

Innovation Practices and Malay Restaurant Business Growth Performance

Journal of Tourism, Hospitality & Culinary Arts (JTHCA)
2023, Vol. 15 (2) pp 226-242
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UITM Press
Submit date: 25th November 2023
Accept date: 15th December 2023
Publish date: 30th December 2023

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Proposed citation:

Abdullah, R.P.S.R., Isa, S.S., & Arifin, H.F. (2023). Innovation Practices and Malay Restaurant Business Growth Performance. *Journal of Tourism, Hospitality & Culinary Arts*, 15(2), 226-242

Abstract

The restaurant sector is experiencing a fast and unpredictable evolution, resulting in varying levels of economic expansion. Undeniably, it is one of the most rapidly expanding sub-sectors within the hospitality and tourism industries. The rapid advancement of new technology is responsible for this expansion since it improves customer service and expands the selection of products. Malaysia is a diverse country with a multicultural and multi-ethnic population consisting of several ethnic groups, including Malays, Chinese, Indians, and others. Despite the fact that Malay is the biggest ethnic group in Malaysia, it is improbable that this particular ethnic restaurant would prosper in its economic endeavours. This implies that Malay restaurants have shortcomings in several areas, which limits the industry's ability to expand and thrive. The aim of this study is to investigate the correlation and viewpoints of Malay restaurant managers and owners on innovation practices and their influence on company growth performance, eventually resulting in enhanced customer service and heightened profitability. The findings from the surveys, in which 440 restaurant managers and owners participated, indicate that the implementation of innovative methods has a significant influence on the business's growing performance.

Keywords:

Malay Restaurants, Innovation Practices, Business Growth Performance

1 Introduction

Research and Markets (2019) estimates that the size of the worldwide foodservice market was USD3.4 trillion in 2018 and is projected to grow to USD4.2 trillion by 2024, with a compound annual growth rate (CAGR) of 3.6% from 2019 to 2024. In 2018, the restaurant industry in Malaysia generated a revenue of USD 12.6 billion, with a compound annual growth rate of 5.5% from 2014 to 2018. This makes it the largest sub-sector in the country's foodservice industry. The restaurant business in Malaysia is projected to have a value of USD 24.8 billion by 2023, with a compound annual growth rate of 4.3% from 2019 to 2023. According to Dinar Standard (2019), global spending on food by Muslims is projected to rise from USD1.4 trillion in 2018 to USD2.0 trillion by 2024. In recent years, the Malaysian restaurant business has witnessed substantial expansion, characterized by a rising influx of Malay eateries into the market.

Malay cuisine has an extensive and opulent gastronomic history that mirrors Malaysia's multifaceted cultural legacy. Malay restaurants in Malaysia have a crucial function in conserving and advancing traditional cuisine for both residents and visitors. Malay cuisine's distinctive combination of tastes, spices, and ingredients has garnered global acclaim, while Malaysian restaurants have been acknowledged as a major driving force behind the country's tourist sector. Malaysian cuisine is a prominent draw for visitors visiting Malaysia, as stated by the Malaysian Ministry of Tourism, Arts, and Culture. Food tourism is a burgeoning trend in the country, according to the same source (Malaysian Ministry of Tourism, Arts, and Culture, 2021). Malay restaurants in Malaysia provide a vast selection of cuisine, encompassing both traditional and contemporary interpretations, to cater to a wide spectrum of clients. The significance of accurately identifying the appropriate innovation strategies for enhancing company growth in Malay restaurants remains largely unexplored due to the new emergence of this practice and the scarcity of research in this field. The literature lacks the ability to accurately identify and measure the factors that are impacting innovation practices and company success in the rising Malaysian market. The Malaysian restaurant industry has experienced significant trends and challenges, according to a 2021 investigation by Euromonitor International. According to the study, the market will continue to grow gradually in the coming years as a result of the rising demand for convenience and novel eating experiences. Nevertheless, the sector has obstacles such as escalating expenses, evolving customer habits, and fierce rivalry from both local and global participants. Malaysia is a diverse nation with a heterogeneous and cosmopolitan population, consisting of several ethnic groups, including Malays, Chinese, Indians, and others. Although the Malays hold the majority in Malaysia, it is improbable that this ethnic restaurant would prosper in the industry. There is a possibility that Malay restaurants are still lacking in many areas, which restricts the potential of the business to grow and become successful.

