

The Impact Of Innovation On Business Sustainability: Applied To Foodics Company In Al-khobar, KSA

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1 Introduction

Developments in the global economy have changed the traditional balance between customer and supplier. New communications and computing technology, and the establishment of reasonably open global trading regimes, mean that customers have more choices, variegated customer needs can find expression, and supply alternatives are more transparent. Businesses therefore need to be more customer-centric, especially since technology has evolved to allow the lower cost provision of information and customer solutions. Commonly accepted explanations consider that business models refer to the logic of how a firm does business, and explain how the firm creates, delivers and captures value (Teece, 2010). Business sustainability seeks to create long-term shareholder value by embracing the opportunities and managing the risks that result from an organization's economic, environmental, and social responsibilities. Business sustainability must meet the needs of the organization and its stakeholders today while also protecting, sustaining, and enhancing the environmental, social, and economic resources needed for the future (Pojasek et al, 2007).

Business models are seen as a vehicle for innovation and a necessary means for commercializing technological innovations, as well as a subject of innovation, e.g. open innovation, collaborative entrepreneurship, the business model itself as part of the intellectual property (Zott et al, 2011). The growing complexity of different products and services, fluctuating demands in markets and shorter product life cycles urges entrepreneurs to develop new or improved capabilities and be innovative in order to secure sustainable competitive advantages. The marketing literature highlighted that firms which emphasize on the introduction of innovative products and services and promote them through digital marketing technologies can achieve distinctive advantages. Moreover, successful entrepreneurs tend to exploit business opportunities and improve their capabilities continuously in an attempt to reinforce the competitiveness and performance of their businesses (Afzali & Ahmed, 2016).

Sustainable business, operated through the implementation of many ecological concepts (such as the Industrial Ecology, Ecological Modernization, Triple Bottom Line, or Cradle-to-Cradle design), is seen as a worldview in which business managers are economically incentivized to innovate towards sustainability (Luqmani et al, 2017). Wirttenberg et al, (2017) Increased global competition is pushing companies to become more sustainable in the economic, environmental and social senses. To really become sustainable, enterprises must build true smart systems (including human and technological systems) to react rapidly and flexibly to the changing environment. Product innovation enables firms to respond to changing market needs and develop brand image product innovation enables firms to respond to changing market needs and develop brand image (Expósito & Sanchis Llopis, 2019).

The lack of case studies makes it challenging for firms to understand how to innovate their business models, identify and design alternatives, then assess and select the most adequate one. When considering business model innovations for sustainability, this leads to a higher complexity related to how to preliminarily assess the impact of the sustainability innovations and how to understand their effects on the whole business network (Evans et al, 2017). Innovation is an essential element of business sustainability, but there are many gaps that can hinder its impact. Some companies may have difficulty allocating the necessary resources for research, development and innovation. Companies may be concerned about the risks associated with trying new ideas, which may hinder innovation. Bureaucracy within companies may also inhibit Adopting innovative ideas quickly and efficiently.

The most prominent factors that prevent business sustainability are the lack of a focus on innovation, the lack of a culture that supports innovation, and the lack of a process for developing and implementing new ideas. Focusing on innovation is essential to the success of any business today. There are many ways to help focus on innovation and enhance the chances of long-term business success to achieve business sustainability (Pichlak, et al, 2021). To profit from innovation, business pioneers need to excel not only at product innovation but also at business model design, understanding business design options as well as customer needs and technological projects. Developing a successful business model is insufficient to assure competitive advantage as imitation is often easy: a differentiated (and hard to imitate) – yet effective and efficient – business model is more likely to yield profits. Business model innovation can itself be a pathway to competitive advantage if the model is sufficiently differentiated and hard to replicate for incumbents and new entrants alike (Teece, 2010).

This research helps companies invest in their primary goal of long-term business sustainability. Companies can succeed in improving their products and services, reducing their costs, efficiency, developing new markets, adapting to newcomers in the market, and being able to achieve the goal (Pichlak, et al, 2021). This is why it is also necessary for small businesses, as it can help them compete with larger companies, enter new markets and thus new business opportunities.

