# The Influence of Tourism Product Innovation on the Performance of Tourism Destinations through Mediation of Tourists' Satisfaction in Tana Toraja South Sulawesi

(Ecotourism approach in developing a Tongkonan house into a tourist home stay)

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**Abstract:- The design of this study aimed to examine whether factors such as tourism product innovation, tourists' satisfaction can affect the performance of tourism destination in Tana Toraja District. The study conducted in three sub districts namely Kecamatan Sangalla Utara, Makale Selatan and Gandang Batu Sillanan in the period of time January to November 2018. The population in these study are foreign tourists, travelers archipelago who coming to Tana Toraja. Accidental sampling method is considered more compatible to this study. There are 250 respondents as unit of analysis. Data collection method is conducted by doing questionnaire distribution, in-depth interview, field observation and literature review. Analytical method used to test the research hypothesis is structural equation modeling (SEM) of AMOS_23. The result of analysis shows that there is significant influence of tourism product innovation on tourists' satisfaction and the role of tourists' satisfaction between tourism product innovations towards tourism destination performance.**

*Keywords:- Tourists, Tongkonan, ecotourism, SEM, innovation, satisfaction, performance.*

## I. INTRODUCTION

➤ *Background of Study*

Tana Toraja is one of the favorable tourist destination in South Sulawesi because of the beauty of nature and the uniqueness of its culture as well as hospitality of local people. Tana Toraja Regency is located at an altitude of 300 m to 2,880 m above sea level. The lowest part is in Bonggakaradeng sub-district and the highest part is in Makale Selatan sub-district. The average temperature ranges from 16ºC to 26ºC with an average air humidity ranging from 82% - 86%. Tana Toraja is one of the places of Proto Melayu Austronesia conservation. The cultural civilization is still exist and maintained today. Practicing of cultural, customs, music, dance, oral literature, language, houses, carvings, weaving and culinary are still very traditional, making the Government of Indonesia has been proposing Tana Toraja to UNESCO to be a World Heritage Site since 2009. This effort is supported by Japan to make Tana Toraja as a UNESCO World Heritage Site, Japan itself will take part in the conservation effort, especially related to traditional houses in the area. This support was conveyed during a meeting between the Indonesian and Japanese delegations in Poznan, Poland, Saturday (09/11/2010), the meeting was held after the fourth Asian and European Culture Minister Meeting (ASEM).

Toraja people are an ethnic group that lives in the northern part of South Sulawesi province that has a unique and beautiful traditional house architectural. Cosmological thinking is expressed in the traditional architecture of Toraja house called Tongkonan, The house attached vary of carving models and sizes pinned to the walls of the entire body of the house. In general these carvings are symbols and characteristics of their ancestors in the past related to their social strata. Additionally other ornaments mounted on the poles and walls illustrate the scale of the funeral ceremony which has been carried out both in the past and currently. The influence of modernization and globalization has an impact on the shifting of social and cultural values, so that the identity and authenticity of culture have experienced a vague. These problems need serious attention from stakeholders to immediately formulate a strategy for preservation of nature and socio-culture by developing of ecotourism as relevant strategy in tourism sector to restore and revitalize nature and culture of which potential to increase economic benefits for local communities and local governments as well as increase quality of life communities.

➤ *Research questions*
- Does tourism product innovation affect tourists' satisfaction in Tana Toraja?
- Does tourism product innovation affect tourism destination performance in Tana Toraja?
- Does a tourists satisfaction affect tourism destination performance in Tana Toraja?

➤ *Research objective*

Examining the potential of traditional house 'Tongkonan' as a home stay for ecotourism tourists in Tana Toraja

## II. LITERATURE REVIEW

Ecotourism is a tourism that brought a learning experience and appreciation for natural environment, or some of its components, inside cultural context associated

with it, Weaver (2002),cited in Dowling and Fennell, (2003:3). Ecotourism is offered after traditional tourism has experienced a decline in visiting and have an impacted on tourism performance. Ecotourism is a type of tourism deal with tourists characteristics (demographic, psychographic, geographical) and environmental as well as socio-cultural in touristic destination.

