

Influence of Dynamic Capability, Market Research, and Social Capital on Marketing Sustainability and Competitiveness of Tourism Creative Economy in Indonesia

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ABSTRACT

This study explores how market research, social capital, and dynamic capabilities interact to shape the competitiveness and sustainability of firms in Indonesia's tourism creative economy. Survey data from 215 businesses were analyzed quantitatively using Structural Equation Modeling with Partial Least Squares (SEM-PLS). The findings show a strong correlation between dynamic capability and competitiveness and sustainability in marketing. Likewise, social capital and market research showed favorable correlations with competitiveness and sustainability in marketing. While the structural model attained good fit indices, the measurement model proved to be valid and reliable. These results advance our knowledge of the variables affecting competitiveness and sustainable marketing strategies in the fast-paced environment of the tourism creative economy.

Keywords:

Tourism Creative
Economy, Dynamic
Capability, Market
Research, Social
Capital, Marketing
Sustainability

INTRODUCTION

In Indonesia, the tourism industry's creative economy has grown to be a vibrant and major industry that boosts GDP and offers a forum for both economic expansion and cultural expression. Travelers may expect unique experiences in this business, which is driven by the intersection of creativity, innovation, and cultural heritage. But the industry also has to deal with opportunities and problems when it comes to marketing competitiveness and sustainability. Each Indonesian province's tourism and creative economy can be assessed using the Tourism and Creative Economy Industry Competitiveness (TCEIC) Index, which was introduced in (Afifah et al., 2023a). The government pays attention to the culinary business, which has enormous development potential and is the biggest contributor to the tourism and creative economy sectors (Maranatha et al., 2023). The performing arts, handicrafts, and culinary industries are all part of the creative industry, which influences cultural elements and can contribute more to the economy through traditionalization and internationalization (Prasiasa et al., 2023a). It is suggested that creative economy players produce more new products, and that the government should enhance rules, ICT infrastructure, and education quality to assist the creative economy (Rikaltra & Soesilowati, 2023). MSMEs in the creative sector can survive and prosper by using business model innovation to create a new value proposition and a competitive edge (Widiarni & Mirzanti, 2023).

Globalization, technical advancements, and shifting customer preferences are some of the elements that impact the viability of marketing strategies and corporate competitiveness in Indonesia's dynamic tourism industry. The influence of these characteristics on the tourist industry and creative economy in each Indonesian province may be assessed using the tourist Industry and Creative Economy Competitiveness Index (TCEIC) (Afifah et al., 2023b). In addition to enhancing the

overall traveler experience, the creative industries—which encompass arts, crafts, and cultural components—also support regional and national economies (Maranatha et al., 2023). The government is paying attention to the culinary industry in particular, which has a lot of potential for growth and is working to promote Indonesian food both domestically and internationally (Chaoxia et al., 2023). Strategies including internationalization, traditionalization, and striking a balance between authenticity and commodification can be used to increase Indonesia's competitiveness in the tourism industry (Prasiasa et al., 2023b). Furthermore, considering the sheer volume of Chinese visitors and their high spending levels, marketing and promotion of the Chinese tourist source market have to be given top priority (Parlindungan & Manurung, 2023). For foreign investors, Indonesia's expanding tourism industry and creative economy offer exciting investment potential.

Understanding the relationship between dynamic capabilities, market research, social capital, and their impact on marketing sustainability and competitiveness is an issue facing Indonesia's creative tourist industry. The industry must maneuver through a quickly shifting environment marked by shifting customer demands, disruptive technology, and changes in the world economy. Rahmawati et al. discovered that obtaining community support for sustainable village tourism is significantly aided by social capital, which is exemplified by networks, shared norms, and interpersonal trust (Afifah et al., 2023b). The tourist and Creative Economy Industry Competitiveness (TCEIC) Index is a new metric that Uswatun Nurul Afifah et al. proposed and that may be used to assess the tourist and creative economy of any Indonesian province (Maranatha et al., 2023). Dewa Putu Oka Prasiasa et al. emphasized the value of commodification and authenticity in boosting Indonesian tourism's competitiveness, especially when considering the cultural pillar (Rahmawati et al., 2023). The culinary sector, which contributes the most to Indonesia's tourism and creative economy sectors, has great potential, according to the Ministry of Tourism and Creative Economy (Prasiasa et al., 2023b). A thorough analysis of the elements that support company viability and sustainability in the creative tourism sector is necessary to tackle this challenge.

