

EXPLORE THE IMPORTANCE OF CREATIVITY AND INNOVATION IN MICRO, SMALL AND MEDIUM ENTERPRISES (MSMEs)

Awa¹⁾, Palahudin²⁾

^{1,2} Fakultas Ekonomi & Bisnis Universitas Djuanda, Bogor

Corresponden Author: awa@unida.ac.id

Understanding and awareness of the importance of creativity and innovation among MSMEs is still low, understanding of the differences remains ambiguous and inaccurate, and its application is still considered less important. Research that explores differences, important concepts, and research results regarding the importance of creativity and innovation in MSMEs, in a comprehensive manner, has never been carried out before. The aim of the research is to explore the importance of creativity and innovation in MSMEs. The method used is library research, using critical analysis techniques. The results of research exploring the importance of creativity and innovation in MSMEs show that there are 14 differences between creativity and innovation. The importance of creativity and innovation: (1) have been accepted in the fields of business and management, and can only be achieved through creative and innovative solutions; (2) are two things that business people need to have and develop for success; and (3) are so important in the business world, that it is necessary to optimize creative and innovative abilities and ideas. Research studies on the importance of creativity and innovation in MSMEs include: role, impact, effect, and influence of creativity and innovation, a study of the following 12 things: (1) entrepreneurship (ability, intention, spirit, and entrepreneurial mindset); (2) business success; (3) continuity/sustainability of business; (4) business development/progress; (5) increasing competitiveness/competitive advantage; (6) buying/purchase interest; (7) purchasing decisions; (8) increasing customer purchasing power; (9) customer satisfaction; (10) increasing products/services value; (11) increase in sales volume/income turnover; and (12) business/marketing performance.

Keywords: *entrepreneurship; business success; business competition; customer satisfaction; marketing performance*

INTRODUCTION

In this era of disruption, business or business competition is getting higher and cannot be avoided. Business actors, whether they want it or not, must be prepared to face increasingly fierce competition. High competition and high demands for information technology, in reality, are not balanced with the human resources of business actors. Businesses that are still conventional, rigid and static find it difficult to compete and achieve success as expected.

Indonesia is a country with a large number of Micro, Small and Medium Enterprises (MSMEs) sectors. The calculated number of MSMEs actors recorded in the Cooperative and SME

Service data in 2018 was 64,194,057, in 2019 it was 65,465,497, so there was a development of 1,271,440.5 or 1.98% (Kemenkopukm, 2019). The existence of SMEs is very important for society because they have the ability to provide employment opportunities while absorbing workers of productive age who reach remote villages, provide increased income for the community, and have the potential to become a leading regional economic activity (Kalil & Aenurohman, 2020). The role of SMEs is very important in the national economy. Its role is mainly in aspects such as increasing employment opportunities, equality, income, rural economic development, and increasing non-oil and gas exports (Syafudin, 2017).

In today's competitive world, innovation is critical to the survival and well-being of creative individuals and innovative businesses. Entrepreneurs can turn their ideas into commercial products through the innovation process. Innovation is a combination of good conceptual insight and assistance in turning ideas into action. From a managerial perspective, innovation begins with an idea and ends with the introduction of a new product or service (Fadaee & Alzahrh, 2014).

MSMEs must apply creativity and innovation in order to face increasingly competitive levels of business competition. Creativity and innovation must continue to be honed and improved in order to achieve high business success. Dhewanto, Mulyaningsih, Permatasari, Anggadwita, & Ameka (2014) stated that a competitive company has two important goals, namely creating customer value and innovation.

MSMEs continue to experience development, marked by the increasing number of MSMEs emerging offering a variety of innovative products, so it is not impossible that MSMEs are a top priority to meet market needs. Innovation and creativity are needed for MSME owners so that their businesses can continue to compete (Sukriani, 2022). Innovation is the skill to apply creative solutions to problems and opportunities to improve people's lives (Syafe'i & Jalaludin, 2021).

Innovation has a big impact on the level of business competition (Hamali, 2015). Business competition is increasingly competitive, so it requires SMEs to develop innovations and implement them (Hidayat, Fahmy, Sari, Mergeresa, & Fernando, 2021). To develop an MSME so that its business is successful, business actors must be able to think creatively and innovatively to further develop their business (Arliani, Indrayani, & Tripalupi, 2019).

