
Tourism Service Innovation as A Catalyst for Loyalty: Exploring the Mediating Role of The Destination Image Case Study of Algiers

**الابتكار في الخدمة السياحية كمحفز للولاء : استكشاف الدور الوسيط
لصورة الوجهة دراسة حالة "الجزائر العاصمة"**

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Received:01/02/2025

Accepted:29/04/2025

Published:30/04/2025

Abstract:

This study aims to explore the impact of service innovation in tourism on tourist loyalty through the mediating role of the destination image, using Algiers as a case study. The significance of this research lies in identifying strategies to stimulate loyalty to the destination by enhancing the tourist experience through services innovative offered to visitors. The study utilized an electronic questionnaire administered to a sample of 102 tourists, and the results revealed that innovation in tourism services positively influences tourist loyalty by enhancing destination image. Based on these results, the study recommends that tourist destinations prioritize innovating tourism services to improve competitiveness and consistently attract tourists.

Keywords : Service innovation, destination image, destination loyalty, Algiers

JEL classification codes : O36-Z320-O180-Z330

1 Introduction:

The tourism sector has undergone massive transformations in the third decade of the twenty-first century, as tourism has become a key driver of global economic development. The importance of this sector is evident in its direct contribution to the GDP of countries as well as its ability to generate jobs, attract foreign investment, and stimulate sustainable development in host societies. Interestingly, rapid technological developments have paved the way for new challenges to the tourism industry, necessitating an urgent careful reconsideration of traditional ways of providing tourism services; thus, innovation has become imperative to ensure the continuity of tourism enterprises and maximize their competitiveness in the global market. Artificial intelligence (AI) and machine learning technologies have contributed to a paradigm shift in the tourist experience by providing more personalized, competitive, and efficient services. Even though the importance of innovation in the development of the tourism sector is recognized, many tourism institutions still treat it as a secondary element in their daily operations. This challenge is particularly evident in SMEs specializing in providing tourism services, which face difficulties in both adopting and implementing innovative solutions, either due to limited financial resources or a lack of technical expertise. In the context of recovering from the repercussions of the COVID-19 pandemic, the importance of adopting up-to-date innovative strategies that combine technological progress with preservation of the cultural identity of tourist destinations and their environmental sustainability has emerged. Consequently, destination image is a pivotal factor in influencing tourists' decisions and attitudes. The relationship between service innovation and destination image is central to understanding tourist behavior and building loyalty to the destination.

This study investigates the relationship between service innovation, destination image, and tourist loyalty, a crucial topic in tourism studies that holds particular significance for Algeria, as the country seeks to diversify its economy and develop its tourism sector. This study addresses the knowledge gap in the literature by exploring the role of innovation in enhancing destination image and its influence on tourist loyalty. The primary objective is to critically

examine the mediating role of destination image in the relationship between tourism innovation and loyalty using Algeria as a case study. Additionally, the research seeks to analyze the current state of service innovation in Algiers, evaluate its image as a tourist destination, measure tourist loyalty, and identify factors shaping destination image. Practical recommendations are also provided to enhance tourism innovation, improve Algiers' image, foster long-term tourist loyalty, and strengthen the city's competitive edge in the tourism sector. A quantitative analytical approach is employed to achieve these objectives. Drawing from a comprehensive literature review of tourism innovation, destination image, and loyalty, an electronic questionnaire was developed. Data were collected from 102 tourists who had either visited Algiers or expressed an interest in visiting them, offering valuable insights into their attitudes, experiences, and perceptions.

This research focuses on the central question: **How does destination image mediate the impact of tourism innovation on visitor loyalty in Algiers?** This key inquiry stems from several sub-questions regarding the interaction between the research's main variables and their influencing processes.

- How does service innovation affect the image of Algiers as a destination?
- How does a tourist destination's image impact tourists' loyalty to Algiers?
- Is there a direct impact of tourism innovation on the loyalty of tourists to Algiers?
- What mediating role does destination image play in the relationship between service innovation and tourist loyalty?

The findings of this study are anticipated to enrich the theoretical understanding of the relationship between tourism innovation, destination image, and tourist loyalty and provide insights for decision-makers in the Algerian tourism sector to develop effective strategies to enhance the destination's competitiveness.

