

## Creativity and product innovation as determinants of birdcage business success in Dawuhan Mangli village, Sukowono district, Jember

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**Abstract** - The birdcage industry represents a promising small-scale business sector in Dawuhan Mangli Village, Sukowono District, where demand and production have remained stable over time. This study aims to examine (1) the level of creativity among birdcage entrepreneurs, (2) the extent of product innovation implemented, and (3) the influence of creativity and product innovation on business success. A quantitative research approach was employed, with data collected through structured questionnaires administered to birdcage entrepreneurs. The data were analysed using multiple linear regression to assess both partial and simultaneous effects of the independent variables on business success. The findings reveal that creativity does not have a significant positive effect on business success, whereas product innovation has a significant positive effect. Simultaneously, creativity and product innovation jointly exert a significant positive influence on business success. These results indicate that innovation plays a more decisive role than creativity alone in determining business performance within the local birdcage industry.

**Keywords:** creativity; product innovation; business success; birdcage industry; SMEs

### 1. Introduction

Economic behaviour varies across regions due to differences in natural resource endowments, community traditions, and broader social structures (Mashudi & Misahul Ali, 2024). These factors shape local economic activities and patterns of production. In Dawuhan Mangli Village, Sukowono District, for instance, a significant proportion of the community is engaged in the production of bird cages, an economic activity that has been inherited across generations. Income derived from this home-based birdcage craft industry serves as the primary means of meeting household economic needs.

From a microeconomic perspective, the birdcage craft industry offers a clear illustration of how producers respond to consumer demand and how entrepreneurial capabilities shape SME performance. In competitive markets, producers supply goods that match consumer needs and preferences; profits arise from the margin between production costs and sales revenue, consistent with standard demand-supply theory in microeconomics (Venny & Asriati, 2022; Liu et al., 2021). When producers can continuously sell goods that meet market demand, they are more likely to secure stable and sufficient household income over time (Venny & Asriati, 2022).

At the SME level, creativity and product innovation are now central determinants of competitiveness and growth, especially in creative industries. Studies on MSMEs in Indonesia

and elsewhere show that creativity and product innovation significantly support SME development, business growth, and performance (Awa & P., 2023; Sutapa et al., 2017). Product innovation—developing new products, improving existing ones, and diversifying offerings—has been linked to better financial performance, higher sales, and stronger market share in various SME contexts (Castillo-Vergara et al., 2020; Hanaysha et al., 2021; Onyango et al., 2025). Entrepreneurs therefore need capabilities beyond capital, including the ability to generate novel ideas (creativity), convert them into commercially viable innovations, and manage operations effectively (Castillo-Vergara et al., 2020; Awa & P., 2023; Koliby et al., 2022).

Research on entrepreneurial and innovation capabilities shows that such internal competencies—opportunity recognition, strategic thinking, adaptability, and leadership—enhance innovation and, through innovation, improve sustainable organizational and SME performance (Koliby et al., 2022; Somwethee et al., 2023; Ferreira et al., 2020). In creative industries, where product differentiation is crucial, firms that continuously strengthen creativity, adopt new technologies, and align innovations with customer preferences achieve superior competitive advantage and business outcomes compared with less innovative rivals (Ratna et al., 2024; Masruchan, 2025; Sutapa et al., 2017; Anjaningrum & Rudamaga, 2019).

The birdcage business itself is widely regarded as a promising venture. Empirical evidence indicates that this sector has demonstrated strong prospects over time, driven by the growing number of bird enthusiasts across various age groups. As birdkeeping becomes increasingly popular, the demand for bird cages—as both functional and aesthetic products—continues to rise. Additionally, the expansion of bird breeding enterprises contributes to sustained market demand.

Bird cages produced in Sukowono District possess distinctive characteristics that differentiate them from similar products. Although most residents of Dawuhan Mangli Village are birdcage craftsmen, the products they produce vary significantly in terms of shape, design, carving patterns, and painting motifs (Mahfidatul, 2015). Craft production ranges from simple, low-priced bird cages to elaborately carved, high-value products, reflecting the diversity of creativity and innovation within the local industry. This diversity highlights both the opportunities and competitive pressures faced by birdcage craftsmen in an increasingly dynamic market.