Understanding and awareness of the importance of creativity and innovation among business actors is still low. Understanding the differences between creativity and innovation is still felt to be

ambiguous and wrong. The application of the concepts of creativity and innovation is still considered unimportant, considering that many business people want to succeed in their business instantly, without thinking too much, which can drain their mind and energy. The role and influence of creativity and innovation on achieving business success is still not understood or believed. The application of creativity and innovation in MSMEs is still considered not very important, on the grounds that the business being run is not a large business, which requires higher levels of creativity and innovation.

Research on creativity and innovation in MSMEs has been carried out using various research methodologies. However, it has only been limited to explaining creativity and innovation in general. This research explores the differences between creativity and innovation, the concept of the importance of creativity and innovation in MSMEs, and the results of research on the importance of creativity and innovation in MSMEs. Research that comprehensively examines these things has never been done before.

Therefore, researchers are interested in conducting comprehensive research on the importance of creativity and innovation in MSMEs. The author explores creativity and innovation in MSMEs, which includes: (1) the differences between creativity and innovation, (2) the concept of the importance of creativity and innovation in MSMEs, and (3) the results of research on creativity and innovation in MSMEs, studying their role and influence on several things.

MATERIAL AND METHOD

Creativity Concept

Creativity, as a human ability or capacity, is based on the presence of a reality. Human behavior depends on the order of existence and scope of activity, both from a religious and philosophical point of view. Consequently, human

creativity can be ascribed to and dependent on the constructed or objective order of reality. Reality or past creations must exist for humans to be creative (Ballor & Claar, 2019).

Creativity is considered one of the most complex and fascinating dimensions of human potential (Treffinger, Sortore, & Cross, 1993). Creativity is the process of creating something new. Creativity requires passion and commitment. It makes us aware of what was previously hidden and points to new life. This experience is one that increases consciousness: ecstasy (May, 1994).

The first step is imagination, the ability we all have to see things with the mind's eye. Creativity then uses that imagination to solve problems, call it applied imagination. Then innovation is practicing this creativity as applied creativity (Robinson, 2006).

Rhodes (1961) suggested that creativity is divided into four parts known as "the four P's creativity". The 4Ps are: (1) Person; (2) Process; (3) Press; and (4) Product.

Awa (2023b) suggests that the concept of creativity can be explained as follows: (1) creativity is considered one of the most complex and amazing dimensions of human potential; (2) creativity is the process of creating something new; (3) creative thinking as thinking applying imagination to generate ideas, questions and hypotheses; (4) the idea is actually the result of a creative process; (5) five steps of the creativity process: preparation, innovation opportunities, divergence, incubation, and convergence; (6) there are challenges in the creative process; (7) three broad forms of creativity: creation, modification, and synthesis; and (8) creativity is divided into 4Ps: person, process, press, and product.

Innovation Concept

Innovation is the initial commercialization of an invention by producing and selling a new product, service or process (Pearce & Robinson,

2013). Innovation means a new idea, product, technological information, institution, behavior, values and practices that are not yet widely known, accepted and used or implemented by the majority of community members in a particular locality, which can be used or encourage the occurrence of changes in all aspects of community life (Sukmadi, 2016).

Innovation is an effort by a company to utilize advances in technology and information to modify and transform ideas and thoughts to commercialize new products to the market with the aim of meeting consumer needs (Lestari, 2019). Innovation is a tendency to support original and creative new ideas in making new products or changing a product (Ibrahim & Abu, 2020). Innovation is used to change an existing opportunity into a new idea that sells (Udriyah, Tham, & Azam, 2019; Sondra & Widjaja, 2021).

The concept of innovation can be explained as follows: (1) innovation is the deliberate introduction and application in a role, group or organization of ideas; (2) reconfiguration of elements into more productive combinations; (3) initial commercialization of the invention by producing and selling a new product, service, or process; (4) introduction of new products, processes, or services to the market; (5) do: innovation that is purposeful and systematic, conceptual and perceptual in nature, must be simple and focused, starts small, aims at leadership; (6) product innovation indicators: new products for the world, new product lines, additions to existing product lines, improvement and revision of existing products, redetermination, cost reduction; and (7) types of innovation: product innovation, marketing innovation, process innovation, technical innovation, and administrative innovation (Awa, 2023b). Implementation of innovations such as creating iconic packaging for doll MSMEs in the form of packaging logos to simplify the ordering route for new customers who want to buy doll MSMEs products

(Rahayu, Awa, Yulianingsih, Kusuma, Amanah, Ramadhan, Gustaman, & Asmara, 2023).

