

COMPETITIVE ADVANTAGE ANALYSIS IN MICRO ENTERPRISES AND SMALL (MSES) CULINARY

Endi Rahman¹, Rezkiawan Tantawi², Tasya Kidam³, Sahril⁴

^{1,2,3,4}Universitas Negeri Gorontalo, Gorontalo, Indonesia

Correspondence email: ¹endhy_80@ung.ac.id, ²rezkiawan@ung.ac.id

Article history:

Submitted:
January 9, 2023
Revised:
June 19, 2023
Accepted:
June 30, 2023

JEL Classification:
L1

Keywords:

business performance;
competitive advantage; creative
intelligence; culinary sector;
small medium enterprise

Kata kunci:

*Creative intelligence;
keunggulan bersaing; kinerja
bisnis; sektor kuliner; usaha kecil
menengah*

How to cite:

Rahman, E., Tantawi, R., Kidam, T., Sahril. (2023). Competitive Advantage Analysis In Micro Enterprises And Small (Mses) Culinary. JIMFE (Jurnal Ilmiah Manajemen Fakultas Ekonomi), 9(1), 29-44. DOI: 10.34203/jimfe.v9i1.6864



ABSTRACT

This study aims to identify and analyze the impact of creative intelligence on business performance and competitive advantage in Micro, Small, and Medium Enterprises (MSEs) in Gorontalo. This study used a quantitative approach. The population of this study consisted of 550 MSE owners in the culinary sector, and a sample of 182 people was taken using the Harry King Nomogram technique. Data analysis was performed using descriptive and inferential methods (SEM PLS). The results showed that creative intelligence positively influenced the business performance and competitive advantage of culinary MSEs in Gorontalo. The business performance also positively influences competitive advantage in culinary MSEs in Gorontalo. Furthermore, creative intelligence through business performance positively and substantially affects the competitive advantage. These results show that business performance can increase the influence of creative intelligence on competitive advantage in culinary MSEs so that business performance can act as an effective mediation.

ABSTRAK

Tujuan dari penelitian ini adalah untuk mengidentifikasi dan menganalisis dampak creative intelligence pada Kinerja Bisnis dan Keunggulan Bersaing pada Usaha Mikro, Kecil, dan Menengah (UMK) di Kota Gorontalo. Penelitian ini menggunakan pendekatan kuantitatif. Populasi penelitian ini terdiri dari 550 pemilik UMK di sektor kuliner, dan sampel sebanyak 182 orang diambil menggunakan teknik Nomogram Harry King. Analisis data dilakukan menggunakan metode deskriptif dan inferensial (SEM PLS). Hasil penelitian menunjukkan bahwa creative intelligence memiliki pengaruh positif terhadap kinerja bisnis dan keunggulan bersaing UMK kuliner di Kota Gorontalo. Kinerja bisnis juga memiliki pengaruh positif dan signifikan terhadap keunggulan bersaing pada UMK kuliner di Kota Gorontalo. Selanjutnya, creative intelligence melalui kinerja bisnis memiliki pengaruh positif terhadap keunggulan bersaing pada UMK kuliner. Hasil ini menunjukkan bahwa kinerja bisnis dapat meningkatkan pengaruh creative intelligence terhadap keunggulan bersaing pada UMK kuliner, sehingga kinerja bisnis dapat berperan sebagai mediasi yang efektif.

INTRODUCTION

Micro and Small Enterprises (MSEs) have received more attention due to their increasingly rapid growth and efficient and productive performance of MSEs (Rahman, 2019). MSEs are considered able to create jobs and help improve a region's economy (Widyastuti, 2020). The increasing number of MSEs enhances the economy and increases competition among business people, especially in the culinary business (Utami & Lestari, 2020). Businesses in the culinary field are the most commonly encountered because businesses in this field are considered quite promising. After all, food and beverages are basic needs that everyone always needs. The facts show that despite having some advantages that enable micro and small enterprises (UMK) to survive the crisis, not all small businesses can avoid the negative impact of the economic crisis (Soepriyanto & Rinawati, 2019). Micro and small businesses in the culinary field that produce various food products cannot be separated from the current tight business competition because many other culinary businesses are competitors by culinary businesses, especially in the city of Gorontalo.

Some MSEs still have various external weaknesses, such as the inability to adapt to the influence of the strategic environment and a lack of creativity and innovation in anticipating general changes caused by increased competition in the business world (Lin et al., 2022). In addition, internal factors of several MSEs include a lack of managerial skills and abilities lack access to information technology, capital and markets. This inner weakness is due to the lack of qualified human resources to handle MSEs and anticipate various challenges that arise (Vedhathiri, 2020).

A business actor must be able to develop new ideas and find new ways of looking at problems and opportunities. Creative intelligence will be the basis for an entrepreneur to think; differently, which is different from most people because if he feels the same as many people, there is no unique value that can be sold (Ali Köseoglu et al., 2016). A product will be purchased if it contains uniqueness, and that uniqueness will be obtained with creative intelligence. The common understanding of creative intelligence in entrepreneurship makes business actors who have established their businesses for a long time will face obstacles if their business slowly declines (Sadeghiani et al., 2022).

With the increasing number of culinary MSEs in the Gorontalo City area, business actors must strive to achieve the expected target. This method is known as business performance. Business performance can be seen from two things, namely, financial and non-financial (Simon et al., 2015). The emergence of competition in entrepreneurship is unavoidable. With competition, entrepreneurs face various opportunities and threats both from outside and within the company that will considerably influence business survival (Julyanthry et al., 2021). For this reason, every entrepreneur must have advantages that become their strengths and improve their weaknesses to produce competitive advantages eventually. Competitive advantage is a benefit when a company owns and produces a product or service seen by its target market as better than its closest competitors (Jatmiko et al., 2021).

The existence and number of culinary MSEs mushrooming in the city of Gorontalo must have a competitive advantage to continue to survive and develop. Based on data from the Department of Manpower, Cooperatives and SMEs, the number of MSEs in Gorontalo City, which is focused on Micro and Small Enterprises in Gorontalo City, is 3,100 MSEs. From the number above, the researcher focuses on the Culinary MSEs, where the number of Culinary MSEs in Gorontalo City is 550 business units. The following is an overview of the development of culinary businesses in Gorontalo over the last four years.