2 Research Problem

Many companies struggle to achieve business sustainability due to a lack of focus on innovation. This includes the failure to develop a culture that encourages new ideas, and the lack of a structured process for developing and implementing them. However, innovation is critical to success today. By adopting different strategies, companies can foster an environment that embraces innovation and increase their chances of long-term success.

2.1 Theoretical Gaps:

Previous research has indicated the important role of innovation in achieving business sustainability. However, innovation is not always compatible with the long-term strategic goals of the company. Innovation is not properly evaluated to measure its impact on business sustainability. Some companies do not have the skills to successfully develop and implement innovations and it is difficult to attract and retain innovative talent. Some companies focus on short-term profits at the expense of long-term innovation.

2.2 Empirical Gaps:

Many empirical researches have been conducted to determine the impact of innovation on business sustainability. However, there are limited results due to the difficulty of applying the theoretical results of innovation on the ground. This is due to practical challenges such as lack of resources or regulatory restrictions, which have caused a gap in the literature that needs to be addressed. More studies can be conducted on Innovation in different contexts, developing clear plans to implement innovation taking into account practical challenges, creating a culture that supports innovation and encourages risk-taking and experimentation with new ideas, and developing a comprehensive theoretical framework that links various aspects of innovation and its impact on business sustainability.

Main research question:

"What is the impact of innovation on business sustainability?"

3 Research Significant

Business Sustainability is Achieving Vision and Mission Through Innovation. it goes beyond mere survival; it's about thriving in the long term while creating positive social and environmental impact. This requires aligning your organization's vision and mission. Innovation plays a crucial role in bridging the gap between vision and mission. it is the introduction of a new concept, process, service, or product in an organization to adapt to environmental changes, and may be seen as the adoption of a new idea, method, service, or product.

3.1 Theoretical Significance:

This research aims to fill the theoretical gaps to understand the importance of the role of innovation in achieving business sustainability in the Kingdom of Saudi Arabia. By addressing these gaps, companies can improve their understanding of the impact of innovation on business sustainability and develop more effective strategies to foster innovation and achieve long-term success.

Bridging the gap between vision and mission: Existing research often explores innovation and sustainability in isolation. This study proposes a novel framework that examines how innovation acts as a bridge between an organization's vision and mission, specifically focusing on achieving long-term sustainability goals in Saudi Arabia. This framework can contribute to the theoretical body of knowledge by offering a more holistic perspective on how companies can align their aspirations with sustainable practices through innovative strategies.

Understanding innovation types and sustainability impact: While the importance of innovation for sustainability is acknowledged, limited research differentiates the impact of various innovation types (e.g., product, process, business model) on different sustainability dimensions (environmental, social, economic). This study aims to shed light on this gap by analyzing how specific innovation types contribute to achieving various sustainability goals in the Saudi Arabian context. This deeper understanding can inform future research and guide companies in selecting the most impactful innovation strategies for their unique sustainability objectives.

3.2 Empirical Significance:

Limited research on Saudi Arabia: Existing empirical studies on business sustainability and innovation often focus on developed economies. This research delves into the specific challenges and opportunities faced by companies in Saudi Arabia. This research aims to examine how business can be innovated to achieve sustainability goals. Analyzing innovation activity undertaken by companies to assess sustainable business. The results will contribute to creating a culture that supports innovation, encourages risk-taking, experimenting with new ideas, and developing more effective strategies to foster innovation, enabling companies to improve their understanding of innovation.

4 Research Sub-questions

- What is the impact of innovation in products on business sustainability in Foodics Company?
- What is the impact of innovation in operations on business sustainability in Foodics Company?
- What is the impact of innovation in marketing on business sustainability in Foodics Company?
- What is the impact of administrative innovation on business sustainability in Foodics Company?