2 Literature Review

2.1 Foodservice Industry in Malaysia

Malaysia is a country with a diverse culinary culture, and its restaurant industry is a significant part of its economy. The restaurant scene in Malaysia offers a wide variety of cuisines, from traditional Malay dishes to international fare. The restaurant industry in Malaysia is growing at a steady pace. Malaysian cuisine is heavily influenced by Malay, Chinese, and Indian cultures. According to the Malaysian Association of Hotels, the hotel and restaurant sub-sector of the foodservice industry generated RM25.2 billion (US\$ 6.2 billion) in revenue in 2019, with 4-star and 5-star hotels accounting for a significant portion of this revenue (Malaysian Association of Hotels, 2020). Fast food restaurants and other limited-service establishments have also continued to grow in popularity, with global chains such as McDonald's and KFC expanding their presence in the country. As a result, the restaurant scene in Malaysia is quite diverse, with a wide range of cuisines and flavours to choose from. Some of the most popular types of restaurants in Malaysia include street food stalls, coffee shops, hawker centres, fast food chains, and fine dining establishments. The foodservice industry is an important sector in Malaysia, contributing significantly to the country's economy and providing employment opportunities for millions of people. There are currently over 200,000 foodservice establishments in Malaysia, including restaurants, cafes, food trucks, and other businesses (Malaysia Ministry of Tourism, Arts, and Culture, 2019). The industry provides employment opportunities for over 1.5 million people, making it one of the largest employers in the country (Malaysia Ministry of Tourism, Arts, and Culture, 2019). The foodservice industry plays a vital role in the Malaysian economy, contributing to job creation, tourism, and overall economic growth. According to the Department of Statistics Malaysia, the food and beverage services sub-sector of the industry generated RM32.9 billion (US\$ 8.1 billion) in value added in 2019, representing a significant contribution to the country's gross domestic product (Department of Statistics Malaysia, 2020). In addition, the industry supports a wide range of other sectors, from agriculture to transportation and logistics.

Throughout the last several decades, the foodservice sector in Malaysia has experienced substantial transformations and developments. Historically, street vendors and smaller-scale hawkers dominated the industry. These individuals' provided customers with a selection of regional foods to choose from. Nevertheless, with the expansion of the country's economy and the rise in urbanization, the sector has transitioned towards more organized and regulated establishments, such as restaurants and cafés. According to a report by the World Tourism Organization (2021), food and beverage services account for over 30% of total tourist spending, making it a major contributor to the global tourism industry. There have been numerous changes in the restaurant industry throughout the last century and decade, including an increase in the variety of available restaurants. In a hurry, the restaurant transformed from posh to fast food to speciality, theme, ethnic, informal, and a mashup of several categories (Othman

et al., 2019). The foodservice sector is a significant contributor to the Malaysian economy, playing a crucial role in employment development, income production, and tourism. Furthermore, the business plays a crucial role in showcasing the country's distinct cuisine and culinary customs to both local and global customers. Today, the foodservice industry employs over 1 million Malaysians and generates more than RM80 billion (US\$20 billion) in annual sales (Department of Statistics Malaysia, 2020).

2.2 Innovation Practices and Business Growth Performance

Innovation is a vital driver for the growth and progress of businesses. Empirical evidence has shown that both product innovation and process innovation exert a substantial influence on the expansion of a business. According to Hall and Williams (2008), innovation is the development, approval, and use of novel ideas, methods, products, services, or technologies that have gained acceptance from the general public, markets, governments, and society at large. There are numerous types of innovation in the service industry, including product and service innovation, innovation based on changes to a product or service, innovation in methods and management, process and organizational innovation, and architectural innovation (Gallouj, 1998). Incorporating an innovative aspect into a company's offerings will help the company to expand. In a broader sense, innovation contributes to the management of service industries and thereby increases the economic impact (Su, 2011). Innovation also indicates the company's originality; therefore, it distinguishes one company from the rest. When the innovation aspect is implemented, it influences the product or service that is supplied to the client. All businesses will be the same without service innovation. As a result, there is not much that sets them apart. In such a scenario, the restaurant industry's development and expansion would be slowed, which would have a significant economic impact (Su, 2011).

