

## **Exploring the Relationships among Image, Perceived Value, Satisfaction, and Loyalty among Tourists in Homestay Tourism Sector**

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**To Link this Article:** <http://dx.doi.org/10.6007/IJARBSS/v13-i8/17785> DOI:10.6007/IJARBSS/v13-i8/17785

**Published Date:** 19 August 2023

### **Abstract**

Homestay tourism is an increasingly popular form of travel, particularly in Malaysia, where visitors can experience a unique local culture by staying with a host family. However, the homestay operators have been facing a significant challenge with declining numbers of repeated guest visits. Therefore, this study aims to understand the direct relationships between image, perceived value, safety, satisfaction, and tourist loyalty in the Malaysian homestay tourism sector. The study's research model comprises three exogenous variables: image, perceived value, and safety, with satisfaction as a mediator and loyalty as an endogenous variable. Image refers to the homestay's reputation, including online reviews and word-of-mouth recommendations. Perceived value refers to the perception of guests regarding the price and quality of services provided by the homestay. Safety refers to the perceived safety and security of guests in the homestay. Primary data was collected through a survey questionnaire that was adapted from previous studies. A total of 239 clean data sets were analyzed using structural equation modeling. The measurement model's convergent validity was initially assessed by examining construct reliability and validity. Then, discriminant validity was evaluated through cross-loading and Heterotrait-Monotrait (HTMT) ratios. The results of the structural model evaluation revealed that image, perceived value, and safety positively and significantly influence satisfaction, which strongly influences tourist loyalty. The findings suggest that homestay operators should focus on improving their reputation, providing high-quality services at a reasonable price, and ensuring the safety and security of their guests to increase satisfaction and loyalty. This study provides valuable insights into the factors that influence tourist loyalty in the Malaysian homestay tourism sector. By improving the homestay's image, perceived value, and safety, operators can increase guest satisfaction and encourage repeated visits. This research offers practical

implications of understanding customer preferences enhances the tourist experience for homestay operators and policymakers.

**Keywords:** Image, Perceived Value, Safety, Satisfaction, Loyalty, Homestay Sector

### **Introduction**

Homestay tourism is growing in popularity in the global tourism industry, offering visitors unique cultural experiences and opportunities to connect with locals. It has become an integral part of sustainable tourism development, encouraging community participation and protecting local cultural heritage (Alzua-Sorzabal et al., 2017). Homestays are seen as an alternative to traditional hotel accommodations where visitors stay in the homes of local hosts and experience the local culture, lifestyle, and cuisine (Khan et al., 2018). The importance of homestay tourism has the potential to contribute to the economic development of local communities, create employment opportunities, and improve the living standards of residents (Lee et al., 2019). Host families provide local communities with the opportunity to participate in the tourism industry and benefit from its economic and social impact (Oke et al., 2020). Furthermore, homestay tourism can promote cultural exchange, enhance cultural understanding, and promote intercultural communication, contributing to the overall promotion of intercultural peace and understanding (Ferdous et al., 2017). The growing popularity of homestay tourism has created significant opportunities for local communities to engage in the tourism industry, enhance their cultural heritage and improve their livelihoods. Homestays provide visitors with a unique travel experience, facilitate cultural exchanges, enhance cultural understanding, and make them an important part of sustainable tourism development. Managed by the Ministry of Tourism and Culture, Malaysia's homestay program is part of the government's efforts to promote community-based tourism. Homestay tourism in Malaysia has several advantages for both tourists and local communities. For tourists, it offers a unique and authentic experience where they can learn first-hand about local customs and traditions. For local communities, homestay programs generate income, help preserve culture and promote sustainable tourism. A study by Jamaludin and Muhammad (2018) found that homestay tourism in Malaysia has a positive impact on the local economy as it generates income for homestay operators and creates employment opportunities for local residents. The study also found that homestay tourism can help promote cultural heritage and contribute to the development of local communities. In addition, homestay tourism in Malaysia has been recognized as a key component of the government's tourism strategy. The Malaysia Tourism Transformation Plan (MTTP) 2020 aims to increase the number and quality of homestay programs to attract more tourists and boost tourism revenues (Malaysia Tourism Promotion Board, 2017). The problem of homestay tourist loyalty is largely due to the lack of personalization of tourism services, inappropriate marketing strategies, and failure to deliver unique and unforgettable experiences. According to a study by Adnan et al (2019), Malaysian tourism stakeholders should focus on creating more personalized homestay tourism services to attract and retain loyal tourists. Communicating effectively requires an enhanced marketing strategy, especially in the digital space. This study is very significant because homestay operators can benefit greatly from homestay loyalty studies by gaining insight into the factors that drive visitor loyalty. This research helps us tailor our services to our customer's needs and expectations, which can lead to positive reviews and repeat business. Second, the research may benefit travelers seeking a more authentic and immersive travel experience. Homestay operators offer tourists the