Kotler & Keller (2016) suggest that there are six indicators of product innovation, namely: (1) new products for the world; (2) new product lines; (3) additions to existing product lines; (4) improvement and revision of existing products; (5) redetermination; and (6) cost reduction. Hendro (2011) explains that the types of innovation consist of: (1) product innovation; (2) marketing innovation; (3) process innovation; (4) technical innovation; and (5) administrative innovation.

MSMEs Business Concept

Business is a series of activities related to the sale or purchase of goods and services that are consistently repeated (Petersen & Plowman, 2012). Business is all activities organized by people involved in commerce and industry that provide goods and services to meet needs, maintain and improve their standards and quality of life (Stead, Lowry, & Glos, 1984).

The business area environment can be: (1) raw material production activities; (2) producing goods using machines and labor; (3) storing production results (warehousing); (4) distributing products from producers to consumers; (5) business capital; (6) managing risk; (7) packaging products for customer protection and convenience; (8) promote products to increase sales; and (9) managing sales and prices (Widiyanto, 2019).

The business world includes: industry, companies (company, corporate/corporation, firm, enterprise), entrepreneurship, and micro, small and medium enterprises (MSMEs). Regarding industry, based on Law Number 3 of 2014 concerning Industry in Article 1 Paragraph 2, industry is all forms of economic activity that process raw materials and/or utilize industrial resources, thereby producing goods that have added value or greater benefits. high, including industrial services.

Compared to many other countries, Indonesia has a relatively clear definition of creative entrepreneurship and social entrepreneurship, based on government directives (British Council, 2020). According to a BBC global survey, Indonesia is the best country in the world for entrepreneurship (Walker, 2011).

To earn income from a small business, a company must make a profit; that is, a certain amount of money must be left for the business owner after all costs of making the product or providing the service have been met. Entrepreneurs usually decide to set up a small business to earn income from producing and selling products or providing services to individuals or other businesses (Folarin, Abereijo, Kamaldeen, & Osoba, 2020). Regarding the business world and MSMEs, it is explained in Law Number 20 of 2008 concerning Micro, Small and Medium Enterprises in Article 1 Paragraphs 1-5.

This research is library research. Literature reviews or desk research, may include relevant theories or conceptual frameworks. Researchers can review theoretical frameworks as part of a philosophical statement (Leavy, 2017). Researchers conduct a comprehensive literature review, which aims to synthesize what is known about the topic of discussion, gathering knowledge about a subject. This review is recognized by the existence of major journals, in almost every social science discipline and field of study, devoted to literature reviews (Yin, 2011).

Library research contains systematic descriptions of literature reviews and the results of previous studies related to research (Purwono, 2008). In analyzing data, researchers used critical analysis techniques. With a critical analysis approach, this research will explore the importance of creativity and innovation in MSMEs. Data was obtained from books and journal articles regarding creativity and innovation in MSMEs, which include: the differences between creativity and innovation, the concept of the importance

of creativity and innovation in MSMEs, and the results of research on creativity and innovation in MSMEs, studying their role and influence on several things. With this research, it is hoped that it can be used as a reference for MSME actors and researchers who conduct research on MSMEs.

RESEARCH RESULT AND DISCUSSION

Difference between Creativity and Innovation

When we realize that the goal of creativity is to gain creative insights and generate actionable ideas, the relationship between creativity and innovation becomes both clear and confusing. Despite the fact that contemporary culture values innovation and recognizes it as an important component of progress, how innovation is developed is often misunderstood, and the important role of creativity and creative expression in nurturing innovation is largely overlooked (Levick-Parkin, 2014).

If creativity is defined as a type of human activity that relies heavily on basic reality, then innovation can be defined as human action that occurs within the framework of recent historical progress (Ballor & Claar, 2019). Creativity not only leads to generating new ideas for businesses in the innovation process (Duxbury, 2012), but also plays an important role for companies in providing a stimulus for opportunity discovery and making strategic decisions throughout the business creation process (Tu & Yang, 2013).

There is a significant relationship between creativity and discovery (Valaei, Rezaei, & Ismail, 2017). Creativity has been highlighted as a source of innovation (Amabile & Pratt, 2016). Individual creativity serves as the foundation of corporate creativity and innovation, and its results are linked to corporate success and survival (Castillo-Vergara, Alvarez-Marin, & Placencio-Hidalgo, 2018). Consequently, creativity is associated with

the individual level, while innovation is associated with the organizational level (Alemany, Lluch, Lópe, & García, 2021).

