

The Analysis of Digital-Based Creativity and Innovation of MSMEs in Bekasi City

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ABSTRACT

This research aims to determine the analysis of digital-based creativity and innovation of MSMEs in Bekasi City. This study is a descriptive-qualitative approach. Data collection techniques used interview, observation and documentation methods. Determination of informants based on MSME owners in Bekasi City. The results of the study indicate that digital-based creativity is the main factor that allows MSMEs in Bekasi City to produce innovative solutions in facing competitive business challenges. In addition, digital-based innovation provides better competitiveness in the market through the implementation of creative ideas in business practices. Digital-based marketing strategy using the 7P marketing mix: product, price, place, promotion, people, process, physical evidence on MSMEs in Bekasi city in the form of online stores in the marketplace to reach buyers in various regions and abroad. The obstacles for MSME actors in Bekasi city is that there is no team that focuses on implementing digital marketing. Efforts made by MSME actors in Bekasi city that they are actively participating in digital marketing training organized by government agencies or other parties

Keywords: Creativity, Innovation, Digital, MSMEs.

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INTRODUCTION

Progress in the industrial sector is greatly influenced by advances in science and technology. Currently, everyone has the opportunity to establish and develop a business. So companies must manage with good management in order to survive and develop in the present and future because more and more manufacturers are selling various products with different brands.

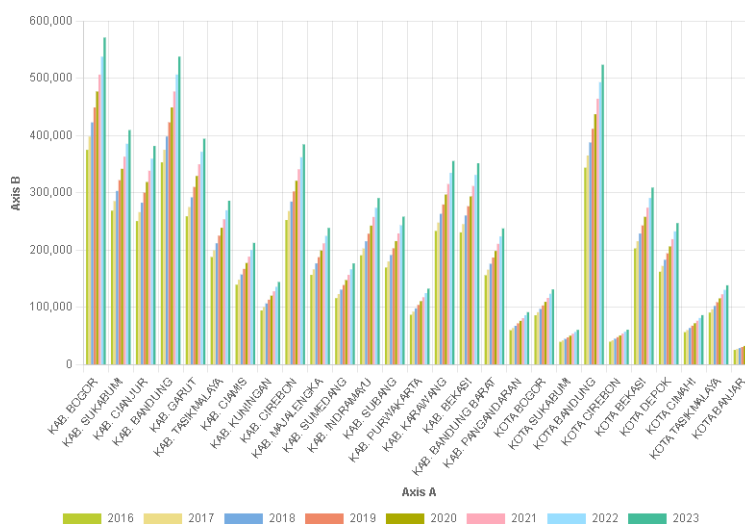
Currently, micro, small, and medium enterprises (MSMEs) are people's businesses that are given attention and privileges by law. This includes low-interest business credit, ease of business permit requirements, assistance from government agencies for business development, and several other conveniences. The existence and contribution of MSMEs in the economy is one of the important factors in Indonesia's success in dealing with various crises that occurred in 2007-2008 when large

businesses weakened and went bankrupt, while MSMEs were able to survive and make a significant contribution during the global crisis to the Indonesian economy. In addition, MSMEs will not affect international market conditions. Therefore, MSMEs are very important for providing jobs when other companies go bankrupt due to unstable international markets.

Since micro, small and medium enterprises (MSMEs) are the majority of businesses in Indonesia today, the existence of MSMEs has a broader role. There are many types of MSME industries, including fashion, culinary, crafts, and agriculture. In recent years, the type of business that has grown rapidly in Indonesia is micro, small and medium enterprises (MSMEs). The increasing number of MSME businesses that have emerged means that they are improving their respective businesses in order to survive in their industry. Competition will always exist when opening a business, from small, medium, to large businesses, including MSMEs. In literature that discusses the legal aspects of business competition, the term "business competition" often appears when a company or individual tries to achieve the desired goals, such as survey rankings, consumers, market share, or required resources. However, in the management dictionary, competition is defined as a business carried out by two (2) or more parties, each of which is trying to "get orders" by offering the most favorable prices or terms. Price cuts, advertising, promotions, variety and quality, packaging, design, and market segmentation are some forms of this competition.