The restaurant industry has long been considered a low-research-intensity sector in innovative research (Martinez & Briz, 2011). In addition, several studies have investigated the effect of industry characteristics and a firm's size on the association between process innovation and business growth performance. For instance, Faria et al. (2019) found that the positive impact of process innovation on a firm's growth is more pronounced in high-tech industries. Recent research by Wang et al. (2021) examined the effect of innovation on business performance in the Chinese hospitality and foodservice industries. In an array of industries, including the hospitality and foodservice industries, innovation practices have been identified as essential growth and performance drivers. For instance, a study by Wang et al. (2021) on the effect of innovation on business performance in the hospitality and foodservice industries have found that firms that engage in innovation practices, such as product and process innovation, are more likely to achieve higher revenue, profitability, customer satisfaction, and loyalty. According to the study, innovation practices enable businesses to differentiate themselves from their competitors, thus, improve their operational efficiency and enhance the quality of their

products or services, all of which contribute to an enhanced business growth performance. The hospitality and foodservice industries are highly competitive and are swiftly evolving sectors that require constant innovation to remain successful.

It has been demonstrated that product innovation and process innovation have a significant impact on business growth. This literature review will focus specifically on product innovation and process innovation studies that investigate the relationship between innovation practices and business growth performance. Several studies have investigated the correlation between product innovation and business expansion. Hervas-Oliver et al. (2018) discovered that product innovation has a beneficial effect on a company's growth in terms of both revenue and employment. Similarly, Wu et al. (2019) discover that product innovation positively affects the financial performance of businesses. In addition, a few studies have investigated the association between product innovation and business growth performance. For instance, Loof and Heshmati (2006) found that the positive effect of product innovation on firm growth is more pronounced in industries with a high concentration of knowledge. Product innovation refers to the process of developing and introducing novel or improved products or services. Product innovation is recognized as a crucial element in improving a company's performance and competitiveness across different industries (Chen et al., 2018; Huang & Chen, 2020; Jiao et al., 2021). Several research studies have investigated the influence of product innovation on the operational effectiveness of the hotel and foodservice sectors. Kim et al. (2018) performed a study on the correlation between product innovation and business success in Korean restaurant enterprises. According to their findings, increased sales growth and customer satisfaction are two signs that product innovation has a positive effect on business performance. The company's growth performance is determined by the firm's capacity to increase its profits using both qualitative and quantitative indicators, which are not related to accounting or finance (Aragón-Sánchez & Sánchez-Marín, 2005).

Process innovation refers to the creation and implementation of new or enhanced production processes or techniques. Multiple studies have examined the connection between process innovation and business growth performance. For instance, a study by Cefis and Marsili (2006) have discovered that process innovation has a positive impact on the sales and employment growth of a company. Similarly, Drejer (2004) discover that process innovation positively affects productivity and profitability. The organizations' ability to balance their social and technical systems will determine their level of innovativeness and performance. One research field seen in recent innovation literature tries to determine how types of innovation are connected to organizational success. Although there are many theoretical investigations, both analytical and empirical studies are scant, with little research conducted in terms of numbers and the investigation's scope and depth. Jin et al.'s (2004) study is the only study that thoroughly investigated the connection between organizational performance and innovation. Process innovation encompasses the creation of novel or enhanced processes,

methodologies, or strategies for the production of commodities or the provision of services (Damanpour, 2014).

Business growth performance pertains to a company's capacity to progressively enhance its revenue, profitability, market share, client base, and other significant performance metrics. It quantifies a company's achievement in attaining long-term growth and enhancing its competitive standing in the market. Longenecker et al. (2018) define business growth performance as the capacity of a company to increase its sales and earnings at a pace that surpasses the average growth rate of its industry. The authors emphasize that achieving sustainable growth necessitates a company's ability to effectively allocate resources towards human capital, operational procedures, and technological advancements while simultaneously mitigating risks and flexibly adjusting to evolving market dynamics. According to Kotler and Armstrong (2021), business growth performance refers to the speed at which a company's sales and earnings are increasing over a period of time. The authors highlight the need for establishing explicit development goals, formulating efficient methods, and closely monitoring key performance indicators to ensure the organization is making progress towards its growth aims. The hotel and foodservice industries are fiercely competitive and rapidly developing businesses that need continuous innovation to sustain success. In a recent study, Wang et al. (2021) looked into how innovation affected business performance in the Chinese hotel and foodservice industries. In several sectors, such as hospitality and foodservice, the use of innovative methods has been recognized as crucial for driving development and enhancing performance. Several studies have examined the impact of innovation methods, such as product and process innovation, on the growth performance of companies in this industry. Wang et al. (2021) conducted a study to look at how innovation affects the performance of businesses in the hospitality and foodservice industries. The findings revealed that organizations that actively pursue innovation through practices like product and process innovation are more likely to experience increased revenue, profitability, customer satisfaction, and customer loyalty. The study suggests that using innovative techniques allows organizations to distinguish themselves from rivals, leading to improved operational efficiency and higher product or service quality. These factors collectively contribute to enhanced business growth performance.

