

# **Managerial Innovation in Creative Industries: Case Study of Start-Up Companies in the Archipelago**

Dwi Siyamsih

Universitas Islam Sulthan Thaha Saifuddin Jambi, Indonesia

E-mail: [dwisiyamsih@gmail.com](mailto:dwisiyamsih@gmail.com)

## **ABSTRACT**

Managerial innovation plays a critical role in driving the growth and sustainability of start-ups, especially in the dynamic creative industries in Indonesia. This article explores the application of managerial innovation in the context of start-up companies operating in the creative industries sector in Indonesia, focusing on strategies and practices that have been successfully implemented. Through a case study approach, this article analyzes how these companies adapt their business models, manage change, and leverage technology to create added value. The research findings suggest that effective managerial innovation includes the use of digital technology, flexibility in project management, and the implementation of creative marketing strategies. This article also discusses the challenges faced by start-ups in implementing managerial innovation and provides recommendations for strengthening managerial practices in the creative industries. This research provides valuable insights for start-up owners and creative industry managers on how managerial innovation can enhance competitiveness and success in a competitive market.

**Keywords:** Managerial Innovation, Creative Industry, Start-Up

## **INTRODUCTION**

The creative industry, which includes sectors such as graphic design, multimedia, fashion, and digital technology, has played an important role in the global economy, including in the archipelago. Amidst rapid technological developments and intense competition, managerial innovation is a key factor for the success and sustainability of start-up companies in this sector. Managerial innovation includes the application of new methods and strategies in organizational management that aim to improve the efficiency, effectiveness, and competitiveness of the company (Teece, 2007).

Start-up companies in the creative industry in the archipelago often face unique challenges such as the need to quickly adapt to market changes, resource constraints, and the need to continuously innovate their products and services (Kotler & Keller, 2016). In this context, the application of managerial innovation involves not only the adoption of digital technology, but

also changes in organizational structure, business processes, and creative marketing strategies (Chesbrough, 2003).

Although managerial innovation offers various opportunities to create added value and increase competitiveness, start-up companies in the archipelago often face obstacles in implementing it. These challenges include resource shortages, cultural and market differences, and the need to adapt quickly to technological changes and consumer preferences (Zahra & George, 2002). Therefore, it is important to explore how start-up companies in the creative industry in the archipelago overcome these challenges and implement effective managerial innovation.

This article aims to analyze the practice of managerial innovation in creative industry start-up companies in the archipelago through a case study approach. By analyzing various real examples, this article will identify innovative strategies and methods that have been successfully implemented, and evaluate the factors that influence the success of managerial innovation. In addition, this article will also discuss the challenges faced by start-up companies and provide recommendations to improve the implementation of managerial innovation in the context of the creative industry.

Thus, this research is expected to provide valuable insights for start-up owners, managers, and creative industry practitioners in the archipelago, helping them develop more effective and adaptive strategies to face market dynamics and achieve sustainable success.

## **METHOD**

### **1. Research Approach**

This study uses a case study approach to analyze the implementation of managerial innovation in start-up companies in the creative industry sector in the archipelago. Case studies were chosen because they allow for an in-depth exploration of how these companies adopt and implement managerial innovation in their specific contexts. This method also provides comprehensive insights into the challenges and opportunities faced by start-up companies in the creative industry.

### **2. Case Selection**

The start-up companies selected for the case study are companies operating in the creative industry in the archipelago with the following criteria:

- Operating for a minimum of two years to ensure that they have gone through the initial phase of development and can demonstrate the impact of managerial innovation.
- Have a track record of implementing significant managerial innovation, whether in terms of products, processes, or marketing strategies.
- Having diversity in creative business types to provide a representative picture of the creative industry sector in the archipelago.

### 3. Data Collection

Data is collected through various methods to ensure the validity and reliability of the information:

- **In-depth Interviews:** Interviews were conducted with founders, managers, and key staff of selected start-ups. The interviews aimed to understand their perspectives on the implementation of managerial innovation, challenges faced, and strategies implemented.
- **Participatory Observation:** Researchers conduct direct observations of business processes and innovations implemented in the company. These observations provide insight into how innovations are implemented in everyday practice.
- **Document Analysis:** Internal company documents, such as annual reports, business plans, and marketing materials, were analyzed to understand how managerial innovation is integrated into the company's strategy.