2 Literature Review

2.1 Tourism Service Innovation

Studies indicate that service innovation involves the development and implementation of new or enhanced services designed to maximize customer experience and create value for providers and consumers. Service innovation encompasses multiple aspects such as technology integration, process improvement, and personalized customer interactions. It also requires thinking about new business models and exploring market opportunities to remain competitive in a rapidly changing environment (Miles, 2012; Randhawa & Scerri, 2015). Service innovation is essential for organizations seeking excellence and meeting growing customer expectations, ultimately leading to sustainable growth and strengthening their presence in the market (Witell et al., 2016). Moreover, service innovation requires fostering a culture of continuous improvement and adaptability within organizations (Gustafsson et al., 2020). Innovation also involves leveraging new technologies and effective marketing strategies in tourist areas (Pletsan, 2020). It also seeks to improve customer hospitality by providing comfort and empathy, which positively affects the satisfaction of tourists and their intention to return (Nugroho et al., 2021). Additionally, green service innovation contributes to enhancing business flexibility and improving the capabilities of green tourism organizations (Al-Romeedy & Khairy, 2024).

2.2 Image Destination

The destination image involves a comprehensive understanding of the geographical area that attracts tourists encompassing regional, economic, and social aspects (Nilufar Kh. Komilova. Et al, 2021). The destination image consists of the mental perception that tourists form about a particular destination, which includes the overall reputation, attractiveness, and characteristics of the destination, as well as the feelings and attitudes associated with it (Ghaderi et al., 2023), and destination image depends on multiple factors, including the overall experience of the tourist and the factors that affect their perception. This image can have significant implications for visitors' decisions to return to their destination again. The concept of destination image was further developed in a study by (Trang et al., 2023) and one of the first to define this concept in tourism studies

was Gunn (1972). Gunn presented destination image via two dimensions: the organic image (which originates from non-commercial sources) and the induced image (which comes from marketing efforts). These differences highlight how tourists' perceptions can be shaped by their interactions with both commercial and noncommercial information. (HueteAlcocer&López Ruiz, 2020)

2.3 destination Loyalty

Destination loyalty is the intention of tourists to revisit or make positive recommendations about the destination. (Wang et al., 2020). Loyalty goes beyond mere satisfaction as it is deeply connected to emotional relationships with the place. Loyalty includes the willingness to overlook potential flaws for the sake of emotional bonds with the destination. (Kirkeby, 2011), Loyalty also contributes to enhancing the tourism experience and impacts the local economy, as returning visitors show greater spending and engage in deeper cultural exchanges. Tourism experiences can foster a deep sense of loyalty, potentially leading to a sense of belonging that motivates tourists to defend their destinations and promote sustainable practices. (Chen & Gursoy, 2001; Rareş, 2014)

2.4 Service Innovation ,destination loyalty, andthe Mediating Role of Destination Image

The impact of service innovation on destination loyalty is evident through destination image, which acts as an intermediary. This research area is critical in the context of a competitive tourism market. Several studies have explored the relationship between innovation, destination image, and loyalty, revealing valuable insights into tourists' behavior (Jiang et al., 2023a) Studies have shown that innovation plays a pivotal role in shaping loyalty to the destination, as it provides new and value-added services, which enhances the satisfaction of tourists and their positive image of the destination. Innovation in services promotes loyalty, as destination image mediates this relationship. Other studies have demonstrated that destination image and innovation are positively correlated, reflecting the need to focus on both innovation and image management ((Alzaydi, 2021a; B. L. Cheng, Shaheen, et al., 2021; B.-L. Cheng et al., 2022a; Hayati & Widodo, 2024; Jiang et al., 2023a). These studies found a positive correlation between service quality performance, destination image, and loyalty using a structural modeling approach, and found that destination image

mediates this relationship. Other studies, such as on emotional bonding and its impact on loyalty, have examined the importance of creating emotional bonds with tourists (Lestari et al., 2022). In terms of environmental impacts, studies highlight the importance of environmental sustainability in enhancing tourists' perceived value and contributing to their satisfaction and loyalty. (Sudirjo et al., 2024; Suhartanto et al., 2024)

The literature highlights the importance of service innovation in enhancing destination loyalty, with the destination's image acting as a significant intermediary factor in this relationship. These findings emphasize that adopting innovative marketing services and strategies is essential for attracting and retaining tourists. Understanding the interplay between these elements is critical for developing successful tourism strategies.