Table 1: High Quality value

Quality	Price
Grade A	Rp. 1.000.000 – 3.000.000
Grade B	Rp. 500.000 – 900.000
Grade C	Rp. 50.000 – 400.000

Achieving business success requires more than financial capital; it also depends on entrepreneurs' personal competencies in managing resources consistently and strategically. Entrepreneurs are expected to discover new ideas (creativity), develop and improve existing products (innovation), and organize and manage their businesses to ensure sustainability and growth. Continuous business development demands creativity and innovation to prevent market saturation and consumer boredom. In a highly competitive environment, creativity becomes a key factor for business survival.

This condition presents both challenges and opportunities for birdcage entrepreneurs in Dawuhan Mangli Village, Sukowono District, Jember Regency. To remain competitive with birdcage producers from other regions, local entrepreneurs must enhance product excellence through creativity and innovation. The ability to differentiate products through design, craftsmanship, and functional improvements is essential in responding to evolving market competition.

Studies on Indonesian birdcage craftsmen highlight that entrepreneurial behaviour explicitly includes innovation, proactiveness, risk-taking, networking, and results orientation;



successful birdcage entrepreneurs in Turen have applied all five aspects in developing their business (Widianingsih et al., 2019). This positions product innovation and creative behaviour as core elements of competitive advantage rather than peripheral traits. Research on birdcage clusters (Argosari, Bantul) frames cage production as part of the creative economy, emphasizing unique product characteristics, varied designs, and quality materials as strengths in facing competition (Subagio et al., 2025). Through SWOT analysis, these works show that distinctive product features and design variety enable craftsmen to exploit wide market opportunities, while weaknesses lie more in finance, marketing, and training than in product creativity itself (Subagio et al., 2025).

Community service activities and training for birdcage MSMEs in Tanjung and Ajibarang add that branding and digital transformation can enhance product appeal and market reach, indirectly leveraging existing creativity and innovation capacity to improve business sustainability (Salsabila et al., 2025; Hawa et al., 2023).

Beyond the birdcage context, multiple empirical studies on MSMEs confirm that creativity and product innovation significantly and positively influence firm growth and performance. In Pamekasan MSMEs, both creativity and product innovation have significant positive effects on business development in a regression model (Samsuki & Wispandono, 2025). A study on Banyuwangi batik MSMEs finds creativity, product innovation, and entrepreneurial competence jointly explain about 70% of business success, indicating that design creativity and locally grounded innovation are major internal determinants of sustainability (Nuraini et al., 2025). Similar results appear in Binjai MSMEs, where creativity and entrepreneurial ability together significantly affect business success (Darma et al., 2024).

Several broader SME studies reinforce this link. Creativity is identified as an essential source of innovation; risk-taking behaviour enables SMEs to transform creative ideas into product innovation, which then improves performance (Castillo-Vergara et al., 2020). Organisational creativity (novelty and usefulness) is positively related to product innovation performance, partly mediated by design management capabilities (Ahmed et al., 2024).

In Chilean SMEs, creativity significantly increases product innovation and, through that, innovative performance (Castillo-Vergara et al., 2024). Other work shows product innovation practices explain substantial portions of SME financial performance in Kenya ( $R^2 \approx 0.42-0.80$ ), particularly through new product development, improvement, and product line diversification (Kiguru et al., 2025; Onyango et al., 2025).

Not all firms can capitalize on creativity. Creativity barriers (limitations in generating varied, unique, original ideas) negatively affect product and process innovation, and innovation then mediates the relationship between creativity barriers and performance (Rahman et al., 2024). This suggests that where creativity is constrained, product innovation—and thus business success—suffers, unless firms deliberately adopt innovative practices.

Systematic reviews of SME success factors and business success prediction also underline innovation, product quality, and entrepreneurial characteristics as recurrent drivers within broader determinants such as finance, technology adoption, and strategic planning (Gangwani & Zhu, 2024; Kozielski, 2019; Malesu & Syrovátka, 2025). For birdcage MSMEs specifically, complementary capabilities in branding, digital marketing, and financial management appear necessary for creative, innovative products to translate into sustained competitive success (Salsabila et al., 2025; Malesu & Syrovátka, 2025; Hawa et al., 2023; Subagio et al., 2025).