Research on creativity, innovation, and entrepreneurship has been developed for decades in various scientific disciplines. Effective creativity produces new and valuable ideas. There is no innovation without creativity, because creativity is the foundation on which innovation emerges, develops and grows. Creativity focuses on the generation of ideas, processes, or concepts, while innovation focuses on the practical feasibility of those ideas, processes, or concepts. Creativity can produce new discoveries, but innovation is the commercialization of these discoveries, namely turning creative ideas into action. Creativity is a core component of innovation and fundamental for the development and generation of innovative ideas (Kearney, 2022).

Creativity focuses on the generation of ideas and innovation emphasizes the implementation of ideas (Rank, Pace, & Frese, 2004). Creativity is often seen as the first step to innovation (Mumford & Gustafson, 1988). However, it should be remembered that creativity does not only occur in the early stages of the innovation process, but rather through a cyclical and recursive process in generating ideas and implementing them (Van de Ven, Angle, & Poole, 1989).

Amabile (1997) proposed a component theory of organizational creativity and innovation, regarding the components of the organizational work environment and the components that play a role in individual creativity. This theory shows that elements of the work environment influence individual creativity, and creativity produced by individuals or groups acts as the main source of organizational innovation. The main assertion in this theory is that the social/work environment has a major influence on individual creative behavior. In addition, although the environment can have an impact on all individual level

components, the main direct impact is on a person's motivation to work (task motivation).

Creative products can be tangible and intangible. The form may be concrete or “touchable,” such as an invention or marketable product. Other creative outcomes can be intangible, such as personal learning and development, the development of new services or improvements to existing services, social technologies, or the design of new processes or methodologies. To many, this field of study is called “innovation” rather than “creativity” because of its focus on product over process.

There are five differences between creativity vs. innovation. Creativity: imagination, process, generating, novelty, and soft. Innovation: implementation, product, developing, usefulness, and hard (Arieti, 2000; Isaksen & Tidd, 2006).

Because innovation is often thought of as the commercialization of new ideas, it is part of the creativity system. Reasons some people prefer to use the term innovation over creativity include the need to focus on obtaining concrete results. Prefer to stay focused on what is useful and easier to understand, and the need to avoid vague concepts such as people and processes. A person can have creativity without innovation, but cannot have innovation without creativity (Isaksen & Tidd, 2006).

From this description, the differences between creativity and innovation can be presented in table 1 below.

Table 1. Difference between Creativity and Innovation

Num	Creativity	Innovation
1	A type of human activity that is highly dependent on basic reality	Human actions that occur within the framework of recent historical progress
2	Generate new ideas for the business in the innovation process	Produced from creative ideas
3	As a source of innovation	Sourced from creativity

4	Associated with the individual level	Associated with organizational level
5	Focuses on generating ideas, processes, or concepts	Focuses on the practical feasibility of an idea, process, or concept
6	Can produce new discoveries	Commercialization of inventions, namely turning creative ideas into action
7	Focuses on generating ideas	Emphasizes implementation of ideas
8	The first step of innovation	Step after creativity
9	Imagination	Implementation
10	Process	Product
11	Generating	Developing
12	Novelty	Usefulness
13	Soft	Hard
14	Can have creativity without innovation	Cannot have innovation without creativity

Source: Processed Data (2023).

Concept of the Importance of Creativity and Innovation in MSMEs

The emerging topic of creative entrepreneurship examines the relationship between innovation, creativity, and entrepreneurship. Much of the literature focuses on self-managed artists, or creative people who engage in creative and business-related activities (O’Hara, 2014).

Companies must be able to recognize problems and opportunities, as well as investigate, design and implement innovative solutions in an increasingly dynamic environment to remain competitive, grow and lead. This dynamic encourages the business world to increase their capacity to solve current and future problems in new and valuable ways, namely by innovating. Organizations are increasingly interested in exploring new and collaborative ways to gain access to creative ideas as a result of increasing pressure to innovate (Parjanen & Hyypiä, 2019).

Regarding the importance of creativity and innovation, Awa (2023a) states that in entrepreneurship, there are several

important things that need to be emphasized, namely (1) entrepreneurship is the independent creation of new businesses and values; (2) it requires intention, enthusiasm and motivation to carry it out; (3) optimizing creative and innovative abilities and ideas; (4) observing the existing business environment; (5) increasing competence to be able to compete; (6) attend education and training; (7) make immediate action decisions, reducing too much worry; (8) evaluate and learn from experience after action; and (9) eliminate the shame and prestige of running a business from small, even from micro, even from zero.

