

The Influence of Collaborative Strategies in Promoting Increasing Sales Volume of Creative Industry MSMEs

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Abstract. This research seeks to gain a comprehensive interpretation of the collaborative strategies enforced by Micro, Small, and Medium Enterprises (MSMEs). By using a qualitative analysis approach with a descriptive framework, this research utilizes SWOT analysis as an important tool for identifying variables in formulating organizational strategy. The findings of this analysis underscore the importance for MSMEs operating in the creative industries to carefully assess their internal strengths and weaknesses, as well as external opportunities and threats, to effectively navigate increasingly fierce market competition. In particular, the intrinsic strengths of MSMEs, characterized by creativity and adaptability, play an important role in product differentiation and attracting consumer interest. Nevertheless, the challenges posed by financial constraints and limited global market access require strategic mitigation. Opportunities arising from market expansion initiatives and the strategic use of information technology provide opportunities to increase the prospects for the success of MSMEs. However, increasing awareness of competitive pressures and potential risks while maintaining product quality remains paramount. Through SWOT analysis, MSMEs can design tailored strategies to increase their competitive advantage and ensure business sustainability. Creative initiatives such as leveraging social media platforms, forging partnerships with local suppliers and artists, driving product innovation, providing exceptional customer service, and diversifying sales channels are emerging as critical enablers to increase sales volumes and achieve success amidst a highly competitive market landscape.

Keywords: MSME, Creative Industry, Collaborative Strategy, Selling Volume

INTRODUCTION

The creative industry is a sector that relies on the use of individual creativity, abilities, and talents to generate prosperity and open up employment opportunities through the production process and utilization of the individual's creative and innovative abilities. (Kemendag, 2009). On the other hand, John Howkins (1997) emphasizes that the essence of the creative industry lies in the ability to create new ideas, generating value from unique intellectual property. It covers various sectors such as advertising, architecture, arts, and crafts, design, fashion, film, music, performing arts, publishing, R&D, software, toys and games, TV and radio, and video games. This approach recognizes the importance of innovation and creativity as key drivers in the modern economy, where knowledge and information become valuable assets that drive economic growth and social development (Howkins, 2013). Through Howkins' lens, the creative industry is not just about arts and culture; it is also about a knowledge-based economy that harnesses creativity for growth and sustainability.

The emergence of the creative industry as a business encourages innovation in the Indonesian economic sector, one of which is creating competitive advantages in industrial products, including in the field of Micro, Small, and Medium Enterprises (MSMEs) that are

formed in society. Furthermore, the existence of creative industries drives community reproductivity in collaborating and improving the quality of their products sustainably to alleviate poverty, especially in rural areas (Suryadharma et al., 2023). To facilitate this process, it is a crucial aspect to initiate synergies between resource and funding holders and individuals or groups who hold innovative business ideas and have the capacity to manage them. This kind of synergy not only has the potential to increase income for the parties involved in the collaboration but also contributes to the creation of job opportunities which, in turn, supports business regeneration and economic renewal.

Micro, small, and medium enterprises (MSMEs) are home-based industrial businesses formed by the community or collaborative partners between capital owners and resource owners, to be able to improve community welfare. In this digital era, the creative industry is very important in supporting MSME businesses where this is needed as an efficient marketing strategy because it does not require a lot of funds and energy. The creative industry has emerged as a dynamic sector that contributes to economic growth and cultural development in various parts of the world. Over the last few years, this industry has become the most popular sector because it is easy and efficient to use, and can encourage users to be more creative in promoting their business and exploring new trends that are relevant to their business ideas.

In identifying collaborative marketing strategies, a thorough analysis is needed to formulate a systematic business strategy. The analysis is based on an analytical approach that focuses on optimizing strengths and opportunities, in addition to efforts to reduce weaknesses and avoid potential threats to the business. Therefore, a SWOT analysis model is needed that is carried out intrinsically about the strategic planning and decision-making process which involves mission formulation, goal setting, and developing organizational policies by carefully taking these aspects into account.

