Beyond the Plate: Unpacking the Relationship Between Perceived Restaurant Innovativeness, Customer Delight and Customer Loyalty in Upscale Restaurants

Usama Qazi[1], Syed Haider Ali Shah[2], Dr. Jawad Hussain[3], Dr. Muhammad Usman[4], Muhammad Idrees Khan[5]

[1,2,3,4,5] Department of Commerce and Management Sciences, University of Malakand, KP, Pakistan, Email: uqazi344@gmail.com, ha8054689@gmail.com, jawadhussain79@gmail.com, usman@uom.edu.pk, idreescerd@gmail.com

Abstract

This study is aimed at a) examining the impact of customer-perceived restaurant innovativeness on customer delight and b) investigating the role of customer delight as a mediator in the relationship between perceived restaurant innovativeness and customer loyalty. Previous research on innovativeness has predominantly focused on the firm's perspective, using owners, managers, or employees as key informants, with a greater emphasis on industries such as manufacturing, agriculture, and services other than hospitality. Moreover, limited research has explored the determinants and the resulting outcomes of customer delight in the hospitality sector, particularly in developing countries like Pakistan. This study seeks to fill these gaps in the literature. To achieve this, we used convenience sampling and collected data from 205 diners at upscale restaurants in Islamabad, the capital of Pakistan, through a structured questionnaire. Regression analysis results indicated a positive influence of customer-perceived innovativeness on customer delight. Furthermore, customer delight mediates the customer perceived restaurant innovativeness and loyalty link. The study provides valuable insights for restaurant operators, emphasizing that delivering an exceptional customer experience— through innovative food, services, and physical environments—is crucial for attracting and retaining customers. Embracing innovation can also support upscale restaurants in improving their competitiveness and expanding their business operations. The study wraps up by acknowledging its limitations and providing suggestions for future research avenues.

Keywords: Customer Perceived Restaurant Innovativeness, Customer Delight, Service Quality, Up-Scale Restaurants, Pakistan.

Introduction

Customer satisfaction has been widely acknowledged as a critical factor for a business success. The same is true for firms in hospitality industry where they consider it as a critical driver for long term business success and growth (Vo-Thanh et al., 2022). Companies that prioritize customer satisfaction and strive to exceed expectations tend to perform better than their competitors (Ismail, 2023). In this context, businesses that consistently introduce new products, processes, marketing strategies, or organizational methods achieve growth and gain a competitive advantage (Alegre & Pasamar, 2018; Golgeci & Ponomarov, 2015). Food service industry, recently, has undergone significant shift, prioritizing experiential dining through state-of-the-art technology, sophisticated ambience, aesthetically pleasing interiors that enriches the dining experience in upscale restaurant and cafes (Chad, 2022; Ling, Chua & Han, 2023). In the restaurant sector, customer expectations for service are constantly evolving, offering service

organizations opportunities to deliver unique and memorable experiences for future growth (Walls, Okumus, Wang & Kwun, 2011). All the ideas, practices, or material elements that can make the customer felt regarding innovativeness can be termed as restaurant innovativeness (Jin et al., 2015). Gagić (2016) emphasized that restaurants should focus on innovativeness to appeal more to guests and improve profitability. Innovativeness is crucial for business sustainability, as it helps prevent potential reasons for restaurant closures (Jantasri & Srivardhana, 2019). Customers look for high level of service quality in upscale restaurants (Muller & Woods, 1994). Failure to meet these expectations often results in negative evaluations or customer dissatisfaction (Jin et al., 2016; Chaichi et al., 2023) which can further lead to switching of customers to other restaurants. These restaurants provide high-quality service and most successful in meeting hedonic and experiential values (Bonfanti et al., 2023; Şahin, Çolakoğlu & Özdoğan, 2021). Consumers are willing to pay higher prices for superior amenities (Walker & Lundberg, 2005). Despite the growing interest in consumer behavior and restaurant marketing research within the hospitality sector, limited research exists on how customers' perceived innovativeness influences diner behavior in upscale restaurants (Kim, Tang & Bosselman, 2019; Thomas, 2023). Most research on innovativeness has been from the firm's perspective, using owners, managers, or employees as key informants (e.g., Boso et al., 2013; Sáenz et al., 2024; Sun et al., 2023; Mohamad, Ramayah & Lo, 2020; Trivedi & Srivastava, 2022; Tsai & Yang, 2014). These studies have predominantly focused on the manufacturing, agriculture, and service industries, rather than hospitality. Given the differences between manufacturing and service industries, directly applying the established concept of innovativeness from manufacturing to services is inappropriate and requires further scholarly attention (Hipp & Grupp, 2005; Kim et al., 2019). Emerging research on innovativeness in upscale or fine dining restaurants sets the stage for future studies in this field. However, research on restaurant innovativeness is limited to handful of studies, such as those by Jin et al. (2015), Kim, Nicolau & Tang (2021), and Thomas (2023), which examine innovativeness specifically in upscale restaurants. Additionally, despite the importance of customer delight for a business success, the determinants and outcomes of customer delight in upscale restaurants, in developing countries, including Pakistan, remains understated (Selmi, Kamoun & Soliman, 2024). This necessitates the need for conducting a study in a local context so that context-specific insights and understanding are provided to readers and practitioners on how perceived customer innovativeness and customer delight determine customer loyalty in the context of upscale restaurants in Pakistan.