Based on the background above, this study formulates the following research questions: (1) Does creativity partially influence the success of the birdcage business in Dawuhan Mangli Village, Sukowono District, Jember? (2) Does product innovation partially influence the success of the birdcage business in Dawuhan Mangli Village, Sukowono District, Jember? (3) Do creativity and product innovation simultaneously influence the success of the birdcage business in Dawuhan Mangli Village, Sukowono District, Jember?

The objectives of this study are as follows: (1) To determine the partial effect of creativity on the success of the birdcage business in Dawuhan Mangli Village, Sukowono District, Jember. (2) To determine the partial effect of product innovation on the success of the birdcage business

in Dawuhan Mangli Village, Sukowono District, Jember. (3) To examine the extent of the simultaneous influence of creativity and product innovation on the success of the birdcage business in Dawuhan Mangli Village, Sukowono District, Jember.

The benefits of this research are categorized into theoretical and practical contributions. Theoretically, this study is expected to enrich the literature on entrepreneurship, particularly regarding the role of creativity and product innovation in small-scale craft industries. It may also serve as a reference for future research on similar topics. Practically, the findings can provide insights for birdcage entrepreneurs in Dawuhan Mangli Village to improve business strategies through creativity and innovation. For researchers and academic institutions, this study contributes additional empirical evidence to the field of social and economic sciences. For the local community, the results are expected to increase awareness of the importance of creativity and innovation in enhancing business success.

This study employs independent and dependent variables. The independent variables (X) consist of creativity (X1) and product innovation (X2), while the dependent variable (Y) is business success. Creativity (X1) refers to the ability to generate new ideas and approaches in business activities. The indicators of creativity include curiosity, optimism, flexibility, problem-solving ability, originality, enjoyment, and imagination (Suryana, 2013). Product innovation (X2) refers to improvements or changes made to products to increase their value and competitiveness. The indicators include design changes, technical innovation, and product development (Scarborough, 2008). Business success (Y) is reflected in business performance outcomes, measured through indicators such as capital growth, revenue, sales volume, and labour absorption.

Creativity plays a crucial role in creating competitive advantage and ensuring business survival, particularly in creative industries (Alma, 2009). Product innovation is also a vital factor supporting business success, as it enables firms to adapt to market changes and consumer preferences. Effective managerial decision-making in product innovation significantly increases opportunities for business growth, whereas poor decisions may lead to business failure (Peter & Ilan, 2001). Collectively, creativity and product innovation serve as strategic resources that help entrepreneurs identify opportunities and achieve sustainable business success (Alexander, 2021).

Based on the theoretical framework, the following hypotheses are proposed:

**H1:** Creativity has a significant effect on the success of the birdcage business in Dawuhan Mangli Village, Sukowono District, Jember.

**H0<sub>1</sub>:** Creativity does not affect the success of the birdcage business in Dawuhan Mangli Village, Sukowono District, Jember.

**H2:** Product innovation has a significant effect on the success of the birdcage business in Dawuhan Mangli Village, Sukowono District, Jember.

**H0<sub>2</sub>:** Product innovation does not affect the success of the birdcage business in Dawuhan Mangli Village, Sukowono District, Jember.

**H3:** Creativity and product innovation simultaneously have a significant effect on the success of the birdcage business in Dawuhan Mangli Village, Sukowono District, Jember.

**H0<sub>3</sub>:** Creativity and product innovation do not simultaneously affect the success of the birdcage business in Dawuhan Mangli Village, Sukowono District, Jember.