opportunity to experience the local culture and lifestyle. This study helps identify the factors that influence tourist loyalty to homestays. Third, tourism organizations can benefit from this research as it helps promote homestays as a sustainable and responsible tourism option. Findings will also help develop policies and programs to support and regulate the homestay industry. Fourth, destination marketing organizations can use the results of the survey to promote homestays as a unique selling proposition for the destination. Homestay operators can also use the results to develop targeted marketing campaigns to attract more tourists to their homestay accommodations. Finally, this study may contribute to academic research on tourism and hospitality and provide new insights into the factors that influence tourists' loyalty to homestays. The purpose of this study is to evaluate the direct and indirect relationship between image, perceived value, satisfaction, and loyalty among homestay tourists in Malaysia's tourism sector.

## **Literature Review**

### *Underpinning Theory*

Expectancy-Value Theory (EVT) posits that an individual's attitude toward an object or experience is influenced by their perceived value and expectations (Fishbein & Ajzen, 1975). In the context of tourism, EVT suggests that a tourist's evaluation of a destination is shaped by their expectations of the destination and their perceptions of its value (Bigne et al., 2005). Prior experiences, word-of-mouth recommendations, and marketing efforts are all factors that influence a tourist's expectations of a destination (Bigne et al., 2005; Chi & Qu, 2008). EVT also states that the perceived value of a destination, which refers to the benefits and costs associated with visiting the destination, is influenced by these expectations (Bigne et al., 2005; Li & Wang, 2017). A destination that is perceived to have high value is more likely to generate positive attitudes toward it (Bigne et al., 2005; Li & Wang, 2017). Tourist satisfaction is another key element of EVT. According to the theory, tourists evaluate their experiences at a destination by comparing their expectations with their actual experiences (Bigne et al., 2005; Chi & Qu, 2008). If the actual experience meets or exceeds their expectations, tourists are likely to be satisfied with their visit (Bigne et al., 2005; Li & Wang, 2017). Additionally, satisfied tourists are more likely to have positive attitudes toward the destination and have higher intentions to revisit and recommend the destination to others, as per EVT (Bigne et al., 2005; Chi & Qu, 2008). EVT suggests that loyalty is dependent on both perceived value and satisfaction. If tourists perceive high value in their tourism experience and are satisfied with their visit, they are more likely to develop loyalty towards the destination (Bigne et al., 2005; Chi & Qu, 2008). Therefore, EVT provides a theoretical foundation for comprehending the connection between image, perceived value, satisfaction, and loyalty in tourism (Bigne et al., 2005).

### *Image, Satisfaction & Loyalty*

Choi and Kim (2021) investigated how destination image impacts tourist satisfaction and the moderating effect of travel purposes in South Korea. The study gathered data from 320 domestic tourists and utilized a structural equation model to analyze the relationships between destination image, tourist satisfaction, and travel purpose. The findings revealed that destination image had a significant positive influence on tourist satisfaction, indicating that a positive destination image can lead to higher levels of tourist satisfaction. Furthermore, the study demonstrated that the relationship between destination image and tourist

satisfaction varied based on travel purposes (Osman & Sentosa, 2013). Specifically, the effect of destination image on tourist satisfaction was stronger for leisure travel compared to business travel. The study also found that tourist satisfaction had a significant positive impact on destination loyalty. This means that tourists who were more satisfied with their destination were more likely to return to that location in the future (Osman, 2014). The authors concluded that destination managers should prioritize creating a positive destination image to enhance tourist satisfaction, particularly for leisure travelers. These findings are essential for destination marketing and management as they underscore the significance of understanding the role of travel purpose in shaping the relationship between destination image and tourist satisfaction (Eshun & Charles, 2020).