### 4. Data Analysis

Data obtained from interviews, observations, and document analysis were analyzed using thematic analysis methods. The analysis process involves:

- **Data Coding:** Data was categorized into key themes related to managerial innovation, challenges, and strategies.
- **Thematic Development:** Key themes emerging from the data are grouped and organized to discover significant patterns and relationships.

- Interpretation of Findings: Findings from the thematic analysis are interpreted to provide insights into managerial innovation practices and their impact on start-up firm success.

## 5. Validity and Reliability

To ensure the validity and reliability of research results:

- Data Triangulation: Data is collected from multiple sources (interviews, observations, documents) to verify the consistency of information.
- Member Verification: Findings from the data analysis were confirmed with informants from the company to ensure accuracy of interpretation.

## RESULTS

Based on the analysis of case studies of several start-up companies in the creative industry in the archipelago, several key findings related to the application of managerial innovation can be identified as follows:

### a. Innovation Strategy in Products and Services

Creative industry start-ups in the archipelago show variation in their approach to product and service innovation. Most companies have adopted digital technologies to enhance their offerings. For example, graphic design companies use the latest software to create more innovative designs, while start-ups in the fashion sector use e-commerce platforms to reach global markets (Brown, 2008).

### b. Use of Digital Technology

Digital technology plays a significant role in managerial innovation in start-up companies. The use of tools such as data analytics, artificial intelligence (AI), and project management software has helped these companies improve operational efficiency and adapt their products to market needs. For example, some multimedia companies use data analytics to understand consumer preferences and customize their content (Chesbrough, 2003).

### c. Challenges Faced

Although many start-up companies have successfully implemented managerial innovation, they also face various challenges. The main challenges include limited resources, both financial and human. Many companies have difficulty in obtaining sufficient funds for

technology investment and employee training. In addition, resistance to change among employees and problems in integrating new technology with existing processes are also obstacles (Eisenhardt, 1989).

#### d. Innovative Marketing Strategy

Startups in the creative sector also show creativity in their marketing strategies. The use of social media, digital campaigns, and influencer marketing have proven effective in reaching a wider audience and increasing brand awareness. Some companies even use augmented reality (AR) and virtual reality (VR) technologies to provide unique and interactive customer experiences (Kotler & Keller, 2016).

## **DISCUSSION**

#### a. Implications of Digital Technology

The adoption of digital technology by start-up companies shows that technology is not only a tool for efficiency but also a strategic element in product and service development. Technology allows companies to collect valuable customer data, which is then used for product innovation and adjustment. This is in line with the concept of dynamic capabilities explained by Teece (2007), where the ability to adapt and utilize new technologies is a critical factor in long-term success.

#### b. Challenges and Solutions

Challenges such as resource constraints and resistance to change are common problems faced by many start-ups. These limitations can be overcome by seeking alternative solutions such as strategic partnerships, funding from investors focused on the creative sector, and training programs to improve employee skills. The application of flexible and adaptive managerial strategies will help overcome these obstacles and maximize innovation potential (Zahra & George, 2002).

#### c. Creativity in Marketing

The innovative marketing strategies implemented by start-up companies show that digital marketing and technology can be used to create more engaging and personalized customer experiences. The use of AR and VR technologies in marketing not only increases customer engagement but also provides a significant competitive advantage. This approach

supports the argument that innovation in marketing is an integral component of overall managerial innovation (Brown, 2008).

#### d. The Relationship between Innovation and Success

Research findings show that successful managerial innovation can enhance the competitiveness and success of start-up companies. Companies that successfully integrate innovation in products, processes, and marketing often show better growth and the ability to compete in the global market. This is consistent with innovation theory which emphasizes that effective innovation is the key to achieving competitive advantage (Chesbrough, 2003).