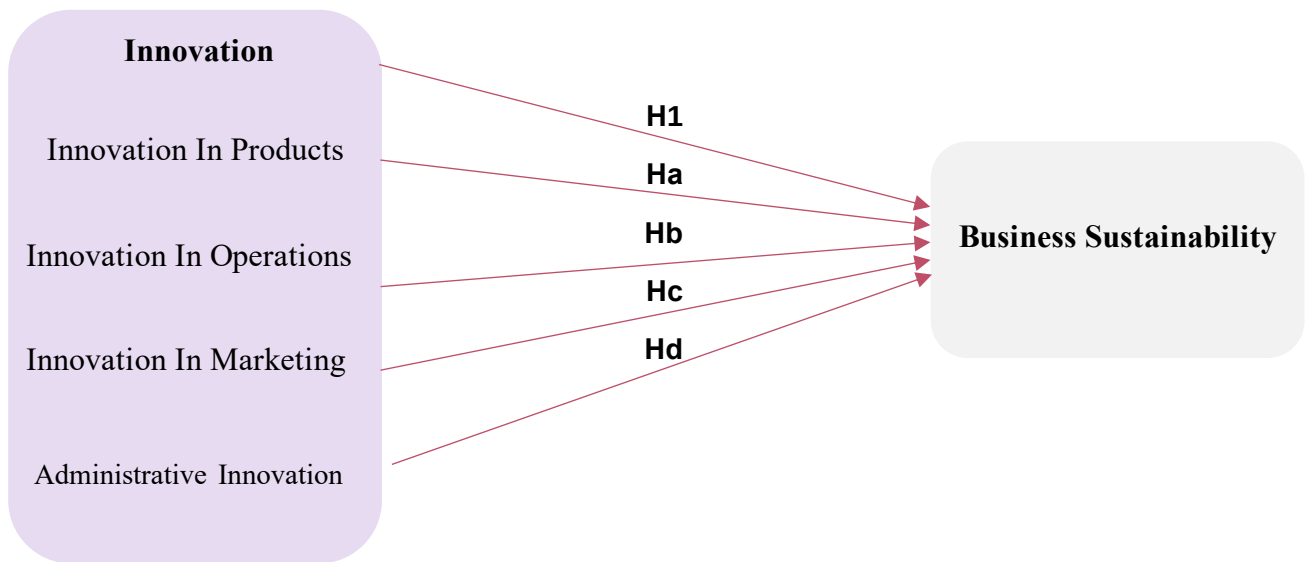
5 Research Objectives

- Exploring the effect of innovation on business sustainability in Foodics Company.
- Identifying the effect of innovation in products on business sustainability in Foodics Company.
- Identifying the effect of innovation in operations on business sustainability in Foodics Company.
- Identifying the effect of innovation in marketing on business sustainability in Foodics Company.
- Identifying the effect of administrative innovation on business sustainability in Foodics Company.

6 Research Hypotheses

- Main hypothesis H1:
 - There is a statistically significant effect of innovation on business sustainability in Foodics Company.
- The first sub-hypothesis Ha:
 - There is a statistically significant effect of innovation in products on business sustainability in Foodics Company.
- The second sub-hypothesis Hb:
 - There is a statistically significant effect of innovation in operations on business sustainability in Foodics Company.
- The third sub-hypothesis Hc:
 - There is a statistically significant effect of innovation in marketing on business sustainability in Foodics Company.
- The fourth sub-hypothesis Hd:
 - There is a statistically significant effect of administrative innovation on business sustainability in Foodics Company.

7 Research Model



Designed By The Researcher

8 Research Methodology



- **Research philosophy:** Positivism
- **Research approach:** Deductive
- **Research strategy:** Case study
- **Research choice:** Mixed Methods
- **Time horizon:** Cross-sectional
- **Data collection and analysis techniques:** Questionnaires

9 Empirical Study

Foodics, a leading MENA company in restaurant payment technology, offers a cloud-based software-as-a-service (SaaS) platform for managing restaurant operations. This research investigates the impact of Foodics' innovative solutions on its business sustainability. This empirical study will employ a mixed-methods approach, combining quantitative and qualitative data collection methods. This empirical study will provide valuable insights into the relationship between innovation and business sustainability in the restaurant technology sector. The findings can inform Foodics' future innovation strategy and inspire other companies in the MENA region to leverage technology for sustainable growth.

