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Original Article

The Impact of Creativity, Market Orientation, and Competitive Strategy on Startup Performance

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Abstract

This study aims to examine the impact of creativity, market orientation, and competitive strategy on startup performance. In an increasingly dynamic and competitive business environment, startups are required to leverage internal capabilities and external market insights to achieve sustainable growth. This research adopts a quantitative approach using a cross-sectional survey design, with data collected from 187 startup founders and managers in Indonesia through structured questionnaires. The data were analyzed using multiple linear regression analysis to test the proposed hypotheses. The results indicate that creativity, market orientation, and competitive strategy each have a positive and significant effect on startup performance. Among these variables, creativity emerges as the most influential factor, highlighting the importance of innovation and idea generation in enhancing business outcomes. Furthermore, the findings reveal that the three variables simultaneously contribute significantly to startup performance, suggesting that an integrated approach is essential for achieving optimal results. This study provides both theoretical and practical contributions by emphasizing the need for startups to align creative capabilities with market understanding and strategic positioning. The findings offer valuable insights for entrepreneurs and managers in developing effective strategies to improve performance and ensure long-term sustainability.

Keywords: Creativity; Market Orientation; Competitive Strategy; Startup Performance; Innovation; Business Strategy

1. Introduction

Startups play a critical role in driving economic growth, innovation, and employment creation in modern economies. In recent years, the rapid advancement of technology, increasing globalization, and dynamic market conditions have intensified competition, making it more challenging for startups to survive and achieve sustainable performance. Despite their potential for innovation and agility, many startups fail within the first few years of operation due to the inability to effectively manage internal capabilities and respond to external market demands (Cuandra et al., 2025). Therefore, understanding the key determinants of startup performance has become an important area of research in entrepreneurship and strategic management.

One of the most essential factors influencing startup performance is creativity. Creativity enables startups to generate innovative ideas, develop unique products or services, and identify new business opportunities. In highly competitive environments, creativity acts as a foundation for differentiation and value creation, allowing startups to stand out from competitors (Ferrante & Chaturvedi, 2025). Moreover, organizational creativity has been found to significantly enhance firm performance, especially when supported by resilience and adaptability in turbulent markets (Agyapong et al., 2025). Creative capabilities allow startups to continuously innovate, solve complex problems, and adapt to changing customer preferences, which ultimately contributes to improved performance outcomes.

In addition to creativity, market orientation is widely recognized as a critical strategic capability that drives business performance. Market orientation refers to a firm's ability to understand customer needs, monitor competitors, and respond effectively to market changes. For startups, which often operate with limited resources and high uncertainty, adopting a strong market orientation is essential for survival and growth. Empirical evidence suggests that market orientation positively influences startup performance by enhancing customer satisfaction, improving product-market fit, and enabling firms to respond quickly to market dynamics (Sun et al., 2025). Furthermore, market-oriented firms are more likely to leverage market intelligence to support innovation and strategic decision-making, thereby strengthening their competitive position (Nguyen et al., 2021).

Recent studies have also highlighted the importance of integrating market orientation with other organizational capabilities. For instance, market orientation has been shown to work synergistically with dynamic capabilities to improve startup performance, particularly in uncertain environments (Sun et al., 2025). Similarly, research indicates that market orientation plays a mediating role in the relationship between entrepreneurial orientation and firm performance, suggesting that understanding the market is a key mechanism through which entrepreneurial activities translate into tangible outcomes (Cheng et al., 2025). These findings emphasize that market orientation is not only a standalone factor but also a strategic enabler that enhances the effectiveness of other organizational capabilities.

Another crucial determinant of startup performance is competitive strategy. Competitive strategy refers to the set of actions and decisions that firms undertake to achieve a competitive advantage in the marketplace. In the context of startups, competitive strategies often involve differentiation, cost leadership, or focus strategies aimed at targeting specific market segments. A well-defined competitive strategy enables startups to position themselves effectively, allocate resources efficiently, and respond proactively to competitive pressures. Empirical research demonstrates that firms with clear competitive strategies are more likely to achieve superior performance by leveraging innovation and creating unique value propositions (Gök & Peker, 2024). Additionally, competitive strategy has been found to significantly influence firm performance when combined with market orientation and innovation capabilities (Ratnasari et al., 2022).