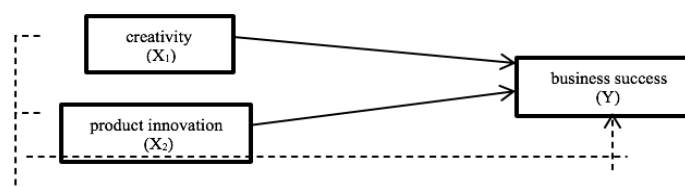


Figure 1 Framework

## 2. Method

### 2.1 Research Design

This study employed a quantitative research approach with a descriptive research design. Quantitative methods are appropriate for examining relationships between variables through statistical analysis and for testing predetermined hypotheses within a defined population or sample (Wijayanti, 2021). The research focused on analysing the influence of creativity and product innovation on business success among birdcage entrepreneurs in Dawuhan Mangli Village, Sukowono District, Jember Regency.

### 2.2 Data Collection

Data were collected using four complementary techniques to ensure methodological rigor and data triangulation:

- (1) Semi-structured interviews were conducted with birdcage entrepreneurs to obtain in-depth information regarding how creativity and product innovation are applied in their business practices. These interviews supported the interpretation of quantitative findings.
- (2) The primary data collection instrument was a structured questionnaire distributed online via Google Forms. The questionnaire measured creativity (X1), product innovation (X2), and business success (Y) using indicators derived from established theories. Respondents were birdcage entrepreneurs operating in Dawuhan Mangli Village.
- (3) Documentation techniques were used to collect supporting data, such as business records and previous reports related to birdcage enterprises in the research area. This method helped strengthen data accuracy and contextual understanding.
- (4) Direct observations were conducted to examine production processes, product variations, and business operations. Observational data enriched the analysis by capturing real business conditions.

### 2.3 Instrument Testing

The questionnaire instrument underwent validity and reliability testing. Validity was assessed using product-moment correlation, with items considered valid if the calculated correlation coefficient (*r*-count) exceeded the *r*-table value at a significance level of  $\alpha = 0.05$ . Reliability testing employed Cronbach's Alpha, where a value greater than 0.60 indicated acceptable internal consistency (Ghozali, 2018).

### 2.4 Data Analysis

Data analysis involved several statistical procedures. Classical assumption tests included normality, multicollinearity, and heteroscedasticity tests to ensure the feasibility of regression analysis. Multiple linear regression analysis was used to examine the effect of creativity (X1) and product innovation (X2) on business success (Y), represented by the equation:

$$Y = a + b_1X_1 + b_2X_2 + e$$

Hypothesis testing was conducted using *t*-tests to analyze partial effects and *F*-tests to assess simultaneous effects at a 5% significance level. Finally, the coefficient of determination ( $R^2$ ) was calculated to measure the explanatory power of the independent variables in predicting business success.

## 3. Results and Discussion

### 3.1 Results

#### 3.1.1 Respondent Description

The characteristics of respondents observed in this study included gender and age. This study sampled bird cage businesses in Sukowono. The data are as follows:

Table 2: Employee Characteristics by Gender

Gender	Frequency	Percentage
Male	85	100%
Female	0	100%
Amount	85	100%

The table shows that the majority of bird cage business actors are male.

Table 3: Employee Characteristics by Age

Age	Frequency	Percentage
19-22	15	37,5%
22-27	70	62,5%
Amount	85	100%

The table above shows that there are 15 employees aged around 19-22 years and 70 employees aged around 22-27 years.

Table 4: Results of Creativity Variable Validity Test

Question Items	R count	R Table	Description
X1.1	0,78	0,22	Valid
X1.2	0,78	0,22	Valid
X1.3	0,79	0,22	Valid
X1.4	0,49	0,22	Valid
X1.5	0,44	0,22	Valid
X1.6	0,48	0,22	valid
X1.7	0,56	0,22	Valid
X1.8	0,75	0,22	Valid

The table above shows that all creativity variables are valid. This indicates that the creativity of craftsmen in Sukowono District is above the arithmetic mean of 0.22.

Table 5: Results of the Innovation Variable Validity Test

Question Items	R count	R Table	Description
X2.1	0,69	0,22	Valid
X2.2	0,75	0,22	Valid
X2.3	0,82	0,22	Valid
X2.4	0,75	0,22	Valid
X2.5	0,85	0,22	Valid

The table above shows that all innovation variables are valid. Therefore, it can be seen that craft innovation and creation in Sukowono District are above the arithmetic mean of 0.22.