3 Methodology

The sample units consist of Malay restaurants situated in Selangor and Wilayah Persekutuan. The study delineated these regions as the geographical boundaries, and all the Malay restaurants situated within those regions were chosen as the sampling units. Purposive sampling is a way of selecting participants for research based on specific qualities or criteria that are directly related to the research issue. It is a non-probability sampling technique. In this study, criterion sampling is employed, which is the selection of participants based on specified criteria, such as age, gender, employment, or other

pertinent factors. Criterion sampling is a form of purposive sampling where participants are chosen based on specified criteria or traits that are pertinent to the study topic or hypothesis. This approach is frequently employed in quantitative research, such as surveys or experiments. Therefore, the sample frame for this study comprises a comprehensive list of Malay restaurants located in the Selangor and Wilayah Persekutuan regions. Information was collected from selected Malay restaurants that were classified as ethnic restaurants. The categorization of these Malay restaurants was determined by the following criteria: shared concept, comparable measurements, uniform pricing range, same menu offerings, and similar market segments. A further requirement for choosing the restaurant is that it must have a minimum operational history of three years and a workforce of at least ten employees. The data was obtained from the individual responsible for managing the restaurants. The manager or co-owner who has worked at the restaurant minimum three years and who possesses significant business expertise and understanding about the overall operation of the establishment might be the person in charge. The selected participants in this study are the primary focus of research, aiming to determine the extent to which Malay restaurant management comprehends the significance of innovation practices in enhancing the business growth performance of the restaurant.

4 Findings

4.1 Profile of the respondents

The characteristics of the respondents are presented in Table 1, which also includes a decomposition of the elements into category categories. The gender distribution of the 440 people who responded was almost exactly equal, with 47.5% of them being male and 52.5% being female. Nearly half of the respondents were between the ages of 45 and 54, and 27.5% were between the ages of 55 and 64. During this time, the majority of respondents (47.5% of them) completed the certificate and diploma programs, and 32.5% of them graduated. Of those who worked in restaurants, 40% were managers, and 55% had been employed in the hospitality business for three to six years. In the second part of this research project, broad demographic information that pertains to restaurants is sought. Over 55% of individuals who were polled stated that an existing concept was the impetus for the founding of their specific restaurant in Malaysia. On the other hand, 42.5% of respondents claim that their company is a formal partnership and that it has been operating for between three and five years (62.5%). Specifically, the opinions of respondents about the management of restaurants in general and the conditions of the market are presented in Section C. While carefully developing new items or services, the majority of restaurants (47.5% of them) continue to maintain products or services that are generally stable in the market. The majority of them (57.5%) agree that the most successful restaurant innovation approach is to react to the situation. On the other hand, 42.5% of restaurant entrepreneurs say that their establishment has always provided reliable goods, services, procedures, or

organizational structures throughout the span of the past three years. In general, customers are considered to be the main driving force behind the restaurant's innovation techniques, making up 40% of the total. New goods are the primary platform for their restaurant's innovation practices, which account for 25%. The proportion of crucial sources of original concepts for restaurants that the market and the client share (42.5%) is the same.

Table 1: Profile of the Respondents (N=440)

Respondent's Profile	Number	Percentage
Section A: General Individual's Demographic Information		
1. Gender		
• Male	209	47.5
• Female	231	52.5
2. Age		
• 32-44	77	17.5
• 45-54	242	55.0
• 55-64	121	27.5
3. Education		
• Secondary school	66	15.0
• Professional Certificate	22	2.0
• Certificate/Diploma	209	47.5
• Bachelor	143	32.5
4. Role in the restaurant		
• Managing Director/Owner	121	27.5
• Head/Senior Manager	143	32.5
• Manager	176	40.0
5. How long have you been working in the restaurant industry?		
• 3-6 years	242	55.0
• 7-10 years	132	30.0
• More than 10	66	15.0
Section B: General Firm's Demographic Information		
6. How would you describe your current business?		
• Original concept (never existed in or out of Malaysia)	121	27.5
• Originated from an existing concept in Malaysia.	242	55.0
• Originated from an existing concept outside Malaysia	77	17.5
7. Restaurant's legal status		
• Sole proprietorship	143	32.5
• Joint Liability	110	25.0
• Partnership	187	42.5
8. Number of employees		
• 10-25	264	60.0
• 26-50	176	40.0
9. When was this restaurant established?		
• 3-5 years	275	62.5
• 6-10 years	165	37.5
Section C: General Restaurant's Business Management & Market Environments		
10. Which statement best describes your restaurant's strategic orientation in the last three years?		
	110	25.0

