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Service innovation affecting customer satisfaction and customer loyalty toward services provided by event organizing companies in Thailand

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Abstract: This study aimed to (1) assess the levels of service innovation, service quality, customer satisfaction, and customer loyalty among clients of event organizing companies in Thailand, and (2) examine the influence of these factors on customer loyalty. A quantitative approach was employed using a structured questionnaire with a five-point Likert scale. The sample consisted of 340 respondents, and the questionnaire had a high reliability coefficient ($\alpha = 0.96$). Data analysis was conducted using SPSS for descriptive statistics and LISREL for confirmatory factor analysis and structural equation modeling. Findings revealed that the levels of service innovation, service quality, customer satisfaction, and customer loyalty were all rated at a high level. The structural equation model showed an excellent fit with empirical data (Chi-Square = 69.54, df = 110, p = 0.99, $\chi^2/df = 0.63$, RMSEA = 0.00, RMR = 0.00, CFI = 0.99, GFI = 0.99, AGFI = 0.99). The model explained 74% of the variance in customer loyalty. Service innovation had the highest total effect (0.97), followed by service quality (0.82), and customer satisfaction (0.32), indicating that all three factors significantly influenced customer loyalty directly and/or indirectly. Customer loyalty in Thailand's event management industry is strongly influenced by service innovation, quality, and satisfaction. Among these, service innovation is the most critical determinant. The validated model provides a strategic framework for event organizers to enhance service delivery. Focusing on innovation and quality improvements can strengthen customer loyalty, support strategic planning, and offer a competitive edge in Thailand's event management sector.

Keywords: *Service innovation customer satisfaction customer loyalty services provided by event organizing.*

1. Introduction

Meetings, Incentive Travel, Conventions, Exhibitions or MICE is a business sector closely related to the event industry that continues to garner significant interest and national-level support. This is evident in the establishment of the Thailand Convention and Exhibition Bureau (TCEB) as the primary agency responsible for formulating policies and promoting Thailand as a premier destination for events in the Asian region [1]. In 2018, the growth of the MICE industry in Thailand exceeded expectations, generating over 212,924 million baht in revenue [2]. Special events and event marketing are receiving significant attention from organizations today, because such activities can reach the target audiences directly and effectively. They are considered the most efficient investment when compared to other advertising media. In Thailand, the event market in 2023 was expected to return to its pre-COVID-19 state in 2019, with an estimated market value of 14,000-15,000 million baht. However, the growth is expected to increase by an additional 20-30% due to two major variables: 1) lifestyle and entertainment events, including concerts, fan meet-and-greets with favorite artists, and music festivals, and 2) the general election held in May, which led various political parties to campaign and organize rallies across the country. This requires the use of organizers and event equipment, including lighting and sound, from local and district-level suppliers, generating significant activity. The political rallies

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also generate content that could be disseminated across other media platforms, such as online channels, reaching a wider target audience. Still, the rapid and unexpected resurgence in demand for events has led to a shortage of suppliers and organizers because of the COVID-19 pandemic, which forced many small and medium-sized event companies to cease operations. While new organizers have entered the market, the success of event organization depends on several factors, including expertise, the popular artists who can create an engaging atmosphere, ticket sales capabilities, and securing sponsorships. International concerts and music festivals, in particular, have high costs, requiring organizers to pay higher fees to secure such events. These events typically rely on sponsorships for 70% of their revenue and ticket sales for the remaining 30%.

Service innovation, within the context of this research, can be defined as the implementation of novel service offerings or the development of new service delivery approaches in the form of service applications. It encompasses the integration of various elements related to idea creation, production processes, and operational procedures associated with service applications. This may involve radical or gradual changes, and commercialization of such new concepts or modifications. Service innovation should enhance value and foster customer loyalty [3]. Generally, innovation refers to product innovation, which is largely developed based on technological advancements. However, services differ from products in that services are intangible and involve the direct delivery of a positive service experience to the customer. Consequently, service innovation is different from product innovation, which primarily prioritizes customer needs [4]. It can be said that service innovation represents an endeavor to develop novel operational methods and concepts originated from a comprehensive understanding of customer needs, serving as a guiding principle for enhancing service quality to not only meet but exceed customer expectations [5]. However, a review of the literature on service innovation by Gotsch and Hipp [5] indicates limited empirical research on the causal model of service innovation, service quality, service satisfaction, and customer loyalty. In addition, most studies on innovations still primarily emphasize product or manufacturing innovation and advanced technology development in the manufacturing industry. Consequently, data on the impact of service innovation on customer loyalty in the service sector remains limited. Currently, businesses are not fully succeeded due to the inability to define effective strategies related to service innovation to clearly generate customer loyalty. Studies examining variables influencing customer loyalty in event management services have shown that the service quality of events directly affects satisfaction with the event [6-8] and loyalty to the event [9-12]. Moreover, satisfaction with the event directly influences event loyalty [13]. However, the variable of event innovation remains under-researched. Therefore, this study aims to investigate the influence of service innovation, service quality, and service satisfaction resulting in customer loyalty to event management companies in Thailand. The findings will be used to improve service delivery and benefit event management organizations by enabling them to analyze and develop their event management service systems for increased efficiency and effectiveness.

1.1. Research Objectives

- To examine the levels of service innovation, service quality, service satisfaction, and customer loyalty towards event management companies in Thailand; and
- To investigate the influence of the factors affecting customer loyalty towards event management companies in Thailand.

1.2. Concepts and Theories Related to Service Innovation

Service innovation is considered a key strategy for creating differences among service businesses. It is found that in contemporary business organizations, the creation of novelty, new ideas, and unique approaches through innovative methods is frequently observed in order to address the concept of service

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innovation, transforming it into a distinctive feature and differentiating products and services, which can be developed to create distinction and meet the needs of all businesses for survival and continuous long-term development [2]. Therefore, the strategic components of service innovation can be summarized into four elements:

- New Service Delivery: Service providers must develop processes that are better than the existing ones, create entirely new processes, or improve services to provide customers with more convenient and faster service delivery [14, 15].
- New Technological Service: This involves the application of technology to enhance businesses and provide greater value to customers by creating service innovation based on social networks, enabling the expansion of the service sector market to provide service coverage to a broader range of target customers [16].
- New Service Concept: This involves integrating various service formats to create a comprehensive new service offering for customers or users. It may include offering services in conjunction with goods or products to meet diverse customer needs, enabling businesses to create added value in their service offerings to customers and stand out from competitors.
- Client Interface: This involves increasing channels and approaches for connecting service providers with customers to deliver information, news, and knowledge related to service provision, as well as facilitating feedback between customers and service providers [17].

