

How FinTech enabled Digital Capabilities Encourage Value Chain Innovation for SMEs in Cultural and Creative Industries

Muhammad Azfar Anwar

College of Management, Shenzhen University, China

Zupan Zhang

Institute for Cultural and Creative Industries, Shenzhen University, China

Fahad Asmi

Charles Sturt University, Bathurst, New South Wales, Australia

ABSTRACT

Purpose: This study examines how Fintech-enabled digital capabilities foster the value chain innovation and competitive advantage of SMEs in cultural and creative industries by revamping their technological capabilities and marketing capabilities. Drawing upon the dynamic capabilities theory of the resource-based view we develop a model to capture the interaction between stimulating factors and their effect on innovation and competitive advantage with the moderating role of strategic alignment.

Design/Methodology/Approach: The study collects data from the International Cultural Industries Fair (ICIF), 2023, exhibiting more than 4,000 industrial participants. An informal interview from a random sampling was conducted with marketing and managing officials of participating SMEs and based on factors identified in these interviews was then incorporated to develop the questionnaire. The questionnaire collects data from 274 SMEs with a digital presence.

Findings/Results: – The findings reveal that market turbulence and task support are the significant factors pushing SMEs to capitalize on Fintech Fintech-enabled business model transformation, where this transformation affects technological capabilities and leads to value chain innovation. Value chain innovation significantly explains competitive advantage

Practical Implications: – The study helps to understand the orientation of managers to adopt Fintech-based digital transformation and how it helps SMEs to innovate with limited resources and capabilities. It helps to integrate technological financial solutions in operations and marketing activities to collaborate with customers and to get market competitiveness. It enhances the understanding regarding the emerging role of Fintech and how it can strategically enable SMEs with the required capabilities to be innovative.

Originality/Value: The study fills the theoretical and empirical gap of Fintech utilization in cultural and creative industries by examining the relationship between digital resources, digital marketing capabilities, and strategic goals. The study integrates dynamic capabilities theoretical lens and practice-based view and presents the effect of publicly available digital resources on market strategies.

Keywords: *Cultural and creative industries, Dynamic capabilities, Business model innovation, Functionality, value chain innovation*