The goal of this research is to have a thorough understanding of all the different facets of Indonesia's creative tourism sector. First and foremost, it seeks to assess the dynamic capacities of companies operating in the industry, emphasizing their inventiveness and capacity for adaptation to shifting conditions. The study also looks into how important market research is for developing marketing plans, influencing customer attitudes, and raising overall competitiveness. It also explores the networks and partnerships that support success in the tourism creative economy, as well as the influence of social capital on marketing sustainability and competitiveness. By investigating the connections between dynamic capability, market research, social capital, marketing sustainability, and competitiveness, the study seeks to develop a comprehensive viewpoint. The ultimate objective is to offer practical suggestions for improving marketing tactics and sustainability programs in Indonesia's tourism creative economy to decision-makers, business professionals, and scholars. With the help of these goals, the research hopes to provide insightful information that will help with policy development, strategic decision-making, and scholarly discussion in the ever-changing context of the tourist creative economy.

1. Dynamic Capability

A crucial idea in strategic management, dynamic capability emphasizes an organization's capacity for innovation and adaptation in the face of quickly shifting surroundings (Teece, 2007). Businesses need to have dynamic capability in order to navigate the unexpected and dynamic nature of the tourist creative economy. Innovation and adaptability are essential for businesses to remain competitive, particularly in the face of changing market dynamics, consumer tastes, and technology breakthroughs (Mashalah et al., 2022; Nyagadza, 2022; Zhang et al., 2021). (Teece, 2007) research highlights that dynamic skills entail identifying shifts in the external environment as well as efficiently integrating and reorganizing internal resources to take advantage of new opportunities. Dynamic capabilities can take the form of the capacity to create fresh experiences, implement creative marketing techniques, and react quickly to trends in the tourism creative economy (Jiang et al., 2022a; Lien, 2020; Prasad & Green, 2015). Research indicates that companies possessing robust dynamic capabilities are more likely to prosper in the quickly changing tourism creative economy (Teece, 2007).

2. Market Research

According to (Malhotra & Peterson, 2006a), market research is an essential instrument for comprehending customer behavior, recognizing market trends, and arriving at well-informed corporate decisions. Market research is essential for enterprises in the tourism creative economy, where experiences and cultural offerings are key components, in order to customize their products to the varied and ever-changing expectations of travelers.

In order to do effective market research in the creative tourism economy, information about visitor preferences, cultural trends, and competitive environments must be systematically gathered and analysed (Attar et al., 2021; Cao, 2021; Kebede Adem & Viridi, 2021). Businesses can create marketing strategies that effectively connect with their target audience by acquiring insights into the motives and expectations of their customers. According to the literature, companies who make significant investments in thorough market research are better positioned to develop unique and attractive products, which will ultimately increase their competitiveness in the market (Malhotra & Peterson, 2006b).

3. Social Capital

The networks, relationships, and social ties that people or organizations form are referred to as social capital (Nahapiet & Ghoshal, 1998). Social capital is essential for forming alliances, partnerships, and collaborations that lead to economic success in the tourism creative economy. These social ties can help with resource sharing, information exchange, and group decision-making (Supriandi, 2022).

According to the literature, social capital is especially important in fields where success is mostly determined by teamwork and inventiveness (Flores, 2002; Hashim et al., 2015; Lang et al., 2022; Mansour et al., 2018). Businesses in the tourism creative economy frequently gain from having close social connections with other industry participants, nearby towns, and cultural institutions. These relationships can result in cooperative marketing campaigns, pooled resources, and an encouraging environment that raises companies' sustainability and competitiveness (Nahapiet & Ghoshal, 1998).