Table 1.1

Number of Micro, Small and Medium Enterprises (MSMEs) by City/Regency in West Java, 2023



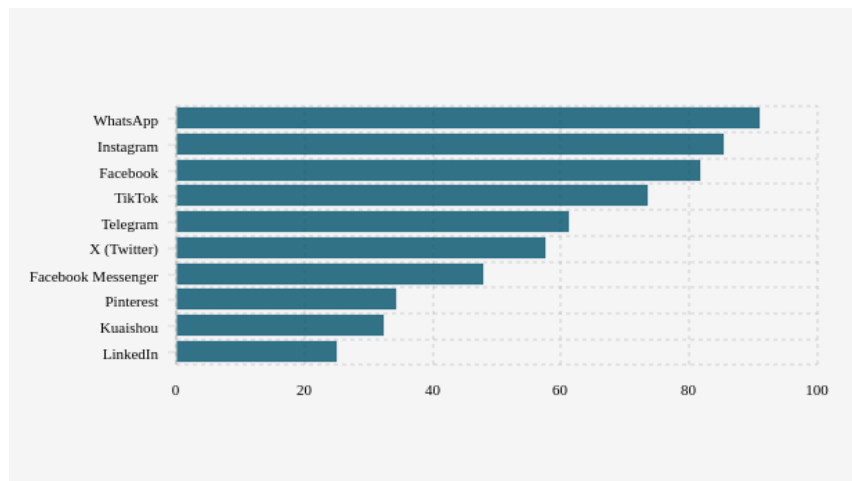
Source: jabarprov.go.id

Jabarprov.go.id data shows that the total projected number of MSMEs in West Java is 7,055,660 data in 2023, in this case there is an increase of around 5.83% from 2022. In the last 8 years of data,

around 5,772,785 with an average value each year.

In this data, the results obtained with Bogor Regency being the largest number of MSMEs in 2023 as many as 570,943. This is very different from Bogor City, which only has 131,538 MSMEs. Furthermore, the largest number of Micro, Small and Medium Enterprises (MSMEs) is followed by Bandung Regency as many as 537,801. This is slightly different from Bandung City which has 523,584 MSMEs. Meanwhile, the city with the lowest number of Micro, Small and Medium Enterprises (MSMEs) is Banjar City with a total of 39,422 MSMEs. Followed by Sukabumi City with 60,865 MSMEs as the city/district with the second lowest number. The types of MSMEs that are most often found are in the form of food, fashion and also souvenirs which are the choice of people in determining where they should spend their funds. One of the most common habits during a vacation or homecoming is buying souvenirs. Clothes, handicrafts, miniatures, to typical foods are some of the many choices that can be brought home. Many people buy souvenirs to give to friends and family. As if it were an interesting tradition, it is often requested by friends and family when returning from vacation. For friends and family, souvenirs do not always have to be expensive or luxurious because the most important thing is to impress them. For this reason, MSMEs are present in various challenges of technological developments and increasingly varied competition. In today's era, social media not only acts as a place to socialize or interact, but can also be an effective tool to promote products, so that business actors are able to increase sales turnover slowly. Here are the 4 social media applications most used by internet users in Indonesia in January 2024:

Figure I.1 Most Used Social Media Applications in Indonesia 2024 Source: We Are Social, 2024



Based on the data above, according to the latest report from We Are Social, WhatsApp became the most popular social media platform in Indonesia in January 2024. Around 90.9% of Indonesian internet users aged 16 to 64 years use this application. In second place, Instagram has 85.3% of users, followed by Facebook with 81.6%, and TikTok with 73.5%. Meanwhile, Telegram is currently used by 61.3% of users across the country. As of January 2024, We Are Social noted that there were 139 million social media user accounts in Indonesia. This figure represents about half of the total

population in Indonesia. Thus, it can be concluded that Instagram as one of the most popular social networking platforms is often used as a means for product promotion activities. Although initially used to share photos or videos, Instagram can now also be used as a business promotion tool. By using this application, users have the ability to take photos or videos, apply filters, and share them to various other social media platforms.