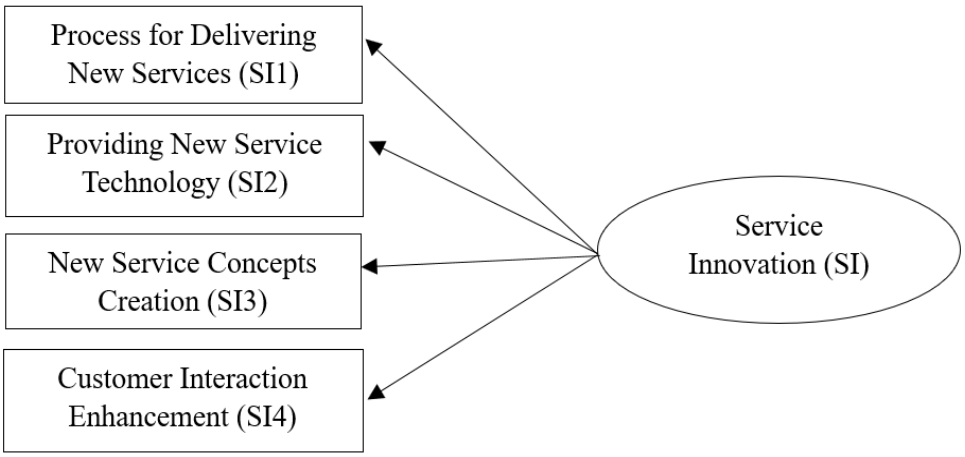

Figure 1.
Service innovation observed variables.
Source: Martin, et al. [2].

1.3. Theoretical Frameworks on Service Quality

The conceptualization of service quality, as articulated by Fazal-e-Hasan, et al. [18] posits that service business activities occur within the interaction between service providers and service recipients. Zeithaml, et al. [9] define service quality as the outcome of the user perceptions and expectations. Due to the intangible nature of services, the evaluation of service quality is inherently more complex than that of product quality. Service quality assessment becomes apparent during service delivery and as a result of service outcomes in which the customer-perceived service quality stems from a customer's evaluation process, wherein they compare their perceptions of service delivery against their service expectations. This assessment is often measured using a five-dimensional service quality questionnaire:

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- Tangibility: This dimension refers to the evident physical aspects that illustrate facilities such as the venue, personnel, equipment, tools, documents used for communication, and symbols, as well as the environmental that foster a sense of care and determination from the service provider. Tangible service presentations enhance customer clarity in perceiving the service.
- Reliability: This encompasses the ability to provide services consistent with the promises made to customers. Every service must consistently meet agreed-upon standards and inspire trust.
- Responsiveness: This denotes the readiness and willingness to provide prompt service upon request, ensuring timely fulfillment of customer needs. It includes facilitating ease of access to services and ensuring convenience for service users. Service should be distributed comprehensively and efficiently.
- Assurance: This pertains to the ability to instill confidence in customers. Service providers must demonstrate proficient knowledge and capabilities in service delivery. They should also exhibit politeness, gentleness, trustworthiness, and integrity in order to communicate effectively and to ensure that the customers receive optimal service.
- Empathy: This signifies the capacity to attend to and care for service recipients in accordance with their individual needs.

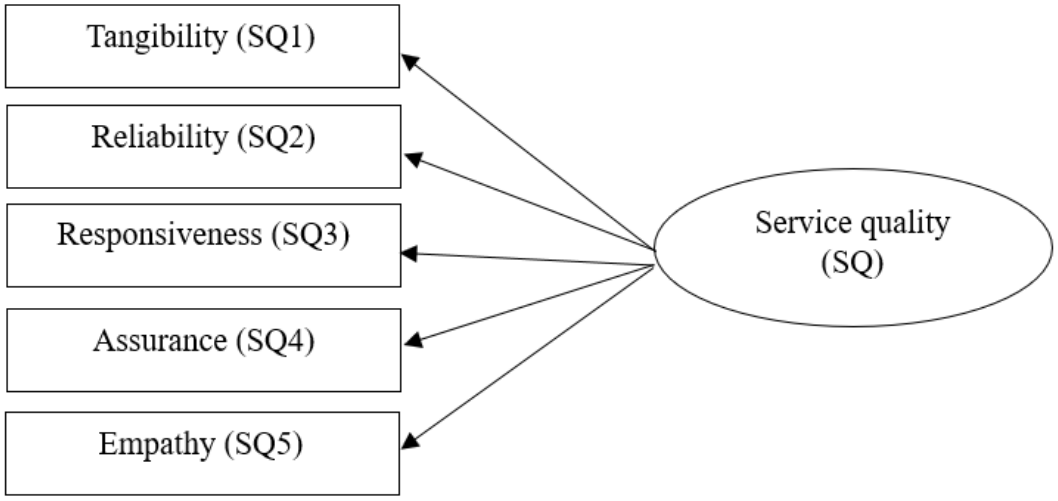

Figure 2.
Service quality observed variables.
Source: Fazal-e-Hasan, et al. [18].

1.4. Concepts and Theories Related to Service Satisfaction

Service satisfaction is the outcome of an individual's engagement with a particular entity. Positive attitudes indicate satisfaction with that entity, while negative attitudes indicate dissatisfaction [19]. Service satisfaction, measured through a customer satisfaction questionnaire regarding railway service usage, can be assessed across five dimensions:

- Equitable Service: This refers to fairness in event management services based on equity. All customers are treated as individuals with the same service standards.
- Timely Service: This refers to the punctual and timely provision of event management services, leading to customer satisfaction.