Ryel and Grasse (1991: 171-172) explained that the ecotourism market segment is an average tourist aged 45-65 years, while Whelan (1991: 5) mentions the average age of ecotourists between 31-50 years and generally comes from Europe , North America and Japan. The range of diverse market segments causes tourism actors (especially tourism entrepreneurs) to be well acquainted with tourist targets. Ecotourism is a tourism that involves participation of local communities. However; the success of participation depends on the goals and ideology of each stakeholder (Mohan and Stokke 2000: 263). The role of the government to facilitate the participation of local communities is very urgent related to tourism sustainability.

Tourism Sector  in South Sulawesi plays an important role in  contributing the economic growth in various fields, in particular foreign exchange earnings and job creation, diversity of culture,   natural conditions, customs, handicrafts, traditional party, biological diversity, historical building, rich tradition of maritime, coastal areas of interest, beauty of natural scenery, air quality and cool climate, traditional house specifically in Tana toraja making South Sulawesi  in general and Tana toraja in particular are known as favorable touristic destination. Cosmological thinking is expressed in the Toraja house architecture, specifically a variety of carving models and sizes pinned to the walls of the entire body of the house. Traditional architecture of Toraja houses are sometimes called Tongkonan , Its functioning besides as a place to live also has a variety of other functions, including social and spiritual. the existence of the tongkonan house for the toraja community gives an important and philosophical meaning therefore some foreign visitors ambitious to spend the night in the house. To capturing this opportunity, it is necessary to develop a tongkonan house or a replica of a tongkonan house as a home stay for tourists as an implementation of ecotourism development.

*A. Tourism Products Innovation.*

Schumpeter, (1934), argue that 5 types of innovation implementable in tourism sector:  (1) the creation of new products or services (product and service innovation), (2) new production processes (process innovation), (3) new markets (market innovation), (4) new suppliers (input innovation), and (5) changed organization or management systems (organizational innovation). The traditional architectures of toraja house is potential to develop its function to be a home stay for tourists to meet their satisfaction and visiting experience. As have been discussed that Cosmological thinking is  expressed in the traditional architecture of  Toraja house In this case traditional architecture or the Tongkonan house and culture has a close relationship. By developing the traditional or Tongkonan

house as a home stay for tourists it means that we offer new product and it is a part of innovation in tourism. Some indicators associate with innovation applied in ecotourism as a new tourism   product / attraction are as follows:  new product /new tourist attraction, new process, new marked, new marketing, new supplier, new idea, new technology, new organization, Adoption, preservation, or combination among each other.

Product innovations is everything will be new, or better, material goods, as well as intangible services (Fagerberg et al. 2005). Hjalager (1994, 2002), studying the tourism industry, suggested that innovations take place in one or a combination of the following five categories: product innovation, process innovation, management innovation, logistics innovation, or institutional innovation. Schumpeter (1950) divided innovation into product, process, organizational, and market innovation. Process innovations are new ways of producing goods and services (Edquist 1997). Organizational innovation is defined as the creation or adoption of an idea or behavior new to the organization (Daft 1978, Damanpour 1996, Fagerberg et al. 2005). Market innovation is reaching new markets with the same or new products or services. Some researchers, who use an innovation systems approach, also include organizational innovation in process innovation (e.g., Edquist 2001, Rametsteiner et al. 2005, Kubeczko et al. 2006). According to Schumpeter, organizational innovation is not limited to new ways of organizing the process of production within a given firm (Fagerberg et al. 2005). Other researchers have separated these concepts (e.g., Daft 1978, Damanpour 1996, Fagerberg et al. 2005).  We argue that changes on the supply side can be described and analyzed using innovation theory.