Data availability and access may limit the scope of the study. Additionally, isolating the sole impact of innovation on business sustainability might be challenging due to external factors influencing the industry. Future research could explore the long-term impact of Foodics' innovations on the restaurant industry and its competitive landscape. Additionally, investigating customer behavior changes due to Foodics' platform can provide deeper insights.

10 Project Structure

Chapter 1: Introduction

Chapter 2: Literature Review

Chapter 3: Research Methodology

Chapter 4: Statistical Analysis

Chapter 5: Findings` Discussion and Conclusion

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List Of Appendices

12 Appendices

Kind regards

This questionnaire aims to better understand the behavior of organizations in the Kingdom of Saudi Arabia. We will use the information collected through this survey to improve and better meet the needs of our customers.

The target audience is employees and managers at Foodics Al-Khobar

This questionnaire takes 10 minutes to complete and will be distributed online and by email.

Innovation: At the unit or project level, innovation represents the launch of new products or services or the improvement of existing ones through innovative methods, and it may also relate to operations and methods of management and improvement.

Based on scientific knowledge on the one hand and the accumulated experiences of users on the other hand.

Sustainability is an ongoing journey. It's not something you achieve once and then forget about. It's a continuous process of learning, improving, and adapting.

Thank you for your time and efforts in completing this survey. Your contribution will help us improve our products and services and better meet your needs.

Variable	Variable Dimensions	Number Of Statements	Source
Innovation	• Innovation in product • Innovation in operations • Innovation in marketing • Administrative innovation	1-12	Darar (2024) The role of innovation in improving the profitability of agricultural projects in the eastern Algerian region
Business Sustainability	• Business Sustainability	1-14	SCHWARZKOPF, et al (2019) Self-assessment questionnaire on CSR/sustainability for automotive sector suppliers

12.1 Personal Information:					
Gender	Male		Female		
Age	From 20 to 30		From 30 to 40		
Qualification	Secondary		Bachelor's		Master's
Seniority in the company	Less than 3 years		3-5 years		More than 5 years

12.2 First variable: Innovation

No.	Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1. Innovation in product: represented by:						
1	• Introducing a new product to the market					
2	• Delivering a dramatically improved product					
3	• Finding new uses for the product					
2. Innovation in operations: represented by:						
4	• Using modern machines or techniques in production					
5	• Finding new uses for existing assets					
6	• Use economical energy sources and equipment					
3. Innovation in marketing: represented by:						
7	• Using new channels to sell the product					
8	• Adapting the product according to market requirements					
9	• Using new ways to display and market products					
4. Administrative innovation: represented by:						
10	• Using information technology in project management and employee training					
11	• Involving employees in facilitating the project and solving urgent problems					
12	• Using new mechanisms to finance the project					

12.3 Second variable: Business Sustainability.

No.	Statement	Yes	No
1	Does your company have a management person responsible for Social Sustainability?		
2	Does your company have a management person responsible for Compliance?		
3	Does your company have a management person responsible for Environmental Sustainability?		
4	Does your company publish a Sustainability Report?		
5	- Does your company have a Code of Conduct? - A Code of Conduct is a set of rules outlining the responsibilities or proper practice for an individual (employee) and organization. It could cover social, ethical and environmental aspects		
6	Does your company provide a grievance mechanism through which impacted stakeholders and rightsholders can raise complaints and seek to have them addressed with the enterprise?		
7	Does your company have a formal policy covering working conditions and human rights?		
8	Does your site have a management system in place to manage the working conditions and human rights issues?		
9	Does your company have a formal written health and safety policy, which complies with local law, industry requirements and international standards?		
10	Does your site have a health and safety management system in place?		
11	Does your company have a formal policy covering business ethics?		
12	Does your company have a formal environmental policy, which includes a commitment to legal compliance, continuous measurement and continuous improvements in environmental performance?		
13	Does your site have an environmental management system in place?		
14	Does your site have an energy management system?		