Goh et al (2021) conducted a study on the impact of destination image and tourist experience on tourist satisfaction in Penang, Malaysia. The findings indicated that both destination image and tourist experience have a significant positive effect on tourist satisfaction, and destination image partially mediates the relationship between tourist experience and satisfaction (Asmi & Ahmad, 2020). Additionally, the study found that tourist satisfaction positively influences tourist loyalty. Omar et al (2021) examined the mediating role of destination image on the relationship between tourist experience and satisfaction. The results showed that tourist experience directly and significantly affects satisfaction, and destination image partially mediates the relationship between them. The study highlights the importance of destination image management and high-quality tourist experiences in enhancing satisfaction and loyalty. Zin and Mohammad (2021) investigated the relationship between destination image, satisfaction, and behavioral intention among Muslim tourists in Malaysia. The findings revealed that destination image positively influences satisfaction, which in turn positively affects behavioral intention. The study also found that destination image mediates the relationship between satisfaction and behavioral intention, indicating that enhancing destination image can improve satisfaction and increase behavioral intentions to revisit and recommend the destination (Osman & Sentosa, 2013).

Yap and Raman (2020) found a direct positive relationship between destination image and tourist satisfaction in Malaysia, which positively influences loyalty. The study also revealed that tourist satisfaction mediates the relationship between destination image and loyalty, highlighting the importance of destination image management and improving tourist satisfaction to increase loyalty. Satar and Ramli (2021) investigated the effects of destination image on tourist satisfaction and loyalty in ecotourism destinations in Malaysia. The results showed that destination image positively influences both tourist satisfaction and loyalty, and tourist satisfaction fully mediates the relationship between destination image and loyalty. The study concludes that enhancing destination image is critical for the success of ecotourism destinations in Malaysia.

#### *Perceived Value, Satisfaction & Loyalty*

Kim and Lee's (2021) study explored the relationships among perceived value, satisfaction, and loyalty in the context of destination image, with a particular emphasis on the moderating influence of trip type. The authors discovered that perceived value had a considerable positive effect on satisfaction, which, in turn, had a substantial positive effect on loyalty. More specifically, the perceived value had a direct positive impact on tourist satisfaction, which had a direct positive impact on destination loyalty (Osman, 2013). Satisfaction partly mediated the relationship between perceived value and destination loyalty. The study also revealed

that the strength of the links differed depending on the type of trip, with perceived value having a more substantial effect on leisure trips than business trips. Li et al (2021) investigation examined the direct and indirect connections between perceived value, satisfaction, and loyalty in the context of wine tourism. The authors discovered that perceived value had a significant positive impact on satisfaction, which, in turn, had a significant positive effect on loyalty. In particular, the perceived value had a direct positive impact on tourist satisfaction, which had a direct positive impact on loyalty. Satisfaction partly mediated the relationship between perceived value and loyalty. Furthermore, the study found that perceived value had a stronger influence on loyalty than satisfaction did. This suggests that perceived value is a critical factor in driving customer loyalty in the wine tourism industry. The authors concluded that wine tourism businesses should focus on improving perceived value and satisfaction to increase customer loyalty. Chen et al (2020) conducted a study to investigate the effects of perceived value on tourist satisfaction and loyalty to nature-based tourism destinations in China. The results indicated that perceived value had a significant positive impact on both satisfaction and loyalty. Tourists who perceived a high value in their tourism experience were more likely to be satisfied with the destination and had a higher intention to revisit and recommend it to others (Osman & Sentosa, 2013). The study also found that satisfaction mediated the relationship between perceived value and loyalty, indicating that perceived value not only had a direct effect on loyalty but also an indirect effect through satisfaction.

Similarly, Luo et al (2020) studied the influence of perceived value on satisfaction and loyalty in rural tourism in China. The results showed that perceived value had a direct and significant positive effect on both satisfaction and loyalty. Moreover, satisfaction was found to mediate the relationship between perceived value and loyalty. The study also highlighted that the effects of perceived value on satisfaction and loyalty were influenced by factors such as the level of education, age, income, and travel experience of tourists. The authors suggested that rural tourism providers should focus on creating and enhancing perceived value for tourists to improve their satisfaction and loyalty towards the destination. Cheng et al (2019) conducted a meta-analysis of 61 studies to examine the relationships between perceived value, satisfaction, and loyalty in the tourism industry. The findings revealed a strong positive relationship between perceived value and satisfaction, as well as between satisfaction and loyalty. The study also found that perceived value had a significant indirect effect on loyalty, which was mediated by satisfaction. This indirect effect was stronger than the direct effect, highlighting the critical role of perceived value in promoting tourist satisfaction and loyalty in the tourism industry.