This data shows that from 2017 to 2020, the number of Culinary MSEs in Gorontalo City continues to increase. By looking at the data above, it indicates that the Culinary MSEs in 2018 were 504 businesses. In 2019 it increased to 515 firms; in 2020, it also increased to 522 companies; and in 2021, it also increased by 550 firms. With so many culinary MSEs business competition in the Gorontalo City area, business owners must be able to improve creative intelligence and business performance to maintain business viability.

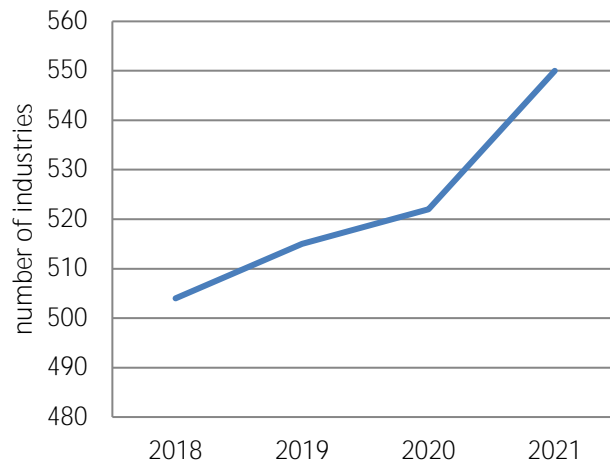


Figure 1. Development of the Number of Culinary MSEs in Gorontalo City 2017-2020 (Source: Industry and Trade Office of Gorontalo City, data processed)

Culinary UMK business actors can produce uniqueness and are also required to explore and take advantage of their advantages to achieve a competitive advantage, from the above problems finally prompted the author to research the influence of creative intelligence and business performance on competitive advantage in culinary mses in the city of Gorontalo.

Theoretically, this research contributes to the existing literature on the influence of creative intelligence and business performance on competitive advantage in micro, small, and medium enterprises (MSEs) in the culinary sector. It will enrich the understanding of the factors that influence the culinary success of MSEs in achieving a competitive advantage. This research can assist in developing relevant concepts and frameworks for analyzing the factors that influence competitive advantage in culinary MSEs. It can serve as a basis for further research to explore other aspects that can enhance the competitive advantage of culinary MSEs. Practically, this research can guide and provide recommendations to culinary MSE business owners in Gorontalo City to improve their creative intelligence and business performance. Business owners can use the research findings to develop strategies and innovations that can enhance their competitiveness in the market.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

The definition of Micro and Small Enterprises (MSEs) according to the 1945 Constitution was then strengthened through MPR Decree No. XVI/MPR-RI/1998 concerning economic politics in the context of Economic Democracy, Micro, Small and Medium Enterprises need to be empowered as an integral part of the people's economy who has the position, role, and strategic potential to realize a more balanced, developing, and just national economic structure. Furthermore, the definition of MSE was made through Law No. 9 of 1999 and, due to increasingly dynamic development conditions and was changed to Law No. 20 Article 1 of 2008 concerning Micro, Small and Medium Enterprises.

The definition of MSE is as follows: Micro Enterprises are productive businesses owned by individuals or business entities that meet the criteria for Micro Enterprises as stipulated in the Law. Small business is a compelling economic business that stands alone, which is carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled or become a direct or indirect part of Medium Enterprises, Large Businesses that meet the criteria for Small Businesses as referred to in this Law, Medium Enterprises are productive economic businesses that stand-alone, which are carried out by individuals or business entities that are not subsidiaries or branches of

companies that are owned, controlled, or become part either directly or indirectly with Small Businesses or Large Businesses with total assets, net income or annual sales proceeds as regulated in this Law. So it can be concluded that the definition of Micro Small Business is a productive business owned by individuals or entities that meet the criteria for Micro Enterprises. Micro Enterprises Criteria are as follows: Have a maximum net worth of Rp.50,000,000.00 excluding land and buildings for business premises and annual sales of Rp.300,000,000.00.

This study uses Dynamic Capability Theory to compile a variable framework. This theory focuses on the ability of organizations to adapt and learn from a continuously changing environment (Hossan Chowdhury & Quaddus, 2021). In this study, this theory can be used to understand how the creative intelligence and business performance of culinary MSEs in Gorontalo City can help them develop dynamic capabilities to adapt to intense competition. Researchers can analyze how creative intelligence and business performance affect the ability of culinary MSEs to identify new opportunities, innovate, and develop effective strategies to achieve competitive advantage.

Creative Intelligence and Competitive Advantage of MSEs

Intelligence is the ability to solve or create something of value to a particular culture. Intelligence can be defined in two ways, namely qualitatively, it is a process of learning to solve problems that intelligence tests can measure, and qualitatively it is a way of thinking in forming constructions of how to connect and manage information from outside that is adapted to him (Corazza et al., 2021). Meanwhile, creativity is turning imaginative and new ideas into reality. The invention involves two processes: thinking and producing innovation, which results from an idea's implementation. Creativity enables business actors to take business opportunities so that they can become the basis for the creation of business growth. Creative intelligence is the human ability to generate new ideas. One of its implementations is solving problems uniquely, different from usual, original thinking, totally new and different. We can further enhance our imagination, behavior and productivity through these creative abilities. So it can be concluded that creative intelligence means knowing how we solve everyday problems (Aghazadeh, 2015).

There are three categories of creative intelligence characteristics, Key features: the key to generating ideas, ideas, inspiration, solutions, new ways, and inventions; enabling traits: those that make it possible to sustain creative ideas once found alive. Side features: not directly related to the creation or keeping of ideas that have been found alive, but often influence the behaviour of creative people (Nussbaum, 2013). Based on the results of previous research, several findings show a relationship between Creative Intelligence and Business Performance. The study by Amabile and Pratt (2016) found that employees with a high level of creative intelligence tend to make a more significant contribution to business performance. They can generate new ideas, identify opportunities, and think innovatively, positively impacting organizational success. Research conducted by Alomian et al. (2019) also found that there was a statistically significant relationship at the level ($P < 0.05$) for strategic intelligence in achieving competitive advantage in the pharmaceutical company sector in Jordan. Finally, the study has made a number of recommendations, including continuously developing strategic intelligence tools, evaluating the strategic situation, and monitoring the market.