Definition of Business Creativity

Creativity dimensions encompass traits such as imagination (imaginative), deep curiosity (inquisitive), resilience in facing challenges (persistent), the ability to collaborate (collaborative), and discipline in developing skills (disciplined) Lucas (2016). According to Mukhles Al-Ababneh (2020), creativity is regarded as one of the most complex human behaviors, influenced by social, developmental, and educational experiences. It has evolved from a psychometric perspective, with significant contributions from figures like Guilford and Torrance, who helped shape how creativity is measured in different domains. If an individual is not interested or unable to carry out creativity, it is certain that business actors will not be open to digital marketing, especially in using social media as a marketing tool. Creativity itself is based on the experience of a person who is actualized through various actions so that they are different from others. In business, creativity is highly demanded so that they can survive and develop, so that they can produce a product or service that consumers think is something they cannot find anywhere else. Rusdiana (2014) said that the characteristics of creative thinkers are different from many people, including the characteristics of creative thinkers: 1) Sensitive to problems, 2) Able to generate big ideas, 3) Flexible in carrying out activities, 4) having originality in every idea, 5) being able to follow the feelings that arise in him, 6) understanding subconscious thoughts, 7) having good delegation determination abilities. From the traits or characters that have been conveyed, we can conclude that creativity arises from within, either in the form of ideas or ideas that are applied or developed in the form of actions, so that it has its own characteristics that distinguish it from others.

Definition of Innovation

Schilling (2017) emphasizes that innovation is not merely about generating creative ideas but about successfully bringing these ideas into the market. This definition expands the concept of innovation beyond just ideation to include the practical application and commercialization of new products, services, or concepts. Suryana (2009) stated that innovation is a creative process that is only carried out by people who have creative and innovative competitiveness, namely people who have an entrepreneurial spirit, attitude and behavior, with the following characteristics: full of confidence, have initiative, have a motive to achieve, have a leadership spirit, dare to take risks with full calculation. The theory of innovation diffusion was popularized in 1964 by Everett Rogers. In his book entitled "diffusion of innovations" he explained that diffusion is a process when an innovation

is communicated through several channels with a certain period of time in a social system. The theory put forward by Rogers believes that innovation is diffused to all over society with a predictable pattern. Rogers also defines innovation diffusion as a process that communicates information about new ideas that are viewed subjectively. The meaning of innovation is thus slowly developed through a process of social construction. It can be concluded that the diffusion of innovation is a social process in communicating information about new ideas that are initially viewed subjectively, but slowly begin to be developed through the process of social construction so that they can be viewed objectively. There are 5 categories that make innovation easier, including; 1) Innovators, 2) Early adopters, 3) Adopter majority, 4) Late majority, 5) laggards. Of the 5 categories, if each stage can be done, then innovation in each individual or a team will run effectively.

Digital Marketing

According to Purwana, et al. (2017:2), digital marketing is an activity to promote and offer products through digital media online by utilizing various means such as social networks. Therefore, in addition to facilitating the marketing process for companies, digital marketing is also very beneficial for consumers and produces more mutually beneficial solutions. The purpose of digital marketing is to increase brand awareness, wider market reach, build strong customer relationships, increase sales, and achieve positive results in an increasingly modern business environment. With the right strategy, digital marketing can help businesses reach a wider audience and make their brands known to potential buyers.