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- Ample Service: This refers to the provision of event management services in sufficient quantities to meet customer needs.
- Continuous Service Provision: This refers to the consistent provision of event management services, prioritizing customer benefits.
- Progressive Service: This refers to the provision of event management services with quality improvements and efficient and effective performance [20].

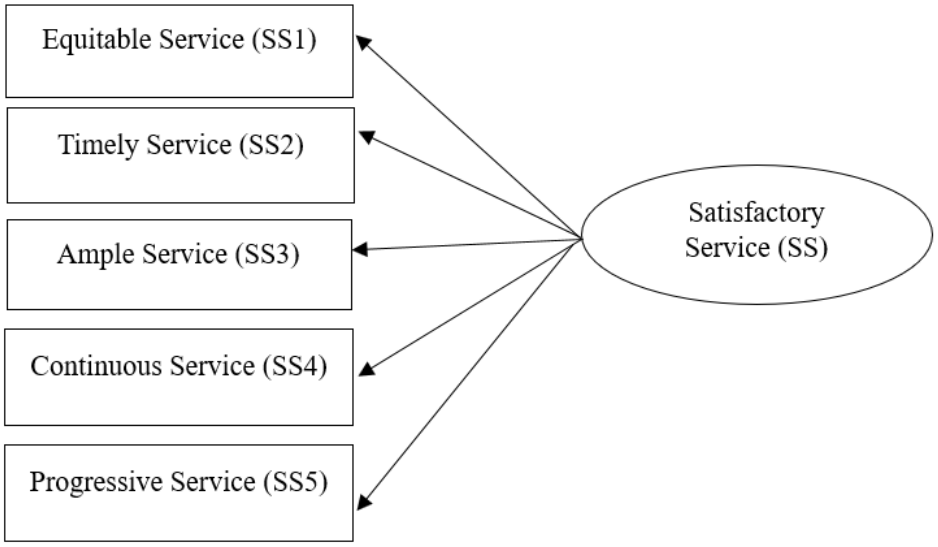

Figure 3.
Satisfactory Service observed variables.
Source: Sukhu, et al. [19].

1.5. Concepts and Theories Related to Loyalty

Loyalty is the intention to return, where the customers willingly revisit a service based on their positive experiences and resulting satisfaction, characterized by positive word-of-mouth referrals, driven by the perceived quality and service, leading to more frequent or imminent visits to the establishment and recommendation to friends or others, and willingness to use the service again in the future [19]. Loyalty, measured through three loyalty components, includes:

- Continue Servicing: This refers to the customer's intention to continue using the services of the event management company in the future.
- Word of Mouth: This refers to speaking positively about the services provided by the event management company.
- Willingness to Pay: This signifies the maximum value that the customers are willing to pay for event organization [21].

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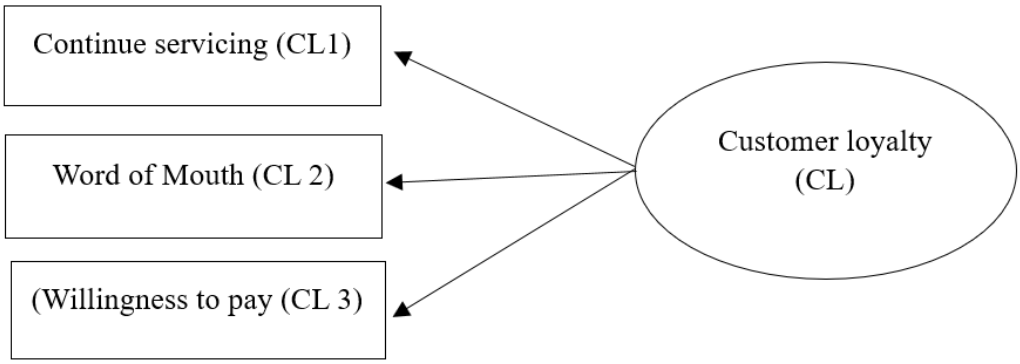

Figure 4.
Customer loyalty observed variables.
Source: Sukhu, et al. [19].

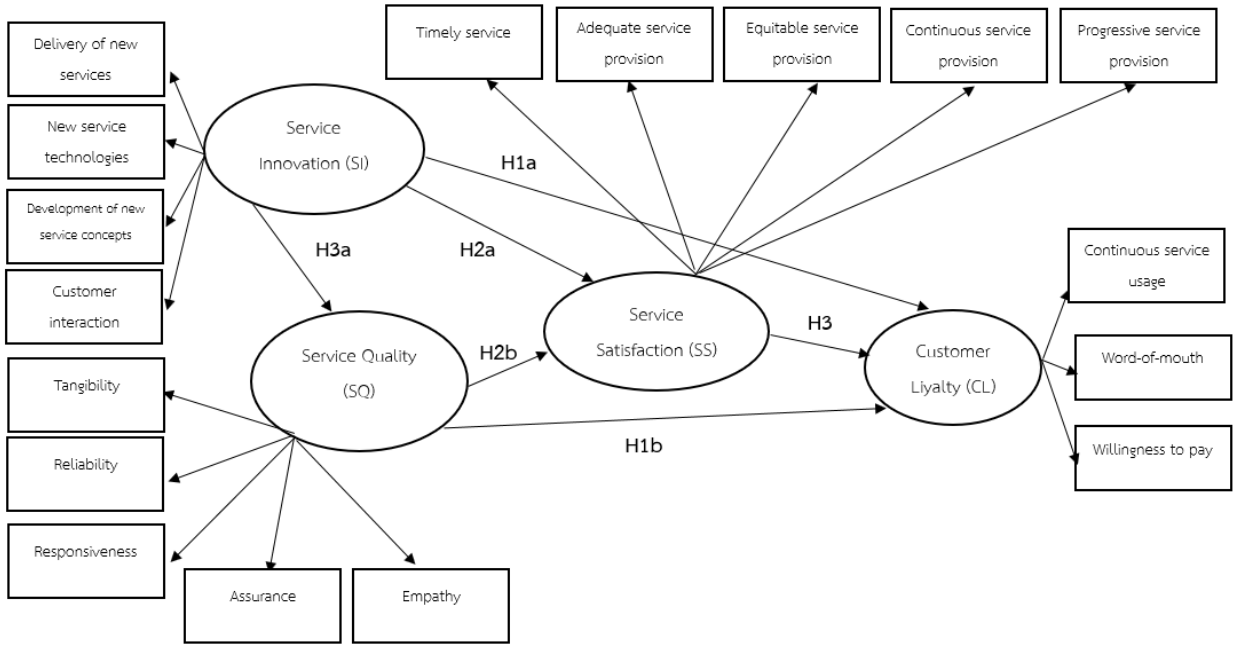

Figure 5.
Conceptual Framework.