H1: Creative Intelligence Influences Competitive Advantage

Creative Intelligence and Business Performance of MSEs

Business performance is a condition to be achieved as a result that all company components carried out. In this case, the business performance indicators are measured by the respondent's statement of changes in sales volume so that the company's existence is always carried out and constantly maintained so that it can find out consumer responses to the company's products (Chandrayanti, 2022). So it can be concluded that the performance of a business is everything that consumers want in a product or service

by maximizing the quality of the results that consumers will receive. Based on the above analysis, it can also be concluded that a business's performance is needed and essential in business competition. With good business performance offered, it will certainly be a distinct advantage for a company to develop its business (Sullivan & Sheffrin, 2015).

Previous research shows the relationship between creative intelligence and MSE's business performance strongly correlates. Research conducted by Smith & Johnson (2021) which systematically reviewed the existing literature to analyze the influence of creative intelligence on business performance, shows a positive relationship between creative intelligence and business performance. Creative intelligence is important in stimulating innovation, problem-solving, change adaptation, and product or service differentiation, which can improve business performance. Another study also found that organizations that can develop creative intelligence as their strategic asset have a higher competitive advantage. Creative intelligence contributes to product differentiation, innovative thinking in decision-making, and rapid adaptation to market changes, directly impacting better business performance (Anderson, 2018).

H2: Creative Intelligence Influences Business Performance

Creative Intelligence and Competitive Advantage of MSEs Through Business Performance

According to Kadarningsih (2013), firms experience a competitive advantage when actions in an industry or market create economic value and when several competing firms engage in similar activities. If a business chooses the right strategy to analyze the market, it will quickly make a competitive advantage. Creative intelligence as a trigger for competitive advantage allows MSEs to produce innovative ideas and creative solutions that can provide a competitive advantage. For example, by using CI, MSEs can develop more attractive products, create unique marketing strategies, or increase the efficiency of their production processes. It helps MSEs differentiate themselves from competitors and create a distinct advantage (Oraya & Maina, 2023).

The competitive advantage that is successfully developed by MSEs can have a positive impact on their business performance. With a differentiating gift, MSEs can attract more customers, maintain a larger market share, increase customer loyalty, and generate higher revenues. It can positively impact sales growth, profits and overall business sustainability (Sulaiman et al., 2020). Creative intelligence acts as a catalyst or link between competitive advantage and business performance. By using creative intelligence effectively, MSEs can continue to generate innovative ideas that support the development of their competitive advantage. Conversely, the competitive advantage gained can also encourage business owners or the MSE team to continue to increase creativity, creating a positive circle between creative intelligence, competitive advantage and business performance (Huang et al., 2022).

H3: Creative Intelligence Influences Competitive Advantage of MSEs Through Business Performance

RESEARCH METHOD

The study was conducted at 182 Culinary UMKs in Gorontalo City. The time of the study was carried out from June to August 2022. The approach used in this study was quantitative. The population in this study were 550 culinary UMK owners, and the sample was taken from as many as 182 people from the total population using the Harry King Nomogram technique. Data analysis used descriptive and inferential (SEM - PLS). The reason for SMEs in the culinary sector being chosen as the object of research is that this sector has experienced a rapid increase in numbers over the last few years, resulting in the potential for intense business competition. The number of statements used to measure creative intelligence in this study is nine, to measure business performance in this study is seven, and competitive advantage in this study is ten. The statements contained in the questionnaire have gone through the process of testing the validity and reliability with the following results.

Table 1. Distribution of Respondents by Gender

		Frequency	Per cent	Valid Percent	Cumulative Percent
Valid	Male	106	58.2	58.2	58.2
	Female	76	41.8	41.8	100.0
	Total	182	100.0	100.0	

RESULT AND DISCUSSIONS

Respondent Demographics

Based on Table 1, it can be seen that the number of respondents who were male was 106 people (58.20%). Then for respondents who were female, there were 76 people (41.80%). Based on this explanation, the dominating sex characteristics are male respondents. Based on Table 2, it can be seen that the number of respondents who dominate is the length of business 6-10 years, namely as many as 88 people or 48.40%. In comparison, the fewest respondents were the length of business < 5 years, namely seven people or 3.80%. Based on Table 3, it can be seen that the number of respondents who dominate the largest is at the age of 30-39 years, namely as many as 78 people or 42.90%. While minor respondents were aged > 50 years, namely six people or 3.30%. Based on Table 4, it can be seen that the number of respondents who dominated were respondents with the last education level SMA/equivalent, namely 104 people or 57.10%. In comparison, the fewest respondents were at the previous tertiary level of education, namely as many as nine people or 4.90%.

Descriptive Analysis of Research Variables

Creative Intelligence Variables

The results of the descriptive analysis for the creative intelligence variable are presented in Table 5. It can be seen that the creative intelligence variable has a score of 85.62% which is in the excellent category. It shows that Culinary MSEs in Gorontalo always have creative understanding and thinking in designing products that follow consumer desires so businesses can be more successful.

Business Performance Variables

The results of the descriptive analysis for business performance variables are presented in Table 6. Table 6 shows that the business performance variable has a score of 87.41%, which is in the good category. It indicates that culinary MSEs in Gorontalo have business performance achievements that align with expectations, where this business performance is representative of the success of the business run by culinary MSEs in Gorontalo.

Variable Competitive advantage

The results of the descriptive analysis for the competitive advantage variable are presented in Table 7. Table 7 shows that the competitive advantage variable has a score of 88.24%, which is in the good category. It shows that business actors in Culinary MSEs in Gorontalo tend to be able to compete in terms of the culinary business, where culinary companies are increasingly mushrooming in Gorontalo. However, the sales results from culinary MSE actors can still be sold.

Table 2. Distribution of Respondents by Age

		Frequency	Per cent	Valid Percent	Cumulative Percent
Valid	20-29	75	41.2	41.2	41.2
	30-39	78	42.9	42.9	84.1
	40-49	23	12.6	12.6	96.7
	50	6	3.3	3.3	100.0

Total		182	100.0	100.0	
Table 3. Distribution Of Respondents By Length Of Business					
		Frequency	Per cent	Valid Percent	Cumulative Percent
Valid	< 5 years	7	3.8	3.8	3.8
	6-10 years	88	48.4	48.4	52.2
	11-15 years	59	32.4	32.4	84.6
	16-20 years	28	15.4	15.4	100.0

The Effect of Creative Intelligence on Business Performance

Overall, it can be interpreted that the R Square value is 0.193, which means that it is 19.30% of the influence of creative intelligence on business performance in Culinary MSEs in Gorontalo City. While other variables outside this research model influence the remaining 80.70%. The coefficient of determination of 19.30% shows that the influence of creative intelligence on business performance is quite substantial, which means that creative intelligence has a significant effect on business performance. The value of the coefficient of determination, if it is associated with the pre-requisite analysis test (inner model), then the business performance equation meets the model goodness test (Goodness of Fit).