The development of types and forms of tourism is currently caused by 3 main issues, namely uneven and unfair tourism development, government political will, and globalization. The tourism paradigm shift from mass tourism to new / alternative tourism took place after the life cycle of the mass tourism have already reached the peak position that it was shown  upon the declining of visit number. Innovations are often a response to major external development trends. Presently, climate change and the economic crisis are most commonly referred to as major obstacles to continuous growth in the industry. Trends like these may be assessed as devastating in the short term but they may also contain the impulses for product and process innovation and institutional changes that are crucial for a regained competitive power in a new economic prosperity cycle. In this way, economic and political turmoil is a perfect laboratory for the study of emerging innovations in a competitive elimination race, (Pivcevic and Pranicevic, n.d.)

*B. Tourists' satisfaction*

Customer satisfaction is one of measurement for performance in non-financial organizations. There are various conceptual definitions of customer satisfaction that is used by the previous researchers. According to Giese and Cote (2000) in his research has identified various conceptual definitions from the literature and from previous researchers about customer satisfaction. Based on some of these

conceptual definitions, Giese, et al concluded that the three main components in the definition of customer satisfaction are first, customer satisfaction is a response emotional and cognitive; both responses are more focused on expectations, products, consumption and experience; all three responses occur after consumption, after selection and based on accumulated experience. According to Gunderson et al (1996) that consumer satisfaction is evaluative assessment post consumption is related to quality product or service. Consumer satisfaction defined as overall satisfaction, that is the response thorough about how satisfied and not satisfied with the total attributes of the product or service. According to Davis, Kevin W (1995) states that the quality of service affects customer satisfaction, trust, then customer retention and ultimately bring profit.

Perceptions of the quality of tourist destinations felt by tourists during and after visiting tourist destinations. The performance of all touristic attributes affects tourists' satisfaction. Oliver (1988) argue service quality is an antecedent to customer satisfaction regardless of whether the two constructs are measured in specific experiences or over time. Antecedents are things or events that occur or occur before other events and have an event afterwards. The attraction of tourist destinations based on the conceptual framework used in this study includes (1) the attraction of destinations from natural attractions (natural attraction), (2) the attraction of destinations from tourism in the form of buildings (building attraction), (3) attraction from destinations of cultural tourism (cultural attraction), (4) the attraction of destinations from social tourism. The composite of them integrated in one impression of experience that existed in the tourist attraction specifically upon ecotourism attraction. the goals of the travel to the undisturbed natural area as ecotourism is to achieve degree of satisfaction that will be never founded at the original country. the measurement of satisfaction is subjectively based on individual perception.

Tourists' satisfaction is a cognitive and emotional aspect of tourists when visiting tourist attraction. The destination image, perceived quality, and perceived value felt by visitors at tourist place would be compared to visitors expectation, Wang et al. (2009). Tourists' satisfaction easily identifiable in their behavior, some of them are: the amount of purchase, length of stay, revisiting, positive word of mouth, referral, uncomplain, unforgettable, expectation, perception, and friendly. In the International Labor Organizations (2010), Tourism industry accounted for more than 235 million jobs globally, an equivalent to 8% of the overall number of direct and indirect jobs. The tourism industry greatly contributes to economic growth, job creation, increasing foreign exchange and increasing the nation's competitiveness. In order to achieve customer satisfaction, it is important to recognize and to anticipate customers' needs and to be able to satisfy them, consequently, the attractiveness of a touristic destination is influenced by the standards of the services provided by the local hotels in the region, (Kangogo, ., and Manyasi 2013). According to World Trade Organization (1985), customer satisfaction, is a psychological concept that involves the

feelings of well-being and pleasure resulting from gaining what a person hopes for and expects from a product and /or service.

## C. Tourism Destination Performance

Performance is the ability of destination stakeholders to manage and develop tourist attraction, so that it becomes more interesting and enjoyable. Management and development of tourist attractions need to consider the changing trends and demand of tourists in other that the attraction can meet the satisfaction of the needs and desires of tourists. Efforts to fulfill tourist satisfaction are important factors and must be understood by tourism stakeholders in tourist destinations. Satisfied tourists will have a positive impact on the performance of tourism destinations.