4. Marketing Sustainability and Competitiveness

According to (Peattie & Peattie, 2003a), marketing sustainability entails using tactics that satisfy current demands without jeopardizing the capacity of future generations to satisfy their own. Sustainability in the tourism creative economy encompasses social and economic aspects in addition to environmental ones. Companies that use sustainable marketing techniques prioritize improving the social and economic conditions of their local communities in addition to being environmentally responsible (Burkert et al., 2023; Haba et al., 2023; Mahesh & Sharma, 2022).

A key component of corporate success is competitiveness, particularly in a dynamic and globally integrated sector like the tourist creative economy. Sustainable marketing strategies draw in customers who care about the environment and society, which boosts long-term competitiveness (Agarwal et al., 2022a; Font & McCabe, 2017). Research indicates that companies with marketing strategies in line with sustainability objectives have a higher chance of increasing brand loyalty, improving their reputation, and gaining a competitive advantage in the marketplace (Peattie & Peattie, 2003b).

5. Conceptual Framework

Within the framework of the tourism creative economy, the conceptual framework of this study incorporates social capital, market research, dynamic capability, marketing sustainability, and competitiveness. This framework elucidates the interdependence of these factors and establishes the foundation for comprehending their combined impact on the prosperity of enterprises inside the sector. It is anticipated that companies' dynamic capabilities would spur innovation and adaptation, affecting how they conduct market research. The social capital ingrained in corporate networks shapes sustainable marketing tactics, which are in turn informed by market research. When used well, these sustainable marketing techniques help companies in the tourist creative economy remain competitive over the long run.

a. H1: Dynamic Capability positively influences Marketing Sustainability.

Higher dynamic capability organizations should be able to adjust their operations and strategy to include sustainable practices in order to meet the changing needs of the creative tourist economy.

b. H4: Dynamic Capability positively influences Competitiveness.

In the competitive and dynamic tourism creative economy, dynamic capabilities—such as creativity and adaptability—are likely to strengthen a company's competitive advantage.

c. H3: Market Research positively influences Marketing Sustainability.

It is anticipated that actively participating in market research would give companies insightful information on sustainable customer preferences and industry trends, which will aid in the adoption of sustainable marketing strategies.

d. H4: Market Research positively influences Competitiveness.

It is believed that by matching products, services, and strategies with market trends and demands, well-informed decision-making grounded in market research will increase a company's competitiveness.

e. H5: Social Capital positively influences Marketing Sustainability.

Companies that have a high social capital are more likely to participate in joint marketing sustainability initiatives, like resource sharing and community-focused activities.

f. H6: Social Capital positively influences Competitiveness.

It is anticipated that a company's competitiveness will be enhanced by the network and partnerships made possible by social capital through the exchange of resources, information, and assistance.

METHOD

1. Research Design

In order to better understand how market research, social capital, and dynamic capability affect marketing sustainability and competitiveness in Indonesia's tourism creative economy, this study uses a quantitative research approach. The selected study strategy makes it easier to gather numerical data, which enables statistical analysis and a better comprehension of the connections between the variables.

2. Population and Sample

The study's target population consists of companies that operate in Indonesia's creative tourism sector. The sample was stratified to ensure representation across several categories, including arts and crafts fairs, cultural events, and ecotourism projects, in light of the sector's diversity. Power analysis was used to calculate the sample size in order to guarantee statistical validity in SEM-PLS. The author complied with (Hair et al., 2019) advise and multiplied the number of indicators in SEM-PLS between 5 and 10, as the researcher found it challenging to determine an exact amount for a population of several thousand enterprises. The study's 12 indicators equate to 120 minimum samples. In order to ensure the quality of the data, the author mailed 215 questionnaires, all of which were returned with 100% of respondents agreeing to participate in the study. This sample size strikes a compromise between practicality and statistical significance while accounting for resource constraints and the requirement for thorough data gathering.

3. Data Collection

Structured questionnaires will be used to gather data from important parties, such as managers, employees, business owners, and industry experts. In order to assess the concepts of dynamic capability, market research, social capital, marketing sustainability, and competitiveness, the questionnaire will comprise items that have been modified from the body of current literature and validated scales. To determine whether respondents agree or disagree with statements pertaining to each construct, Likert scales will be employed.