The Influence of Creative Intelligence and Business Performance on Competitive Advantage

Overall, it can be interpreted that the value of R Square is 0.489, which means that 48.90% influence creative intelligence and business performance on competitive advantage in Culinary MSEs in Gorontalo City. While other variables outside this research model influence the remaining 51.10%. The determination coefficient of 48.90% shows that the influence of creative intelligence and business performance on competitive advantage is substantial, which means that both variables have a significant simultaneous effect on competitive advantage. The results for each variable show that the most dominant variable influence on competitive advantage is business performance at 49.50%. Then the creative intelligence variable is 32.20%. The value of the coefficient of determination, if it is associated with the pre-requisite analysis test (inner model), then the competitive advantage equation meets the model goodness test (Goodness of Fit).

Hypothesis Testing Results

Based on the data processing that has been done, the results can be used to answer the hypothesis in this study. Hypothesis testing in this study was conducted by looking at the t-value and P-values. More detailed results are shown in the following table. Based on Table 9, it can be interpreted the results of hypothesis testing are analyzed by classifying the influence of the variables.

The Effect of Creative Intelligence on Business Performance

The t-count value of the influence of creative intelligence on business performance is 5.677, with a probability value (P-value) of 0.000. The t-count value of 5.677 is greater than the t-table value of 1.96 ($5.677 > 1.96$). Suppose the P-value is smaller than the probability value 0.05 ($0.000 < 0.05$). In that case, Ha1 is accepted, which means that creative intelligence positively and significantly affects business performance at Culinary MSEs in Gorontalo.

Table 4. Distribution Of Respondents by Level Of Education					
		Frequency	Per cent	Valid Percent	Cumulative Percent
Valid	SD/Sederajat	38	20.9	20.9	20.9
	SMP/Sederajat	31	17.0	17.0	37.9
	SMA/Sederajat	104	57.1	57.1	95.1
	Perguruan Tinggi	9	4.9	4.9	100.0

Table 5. Descriptive Results of Creative Intelligence Variable						
No	Score of Statements			Score of Indicator	Criteria	
	Actual	Ideal	%		Statements	Indicator
X-1	826	910	90.77%	89.12%	Good	Good
X-2	796	910	87.47%		Good	
X-3	802	910	88.13%		Good	
X-4	767	910	84.29%	86.78%	Good	Good
X-5	800	910	87.91%		Good	
X-6	699	910	76.81%	82.03%	Enough	Enough
X-7	794	910	87.25%		Good	
X-8	757	910	83.19%	83.96%	Enough	Enough
X-9	771	910	84.73%		Good	
Total	7,012	8,190	85.62%		Good	

The Effect of Creative Intelligence on Competitive Advantage

The t-count value of the influence of creative intelligence on business performance is 3.355, with a probability value (P-value) of 0.001. The t-count value of 3.355 is greater than the t-table value of 1.96 ($3.355 > 1.96$). Suppose the P-value is smaller than the probability value 0.05 ($0.001 < 0.05$). In that case, Ha2 is accepted, which means that creative intelligence positively and significantly affects competitive advantage in Culinary MSEs in Gorontalo City.

The Effect of Business Performance on Competitive Advantage

The t-count value of the effect of business performance on business performance is 8.754 with a probability value (P-value) of 0.000. The t-count value of 8.754 is greater than the t-table value of 1.96 ($8.754 > 1.96$). Suppose the P-value is smaller than the probability value 0.05 ($0.000 < 0.05$). In that case, Ha3 is accepted, which means that business performance positively and significantly impacts competitive advantage in Culinary MSEs in Gorontalo City.

Indirect Influence (Effect of Creative Intelligence Through Business Performance on Competitive Advantage)

The t-count value of the indirect creative intelligence variable is 4.647, with a probability value (P-value) of 0.000. The t-count value of 4.647 is greater than the t-table value of 1.96 ($4.647 > 1.96$). Suppose the P-value is smaller than the probability value 0.05 ($0.000 < 0.05$). In that case, Ha4 is accepted, which means that creative intelligence through business performance positively and significantly impacts competitive advantage in Culinary MSEs in Gorontalo City.

Table 6. Descriptive Results of Business Performance Variables						
No	Score of Statements			Score of Indicator	Criteria	
	Actual	Ideal	%		Statements	Indicator
Z1	829	910	91.10%	90.22%	Good	Good
Z2	813	910	89.34%		Good	
Z3	786	910	86.37%		Good	
Z4	799	910	87.80%	86.29%	Good	Good
Z5	782	910	85.93%		Good	
Z6	753	910	82.75%		Enough	
Z7	806	910	88.57%		Good	
Total	5,568	6,370	87.41%		Good	

Table 7. Descriptive Results of Competitive Advantage Variables

No	Score of Statements			Score of Indicator	Criteria	
	Actual	Ideal	%		Statements	Indicator
Y1	779	910	85.60%	87.62%	Good	Good
Y2	819	910	90.00%		Good	
Y3	794	910	87.25%		Good	
Y4	785	910	86.26%		Good	
Y5	785	910	86.26%	87.73%	Good	Good
Y6	825	910	90.66%		Good	
Y7	820	910	90.11%		Good	
Y8	807	910	88.68%	89.09%	Good	Good
Y9	812	910	89.23%		Good	
Y10	804	910	88.35%		Good	
Total	8,030	9,100	88.24%		Good	

Discussion

The results of the analysis of the demographic distribution of respondents show that the majority of MSE actors are male. In contrast, in terms of age, most MSE actors are millennials aged 30-39 years. Judging from the length of business, the average MSEs actor has been running for 6 to 10 years. From the educational aspect, MSEs players in Gorontalo are dominated by high school graduates, and only a few graduates practice as entrepreneurs. Gender, age, length of business, and level of education can influence the creativity and intelligence of a business actor, which in turn affects their business performance and competition. The gender of a business actor can affect the perceptions, mindset, and experiences they bring to their business (Alrobaish et al., 2023; Basco, 2013; Frese & Gielnik, 2014). While there are no intrinsic differences in creativity and intelligence between genders, external factors such as social roles, gender stereotypes, and differences in life experiences can influence how people apply their creativity and intelligence in a business context. However, it is essential to remember that individuals of different genders can have similar levels of creativity and intelligence, and what matters is how they develop and apply those abilities.