Promotion would be effective and efficient in the future if the tourist destination is able to meet the expectations of tourists both during in tourist destinations and returning to their home country. Positive impressions obtained by tourists in the tourist destination become a valuable experience. Conversely a positive impression obtained from tourists will be a valuable input to evaluate the performance of tourist destinations. Destination performance can be measured or investigated from several indicators, among of them are: 1) level of annual tourist arrivals, 2) Average expenditure of tourist, 3) average length of stay, 4) foreign exchange earning, 5) job creation, 6 ) income of local community, 7) effectiveness, 8) efficiency, 9) sustainability

## D. Conceptual framework

Economic, socio-cultural, political and environmental issues are central themes in studying tourism sector. Interaction people towards the environment are a reciprocal relationship and must be run in accordance with social and natural norms. The science and technological advancement in general and ICT in particular as well as globalization issue affecting the tourist's behavior for determining tourist destinations. Besides the mass tourism as a main attraction, today the demand trend for ecotourism has become more attractive and potential to be the top choice for environmentalists. Tourists' demand shifted from mass tourism to ecotourism is a trigger to innovate in tourism sector. Market-oriented innovation would be meeting the market expectations. If the expectations of tourists already come in true, they felt satisfied and potential to come again. Additionally they will do a positive word of mouth and even more recommend others to come again together. The more visits to the destination, the higher destination's performance achieved.
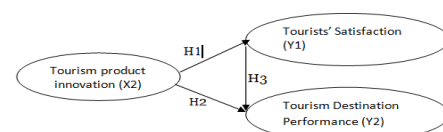


Fig 1:- Conceptual framework
Source: author's creation

Most of the knowledge of tourism attractiveness has come from the analysis of tourism resources as investigated using archival data. In conclusion, a systematic approach is

essential to the understanding of tourism and the attractiveness power of tourist destinations. This approach is based on the fact that the very existence of tourism depends upon the availability of destination resources and upon the perception that visitors have of these resources. Word of mouth according to Cvent (2013) is an official way of communication between people regarding a product of service, and it is among the first three sources of information through experiences of friends and relatives. It is a powerful tool that provides inquirer with an indirect experience about the product or service through friends and relatives; it is tailored to people that have same interests and is not limited by money or any other constraints as social, time, family or physical features, (Kangogo, ., and Manyasi 2013)

## III. METHODOLOGY

The design of this study aims to examine whether factors such as: tourism product innovation can directly and or indirectly affect the tourism destination performance in Tana Toraja in particular and in South Sulawesi in general. This study is quantitative methods where data is collected in numerical data. However, qualitative data in the form of information obtained from the local community, stakeholders in the community is used to validate and confirm primary data. Primary data is obtained from the questionnaires distributed to respondents. The number of respondents in this study was 250 respondents. Secondary data is obtained from literature reviews, tourism documents, newspapers, relevant journals, internet access, bulletins and others.

The population in this study are "Foreign Tourists and Archipelago Travelers" coming to South Sulawesi in general and Tana Toraja in particular. While the sample is determined by a non probability sampling technique namely: Convenience sampling. In this case any tourist whom met and considered eligible as well as he or she welcomes to participating would be a respondent. Therefore samples are based on ease found person or element that were in place right time and easily accessible and he / she were willing gave answers for the data collecting instrument or questionnaire distributed to him / her. Then, Accidental sampling method is used for getting the appropriate number of sample. According to Malhotra (1993), it is suggested that the number of samples taken can be determined by altering the number of variables to 5, or 5 X to 10 X number of variables. According to Tabachnick and Fidell (2007), suggested 300 cases for factor analysis. The analytical method used to test the hypothesis of the research is Structural Equation Modeling (SEM) using AMOS software 23.