Survival and competition between entrepreneurs require someone to bring out creativity and innovation in their products and services (Fadaee & Alzahrh, 2014). Innovation is an instrument in entrepreneurship, both entrepreneurship and innovation require creativity which is a symbolic domain in cultural change (Drucker, 1986). The meaning of creativity is the ability to produce, create, create in new forms, create through imaginative skills, create something new. Companies are recognized for their innovation because this innovation is the main source of their competitive advantage due to the new realities in today's global business (Okpara, 2007).

The importance of creativity and innovation can be explained as follows: (1) creativity and innovation have been accepted in the fields of business/business and management, and can only be achieved through creative and innovative solutions; (2) creativity and innovation in business are two things that business people need to have and develop for success; (3) creativity and innovation are so important in the business world, that it is necessary to optimize creative and innovative abilities and ideas; and (4) creativity and innovation research, studying the following things: entrepreneurship, business success, business sustainability, business development/progress, increasing

competitiveness/competitive advantage, increasing purchasing power, purchasing decisions, increasing sales volume, and performance business/marketing (Awa, 2023b).

Research Results on the Importance of Creativity and Innovation in MSMEs

Creativity is a dynamic field of scientific research with important applied implications for innovation management. On the positive side, we now have thousands of dedicated researchers and practitioners trying to better understand what drives creativity, how creativity can be enhanced, and the implications of creativity for managing innovation, among other aspects. It can be assumed that this dedicated and genuine interest produces useful information (Brem, Puente-Diaz, & Agogué, 2016).

Research studies on the importance of creativity and innovation in MSMEs include: the importance of creativity and innovation, the role of creativity and innovation, the impact of creativity and innovation, and the influence of creativity and innovation. The research on the importance of creativity and innovation, examines the following things:

1. Entrepreneurship (ability, intention, entrepreneurial spirit and mindset)

Creative and innovative are personal characteristics that are deeply embedded in true entrepreneurs. Businesses that are not based on creative and innovative efforts usually cannot develop forever. The dynamic business environment requires entrepreneurs to always be able to adapt to all changes to look for new breakthroughs (Putri, 2022). Pure or raw creativity alone is of course not enough as an entrepreneurial factor, but it must first be combined with general business instinct or intelligence to guarantee the success of innovation (Barnard & Herbst, 2019).

It is clear that some educators use innovation and entrepreneurship interchangeably and are unclear in the educational process where creativity,

discovery, innovation and entrepreneurship begin and end (Thomassen, Løje, & Basaiawmoit, 2018). Creative personality, along with education, interactively predicts one's entrepreneurial identity, which in turn predicts innovation (Zhou, Xu, Li, & Liu, 2020). The model that encourages the development of entrepreneurial creativity and innovation in community learning groups is a training model that is oriented towards building an entrepreneurial spirit in the digital economy era. This training model allows the creation of entrepreneurial institutions in the digital economy era which requires more creativity and innovation (Hamdan, 2019).

Creativity and innovation have a partial and simultaneous influence on food court MSMEs entrepreneurship (Rochmatulaili, Suyanto, & Rahman, 2021). Creativity and innovation have a statistically significant and positive impact on students' intention to engage in online entrepreneurship (Akhter, Karim, & Islam, 2022).

2. Business success

Innovation requires intelligence because it supports creativity. An innovative entrepreneur is always a good leader and visionary. Innovation and creativity are directly related to an entrepreneur's vision. The success of an entrepreneur and the success of building an entrepreneur depends on the innovation carried out by the person concerned (Selvam, Jesintha, & Shanthi, 2016).

Successful entrepreneurs need excellence that comes from a combination of creative ideas and superior capacity (innovation) for implementation and company efforts need to improve performance which is complemented by foreign investment in various fields ranging from research and development to manufacturing consumer goods, electronics, cars, textiles, services, etc. (Bandi & Reddy, 2018). With innovative business development strategies and the importance of increasing creativity,

mindset to achieve business success, business owners and employees are able to optimize production capacity and produce varied products (Wahyuningsih & Rokhayati, 2022).