Age can also affect one's creativity and intelligence in business. Research shows that creativity tends to peak at a young age and then decline with age. However, intelligence remains stable or increases with age (Simonton, 2012). However, this is not an absolute rule, and many examples of successful entrepreneurs of all ages exist. Age can also bring benefits in the form of experience, insight, and networks that can strengthen business performance (Alrobaish et al., 2023; Basco, 2013; Frese & Gielnik, 2014). Length of business or experience in a particular industry can affect the creativity and intelligence of a business actor. The longer someone is involved in business, the more knowledge they gain, which can increase their understanding of the market, trends, and opportunities. This experience can enrich their creativity and broaden their business understanding. However, it should be noted that innovation and intelligence also play an essential role in dealing with change and creating new opportunities amidst ever-changing business competition (Alrobaish et al., 2023; Basco, 2013; Frese & Gielnik, 2014).

Path Coefficient

The results of the analysis of the level of R Square for the entire equation are presented below.

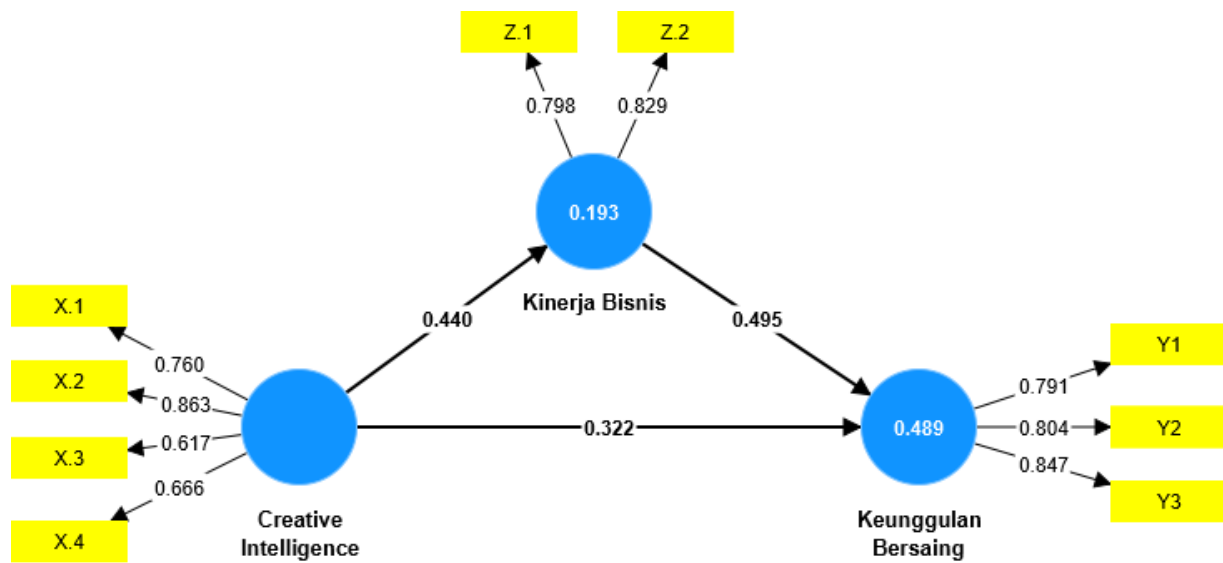


Figure 2. Partial Least Square (PLS) Algorithm

The level of education can provide a foundation of knowledge and skills needed to understand and apply creativity and intelligence in business. A good education can broaden horizons, hone analytical skills, and improve problem-solving abilities. However, it is essential to remember that formal education is not the only factor determining creativity and intelligence. There are many examples of success from individuals without a high standard of education in the business world. Creativity and intelligence can also be developed through experience, independent learning, and other self-development activities (Alrobaish et al., 2023; Basco, 2013; Frese & Gielnik, 2014).

Dynamic Capability Theory (Dynamic Capability) explains how organizations can develop long-term competitive advantages through continuous learning, adaptation, and innovation (Ferreira et al., 2020). This theory recognizes that organizational demographics, including age, age group, gender, education, and cultural background, can influence business performance and competitive advantage (Hossain et al., 2022; Lin et al., 2020).

The Effect of Creative Intelligence on Business Performance on Culinary MSEs in Gorontalo City

The results of hypothesis testing found that Creative Intelligence had a positive and significant effect on business performance at Culinary MSEs in Gorontalo City by 44.00%. Positive and significant results mean that creative intelligence has a real influence on business performance at Culinary MSEs in Gorontalo City, where creative intelligence will be able to make business performance more optimal. Through these results, the Gorontalo City government needs to optimize culinary UMK actors by developing capacity, especially in entrepreneurial abilities, so that the impact is not only increasing the business results of culinary UMK actors but also having effect on increasing creative and innovative intelligence so that the final impact on increasing Gorontalo City's local revenue.

In their research, creative intelligence will create managerial capabilities based on innovation and creativity in the marketing mix, where Kim & Jin (2022) conclude that management capabilities can improve business performance. Management ability is measured through indicators (in the form of the ability to communicate with employees well, ability to deliver goods on time, ability to make their own decisions, ability to solve business problems, ability to direct and motivate employees, ability to delegate work well, able to make strategic business plans, pay attention to changes the business-related environment, build a reliable work team and be able to resolve conflicts that occur) (Xue et al., 2023).

Table 8. R Square Results

No.	Variable	Variable Z	Variable Y		Total Indirect Effect	
			Direct	Indirect	Total Effect	Increase
1	<i>Creative Intelligence</i>	0.440	0.322	0.218	0.540	40,30%
2	Business Performance		0.495			
	R Square	0.193	0.489			

Business performance is an achievement achieved by a company which is the primary key for the company to survive in the global era. Business performance directs people to run their businesses for the better by implementing a structured management system to achieve company goals (Mouzas & Bauer, 2022).