Collaborative capabilities facilitate the generation of new opportunities through the establishment and maintenance of relationships based on mutual trust, effective communication, and shared dedication. As an inherent capacity in organizational structures, collaboration enables Micro, Small, and Medium Enterprises (MSMEs) to adapt agilely to fluctuations in volatile economic conditions, by relying on social interactions that trigger innovation (Castilho & Quandt, 2017). It also acts as a key factor in improving overall company performance (Jin et al., 2019). By having strategic collaboration capabilities, MSME businesses have an alternative way to manage their business more productively and efficiently. This makes it easier for organizations to develop flexibility in marketing products in various technological media.

Through the application of a SWOT analysis, it is anticipated that owners of micro, small, and medium enterprises (MSMEs) can discern collaborative strategies conducive to business development, thereby augmenting product sales volume and identifying key priorities in business management. Absent this comprehension, MSME proprietors may lack insight into market potential and consumer demand, potentially overlooking opportunities for optimal product marketing within the evolving digital marketplace. Hence, conducting a thorough analysis of products or businesses before actualizing a business concept is imperative.

METHOD

This study utilizes a qualitative analytical approach which aims to explore and obtain an in-depth understanding of the variables that influence internal and external factors. Based on views (Moleong, 2017), Qualitative research is defined as a research method that aims to interpret phenomena through the experiences of subjects, including their behavior, perceptions, motivations, and actions, in a comprehensive way. This approach prioritizes the use of verbal and linguistic descriptions, in natural contexts, by applying a variety of natural methodologies. The approach adopted in this research is SWOT (Strength, Weakness, Opportunity, Threat) analysis, which is a systematic methodology for identifying various critical factors in designing organizational strategies. This analysis focuses on identifying and maximizing strengths and opportunities, while simultaneously recognizing and minimizing weaknesses and dealing with threats. In this context, the process of formulating strategic decisions is closely integrated with the development of missions, goals, strategies, and policies directed at strengthening and developing Micro, Small and Medium Enterprises (MSMEs).

RESULTS AND DISCUSSION

SWOT Analysis of Creative Industries in MSMEs

The creative industries sector, characterized by its emphasis on elements of creativity, originality, and innovativeness, has developed into a significant driving force in stimulating economic growth and cultural evolution in various global metropolises (Nurfitriah et al., 2022). This industry spectrum covers a wide array of sectors, including but not limited to, design, advertising, architecture, fashion, cinematography, musicology, and multimedia. More than just producers of intellectual property, creative industries also play a crucial role in catalyzing dynamic ecosystems, facilitating interdisciplinary collaboration and intercultural exchange (Hidayat & DW, 2022). Brunetti et al. (2023) states that advances in creativity and ideas produced by industry depend significantly on technology, which human power can utilize. In

the creation process in the creative industry, the use of Information and Communication Technology occurs to access, disseminate, and exchange information as well as enrich creative ideas in the distribution and marketing chain. Apart from that, the role of digital technology and the internet has also proven important in carrying out transactions and promoting products.

In developing business ideas to be able to compete in the free market, MSME business actors must first understand the strengths and weaknesses of their business, as well as understand the business opportunities and threats in the free market which is increasingly tight in competing and improving the quality of their products. SWOT analysis is a simple but powerful tool that can help MSMEs in the creative industries increase their chances of success. A SWOT analysis of the creative industry in the context of Micro, Small, and Medium Enterprises (MSMEs) offers a deeper understanding of the factors that influence the performance and prospects of the industry. Developing a business following business actors' mastery of knowledge with the support of digital transformation will be very helpful in operations and monitoring the progress of new and old businesses packaged in a new concept.

On the strength side, MSMEs in the creative industries often have advantages in terms of creativity and innovation. They can produce unique and interesting products or services, differentiating themselves from competitors. In addition, MSMEs tend to have greater flexibility in responding to market changes and trends, as well as the ability to collaborate more intimately with customers or local communities. In analyzing the strengths of MSMEs, they must be able to find the advantages of the products they have, for example, the uniqueness of their products that other products do not have. In many industries, quality depends on price. When a business actor can provide quality products at low prices, of course, it will have a big influence on the market.