Based on the above hypotheses' development, the following research hypotheses were proposed for this study

- H1:* There is a positive and significant relationship between image and loyalty in enhancing tourist loyalty towards homestay sector in Malaysia.
- H2:* There is a positive and significant relationship between image and satisfaction in enhancing tourist loyalty towards the homestay sector in Malaysia.
- H3:* There is a positive and significant relationship between perceived value and loyalty in enhancing tourist loyalty towards the homestay sector in Malaysia.
- H4:* There is a positive and significant relationship between perceived value and satisfaction in enhancing tourist loyalty towards the homestay sector in Malaysia.



H5: There is a positive and significant relationship between satisfaction and loyalty in enhancing tourist loyalty towards the homestay sector in Malaysia.

H6: There is a mediating effect of satisfaction on the relationship between image and loyalty in enhancing tourist loyalty towards the homestay sector in Malaysia.

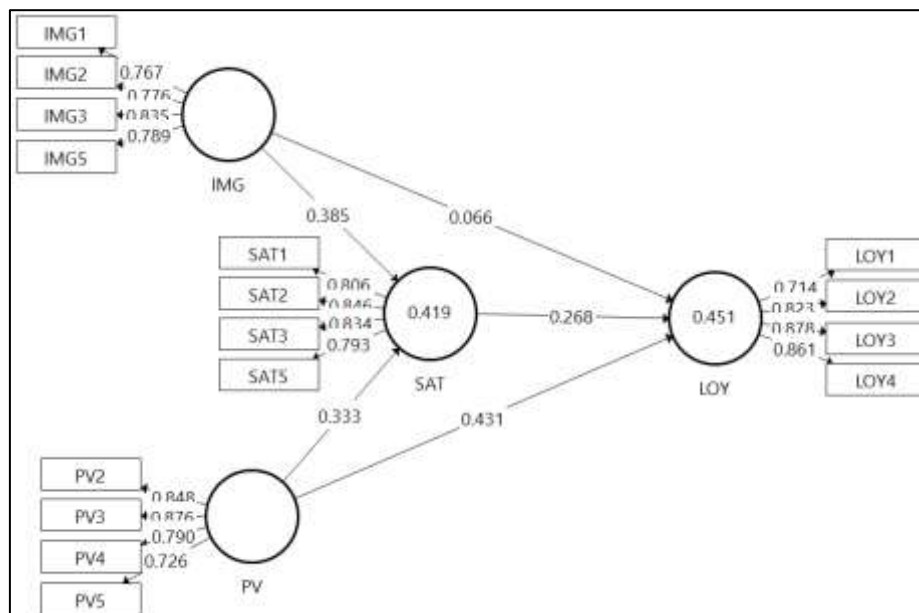


Figure 1: Research Model

Note: IMG=Image PV=Perceived Value SAT=Satisfaction LOY=Loyalty

### Methodology

This research investigates the experiences of homestay tourists who have previously participated in homestay tourism. The primary data for this study was collected through a survey questionnaire. The measurement items used in the survey were developed from previous studies and were selected for their reliability and validity. The survey questionnaire was distributed via email to a targeted sample of homestay tourists using purposive sampling due to the unavailability of the population list. A total of 251 questionnaires were returned out of the 303 distributed, representing an 82.8% response rate. After data screening and outlier removal, 239 clean samples were analyzed using the structural equation modeling (SEM) technique. The software Smartpls4 was used to run multivariate data analysis and test proposed hypotheses. The research utilized 19 observed variables to represent both exogenous and endogenous variable measurements. The study measured the image construct through 5 observed variables, the perceived value construct through 5 observed variables, the satisfaction construct through 5 observed variables, and the loyalty constructs through 4 observed variables. Each measurement item was measured using a five-point Likert scale that ranged from strongly disagree to strongly agree. The measurement and structural model assessment procedures were performed using Smartpls4 software. The results of this study can contribute to a better understanding of homestay tourism experiences and the factors that influence tourists' loyalty. This study's limitations include the use of a non-probability sampling technique and the possibility of response bias. Future studies could consider using probability sampling and exploring additional factors that influence homestay tourism experiences (Hair et al., 2010).

