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## CREATIVITY AND INNOVATION OF DIGITAL ENTREPRENEURSHIP: A REVIEW OF LITERATURE FOR FUTURE RESEARCH AGENDA

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### Abstract:

Digital entrepreneurship emerges when Artificial Intelligent (AI) becoming important agenda to the world in the 2020s. The application of AI to the industries and society have a significant impact. Global economy has undergone dramatic changes due to advance technology introduced, everyday life, society and businesses. Hugh number of businesses in the world today used AI for better performance of their organization through creativity and innovation. These creativity and innovation work hand in hand through personnel, individual or groups to think a new way of solution for problem solving. It has been utilised continuously to generate ideas among entrepreneurs and their teams for new product creation or latest method of processing. Extensive research has been conducted on creativity and innovation by scholar; however, majority of the studies focused on traditional ways of stimulating both techniques. Such traditional ways include force analogy, lateral thinking, brainstorming, brainwriting, reverse brainstorming and mind mapping. Those kinds of approaches are insufficient in the digital era in which provides new business challenges. The traditional techniques of stimulating creativity are too slow, limited scope and struggle to match the speed and complexity of the market and environment. Thus, it has been replaced and aided by technology-driven innovations, such as internet of things (IoT), virtual reality (VR) and AI. The new innovations are changing technological entrepreneurship especially when it comes to new business creation processes. AI provide crucial implications of how entrepreneurs develop, strategize and growth their companies during the entrepreneurial processes. This system is able to empower entrepreneurs of creation new opportunities, introducing new products or services through digital entrepreneurial activities.

Therefore, this paper aims to examine the role of Artificial Intelligent in enhancing creativity and innovation within digital entrepreneurship.

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**Keyword:**

Artificial Intelligent, Creativity, Digital Entrepreneurs, Innovation



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## Introduction

Digital entrepreneurship is reshaping business and communication with cloud services, augmented and virtual reality, Artificial Intelligence (AI) and blockchains. Digital entrepreneurship is defined as “the process of entrepreneurial creation of digital value through the use of various socio-technical digital enablers to support effective acquisition, processing, distribution, and consumption of digital information” (Sahut, Iandoli and Teulon, 2021). Nowadays, to be successful in business, the entrepreneurs should understand and start to use online transaction and other technology-related aspects. For instance, public transportation businesses need to gain and retain customers by providing better services and a smooth booking transaction. The platform provided should efficiently facilitate customers at all processes involved. Without technology integrated in the businesses or entrepreneurial activities, it is going to be left behind.

Digital entrepreneurship evolved from the usage of digital technologies in the marketplace. During the pandemic of COVID-19 a few years ago has increased the usage of technology due to social and physical distancing requirements (Cimperman, 2023). At the same time, increased digitalization rates have made it easier for new business startups to develop. Entrepreneurship activity is changing due to new technology adaptation such as big data, analytics, social media and crowdfunding altering business practices. As a result, new forms of entrepreneurship such as digital entrepreneurship arising that recognize new ways of doing business. Digital entrepreneurship recognizes that existing businesses are being transformed through digital capabilities (Gupta and Bamel, 2023).

The emergence of digital technologies has transformed on how businesses and entrepreneurship work (Nambisan et al. 2019). The entrepreneurs should realize that they can be disrupted by competitors as well as by consumer through interaction with other similar

digital products and services. Continuous product innovation, providing added-value services and improving the customer service experience have become the new standards of doing business in the digital age. According to Valacich and Schneider (2018), entrepreneurs should understand that businesses must be familiar with five (5) significant trends that are shaping the digital future such as mobile computing, cloud computing, social media, internet of things (IoT) and big data. There has already been a significant shift towards the use of mobile technologies for all transactions, from searching of product information to completing product or service purchase transaction.

The social media platforms have enabled entrepreneurs to connect effectively with their potential customers and engaging them in the development of new products. This digitalization is not only opening new windows of opportunities, but it also brings new challenges to the business. Therefore, entrepreneurs should be competitive in a digitised business environment and overcome the challenges and seize the opportunities of digital market. This is to ensure that entrepreneurs are ready to adopt new technique of doing business to ensure survival.

## Literature Review

### *Entrepreneur and Entrepreneurial Concept*

There are many definitions of 'entrepreneur' in the literature established by scholars. The definitions involving certain important characteristic of entrepreneurs such as exploiting opportunity, discovering new business ideas, proactiveness, innovativeness and risk taking. For instance, according to Shane and Venkataraman (2000) an entrepreneur is someone who engages in the process of discovering, evaluating and exploiting opportunities that lead to value creation. Chakuzira and Shambare (2021) suggest an inclusive definition of the entrepreneur by describing an entrepreneur as someone who are able to seize a business opportunity and expands their enterprise to fulfil the customers' demands. Meanwhile, Tripathi (2023) suggested entrepreneurial is a process that constitutes of investments in the new market, increasing in the latest technology usage and the ability to get involve into the future businesses. It involves proactiveness, innovativeness and risk-taking as a dimension of entrepreneurial behaviour.

