



جامعة تكنولوجى مارا  
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**EXPLORING FACTORS AFFECTING PRODUCT  
INNOVATION: OSCAPOWER SDN BHD IN MENGGATAL,  
SABAH.**

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## CHAPTER 1

### INTRODUCTION

#### 1.1 Background of Study

The role of product innovation management has been placed as a potential source of competitive advantage which ranges from the example of successful practices; new approaches to product innovation emerged calling for an enlargement of the standard boundaries of product innovation (Corso & Pavesi, 2000). However, it is a challenging task because it requires new skills and competencies at all levels within the organization. The fast changes in the international market and technological trend causes pressure to scholars and practitioners to become aware of the price, quality, and speed in the product development.

Khin et al. (2010) found that it is important to have innovative products within the industry, and customers gain advantages either from the edges of the new style, function or feature. This will become the company's differentiation in order to create innovation and gaining a competitive advantage over competitors. Innovation strategy can also be inspired by customers, method or pioneer (Lynn & Akgun, 1998).

Besides, globalization conjointly permits companies to allocate their internal resources as the source of competitive advantage (Barney, 1999) that will produce uniqueness for the companies to compete with competitors and may directly assure the superior corporate performance. Further, low-cost advantage and differentiation advantage is the two main dimensions of a competitive advantage (Porter, 1980). In order to realize a competitive advantage, an organization needs to have their own capability which will become their core competency. Companies need to fight for competitiveness by benchmarking their assets, method, and performance associated with the superiority of the best product in their industry (Nuryakin, 2018).

A company first must learn what factors are needed to produce a new product. Companies need to understand that the range of acceptance or applying new ideas to their

businesses will determine the level of innovation. Thus, it will contribute to the success of the organizations.

Therefore, this study will explore the factors that affect product innovation of OSCAPOWER SDN BHD in Menggatal, Sabah.

## **1.2 Company Background**



**Oscapower Sdn Bhd** was incorporated in 1999 with the aim to contribute to the construction industry in Malaysia by providing professional services and quality work. The company provides expertise in the field of construction in civil and structural engineering, mechanical and electrical engineering that meets the needs of telecommunication companies and service providers.

Since their establishment, they have been involved in telecommunications, industrial and commercial projects throughout Sabah, Sarawak and Peninsular Malaysia. They are also the turnkey contractors for leading telecommunication operators and telecommunication equipment vendors throughout Sabah, Sarawak and Peninsular Malaysia.

### **Mission:**

Their mission is to contribute to the construction industry and in the field of telecommunications services in Malaysia by providing professional services in Civil, Mechanical and Electrical engineering (CME), to ensure their work meets the clients' specifications and industrial standards.