### *Respondents' Profile*

The table presents the demographic profile and recommendations of the participants in the study. The sample size comprised 239 participants, with 52.7% being male and 47.3% being female. In terms of age, the majority of participants fell within the 31-50 years old age range, with 41.8% being 31-40 years old and 45.6% being 41-50 years old. Participants with undergraduate degrees made up the largest portion of the sample at 55.2%, followed by those with postgraduate degrees at 30.5%. In terms of income, over half of the participants had an income of less than RM4,850, with 51% falling within this category. The majority of participants were married 68.2%. The study found that 95% of participants recommended the product or service, while only 5% did not.

### **Data Analysis**

#### *Common Method Bias*

In the realm of management research, a prevalent challenge is the existence of common method bias, where the variation in a study is thought to reflect constructs but, in reality, reflects the measurement method employed. To tackle this issue, the author of this study adopted Harman's single-factor test technique to evaluate the measurement items. According to the test findings, the primary factor explained only 39.8% of the variance, indicating that common method bias was not a significant obstacle in the research. This result is in line with Podsakoff and Organ's (1986) recommendation that when the primary component accounts for less than 50% of the variance, common method bias is not a cause for concern.

#### *Measurement Model*

To ensure the validity and reliability of the constructs' measurement, the study employed the PLS-SEM algorithm, as recommended by Hair, Hult, Ringle, and Sarstedt (2017). Two critical elements of the PLS-SEM, the outer goodness model reliability, and validity were assessed to evaluate the model specified for the study. Initially, the model was evaluated, and one item from the image, one item from perceived value, and one item from satisfaction were deleted due to lower loading, which led to a construct validity of Average Variance Extracted (AVE) below the threshold of 0.5. Following the removal of these items, all constructs achieved an AVE of at least 0.5, with a minimum AVE of 0.628 and a maximum AVE of 0.674 (Table 1), indicating that convergent validity was established for all constructs. Moreover, Table 1 also illustrated that the composite reliability for all constructs ranged from 0.871 to 0.892, which exceeded the threshold of 0.7 as suggested by Hair et al. (2017), further indicating reliability. Additionally, the cross-loadings in Table 2 revealed that the items had higher loadings on their own parent construct than on other constructs in the study, confirming the establishment of discriminant validity. Discriminant validity was further assessed with the Hetrotrait-Monotrait (HTMT) ratios in Table 3, indicating that all seven constructs' ratios were less than 0.9, as recommended by (Henseler et al., 2015). Therefore, the study confirmed the reliability and validity of all latent constructs as proposed by (Hair et al., 2014).

Table 1

*Construct Reliability & Validity*

	CA	CR	AVE
IMG	0.807 (0.743, 0.854)	0.871 (0.830, 0.900)	0.628 (0.551, 0.693)
LOY	0.836 (0.763, 0.895)	0.892 (0.850, 0.928)	0.674 (0.588, 0.763)
PV	0.825 (0.747, 0.879)	0.885 (0.842, 0.917)	0.659 (0.576, 0.735)
SAT	0.839 (0.770, 0.888)	0.891 (0.849, 0.923)	0.673 (0.584, 0.749)

**Note:** CA=Cronbach Alpha CR=Composite Reliability AVE=Average Variance Extracted  
CI 95% bootstrap confidence interval

Table 2

*Cross Loading*

	IMG	LOY	PV	SAT
IMG1	<b>0.767</b>	0.283	0.468	0.397
IMG2	<b>0.776</b>	0.371	0.433	0.391
IMG3	<b>0.835</b>	0.374	0.481	0.408
IMG5	<b>0.789</b>	0.484	0.561	0.613
LOY1	0.383	<b>0.714</b>	0.480	0.498
LOY2	0.379	<b>0.823</b>	0.527	0.441
LOY3	0.387	<b>0.878</b>	0.509	0.413
LOY4	0.464	<b>0.861</b>	0.533	0.461
PV2	0.577	0.549	<b>0.848</b>	0.469
PV3	0.593	0.523	<b>0.876</b>	0.488
PV4	0.480	0.446	<b>0.790</b>	0.440
PV5	0.362	0.504	<b>0.726</b>	0.460
SAT1	0.575	0.512	0.594	<b>0.806</b>
SAT2	0.414	0.460	0.459	<b>0.846</b>
SAT3	0.435	0.385	0.356	<b>0.834</b>
SAT5	0.490	0.434	0.425	<b>0.793</b>