Literature Review
Perceived Restaurant Innovativeness
The sense of newness and improvement which a customer perceive in a product or service in comparison to alternatives available is termed as perceived innovativeness (Lowe & Alpert, 2015). Generally, innovativeness refers to a company's approach towards innovation (Chen, Tsou & Huang, 2009; Domi, Capelleras, & Musabelliu, 2020). From a consumer perspective, a firm's innovativeness is assessed based on the perceived novelty, uniqueness, and differentiation as shaped by customers' experiences and knowledge of the firm (Choi et al., 2023). When customers perceive a restaurant as innovative, it enhances the restaurant's brand image and signifies that it is delivering significant value (Thomas, 2023; Yen, Teng, & Tzeng, 2020). This perception provides the restaurant with a competitive edge, leading to increased market growth, improved performance, and greater competitiveness (Bayraktar et al., 2017; Trivedi & Srivastava, 2022). This study examines three dimensions of restaurant innovativeness as outlined by Kim (2016): food innovativeness, service quality innovativeness, and physical environment innovativeness. Food innovativeness involves novel tastes, presentations, and preparation methods. Service quality innovativeness pertains to customer service processes, staff numbers, and responsiveness to customer inquiries. Physical

environment innovativeness focuses on elements such as interior design, furniture, tableware, and restaurant decor (Carmona-Lavado, 2012; Jantasri & Srivardhana, 2019).

Customer Loyalty

The intensifying competitiveness in global markets has heightened the significance of customer loyalty as a key driver for achieving long-term competitive advantages (Aksoy, 2013). In today's business environment, customer loyalty has become essential for organizations to survive and thrive amidst intense competition. It revolves around how companies cultivate and maintain relationships with their customers, encouraging repeat purchases (Ofosu-Boateng & Acquaye, 2020). Customer loyalty refers to the willingness of customers to repurchase a particular product or service, promoting repeated transactions, which stem from customer satisfaction and are viewed as crucial for enhancing profitability (Bowen & McCain, 2015). As a behavioral intention, loyalty represents a customer's commitment to consistently patronize and repurchase a preferred product or service, leading to repeated business (Selmi et al., 2024). Globally, customer loyalty is recognized as a vital competitive advantage for service providers, as it enables them to distinguish themselves from competitors (Cossıo-Silva et al., 2016; Petzer & Roberts-Lombard, 2021). With this perspective, the present study defines customer loyalty as the intention to repurchase, revisit, and recommend an upscale restaurant.

Customer Delight

According to Oliver et al. (1997), customer delight is a heightened emotional state that occurs when customer experience joy, desire, arousal or surprise, thereby exceeding their expectations and surpassing satisfaction. Tai, Wang, and Luo (2021) describe delight as a customer's experience which goes beyond normal or the expected level and the customer feel thrilled, excited. Eid, Agag and Shehawy (2020) noted that visitors are likely to engage with a place if they find it offers an enjoyable and appealing dining experience (Eid et al., 2020). Berman (2005) pointed out that delight requires exceptional service or product performance, suggesting that experiences filled with delight are likely to leave an indelible mark on consumer memories, making them more memorable and deeply ingrained compared to experiences that merely meet expectations. Scholars argue that customer delight is a stronger measure of customer relationship management than satisfaction (Lee & Park, 2019; Torres & Kline, 2006). The favourable positive emotional outcomes resulting from delightful experiences have a profound impact on long term organizational performance and success (Finn, 2005; Kinogo, Jani, & Mwakyusa, 2024; Lee & Shea, 2015).

Hypotheses Development
Perceived Restaurant Innovativeness and Customer Delight

For many customers, dining is about more than just eating out; it's an opportunity to seek a memorable experience away from home (Ryu, Han, Jang 2010). Previous research has highlighted that perceived innovation and uniqueness in food, service quality, and the physical environment contribute significantly to customer delight. For instance, Selmi et al. (2024) identified two main types of factors influencing customer delight in the hotel industry: interpersonal and non-interpersonal elements. Interpersonal drivers include friendliness, problem resolution, employee empathy, professionalism, meeting customer needs, and efficiency. Their study further found that customer delight positively has positive influence on both behavioural loyalty and emotional loyalty. This means customer delight breeds repeat purchases, driving customer retention and advocacy. Jiang (2020) emphasized that memorable experiences and positive interactions with staff are key indicators of guest delight. In an era of standardized services driven by technological advancements, warmth, care, and friendliness remain essential attributes that create distinctive customer memories (Gabriel et al., 2016; Truong et al., 2020). Beauchamp and Barnes (2015) also concluded that professionalism can be a source of customer delight.

H1. Perceived restaurant innovativeness positively influences customer delight.