However, on the other hand, MSMEs are also faced with several weaknesses. Financial resources are also often a major obstacle for MSMEs because they limit the ability of business actors to develop products or market their brands. Currently, digital transformation has helped market community MSME products in local and national markets, with high efficiency. On the other hand, lack of access to global markets is a problem, especially for MSMEs. This is because MSMEs have limitations in infrastructure and access to capital which should be the main support in developing their production. Apart from that, challenges in maintaining product quality and consistency can also hinder the progress of MSMEs in the creative industries.

In terms of opportunities for MSMEs in the creative industry, they are also quite large. The continued growth of the market, especially in the consumer sector which increasingly appreciates local and creative products, provides opportunities for MSMEs to increase their

market penetration. Products produced by MSMEs such as artistic creativity, household tools, food, and accessories are the most suitable and easy choices for the community to develop. In addition, the use of information and communication technology (ICT) also provides new opportunities for MSMEs to expand their market reach, increase operational efficiency, and strengthen marketing strategies. However, MSMEs also need to be alert to threats that may arise throughout their business journey. Increasingly fierce competition, both from local and international competitors, can threaten the market share and profitability of MSMEs. Apart from that, in the creative industry, everything can be imitated even though it is not 100% a copy of a product that is already circulating on the market, over time, this can threaten the local business that initiated the product. Changes in market regulations can also be a threat because MSMEs must adapt to changing policies. The risk of failure to maintain product quality is also a serious threat, especially because consumer reputation and trust can be significantly affected.

By using SWOT analysis, MSMEs can formulate appropriate strategies to achieve their goals and increase their competitiveness in the market. By carefully understanding the factors of strength, weakness, opportunities, and threats through SWOT analysis, MSMEs in the creative industry can develop more appropriate and effective strategies to increase their competitiveness and business continuity in an increasingly competitive market. It includes developing innovative business models, investing in developing quality products and services, and leveraging technology to increase efficiency and create a competitive advantage.

Collaboration Strategy in Increasing MSME Sales Volume

Collaboration is recognized as a key element in accelerating the pace of innovation in the creative industries. The collaboration takes various forms, including but not limited to, partnerships between organizational entities, co-creation efforts, and network building with external interested parties (Noor et al., 2023). Through collaboration, business entities in the creative sector can combine resources, expertise, and viewpoints, resulting in a deeper understanding of complex challenges and innovative solutions. Collaboration between organizations, both in the realm of creative companies and across industries, has proven to be able to facilitate the transfer of knowledge and exchange of best practices (Hakim et al., 2023). For example, partnerships between MSME businesses and technology companies have allowed the integration of the latest digital technologies into the design process, resulting in more revolutionary and interactive design products.

To start an MSME, an invention is currently required that can facilitate business progress in line with environmental changes that occur. Innovation can be a strategic key in responding to new challenges arising from an uncertain environment. Assessing the success of

a company's innovation can be done by comparing its performance with its competitors, especially for companies that are less innovative and have limitations in product research and development. Apart from that, innovation can also improve performance by expanding a company's ability to innovate, especially through the development of better products and new organizational practices, which in turn can increase the company's capacity to acquire and create new knowledge to support further innovation development. Hakala (2011) mentions four strategic orientations that exist in organizations, namely market orientation, entrepreneurial orientation, technology orientation, and learning orientation.

1. Market Orientation

Market orientation is a business approach that places priority on identifying consumer needs and wants and creating products and services that satisfy them (Kopp, 2021). The strategy tends to force business actors to consider product quality as a determinant of market demand and pay close attention to market needs. Through this approach, business actors can increase brand credibility, customer loyalty, and advertisement not only through digital publicity but also through word of mouth. To implement this trend, business actors must always monitor market conditions through research to answer consumers' main needs.

2. Enterprise Orientation

Entrepreneurial orientation is a condition where individuals tend to innovate, be proactive, and are willing to take risks to start or manage a business (Knight, 2000). Entrepreneurial orientation has three fundamental dimensions (Lumpkin & Dess, 2001): *First*, is the innovation dimension, which is the basis that influences corporations in creating competitive benefits and improving their performance. *Second*, the proactive attitude dimension, which is a characteristic that involves foresight, has future goals to identify opportunities and anticipate future demands. *Third*, the risk-taking dimension, where companies are willing to take risks with actions and decisions without certain knowledge about potential income and possible losses, including personal, financial, and business risks. This entrepreneurial orientation is the ability of business actors to process resources to obtain a competitive advantage.