2. Research Methodology

2.1. Population and Sample

The target population comprises the customers who have utilized the services from event management companies in Bangkok Metropolitan Province more than one time.

The sample in this research consists of customers who have utilized the services of event management companies in Bangkok Metropolitan Province more than one time, for which the population size is indeterminable. The researchers determined the sample size by employing the criteria for sample selection in Structural Equation Modeling (SEM) analysis, which stipulates that the sample size should be 10 to 20 times the number of the parameters [22, 23]. Given that this research involved

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the SEM analysis, the researchers utilized the maximum multiplier of 20 times. With a total of 17 observed variables, the resulting sample size was 340 samples.

In this research, the researchers employed a convenience sampling method. Data collection was conducted using an online questionnaire, targeting event management service users within the inner, intermediate, and outer zones of Bangkok Metropolitan Province. The data collection took place during January and February, between the hours of 9:00 AM to 12:00 PM, until the target sample size of 340 individuals was achieved.

2.2. Instrument Construction and Quality Development

The research instrument employed in this study was a questionnaire**.** The quality assessment of the research instrument was conducted to ensure its validity and reliability by assessing content validity and reliability. The instrument was reviewed by five experts in the relevant field. Content validity was assessed to ensure comprehensiveness of the content and the appropriateness of the language use. This involved calculating the Index of Item-Objective Congruence (IOC). Only the items with an IOC value greater than 0.60 were selected. It is found that the IOC values obtained ranged from 0.80 to 1.00. The questionnaire was pilot tested with a sample of 30 individuals who were not part of the main research sample. The data obtained from the pilot test were then analyzed to determine the item discrimination, which ranged from 0.42 to 0.64. The reliability of the questionnaire was assessed using Cronbach's Alpha coefficient. The overall reliability was found to be ≥ 0.7. The calculated Cronbach's Alpha value was 0.95, which met the established criteria, indicating that the questionnaire items were reliable.

2.3. Data Collection

For this research, data collection was conducted by requesting cooperation from a sample of the customers who had utilized the services of event management companies in Bangkok Metropolitan Province more than one time. The researchers distributed the questionnaire to the sample for completion and collected the completed questionnaires in person. A total of 340 questionnaires were returned, representing a 100% response rate.

2.4. Data Analysis

The data were analyzed by processing the data from the completed questionnaire using the SPSS statistical software. The statistical methods employed for data analysis included:

1. Descriptive Analysis: This method was used to analyze the demographic data in Section 1 of the questionnaire, utilizing frequency and percentage. For Section 2, a quantitative descriptive analysis was conducted, analyzing the 5-point rating scale questions based on Likert's method Sirichai [24] using mean (x) and standard deviation (S.D.) calculations. The interpretation of the mean scores was based on predetermined rating scales. This analysis provided insights into the opinions and perceived importance of the influence of service innovation, service quality, and service satisfaction on customer loyalty towards event management companies in Thailand.

2. Hypothesis Testing using Pearson Correlation: Hypothesis testing for relationships was conducted using Pearson Correlation at a significant level of 0.05. The interpretation of the correlation coefficient [7]. 3. Hypothesis Testing using Structural Equation Modeling (SEM): Hypothesis testing was further conducted by coding the collected data and analyzing it using SPSS/PC+ (Statistical Package for the Social Sciences) Version 23.0. The data were analyzed using descriptive statistics and inferential statistics. Structural Equation Modeling (SEM) and Path Analysis were performed using LISREL Version 9.20. The symbols used in the LISREL model analysis were defined.

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Table 1.
Summary of Indices Used to Assess the Goodness-of-Fit of Variables with Empirical Data.

Observed variables	Aims	Thresholds	Sources
χ^2-test	To confirm the null hypothesis that the model is consistent with empirical data.	Not significant ($p > 0.05$)	Diamantopoulos and Siguaw [25]
χ^2/df	To examine whether the model is consistent with empirical data.	< 2.00: Good goodness-of-fit 2.00-5.00: Acceptable goodness-of-fit	Diamantopoulos and Siguaw [25] and Bollen [26]
CFI	To measure the comparative fit, with values ranging from 0 to 1.	≥ 0.95: Good goodness-of-fit 0.90-0.95: Acceptable goodness-of-fit	Diamantopoulos and Siguaw [25]; Hair, et al. [23] and Schumacker and Lomax [27]
GFI	To measure the fit, with values ranging from 0 to 1.	≥ 0.95: Good goodness-of-fit 0.90-0.95: Acceptable goodness-of-fit	Diamantopoulos and Siguaw [25] and Schumacker and Lomax [27]
NFI	Comparative Fit Index.	≥ 0.90: Good goodness-of-fit	Bentler and Bonett [28] and Bollen [26]
RMSEA	To indicate the model's error in terms of the root mean square error, with values ranging from 0 to 1.	0.05-0.00: Good goodness-of-fit 0.08-0.10: Marginal goodness-of-fit / Poor goodness-of-fit	Schumacker and Lomax [27]
SRMR	To indicate the model's error in terms of the root mean square residual in standardized form, with values ranging from 0 to 1.	< 0.05: Good goodness-of-fit	Diamantopoulos and Siguaw [25] and Schumacker and Lomax [27]
λ (NCP)	To test how closely the hypothesized structural equation model approximates reality.	λ (NCP) = 0	Diamantopoulos and Siguaw [25]

3. Research Findings

The fundamental statistical data represented the general characteristics of the customers who have utilized the services of event management companies in Bangkok Metropolitan Province more than one time. The sample size, determined based on the concepts of Joreskog and Sorbom [22] and Hair, et al. [23] suggesting that an appropriate sample size is 10 to 20 times the number of the variables in the conceptual framework, is considered suitable for the analysis using the LISREL program. This ensures the accurate estimation of the results and allows the sample to effectively represent the population in this research. The researcher employed a maximum multiplier of 20 times, with 17 observed variables, resulting in a sample size of 340. All 340 questionnaires distributed were returned, representing a 100% response rate. Detailed demographic information of the sample is presented in Tables 2 to 6.