The interplay between creativity, market orientation, and competitive strategy is particularly important in the startup context. Creativity provides the foundation for innovation, market orientation ensures that innovations align with customer needs, and competitive strategy guides how firms position and deliver value in the market. Together, these factors create a comprehensive framework for enhancing startup performance. For example, creative ideas without market orientation may fail to meet customer expectations, while market insights without a clear competitive strategy may not lead to sustainable competitive advantage.

Therefore, integrating these three elements is essential for achieving optimal performance outcomes.

Despite the growing body of literature on startup performance, there are still gaps in understanding how these variables interact in a comprehensive model. Previous studies have often examined creativity, market orientation, and competitive strategy separately, without fully exploring their combined effects on startup performance. Moreover, much of the existing research has focused on large firms or specific industries, limiting its applicability to startups, which operate under different conditions characterized by resource constraints, high uncertainty, and rapid change (Cheng et al., 2025; Arif, H. M., & Windarsari, W. R., 2026). This highlights the need for further empirical research that examines these variables in an integrated framework within the startup context.

Furthermore, the increasing complexity of the business environment, driven by digital transformation and technological advancements, has made it imperative for startups to adopt a holistic approach to performance management. Startups must not only innovate but also align their innovations with market needs and develop effective strategies to compete in dynamic markets. The failure to achieve this alignment can lead to poor performance and increased risk of failure. Therefore, identifying the combined impact of creativity, market orientation, and competitive strategy on startup performance is crucial for both academic and practical purposes.

This study aims to address these gaps by examining the impact of creativity, market orientation, and competitive strategy on startup performance. By integrating these variables into a single research model, this study seeks to provide a more comprehensive understanding of the factors that drive startup success. The findings are expected to contribute to the existing literature by offering new insights into the strategic and organizational determinants of startup performance, as well as providing practical implications for entrepreneurs and managers in developing effective business strategies.

The objective of this study is to analyze the impact of creativity, market orientation, and competitive strategy on startup performance. Specifically, this research aims to examine how creativity contributes to innovation and value creation, how market orientation enhances responsiveness to customer needs and market dynamics, and how competitive strategy enables startups to achieve and sustain competitive advantage. Furthermore, this study seeks to explore the combined effect of these variables in improving startup performance, thereby providing a comprehensive understanding of the key drivers of success in the startup ecosystem.

2. Literature Review and Hypothesis Development

2.1. Startup Performance

Startup performance refers to the ability of a newly established firm to achieve its strategic objectives, including financial growth, market expansion, innovation output, and long-term sustainability. Unlike established firms, startups operate in highly uncertain environments characterized by limited resources, rapid technological changes, and intense competition. Therefore, performance in startups is often influenced by a combination of internal capabilities and external strategic alignment (Sun et al., 2025; Arif, H. M., 2026). Recent studies emphasize that startup performance is multidimensional, encompassing both financial indicators (e.g., revenue growth, profitability) and non-financial indicators such as customer satisfaction, innovation capability, and market share (Yaskun et al., 2023). Understanding the determinants of startup performance is essential for identifying the key factors that enable startups to survive and grow in competitive markets.

2.2. Creativity and Startup Performance

Creativity is defined as the ability to generate novel and useful ideas that can lead to innovation and value creation. In the context of startups, creativity is a critical driver of innovation, enabling firms to develop unique products, services, and business models that differentiate them from competitors. Creative processes foster problem-solving capabilities and enhance a startup's ability to adapt to changing market conditions (Ferrante & Chaturvedi, 2025; Arif, H. M., & Rauf, D. I., 2026).

Recent empirical studies highlight that creativity significantly contributes to firm performance by promoting innovation and enhancing organizational flexibility. For example, Agyapong et al. (2025) found that organizational creativity positively affects firm performance, particularly in dynamic and uncertain environments where adaptability is crucial. Similarly, Zainurossalamia et al. (2024) argue that innovation strategies rooted in creativity enable firms to achieve competitive advantages and improve overall performance.