Each of latent variable consist of nine observed variables but after doing test on validity and reliability , the remain indicators as follows:

| No | Variables of Research | Indicators of Research | Remark |
|---|---|---|---|
| 1 | Tourism Product Innovation (X2) | New tourist attraction  (X2.1) | valid |
| | | New Process in traveling (X2.7) | Valid |
| | | ICT and human resource  (X2.8) | Valid |
| | | Community involvement  X2.9) | Valid |
| 2 | Tourists' satisfaction (Y1) | length of stay (Y1.2) | Valid |
| | | Revisiting (Y1.3) | Ivalid |
| | | Positive word of mouth (Y1.4) | Valid |
| 3 | Tourism destination performance (Y2) | Level of annual tourist arrivals (Y2.1 | valid |
| | | Revenue (Y2.3) | valid |
| | | Tourism Sustainability  (Y2.6) | valid |

Table 1: Variables and Indicators Research
Source: Author's

## IV. STUDY OF CASE

### A. Confirmatory Factor Analysis on Measurement model

Measurement model is how to measure validity and reliability of observed variable on its latent variable. The following table presents the average values and outer loading each indicator in each study variable. Based on Table 2, the result is that all indicators significantly measure the variables for each other and have a value of loading factor ($\lambda$) > 0.5 and C.R > 1.96) Shows all indicators declared valid and reliable. The analysis also showed that the indicator with the highest average in measuring its latent variable, Tourists' satisfaction (Y1) is an indicator of Length of stay (Y1.3) with an average value of 4.19. Likewise on Tourism product innovation variable (X2) , it is noted that the indicator with the highest average is Community involvement X2.9)  with an average value of 3.65. The last but not least    is Variable of Tourism destination performance variable (Y2) it is noted that the indicator with the highest average is Foreign exchange earning / Local Revenue (Y2.3) with an average value of 4.02. By looking at the result of confirmatory factor analysis (CFA) both independent and dependent variable research as tabulated upon the table 2, confirmed that overall observed variables (indicators) are significantly measure its construct. These cases demonstrate the values of loading factor ($\lambda$) > 0.5 and C.R > 1.96), therefore result of CFA on the research variables are valid and reliable and the next process of SEM analysis would be continued.

| No | Variables Research | Indicators Research | λ | S.E | C.R | Mean |
|----|--------------------|---------------------|---|-----|-----|------|
|    | 1                  | 2                   | 3 | 4   | 5   | 6    |
| 1  | Tourism Product Innovation.(X2) | ICT Readiness (X2.1) | 0.71 | 0.111 | 8.914 | 3.47 |
|    |                    | New Tourism Object (X2.7) | 0.71 | 0.112 | 8.924 | 3.58 |
|    |                    | New Process (X2.8) | 0.70 | 1.000 | Fix | 3.72 |
|    |                    | Preservation and Development X2.9) | 0.68 | 0.103 | 8.774 | 3.65 |
| 2  | Tourists' Satisfaction (TS)... (Y1) | Positive word of mouth (Y1.2) | 0.64 | 0.080 | 9.676 | 3.72 |
|    |                    | Average Length of Stay (Y1.3) | 0.81 | 0.084 | 12.151 | 4.19 |
|    |                    | Revisiting (Y1.4) | 0.80 | - | Fix | 4.10 |
| 3  | Tourism Destination Performance (Y2) | Level of Annual tourist Arrivals (Y2.1) | 0.90 | - | Fix | 3.94 |
|    |                    | National / Local Revenue (Y2.3) | 0.84 | 0.053 | 15.802 | 4.02 |
|    |                    | Torism Sustainability (Y2.6) | 0.71 | 0.066 | 12.600 | 3.46 |

Table 2. Mean and outer loading each of indicators

## V. ANALYSIS RESULT

### A. Testing assumptions. Structural Equation Modeling (SEM).

The classical assumption test prior performed before going to run the SEM analysis. The multivariate normality assumptions test was met. To test whether there is an outlier, it can be seen with Mahalanobis distance (Md). The results of the examination showed statistically there are several observations those outliers. However, the observational data is not excluded due to descriptive analysis showed that all indicators have minimum and maximum values are within the limits specified score, i.e. a minimum of 1 and a maximum of 5. Testing was conducted by the assumption of linearity Curve Fit where the test result shows all significant linear models for the $Sig > 0.05$ thus concluded that the assumption of linearity has been met.