Table 3

*Hetrotrait-Monotrait(HTMT) Ratio*

	IMG	LOY	PV
LOY	0.577 (0.439, 0.699)		
PV	0.745 (0.607, 0.858)	0.751 (0.621, 0.853)	
SAT	0.678 (0.541, 0.791)	0.651 (0.492, 0.782)	0.671 (0.483, 0.803)

**Note:** A two-tail percentile bootstrap test at a 5% confidence interval (2.5%, 97.5%) with 5,000 sub-samples was performed

*Structural Model*

The structural model was assessed by evaluating the path coefficient ( $\beta$ ) and coefficient of determination ( $R^2$ ) values using the PLS technique, which involved bootstrapping 5000 sub-samples to verify the significance level of the path coefficient (Hair et al., 2017). The results of the hypothesis testing, including the beta coefficients, t-statistics, p-values, and confidence intervals, were presented in Table 4. The findings indicated that hypothesis 1, which posited that image has a positive and significant effect on loyalty, was not supported ( $\beta=0.066$ ,



t=0.925, p=0.355). However, hypothesis 2, which stated that image has a positive and significant effect on satisfaction, was supported ( $\beta=0.385$ , t=5.655, p=0.000). Hypothesis 3, which proposed that perceived value has a positive but not significant effect on loyalty, was supported ( $\beta=0.431$ , t=5.929, p=0.000), while hypothesis 4, which suggested that perceived value has a positive and significant direct effect on satisfaction, was supported ( $\beta=0.333$ , t=3.766, p=0.000). Hypothesis 5, which hypothesized that satisfaction has a positive and significant effect on loyalty, was supported ( $\beta=0.368$ , t=3.676, p=0.000). Hypotheses 6 and 7, which posited that satisfaction mediates the relationship between image and loyalty and between perceived value and loyalty, respectively, were both supported (H6:  $\beta=0.103$ , t=3.207 p=0.001; H7:  $\beta=0.089$ , t=2.404 p=0.016). These findings are summarized in Table 4.

The VIFs for inner value inflation were all less than the lenient threshold of 5, with the highest value being 1.890, indicating low collinearity and allowing for easy comparison and interpretation of structural model coefficients (Table 5). The adoption construct had a high level of explained variance with an R<sup>2</sup> of 0.451 (Figure 1), while the satisfaction construct had an R<sup>2</sup> of 0.419. Additionally, the model's ability to make predictions was evaluated using the PLSpredict procedure on adoption, and the results showed that the PLS-SEM predictions had higher predictive power than the naïve mean value prediction standard outcomes with Q<sup>2</sup> predict higher than 0 (Table 6). Furthermore, the PLS-SEM predictions' root mean square error (RMSE) value was lower than the RMSE value of the linear model (LM) prediction benchmark in five out of eight cases, indicating a high predictive power of the proposed model (Table 6).

Table 4  
*Hypotheses Testing Results*

	Beta	T Statistics	P Values	2.50%	97.50%	Decision
H1: IMG -> LOY	0.066	0.925	0.355	-0.075	0.210	<i>Not Supported</i>
H2: IMG -> SAT	0.385	5.655	0.000	0.245	0.511	<i>Supported</i>
H3: PV -> LOY	0.431	5.929	0.000	0.283	0.569	<i>Supported</i>
H4: PV -> SAT	0.333	3.766	0.000	0.155	0.500	<i>Supported</i>
H5: SAT -> LOY	0.268	3.676	0.000	0.120	0.407	<i>Supported</i>
H6: IMG -> SAT -> LOY	0.103	3.207	0.001	0.048	0.175	<i>Supported</i>
H7: PV -> SAT -> LOY	0.089	2.404	0.016	0.033	0.182	<i>Supported</i>