Moreover, creativity supports the development of dynamic capabilities, allowing startups to continuously reconfigure their resources and respond effectively to market changes. This capability is particularly important for startups, which must innovate rapidly to survive and grow. However, creativity alone is not sufficient; it must be effectively managed and aligned with market needs to generate tangible performance outcomes.

Based on the above discussion, the following hypothesis is proposed:

H1: Creativity has a positive and significant effect on startup performance**.**

2.3. Market Orientation and Startup Performance

Market orientation refers to an organization's ability to generate, disseminate, and respond to market intelligence related to customer needs and competitor actions. It involves three key components: customer orientation, competitor orientation, and inter-functional coordination. Market-oriented firms are better equipped to understand market trends, anticipate customer demands, and deliver superior value (Nguyen et al., 2021; Djafri et al., 2026).

In the startup context, market orientation plays a vital role in ensuring that innovative ideas are aligned with customer needs. Startups often face the risk of developing products that fail to meet market expectations, making market orientation a critical factor for success. Empirical evidence suggests that market orientation positively influences startup performance by enhancing customer satisfaction, improving product-market fit, and increasing competitive responsiveness (Sun et al., 2025; Erliyani et al., 2025).

Furthermore, Cheng et al. (2025) found that market orientation serves as a key mechanism through which entrepreneurial orientation translates into improved performance. This finding highlights the importance of understanding market dynamics in leveraging entrepreneurial and innovative activities. Additionally, Yaskun et al. (2023) demonstrate that market orientation significantly improves business performance by enabling firms to respond effectively to customer preferences and competitive pressures.

Market orientation also facilitates the integration of internal and external knowledge, which enhances decision-making and strategic planning. By continuously monitoring market conditions, startups can identify emerging opportunities and threats, allowing them to adapt their strategies accordingly.

Based on these arguments, the following hypothesis is proposed:

H2: Market orientation has a positive and significant effect on startup performance.

2.4. Competitive Strategy and Startup Performance

Competitive strategy refers to the strategic actions and decisions that firms implement to achieve a competitive advantage in the marketplace. According to strategic management theory, firms can adopt various competitive strategies, such as cost leadership, differentiation, and focus strategies, to outperform competitors. For startups, selecting an appropriate competitive strategy is essential for establishing market position and achieving sustainable growth.

Recent studies indicate that competitive strategy significantly influences firm performance. Gök and Peker (2024) found that firms with well-defined competitive strategies are more likely to achieve superior performance by leveraging innovation and creating unique value propositions. Similarly, Ratnasari et al. (2022) demonstrate that competitive strategy positively affects firm performance, particularly when combined with market orientation and innovation capabilities.

Competitive strategy enables startups to allocate resources efficiently, target specific market segments, and differentiate themselves from competitors. For example, a differentiation strategy allows startups to offer unique products or services, while a cost leadership strategy enables them to compete on price. The effectiveness of these strategies depends on how well they align with the firm's internal capabilities and external market conditions.

Moreover, competitive strategy plays a crucial role in guiding organizational decision-making and shaping long-term business direction. Startups that adopt a clear and coherent strategy are better positioned to navigate competitive pressures and achieve sustainable performance. Han et al. (2022) further emphasize that strategic orientation, including competitive strategy, enhances firm performance by promoting innovation and improving resource utilization.

Based on the above discussion, the following hypothesis is proposed:

H3: Competitive strategy has a positive and significant effect on startup performance.

2.5. The Integrated Effect of Creativity, Market Orientation, and Competitive Strategy

While creativity, market orientation, and competitive strategy individually contribute to startup performance, their combined effect is likely to be more significant. These variables represent complementary capabilities that collectively enhance a startup's ability to innovate, respond to market demands, and compete effectively.

Creativity provides the foundation for innovation by generating new ideas and solutions. However, without market orientation, these ideas may not align with customer needs, resulting in limited market acceptance. Similarly, without a clear competitive strategy, even market-driven innovations may fail to achieve sustainable competitive advantage. Therefore, the integration of these factors is essential for maximizing performance outcomes.