Creativity has a significant influence on the success of MSMEs, innovation has a significant influence on the success of MSMEs. Together the independent variables have a significant effect on the dependent variable (Susanto, 2020). The innovation variable has a significant influence on business success, and the entrepreneurial creativity variable has a significant influence on business success. Simultaneously, entrepreneurial innovation and creativity have a significant influence on the success of Small and Medium Enterprises in clothing tailors (Syafe'i & Jalaludin, 2021).

There are direct and indirect influences on the business environment, business management, creativity and innovation, as well as the success of micro, small and medium snack food businesses (Gemina, Harini, & Silaningsih, 2021). There is a positive influence on entrepreneurial creativity and innovation, while there is no positive influence on entrepreneurial knowledge on the success of coffee shop MSMEs (Lai & Widjaja, 2023).

3. Business continuity/sustainability

Becoming global has become a mandate for every MSMEs in the current situation. Creative and innovative make people look for new ways to get things and make things. At the same time, protecting innovation is mandatory for sustainability (Paramashivaiah & Sowmya, 2022). The quality of human resources in the form of innovation and creativity really supports the sustainability of MSMEs activities (Rosmadi, 2021). For an economic actor in the MSMEs sector, creativity and innovation are really needed to be able to develop these two main aspects. An MSMEs actor must have tips to survive and be able to compete in the midst of the Covid-19 pandemic (Pranjoto, 2021).

MSMEs managed by millennials show high creativity and innovation, so that their businesses continue to run in the midst of the pandemic, and even continue to show progress in a wider reach to various provinces. Apart from that, the results of this research can be input for MSMEs in Indonesia to be more creative so they can create innovation (Poernomo, Maulina, Bandi, Sandra, & Sholeh, 2021). MSMEs players in the culinary subsector have creativity and innovation by adapting new habits through the use of technology in business management and marketing strategies, as well as complying with health protocols and local government regulations (Hasan, Hayati, Miranda, Sasmita, & Shafar, 2021).

Digital marketing with creativity and innovation is very important so that MSMEs can survive and be sustainable in the new normal era. Digital marketing with creativity and innovation has a big influence on the sustainability of MSMEs businesses (Dora & Saudi, 2020). Home business creativity and new model innovation have a partial and significant influence on MSMEs in the new normal era (Samsiyah & Alfian, 2021).

4. Business development/progress

Business development by relying on the creativity within an entrepreneur will give rise to innovation. Creativity and innovation are two things that are closely related, which cannot exist in humans suddenly, starting with equipping and training students to be more creative and innovative (Aseanty, Khomsiyah, Warsindah, & Dizar, 2023).

Three creative innovations emerged for scaling up, namely having more senior mentors, building partner organizations to develop empowerment, and building collaboration with other organizational platforms (Mathory, Murtafia, & Narwis, 2023). Knowledge and understanding of creative and innovative business management, as well as digital marketing can motivate you to continue to innovate

and be creative in digital marketing which will be able to bring MSMEs to further development (Nirmala, Setiawan, Astuti, & Wahyudi, 2023).

Creativity influences the development of digital-based businesses, so MSMEs need to continue to increase creativity in running their businesses. Innovation influences the development of digital-based businesses, so MSMEs need to continue to increase innovation in running their businesses (Sulastri, Nuryanti S, Mulyadi, & Pratiwi, 2022).

There is a positive relationship between creativity, innovation and entrepreneurship. The ability of entrepreneurs to think creatively and innovatively, as well as the availability of resources, has a significant impact on the development of entrepreneurship among women business owners (Srividhya & Paramasivam, 2023). The creativity and product innovation variables together have a significant positive influence on the business progress variable at the brownie house. Where the higher the creativity and product innovation together, the greater the influence on the level of business progress (Sulaeman, 2021).

5. Increased competitiveness/competitive advantage

There needs to be incentives for production creators so that they are encouraged to continue to innovate and be creative. Steps that can be taken are appreciation by granting patent rights to innovative MSMEs. This will encourage further creations and produce products with features and designs that attract consumers (Darwanto, 2013). The level of creativity and innovation of MSMEs in Eastern Indonesia is still low, so many MSMEs are not developing because they are less able to compete. Improvements need to be made immediately so that Indonesian MSMEs can continue to develop and have strong competitiveness (Fretes, 2020).

There is a need to develop an action plan with partners in building competitive

business innovation through the virtual shoe village platform. Partners also have the awareness that a good marketing process must be supported by creative content and communication in footwear SMEs (Alhamuddin, Adwiyah, & Hamdani, 2022). Flower bouquet craft MSMEs have succeeded in fostering innovation and creativity of craftsmen, so that they are able to create new flower bouquet models and can increase the level of competition in sales (Rizqi, Putra, & Hawoe, 2023).