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Table 2.
Demographic data (340 samples).

Demographics	N	%
1. Sex		
Male	155	45.59
Female	185	54.41
Total	340	100
2. Education		
Below Bachelor's Degree	10	2.94
Bachelor's Degree	257	75.58
Above Bachelor's Degree	73	21.48
Total	340	100
3. Age		
Under 20 years old	10	2.97
21-30 years old	75	22.06
31-40 years old	110	32.36
41-50 years old	87	25.60
51-60 years old	38	11.18
above 60 years old	20	5.83
Total	340	100
5. Occupation		
FREELANCE	133	39.17
Civil Servant / State Enterprise Employee	85	25.00
Private Employee / General Employee	54	15.83
Self-Employed	68	20.00
Total	340	100

Table 4.5 reveals the demographic characteristics of the customer sample who had utilized the services of event management companies in Bangkok Metropolitan Province more than one time. The majority of the sample were female, comprising 185 individuals (54.41%), while the males constituted 155 individuals (45.59%). The predominant educational level was a bachelor's degree, with 257 individuals (75.78%). The most common age range was 31 to 40 years. The most common occupation among the respondents was freelance, with 133 individuals (39.17%).

Table 3.
Descriptive Statistics of Service Innovation Variables Classified by Dimension and by Item.

Variable	$\bar{x}$	S.D.	Interpretation	Kurtosis	Skewness
New service delivery	3.70	0.60	High	-1.42	-3.45
New service technology	3.93	0.70	High	-1.20	-1.56
Creative service idea	3.90	0.57	High	-1.78	-6.27
Client interaction	3.65	0.80	High	-1.63	5.12
Total	3.80	0.50	High	-1.90	-2.90

Table 3 indicates that customers who had utilized the services of event management companies perceived overall service innovation at a high level (Mean = 3.80, S.D. = 0.50). When examining each dimension, all were rated at a high level. The dimension with the highest mean score was 'New Technological Service' (Mean = 3.93, S.D. = 0.70), followed by 'New Service Concept' (Mean = 3.90, S.D. = 0.57), and the lowest was 'Client Interface' (Mean = 3.65, S.D. = 0.80).

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Table 4.
Descriptive Statistics of Service Quality Variables Classified by Dimension and by Item.

Variable	$\bar{x}$	S.D.	Interpretation	Kurtosis	Skewness
Tangibility	3.67	0.68	High	-0.24	-5.89
Reliability	3.96	0.79	High	-1.75	-3.85
Responsiveness	4.30	0.78	Highest	-1.78	-4.63
Assurance	4.18	0.84	High	-0.52	-0.68
Empathy	4.02	0.76	High	-0.23	-4.32
Total	4.03	0.56	High	-0.74	-3.69

Table 4 illustrates that customers who had utilized the services of event management companies perceived overall service quality at a high level (Mean = 4.03, S.D. = 0.56). When examining each dimension, three were rated at a high level, and one at the highest level. The dimension with the highest mean score was 'Responsiveness' (Mean = 4.30, S.D. = 0.78), followed by 'Assurance' (Mean = 4.18, S.D. = 0.84), and the lowest was 'Tangibility' (Mean = 3.67, S.D. = 0.68).

Table 5.
Descriptive Statistics of Service Satisfaction Variables Classified by Dimension and by Item.

	$\bar{x}$	S.D.	Interpretation	Kurtosis	Skewness
Timely service	3.99	0.66	High	-1.27	-4.72
Adequate service provision	4.15	0.78	High	-0.68	-4.02
Equitable service provision	4.20	0.75	High	-0.74	-4.85
Continuous service provision	4.16	0.73	High	-0.23	-5.24
Progressive service provision	4.07	0.80	High	-1.33	-5.47
Total	4.09	0.66	High	-1.25	-5.60

Table 5 reveals that the customers who had utilized the services of event management companies perceived overall service satisfaction at a high level (Mean = 4.09, SD = 0.66). When examining each dimension, all were rated at a high level. The dimension with the highest mean score was 'Equitable Service Provision' (Mean = 4.20, S.D. = 0.75), followed by 'Continuous Service Provision' (Mean = 4.16, S.D. = 0.73), and the lowest was 'Timely Service' (Mean = 3.99, S.D. = 0.66).

Table 6.
Descriptive Statistics of Customer Loyalty Variables Towards the Service of Event Management Companies Classified by Dimension and by Item.

Variable	$\bar{x}$	S.D.	Interpretation	Kurtosis	Skewness
Continuous service usage	4.18	0.89	High	-0.64	-2.53
Word-of-mouth	4.07	0.85	High	-1.85	-4.56
Willingness to pay	4.01	0.96	High	-1.85	-4.56
Together	4.08	0.77	High	-1.72	-4.63

Table 5 indicates that overall, the customers who had utilized the services of event management companies perceived customer loyalty towards the services of event management companies at a high level (Mean = 4.08, S.D. = 0.77). When examining each dimension, all were rated at a high level. The dimension with the highest mean score was 'Continuous service usage' (Mean = 4.18, S.D. = 0.89), followed by 'Word of Mouth' (Mean = 4.07, S.D. = 0.85), and the lowest was 'Willingness to Pay' (Mean = 4.01, S.D. = 0.96).

3.1. Structural Equation Modeling Results

The analysis of the linear structural equation model of the influence of service innovation on customer satisfaction and loyalty towards event management companies in Thailand and the empirical data, is presented in Table 7.