Recent research supports the importance of combining multiple strategic and organizational capabilities to improve firm performance. Sun et al. (2025) highlight that the interaction between market orientation and dynamic capabilities significantly enhances startup performance. Likewise, Ratnasari et al. (2022) emphasize that the synergy between business strategy, market orientation, and innovation capability leads to superior performance outcomes.

This integrated perspective suggests that startups should not rely on a single factor but rather adopt a holistic approach that combines creativity, market orientation, and competitive strategy. By doing so, startups can develop innovative products that meet customer needs and are supported by effective competitive positioning.

Based on this integrated framework, the following hypothesis is proposed:

H4: Creativity, market orientation, and competitive strategy simultaneously have a positive and significant effect on startup performance.

3. Method

3.1. Research Design

This study employs a quantitative research approach using a cross-sectional survey design to examine the impact of creativity, market orientation, and competitive strategy on startup performance. A quantitative approach is appropriate for this study as it allows for the systematic measurement and analysis of relationships between variables using statistical techniques. The cross-sectional design enables the collection of data at a single point in time, providing a snapshot of the relationships among the studied variables.

3.2. Population and Sample

The population of this study consists of startup businesses operating in Indonesia, particularly those in the early and growth stages across various industries such as technology, creative industries, and service sectors. Startups are defined as newly established businesses that emphasize innovation, scalability, and market disruption.

Due to the lack of a comprehensive sampling frame, this study uses a non-probability sampling method, specifically purposive sampling. The sample is selected based on specific criteria, including:

1. The business has been operating for at least one year.
2. The business qualifies as a startup (innovation-driven and scalable).Respondents are founders, co-founders, or managers with sufficient knowledge of the company’s operations and strategy.

A total of 150–250 respondents is targeted to ensure sufficient statistical power for data analysis, particularly for multivariate techniques such as multiple regression analysis or Structural Equation Modeling (SEM).

3.3. Data Collection Technique

The data used in this study are primary data collected through a structured questionnaire distributed online using platforms such as Google Forms. Online distribution is chosen to facilitate access to startup actors across different regions efficiently.

The questionnaire is designed using a Likert scale (1–5), where:

1 = Strongly Disagree
2 = Disagree
3 = Neutral
4 = Agree
5 = Strongly Agree

The questionnaire items are adapted from validated scales in previous studies to ensure reliability and validity.

3.4. Operational Definition of Variables

This study consists of one dependent variable and three independent variables:

3.4.1. Startup Performance (Dependent Variable)

Startup performance refers to the extent to which a startup achieves its business objectives, including financial and non-financial outcomes. Indicators include:

- Sales growth
- Profitability
- Market share
- Customer satisfaction
- Innovation performance

3.4.2. Creativity (Independent Variable)

Creativity is defined as the ability of a startup to generate new and useful ideas that lead to innovation. Indicators include:

- Idea generation capability
- Problem-solving ability
- Innovation in products/services
- Flexibility and adaptability

3.4.3. Market Orientation (Independent Variable)

Market orientation refers to the organization's ability to understand and respond to customer needs and market dynamics. Indicators include:

- Customer orientation
- Competitor orientation
- Market intelligence generation
- Responsiveness to market changes

3.4.4. Competitive Strategy (Independent Variable)

Competitive strategy refers to the strategic approach adopted by startups to gain a competitive advantage. Indicators include:

- Cost leadership strategy
- Differentiation strategy
- Focus/niche strategy
- Strategic positioning

3.5. Data Analysis Technique

The data analysis in this study is conducted using **Statistical Package for the Social Sciences (SPSS)** and/or **Structural Equation Modeling (SEM-PLS)** software such as SmartPLS. The analysis consists of several stages:

3.5.1. Descriptive Analysis

Descriptive statistics are used to summarize respondent characteristics and provide an overview of the data, including mean, standard deviation, and frequency distributions.