Creativity and innovation have a positive and significant effect on the competitive advantage of wedding organizers (Riany & Dahmiri, 2020). Creative output does not have a significant and negative effect on competitive advantage. Product innovation and product creativity do not have a positive and significant effect on marketing performance. Competitive advantage has a positive and significant effect on the marketing performance of Aspentari MSMEs (Ambarwati, Sudarmiatin, & Wardana, 2023).

6. Buying/purchase interest

Partially and simultaneously, the variables price, innovation and creativity have a significant effect on buying interest in MSMEs (Putra, 2022). Creative promotion and product innovation jointly have a positive and significant effect on consumer buying interest (Ramdani, Danial, & Norisanti, 2021).

The buying interest of SME consumers in paralon lamps is influenced by the variables of product innovation and product creativity (Choirudin, 2022). Creativity and innovation have a partial and simultaneous influence on meatball consumers' buying interest (Carlina & Ekowati, 2022).

7. Buying decision

Product innovation, advertising creativity and advertising effectiveness have a significant influence on smartphone

purchasing decisions (Santoso, Erstiawan, & Kisworo, 2020). Creativity and innovation have an influence on purchasing decisions in stores (Jehosua, Tumbel, & Walangitan, 2022).

Creativity and innovation have a partially significant effect on purchasing decisions. Creativity and innovation have a simultaneous influence on Mayoutfit store purchasing decisions (Kholifah & Rahmawati, 2021). Creativity and innovation partially and simultaneously have a positive and significant effect on marketplace purchasing decisions (Devika, Akbar, & Rachmawati, 2022).

8. Increased consumer purchasing power

Creative and innovative variables with an Islamic economic perspective have a significant effect on income turnover with various design variants and consumer purchasing power will increase (Viridianasari, 2021). Creative, innovation and marketing strategy variables partially and jointly influence consumer purchasing power (Fikri, Filzah, & Imani, 2022).

9. Consumer satisfaction

Creativity and innovation influence consumer satisfaction. Consumers can be satisfied if products and services are provided creatively and innovation is required (Nirwana, 2022). Product creativity and product innovation have a partial and simultaneous influence on consumer satisfaction at steak houses (Ernawati & Kurniati, 2020). Creativity has a significant influence on consumer satisfaction in handicraft product MSMEs (Putera, Sahabuddin, Rakib, & Lestari, 2021).

Product creativity and product innovation have a positive influence on consumer satisfaction with printing (Yulianda & Dewi, 2021). Innovation and creativity partially and simultaneously influence consumer satisfaction in SMEs (Afriyani & Muhajirin, 2021). Innovation and creativity of MSMEs together have a

significant effect on consumer satisfaction (Aditi & Hermansyur, 2017).

10. Increasing the value of products/services

Creativity and innovation play an important role in exploring new market opportunities, achieving success in every area of business through higher levels of efficiency, increased productivity and better quality, etc. To be a successful entrepreneur requires a focus on creativity and the integration of innovation and other strategic business practices (Konnur, 2020). Innovation influences entrepreneurship more than creativity. Because the main task of innovation is to provide added value to products and services by producing new products and services or improving them to meet customer needs and expectations effectively and efficiently (Salem & Beduk, 2021).

Innovation and creativity are essential to the success of any business. Innovators and creative thinkers can generate new ideas and identify new business opportunities. Every man or woman can be creative and innovative for all ages. The ability to create new and different things by carrying out innovative and creative processes is a key factor in achieving different values (Febriani, Sya'bania, Supeno, & Sudarmiati, 2022).

11. Increase in sales volume/income turnover

Creativity and innovation are very necessary in product diversification, because they can give birth to new ideas for steak & chicken shop culinary products. This will ultimately increase sales turnover and income (Sarijani, Baedhowi, & Sawiji, 2016). Creativity and innovation in products, namely adapting to Indonesian tastes and displaying attractive shapes, not just focusing on vegetarian food, so that it can increase sales volume (Rusdianto, Subiyanto, & Arini, 2022).

MSMEs must continue to innovate and be creative with their products and follow

the latest trend styles that are liked by all groups, such as young people and housewives. This is important, because the acceleration of technology is moving very quickly, causing changes in consumer behavior in choosing and carrying out buying and selling transactions at tailoring MSMEs (Aditi, Hermansyur, Hafizah, & Tamba, 2019).