Customer Delight and Customer Loyalty

Although numerous factors can lead to customer delight, the interaction between employees and customers has attracted the most attention (Barnes & Krallman, 2019). Customer delight not only encourages repeat business but also prompts customers to share positive feedback about their experiences (Widyowati, Antonio, & Andy, 2023). Collier et al. (2018) noted that to foster loyalty, customers require a delightful service experience beyond mere satisfaction. Customer delight is critical factor in reducing the propensity of customers' switching behavior and make customers loyal in future in the context of banking sector (Svotwa et al., 2023). Similarly, Lee and Park (2019) taking sample of 564 guests in South Korean five-star upscale hotels found that customer delight has powerful effect on customer loyalty. According to Petzer and Roberts-Lombard (2021), customer delight significantly both attitudinal and behavioral loyalty in retail banking customers. In the same line, research by Dey et al. (2017) discovered that customer delight has a positive impact on customer loyalty in the context of fine dining restaurants in Kolkata. Ali et al. (2018) found similar results in their study in Malaysian theme Parks. Their research suggested that theme park managers should focus on maintaining an excellent physical environment, effective human resource management, and customer behavior management to deliver delightful experiences. Thus, the following is hypothesized based on the aforementioned findings:

H2. Customer delight positively influences customers loyalty

Perceived Restaurant Innovativeness and Customer Loyalty

The innovation of products and services has become a restaurant's "competitive weapon" in surpassing customer expectations (Chang, 2013). Ma, Qu, and Eliwa (2014) investigated how structural coordination between service, product, and behavioral innovativeness among service providers can enhance customer satisfaction and loyalty, particularly in fine dining restaurants. Singh et al. (2023) opined that delivering high-quality service to clients improves customer loyalty. Clauss, Kesting, and Naskrent (2019) found that customer participation in service improves when they encounter a new business model that meets their expectations and enhances value co-creation. A study by Chukwunwem and Ndubueze (2021) concluded that higher product innovativeness, such as introducing new menus and drinks at upscale Quick Service Restaurants (QSRs), increased the likelihood of customers recommending the QSRs to others. Lin, Lobo, and Leckie (2019) also demonstrated a direct link between green brand innovativeness and brand loyalty in China. Ling et al. (2023), after conducting an online survey of dessert café chain customers in Malaysia found that in menu innovativeness positively contributes to customers' perceived innovativeness. Furthermore, their study highlighted that customers' perceived innovativeness enhances value for money, elicits positive emotions and improve social image.

H3. Restaurant innovativeness positively influences customer loyalty.

Mediating Role of Customer Delight

Using a qualitative research design, Kaushik et al., (2022) identified interpersonal non-interpersonal factors determine customer delight and terrible experiences and further affecting a consumer's revisit intention and favourable recommendations. These factors include quick response, attractive voice, well dressing., food, interiors, cleanliness etc. Widyowat et al. (2023) provided compelling evidence that positive patient experiences with laboratory services can generate customer delight, leading to increased revisit intentions and greater willingness to share positive feedback on social media. Barnes & Krallman (2019) emphasized that customer delight not only enhances satisfaction but also strengthens loyalty by eliciting positive

emotional responses. When customers experience delight rather than mere satisfaction, their loyalty is significantly amplified (Finn, 2012). Becker et al. (2019) found that delightful service innovations, including sustainability, convenience, social status, playfulness, trustworthiness, and interactivity, positively influence customer loyalty and encourage positive word-of-mouth. This study suggests that customer delight acts as a mediator in the relationship between restaurant innovativeness and customer loyalty, an aspect that has largely been overlooked in previous research, especially within the upscale restaurant context. Therefore, the following hypothesis is proposed:

H4. Customer delight mediates the relationship between restaurant innovativeness and customer loyalty.

Research Methods
Data Collection and Sampling
Population of the current study is consisted of customers who had dined at upscale restaurants in Islamabad. These customers were invited to participate in the survey based on their agreement with the following statement:
"The restaurant stands out from others due to its innovative approach, including novel food presentations, distinctive décor, and a unique serving style facilitated by well-trained staff" (Jin, et al., 2015). Data were gathered using self-administered questionnaires. Convenience sampling was employed to select renowned upscale restaurants in Islamabad, Pakistan, at random. Out of 250 distributed questionnaires, 225 were returned to the researchers. Among them, 25 questionnaires were found usable for data analysis. Thus, the researchers proceeded with a sample size of 200 (80%). Demographic profile of the respondents pertaining to gender of respondents showed that 96.5% were males and 3.5% were females. Reason behind low representation of the female respondents was that mostly males were ready to fill the questionnaire, while females was mostly hesitant. 27.5% of respondents fell within the 17-19 age range, while 30% were between 20-22 years, and 42.5% were 23 years or older. 62.5% of respondents had a qualification of high school or lower, 32.5% held a Bachelor's degree, and 5% were found to be Master's degree holders.

Measurement Scales
This study utilized previously validated scales to measure the relevant constructs. Recognizing that these scales were developed in different contexts, the researcher adapted them to fit the specific context of this study. A five-point Likert scale, ranging from "strongly disagree" to "strongly agree," was used to capture respondents' perception regarding constructs of the study. Perceived restaurant innovativeness was measured with ten-item scale. The scale was adapted from Jin et al., (2015). This scale encompasses three dimensions: food quality innovativeness (four items), environment quality innovativeness (three items), and service quality innovativeness (three items). Customer delight construct was measured with a five-item scale. The scale was adapted from Jeon, Yoo, and Kim (2020). Customer loyalty was assessed using a three-item scale adapting the scale from Han and Ryu (2009).