The Influence of Creative Intelligence on Competitive Advantage in Culinary MSEs in Gorontalo City
 The results of hypothesis testing found that Creative Intelligence had a positive and significant effect on competitive advantage in Culinary MSEs in Gorontalo City by 32.20%. The positive and considerable influence shows that creative intelligence will make competitive advantage more optimal where all innovations are created when creative culinary MSEs are involved in operations to marketing (Sadeghiani et al., 2022). Through these results, the culinary MSEs of Gorontalo City need to increase their competitive advantage with innovation in various operational activities, marketing, to good financial governance. The existence of business performance that continues to be a concern of MSEs will have a good impact on the achievement of external results from the culinary MSEs.

Creativity in business performance, and various successes of weavers, primarily in Gorontalo City, are caused by creativity in developing products. Intense competition in entrepreneurship encourages entrepreneurs to have high creativity (Karami & Read, 2021). The power of creativity must be based on an advanced way of thinking and new ideas that are different from existing products. The culinary business creates added value for goods and services through creative and innovative processes, creating various advantages, including competitive advantage (Ocasal et al., 2022; Shchepkina et al., 2022).

The Effect of Business Performance on Competitive Advantage in Culinary MSEs in Gorontalo City
 The analysis of respondents' answers through descriptive statistics found that the Business Performance variable scored 87.41% in a suitable category. It shows that culinary MSEs in Gorontalo City have business performance achievements that align with expectations. This business performance represents the success of the business run by culinary MSEs in Gorontalo City. The existence of various programs from the government is also able to make culinary MSEs actors more creative and innovative so that the achievements of MSEs to advance in financial and non-financial terms can be achieved following the expectations of the culinary MSEs in Gorontalo City (Grillitsch et al., 2019; Liu, 2021; Schot & Steinmueller, 2018).

Table 9. Hypothesis Testing Results

Effect	Variable	t Statistic	P-Value
	X->Z	5.677	0.000
Direct	X->Y	3.355	0.001
	Z->Y	8.754	0.000
Indirect	X->Z->Y	4.647	0.000

^{ns} not significant
 *. Significant at the 0.1 level (2-tailed).
 **. Significant at the 0.05 level (2-tailed).
 ***. Significant at the 0.01 level (2-tailed).

The best business performance by culinary MSEs is business performance in financial terms or matters related to income, profits, and sales (Menne et al., 2022; Peiró-Signes et al., 2022). Then the next is non-financial performance related to market leaders and other things that are representative of business performance (Hernaus et al., 2012).

The results of research data analysis found that business performance positively and significantly impacted competitive advantage in Culinary MSEs in Gorontalo City by 49.50%. Positive and significant results indicate that good business performance in financial and non-financial terms will encourage optimal competitive advantage for Culinary MSEs in Gorontalo City. Through these results, it is important for culinary MSEs in Gorontalo City to continue to grow in terms of business performance; where when the business has increased its financial performance, it then focuses on non-financial performance, such as increasing the number of employees, which will undoubtedly have a good impact on increasing sales. And operating profit and even good market share segmentation.

The Influence of Creative Intelligence through business performance on competitive advantage in Culinary MSEs in Gorontalo City

The analysis of respondents' answers through descriptive statistics found that the competitive advantage variable scored 88.24%, which was in the good category. It shows that business actors in Culinary MSEs in Gorontalo City tend to be able to compete in terms of the culinary business, where culinary businesses are increasingly mushrooming in Gorontalo City. However, the sales results from culinary MSE actors can still be sold. This good competitive advantage is undoubtedly a representation that the culinary business is a viable business to continue to be carried out by the people in Gorontalo City, especially for business actors who have creativity in product innovation to provide good service when there are buying and selling transactions between culinary SMEs and the buying community.

The results of research data analysis found that Creative Intelligence through business performance had a positive and significant effect on competitive advantage in Culinary MSEs in Gorontalo City with a discernible influence of 54.00%. It shows that business performance can increase the impact of creative intelligence on competitive advantage in Culinary MSEs in Gorontalo City (Business performance can be a good mediation) so that creative intelligence as a picture of creative and innovative culinary MSEs will be better at achieving competitive advantage if there are achievements (Farida & Setiawan, 2022). High business performance following culinary MSE targets in terms of operations, finance, marketing, to the general administration of a business (Li et al., 2017).

Improving the performance of a business must have an impact on improving financial performance (Li et al., 2017), so it is appropriate that a view of business performance in the long term is not only seen from the financial side but also non-financial such as internal business processes, capabilities and commitment of personnel. Performance that focuses on financial performance, namely the inability to measure the performance of business intangible assets (Intangible Assets) and intellectual property (human resources) better (Grillitsch et al., 2019; Liu, 2021; Schot & Steinmueller, 2018).

CONCLUSION

Based on the results of research and discussion in the previous chapter, some conclusions can be drawn as follow. In an increasingly complex and rapidly changing competition, culinary MSEs in Gorontalo City must survive and develop continuously. Creative intelligence can be an essential factor in building business continuity. By thinking creatively, MSEs can find innovative solutions to face challenges, exploit new opportunities, and change their business models according to market developments. The analysis results show a positive and significant relationship between Creative Intelligence and competitive advantage in culinary MSEs in Gorontalo City, providing important implications. Culinary MSEs that can optimize their Creative Intelligence will be able to create innovations, differentiate themselves from

competitors, improve branding and marketing, and attract creative talent. All these factors contribute to a better competitive advantage in the culinary market.

The analysis results show a positive and significant relationship between business performance and competitive advantage in culinary MSEs in Gorontalo City, providing important implications. Good business performance will improve product and service quality, develop capabilities, build a good reputation, and provide access to resources and better business opportunities. These factors will help culinary MSEs achieve a better competitive advantage in the culinary market. These findings indicate that creative intelligence is important in increasing the competitive advantage of culinary MSEs in Gorontalo City through better business performance. Business owners and entrepreneurs in the culinary sector need to recognize the importance of creative intelligence and use it effectively to achieve sustainable business growth and success.