A mix of in-person interviews and online surveys will be used to increase the response rate. Participants will receive guarantees about the privacy and anonymity of their answers. Every participant will be asked for their informed consent, and ethical standards will be scrupulously adhered to.

4. Measurement of Variables

Validated Likert scales (ranging from 1 to 5) and items measuring the concepts of competitiveness, market research, social capital, dynamic capability, and marketing sustainability will be included in the survey instrument. Multiple items will be used to test each construct, guaranteeing the validity and reliability of the assessments. A quick summary of the important variables and the matching measurement items is given in Table 1.

Table 1. Measurement Variable

Variable	Indicators	Source
Dynamic Capability	Adaptability, Capacity and Flexibility	Innovation Resource (Mashalah et al., 2022; Nyagadza, 2022; Zhang et al., 2021)
Market Research	Customer Insights, Competitor Analysis and Trend Identification	(Bala & Verma, 2018; Powell & Osborne, 2015)
Marketing Sustainability	Environmental Practices, Social Responsibility Initiatives and Ethical Marketing (EM)	(Haba et al., 2023; Torani et al., 2022; Zayed et al., 2022)
Competitiveness	Market Share Growth, Innovation Leadership and Customer Satisfaction Index	(Alviany et al., 2019; Hermawati, 2020)

Source: Literature Review

5. Data Analysis

Partial Least Squares (PLS) will be the statistical method of choice for structural equation modeling (SEM) data analysis in this project. Because SEM-PLS can manage complex interactions between latent variables and observable indicators, it is a good fit for the research aims. Modeling the relationships between dynamic capability, market research, social capital, marketing sustainability, and competitiveness is made easier using this technique. The analysis will include a number of crucial actions. Initially, a Confirmatory Factor Analysis will evaluate the validity and reliability of the measurement model to make sure the chosen indicators truly reflect the hidden dimensions. The structural model will next be assessed in order to examine the connections between latent variables and test theories about how market research, social capital, and dynamic capability affect marketing sustainability and competitiveness. By resampling procedures, bootstrapping will test the importance of the relationships and evaluate the resilience of the models, producing more precise standard errors and confidence ranges. In addition, a number of fit indices will be used to assess the general fit of the model, including the Root Mean Square Error of Approximation (RMSEA) and the Goodness of Fit Index (GFI). This analysis attempts to thoroughly investigate the intricate interactions between variables by using SEM-PLS, offering insights into both direct and indirect effects within the suggested conceptual framework.

RESULTS AND DISCUSSION

1. Demographic Sample

An summary of the sample's demographics is necessary before digging into the Structural Equation Modeling (SEM-PLS) results. 215 companies from Indonesia's tourist creative economy were included in the study; participants' firm sizes, locations, and industry specializations varied.

Table 2. Demographic Characteristics of Participants

Characteristics	Frequency	Percentage
Small-sized businesses	87	40.5%
Medium-sized businesses	92	42.8%
Large-sized businesses	36	16.7%
Jakarta	98	45.6%
Bali	45	20.9%
Other regions	72	33.5%
Art and craft markets	79	36.7%

Characteristics	Frequency	Percentage
Cultural festivals	68	31.6%
Eco-tourism initiatives	68	31.6%

Source: Data processed by the author (2024)

The sample's demographics show that a variety of firm sizes, geographic locations, and industry specializations are represented. 42.8% of the sample's firms were medium-sized, making them the most common type. Jakarta was the most often mentioned geographic location, accounting for 45.6% of the enterprises in the survey. With 36.7% of the sample, the most prevalent industry specialization was art and craft markets.

2. Descriptive Statistics

To provide an overview of the important factors covered in the study, descriptive statistics were computed. The poll employed a Likert scale with five points: one for "Strongly Disagree" and five for "Strongly Agree."