Table 5  
*Inner Collinearity Statistics (VIF)*

	LOY	SAT
IMG	1.890	1.635
PV	1.826	1.635
SAT	1.722	

Table 6

*PLSpredict*

	PLS RMSE	LM RMSE	PLS-LM	Q <sup>2</sup> _predict
LOY4	0.605	0.624	-0.019	0.286
LOY1	0.688	0.697	-0.009	0.226
LOY3	0.621	0.634	-0.013	0.241
LOY2	0.613	0.614	-0.001	0.258
SAT1	0.574	0.569	0.005	0.387
SAT5	0.676	0.694	-0.018	0.243
SAT3	0.710	0.698	0.012	0.166
SAT2	0.639	0.616	0.023	0.206

### Discussion & Conclusion

This study focused on the importance of image, perceived value, satisfaction, and loyalty from the perspective of Malaysian homestay tourists, empirically investigated using a theoretical research model. This study evaluated key determinants namely image, perceived value, and satisfaction in terms of their impact on homestay tourist loyalty in Malaysia's homestay tourism sector. The main purpose of this study is to examine direct and indirect relationships between image, perceived value, satisfaction, and loyalty. From the results of statistical data analysis, the proposed model explained and estimated the image, perceived value, satisfaction, and loyalty perceived by homestay travelers. Although this study found that image did not have a significant direct relationship with loyalty, satisfaction as a mediator suggests that image is important in reinforcing host family tourist loyalty. Homestay operators should therefore develop strategies that emphasize the uniqueness of the experience. One of the greatest attractions of homestay tourism is the opportunity to experience local culture and traditions first hand. Homestay owners can enhance their image by showcasing unique aspects of their accommodation, such as local food, customs, or architecture. This allows you to create a unique image that stands out from other properties. In the homestay tourism industry, building and maintaining customer loyalty is critical to a company's long-term success. Satisfaction is an important mediator as it reflects the customer's overall evaluation of the service or experience they are receiving. If customers are satisfied, they are more loyal and are more likely to recommend the host family to others. Satisfaction serves as a bridge between the client's image of the host family and their loyalty to them. If a host family has a positive image, they are more likely to attract clients. However, it is the satisfaction client experiences during their stay that determines whether or not they remain loyal to their host family. Satisfied customers are more likely to return to the same host family, recommend it to others, and leave positive reviews. This will improve the host family's image and attract new customers. Furthermore, satisfaction mediates the relationship between image and loyalty by enhancing the client's emotional bond with the host family and increasing loyalty. Host families who provide excellent service and exceed client expectations can create a positive emotional bond between the client and the host family. This emotional connection is associated with increased customer loyalty and positive can lead to positive reviews. Therefore, homestays should focus on increasing customer satisfaction and improving the relationship between image and loyalty. By providing personalized and quality service, listening to customer feedback, and continuously improving homestay amenities, homestay operators are able to improve customer satisfaction. Additionally, homestay operators can

invest in loyalty programs and incentives to reward customer loyalty, further increasing customer satisfaction and loyalty. In the homestay tourism sector, perceived value is a key factor influencing tourist loyalty. Perceived value refers to the total value a tourist perceives in exchange for the money and time spent on a particular homestay. It encompasses quality of service, facilities, and overall experience. Contentment plays a crucial role as a mediator between gratitude and loyalty. Satisfaction conveys the relationship between perceived value and loyalty by reflecting the overall experience of homestay accommodation for tourists. A tourist's perceived value influences their satisfaction with an accommodation, which determines their loyalty to the accommodation. When tourists are happy with their experience, they are more likely to be loyal to their host families, which can lead to repeat visits, positive word-of-mouth endorsements, and higher ratings and reviews. Moreover, the importance of satisfaction as a mediator in the relationship between perceived value and loyalty lies in its ability to explain the underlying mechanisms of tourist behavior. It can reveal how tourists perceive value and how they translate that perception into loyalty. By understanding these mechanisms, homestay accommodation providers can identify areas for improvement and strengthen their value proposition to increase satisfaction and ultimately loyalty. In addition, the role of satisfaction as a facilitator is also beneficial as part of the host family accommodation provider's marketing strategy. By understanding how tourists perceive value and how to translate that perception into satisfaction and loyalty, the homestay accommodation provider can tailor its marketing her messages and promotions to target markets. Homestay operators can highlight the key attributes that are most important. This leads to a better-perceived value proposition, higher satisfaction, and ultimately higher loyalty. In summary, satisfaction is an important mediator in the relationship between perceived value and loyalty in homestay tourism. It reflects the general experience of tourist homestay accommodation and provides insight into the underlying mechanisms of tourist behavior. Understanding the role of satisfaction as a facilitator can help homestay accommodation providers identify areas for improvement, adjust their marketing strategies, and improve their perceived value proposition to increase satisfaction and ultimately loyalty.