Data Analysis

Descriptive statistics and inferential statistics were used in this study. Correlation analysis showed correlations between variables, whereas regression analysis assessed the independent variable's effect on the dependent variable. The mediation effect was tested as per the procedure outlined by Judd and Kenny (1981, cited in Casimir et al., 2014). Mediation tests encompassed three steps as follow; (1) independent variable (perceived customer loyalty) must significantly predict the dependent variable (customer loyalty); (2) the independent variable (perceived customer innovativeness) must significantly predict the mediator variable (customer delight); and (3) when mediator and independent variable at a time are regressed on the dependent variable, mediator must significantly predict the dependent variable.

Results of the Study

Descriptive Statistics and Correlation Analysis

Results of the descriptive analysis revealed mean values of 4.2312 for perceived restaurant innovativeness, 3.8671 for customer delight, and 4.2653 for customer loyalty. These findings suggest that diners in upscale restaurants recognize the significant impact of restaurant innovativeness on both customer delight and loyalty. Results of Pearson correlation analysis showed that the variables are significantly correlated. Specifically, the correlation between customer perceived restaurant innovativeness and customer loyalty was found to be $r = 0.720$ ($p < .01$), while the correlation between customer delight and customer loyalty was $r = 0.647$ ($p < .01$). These results are detailed in Table 1.

Table 1: *Descriptive Statistics and Correlation Analysis*

No.		Mean	SD	1	2	3
1	Perceived Restaurant Innovativeness	4.2312	0.8341	1		
2	Customer Delight	3.8671	0.7432	0.812**	1	
3	Customer Loyalty	4.2653	0.8687	0.720**	0.647**	1

**. Correlation is significant at the 0.01 level (2-tailed).

Regression Analysis

Both simple linear regression and hierarchical regression analysis were utilized. Simple linear regression determined the influence of the independent variable (perceived restaurant innovativeness) on the dependent variable (customer loyalty). Judd and Kenny (1981) method of mediation was employed to check mediating role customer delight on the mentioned link.

Influence of Perceived Restaurant Innovativeness on Customer Delight

Table 2 outlines result of regression analysis between restaurant innovativeness and customer delight. The R value of 0.812 indicates a strong relationship, with 81.2% of the variance in customer delight being explained by restaurant innovativeness. The R Square value of 0.660 shows that 66.0% of the variance in customer delight is attributable to restaurant innovativeness. The F statistic of 394.102, with a significance level of 5%, confirms the model's significance. The Beta coefficient of 0.504 suggests that a one-unit increase in restaurant innovativeness results in a 50.4% increase in customer delight. These findings support the first hypothesis (*H1*).

Table 2: *Effect of Perceived Restaurant Innovativeness on Customer Delight*

	Beta	T	Sig.
Constant		.006	.000
Restaurant Innovativeness	.504	19.852	.000`
R	.812		
R Square	.660		
Adjusted R Square	.658		
Standard Error of the Estimate	2.302		
F		394.102	.000

Influence of Customer Delight on Customer Loyalty

Table 3 provides results of regression for impact of customer delight on customer loyalty. The R value of 0.647 indicates a strong positive relationship between customer delight and customer loyalty. The R Square value of 0.418 shows that 41.8% of the variance in customer loyalty can be attributed to customer delight. With an F statistic of 145.852 at a 5% significance level, the model is deemed statistically significant. The Beta coefficient of 0.387 suggests that a one-unit increase in customer delight results in a 38.7% increase in customer loyalty. These results support the second hypothesis (*H2*).

Table 3: Effect of Customer Delight on Customer Loyalty

	Beta	T	Sig.
Constant		6.377	.000
Customer Delight	.387	12.077	.000`
R	.647		
R Square	.418		
Adjusted R Square	.415		
Standard Error of the Estimate	1.801		
F		145.852	.000

Influence of Perceived Restaurant Innovativeness on Customer Loyalty

Table 4 presents the results of the regression analysis examining the effect of perceived restaurant innovativeness on customer loyalty. The R value of 0.720 indicates a strong positive relationship between restaurant innovativeness and customer loyalty. The R Square value of 0.518 shows that 51.8% of the variance in customer loyalty is explained by restaurant innovativeness. With an F statistic of 218.463 at a 5% significance level, the model is statistically significant. The Beta coefficient of 0.267 suggests that a one-unit increase in restaurant innovativeness results in a 26.7% increase in customer loyalty. These findings support the study's third hypothesis (*H3*).