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Table 7.
Correlation of Observed Variables in the Components of Consumer Satisfaction.

Observed variable	Correlation			
	SI	PV	SQ	CS
SI	1.00			
SQ	0.73**	1.00		
SS	0.52**	0.58**	1.00	
CL	0.72**	0.54**	0.50**	1.00
KMO: Measure of Sampling Adequacy = 0.765				
Bartlett's Test of Sphericity : Chi-Square= 448.883, df = 6, p = 0.00				

Note: **Sig.< 0.01.

Table 7 presents Pearson's product-moment correlation coefficients among five observed variables. The results indicated that for the most part, the correlations among all 10 pairs of observed variables were statistically significant at the .01 level. The strongest correlation was observed between Service Quality (SQ) and Service Innovation (SI) (r = 0.73), followed by Customer Loyalty (CL) and Service Innovation (SI) (r = 0.72), and the weakest correlation was between Customer Loyalty (CL) and Service Quality (SQ) (r = 0.50). It can be seen that all correlation coefficients among the observed variables were below 0.80, indicating no severe multicollinearity issues. This suggests that all observed variables in the model are related within acceptable limits and in the same direction.

Table 8.
Results of the Analysis of Validity and Significance of the Linear Structural Equation Model of the Influence of Service Innovation Affecting Customer Satisfaction and Loyalty towards the Service of Event Management Companies in Thailand According to the Hypotheses.

Latent variable	Observed variable	Factor Loading			
		b_{sc}	SE	t	Coefficient of Multiple Determination (R^2)
SI	SI1	0.90**	0.07	12.05	0.39
	SI2	0.84**	0.07	11.31	0.35
	SI3	0.86**	0.07	11.64	0.37
	SI4	0.83**	0.07	11.13	0.34
SQ	SQ1	0.88**	<-->	<-->	0.38
	SQ2	0.87**	0.09	9.35	0.38
	SQ3	0.83**	0.09	9.22	0.34
	SQ4	0.87**	0.09	9.56	0.38
	SQ5	0.85**	0.09	9.38	0.36
SS	SS1	0.88**	<-->	<-->	0.38
	SS2	0.85**	0.09	9.44	0.36
	SS3	0.85**	0.09	9.42	0.35
	SS4	0.86**	0.09	9.51	0.37
	SS5	0.87**	0.09	9.59	0.37
CL	CL1	0.88**	<-->	<-->	0.38
	CL2	0.89**	0.08	10.01	0.39
	CL3	0.87**	0.08	9.91	0.38
Chi-Square = 69.54, df = 110, p = 0.99, χ^2/ df = 0.63, RMSER = 0.00, RMR = 0.00, CFI = 0.99, GFI = 0.99, AGFI = 0.99					

Note: **p < .01, bsc refers to standardized component weights. The symbol <--> indicates a constrained parameter; therefore, SE and t values are not reported.

Furthermore, Bartlett's Test of Sphericity was conducted to examine whether the correlation matrix of the observed variables was an identity matrix. The results showed a Chi-Square value of 448.883, df = 10, p = 0.00, which was statistically significant at the 0.01 level. This result is consistent with the Kaiser-Meyer-Olkin (KMO) index, which was 0.765, exceeding the value of 0.05. This

indicates that the correlation matrix of the observed variables is not an identity matrix and that the correlation among the variables was sufficient enough to proceed with the linear structural equation modeling of the factors influencing customer loyalty towards event management companies in Thailand.

Table 8 presents the results of the goodness-of-fit test for the linear structural equation model of the influence of service innovation on customer satisfaction and loyalty towards event management companies in Thailand. The results revealed a Chi-Square value of 69.54, df = 110, and a p-value of 0.00, which means that the Chi-Square value is not significantly different from zero. Furthermore, the RMSEA and RMR values were 0.00, both approaching 0. The GFI and AGFI values were 0.99, both approaching 1, and the Chi-Square/df ratio was 0.63, which is less than 2. These results suggest that the model is consistent with the empirical data.

The component loadings of the observed variables for all latent variables were positive and statistically significant at the 0.01 level. Among the endogenous latent variables, 'Word of Mouth' had the highest standardized component loading of 0.89. Among the exogenous latent variables, 'New Service Delivery' had the highest standardized component loading of 0.90. Conversely, among the endogenous latent variables, 'Meeting the Customers' Demand' had the lowest standardized component loading of 0.83. Additionally, among the exogenous latent variables, 'Client Interface' had the lowest standardized component loading of 0.83. Moreover, the coefficient of determination (R^2) for the observed variables ranged from 0.34 to 0.39 for the exogenous variables and from 0.34 to 0.39 for the endogenous variables, indicating the proportion of variance explained by the model.

Table 9.
Statistical Analysis of Influences within the Linear Structural Equation Model of the Influence of Service Innovation Affecting Customer Satisfaction and Loyalty Towards the Service of Event Management Companies in Thailand According to the Hypotheses.

Independent variable	R^2	Effect	Dependent variable		
			SS	SQ	SI
SQ	0.45	DE	-	-	0.64**
		IE	-	-	-
		TE	-	-	0.64**
SS	0.57	DE	-	0.49**	0.50**
		IE	-	-	0.24**
		TE	-	0.49**	0.74**
CL	0.745	DE	0.32**	0.58**	0.72**
		IE	-	0.24**	0.25**
		TE	0.32**	0.82**	0.97**

Note: **p < .01; DE refers to direct effect, IE refers to indirect effect, TE refers to total effect; the symbol – indicates the absence of a parameter path according to the research hypotheses.