Table 6: Validity Test Results for Business Success Variables

Question Items	R count	R Table	Description
Y.1	0,68	0,22	Valid
Y.2	0,68	0,22	Valid
Y.3	0,69	0,22	Valid
Y.4	0,82	0,22	Valid
Y.5	0,76	0,22	Valid
y.6	0,82	0,22	Valid

Based on the validity test results table above, it shows that all business success variables used in this study are declared valid.

Reliability testing is used to assess the completeness of the questions. The reliability test used is the Cronback Alpha test with the following criteria:

If the Cronback Alpha result is  $>0.6$ , the variable is considered reliable or consistent. If the Cronback Alpha result is  $<0.6$ , it is considered unreliable.

The following table shows the reliability test results:



Table 7: Reliability Test Results

Variable	Cronbach Alpha	Description
Creativity(X <sub>1</sub> )	0,78	Reliable
Product innovation (X <sub>2</sub> )	0,80	Reliable
Business success (Y)	0,79	Reliable

From the table above, the resulting alpha value for Cronbach's Alpha is > 0.60. So all variables are declared reliable.

#### Analysis and Hypothesis Testing

##### Classical Assumption Test

Normality Test, The normality test in this study used the Kolmogorov-Smirnov test, which is conducted to determine the distribution of random and specific data in a population. In this test, a normal distribution is considered if the significance value is greater than 0.05 (sig > 0.05).

Table 8: Normality Test Results

Asymp. Sig.(2-Tailed) <sup>c</sup>	.5879 <sup>d</sup>
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Based on the table above, it can be concluded that the significance value of the Kolmogorov-Smirnov test is 0.5879, which is greater than 0.05. Therefore, it can be concluded that the tested data is normally distributed.

Multicollinearity test, uses VIF or Variance Inflation Factor. Multicollinearity test is used to state that the independent variable must be free from multicollinearity symptoms with the provision that if the value of r square = VIF > Value 10.00 multicollinearity occurs, then if r square = VIF < Value 10.00 then multicollinearity does not occur.

Table 9: Multicollinearity Test Results

Variable	VIF
creativity(X <sub>1</sub> )	1,565
Product innovation (X <sub>2</sub> )	1,637

Based on the SPSS test results above, it shows that each independent variable X<sub>1</sub> is 1.565, X<sub>2</sub> is 1.637, and X<sub>3</sub> is 1.366, has a VIF value that is smaller than 10. It can be concluded that in this study there is no multicollinearity.

Heteroscedasticity test, the basis for heteroscedasticity analysis is as follows:

If there is a specific pattern, such as points forming a regular pattern, heteroscedasticity has occurred. If there is no clear pattern and the points are spread above and below 0 on the y-axis, heteroscedasticity has occurred.

Table 10: Heteroscedasticity test

Variable	VIF
creativity(X <sub>1</sub> )	0,981
Product innovation (X <sub>2</sub> )	0,745

The distribution of points is scattered or irregular. This means that the research data is homogeneous and free from heteroscedasticity.

##### Hypothesis testing

Partial significance test (T), The t test is used to determine the independent variable partially against the dependent variable.

Table 11: Significant test results (T-Test)

	T	Sig
Creativity (X <sub>1</sub> )	3,692	.0000

Product Innovation	2,825	.0007
Product (X <sub>2</sub> )		
Success (Y)	5,840	.0000

Creativity Variable Hypothesis (X<sub>1</sub>), The results above also show a significance level of 0.000. Therefore, it can be concluded that the sig. value of 0.000 is <0.05, so H<sub>0</sub> is rejected and H<sub>a</sub> is accepted. This means that creativity (X<sub>1</sub>) has no partial effect on business success (Y).

Product Innovation Variable Hypothesis (X<sub>2</sub>), Based on the calculation results, a significance level of 0.007 was also found. Therefore, it can be concluded that the sig. value of 0.007 is >0.05, so H<sub>a</sub> is accepted. This means that product innovation (X<sub>2</sub>) has a partial effect on business success (Y).

F Test (Simultaneous), This test is used to examine the simultaneous influence of independent variables on the dependent variable, with the following conditions: If the F value is <0.05, then H<sub>0</sub> is rejected and H<sub>a</sub> is accepted. If the F value is >0.05, then H<sub>0</sub> is accepted and H<sub>a</sub> is rejected.