3. Technology Orientation

Technology orientation is the tendency in business to use the latest technology to develop new products and services, as well as improve the quality of existing products and services through promotion efforts and implementation of innovative ideas. The application of technology is a determining factor in developing new products that can

attract consumer buying interest so that they can increase the sales volume of business actors, especially the MSME sector. If the product offers an advantage that is considered an added value for consumers, new product development and its effective strategy are often crucial factors in the success and survival of a company. However, this process is not easy. New product development requires a large investment of effort, time, and capabilities while considering the significant risks and costs associated with failure.

4. Learning Orientation

According to (Atitumpong & Badir, 2017), Learning orientation is defined as an internal mentality that encourages individuals to take action and improve their skills. Individuals who have a learning orientation tend to have a greater opportunity to achieve the success goals they desire. Currently, innovation is becoming increasingly vital as a way to survive, not just for growth, in the face of environmental uncertainty and increasingly fierce business competition. MSME players who can innovate effectively tend to be more successful in adapting to environmental changes and developing new capabilities that produce competitive advantages and superior performance that even enable them to compete in the global market.

Creative strategies are key for Micro, Small, and Medium Enterprises (MSMEs) in their efforts to increase their sales volume. First, the use of social media and digital marketing has become an effective approach to reaching a wider audience, increasing brand awareness, and driving sales conversions. Second, providing special offers and promotions can attract the attention of potential customers and encourage purchases. Collaboration and partnerships with other businesses or influencers can also be an effective strategy for expanding market reach. Apart from that, product innovation by developing new products or attractive variants can make MSMEs more competitive and attract customer interest. Superior customer service is also a vital factor in building customer loyalty and creating positive experiences that can increase sales volume.

Furthermore, creating an interesting and memorable shopping experience can provide significant added value for customers. Finally, diversifying sales channels, such as expanding into an online store or online marketplace, can open up new opportunities and increase access to a wider market, which in turn has the potential to increase overall sales volume. By implementing these strategies effectively, MSMEs have a greater opportunity to achieve growth and success in a competitive market.

In striving to enhance both product quality and sales, business practitioners may adopt a productive approach by engaging in collaborative ventures as a means of business

advancement. Within this framework, Micro, Small, and Medium Enterprises (MSMEs) have the opportunity to engage in partnerships with suppliers or manufacturers of raw materials, thereby ensuring the quality and sustainability of their product offerings. Additionally, collaboration with local artists can be leveraged by MSMEs to infuse uniqueness into their products, thereby augmenting their differentiation within the market. Furthermore, to optimize marketing effectiveness, MSMEs can extend beyond digital platforms and engage in collaborative initiatives with local communities to broaden their market reach and bolster brand awareness. Through the implementation of these diverse collaborative strategies, it is envisaged that MSMEs can expand their market share and elevate their brand visibility, consequently leading to a substantial increase in sales volume.

CONCLUSION

The conclusion of this analysis shows that developing business ideas and competing in the free market is as follows:

1. Micro, Small, and Medium Enterprises (MSMEs) must pay close attention to the strengths and weaknesses of their businesses, and understand the opportunities and threats in an increasingly competitive market. SWOT analysis is an important tool in helping MSMEs in the creative industries to increase their chances of achieving success. MSME strengths, such as creativity and flexibility, can become a strong basis for differentiating their products and attracting customer interest. However, limited financial resources and access to global markets can be obstacles to developing their business. Existing opportunities, such as continued market growth and the use of information technology, can provide MSMEs with the opportunity to expand their market reach. On the other hand, threats such as increasingly fierce competition and the risk of failure to maintain product quality must be carefully monitored. By utilizing SWOT analysis, MSMEs can formulate appropriate strategies to increase their competitiveness and business continuity.
2. In the context of increasing sales volume, creative strategies such as the use of social media, special promotions, collaboration with local suppliers and artists, product innovation, superior customer service, interesting shopping experiences, and diversification of sales channels can be the key to the success of MSMEs in achieving growth and success in an increasingly competitive marketplace.

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