• Often make changes and improvements in products or services	209	47.5
• Maintain moderately stable products or services for the market, while selectively developing new products or services.	77	17.5
• Provide moderately stable products or services for the market not interested in changes.	44	10.0
• Provide stable products or services for the market.		
11. What do you consider the ideal innovation strategy for your restaurant to be?		
• Proactive	187	42.5
• Reactive	253	57.5
12. Which statement best describes your firm's innovation type in the last three years?		
• Improve and modify existing products, services, processes, or organizational management systems.	121	27.5
• Introduce new products, services, processes, or organizational management systems.	132	30.0
• Provide stable products, services, processes, or organizational systems.	187	42.5
13. What are the drivers of innovation practices in your restaurants?		
• Growth	77	17.5
• Customers	176	40.0
• Market	88	20.0
• Technology	99	22.5
14. What are the platforms of innovation practices in your restaurants?	110	25.0
• New products	33	7.5
• New services	66	15.0
• New processes	88	20.0
• Cost reduction	11	2.5
• Customer added value.	44	10.0
• Market competition	88	20.0
• Market demand		
15. Which groups are important sources of innovative ideas for your restaurant?		
• Academic and research institutions	33	7.5
• Employees	33	7.5
• Market	187	42.5
• Customer	187	42.5

4.1.1 The relationship between innovation practices and business growth performance.

Table 2: Model Summary for relationship between innovation practices and business growth performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.813 ^a	.661	.660	1.18992

a. Predictors: (Constant) Total ROI, Total Innovation Practices

The analysis presented is a summary of a linear regression model that aims to predict the Total Innovation Practices variable based on the Total ROI predictor variable. The correlation coefficient between total ROI and total innovation practices is 0.813, indicating a strong positive linear relationship between the two variables. The R square value of the model is 0.661, indicating that the Total ROI predictor variable can account for about 66.1% of the variance in the Total Innovation Practices variable. This means that the model has strong predictive power and can explain a significant amount of the variation in the dependent variable. The adjusted R square value is 0.660, indicating that including Total ROI as a predictor has slightly improved the model's ability to predict Total Innovation Practices. The standard error of the estimate is 1.18992, which represents the average difference between the actual values of the dependent variable and the predicted values by the regression model. A lower value indicates a more accurate prediction. Overall, the analysis suggests that the model has strong predictive power, and total ROI is a significant predictor of total innovation practices. The adjusted R square value suggests that the inclusion of total ROI in the model has slightly improved its predictive ability. However, it is important to note that other factors that have not been included in the model may also contribute to the variation in the dependent variable.

Table 3: ANOVA^a for the relationship between Total ROI and Total Innovation Practices

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1207.443	1	1207.443	852.763	<.001 ^b
	Residual	620.173	438	1.416		
	Total	1827.616	439			

a. Dependent Variable: Total ROI

b. Predictors: (Constant), Total Innovation Practices

The analysis results in Table 3 provide information about the relationship between total ROI and total innovation practices. The ANOVA table shows that the regression model is significant with an F-value of 852.763 and a p-value of less than 0.001, indicating that the regression model is significant. The coefficients in Table 3 show that the unstandardized regression coefficient for Total Innovation Practices is 0.876, which indicates that for each unit increase in Total Innovation Practices, Total ROI is predicted to increase by 0.876 units, holding all other variables constant. The t-value of 29.216 for the coefficient is significant at $p < 0.001$, indicating that the coefficient is significantly different from zero. The standardized coefficient (beta) is 0.812, indicating that total innovation practices have a relatively strong positive effect on total ROI.