Table 9 reveals that all causal variables in the model positively influenced customer loyalty towards event management companies in Thailand. These variables collectively explained the 74% (R^2) of the variance in the customer loyalty. When examining the total influence on customer loyalty towards event management companies in Thailand, it is found that service innovation exhibited the highest total influence (0.97), followed by service quality (0.82) and service satisfaction (0.32), respectively. Furthermore, when considering the direct influence on customer loyalty toward the services provided by event management companies in Thailand, the findings revealed that such variable was directly influenced by service innovation (SI), service quality (SQ), and service satisfaction (SS), with coefficients of 0.72, 0.58, and 0.32, respectively, all of which were statistically significant at the 0.01 level. Additionally, customer loyalty (CL) was indirectly influenced by service innovation (SI) and service quality (SQ), with influence coefficients of 0.25 and 0.24, respectively, both statistically significant at the 0.01 level. Besides the direct and indirect influences on customer loyalty towards event management companies in Thailand (CL), other variables were also influenced directly and indirectly. Service quality (SQ) was directly influenced by service

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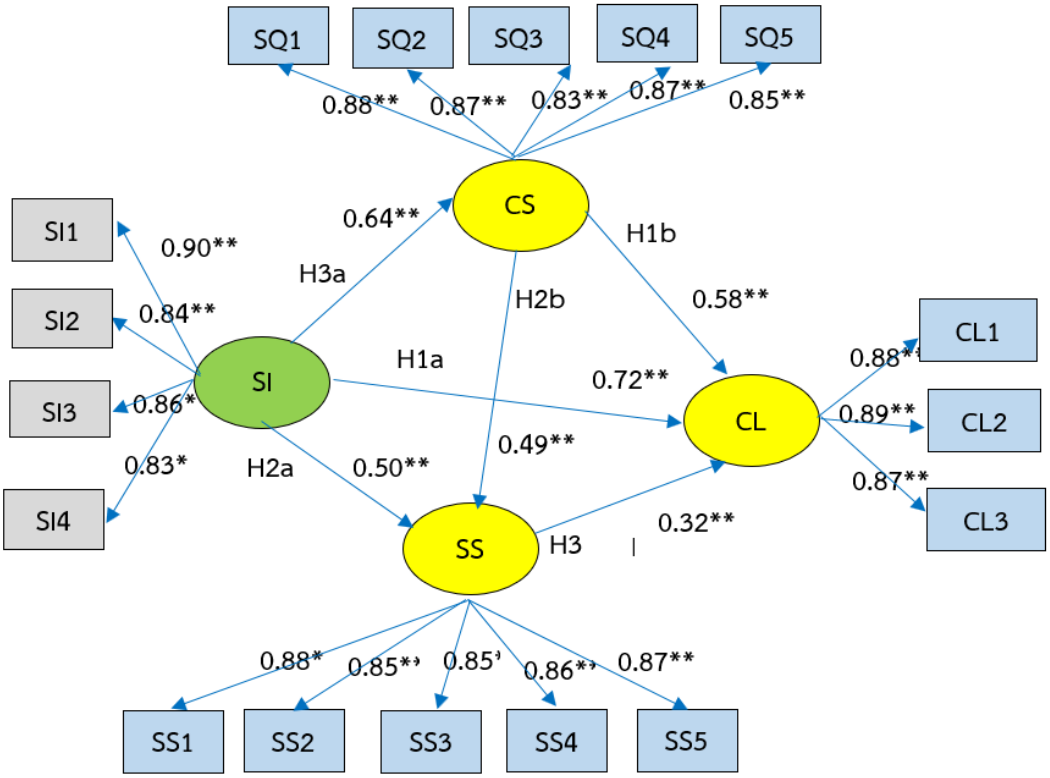
innovation (SI), with an influence coefficient of 0.64, which was statistically significant at the 0.01 level. Moreover, service satisfaction was directly influenced by service innovation (SI) and service quality (SQ), with influence coefficients of 0.50 and 0.49, respectively, both statistically significant at the 0.01 level. Furthermore, consumer satisfaction was indirectly influenced by service innovation (SI), with an influence coefficient of 0.24, which was statistically significant at the 0.01 level, as illustrated in Figure 6.



Chi-Square = 69.54, df = 110, p = 0.99, χ^2/ df = 0.63, RMSER = 0.00,
RMR = 0.00, CFI = 0.99, GFI = 0.99, AGFI = 0.99

Figure 6.
Validation of the Linear Structural Equation Model of the Influence of Service Innovation Affecting Customer Satisfaction and Loyalty towards the Service of Event Management Companies in Thailand.

Figure 6 illustrates that the linear structural equation model of the influence of service innovation on customer satisfaction and loyalty towards event management companies in Thailand, as developed, is consistent with the empirical data in that service innovation (SI) emerged as the variable with the strongest influence on customer loyalty towards event management companies in Thailand, followed by service quality (SQ) and service satisfaction (SS), respectively.

3.2. Hypothesis Testing Results

The development of a linear structural equation model of the influence of service innovation on customer satisfaction and loyalty towards event management companies in Thailand involved testing

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the congruence of the research hypotheses and the empirical data. Detailed results are presented in Table 10.

Table 10.
Summary of Hypotheses.

Hypothesis	Coef.	t-test	Summary
1. Hypothesis H1a: Service innovation has a direct influence on customer loyalty.	0.72	15.67**	Aligns with the research hypotheses
2. Hypothesis H1b: Service innovation has a direct influence on service satisfaction.	0.50	10.23**	Aligns with the research hypotheses
3. Hypothesis H1c: Service innovation has a direct influence on service quality.	0.64	12.32**	Aligns with the research hypotheses
4. Hypothesis H2a: Service quality has a direct influence on customer loyalty.	0.32	9.42**	Aligns with the research hypotheses
5. Hypothesis H2b: Service quality has a direct influence on service satisfaction.	0.49	9.98**	Aligns with the research hypotheses
6. Hypothesis H3: Service satisfaction has a direct influence on customer loyalty.	0.58	11.67**	Aligns with the research hypotheses

Table 10 reveals that the linear structural equation model of the influence of service innovation on customer satisfaction and loyalty towards event management companies in Thailand demonstrated congruence. The results of the hypothesis testing for all six hypotheses showed that the causal variables had a statistically significant positive influence on customer loyalty towards event management companies in Thailand. Therefore, it can be concluded that the research findings are consistent with all the hypotheses outlined in the theoretical framework.