REFERENCES

- Aghazadeh, H. (2015). Strategic Marketing Management: Achieving Superior Business Performance through Intelligent Marketing Strategy. *Procedia - Social and Behavioral Sciences*, 207, 125–134. <https://doi.org/https://doi.org/10.1016/j.sbspro.2015.10.161>
- Ali Köseoglu, M., Ross, G., & Okumus, F. (2016). Competitive intelligence practices in hotels. *International Journal of Hospitality Management*, 53, 161–172. <https://doi.org/https://doi.org/10.1016/j.ijhm.2015.11.002>
- Alomian, N. R., Alsawalhah, A. A., & Almarshad, M. N. (2019). The Impact of Strategic Intelligence on Achieving Competitive Advantage: Applied Study on the Pharmaceutical Companies Sector in Jordan. *International Journal of Business and Social Science*, 10(4), 66-74.
- Alrobaish, W. S., Vlerick, P., & Jacxsens, L. (2023). Food integrity culture in food businesses in view of organizational and employees' demographic characteristics. *NFS Journal*, 30, 8–20. <https://doi.org/https://doi.org/10.1016/j.nfs.2023.01.001>
- Amabile, T. M., & Pratt, M. G. (2016). The dynamic componential model of creativity and innovation in organizations: Making progress, making meaning. *Research in Organizational Behavior*, 36, 157-183.
- Anderson, M., et al. (2018). The Role of Creative Intelligence in Enhancing Competitive Advantage and Business Performance. *Journal of Applied Psychology*, 103(5), 589-603.
- Basco, R. (2013). The family's effect on family firm performance: A model testing the demographic and essence approaches. *Journal of Family Business Strategy*, 4(1), 42–66. <https://doi.org/https://doi.org/10.1016/j.jfbs.2012.12.003>
- Chandrayanti, T. (2022). The Influence of Business Performance on Credit Accessibility to Micro and Small Enterprises (MSEs). *Ilomata International Journal of Management*, 3(1), 78-89.
- Corazza, G. E., Reiter-Palmon, R., Beghetto, R. A., & Lubart, T. (2021). Intelligence and creativity in the space-time continuum for education, business, and development. *Journal of Creativity*, 31, 100003. <https://doi.org/https://doi.org/10.1016/j.yjoc.2021.100003>
- Farida, I., & Setiawan, D. (2022). Business Strategies and Competitive Advantage: The Role of Performance and Innovation. *Journal of Open Innovation: Technology, Market, and Complexity*, 8(3), 163. <https://doi.org/https://doi.org/10.3390/joitmc8030163>
- Ferreira, J., Coelho, A., & Moutinho, L. (2020). Dynamic capabilities, creativity and innovation capability and their impact on competitive advantage and firm performance: The moderating role of entrepreneurial orientation. *Technovation*, 92–93, 102061. <https://doi.org/https://doi.org/10.1016/j.technovation.2018.11.004>
- Frese, M., & Gielnik, M. (2014). The Psychology of Entrepreneurship. *Annual Review of Organizational Psychology and Organizational Behavior*, 1, 413–438. <https://doi.org/10.1146/annurev-orgpsych-031413-091326>

- Grillitsch, M., Hansen, T., Coenen, L., Miörner, J., & Moodysson, J. (2019). Innovation policy for system-wide transformation: The case of strategic innovation programmes (SIPs) in Sweden. *Research Policy*, 48(4), 1048–1061. <https://doi.org/https://doi.org/10.1016/j.respol.2018.10.004>
- Hernaus, T., Peji Bach, M., & Bosilj Vukšić, V. (2012). Influence of strategic approach to BPM on financial and non financial performance. *Baltic Journal of Management*, 7(4), 376–396. <https://doi.org/10.1108/17465261211272148>
- Hossan Chowdhury, M. M., & Quaddus, M. A. (2021). Supply chain sustainability practices and governance for mitigating sustainability risk and improving market performance: A dynamic capability perspective. *Journal of Cleaner Production*, 278, 123521. <https://doi.org/https://doi.org/10.1016/j.jclepro.2020.123521>
- Hossain, M. A., Agnihotri, R., Rushan, M. R. I., Rahman, M. S., & Sumi, S. F. (2022). Marketing analytics capability, artificial intelligence adoption, and firms' competitive advantage: Evidence from the manufacturing industry. *Industrial Marketing Management*, 106, 240–255. <https://doi.org/https://doi.org/10.1016/j.indmarman.2022.08.017>
- Huang, W., Yin, H., Choi, S., & Muhammad, M. (2022). Micro-and Small-Sized Enterprises' Sustainability-Oriented Innovation for COVID-19. *Sustainability*, 14(12), 7521.
- Jatmiko, B., Udin, U., Raharti, R., Laras, T., & Ardhi, K. F. (2021). Strategies for MSMEs to Achieve Sustainable Competitive Advantage: The SWOT Analysis Method. *Journal of Asian Finance, Economics and Business*, 8(3), 505–515. <https://doi.org/10.13106/jafeb.2021.vol8.no3.0505>
- Julyanthry, J., Putri, D. E., Lie, D., & Sudirman, A. (2021). Msme Competitive Advantages Reviewed From Entrepreneurship Insight And Market Orientation Aspects With Innovation As A Medium. *Jurnal Manajemen Dan Bisnis*, 10(2), 30-40. <https://doi.org/10.34006/Jmbi.V10i2.306>
- Kadarningsih, A. (2013). Competitive Advantage; The Affecting Factors And Its Impact On Selling-In Performance (Studies On Patronage Outlets Pt. Indosat Semarang). *Journal: Economics and Business Faculty, University of Dian Nuswantoro, Semarang*, 21(1)
- Karami, M., & Read, S. (2021). Co-creative entrepreneurship. *Journal of Business Venturing*, 36(4), 106125. <https://doi.org/https://doi.org/10.1016/j.jbusvent.2021.106125>
- Kim, D., & Jin, S. (2022). Innovation Capabilities and Business Performance in the Smart Farm Sector of South Korea. *Journal of Open Innovation: Technology, Market, and Complexity*, 8(4), 204. <https://doi.org/https://doi.org/10.3390/joitmc8040204>
- Li, S., Ngniatedema, T., & Chen, F. (2017). Understanding the impact of green initiatives and green performance on financial performance in the US. *Business Strategy and the Environment*, 26(6), 776-790.
- Lin, H.-E., Hsu, I.-C., Hsu, A. W., & Chung, H.-M. (2020). Creating competitive advantages: Interactions between ambidextrous diversification strategy and contextual factors from a dynamic capability perspective. *Technological Forecasting and Social Change*, 154, 119952. <https://doi.org/https://doi.org/10.1016/j.techfore.2020.119952>
- Lin, J. Y., Yang, Z., Li, Y., & Zhang, Y. (2022). Development strategy and the MSMEs finance gap. *Journal of Government and Economics*, 5, 100034. <https://doi.org/https://doi.org/10.1016/j.jge.2022.100034>
- Liu, Z. (2021). The Impact of Government Policy on Macro Dynamic Innovation of the Creative Industries: Studies of the UK's and China's Animation Sectors. *Journal of Open Innovation: Technology, Market, and Complexity*, 7(3), 168. <https://doi.org/https://doi.org/10.3390/joitmc7030168>
- Menne, F., Surya, B., Yusuf, M., Suriani, S., Ruslan, M., & Iskandar, I. (2022). Optimizing the Financial Performance of SMEs Based on Sharia Economy: Perspective of Economic Business Sustainability and Open Innovation. *Journal of Open Innovation: Technology, Market, and Complexity*, 8(1), 18. <https://doi.org/https://doi.org/10.3390/joitmc8010018>