### B. Goodness of fit Analysis.

The results of testing the overall goodness of fit models would determine if hypothetical model supported by empirical data. given in Table 3a and figure 2 below:



Fig 2:- structural model

Source; model proposed model, 2018

| | | | Estimate | S.E. | C.R. | P |
|---|---|---|---|---|---|---|
| Y1 | <--- | X2 | .294 | .081 | 3.639 | *** |
| Y2 | <--- | Y1 | .908 | .093 | 9.793 | *** |
| Y2 | <--- | X2 | .146 | .079 | 1.845 | .065 |
| X2.8 | <--- | X2 | 1.000 | | | |
| X2.7 | <--- | X2 | 1.001 | .112 | 8.929 | *** |
| X2.1 | <--- | X2 | .993 | .111 | 8.914 | *** |
| Y1.4 | <--- | Y1 | 1.000 | | | |
| Y1.3 | <--- | Y1 | 1.016 | .084 | 12.151 | *** |
| Y1.2 | <--- | Y1 | .776 | .080 | 9.676 | *** |
| X2.9 | <--- | X2 | .897 | .103 | 8.674 | *** |
| Y2.1 | <--- | Y2 | 1.000 | | | |
| Y2.3 | <--- | Y2 | .842 | .053 | 15.802 | *** |
| Y2.6 | <--- | Y2 | .826 | .066 | 12.600 | *** |

Table 3a. Regression Weights calculation
Source: Primary data processed, 2018

| Criteria | Cut-of-Value | Model | Information |
|----------|--------------|-------|-------------|
| Chi Square | Lower | 45.100 | Good Model |
| p-value | $\geq 0.05$ | 0.162 | |
| CMIN/DF | $\leq 2.99$ | 1.352 | Good Model |
| RMSEA | $\leq 0.08$ | 0.041 | Good Model |
| GFI | $\geq 0.90$ | 0.965 | Good Model |
| CFI | $\geq 0.90$ | 0.987 | Good Model |
| TLI | $\geq 0.90$ | 0.982 | Good Model |

Table 3b. Goodness of overall fit analysis

Based on table 3b, the test results on the Goodness of Fit Overall shows there are 6 criteria showed a good model that is Chi Square, CMIN / DF, RMSEA, GFI, CFI, TLI. According to Arbuckle and Wothke, Solimun (2008), the best criteria used as an indication of the good of the model is the value of Chi Square smaller and DF is less than 2, and RMSEA were under 0:08. In this study, the value of CMIN / DF and RMSEA has met goodness of fit value criteria. Therefore, the model SEM was already support and confirmed by data.