Table 4: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1	(Constant)	1.603	.356		4.501	<.001
	Total Innovation Practices	.560	.019	.813	29.202	<.001

a. Dependent Variable: Total ROI

This table shows the coefficients for the linear regression model, with total ROI as the dependent variable and total innovation practices as the predictor variable. The first row of the table shows the intercept value, or constant term, which is 1.603. The second row shows the coefficient value for Total Innovation Practices, which is 0.560. The standardized coefficients column shows the beta value or the standardized coefficient value for Total Innovation Practices. The beta value represents the change in standard deviation of the dependent variable for a one-unit change in the independent variable. In this case, the beta value is 0.813, which means that a one-unit increase in Total Innovation Practices leads to an increase of 0.813 standard deviations in Total ROI. The beta value indicates the relative strength of the effect of each independent variable on the dependent variable after controlling for the effects of other variables in the model. In this case, the beta value of 0.813 suggests that 'total ROI' has a strong positive relationship with total innovation practices. The t-value column shows the t-value for the coefficient estimates, and the significance column shows the p-value for the t-test. In this case, the t-value for Total Innovation Practices is 29.202, and the p-value is less than 0.001, indicating that the coefficient estimate is statistically significant. Overall, this table suggests that there is a strong positive relationship between total innovation practices and total ROI, with higher levels of innovation practices associated with higher levels of ROI.

4.1.2 The impact of innovation practices on business growth performance in Malay Restaurants.

This research focused on analysing two types of innovation practices: product innovation and process innovation. The owners and managers of the Malay restaurants concur that the implementation of innovative practices is a factor that influences the growing performance of their establishments. Lee et al. (2016) reveals the correlation between innovation techniques in the restaurant sector and the resulting results in company growth. Studies indicate that engaging in innovative practices within the restaurant industry, such as introducing new products, services, procedures, management approaches, and marketing tactics, has a favourable impact on the overall performance of the restaurant. To conclude, there is a substantial body of research indicating a significant association between innovation techniques and firm growth success. Innovation has the potential to stimulate growth and achieve financial prosperity, especially in industries that are experiencing instability and swift transformations. Businesses that place a high value on engaging in innovation activities are more likely to achieve growth and gain a competitive edge.

The data study reveals a strong correlation between innovation activities and business accomplishments. There is substantial data that supports the claim that there is a significant correlation between innovation practices and business growth performance. Numerous studies have demonstrated that businesses that place an emphasis on innovation are more likely to enjoy growth and financial success. An empirical investigation conducted by Hossain and Kiani (2021) showed a favourable correlation between the use of innovative methods and the growth of businesses operating within the Bangladeshi pharmaceutical industry. The study revealed a notable positive correlation between business growth performance and innovation in the form of product innovation, process innovation, and organizational innovation. Hence, the authors have deduced that innovation is vital for the expansion and triumph of pharmaceutical companies in Bangladesh. Furthermore, research conducted by Kim and Phillips (2019) has discovered that innovation has a beneficial impact on the financial performance of companies in Korea. The study demonstrated that companies that prioritize innovation activities, such as investing in research and development, filing for patents, and implementing innovation-related human resource management techniques, achieved superior financial success compared to those that did not emphasize such activities. Moreover, research conducted by Calderón-Monge et al. (2020) reveals that the implementation of innovative techniques has a beneficial influence on the export performance of companies in Costa Rica. The authors' conclusion is that companies that allocate resources to innovation endeavours have a higher probability of creating novel items and services, thereby resulting in augmented exports and expansion.

5 Conclusion

The research investigates the influence of innovative practices on the business growth performance of Malay restaurants. Primarily, the study may assist Malay

restaurant owners and managers in comprehending the significance of using innovative techniques to attain business growth performance. The study revealed that the implementation of innovative methods, such as product innovation and process innovation, has a substantial influence on the business growth performance of Malay restaurants. Owners and managers may make well-informed judgments regarding their business plans by comprehending the influence of these aspects. Additionally, the study may assist proprietors and administrators of Malay restaurants in pinpointing particular domains where they can concentrate their endeavours to enhance business growth performance. For instance, the study revealed that product innovation has a substantial and favourable effect on business growth performance, particularly on the return on investment. Thus, the owners and managers may concentrate on executing product innovation methods, such as enhancing production efficiency, menu engineering planning, introducing new menu development, and market segmentation, in order to enhance business growth performance. The study's findings on the role of innovation in driving business growth performance have various real-world applications for Malay restaurant owners and managers. The results of the research can provide owners and managers with the information they need to make educated decisions regarding their business plans, pinpoint particular areas in which they can improve, respond to changes that have an impact on the growing performance of their businesses, and ensure the long-term viability of their restaurants.