4. Discussion

1. From the research findings on the components of customer loyalty towards event management companies in Thailand (CL), each of the three variables exhibited standardized component loadings (L) ranging from 0.73 to 0.75. The variable with the highest loading was 'Willingness to Pay' (L = 0.75), followed by 'Continuous use of services' (L = 0.74), and the lowest was 'Word of Mouth' (L = 0.73). This aligns with Kumar and Lim [29]; Reichheld and Schefter [30] and Zeithaml [31] in that loyalty components can be divided into three parts: 1) Continuous use of services, 2) Word of Mouth, and 3) Willingness to Pay.

Giannopoulou, et al. [16] stated that loyalty arises from the customer's voluntary decision to support or provide long-term benefits to an organization by repeatedly purchasing or using services from the organization or recommending the organization's good points to others. These actions are based on the customer's preference for the chosen organization over others. Loyalty, therefore, not only encompasses the customer's expressed loyalty behavior, but also includes positive feelings such as preference and willingness. This loyalty persists as long as the customers perceive greater value than they would receive from other organizations.

Nataya and Sutanto [21] asserted that loyalty stems from the customer's attitude towards products and services, leading to long-term relationships and customer retention. Loyalty is not merely repeat purchase behavior but also encompasses thoughts and long-term relationships. Repeat purchases do not always signify loyalty, as they can result from various factors such as proximity to the customer's residence or workplace, customer familiarity, lower prices compared to competitors, competitors' mistakes, and past relationships or impressions.

Sirichai [24] maintained that loyalty reflects a positive attitude towards a brand, which can be calculated into the present value. Satisfied customers are likely to make additional purchases beyond their current ones. Loyal customers are also more willing to try new products than new customers, thereby generating more current and future profits. This aligns with the concept of Jin, et al. [8] who stated that loyalty arises from first impression on initial service quality and past experiences, influencing consumer return intentions, repeat

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service purchases, and positive word-of-mouth. Customers would recommend the establishment to friends and others, willingly returning for repeat services based on experiences and satisfaction. This leads to more frequent or imminent visits to the establishment. This is also parallel with Wang, et al. [15] who developed a structural equation model of service quality factors in marathon organization, perceived event value, satisfaction with marathon events, and loyalty towards marathon events among participants of the Khon Kaen International Marathon. The research found that service quality in marathon event organization influences perceived event value, satisfaction, and loyalty towards marathon events.

Furthermore, the findings are consistent with Ryu, et al. [17] who examined the impact of service innovation and service quality on customer loyalty in the car wash business in Bangkok. The research found that the influence of service innovation and service quality on customer loyalty towards car wash services was consistent with the empirical data.

2. The research findings indicated that the developed linear structural equation model of service innovation influencing customer satisfaction and loyalty towards event management companies in Thailand demonstrated validity. This is evident by the model's consistency with the empirical data, as all goodness-of-fit indices met the criteria: Chi-square was not statistically significant ($c2 = 69.54$, $df = 110$, $p = 0.99$), $c2/df = 0.63$, CFI = 0.99, RMSEA = 0.00, RMR = 0.00, GFI = 0.99, AGFI = 0.99. All causal variables in the model positively influenced customer loyalty towards event management companies in Thailand, collectively explaining 74% (R^2) of the variance in customer loyalty. This demonstrates that the model, developed through a review of relevant literature, textbooks, and research studies both domestically and internationally, is consistent with the empirical data collected from a sample of customers who had utilized the services of event management companies in Bangkok Metropolitan Province more than once. This is attributed to the fact that loyalty reflects the customer's desire to seek specific products or services in the market [13]. In this stage, the decision to repurchase is based on rational logic for knowledge-based loyalists [32] as customers compare products or services before making decisions. Affective loyalty refers to the customer's positive attitudes developed from past experiences with products or services [3]. This stage is superior to cognitive loyalty, because customers have experience with the products or services, leading to positive attitudes and emotional attachments. It also reflects an individual's desires preceding behavior, influenced by own desires, situational factors, and significant others [33].

The study's findings are also consistent with Kazi, et al. [32] who stated that causal influence analysis is a technique used to examine the influence of causal or predictor variables (direct and indirect influences) on dependent variables. This aligns with the research of Wang, et al. [15] who developed a structural equation model of service quality factors in marathon event organization, perceived event value, satisfaction with marathon events, and loyalty towards marathon events among participants of the Khon Kaen International Marathon. The study found that the structural equation model was consistent with the empirical data (Chi-square = 18.066, df = 13, p-value = 0.155, Chi-square/df = 1.390, CFI = 0.998, GFI = 0.994, AGFI = 0.974, RMSEA = 0.026, RMR = 0.006). The analysis of variable influence revealed that service quality in marathon event organization was the factor that influenced perceived event value and satisfaction with marathon events. At the same time, perceived event value influenced satisfaction and loyalty towards marathon event organization. It is also found that satisfaction with marathon events influenced loyalty towards marathon events. However, service quality in marathon event organization did not directly influence loyalty but had an indirect influence through satisfaction with marathon event organization. This is also in line with Hair, et al. [23] who stated that service innovation, service quality, and satisfaction significantly influence event loyalty at the 0.01 level.

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5. Recommendations

5.1. Recommendations for Applying Research Findings

- The development of service innovation, service quality, service satisfaction, and customer loyalty towards event management companies in Thailand are crucial variables with direct and indirect influences on customer loyalty. Therefore, the components of these three variables provide a rationale for businesses to improve the quality of event management companies effectively. This is essential for building customer loyalty and developing future marketing strategies.
- The study also revealed that service innovation indirectly influences customer loyalty through service quality, which comprises five components: tangibility, reliability, responsiveness, assurance, and empathy toward demand; and through service satisfaction, consisting of five components: timely service, ample service, equitable service, continuous service, and progressive service. These components can be utilized to develop effective and efficient marketing strategies by establishing a managing guideline to enhance customer loyalty toward event management companies in Thailand. That is, the customers must receive high-quality service and event organization that meets their needs, creating satisfaction and loyalty towards the event management company.

Transparency:

The authors confirm that the manuscript is an honest, accurate, and transparent account of the study; that no vital features of the study have been omitted; and that any discrepancies from the study as planned have been explained. This study followed all ethical practices during writing.

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