- Mouzas, S., & Bauer, F. (2022). Rethinking business performance in global value chains. *Journal of Business Research*, 144, 679–689. <https://doi.org/https://doi.org/10.1016/j.jbusres.2022.02.012>
- Nussbaum, B. (2013). *Creative Intelligence: Harnessing the Power to Create, Connect, and Inspire*. Harper Business.
- Ocasal, D. L. M., Lugo, A. L. V., Melo, L. A. B., & Miranda, P. P. (2022). Innovative thinking in the leaders and competitiveness of SMEs in the Industrial sector in Colombia. *Procedia Computer Science*, 210, 333–338. <https://doi.org/https://doi.org/10.1016/j.procs.2022.10.160>
- Oraya, N. A., & Maina, S. (2023). Entrepreneurial competencies and organizational performance of micro and small enterprises in Machakos County, Kenya. *International Academic Journal of Human Resource and Business Administration*, 4(2), 257-272.
- Peiró-Signes, Á., Cervelló-Royo, R., & Segarra-Oña, M. (2022). Can a country's environmental sustainability exert influence on its economic and financial situation? The relationship between environmental performance indicators and country risk. *Journal of Cleaner Production*, 375, 134121. <https://doi.org/https://doi.org/10.1016/j.jclepro.2022.134121>
- Rahman, M. (2019). The Role of Micro, Small, and Medium Enterprises (MSMEs) in Economic Development: A Review. *International Journal of Management Sciences and Business Research*, 8(5), 54-61.
- Undang-Undang No.20 Pasal 1 Tahun 2008 tentang Usaha Mikro, Kecil, dan Menengah
- Sadeghiani, A., Shokouhyar, S., & Ahmadi, S. (2022). How digital startups use competitive intelligence to pivot. *Digital Business*, 2(2), 100034. <https://doi.org/https://doi.org/10.1016/j.digbus.2022.100034>
- Safarnia. (2011). Review of Competitive Intelligence and Competitive Advantage in the Industrial Estates Companies in the Kerman City. *Journal International Business and Management*, 2
- Schot, J., & Steinmueller, W. E. (2018). Three frames for innovation policy: R&D, systems of innovation and transformative change. *Research Policy*, 47(9), 1554–1567. <https://doi.org/https://doi.org/10.1016/j.respol.2018.08.011>
- Sekaran, U. (2013). *Research Methods For Business* (4th ed.). Salemba Empat.
- Shchepkina, N., Meshkova, N., Goigova, M., Maisigova, L., & Tochieva, L. (2022). Intellectual capital as a factor in ensuring the competitiveness of the railway transport enterprises. *Transportation Research Procedia*, 63, 1444–1453. <https://doi.org/https://doi.org/10.1016/j.trpro.2022.06.155>
- Simon, A., Bartle, C., Stockport, G., Smith, B., Klobas, J.E. and Sohal, A. (2015), "Business leaders' views on the importance of strategic and dynamic capabilities for successful financial and non-financial business performance", *International Journal of Productivity and Performance Management*, Vol. 64 No. 7, pp. 908-931. <https://doi.org/10.1108/IJPPM-05-2014-0078>
- Simonton, D. K. (2012). Creativity and age: a life-span perspective. In *The Wiley Handbook of Genius* (pp. 193-213). Wiley-Blackwel
- Smith, J., & Johnson, A. (2021). The Impact of Creative Intelligence on Business Performance. *Journal of Business Research*, 45(2), 78-93.
- Soepriyanto, G., & Rinawati, R. (2019). The Competitiveness of Small and Medium Enterprises (SMEs) in the Culinary Sector in Indonesia. *Journal of Management and Business Studies*, 4(2), 45-57.
- Sujarweni, V. W. (2017). Micro, Small, and Medium Enterprises (MSMEs) in Indonesia: The Role in Regional Development and Job Creation. *Journal of Economics, Business, and Accountancy Ventura*, 20(2), 189-196.
- Sulaiman, A., Ruwaida, R., & Rufial, R. (2020). The model of competitive advantage for Java batik MSES. *Dinasti International Journal of Education Management and Social Science*, 2(1), 1-20.
- Sullivan, A., & Sheffrin, S. M. (2015). *Economics: Principles in action*. Upper Saddle River, NJ: Pearson Prentice Hall.

- Utami, D., & Lestari, P. (2020). Challenges and Opportunities for Small and Medium Enterprises (SMEs) in the Culinary Industry: A Case Study in Indonesia. *Journal of Entrepreneurship and Business*, 8(2), 107-120.
- Vedhathiri, T. (2020). Collaborative Dissertation Based on the Human Resources Needs of MSMES to Improve their Competitiveness and to Overcome the Disruption. *Procedia Computer Science*, 172, 551–558. <https://doi.org/https://doi.org/10.1016/j.procs.2020.05.160>
- Widyastuti, T. (2020). The Contribution of Small and Medium Enterprises (SMEs) to Economic Growth and Job Creation in Indonesia. *Journal of International Economic Research*, 2(1), 45-54.
- Xue, J., Liu, J., Geng, Z., Yuan, H., & Chao, L. (2023). Why and when do paradoxical management capabilities matter to paradoxical pressure? An empirical investigation of the role of coopetition. *Technovation*, 120, 102682. <https://doi.org/https://doi.org/10.1016/j.technovation.2022.102682>
- Zuliyanti, Budiman, N. A., & Delima, Z. M. (2017). Pengaruh Intellectual Capital Terhadap Kinerja UMKM (Studi Kasus pada UMKM di Kabupaten Kudus). *Jurnal Akuntansi dan Keuangan*, 6(2), 181–200