#### *Theoretical, Practical, and Contextual Implications*

Examining the relationship between image, perceived value, satisfaction and loyalty in homestay tourism has several theoretical and practical implications. From a theoretical perspective, this study contributes to the state of knowledge on the importance of image and perceived value in the development of customer loyalty. This study also confirms the importance of satisfaction as a mediator in the relationship between these variables, further supporting the important role of satisfaction in customer loyalty. First, the results show that homestay operators' image and perceived value are important factors in developing customer loyalty. Homestay operators should therefore pay attention to the image they present to potential customers and the perceived value of their accommodation. This can be achieved through effective marketing and communication strategies that highlight the property's unique features and benefits of staying there. Second, the study highlights the importance of satisfaction in building customer loyalty. Homestay operators must provide their customers with a quality experience to increase satisfaction and increase loyalty. This is achieved by focusing on customer service and ensuring that all customer needs are met during their stay. Third, this study provides insight into the role of satisfaction as a mediator in the relationship between images of loyalty and perceived value. This suggests that homestay operators need

to focus not only on developing a positive image and delivering perceived value but also on ensuring customers are satisfied with their experience. Homestay operators do this by continuously monitoring customer satisfaction and taking appropriate steps to address any concerns or issues that arise. Overall, this study provides valuable insight into the factors that contribute to customer retention in homestay tourism. The findings have practical implications for homestay tour operators and provide guidance on strategies they can implement to improve customer loyalty. From a theoretical perspective, this study contributes to the existing body of knowledge on the importance of image, perceived value, satisfaction, and loyalty in the tourism industry. The study's contextual implications hold significant importance for stakeholders within the homestay tourism industry. Gaining a comprehensive understanding of the interrelationships between tourists' perceptions of the destination's image, perceived value, satisfaction, and loyalty can provide invaluable insights. This understanding empowers tourism operators and policymakers to customize their strategies, elevating the overall tourist experience. By aligning marketing efforts, enhancing service quality, and implementing tailored loyalty programs, stakeholders can cater to tourists' preferences effectively. Consequently, this strategic approach contributes to the sustainable growth and long-term success of the homestay tourism sector, fostering positive outcomes for both tourists and industry stakeholders.

#### *Suggestions for Future Studies*

There are several directions for future research related to tourist retention in the homestay tourism sector. Future studies may examine the impact of other variables such as trust, perceived risk, and quality of service on tourist loyalty associated with a homestay. These variables can be used individually or in combination with image and perceived value to examine their role in predicting tourist loyalty. Examining the influence of cultural context, tourist behavior, and preferred behavior are also important. Future studies may therefore investigate the role of these variables in shaping tourist loyalty in relation to homestay operators. Future research may investigate the role of technology in influencing tourist loyalty in homestay tourism. As the use of technology in the travel industry increases, it is important to understand how technology affects relationships of the image, perceived value, satisfaction, and loyalty in the homestay context. Finally, it is also essential to conduct comparative studies comparing tourist loyalty rates in homestay tourism with other types of accommodation such as hotels and resorts. Such studies provide insight into the unique factors that influence tourist loyalty associated with homestays, helping homestay operators to better understand and respond to guest needs and preferences.

#### **Conclusion**

In summary, this research offers significant knowledge regarding the factors that drive tourist loyalty in Malaysia's homestay tourism industry. The outcomes underscore the significance of perceived value, satisfaction, and image in shaping tourist loyalty. The findings stress the importance for homestay operators to prioritize efforts in enhancing tourist values, reinforcing safety protocols, and elevating overall satisfaction levels. Establishing a strong brand image and encouraging engagement with the local community can further foster tourist loyalty. These valuable insights have practical implications for homestay managers and operators to devise effective strategies for nurturing loyalty and ensuring the enduring prosperity of Malaysia's homestay tourism sector.

### Acknowledgment

The authors would like to thank Open University Malaysia for providing a research grant (OUM-IRF-2022-006) to conduct this study.

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