Currently, many entrepreneurs not only have blogs or websites, but also several social media accounts, such as WhatsApp, Facebook, Line, Instagram, Tiktok, and others, to introduce or promote products and establish communication relationships to improve the quality of service and sales

METHOD

This research uses a qualitative research approach. According to Sugiyono (2018), the qualitative research method is a method based on philosophy and is used to research in scientific conditions. The researcher is the key instrument, data collection techniques are carried out by triangulation, and data analysis is inductive. The results of qualitative research emphasize meaning rather than generalization. Meanwhile, Creswel (2017) states that qualitative methods are a type of research that explores and understands meaning in a number of individuals or groups of people who come from social problems. Creswel's statement directs that in qualitative research researchers are required to have a deeper relationship in analyzing information provided by informants.

Data collection

According to Sugiyono (2020), in general there are 4 (four) types of data collection techniques, namely observation, interviews, documentation and combination/triangulation (observation, interviews and observations). Data collection techniques are techniques used by authors to collect various types of data

and information in the field to obtain data related to the problem being studied. The informants targeted in this study are MSME actors, agencies that accommodate MSMEs and academics who are experts in MSME practices.

Data Analysis

Data analysis is the process of systematically searching and organizing data obtained from observations, interviews, and documentation. This process includes searching and organizing data into categories, describing them into units, synthesizing them, organizing them into patterns, choosing what is important and what will be studied, and drawing conclusions so that they are easily understood by others and oneself.

RESULTS AND DISCUSSION

In this subsection, the researcher will describe and discuss the information obtained through observation and interviews with several informants. Before conducting the interview, the researcher conducted direct observation for several days from various business people of MSMEs in the Bekasi city area. The results found will be additional material for questions in the interview research.

Results of digital-based creativity analysis

No	Creativity	Responses
1	How important is digital-based creativity in running a business according to your perspective as a business owner or manager? What are the reasons?	I think it is important because we are currently living in a modern era, if our business does not implement digital in the marketing process, in the long run our business will have difficulty developing and will end up dying and because it can be reached by people who live outside the city of Bekasi or outside Indonesia.
2	What should a business owner have in order to have digital-based creativity, especially in doing business like today?	Often browsing to see current business trends, then we apply and modify them, for example improving skills to create content ideas, currently the trend is to create video content for selling and upload it to social media, the ability to manage websites or marketplaces.
3	What are the stages in the digital-based creativity process that you as the business owner or manager carry out in running this business?	Determine content ideas, then create a planning schedule for video content uploaded to social media to increase digital marketing, prepare aesthetic product photos, filter and evaluate the results of the content we create which is useful for understanding our market.
4	Are there any obstacles in building digital-based creativity?	There are many obstacles such as the lack of a special team that focuses on handling digital marketing and digital-based sales such as managing online stores and websites, not being

		<p>consistent in creating digital marketing content, the high cost of endorsements to boost products so that they are known in the community.</p> <p>In building digital creativity, of course, there are obstacles that make the business not run optimally, among these obstacles are the constraints of limited human resources, inadequate financial limitations, and limited knowledge in the digital world and also the limitations of the technology owned.</p>
5	What efforts are being made to overcome these obstacles?	Efforts made to overcome these obstacles include joining communities that build MSME businesses from zero to hero, and also being actively involved in participating in training provided by the government and educational institutions that hold MSME development activities in developing creativity in digital form.

From the answers given and summarized in one data, it states that digital-based creativity plays a very important role in the development of modern business. In today's digital era, utilizing technology for marketing and business management is crucial to expand market reach and support business growth.

To optimize digital creativity, business owners need to have skills in identifying current trends, creating interesting content, and managing digital platforms such as websites and social media. The creative process includes planning content ideas, producing digital materials, and evaluating results for continuous improvement.

However, some common obstacles in building digital creativity include limited teams focused on digital marketing, lack of consistency in content creation, and high endorsement costs. To overcome these obstacles, business owners can join the MSME community, take training, and take advantage of development programs from the government and educational institutions.