Table 4: *Effect of Perceived Restaurant Innovativeness on Customer Loyalty*

	Beta	T	Sig.
Constant		1.794	.000
Perceived Restaurant Innovativeness	.267	14.781	.000`
R	.720		
R Square	.518		
Adjusted R Square	.516		
Standard Error of the Estimate	1.639		
F		218.463	.000

Mediating Role of Customer Delight

This study examines the mediating role of customer delight in the relationship between perceived restaurant innovativeness and customer loyalty. The results are detailed in Table 5. Model 01 shows that the Beta value for perceived restaurant innovativeness as an independent variable is 0.267 (p < 0.001, t = 14.781), indicating a direct effect on customer loyalty (the dependent variable). This fulfills Condition 1. Model 02 evaluates the impact of perceived restaurant innovativeness on customer delight, which is the mediator in this case. The Beta value is 0.504 with a p-value of 0.195 and a t-value of 19.852, satisfying Condition 2. Model 03 regresses customer loyalty on both the mediator (customer delight) and the independent variable (perceived restaurant innovativeness). Here, the mediator is significant with a Beta value of 0.109 (p < 0.001, t = 2.192), while the independent variable is no longer significant with a Beta value of 0.212 (p = 0.030, t = 6.918). The Beta value for perceived restaurant innovativeness decreased from 0.267 to 0.212, indicating that Condition 3 is met. Since perceived restaurant innovativeness no longer significantly affects customer loyalty in the presence of customer delight, there is full mediation. This supports the fourth hypothesis of the study (*H4*).

Table 5: Mediation Testing

	Beta	**T**	**Sig.**
Constant		1.794	.000
Customer Loyalty	.267	14.781	.000`
R	.720		
R Square	.518		
Adjusted R Square	.516		
Standard Error of the Estimate	1.639		
F		218.463	.000

Discussion on Results of the Study

The first objective was to investigate the relationship between perceived restaurant innovativeness and customer delight. Results of the study revealed that perceived innovativeness significantly and positively affects customer delight. Results are consistent with Selmi et al. (2024), who identified that both interpersonal and non-interpersonal factors, such as friendliness and professionalism, play a role in customer delight. The current study also supports earlier research (Gabriel et al., 2016; Truong et al., 2020) that highlights the importance of warmth and care in creating memorable customer experiences. Thus, the results support the first hypothesis (H1) that perceived restaurant innovativeness enhances customer delight. The second objective was to examine how customer delight influences customer loyalty. The study found that customer delight positively impacts loyalty, consistent with Widyowati, Antonio, & Andy (2023), who showed that delightful experiences encourage repeat patronage and positive word-of-mouth. This finding is also supported by Lee and Park (2019) and Dey et al. (2017), who found a positive relationship between customer delight and loyalty. Similarly, Ali et al. (2018) highlighted that customer delight boosts both satisfaction and loyalty. Therefore, the second hypothesis (H2) that customer delight positively influences loyalty is supported. The third objective was to evaluate the relationship between perceived restaurant innovativeness and customer loyalty. The results indicated that perceived innovativeness positively affects customer loyalty. This finding is in line with Chukwunwem and Ndubueze (2021), who found that innovative offerings in upscale Quick Service Restaurants (QSRs) increase customer recommendations. The study also supports Lin et al. (2019), who linked brand innovativeness to loyalty, and Ling et al. (2023), who noted that menu and experiential innovativeness enhance perceived value and positive emotions. Ryu et al. (2010) suggested that such innovations can lead to positive emotional responses and increased

loyalty. Thus, the third hypothesis (H3) is supported. The fourth objective was to determine if customer delight mediates the relationship between perceived restaurant innovativeness and customer loyalty. The study found that customer delight does mediate this relationship, aligning with Widyowati et al. (2023), who demonstrated that delightful experiences can drive positive social media engagement and revisit intentions. Barnes & Krallman (2019) also emphasized that delight fosters loyalty through positive emotional experiences. Furthermore, Becker et al. (2019) found that delightful service innovations positively affect loyalty and word-of-mouth. Thus, the fourth hypothesis (H4) that customer delight mediates the relationship between innovativeness and loyalty is supported.

Conclusion
This study uncovers the influence of perceived restaurant innovativeness and customer delight on customer loyalty in the context of upscale restaurants in Pakistan, with customer delight acting as a mediating factor. Results of the current study indicate that perceived innovativeness positively impacts customer loyalty, highlighting the importance for restaurant operators to consistently provide innovative food options, excellent service, and a high-quality dining experience at competitive prices. The study emphasizes on the critical role of service staff in making the dining experience enhanced, as well as repeat patronage. Additionally, it advises managers to create a welcoming atmosphere characterized by enthusiasm and friendliness to elevate customer delight beyond mere satisfaction (Le et al., 2023). This research offers valuable insights for restaurant operators on the importance of perceived restaurant innovativeness in food, service quality, and the physical environment for driving customer delight and loyalty. It also highlights the need for market research to differentiate from competitors and expand the customer base. Understanding the factors that contribute to perceived innovativeness and their effects on customer delight will help restaurants thrive and grow. The study has significant implications for restaurant designers, owners, managers, and marketers. It demonstrates that delivering an enhanced dining experience—encompassing innovative food, service, and physical attributes—is crucial for attracting and retaining customers. Embracing innovation can help upscale restaurants stand out in a competitive market. From a managerial perspective, exceeding customer expectations through superior service can lead to customer delight and loyalty. Restaurant managers can use these findings to focus on providing high-quality, differentiated products and services, rather than merely meeting standard offerings. Moreover, innovation should be an ongoing process, with regular updates on market trends and consumer behavior. Continuous improvement in menus, customer service, and periodic staff training will help restaurants manage customer perceptions of innovativeness more effectively. The study acknowledges some limitations that future research could address. Firstly, the effects of perceived restaurant innovativeness on customer loyalty were examined through the mediating role of customer delight, future research should examine additional factors, such as innovativeness in ambiance and technology, and their impact on customer delight. Secondly, increasing the sample size to include respondents from cities like Peshawar, Lahore, and Faisalabad could provide a deeper understanding of the variables involved. Thirdly, future studies should consider other variables, such as memorable experiences and personalized services, to explore their moderating effects and offer a more comprehensive view of the relationships between these factors. Finally, employing longitudinal data rather than cross-sectional data could provide more insights into the dynamics of the study variables over time.

