621	.630	.647	.598	.637	.606	
NT1								1.492
NT2	0.518**							1.629
NT3	0.493**	0.554**						1.575
SI1	0.483**	0.548**	0.554**					1.783
SI2	0.501**	0.536**	0.529**	0.576**				1.876
SI3	0.457**	0.539**	0.485**	0.523**	0.587**			2.129
SI4	0.502**	0.547**	0.510**	0.546**	0.546**	0.655**		2.158

**statistically significant at .01, *statistically significant at .05

The results of the study indicated that the multiple regression analysis of neo tourism, encompassing nature seeking, hygieneaholic, and the flexi needed had a statistically significant impact on the travel decision-making of tourists. This finding supported hypotheses H1a-H1c. Specifically, all three dimensions of neo tourism were found to significantly impact the travel decisions of tourists at a 0.01 significance level ($\beta = 0.176$, $p < 0.01$) ($\beta = 0.259$, $p < 0.01$) ($\beta = 0.224$, $p < 0.01$) respectively. Therefore, hypotheses H1a-H1c were accepted. These three dimensions of neo tourism collectively had a predictive power and explained 50.1 % of the variance in travel decision-making among tourists, as detailed in Table 2.

Table 2 Multiple regression analysis of neo tourism on the travel decision-making of tourists

Independent Variable	Dependent Variable the travel decision-making of tourists
1) nature seeking (NT1)	0.176** (0.030)
2) hygieneaholic (NT2)	0.259** (0.036)
3) the flexi needed (NT3)	0.224** (0.035)
Adjusted R ²	0.501
Maximum VIF	1.629

**statistically significant at .01, *statistically significant at .05

The multi-regression analysis of service innovation, encompassing the dimensions of information, process, technology, and environment, had a statistically significant impact on the travel decision-making of tourists. This finding supported hypotheses H2 a-H2 d. Specifically, all four dimensions of service innovation were found to significantly impact the travel decisions of tourists at a 0.01 significance level ($\beta = 0.172$, $p < 0.01$) ($\beta = 0.157$, $p < 0.01$) ($\beta = 0.130$, $p < 0.05$) ($\beta = 0.127$, $p < 0.05$) respectively. Therefore, hypotheses H2a-H2d were accepted. These four dimensions of service innovation collectively had a predictive power and explained 52.9% of the variance in travel decision-making among tourists, as detailed in Table 3.

Table 3 Multiple regression analysis of service innovation on the travel decision-making of tourists

Independent Variable	Dependent Variable the travel decision-making of tourists
1) information (SI1)	0.172** (0.036)
2) process (SI2)	0.157** (0.039)
3) technology (SI3)	0.130** (0.039)
4) environment (SI4)	0.127** (0.042)
Adjusted R ²	0.529
Maximum VIF	2.158

**statistically significant at .01, *statistically significant at .05

Conclusion and Discussion

The multi-regression analysis of neo tourism, including nature seeking, hygieneaholic, and the flexi needed, significantly influenced the travel decision-making of tourists, in line with the research by the Mahidol University (2021). This research studied the approaches to revitalize the tourism industry post-COVID-19. The research found that Thai tourism could not return to its previous state, and the tourism industry had to adapt to the new lifestyle. Therefore, there are three recommendations for tourism operators to consider in the era of "NEO TOURISM". These are: 1) Consumers would focus on tourism that aligns with nature (natural seeking), 2) Cleanliness would be a crucial factor for consumers (hygieneaholic), and 3) The terms of service had to be flexible (flexi needed).

The multi-regression analysis of service innovation, including information, process, technologies, and environment, had a significant positive impact on the travel decision-making of tourists. This aligned with the research conducted by Chueluecha (2019) on "The Relationship between Service Innovation and Decision of Using Service of Kasemrad Bangkhae." The research found that service innovation including environment, process and information was correlated with the decision to use the services of Kasemrad Bangkhae Hospital. The findings also corresponded with the study by Thongtao (2018) titled "Causal Relationship Model Affecting Customer Loyalty to Use Mobile Phone System Services in Thailand". The study found that 1) innovation and relationship quality had both direct and indirect effects on customer loyalty towards mobile phone systems. 2) The developed causal model was considered suitable because it was consistent with the empirical data. The model's elements demonstrated accuracy (validity), predictive capability, and reached an acceptable level.

Suggestions

- 1) From the findings that neo tourism has an impact on tourists' decision-making, the tourism industry should adapt to new lifestyles. Specifically, 1.1) Emphasize tourism that aligns with nature (Natural seeking), 1.2) Prioritize cleanliness (Hygieneaholic), and 1.3) The conditions of service should be flexible (Flexi Needed).
- 2) From the findings that service innovation affects tourists' decision-making, the tourism industry should prioritize service innovation. This includes 2.1) Giving importance to the information or value objectives expected from the work of service innovation, 2.2) The process or steps in providing services, which are valuable intellectual property, 2.3) Technologies that support the process to create offers and create service value, and 2.4) Environment, or understanding the history and phenomena of service recipients that can help create value between service providers and service recipients effectively. This involves trying to understand various contexts to meet the needs of tourists.

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Data Availability Statement: The raw data supporting the conclusions of this article will be made available by the authors, without undue reservation.

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