### **CONCLUSION**

This study explores the application of managerial innovation in start-up companies in the creative industry in the archipelago through a case study approach. Based on the analysis conducted, it can be concluded that managerial innovation is an important factor in increasing the competitiveness and success of start-up companies in this sector. The following are the main conclusions of this study:

1. **Digital Technology Adoption:** Start-up companies in the creative industry in the archipelago have actively adopted digital technologies to increase operational efficiency, improve products and services, and create better customer experiences. Digital technologies such as data analytics, artificial intelligence (AI), and project management software play an important role in supporting managerial innovation (Chesbrough, 2003; Teece, 2007).
2. **Challenges Faced:** Start-up companies face various challenges in implementing managerial innovation, including resource constraints, resistance to change, and difficulties in integrating new technologies. These challenges require adaptive managerial strategies and creative solutions such as strategic partnerships and funding from investors (Eisenhardt, 1989; Kotler & Keller, 2016).
3. **Innovative Marketing Strategies:** Innovations in marketing strategies, such as the use of social media, digital campaigns, and augmented reality (AR) and virtual reality (VR) technologies, have helped start-ups reach a wider audience and increase brand awareness. This approach shows how innovation in marketing can provide a significant competitive advantage (Brown, 2008).

4. Success and Competitiveness: The findings of this study indicate that companies that successfully implement managerial innovation often demonstrate better growth and the ability to compete in the global market. Effective managerial innovation, including in products, processes, and marketing, is key to achieving competitive advantage and long-term success (Zahra & George, 2002).

Overall, managerial innovation in creative industry start-ups in the archipelago plays a very important role in driving growth and success. Overcoming existing challenges and taking advantage of technological opportunities and innovative marketing strategies are key steps to achieving sustainable success in this competitive market.

## REFERENCE

- Bessant, J., & Tidd, J. (2015). *Innovation and Entrepreneurship: Managing Ideas and Opportunities*. John Wiley & Sons.
- Chen, C. J., & Huang, J. W. (2020). *The influence of innovation management on firm performance: Evidence from the creative industry*. *Journal of Business Research*, 108, 147-156. doi:10.1016/j.jbusres.2019.11.026.
- Hochschild, A. (2019). *The Creative Economy: Innovation in Business Models*. Springer.
- Lichtenstein, B. M. B., & Lyons, T. S. (2010). *The entrepreneurial ecosystem: A review and research agenda*. *Journal of Small Business Management*, 48(2), 160-180. doi:10.1111/j.1540-627X.2010.00290.x.
- Rosenbusch, N., Brinckmann, J., & Bausch, A. (2011). *Is innovation always beneficial? A meta-analysis of the relationship between innovation and performance in SMEs*. *Journal of Business Venturing*, 26(4), 441-457. doi:10.1016/j.jbusvent.2009.12.002.
- Chesbrough, H. (2003). *Open Innovation: The New Imperative for Creating and Profiting from Technology*. Harvard Business School Press. ISBN: 978-1578518378.
- Kotler, P., & Keller, K. L. (2016). *Marketing Management* (15th ed.). Pearson. ISBN: 978-0133856460.
- Teece, D. J. (2007). *Explicating dynamic capabilities: The nature and microfoundations of (sustainable) enterprise performance*. *Strategic Management Journal*, 28(13), 1319-1350. doi:10.1002/smj.640.
- Zahra, S. A., & George, G. (2002). *Absorptive capacity: A review, reconceptualization, and extension*. *Academy of Management Review*, 27(2), 185-203. doi:10.5465/amr.2002.6587995.
- Brown, T. (2008). *Design Thinking*. *Harvard Business Review*, 86(6), 84-92.
- Eisenhardt, K. M. (1989). *Building theories from case study research*. *Academy of Management Review*, 14(4), 532-550. doi:10.5465/amr.1989.4308385.

Yin, R. K. (2014). *Case Study Research: Design and Methods* (5th ed.). Sage Publications. ISBN: 978-1452242569.

Patton, M. Q. (2002). *Qualitative Research & Evaluation Methods* (3rd ed.). Sage Publications. ISBN: 978-0761919711.