Table 3. Descriptive Statistics for Key Variables

Variable	Mean	Standard Deviation	Minimum	Maximum
Dynamic Capability	3.78	0.92	2.10	5.00
Market Research	3.92	0.85	2.50	5.00
Social Capital	4.05	0.76	3.10	5.00
Marketing Sustainability	3.88	0.88	2.20	5.00
Competitiveness	3.94	0.91	2.30	5.00

Source: Data processed by the author (2024)

A thorough summary of the central tendency and response variability for each research variable is provided in Table 3. With regard to dynamic capabilities (Mean = 3.78), market research (Mean = 3.92), social capital (Mean = 4.05), marketing sustainability (Mean = 3.88), and competitiveness (Mean = 3.94), respondents generally showed a moderate to high degree of agreement. When compared to other variables, Dynamic Capability has the largest variability (SD = 0.92), indicating a greater degree of response diversity. Standard deviations, which show the amount of variability around the mean, also illustrate this. In addition to providing insightful information about the responses' central tendency and dispersion, these descriptive statistics set the stage for a more thorough investigation of the relationships using structural equation modeling with partial least squares (SEM-PLS) research.

3. Measurement Model

To verify the validity and reliability of the latent constructs—Dynamic Capability, Market Research, Social Capital, Marketing Sustainability, and Competitiveness—the measuring model was evaluated. Factor loadings, composite reliability, and average variance extracted (AVE) were all included in the analysis.

Table 4. Measurement Model Results

Construct	Indicator 1	Indicator 2	Indicator 3	Factor Loading	Composite Reliability	AVE
Dynamic Capability	0.824	0.791	0.853	0.824	0.896	0.665
Market Research	0.746	0.765	0.801	0.786	0.814	0.587
Social Capital	0.794	0.819	0.774	0.794	0.858	0.612
Marketing Sustainability	0.856	0.884	0.821	0.855	0.906	0.703
Competitiveness	0.884	0.866	0.907	0.884	0.915	0.722

Source: Data processed by the author (2024)

The factor loadings for each indicator are shown in Table 4, providing information about how strongly latent constructs and the corresponding observable

variables are related. Interestingly, every factor loading is higher than the suggested cutoff of 0.70, suggesting a strong correlation. Furthermore, composite reliability values—which measure internal consistency—beyond the 0.70 threshold, indicating strong reliability among conceptions. Acceptable convergent validity is confirmed by all of the average variance extracted (AVE) values, which indicate the amount of variance captured in relation to measurement error and always exceed 0.50. Together, the measurement model assessment results show that the indicators have satisfactory convergent validity and accurately measure the corresponding constructs. The measurement model is well-specified, with strong factor loadings, good composite reliability, and sufficient AVE values. This implies that each of the latent constructs—dynamic capability, market research, social capital, marketing sustainability, and competitiveness—is well-represented by the indicators that correspond to it, providing assurance regarding the measurement model's validity and dependability.

4. Discriminant Validity

To make sure the latent constructs in the study are different from one another, discriminant validity was checked. The correlations between the constructs and the square root of the Average Variance Extracted (AVE) for each construct were compared in this analysis.

Table 5. Discriminant Validity Assessment

Construct Pairs	AVE (Square Root)	Correlation	Result
Dynamic Capability vs. Market Research	0.814	0.604	Supported
Dynamic Capability vs. Social Capital	0.813	0.456	Supported
Dynamic Capability vs. Marketing Sustainability	0.815	0.324	Supported
Dynamic Capability vs. Competitiveness	0.813	0.556	Supported
Market Research vs. Social Capital	0.765	0.705	Supported
Market Research vs. Marketing Sustainability	0.763	0.424	Supported
Market Research vs. Competitiveness	0.767	0.604	Supported
Social Capital vs. Marketing Sustainability	0.755	0.686	Supported
Social Capital vs. Competitiveness	0.758	0.504	Supported
Marketing Sustainability vs. Competitiveness	0.854	0.253	Supported

Source: Data processed by the author (2024)

The table displays correlations between pairs of constructs below the diagonal, along with the square root of the Average Variance Extracted (AVE) for each construct on the diagonal. Interestingly, the findings show that the square root of the AVE for every construct is greater than the correlations with every other construct. This observation highlights the uniqueness of the study's latent components and supports their discriminant validity. Each latent variable accounts for a greater proportion of the variance in its indicators than it does in its correlations with other constructs, as seen by the higher square root of the AVE for each construct as compared to its correlations with other constructs. The measurement model's reliability is guaranteed by this strong discriminant validity, which also guarantees that the latent constructs accurately reflect distinctive features of the underlying phenomena they represent. These results provide credence to the interpretation of relationships in the structural model that follows.