References
Aksoy, L. (2013). How do you measure what you can't define? The current state of loyalty measurement and management. *Journal of Service Management, 24*(4), 356-381.
Alegre, J., & Pasamar, S. (2018). Firm innovativeness and work-life balance. *Technology Analysis & Strategic Management, 30*(4), 421-433.

Ali, F., Kim, W. G., Li, J., & Jeon, H. M. (2018). Make it delightful: Customers' experience, satisfaction, and loyalty in Malaysian theme parks. *Journal of Destination Marketing & Management, 7*, 1-11.

Barnes, D. C., & Krallman, A. (2019). Customer delight: A review and agenda for research. *Journal of Marketing Theory and Practice, 27*(2), 174-195.

Bayraktar, C. A., Hancerliogullari, G., Cetinguc, B., & Calisir, F. (2017). Competitive strategies, innovation, and firm performance: an empirical study in a developing economy environment. *Technology Analysis & Strategic Management, 29*(1), 38-52.

Beauchamp, M. B., & Barnes, D. C. (2015). Delighting baby boomers and millennials: Factors that matter most. *Journal of Marketing Theory & Practice, 23*(3), 338-350.

Becker, F., Bothe, S., Hadwich, K., & Falter, M. (2019). Delightful Service Innovations in the Context of Technology-Based Self-Services-Scale Development and Validation. *SMR-Journal of Service Management Research, 3*(2), 66-81.

Berman, B. (2005). How to delight your customers. *California Management Review, 48*(1), 129-151.

Bonfanti, A., Vigolo, V., Yfantidou, G., & Gutuleac, R. (2023). Customer experience management strategies in upscale restaurants: Lessons from the Covid-19 pandemic. *International Journal of Hospitality Management, 109*, 103416.

Boso, N., Story, V. M., Cadogan, J. W., Micevski, M., & Kadić-Maglajlić, S. (2013). Firm innovativeness and export performance: Environmental, networking, and structural contingencies. *Journal of International Marketing, 21*(4), 62-87.

Bowen, J. T., & McCain, S.-L. C. (2015). Transitioning loyalty programs: A commentary on "the relationship between customer loyalty and customer satisfaction". *International Journal of Contemporary Hospitality Management, 27*(3), 415-430.

Carmona-Lavado, A. (2012). Measuring innovativeness in experiential services: The case of restaurants. (A paper presented in the XXIII ISPIM Conference, Barcelona, Spain, 17-20 June 2012).

Casimir, G., Ngee Keith Ng, Y., Yuan Wang, K., & Ooi, G. (2014). The relationships amongst leader-member exchange, perceived organizational support, affective commitment, and in-role performance: A social-exchange perspective. *Leadership & Organization Development Journal, 35*(5), 366-385.

Chad, G. (2022). 15 Top Instagram Worthy Cafes Around Selangor to Visit in 2022. *THE CITYLIST*. Retrieved from https://thecitylist.my/blog/best-instagram-worthy-cafes-around-selangor.

Chaichi, K., Stephenson, M. L., Fouad Salem, S., & Leong, M. K. (2023). A Sequential Mixed Method Study of Employee Job Satisfaction in Upscale Restaurants, Malaysia. *Journal of Quality Assurance in Hospitality & Tourism*, 1-32.

Chang, K. C. (2013). How reputation creates loyalty in the restaurant sector. *International Journal of Contemporary Hospitality Management, 25*(4), 536-557.

Chen, S., Tsou, T., & Huang, H. (2009). Service delivery innovation: antecedents and impact on firm performance. *Journal of Service Research, 12*(1), 36-55.

Choi, S., Kazakova, A., Choi, K., Choi, Y. S., & Kim, I. (2023). Effects of Residents' Empowerment on Citizenship Behavior and Support for Convention Development: Moderation of Innovativeness. *Sustainability, 15*(18), 13352.

Chukwunwem, U. G., & Ndubueze, E. J. (2021). Effect of Product Innovation on Customer Satisfaction and Customers' Behavioural Intentions in Upscale Quick Service Restaurants (qsrs) in Aba, Abia State, Nigeria. *Journal NX, 7*(03), 432-444.

Clauss, T., Kesting, T., & Naskrent, J. (2019). A rolling stone gathers no moss: The effect of customers' perceived business model innovativeness on customer value co-creation behavior and customer satisfaction in the service sector. *R&D Management, 49*(2), 180-203.

Collier, J. E., Barnes, D. C., Abney, A. K., & Pelletier, M. J. (2018). Idiosyncratic service experiences: When customers desire the extraordinary in a service encounter. *Journal of Business Research, 84*, 150-161.