Table 12: F-Test Results (Simultaneous)

ANNOVA	
F	Sig
10,112	.0002

The results above show that the results above show that the sig value is 0.002 which indicates that the sig value F is 0.0002 <0.05. So H<sub>a</sub> is accepted and H<sub>0</sub> is rejected, which means that creativity (X<sub>1</sub>), innovation (X<sub>2</sub>) have a simultaneous effect on the success of the bird cage business in Dawuhan Mangli Village, Sukowono District, Jember.

Coefficient of Determination (R<sup>2</sup>) Test, the coefficient of determination is between zero and 1 if (0 < r<sup>2</sup> < 1). A value close to 1 indicates that the independent variable provides almost all the information needed to predict the dependent variable. A small R<sup>2</sup> value indicates that the independent variable is very limited in explaining the dependent variable. The following are the results of the SPSS coefficient of determination test.

Table 13: Results of the Coefficient of Determination (R<sup>2</sup>) Test

Model Summary	Adjusted R Square
1	0.725

Based on the test results above, the coefficient of determination (R<sup>2</sup>) is 0.725 or 72.5%. This explains that creativity and product innovation can influence the success variable of the bird cage business by 72.5%. The remaining 27.5% is explained by other variables outside the research model.

## 2. Discussion

The Influence of Creativity on the Success of Birdcage Businesses in Dawuhan Mangli Village, Sukowono District, Jember. Creativity is the ability to develop new ideas, new ways of solving problems, and finding opportunities to think of something new and different, all of which can be sourced from consumers. Respondents' responses, as birdcage entrepreneurs in Dawuhan Mangli Village, regarding the creativity variable were categorized as "Good." Based on previous studies conducted by researchers, some journals state that creativity does not influence business success. One such journal is a research journal by Dalif et al. (2024). In this study, the results of the hypothesis test, specifically the t-test, indicate that student creativity has no partial effect on online entrepreneurial interest among students majoring in Business Administration at the Ujung Pandang State Polytechnic.

The results also show a significance value of 0.000, thus concluding that the sig. 0.0000 <0.05 means that H<sub>0</sub> is rejected and H<sub>a</sub> is accepted. This means that creativity (X<sub>1</sub>) has no partial effect on business success (Y). Of the five indicators, the highest score was for "Flexibility," while



the lowest was for "Curiosity." This indicates that, despite the improvement, there are still areas that require immediate attention and improvement, namely the desire to know what is currently popular among the community. The bird cage business in Dawuhan Mangli Village is deemed to have insufficiently instilled this value, resulting in a lack of creativity among the owners as entrepreneurs in creating products. In other words, the ability of bird cage entrepreneurs in Dawuhan Mangli Village to be creative or create new products is still low because they do not have added value in the ideas they currently have.

The Influence of Innovation on the Success of Birdcage Businesses in Dawuhan Mangli Village, Sukowono, Jember. Respondents, birdcage entrepreneurs in Dawuhan Mangli Village, responded to the product innovation variable in the "Good" category. In other words, the company's ability to innovate products for the survival of its business unit is considered quite good. Previous research from several journals, including that by Sari et al. (2024), found that product innovation significantly impacts business progress. This indicates that innovation plays a significant role in business progress and success. Based on the calculation results, a significance value of 0.007 was also found. Therefore, it was concluded that the sig.  $0.007 > 0.05$ , thus  $H_a$  was accepted, meaning that innovation (X2) partially influences business success (Y).

The responses of respondents, bird cage entrepreneurs in Dawuhan Mangli Village, regarding the business success variable were categorized as "Very Good." In other words, the company's ability to achieve business success was considered good. Of the four indicators, the highest score was for "Workforce," while the lowest was for "Revenue," but all scored less than good. This indicates that the business still needs significant improvements, including increasing creativity and product innovation to further enhance business success. The Sukahaji Bird Cage Center is considered to be doing well in these areas, leading to business success, but further improvements are needed in terms of revenue.

