

UNIVERSITI TEKNOLOGI MARA

**THE ANALYSIS ON INNOVATION,
STRATEGIC MARKETING,
MARKET TURBULENCE, AND ITS
INFLUENCE ON PERFORMANCE
OF THE MALAYSIAN HALAL F&B
COMPANIES**

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AUTHOR'S DECLARATION

I declare that the work in this thesis was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

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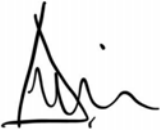
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ABSTRACT

Innovation and strategic marketing have been identified in many literatures as the source for performance growth of companies. With Malaysia's position as one of the leaders in the global halal industry, Malaysia halal companies are pressed to continue their market presence and growth especially with the surge of production cost and intensifying competition. However, the performance of Malaysia halal F&B companies is impeded by issues surrounding innovation and marketing such as low level of innovation, competitiveness and commercialisation. In understanding these problems, the study focused on the relationship between innovation and strategic marketing with regards to companies' performance of the Malaysia halal F&B companies which will be moderated by market turbulence. In this research, the sampling consists of 386 Malaysian companies from the halal F&B industry. In order to determine the interrelation of the variables, a Pearson's bivariate correlation analysis was conducted using the data collected in this study. This is followed by multiple regressions analysis, which was used to test the level of influence of the independent variables and companies' performance. The first research objective is to study the relationship between innovation dimensions and performance. The second research objective is to study the relationship between strategic marketing dimensions (Independent Variable) and company's performance. Finally, for the third research objective, a hierarchical multiple regression was conducted to examine the moderating effects of market turbulence on the relationship between independent variables (innovation type, innovation capability, innovation challenges, innovation drivers and strategic marketing) and dependent variable (companies' performance). From the findings, it can be concluded that Malaysian companies especially the SMEs emphasize on technological type innovation to ensure their performance in the market. The companies are leveraging on their internal capabilities such as human resource talents, and technology, to venture in various innovation type as a strategic tool for sustainable growth. The study also highlighted on the stressed given by Malaysia halal F&B companies on operational marketing and strategic marketing drivers in ensuring the growth of their business activities performance. Another important finding of the study is that even though Malaysia halal F&B companies emphasised on technological innovation, under the presence of market turbulence, the technological innovation has to be supported through non-technological innovations such as innovation in marketing or business model innovation. Lastly, in the context of innovation, Malaysian halal F&B companies are looking at strategic marketing especially operational marketing and strategic marketing drivers as important factors for business performance sustainability such as in the area of commercialisation of new products, branding and product development. Besides consolidating the existing theory on the importance of innovation and strategic marketing for explaining a variation in companies' performance and the moderating role of market turbulence in the relationship, the findings of this study also reinforce the view of the industry and policy makers on the critical role of innovation and strategic marketing in company's performance (financial and non-financial) and towards developing the halal F&B industry in Malaysia.

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TABLE OF CONTENT

	Page
CONFIRMATION BY PANEL OF EXAMINERS	ii
AUTHOR'S DECLARATION	iii
ABSTRACT	iv
ACKNOWLEDGEMENTS	v
TABLE OF CONTENT	vi
LIST OF TABLES	xi
LIST OF FIGURES	xiii
LIST OF ABBREVIATIONS	xiv
CHAPTER ONE INTRODUCTION	1
1.1 Research Background	1
1.1.1 The Global Halal Industry	2
1.1.2 Malaysia Halal Industry	5
1.1.3 Malaysia Halal Food and Beverages Sector	10
1.1.4 Innovation	13
1.1.5 Market Turbulence in the Halal Market	19
1.1.6 Strategic Marketing	21
1.1.7 Performance of Malaysia Halal Industry	22
1.2 Problem Statement	24
1.3 Gaps	26
1.4 Research Objectives and Research Questions	28
1.4.1 Research Objectives	28
1.4.2 Research Questions	28
1.5 Research Scope	29
1.6 Limitation of the Study	31
1.7 Significance of the Study	32