2.5 Research gaps and new contributions

This study reveals that service innovation improves destination image, fosters tourist loyalty, and varies based on tourist typology and environmental factors. Further research is required to explore innovation dimensions across Algeria, including service type, pricing, and promotion and their alignment with tourists' cultural, social, and technological contexts. Emphasis on personal experiences, interactions with locals, and targeting specific tourist types such as cultural or ecotourists is essential for advancing tourism innovation strategies.

Main hypothesis:

H0: Destination image plays a mediating role in the relationship between service innovation and tourist loyalty to Algiers.

Sub-hypotheses:

H1: Service innovation positively impacts the destination image of algiers. **H2:** The destination image positively impacts tourists' loyalty to Algiers city. **H3:** Service innovation positively impacts tourist loyalty indirectly across the destination image.

These hypotheses form a solid basis for investigating the complex relationships between innovation in tourism services, destination loyalty, and the mediating role of destination image to explore, in the context of Algiers, bridging existing knowledge gaps and providing practical and effective insights to maximize the tourism sector in the destination under study.

3 Methodology

3.1 Case Study : Algiers

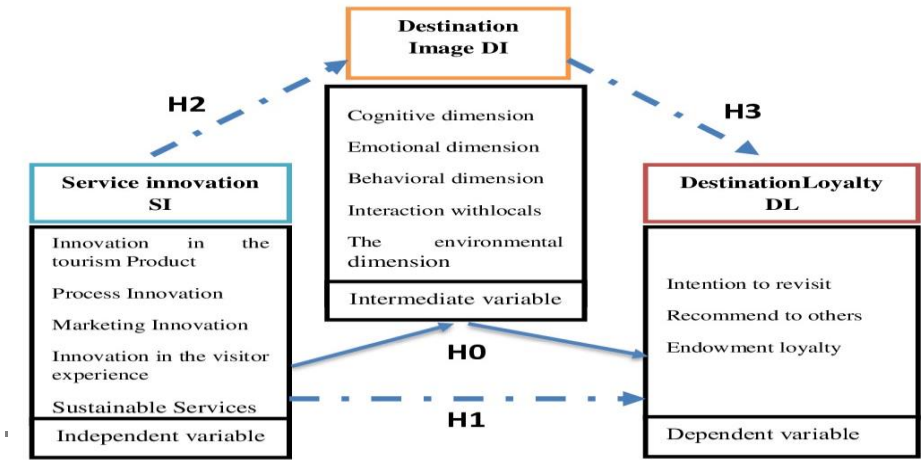
This study focuses on Algiers, Algeria's capital, and the largest city, renowned as an economic, social, and tourism hub. Algiers attracts local tourists with its diverse attractions, rich history, and cultural heritage, dating back to its founding by the Phoenicians in the third century BC, making it a distinctive destination, (Aljazeera net, 2014) Geographically, Algiers occupies an area of 809.22 km² in the northern-central of the country, bordered by the Mediterranean Sea to the north (Ministry of the Interior and Local Communities, 2022).

3.2 Study Methodology

This study employed a descriptive and analytical approach to examine the relationship between innovation in tourism services, destination image, and tourist loyalty in the context of Algiers. A total of 102 participants, including current and potential visitors to Algiers, were selected using a simple random sampling method to ensure representation across diverse age, educational, and occupational groups. Data were collected using an electronic questionnaire distributed via email and tourism-focused social media platform. The questionnaire addressed four primary themes: demographic information (gender, age, education level, occupation, frequency of visits, and motivations for visiting), aspects of service innovation (product innovation, operational innovation, marketing innovation, experiential innovation, and sustainable services), dimensions of destination image (emotional, cognitive, and behavioral), and the components of destination loyalty (intention to revisit, recommendation to others, and attitudinal loyalty). Participant responses were captured on a five-point Likert scale to assess the levels of satisfaction and attitudes toward innovation,