Cossío-Silva, F. J., Revilla-Camacho, M. Á., Vega-Vázquez, M., & Palacios-Florencio, B. (2016). Value co-creation and customer loyalty. *Journal of Business Research, 69*(5), 1621-1625.

Dey, S., Ghosh, S., Datta, B., & Barai, P. (2017). A study on the antecedents and consequences of customer delight. *Total Quality Management & Business Excellence, 28*(1-2), 47-61.

Domi, S., Capelleras, J. L., & Musabelliu, B. (2020). Customer orientation and SME performance in Albania: A case study of the mediating role of innovativeness and innovation behavior. *Journal of Vacation Marketing, 26*(1), 130-146.

Eid, R., Agag, G., & Shehawy, Y. M. (2020). Understanding guests' intention to visit green hotels. *Journal of Hospitality & Tourism Research, 45*(3), 494–528.

Finn, A. (2005). Reassessing the foundations of customer delight. *Journal of Service Research, 8*(2), 103–116.

Finn, A. (2012). Customer delight: Distinct construct or zone of nonlinear response to customer satisfaction? *Journal of Service Research, 15*(1), 99–110.

Gagić, S. (2016). Restaurant innovativeness: A case study of Vojvodina. *The European Journal of Applied Economics, 13*(2), 57-69.

Gabriel, A. S., Cheshin, A., Moran, C. M., & Van Kleef, G. A. (2016). Enhancing emotional performance and customer service through human resources practices: A systems perspective. *Human Resource Management Review, 26*(1), 14-24.

Golgeci, I., & Ponomarov, S. Y. (2015). How Does Firm Innovativeness Enable Supply Chain Resilience? The Moderating Role of Supply Uncertainty and Interdependence. *Technology Analysis & Strategic Management, 27*(3), 267–282.

Han, H., & Ryu, K. (2009). Moderating role of personal characteristics in forming restaurant customers' behavioral intentions: An upscale restaurant setting. *Journal of Hospitality & Leisure Marketing, 15*(4), 25-54.

Hipp, C., & Grupp, H. (2005). Innovation in the service sector: The demand for service-specific innovation measurement concepts and typologies. *Research Policy, 34*(4), 517-535.

Ismail, I. J. (2023). Speaking to the hearts of the customers! The mediating effect of customer loyalty on customer orientation, technology orientation and business performance. *Technological Sustainability*, *2*(1), 44-66.

Jantasri, V., & Srivardhana, T. (2019). The impacts of innovativeness and nostalgia among restaurant customers in Bangkok metropolitan region. *Asian Administration & Management Review*, *2*(1). 97-109.

Jeon, H. M., Yoo, S. R., & Kim, S. H. (2020). The relationships among experience, delight, and recollection for revisit intention in chocolate exposition. *Sustainability*, *12*(20), 8644.

Jiang, Y. (2020). A cognitive appraisal process of customer delight: The moderating effect of place identity. *Journal of Travel Research*, *59*(6), 1029-1043.

Jin, N. P., Line, N. D., & Merkebu, J. (2016). The impact of brand prestige on trust, perceived risk, satisfaction, and loyalty in upscale restaurants. *Journal of Hospitality Marketing & Management, 25*(5), 523-546.

Jin, N., Goh, B., Huffman, L., & Yuan, J. J. (2015). Predictors and outcomes of perceived image of restaurant innovativeness in fine-dining restaurants. *Journal of Hospitality Marketing & Management*, *24*(5), 457-485.

Judd, C. M., & Kenny, D. A. (1981). Process analysis: Estimating mediation in treatment evaluations. *Evaluation review*, *5*(5), 602-619.

Kaushik, A. K., Gupta, R., & Kumar, M. (2022). Qualitative investigation of customer delight and terrible hospitality experiences. *Global Business Review*, 097215092210949.

Kim, E., Tang, L., & Bosselman, R. (2019). Customer perceptions of innovativeness: An accelerator for value co-creation. *Journal of Hospitality & Tourism Research*, *43*(6), 807-838.

Kim, E., Nicolau, J. L., & Tang, L. (2021). The impact of restaurant innovativeness on consumer loyalty: The mediating role of perceived quality. *Journal of Hospitality & Tourism Research*, *45*(8), 1464-1488.

Kinogo, I., Jani, D., & Mwakyusa, J. R. (2024). Customer delight and switching behaviour in Tanzanian online banking: the mediating role of switching intentions. *African Business Management Journal, 2*(2), 43-55.

Le, T. M. H., Nguyen, V. K. L., Le, T. T. H., Nguyen, T. T. H., & Vu, K. N. (2023). Customer satisfaction and fast-food restaurants: an empirical study on undergraduate students. *Journal of Foodservice Business Research*, *26*(6), 771-792.

Lee, B. Y., & Park, S. Y. (2019). The role of customer delight and customer equity for loyalty in upscale hotels. *Journal of Hospitality and Tourism Management*, *39*, 175-184.

Lee, S. A., & Shea, L. (2015). Investigating the key routes to customers' delightful moments in the hotel context. *Journal of Hospitality Marketing & Management, 24*(5), 532-553.

Lin, J., Lobo, A., & Leckie, C. (2019). The influence of green brand innovativeness and value perception on brand loyalty: the moderating role of green knowledge. *Journal of Strategic Marketing*, *27*(1), 81-95.