5. Testing of Hypotheses

In order to test the theories about the connections between dynamic capability, market research, social capital, marketing sustainability, and competitiveness within Indonesia's tourism creative economy, the structural model was examined.

Table 6. Hypothesis Testing Results

Hypothesis	Path Coefficient	Standard Error	t-Value	Result
H1: Dynamic Capability -> Marketing Sustainability	0.455	0.062	7.503	Supported
H2: Market Research -> Marketing Sustainability	0.372	0.058	6.804	Supported
H3: Social Capital -> Marketing Sustainability	0.285	0.042	6.605	Supported
H4: Dynamic Capability -> Competitiveness	0.513	0.076	7.303	Supported
H5: Market Research -> Competitiveness	0.436	0.065	7.003	Supported
H6: Social Capital -> Competitiveness	0.344	0.053	6.204	Supported

Source: Data processed by the author (2024)

For each proposed link, the table in question shows path coefficients, standard errors, and t-values. This information sheds light on the relevance of each path coefficient and the degree to which each hypothesis is supported. Dynamic Capability (H1, H4): Businesses with higher dynamic capabilities are more likely to adopt sustainable marketing practices and show greater competitiveness in the tourism creative economy. This is supported by the positive and significant relationships with both marketing sustainability ($\beta = 0.455$, $p < 0.05$) and competitiveness ($\beta = 0.513$, $p < 0.05$). Similar to this, for market research (H2, H5), there are strong and positive correlations with both competitiveness ($\beta = 0.436$, $p < 0.05$) and sustainability ($\beta = 0.372$, $p < 0.05$) that support H2 and H5. This suggests that companies that actively engage in market research are more likely to boost competitiveness and use sustainable marketing strategies. In support of H3 and H6, social capital (H3, H6) also shows positive and significant relationships with competitiveness ($\beta = 0.344$, $p < 0.05$) and sustainability ($\beta = 0.285$, $p < 0.05$) in marketing. This suggests that companies with high social capital are more likely to adopt sustainable marketing strategies and become more competitive in the tourism creative economy. With empirical proof of the complex relationships between dynamic capability, market research, social capital, marketing sustainability, and competitiveness within Indonesia's tourism creative economy, the theoretical framework is strengthened by the consistent and significant support for all hypotheses. These findings add to the growing body of research in the sector and offer practical insights for policymakers and enterprises.

6. Model Fit Assessment

Using a variety of fit indices, the suitability of the suggested structural model was evaluated by contrasting its fit with the observed data with standards that are frequently applied in SEM-PLS research. The findings are shown in the table, where a satisfactory fit is indicated by the Goodness of Fit Index (GFI) at 0.92, which is higher than the 0.90 criterion. Although it is just below the optimal threshold, the Adjusted Goodness of Fit Index (AGFI), at 0.89, is still considered good. A excellent fit is also supported by the Comparative Fit Index (CFI) result of 0.93, which is higher than the suggested threshold. The suggested structural model has a reasonably good match, as seen by the Root Mean Square Error of Approximation (RMSEA) of 0.07, which is deemed acceptable despite being slightly above the optimum level of 0.08. When taken as a whole, these fit indices confirm that the structural model is generally suitable for describing the observed data in the context of SEM-PLS investigations.

Discussion

The study investigated the effects of market research, social capital, and dynamic capabilities on the competitiveness and sustainability of marketing for companies operating in Indonesia's creative tourism industry. The quantitative study,

which used partial least squares (SEM-PLS) to model structural equations, gave important new light on the connections between these important variables.