Digital-based Innovation Results

No	Innovation	Responses
1	How important is digital-based innovation in running a business according to your perspective as a business owner or manager? What are the reasons?	In our opinion, digital-based innovation is very important in order to maximize the services or products that are being offered to the public. With innovation, they hope that they can increase the efficiency of time, budget and also expand their market or consumers in

		reaching consumers who need the products being offered.
2	Are there any digital-based innovations in the field of product development that are currently being carried out? If there are, can the innovation process in the field of digital-based product development be described?	For now, the innovation that has been done cannot be implemented properly, this is related to the limitations of resources, both human resources and financial, so that currently it is still focused on what they are selling. For now, only innovation in product development is offered.
3	Are there any digital-based innovations in marketing that are currently being carried out? If there are, can you describe the innovation process in the digital-based marketing field?	Digital-based innovation in the marketing sector that is currently being carried out is by marketing through marketplaces, also through social media such as Facebook, Instagram, TikTok.
4.	What are the stages in the digital-based innovation process that you as the business owner or manager carry out in running this business?	The first stage of digital-based innovation is to digitize products online either through websites or social media, second by implementing a digital payment system, conducting market research for similar products and ensuring that all aspects of the business run smoothly. Digitalization of MSMEs can help MSMEs survive in increasingly tight competition. In addition, digitalization can also encourage MSMEs to be more creative with their business products
5	Are there any obstacles faced in relation to digital-based innovation in the field of product development, how to overcome these obstacles?	The obstacles faced in carrying out digital innovation are the first in changing the mindset of MSME actors to adopt digital technology. The next obstacle is the financing aspect, the third obstacle is product standardization and the existence of long regulations can hinder digital innovation for MSME actors.
6	What efforts are being made to overcome these obstacles?	Efforts made to overcome the obstacles faced by MSMEs in the digital invasion are by providing assistance to encourage MSMEs to utilize digital technology to improve product marketing, provide easy access to banking capital with affordable interest rates,

		create attractive packaging and increase the capacity and transaction capabilities of MSMEs.
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Digital-based innovation is very important in order to maximize the services or products that are being offered to the public. With innovation, MSMEs hope that they can increase the efficiency of time, budget and also expand their market or consumers in reaching consumers who need the products being offered. The innovation that has been carried out has not been able to be implemented properly, this is related to limited resources, both human resources and financial, so that currently it is still focused on what they are selling. For now, only innovation in product development is offered. Digital-based innovation in the marketing sector that is currently being carried out is by marketing through the marketplace, also through social media such as Facebook, Instagram, TikTok. The first stage of digital-based innovation carried out is by digitizing products online either through websites or social media, second by implementing a digital payment system, conducting market research for similar products and ensuring that all aspects of the business run smoothly.

Digitalization of MSMEs can help MSMEs survive in increasingly fierce competition. In addition, digitalization can also encourage MSMEs to be more creative with business products. The obstacles faced in carrying out digital innovation are the first in changing the mindset of MSMEs to adopt digital technology. The second obstacle is the financing aspect, the third obstacle is product standardization and the existence of long regulations that can hinder digital innovation for MSMEs. Efforts made to overcome the obstacles faced by MSMEs in the digital invasion are by providing assistance to encourage MSMEs to utilize digital technology in increasing product marketing, providing easy access to banking capital with affordable interest rates, creating attractive packaging and increasing the capacity and transaction capabilities of MSMEs.

CONCLUSION

Based on the results of the analysis of creativity and digital-based innovation of MSMEs in Bekasi city, it can be concluded that digital-based creativity is the main factor that allows MSMEs of Bekasi city to produce innovative solutions in facing competitive business challenges. In addition, digital-based innovation provides better competitiveness in the market through the implementation of creative ideas in business practices. Digital-based marketing strategies using the 7P marketing mix of MSMEs in Bekasi city in the form of online stores in the marketplace to reach buyers in various regions and abroad, Obstacles for MSMEs actors in Bekasi city are that there is no team that focuses on implementing digital marketing, Efforts made by MSMEs actors in Bekasi city that they are actively participating in digital marketing training organized by government agencies or other parties.

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