Being entrepreneurial requires value creation and embracing the uncertainty that lies at discovery, evaluation and exploitation of opportunities (Soltanifar, 2016). Rosemaro (2022) highlighted that entrepreneurial consists of three (3) important components which include implementation of inventive business concepts, risk management and profit optimization. He added entrepreneurial activities normally involving a committed team that supports transforming novel ideas process into profitable ventures. Owie et. al. (2023) on the other hand looked entrepreneurial as a process involving creativity, innovation, risk taking and social influence. Akins et. al (2017) portray entrepreneurs as an individual who are able to analyse the market environment and identify innovative ideas, mitigates the risks associated with business and finally making a profit and wealth creation. From the definition, it has been agreed by majority of scholars that the entrepreneur possesses a set of distinct characteristics, encompassing innovativeness and have a capability in identifying and capitalising an unexploited opportunity.

### ***Defining Creativity and Innovation***

The process of defining creativity by scholars in the literature has led to the development of various perspectives. In the early 1950s to 1970s, the areas of cognition, personality and the stimulation of creativity in people were the main focus of defining creativity (Mehta and Dahl 2019). Later, in the late 1980s and 1990s, focus shifted to the influence of environments and the social context of the creativity of individuals. Dust's (1999) provides recommendations for achieving the goals of exploration, exploitation and explanation to achieve the main objective. Creativity can be defined in many different ways. Everyone has their own perception and understanding of the concept. Creativity in business can be defined as an act that generate new ideas. It requires a different approach for the problem solving. This definition can be projected onto any individual who is labelled 'creative'. However, the definition quite broad and it might help to investigate other definitions which dive below the surface. According to Naiman (2006), creativity is the ability of someone to tap into pool of resources such as knowledge, information and inspiration for organization. Creativity is about idea generation, innovation and the implementation of ideas (Gilson and Litchfield 2017). Creativity can be regarded as an essential life skill through which any employee has an opportunity to develop their potential and use their ideas for problem solving in novel ways. These new ideas should be useful and have a value to be implemented.

Meanwhile, innovation refers to the use of new technology, processes or method for improvement in organisation activities (Miczek et al., 1990). According to Godin (2015) innovation has been seen as an outcome of a processes. It's depending on two main characteristics which includes a degree of newness of a change and a degree of success in application of something new whether to the organization or the world. Majority of the previous research findings indicates a significant relationship between innovation and firm performance. For example, Yildiz et. al. (2014) highlighted the studies conducted in manufacturing sectors indicates that there is a high correlation between innovation and firm performance. Similarly, this argument supported by other researchers such as Psomas et al., (2018), Santi & Santoleri, (2017) and (Nguyen, Nguyen, & Nguyen, (2018). The capability to innovate determine the organization competitiveness in both the domestic and international markets (O'Cass and Sok, 2014).

### ***The Roles Artificial Intelligence (AI) in Digital Entrepreneurship***

Creativity and innovation becoming crucial part of today's businesses that operates in competitive and globalised environment due to its digitisation and change the way people think and work (Amabile and Khaire 2008; Landry 2023). It opens the window of new opportunities and challenging employees to think creatively. Through creativity and innovative of employees, the organization are able to continually create and innovate its products and services to sustain a competitive advantage in the market (Soltanifar, 2016).

Nowadays, traditional techniques of enhancing creativity and innovation have been replaced by technology-driven tools, such as the Internet of Things (IoT), Artificial Intelligence (AI) and Virtual Reality (VR). This is due to the slowness and limited scope of the traditional techniques to address current business challenges and complexity. AI able to uncover certain statistics issues and determine marketing opportunities. The impact of both creativity and innovation can be seen in the application of design thinking by creative-minded employees and encouraging a thinking-outside-the-box mentality when addressing various business issues.

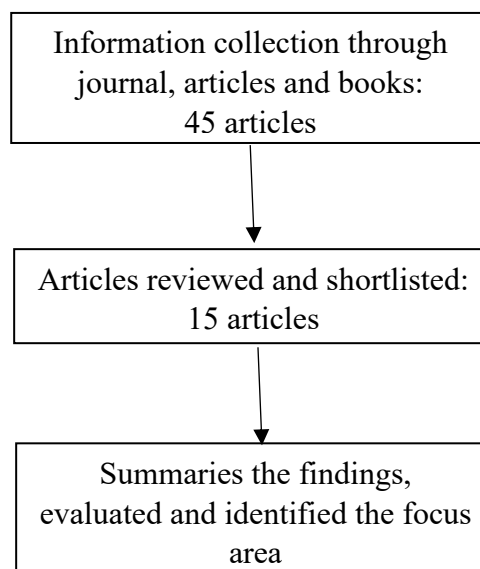
This situation leading to stimulating of entrepreneurial behaviour such as innovativeness, proactiveness and risk-taking (Kuratko and Morris 2018).