destination image, and loyalty. Statistical analyses included descriptive measures (means, standard deviations, and frequency distributions) and regression analyses (both simple and multiple). Path analysis, utilizing PROCESS model version 4.2 in the JASP statistical program, was performed to evaluate direct and indirect effects and to test causal relationships among the variables. A significance level of 0.05 was applied for hypothesis testing, considering results with p-values below this threshold as statistically significant. Ethical considerations were rigorously adhered to, ensuring that participants were informed of the study's objectives, their participation was voluntary, and their personal information was kept confidential. This methodological framework facilitates an in-depth understanding of tourist behavior in Algiers by assessing how innovation in tourism services influences perceptions of destination image and fosters tourist loyalty. To enhance clarity and consistency throughout the study, the key variables were abbreviated as follows: Service Innovation (SI) as the independent variable, Destination Image (DI) as the mediating variable, and Destination Loyalty (DL) as the dependent variable. These abbreviations support a structured and cohesive presentation of the research findings, which contributes to a broader understanding of the interplay between innovation, destination image, and loyalty in a tourism context.

Figure 2: Study model



Source: Author’s elaboration based on the literature review

4 Results of the study

4.1 Reliability and validity

After retrieving the responses of the main sample under study, in which the number of participants was 102, the data were analyzed using the statistical software JASP 0.19.1.0. Before the analysis, an initial sample of 30 responses was collected to assess the validity and consistency of the questionnaire and to measure the consistency of its statements. The preliminary analysis of this experimental sample revealed a high level of stability and internal consistency, as indicated by **the reliability test, yielding a Cronbach’s α of 0.97, indicating excellent reliability** and reflecting a high degree of reliability of the research tool. Based on these results, a questionnaire was adopted to measure the impact of service innovation on loyalty to the tourist destination in the main sample after excluding the initial sample (30 responses).

Frequentist Scale Reliability Statistics	
Estimate	Cronbach's α
Point estimate	0.972
95% CI lower-bound	0.963
95% CI upper bound	0.979

Table 1: Reliability and validity

Source: Author’s elaboration based on the outputs of the statistical software JASP

4.2 Descriptive Statistics & Frequency

The descriptive analysis revealed a balanced gender distribution among respondents, with 54.9% females and 45.1% males. The majority of participants were aged 36-45, highlighting a strong representation of middle-aged groups. Higher education was prevalent, with 62.7% of the respondents having university degrees. Employment was reported by 53.9% of the participants and 36.3% worked in academia. Regarding visit frequency, 37.25% had visited Algiers four or more times, whereas 16.7% had never visited the

capital. Entertainment was the primary purpose of visits (43.13%), followed by academic pursuits (26.47%).

Table 3: Frequencies

Variable	Category	Frequency	Percent
Sex	Male	46	45.098%
	Female	56	54.902%
Age	18-25	4	3.922%
	26-35	36	35.294%
	36-45	41	40.196%
	46-55	21	20.588%
Education level	secondary	2	1.961%
	High Technician	14	13.725%
	Master	22	21.569%
	Graduate	64	62.745%
Function	Unemployed	5	4.902%
	employee	55	53.922%
	Entrepreneurship	5	4.902%
	Academy	37	36.275%
Number of visits	First time	17	16.667%
	2-3 times	31	30.392%
	4 times or more	38	37.255%
	I didn't have a chance to visit it.	8	7.843%
	I'm thinking visit it in the future.	4	3.922%
Purpose	Resident in the capital	4	3.922%
	Business	18	17.647%
	Entertainment and picnic	44	43.137%
	Academic Visit	27	26.471%
	Visiting friends/relatives	4	3.922%
	Other reasons	9	8.824%

Source: Author’s elaboration based on the outputs of the statistical software **JASP**

Table 4: Descriptive Statistics

	Sex	Age	Study Level	Function	Number of visits	Purpose
Valid	102	102	102	102	102	102
Missing	0	0	0	0	0	0
Mean	1.549	2.775	4.294	2.725	2.637	2.431

Std.Deviation	0.500	0.819	1.131	1.016	1.201	1.104
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Source: Author’s elaboration based on the outputs of the statistical software **JASP**

4.3 Normal distribution of variables

The findings showed that the variable for service innovation had a nearly normal distribution. The median and arithmetic mean were very close to each other, and the Shapiro-Wilk test did not reveal any significant differences ($p > 0.05$). While the destination image variable showed a greater focus around the median, the results of the Shapiro-Wilk test indicated that it did not follow a normal distribution ($p < 0.001$). For the destination loyalty variable, the distribution was relatively balanced, but with high variability, and Shapiro-Wilk's results also showed that it did not follow a normal distribution ($p < 0.001$).