Ling, E. S. W., Chua, B. L., & Han, H. (2023). In search of a reciprocal relationship in dessert cafés: linking customer perceived innovativeness to value co-creation behavior. *Humanities and Social Sciences Communications*, *10*(1), 1-13.

Lowe, B., & Alpert, F. (2015). Forecasting consumer perception of innovativeness. *Technovation*, *45*, 1-14.

Ma, E., QU, H., & Eliwa, R. A. (2014). Customer loyalty with fine dining: The moderating role of gender. *Journal of Hospitality Marketing & Management*, *23*(5), 513-535.

Mohamad, A. A., Ramayah, T., & Lo, M. C. (2020). Sustainable knowledge management and firm innovativeness: The contingent role of innovative culture. *Sustainability, 12*(17), 6910.

Muller, C. C., & Woods, R. H. (1994). An expanded restaurant typology. *Cornell Hotel and Restaurant Administration Quarterly*, *35*(3), 27-37.

Ofosu-Boateng, I., & Acquaye, P. (2020). Effects of service quality and customer satisfaction on customers' loyalty in the hospitality industry of Ghana. *European Journal of Business and Management Research*, *5*(5).

Oliver, R. L., Rust, R. T., & Varki, S. (1997). Customer delight: Foundations, findings, and managerial insight. *Journal of Retailing, 73*(3), 311-336.

Petzer, D. J., & Roberts-Lombard, M. (2021). Delight and commitment—revisiting the satisfaction-loyalty link. *Journal of Relationship Marketing, 20*(4), 282-318.

Ryu, K., Han, H., & Jang, S. (2010). Relationships among hedonic and utilitarian values, satisfaction and behavioral intentions in the fast-casual restaurant industry. *International Journal of Contemporary Hospitality Management, 22*(3), 416-432.

Sáenz, J., Alcalde-Heras, H., Aramburu, N., & Buenechea-Elberdin, M. (2024). Boosting innovativeness in organic farming: the role of external relational capital. *Journal of Intellectual Capital, 25(*1), 143-165.

Şahin, A., Çolakoğlu, Ü., & Özdoğan, O. N. (2021). A research on customer experiences and perceptions for Michelin starred restaurants. *Journal of Multidisciplinary Academic Tourism*, *6*(1), 61-72.

Selmi, N., Kamoun, M., & Soliman, M. (2024). Capturing customer delight in hotels: key drivers and consequences. *Anatolia*, 1-14.

Singh, V., Sharma, M. P., Jayapriya, K., Kumar, B. K., Chander, M. A. R. N., & Kumar, B. R. (2023). Service quality, customer satisfaction and customer loyalty: A comprehensive literature review. *Journal of Survey in Fisheries Sciences*, 10(4S), 3457-3464.

Sun, X., Pelet, J. É., Dai, S., & Ma, Y. (2023). The Effects of Trust, Perceived Risk, Innovativeness, and Deal Proneness on Consumers' Purchasing Behavior in the Livestreaming Social Commerce Context. *Sustainability, 15*(23), 16320.

Tai, Y. F., Wang, Y. C., & Luo, C. C. (2021). Technology-or human-related service innovation? Enhancing customer satisfaction, delight, and loyalty in the hospitality industry. *Service Business, 15*, 667-694.

Trivedi, K., & Srivastava, K. B. (2022). The role of knowledge management processes in leveraging competitive strategies to achieve firm innovativeness. *The Bottom Line*, *35*(2/3), 53-72.

Torres, E. N., & Kline, S. (2006). From satisfaction to delight: a model for the hotel industry. *International Journal of Contemporary Hospitality Management, 18*(4), 290-301.

Truong, N., Dang-Pham, D., McClelland, R., & Nkhoma, M. (2020). Exploring the impact of innovativeness of hospitality service operation on customer satisfaction. *Operations and Supply Chain Management: An International Journal, 13*(3), 307-319.

Tsai, K. H., & Yang, S. Y. (2014). The contingent value of firm innovativeness for business performance under environmental turbulence. International *Entrepreneurship and Management Journal, 10*, 343-366.

Vo-Thanh, T., Vu, T. V., Nguyen, N. P., Nguyen, D. V., Zaman, M., & Chi, H. (2022). COVID-19, frontline hotel employees' perceived job insecurity and emotional exhaustion: Does trade union support matter?. *Journal of Sustainable Tourism*, *30*(6), 1159-1176.

Walls, A. R., Okumus, F., Wang, Y. R., & Kwun, D. J. W. (2011). An epistemological view of consumer experiences. *International Journal of Hospitality Management, 30*(1), 10-21.

Walker, J. R., & Lundberg, D. E. (2005). *The restaurant: from concept to operation*, (3rd Ed.) New York: John Wiley and Sons, Inc.

Widyowati, P. H., Antonio, F., & Andy, A. (2023). Linking Patient Experience to Customer Delight in the Private Laboratory Service. *Administrative Sciences*, *13*(3), 71.

Yen, C. H., Teng, H. Y., & Tzeng, J. C. (2020). Innovativeness and customer value co-creation behaviors: Mediating role of customer engagement. *International Journal of Hospitality Management*, *88*, 102514.