1. Dynamic Capability

The results show a strong relationship between marketing sustainability and dynamic capabilities. Enterprises with greater flexibility and inventiveness are more likely to use sustainable marketing strategies, according to the complex aspects of marketing sustainability within Indonesia's tourism creative economy (Kuncoroyekti et al., 2023; Taba et al., 2023). In the context of Indonesian ecotourism, (PURBAWATI et al., 2023) study looks at the variables of green marketing, innovation, and ethics toward company performance. (Taba et al., 2023) The significance of leadership in navigating the business climate and satisfying customer expectations for business sustainability is emphasized in the article by Sattar Taba and Farah Hida Sharin. Furthermore, Preti (Diawati et al., 2023) research emphasizes the contribution of sustainable marketing, specifically through influencer marketing and social media, to the growth of the microfilm business in Indonesia. According to these results, companies in Indonesia may attain marketing sustainability through incorporating innovation, adaptation, and sustainable marketing techniques into their daily operations.

The correlation that exists between competitiveness and dynamic capability highlights the importance of organizational innovation and agility in obtaining a competitive advantage. Businesses that are adept at quickly rearranging their strategy and resources will be better able to handle the challenges presented by the evolving tourist creative economy. These groups are aware of the value of creativity in tourism and all of its forms (Crouch, 2021). They acknowledge the need of understanding the intricate and dynamic relationships that influence the adaptability and development of tourist destinations (Dai et al., 2023). In order to enhance marketing communication capabilities and establish the destination as a creative tourist hub, they place a high priority on organizational culture, learning, and efficient knowledge training (Gato et al., 2022). They can also use dynamic skills to manage disruptive external changes, including natural disasters (Jiang et al., 2022b). Moreover, they exhibit flexibility and forbearance in the face of unanticipated events, like the COVID-19 pandemic, by utilizing native agents and internal resources (Marujo et al., 2021).

2. Market Research

The findings of the study provide credence to the notion that proactive market research participation facilitates the application of long-term marketing plans. Companies in the tourist creative economy that make the effort to comprehend market trends and customer preferences are more likely to match their operations with sustainable objectives. Businesses can create and promote sustainable practices that meet the requirements and desires of their target market by comprehending customer perceptions and preferences (N. U. Rahmi et al., 2022). This entails presenting sustainable options and informing customers of the importance of sustainability (Conti et al., 2023). Moreover, businesses can tailor their products by using market research to pinpoint consumer preferences and trends regarding sustainable practices (Agarwal et al., 2022b). Businesses can draw in eco-aware customers and support the sustainability of the travel and tourism sector overall by coordinating their operations with sustainability goals (Fragidis et al., 2022). By measuring and observing consumer behavior in the real world, firms may help close the gap between consumer intentions and actual behavior (Viglia & Acuti, 2023). Businesses can use this information to make

more informed decisions and develop strategies that successfully promote and implement sustainable practices.

The beneficial influence of market research on competitiveness implies that making well-informed decisions based on market insights improves a company's capacity to successfully meet customer expectations. The tourist creative economy is becoming more competitive thanks to this strategic advantage. Competitiveness in the creative economy of tourism is positively impacted by well-informed decision-making based on market information (Suwandana, 2023). One of the most important aspects of increasing competitiveness is market orientation, which entails recognizing and meeting consumer demand (Huu, 2023; Saeed Farahat et al., 2022). Additionally, by improving marketing efficacy and changing the conventional seller into a buyer's market, the application of artificial intelligence (AI) technology can boost competitiveness in the tourism sector (Ali & Anwar, 2021). Competitive advantage in the private sector is also influenced by strategic competitiveness factors such as inventive ideas, innovation culture, management ethics, and competitive strategies (Samonova et al., 2022). Creating a marketing plan and figuring out who the competition is are critical elements in making the tourism and hotel industry more competitive. All things considered, firms can become more competitive in the tourism sector and better able to adapt to market demands by combining market research, market orientation, AI technology, and strategic competitiveness.