Creativity and innovation partially and simultaneously influence increasing the income of small street vendor businesses (Syaifudin, 2017). E-marketing, innovation and creativity have a significant effect on increasing the sales volume of student online shops (Aisyah, Nuringwahyu, & Zunaida, 2021).

12. Business/marketing performance

Creativity has a significant negative effect on SME entrepreneurial performance with a negative influence direction. Innovation has a significant effect on business performance in a positive direction (Soegiastuti & Muchayatin, 2020).

The results of the analysis of market orientation, product innovation and creativity partially and simultaneously influence marketing performance in MSMEs (Methasari, Kurniawan, & Sidik, 2018). Organizational creativity has a positive and significant effect on marketing innovation, marketing innovation has a positive and significant effect on marketing performance, and organizational creativity has a negative and insignificant effect on marketing performance in MSMEs (Wijayanto & Sanaji, 2021). Creativity and product innovation simultaneously have a positive and significant influence on MSMEs business performance (Kalil & Aenurohman, 2020).

The variables market orientation, product innovation, and strategic marketing creativity have a significant effect on marketing performance in the MSMEs of resam skullcap (Napisah & Selindia, 2022).

There is a significant simultaneous and partial influence between innovation and

creativity on the performance of culinary MSMEs businesses (Sukriani, 2022). Creative factors have a beneficial and large influence on the performance of MSMEs. The innovation variable has no effect on the performance of MSMEs. Aspects of creativity and innovation go hand in hand, thus providing a positive and significant impact on MSMEs in the culinary industry (Musa, Hasan, Dinar, Tahir, & Arisah, 2022). Product creativity and product innovation have a positive and significant effect on the marketing performance of food MSMEs (Harini, Silaningsih, & Putri, 2022). Creativity and product innovation partially or simultaneously influence marketing performance in restaurants (Haswinda, 2023).

CONCLUSION AND IMPLICATION

There are 14 differences between creativity and innovation. Activity: a type of human activity that is highly dependent on basic reality; generate new ideas for the business in the innovation process; as a source of innovation; associated with the individual level; focuses on generating ideas, processes or concepts; can produce new discoveries, focus on generating ideas; focuses on generating ideas; the first step of innovation; imagination; process; generating; novelty; soft; and can have creativity without innovation. While innovation: human actions that occur within the framework of recent historical progress; produced from creative ideas; sourced from creativity; associated with organizational level; focuses on the practical feasibility of an idea, process, or concept; commercialization of inventions, namely turning creative ideas into action; emphasize implementation of ideas; step after creativity; implementation; product; developing; usefulness; hard; and cannot have innovation without creativity.

In running a business, you must be able to recognize problems and opportunities, as well as investigate, design and implement innovative solutions in an increasingly dynamic environment in order to remain

competitive, develop and lead. Business actors must optimize their abilities and creative and innovative ideas. Business survival and competition require someone to express creativity and innovation in their products and services. Innovation requires creativity which is a symbolic domain in cultural change.

The meaning of creativity is the ability to produce, create, create in new forms, create through imaginative skills, create something new. Innovation is the main source of competitive advantage in global business. The importance of creativity and innovation: (1) creativity and innovation have been accepted in the fields of business and management, and can only be achieved through creative and innovative solutions; (2) creativity and innovation in business are two things that business people need to have and develop for success; and (3) creativity and innovation are so important in the business world, that it is necessary to optimize creative and innovative abilities and ideas.

Creativity is a dynamic field of scientific research with important applied implications for innovation management. Research studies on the importance of creativity and innovation in MSMEs include: the role of creativity and innovation, the impact of creativity and innovation, the effect of creativity and innovation, and the influence of creativity and innovation. Research on the importance of creativity and innovation, the study of the following 12 things: (1) entrepreneurship (ability, intention, spirit, and entrepreneurial mindset); (2) business success; (3) continuity/sustainability of business; (4) business development/progress; (5) increasing competitiveness/competitive advantage; (6) buying/purchase interest; (7) purchase decisions; (8) increasing customer purchasing power; (9) customer satisfaction; (10) increasing products/services value; (11) increase in sales volume/income turnover; and (12) business/marketing performance.

It is hoped that this research will provide benefits to MSMEs actors, researchers, and all parties interested in research on MSMEs. Researchers suggest that further research can be carried out with other topics or different research methods.

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