Table 5: Normal distribution

	SI	DI	DL
Valid	102	102	102
Missing	0	0	0
Median	3.053	3.563	3.500
Mean	2.980	3.392	3.348
Kurtosis	-0.404	1.286	0.840
Std. Error of Kurtosis	0.474	0.474	0.474
Shapiro-Wilk	0.991	0.939	0.935
P-value of Shapiro-Wilk	0.717	<.001	<.001

Source: Author’s elaboration based on the outputs of the statistical software **JASP**

According to tests of the normal distribution of variables, the intermediate and dependent variables do not follow a normal distribution, which necessitates the use of non-parametric tests to accurately analyze and interpret the data (Kobayashi, 2005). This led

us to use the Spearman's rank correlation test to measure the relationship between these two variables.

Table 6: Pearson's Correlations

		Pearson's r	p	Lower 95% CI	Upper 95% CI
SI	DI	0.667	<.001	0.543	0.763
SI	DL	0.622	<.001	0.486	0.728
DI	DL	0.849	<.001	0.784	0.896

Source: Author's elaboration based on the outputs of the statistical software **JASP**

Pearson's correlation analysis showed significant positive relationships between service innovation, destination image, and loyalty. Medium-strength correlations were found between service innovation and destination image ($r = 0.667$) and loyalty ($r = 0.622$), whereas destination image was strongly correlated with loyalty ($r = 0.849$). This study recommends a route analysis to obtain deeper insights into these effects.

4.4 Mediation Analysis

This study utilized PROCESS software (version 4.2), developed by Andrew F. Hayes, to perform intermediate path analysis (Andrew F. Hayes, 2018; Bolin, 2014). The model tested the relationship between service innovation (independent variable) and destination loyalty (dependent variable) with destination image as a mediating variable. This method enables the assessment of direct and indirect effects, providing insights into how innovation influences loyalty through its impact on destination image, which is a widely applied approach for analyzing intervariable relationships and mediating roles.

4.4.1 the direct effects of SI on DL

The results reveal that the direct effect of service innovation on destination loyalty is weak and statistically insignificant (effect = 0.122, $p = 0.150$, confidence interval = -0.044 to 0.289). This finding indicates that the relationship lacks consistency and significance. The presence of zero in the confidence interval further confirmed the

absence of a strong direct link. These findings highlight the need to explore other factors and indirect pathways, such as the mediating role of destination image, to better understand the relationship between service innovation and destination loyalty.

Table 7 : Direct effects

	95% Confidence Interval					
	Estimate	Std. Error	z-value	p	Lower	Upper
SI → DL	0.122	0.085	1.440	0.150	-0.044	0.289

Source: Author’s elaboration based on the outputs of the statistical software JASP

4.4.2 Indirect impact SI, DI, and DL

The analysis of indirect effects demonstrates a strong and statistically significant relationship between service innovation and destination loyalty, mediated by destination image. An indirect impact value of 0.639 indicates that service innovation significantly enhances destination image, which in turn strengthens loyalty to the destination. A Z-value of 7.053 and a p-value below 0.001 confirmed the high statistical significance of this effect, while the confidence interval (0.461 to 0.816) excludes zero, ensuring the reliability and consistency of the findings. These results highlight that while service innovation may not directly influence loyalty, its indirect effect through the improvement of destination image plays a crucial role in fostering tourist loyalty. Thus, enhancing service innovation can indirectly boost loyalty by positively shaping the mental image of the destination.

Table 8: Indirect effects

	95% Confidence Interval					
	Estimate	Std. Error	z-value	p	Lower	Upper
SI → DI → DL	0.639	0.091	7.053	<.001	0.461	0.816

Source: Author’s elaboration based on the outputs of the statistical software **JASP**

4.4.3 The total, direct, and indirect impact of SI on DL

This analysis distinguishes between total, direct, and indirect effects, which are essential for understanding the causal relationships. The direct effect reflects the immediate relationship between variables, while the indirect effect captures the influences mediated by variables such as destination image. (Raudenbush & Sampson, 1999; van der Laan & Petersen, 2008). The results revealed a strong and statistically significant overall impact of service innovation on destination loyalty, with an overall effect estimate of 0.761 (standard error = 0.095). The z-value (8.024) and p-value < 0.001 confirm the robustness and non-randomness of this effect. A confidence interval (0.575–0.947) further underscores its reliability. Additionally, the indirect effect of service innovation on loyalty, mediated by destination image, was 0.527 and confirmed as statistically significant by the bootstrap test, with a confidence interval (BootLLCI = 0.3809, BootULCI = 0.6628) that excludes zero. These findings emphasize the significant role of service innovation in enhancing destination loyalty, with destination image serving as a vital mediating factor.