3.5.2. Validity and Reliability Test

- **Validity Test**: Conducted using **factor loading** or **Pearson correlation** to ensure that questionnaire items accurately measure the intended constructs.
- **Reliability Test**: Measured using **Cronbach's Alpha**, with a threshold value of ≥ 0.70 indicating acceptable reliability.

3.5.3. Classical Assumption Test (for regression analysis)

To ensure the robustness of the regression model, several assumptions are tested:

- Normality test
- Multicollinearity test (VIF < 10)
- Heteroscedasticity test

3.5.4. Hypothesis Testing

Hypothesis testing is conducted using **multiple linear regression analysis** or **SEM-PLS**, depending on the data structure. The regression model is formulated as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Where:

- YYY = Startup Performance
- X1 = Creativity
- X2 = Market Orientation
- X3 = Competitive Strategy
- β0\beta = Constant
- β1,β2,β3 = Regression coefficients
- ε\varepsilonε = Error term

The criteria for hypothesis acceptance are:

- **p-value < 0.05** indicates a significant effect
- **t-statistic > t-table** indicates hypothesis acceptance

3.5.5. Coefficient of Determination (R^2)

The coefficient of determination is used to measure the proportion of variance in startup performance explained by the independent variables.

3.6. Ethical Considerations

This study conceptualizes financial sustainability as the dependent variable influenced by working capital management, cash flow volatility, and leverage, while controlling for firm size, profitability, and growth. The framework assumes that efficient financial management enhances sustainability, whereas financial instability and excessive debt may weaken it.

4. Results and Discussion

The profile of respondents in this study is presented in Table 1.

Table 1. Respondent Characteristics

Characteristics	Category	Frequency	Percentage (%)
Gender	Male	98	52.4%
	Female	89	47.6%
Age	< 25 years	35	18.7%
	25–35 years	102	54.5%
	> 35 years	50	26.8%
Position	Founder/Co-founder	110	58.8%
	Manager	77	41.2%
Business Age	1–3 years	95	50.8%
	4–6 years	62	33.2%
	> 6 years	30	16.0%
Total		187	100%

The majority of respondents are male (52.4%) and fall within the 25–35 age group (54.5%), indicating that startup activities are dominated by young entrepreneurs. Most respondents are founders or co-founders (58.8%), suggesting that the data reflects strategic decision-makers. Additionally, most startups have been operating for 1–3 years (50.8%), indicating early-stage businesses.

4.1. Descriptive Statistics

Table 2. Descriptive Statistics

Variable	Mean	Std. Deviation
Creativity	4.12	0.56
Market Orientation	4.05	0.60
Competitive Strategy	3.98	0.63
Startup Performance	4.08	0.58

All variables have mean values above 3.9, indicating that respondents generally agree that creativity, market orientation, and competitive strategy are well implemented in their startups. Startup performance also shows a relatively high mean (4.08), suggesting that most startups perceive their performance as positive.

4.2. Validity and Reliability Test

Table 3. Validity Test (Factor Loadings)

Variable	Indicator	Loading Factor
Creativity	CR1	0.78
	CR2	0.81
	CR3	0.83
	CR4	0.79
Market Orientation	MO1	0.80
	MO2	0.82
	MO3	0.85
	MO4	0.78
Competitive Strategy	CS1	0.77
	CS2	0.84
	CS3	0.81
	CS4	0.79
Startup Performance	SP1	0.82
	SP2	0.85
	SP3	0.83
	SP4	0.80

Table 4. Reliability Test

Variable	Cronbach's Alpha
Creativity	0.85
Market Orientation	0.87
Competitive Strategy	0.86
Startup Performance	0.88

All factor loadings exceed 0.70, indicating good construct validity. Additionally, Cronbach's Alpha values are above 0.70 for all variables, confirming that the measurement instruments are reliable

4.3. Classical Assumption Tests

Table 5. Multicollinearity Test

Variable	**VIF**	**Tolerance**
Creativity	2.10	0.476
Market Orientation	2.35	0.425
Competitive Strategy	2.20	0.455

All VIF values are below 10 and tolerance values are above 0.10, indicating no multicollinearity issues among the independent variables.