### C. Structural equation modeling analysis.

The second part of SEM analysis is the interpretation of structural model. The relationship between variables research and the results value of the analysis are summarized in Table 4 and Figure 3 for showing the direct and indirect effect. There is significant influence between variables one to another variable, if the value of P-value of $< 0.05$, except P-value X2 between Y2, it is $0.065 > 0.05$ indicates non significant. In this study there are two influences would be discussed that is direct and indirect effect.
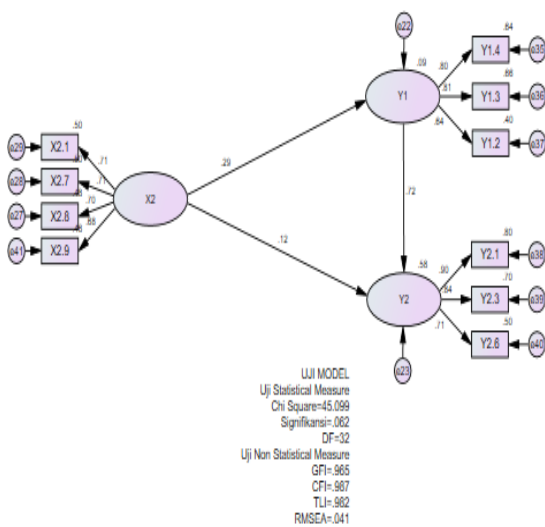
| No | correlation | coefficient | P-value | C.R. | information |
|----|-------------|-------------|---------|------|-------------|
| 1 | X2 between Y1 | 0.294 | 0,000 | 3.639 | significant |
| 2 | Y1 between Y2 | 0.908 | 0,065 | 9.793 | significant |
| 3 | X2 between Y2 | 0.146 | 0,000 | 1.845 | Non significant |

Table 4. Structural model SEM: Direct effect
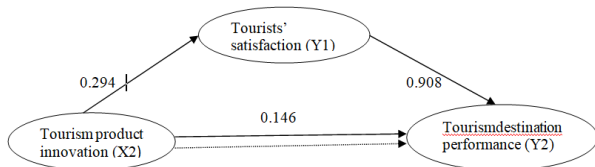
Source: primary data processed, 2018



Fig 3:- Structural model SEM

Based on Table 4 and Figure 3, it is found that there is significant direct influence between Tourism innovation product (X2) towards Tourists' satisfaction (Y1). The correlation is marked by the positive coefficient of 0.294 confirmed by the C,R value > 1.96 for the significance level of 0.05, they indicate that a higher tourism product innovation (X2) will increase the value of tourists' satisfaction variable (Y1). Meanwhile the correlation of tourism product innovation (X2) towards tourism destination performance variable (Y2) shows a positive coefficient of 0.146 but it is not significant because value of C.R < 1.96 and value of p-value is 0.065 > 0.05, It indicates that Tourism product innovation variable (X2) is not significant to directly influence tourism performance variable (Y2).

This case argues innovation that presents something new is not absolutely increase tourism destination performance (Y2). The correlation between tourists' satisfaction (Y1) and tourism destination performance is positive and significant that is showed by the coefficient of 0.908 and C.R 9.793 > 1.96. So it can be confirmed that there is a mediating effect of tourists' satisfaction (Y1) on the effect of tourism product innovation (X2) towards tourism destination performance (Y2).

Sobel test result demonstrates that a mediator variable (tourists' satisfaction) significantly carries the influence of an independent variable (Tourism product innovation) to a dependent variable (tourism destination performance). Sobel test result demonstrates value 0.9690 and the value of C.R of 9.793 > 1.96, and the P-value of 0.3325 > 0.05 indicate that tourists' satisfaction (Y1) mediates the effect of tourism product innovation (X2) to tourism destination performance (Y2). As the coefficient are positive and significant so the higher the increase in the value of X2, the higher the value of Y2. In this case can be illustrated that if the tourism product innovation (X2) increase 1 unit would be impacted upon increasing of 0.9690 (96.90%) towards tourism destination performance (Y2). As the effect of tourism product innovation is not significant on tourism destination performance (Y2) then the function of mediation variable is called Full Mediation.

*D. Hypotheses and research finding analysis.*

- Based on table 5, the hypothesis and research findings can be described as follows: the value of T-value is 3.639 > 1.96 and p < 0.05. It indicates that H null is rejected and H alternative be accepted, It means that variable tourism product innovation has a positive and significant effect on tourists' satisfaction. Besides that the regression coefficient value is 0.294, indicate that if X2 increases one unit It potential to increase 0.294 of Y1, in other word if X2 increase 1% will consequence to 29,4% increase of Y1. Goodness of fit indices GFI is 0.965; CFI is 0.987 show that innovation in tourism sector plays an important role for providing diversification of tourism product and excellence services.