Table 9: Total effects

		95% Confidence Interval					
		Estimate	Std. Error	z-value	p	Lower	Upper
SI	→ DL	0.761	0.095	8.024	<.001	0.575	0.947

Source: Author’s elaboration based on the outputs of the statistical software **JASP**

4.4.4 the path coefficients SI ,DI and DL
Table 10 :Path coefficients

95% CONFIDENCE INTERVAL							
		Estimate	Std. Error	z-value	p	Lower	Upper
DI	↑ DL	0.783	0.069	11.269	<.001	0.647	0.919
SI	↑ DL	0.122	0.085	1.440	0.150	-0.044	0.289
SI	→ DI	0.816	0.090	9.042	<.001	0.639	0.993

Source: Author’s elaboration based on the outputs of the statistical software JASP

4.4.5 Hypothesis testing

Based on the path coefficient analysis results, which allow for an understanding of the causal relationships between variables, the relationship between service innovation and destination loyalty was tested, focusing on the mediating role of destination image. The results show that the direct impact of service innovation on loyalty is weak (0.122) and statistically insignificant ($p = 0.150$), leading to the rejection of the first hypothesis H1, which assumes a positive effect of innovation on loyalty. In contrast, the second hypothesis H2 was accepted, as the results showed a strong and positive effect of service innovation on destination image (0.816, $p < 0.001$), confirming the significance of this relationship statistically. Hypothesis H3, positing a positive effect of destination image on tourist loyalty (0.783, $p < 0.001$), was also accepted. The analysis of indirect effects showed a strong indirect impact of service innovation on loyalty through destination image (0.639, $p < 0.001$), supporting the acceptance of hypothesis H0 about the mediating role of destination image in enhancing tourist loyalty through service innovation. These results confirm that service innovation contributes to improving the image of a destination, which plays a pivotal role in enhancing tourist loyalty.

5 Discussion

The results of the study showed that there is a positive and statistically significant relationship between innovation in services and destination image, which reflects that innovation positively affects tourists' perceptions of the destination. This finding is consistent with the findings of the study, which confirmed that innovation in services is a key driver for improving the tourist experience and enhancing the image of a destination. Several studies also indicate that innovation is not limited to introducing technology or improving the efficiency of services but extends to the delivery of new experiences. This meets the needs of tourists and exceeds their expectations. (B. L. Cheng, Mansori, et al., 2021; B.-L. Cheng et al., 2022b) Our results show that innovation in the design of the tourist experience, whether by providing unique services or improving the quality of service, contributes to enhancing the image of the destination. The results also agree in part that innovation enhances the confidence and recognition of a destination as a unique tourist destination, thereby strengthening its position in the tourism market. However, our results differ from a study that did not find a significant impact of innovation on destination image in some contexts, suggesting that the impact of innovation may vary based on factors such as the tourism environment. and the quality of the target tourists. (García-Villaverde et al., 2021) The results of the study indicate that the destination image plays a pivotal role in enhancing the loyalty of tourists, as positive perceptions, information gained, and previous experiences of the tourist affect his desire to return to the destination and recommend it to others. This finding is consistent with previous studies such as (Manyangara et al., 2023), which found that a positive destination image boosts tourist satisfaction and supports loyalty. As a study confirms. Tourists with positive perceptions tend to visit frequently and recommend others, which enhances the sustainability of a destination. One study indicated that the relationship between destination image and loyalty is significantly affected by tourist satisfaction with the overall experience, which increases the likelihood of returning and transferring the experience positively. (Jiang et al., 2023a; Lestari et al., 2022)