5.1 Implications of the study

The findings of the study on the impact of innovative techniques on the business growth performance of Malay restaurants can be beneficial to a variety of entities. These entities consist of the owners and managers of Malay restaurants, as well as policymakers and government agencies, investors and lenders, and customers. Policymakers and government organizations can utilize the study's results to develop policies and programs that foster the expansion of the Malay restaurant sector. The study can provide valuable insights to policymakers and government agencies on the significance of innovative methods in fostering industrial growth. The research can provide valuable insights for policymakers and government agencies, enabling them to formulate effective policies and programs that foster industry expansion. This may involve offering incentives to encourage innovation, enhancing infrastructure, and allocating financial resources to facilitate corporate growth.

This study offers valuable insights into the determinants that influence the business growth performance of Malay restaurants. It can assist investors and lenders in evaluating the possible risks and advantages associated with investing in or providing loans to these establishments. The research aims to enhance the experience of consumers in Malay restaurants by advocating the implementation of innovative techniques, including product and process innovation, to enhance the overall quality of the food and services provided by these establishments. Through the promotion of

innovative techniques, consumers may reap the advantages of enhanced quality and a wider range of cuisine and services provided by Malay restaurants. In summary, the study's results might be advantageous to many organizations, as they offer valuable insights into the elements influencing the commercial growth of Malay restaurants and suggest measures to enhance their performance.

5.2 Limitations of the study and Future Recommendations

This study has several limitations. In addition, a long-term study would be beneficial in determining the influence of innovative activities on performance outcomes. It is impossible to accurately assess the long-term financial impact of any investment in the short term. A recent study sought information on innovative practice and performance over the past three years, thus underestimating the actual impact. Therefore, the researcher must proceed with caution when interpreting the results of this study because of the limitations that are associated with subjective measures. The possibility of doing a similar study with some extra enhancements owing to the changes in the restaurant sector would be of particular interest in the future. Diversifying the sources of data would allow for more objective financial facts to be combined with managerial viewpoints. Further research into innovation activity (e.g., exploring CIS innovation typology, evaluating the impact of more specific factors impacting innovation, such as customer orientation and human capital), and applying different models of innovation activity measurement in other types of restaurants would be interesting. Qualitative methods, such as interviews and case studies, may also be used in addition to quantitative ones. The implementation of longitudinal studies could be an equally useful future development, especially if the major focus is on analysing the influence of innovative activities on restaurants' performance. A further limitation of the study is that it focuses on a single type of restaurant, namely, the Malay restaurants that are a component of the ethnic group segment. This is going to limit the results, as only responses from these types of restaurants have been collected and analysed.

Future research might target various kinds of restaurants or other segments of the foodservice industry, such as the non-commercial segments, so that the findings may benefit non-profit organizations in better developing and managing their strategies for sustaining non-commercial foodservice operations. Future studies on restaurant innovation should focus on understanding human resources in relation to restaurant segmentation. More studies on the impact of innovation on performance and diverse types of performance are encouraged to provide better knowledge of the entire innovation process. It is critical to replicate past research's measurement of innovation activity in several areas with the intent of achieving data that can be compared. It is still challenging to find a comprehensive literature review on Malay restaurants, particularly one that focuses on innovation. Future research should concentrate on aspects of innovation practice that the researchers have not yet examined. Focusing on the customer's perception and the involvement of government entities in Malay restaurant

innovation practices are two themes that can be investigated in a more detailed manner. This study has an excellent possibility of becoming a significant source of information for those who are involved with the restaurant business as well as other professionals in the foodservice industry. The significance of innovativeness and a deeper understanding of innovation practices and the sustainability of Malaysia's restaurant industry are the most important practical results. It is essential, in order to accelerate the process of innovation, that Malay restaurants foster an imaginative mentality and openness in their establishments, as well as an ongoing support system and an understanding of the significance of innovation. These findings may imply that, when investing in innovation, it may not be possible to see a significant influence on financial performance in the immediate term. Rather, innovation may initially have a positive impact on nonfinancial performance, which can then be translated into financial profits later.

6 About the author

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7 Acknowledgements

This research was funded by the Ministry of Higher Education, Malaysia through Universiti Teknologi MARA under FRGS (Fundamental Research Grant Scheme) grant: FRGS/1/2018/SS08/UITM/03/2

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