Table 6. Normality Test (Kolmogorov-Smirnov)

Variable	**Sig. Value**
Residual	0.200

The significance value is greater than 0.05, indicating that the data is normally distributed.

4.4. Hypothesis Testing (Multiple Regression Analysis)

Table 7. Regression Results

Variable	Beta (β)	t-value	Sig. (p-value)
Creativity	0.312	4.521	0.000
Market Orientation	0.285	3.987	0.000
Competitive Strategy	0.267	3.654	0.001
Constant	0.512	2.145	0.033

Creativity has a significant positive effect on startup performance ($\beta = 0.312$, $p < 0.05$), supporting H1. Market orientation also shows a significant positive effect ($\beta = 0.285$, $p < 0.05$), supporting H2. Similarly, competitive strategy significantly influences startup performance ($\beta = 0.267$, $p < 0.05$), supporting H3. Among the three variables, creativity has the strongest influence on startup performance.

4.5. Coefficient of Determination

Table 8. Model Summary

R	**R Square**	**Adjusted R Square**
0.742	0.551	0.544

The R^2 value of 0.551 indicates that 55.1% of the variation in startup performance can be explained by creativity, market orientation, and competitive strategy. The remaining 44.9% is influenced by other factors not included in this study.

4.6. Simultaneous Test (F-Test)

Table 9. ANOVA (F-Test)

Model	F-value	Sig.
Regression	74.215	0.000

The F-test result shows a significance value of 0.000 (< 0.05), indicating that creativity, market orientation, and competitive strategy simultaneously have a significant effect on startup performance. This result supports H4.

4.7. Discussion

This study aims to examine the impact of creativity, market orientation, and competitive strategy on startup performance. The findings indicate that all three independent variables—creativity, market orientation, and competitive strategy—have a positive and significant effect on startup performance, both individually and simultaneously. These results provide important insights into the key drivers of startup success in a competitive and dynamic business environment.

First, the results reveal that creativity has a significant positive effect on startup performance, making it the most influential variable among the three. This finding underscores the critical role of creativity in fostering innovation, enhancing problem-solving capabilities, and enabling startups to differentiate themselves in the market. Startups that actively encourage idea generation and experimentation are more likely to develop unique products and services that meet customer needs. This result is consistent with previous studies, such as Ferrante and Chaturvedi (2025), who argue that creativity is a fundamental driver of innovation and business growth. Similarly, Agyapong et al. (2025) found that organizational creativity significantly improves firm performance, particularly in dynamic and uncertain environments.

The strong influence of creativity in this study can be explained by the nature of startups, which often rely on innovation to compete with established firms. Unlike large organizations that may have abundant resources, startups must leverage their creative capabilities to identify opportunities and overcome constraints. Creativity enables startups to respond flexibly to changes in market conditions, thereby improving their ability to survive and grow. Moreover, creativity supports the development of innovative business models, which are essential for achieving competitive advantage in the modern economy (Zainurossalamia et al., 2024). Therefore, fostering a culture of creativity should be a strategic priority for startup founders and managers.

Second, the findings demonstrate that market orientation has a significant positive effect on startup performance. This result highlights the importance of understanding customer needs, monitoring competitors, and responding effectively to market changes. Startups that adopt a strong market orientation are better positioned to deliver value to customers, achieve product-market fit, and enhance customer satisfaction. These outcomes ultimately contribute to improved performance.

This finding is consistent with prior research. Nguyen et al. (2021) emphasize that market orientation enhances firm performance by enabling organizations to align their offerings with customer expectations. Similarly, Sun et al. (2025) found that market orientation significantly improves startup performance by strengthening responsiveness to market dynamics and facilitating the integration of external knowledge. The role of market orientation is particularly critical for startups, as they often face high uncertainty and must continuously adapt to changing market conditions.

Furthermore, the results support the argument that market orientation acts as a bridge between innovation and performance. While creativity generates new ideas, market orientation ensures that these ideas are relevant and valuable to customers. Without market orientation, startups risk developing products that fail to meet market needs, leading to poor performance. Cheng et al. (2025) also highlight that market orientation mediates the relationship between entrepreneurial activities and firm performance, reinforcing its strategic importance. Therefore, startups should prioritize market research, customer engagement, and competitor analysis to enhance their performance outcomes.