Remarkably, the findings prove that the impact of innovation in services on tourist loyalty is achieved through an indirect relationship in which destination image plays a key intermediary role, which enhances the loyalty of tourists. This vision corresponds to the results of (Akroush et al., 2016) and differs from those that found a direct relationship between innovation and loyalty, considering that continuous innovation in improving the customer experience is sufficient to build strong loyalty without the need to enhance the image of the destination. My study supports this mediating role of destination image, explaining that effective innovation improves public perception. of the destination, which promotes frequent returns (Alzaydi, 2021b; Jiang et al., 2023b; Syamsu et al., 2022). moreover, it stresses the significance of sustainability and the role of environmental behaviors for tourists and residents in maintaining the tourism potential of the destination, which is consistent with studies focused on sustainable environmental behavior such as (Al-Romeedy& Khairy, 2024; Huete Alcocer & López Ruiz, 2020; Ryglová et al., 2018)

5.1.1 Theoretical and practical contribution

This study provides significant theoretical and practical contributions to tourism research, particularly in Algeria. It enriches existing theoretical models by exploring how service innovation enhances destination image and offers a comprehensive analytical framework for researchers. This framework supports in-depth studies of the dimensions of tourism innovation and their impact on destination competitiveness. Given Algeria's diverse tourist attractions, these findings serve as a foundation for developing medium- and long-term strategies for decision makers and investors. This study underscores the importance of investing in innovation to enhance the destination's mental image and foster long-term tourist loyalty, paving the way for a reimagined tourism map of Algiers and other regions.

However, this study has several limitations. Although informative, the sample size may not represent all destinations or demographics, thus impacting the generalizability of the findings. Additionally, reliance on online questionnaires introduces potential biases,

underscoring the need for future research to incorporate alternative methods, such as observation and interviews with industry stakeholders. Temporal and spatial constraints also limit the scope of the study, as data were collected from July to September 2024, a specific timeframe that may not reflect tourist attitudes during other periods or at different destinations. Notably, a gap in existing literature is the lack of research on the mediating role of destination image in the relationship between service innovation and tourist loyalty, particularly in the Algerian context. Future studies should address this gap by examining the impact of innovation tailored to various tourist types and socioeconomic or cultural environments. Emphasis should also be placed on innovation within niche tourism sectors such as cultural, adventure, literary, and sustainable tourism, including ecotourism. Moreover, investigating the tourism awareness and preferences of younger generations is critical for improving the Algerian tourism experience.

By addressing these limitations and exploring emerging areas, future research can strengthen the role of innovation in enhancing destination image, building tourist loyalty, and bolstering the global competitiveness of Algeria's tourism sector. This approach ensures a more comprehensive understanding of tourist behavior and preferences, fostering sustainable growth in the industry.

6 Conclusion

This study investigates the relationship between service innovation and tourist loyalty, using Algiers as a case study. This emphasizes the crucial role of destination image in influencing tourists' decisions to revisit. Service innovation is identified as a cornerstone of tourism development, with the quality of service significantly shaping the mental image of a destination, and consequently, tourist loyalty. Destination image extends beyond physical attractions to include tourist experiences and interactions with staff at agencies, restaurants, hotels, and entertainment facilities. A positive

destination image, supported by innovative marketing strategies that amplify tourists' positive experiences, creates a strong and lasting bond with the destination and fosters sustainable loyalty.

This study underscores the importance of delivering perceived value to tourists, as this significantly influences their loyalty decisions. Tourist destinations must align their services with customer expectations to ensure that the value provided justifies the costs incurred by visitors. Additionally, this study highlights the necessity of incorporating cultural and religious dimensions into service innovation strategies. Destinations targeting visitors with specific cultural or social backgrounds should customize services to address their unique needs, including privacy, cultural sensitivity, accessibility to people with disabilities, and amenities for children and the elderly.

To achieve sustainable success, this study calls for collaborative efforts among stakeholders, government entities, investors, local communities, and tourists. These efforts should aim to enhance service quality, strengthen destination image, and meet diverse tourist needs while contributing to Sustainable Development Goals. Innovation should be leveraged as a key tool to elevate service quality and the overall tourism experience, ensuring that destinations such as Algiers remain competitive. Algeria can achieve sustainable growth and long-term success in the tourism industry by addressing the perceived value and catering to tourists' varied expectations.

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