The need for creativity and the use of digital technologies is more valuable in digital entrepreneurship since it is driven by creativity and innovations. Digital businesses require a degree of individual and collective creativity and innovation persons to be able to stand out and develop an online or digital platform. Digitalisations are important due to the fact that organisation must innovate faster than ever to keep pace and stay alive in today's hypercompetitive market.

The digital age presents a different challenge to the existing view on the nature of creativity. Online creativity and audiences are affecting the meaning, expression and impact of creativity. Although many studies have been conducted on creativity and innovation, the majority of studies still focus on traditional ways of stimulating creativity and innovation (Chen et al. 2018). This led to a discussion about the different roles that these technologies play with regard to creativity and innovation. Therefore, there is a need for research critically examines the relationship between creativity and innovation toward digital technology. The finding will be beneficial not only to entrepreneurs itself but to the industries, higher institution, society and policy makers.

## Methodology

The study involves a few stages of information collection through journal, articles and books. All information gathered were reviewed, shortlisted and identified the focus area. The stages of information collection are as shown in Figure 1.



**Figure 1: The Study Framework**

Summary of the findings from articles review and shortlisted highlighted in Table 1.

**Table 1: Summary Of Previous Article's Review**

Title	Year of Publication	Author/Authors	Focus Area
Influence of Digital Innovation on Entrepreneurial Performance in Small and Medium-Sized Manufacturing Enterprises	2026	Chen, X et. al.	Digital Innovation and Entrepreneurial Performance
Artificial Intelligence Startups: An Empirical Study of Business Model Innovation in Digital Entrepreneurship	2026	Werle, M. and Brem, A.M.	Artificial Intelligence and Digital Entrepreneurship
Building the Future Through Digital Entrepreneurship and Innovation	2025	Sánchez-García et. al.	Digital Entrepreneurship and Innovation
Fostering Creative Performance in Digital Business: The Role of Innovative	2024	Hermawan et. al.	Digital Business Performance
Integrating AI into curricula: project-based learning in digital entrepreneurship	2024	Dinger et. al.	Artificial Intelligence, Innovation and Digital Entrepreneurship
Digital Innovation and Entrepreneurship: A Review of Challenges in Competitive Markets	2023	Kreiterling, C.	Digital Innovation and Entrepreneurship
Impact of technological innovation on digital entrepreneurship and the effects on the economy	2023	Rodondo-Rodriguez et. al.	Innovation and Digital Entrepreneurship
Role of Creativity and Technological Innovation in Achieving Entrepreneurial Success	2023	Mbukanma1, I. et. al.	Creativity and Technological Innovation
Entrepreneurship, Productivity and Digitalization: Evidence from the EU	2022	Ghazy, N. et. al.	Entrepreneurship and Digitalization
Theorizing artificial intelligence acceptance and digital entrepreneurship model	2022	Upadhyay, N. et. al.	Digital Entrepreneurship and Performance
Dynamics of Digital Entrepreneurship and The Innovation Ecosystem: A Multilevel Perspective	2020	Beliaeva T et. al.	Digital Innovation and Entrepreneurship
Digital Entrepreneurship and Firm Performance	2021	Kim, A.H. and Kim, Y.J.	Digital Entrepreneurship

			and Firm Performance
Digital Entrepreneurship: Toward a Digital Technology Perspective of Entrepreneurship	2017	Nambisan, S	Digital Technology and Entrepreneurship
Corporate Entrepreneurship and Triple Helix	2016	Soltanifar, M.	Entrepreneurship
Your Organization Could Use a Bigger Dose of Creativity	2008	Amabile, T.M. and Khaire, M.	Creativity and Innovation

Source: Author

## Conclusion

Digital entrepreneurship is the way of doing businesses and entrepreneurial activities in the future. Entrepreneurs have to explore of blending digital technology in their business for performance and survival. Keeping a distance from a digital world will affect their entrepreneurial activities and they have to be ready facing challenges in the new era of digital technology. Entrepreneurs should realise that digital entrepreneurship offers a better new way of doing business especially identifying and creating new opportunities, enhancing decision making process and facing the future challenges with confident. As a result, it will improve the performance of organization and be competitive in the market.

This article examines the role of Artificial Intelligence (AI) in enhancing creativity and innovation within digital entrepreneurship. It will be a spring forth for scholars and researchers in relevant area to explore possibility of future research agenda.

As a conclusion, it is a fact that a new era of industrial transformation has begun, and the entrepreneurial activities today will influence the future short coming. Digital entrepreneurship has an ability to improve human skills, processes, services and difference approaches in business. Thus, relinquishing to digital entrepreneurship will lead to a more efficient, precise and faster and able to make entrepreneurs to have a better exploration of their creativity and innovativeness for the betterment of organization and country at large.

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- Author Contribution Statement:** Authors contributed significantly to the development of this manuscript. Author was responsible for the conceptualization and overall supervision of the study.
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