- Influence of tourists' satisfaction on performance of tourism destinations. Based on table 5 obtained T values of 9,793 > 1.96 and P-value 0,000 < 0.05, in this case we disagree H null and take H alternative (Ha), thus the satisfaction of tourists significant and positive impact on the performance of tourism destinations in Tana Toraja. Regression coefficient value is 0.908, indicating that if tourists' satisfaction increases 1 unit; it will increase the value of tourism destination performance for 0.908.

- The influence of tourism product innovation on the performance of tourism destinations. Based on table 5 obtained T value of 1.845 < 1 .96 and P-value 0.065 > 0.05, in this case H null accepted and Ha cannot be accepted. Therefore the innovations of tourism products are not significant directly influence the performance of tourism destinations in Tana Toraja. The regression coefficient value is 0.146, indicating that if tourism product innovation increase 1 unit, it would be only increase the value of tourism destination performance for 0.146. Tana Toraja has lots of prospective touristic attraction but the problem is a lack of knowledge and experience in managing the tourism sector. Therefore innovation in tourism sector is still poor and irrelevant to tourism demand. This problem needs seriously attention of tourism stakeholders, especially the local government to carry out innovation in tourism sector that relevant to market trendy without sacrifice degradation of environmental and cultural value in society. Global warming, environmental problems and values of socio-cultural become a hot issue in tourism sector nowadays. These issues are prospective to develop ecotourism as strategy to capture the niche market in tourism sector to meet tourists' satisfaction.

| Path | Estimate | S.E. | C.R. | P |
|------|----------|------|------|---|
| X2=>Y1 | 0.294 | 0.081 | 3.639 | *** |
| Y1=>Y2 | 0.908 | 0.093 | 9.793 | *** |
| X2=>Y2 | 0.146 | 0.079 | 1.845 | 0.065 |

Tabel 5. Path analysis

## VI. DISCUSSION

- Tourism product innovation significantly and positive influence tourists' satisfaction. However innovation in tourism sector in Tana Toraja must be increased and relevant to tourists' demand as well as continuously maintaining the environmental quality and values of socio-cultural to achieving sustainable tourism. The ICT advancement brought a significant effect in tourism sector and it triggers the change both in demand side (tourists, characteristic, and behavior) and supply side (tourist attractions, infrastructure, superstructure, services etc). Empirically or in reality a part of tourists desire to spend their night at village home stay when they visited to rural area. Therefore this study attempts to examine the potential of developing traditional Toraja traditional houses (tongkonan) to be used as home stay.

- Tourists' satisfaction plays an important role in tourism sector; satisfied tourist would be potential to recommend others to visit the recommended destination, potential to stay longer in the destination and potential to increase their purchase and finally potential to enhance performance of tourism destination. Tourists' satisfaction is one of the success measurement for organization. Jayawardena (2002) points out that the future of tourism markets is dependent on the ability of tourism countries to deliver "a high quality product that corresponds to the changing tastes, needs, wants and demands of the international traveler".

- Tourism destination performance is influenced by several of aspects, in this research the two aspects are tourism product innovation and tourists' satisfaction. Ecotourism is apart from innovation in tourism sector and have multiplier effect on destination in supporting social life for example in cultural aspects, traditions, the specialties of the local economic, civil participants in the field of historical, traditional, fishing, sport, gastronomy, hand crafts, local agricultural entrepreneurs.

## VII. CONCLUSION

Based on the analysis it can be concluded that there is a significant direct effect between tourism product innovations on tourists' satisfaction where the regression weight coefficient marked positive, indicates that the higher number of product diversification will increase the tourists' satisfaction. And the higher the level of tourists' satisfaction will achieve the higher performance of tourism destination. It demonstrates that tourists' satisfaction has a mediation effect on tourism product innovation towards tourism destination performance. Based on study result clearly suggested that: in order to increase tourism destination performance need innovation in tourism product and try to have maximum tourists' satisfaction

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