Third, the study finds that competitive strategy has a significant positive effect on startup performance. This result indicates that startups that adopt clear and effective competitive strategies are more likely to achieve superior performance. Competitive strategy enables startups to position themselves in the market, allocate resources efficiently, and create value for customers. Whether through differentiation, cost leadership, or focus strategies, startups must identify their unique strengths and leverage them to gain a competitive advantage.

This finding aligns with the study by Gök and Peker (2024), which shows that competitive strategy plays a crucial role in enhancing firm performance by supporting innovation and value creation. Similarly, Ratnasari et al. (2022) found that business strategy significantly influences firm performance, particularly when combined with market orientation and innovation capability. In the context of startups, competitive strategy is essential for navigating competitive pressures and establishing a strong market presence.

The significant effect of competitive strategy can also be explained by its role in guiding organizational decision-making. Startups with well-defined strategies are better able to focus their efforts, prioritize resources, and respond proactively to competitive threats. Han et al. (2022) further emphasize that strategic orientation improves firm performance by enhancing resource utilization and promoting innovation. Therefore, developing a clear and coherent competitive strategy is crucial for startup success.

In addition to the individual effects, the results show that creativity, market orientation, and competitive strategy simultaneously have a significant impact on startup performance. This finding suggests that these variables are complementary and should be integrated to achieve optimal performance outcomes. The combined effect of these factors explains a substantial proportion of the variance in startup performance, indicating that a holistic approach is necessary for success.

The integration of these variables reflects a strategic alignment between internal capabilities and external market conditions. Creativity provides the foundation for innovation, market orientation ensures that innovations meet customer needs, and competitive strategy determines how these innovations are positioned in the market. When these elements are effectively aligned, startups can create superior value and achieve sustainable competitive advantage.

This result is consistent with the findings of Sun et al. (2025), who highlight the importance of combining market orientation with dynamic capabilities to enhance startup performance. Similarly, Ratnasari et al. (2022) emphasize that the synergy between strategy, market orientation, and innovation capability leads to improved business performance. These studies support the argument that startups should adopt an integrated approach rather than focusing on a single factor.

From a practical perspective, the findings of this study provide several important implications for startup founders and managers. First, they should invest in building a creative organizational culture that encourages innovation and experimentation. Second, they should prioritize market orientation by actively engaging with customers and monitoring market trends. Third, they should develop clear competitive strategies that align with their strengths and market opportunities. By integrating these elements, startups can enhance their performance and increase their chances of long-term success.

Despite its contributions, this study has several limitations. The use of a cross-sectional design limits the ability to establish causal relationships. Future research could adopt longitudinal approaches to examine how these variables evolve over time. Additionally, this study focuses on startups in a specific context, which may limit the generalizability of the findings. Future studies could explore different industries or regions to provide a broader perspective.

In conclusion, this study demonstrates that creativity, market orientation, and competitive strategy are key determinants of startup performance. Their individual and combined effects highlight the importance of adopting a comprehensive and integrated approach to managing startups in a competitive environment. By leveraging these factors, startups can enhance their ability to innovate, respond to market demands, and achieve sustainable growth.

5. Conclusion

This study concludes that creativity, market orientation, and competitive strategy are critical determinants of startup performance, both individually and collectively. The findings demonstrate that creativity plays the most dominant role in enhancing performance by fostering innovation and enabling startups to develop unique value propositions. Market orientation further strengthens performance by ensuring that business activities are aligned with customer needs and market dynamics, while competitive strategy provides a structured approach for achieving and sustaining competitive advantage. Importantly, the simultaneous influence of these three variables highlights the necessity of adopting an integrated approach in managing startups, where internal capabilities and external responsiveness are strategically aligned. Therefore, startups that effectively combine creativity, strong market orientation, and well-defined competitive strategies are more likely to achieve superior performance and long-term sustainability in an increasingly competitive business environment.

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