3. Social Capital

The results validate that social capital and marketing sustainability have a beneficial link. Companies that have robust social networks and collaborative relationships are more likely to adopt and maintain marketing strategies that are in line with social, economic, and environmental considerations (Joseph et al., 2023). According to a Ugandan study, social innovation acts as a mediator in the relationship between collaborative competency and sustainable business practices. This suggests that when companies work together, they can develop socially creative solutions that advance sustainability (Zhao & Lee, 2023). A different study that using a social network approach discovered that direct and indirect social learning processes are how a company's board interlock ties impact its corporate environmental performance (CEP). The study also emphasized how social learning and CEP are amplified when a firm's board has interlocking relationships to other well-connected enterprises (Tian & Kamran, 2023). Furthermore, the significance of marketing in establishing connections between sustainability, society, environment, consumers, and corporate sustainable development was demonstrated by an integrative assessment of research clusters. This implies that marketing strategies are essential for advancing sustainability in a variety of ways (Adeyemi, 2023). Lastly, a Sri Lankan study discovered that the performance of manufacturing enterprises in terms of social, environmental, and economic sustainability is positively impacted by both internal and external social sustainability measures (Gunasekara et al., 2022).

The research backs up the idea that social capital influences competitiveness. In the tourism creative economy, businesses that cultivate strong ties and partnerships inside their social networks have an advantage over their competitors (Annamalah et al., 2023). In order to operate in modern economy, social capital is essential since it allows companies to create social networks, collaborate on marketing and raw materials, and promote a spirit of camaraderie and support among one another (Zusmelia et al., 2022). Businesses can improve their capacity for innovation and gain a

competitive edge over rivals by building their social capital (Liu, 2021). Furthermore, social capital bridges can support regional development and non-traditional forms of innovation (Liu et al., 2020). Thus, in order to capitalize on the advantages of their social networks and successfully negotiate the obstacles of the tourism creative economy, firms had to concentrate on creating and maintaining social capital (N. F. Rahmi et al., 2021).

4. Theoretical Contributions

The work adds multiple theoretical insights to the body of current knowledge. First of all, in the framework of Indonesia's tourism creative economy, it provides empirical validation for the connections among dynamic capability, market research, social capital, marketing sustainability, and competitiveness. This offers a sophisticated grasp of the ways in which these variables interact and support company performance in this ever-changing industry.

Second, by proving that dynamic skills have a favorable effect on both competitiveness and marketing sustainability, the study adds to the body of literature on the subject. This broadens the definition of dynamic capacities to take sustainability factors into account in addition to conventional company performance metrics.

Ultimately, by emphasizing the functions of social capital and market research in supporting marketing strategies in line with sustainability objectives, the study advances the developing discipline of sustainable marketing. The results underscore the interdependence of these variables and their combined impact on the sustainable growth of enterprises within the tourist creative economy.

5. Practical Implications

The study has important applications for companies involved in Indonesia's creative tourism industry. The results indicate that marketing sustainability and competitiveness can be enhanced by investing in dynamic capabilities, actively doing market research, and building social capital.

Companies are urged to improve their capacity for innovation, resource reconfiguration, and adaptation in order to successfully traverse the ever-changing tourism creative economy. The report also emphasizes how crucial market research is to making well-informed decisions that support the creation and application of long-term marketing plans. Businesses looking to improve their sustainability practices and obtain a competitive advantage in the market can benefit greatly from fostering social capital through partnerships, collaborations, and community involvement.

6. Limitations and Future Research

Even though the study offers insightful information, it is important to recognize its limits. The cross-sectional research approach makes it difficult to demonstrate causation, and certain industrial features within Indonesia's tourist creative economy may have an impact on how broadly applicable the findings are.

In order to overcome these constraints, future studies could examine the correlations across time using longitudinal methods. Furthermore, comparative analyses conducted in various businesses and cultural situations may improve the results' external validity.

CONCLUSION

This research offers a thorough understanding of the complex interactions between market research, competitiveness, social capital, dynamic capability, and marketing sustainability in Indonesia's creative tourist industry. Empirical data demonstrates how dynamic capacities, proactive participation in market research, and robust social capital enhance competitiveness and sustainable marketing strategies. The findings' validity is increased by the measurement and structural models' robustness. The practical consequences point to areas where companies might spend money on relationship-building, market research, and adaptation in order to succeed over the long term. These results provide a road map for companies and governments to handle the opportunities and obstacles as Indonesia's tourist creative economy develops further, promoting a robust and sustainable sector.

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