The influence of creativity and product innovation on the success of a birdcage business in Dawuhan Mangli Village, Sukowono, Jember. Creativity and innovation are crucial for anyone running a business in the arts and crafts sector. Every entrepreneur is required to have innovation and sufficient creativity to attract consumers and buyers to purchase their crafts. An entrepreneur must possess the knowledge to discover new things (creativity), develop existing products (innovation), and organize and manage the business for further growth. Achieving business success requires not only capital but also the internal competency to ensure consistency and success. To compete with other businesses, an entrepreneur must possess a strong sense of creativity and innovation.

Creativity and innovation in the products sold serve as solutions to help increase business success, especially in the creative industry. Based on research conducted by Salsabila (2024), the analysis results show that innovation, creativity, and service quality simultaneously have a significant effect on customer satisfaction. The results of the study indicate a sig value of 0.002, indicating that the sig value of F is  $0.0002 < 0.05$ . Therefore,  $H_a$  is accepted and  $H_o$  is rejected. This means that creativity (X1) and innovation (X2) simultaneously influence the success of the bird cage business in Sukowono District, Jember. Creativity and innovation have a significant and simultaneous influence on business success because creativity will always be used to improve a product. Therefore, maintaining the quality of bird cage products requires creativity and innovation.

#### 4. Conclusion

Based on the results and discussion of the study on the influence of creativity and product innovation on the success of bird cage businesses in Dawuhan Mangli Village, Sukowono District, several important conclusions can be elaborated.

First, the creativity variable does not have a significant partial positive effect on business success for bird cage entrepreneurs in this specific context. This indicates that differences in individual or managerial creativity, when viewed in isolation, are not sufficient to explain variations in sales, profit, customer growth, or business continuity among bird cage producers.

Similar findings have been reported in other contexts, where creativity alone did not significantly influence business success unless it was supported by other capabilities such as knowledge, resources, or effective implementation mechanisms (Munir, 2024). In other words, creative ideas that are not translated into concrete, marketable changes in products, services, or processes may fail to generate measurable business impact.

Second, the product innovation variable has a significant partial positive effect on business success. The analysis shows that higher levels of product innovation—such as introducing new cage models, improving materials and durability, enhancing aesthetic design, or adapting products to specific bird species and customer preferences—are associated with better performance outcomes. This aligns with broader evidence from SMEs in various regions, where product innovation is consistently linked to improved financial and non-financial performance, including higher sales, profitability, and market share (Onyango et al., 2025; Kiguru et al., 2025).

For rural and craft-based industries, innovation in design, function, and added value (for example, integrating local motifs or ergonomic features) often becomes a key differentiator in increasingly competitive markets (Kalil & Aenurohman, 2020; Sari et al., 2024). Thus, in Dawuhan Mangli, the capacity to continuously refine and renew bird cage products appears to be a central driver of business success.

Third, when creativity and product innovation are considered simultaneously, they have a significant positive effect on the success of bird cage businesses in the village. This suggests that, although creativity does not show a strong effect when tested alone, in combination with product innovation it contributes to better overall performance. The joint significance of these variables supports the idea that creativity functions as an upstream input that, when effectively channeled into concrete product changes, strengthens business outcomes. Studies on MSMEs and creative industries similarly show that creativity and product innovation together explain a substantial proportion of variance in business performance, often above 40–60% (Kalil & Aenurohman, 2020; Komarudin & Hamdani, 2023; Sari et al., 2024).

This combined effect reflects a process in which creative thinking generates ideas, while innovation capabilities select, develop, and implement those ideas into products that match market needs.

Overall, the findings imply that for bird cage entrepreneurs in Dawuhan Mangli Village, product innovation is the primary direct lever of success, while creativity becomes valuable mainly when integrated into an innovation process. Efforts to improve business performance should therefore focus on strengthening the ability to convert creative ideas into tangible product improvements—through better design capabilities, market feedback, experimentation, and learning—rather than relying on creativity in an abstract sense. At the same time, the significant joint effect of creativity and innovation indicates that policies, training, or assistance programs aimed at this sector will be more effective if they develop both the mindset (creativity) and the skills and resources needed for continuous product innovation.

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