American Journal of Humanities and Social Sciences Research (AJHSSR) e-ISSN :2378-703X Volume-5, Issue-6, pp-01-13 <u>www.ajhssr.com</u> Research Paper

The Influence of Facilities and Innovation in Improving Consumer Satisfaction through Creativity in MSMEs Micro Handicraft Products in South Sulawesi Province

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**ABSTRACT :** This study aims to explain and analyze the influence of facilities and innovation on consumer satisfaction through creativity to bridge the gap. The population in this study is buyers / consumers of MSMEs Micro Handicraft Products in South Sulawesi Province located in 6 districts / cities, among others Pangkep, Barru, Pare-Pare, Pinrang, Sidrap and Enrekang which amounted to 9,912 buyers / consumers. The samples used in this study, namely 250 respondents, using sampling probability techniques or multistage random sampling or determination of sampling clusters based on the division of an area / region in stages. The analysis technique used for hypothesis testing is Amos's Ver,-23 structural equation modeling (SEM). The results showed that facilities have a significant effect on creativity. Facilities have a significant impact on consumer satisfaction. Creativity has a significant impact on consumer satisfaction.

KEYWORDS: Facilities, innovation, creativity and customer satisfaction

## I. INTRODUCTION

The development of MSMEs in Indonesia is largely determined by the satisfaction received by consumers. The role of facilities can not be released in business, especially MSMEs because the facilities are a support in an MSMEs to develop, the design and layout of service facilities are closely related to the formation of consumer perception (Tjiptono, 2006:148-149). This is in line with Law No.20 of 2008 governing MSMEs in Indonesia, which is a trade business managed by individuals that refers to productive economic efforts with established criteria. Furthermore, innovation has a role in achieving the objectives of MSMEs in Indonesia in maintaining their business continuity. Innovations that come out as practical ideas or objects that are considered new by a person or business unit (Hills G, Hultman C and Miles M., 2008). The owner of an UMKM business is also required to always make innovation in improving the quality of THE UMKM products produced this is also what makes the desire for contingency always change. In addition to creativity innovation is also very important and needed because it is an initiative of MSMEs towards a product produced to be useful, true and valuable to a task that is heuristic, namely a guide, instructions or incomplete guidance that will lead MSMEs to learn and discover new things (Hadiyanti E., 2016). When facing the Corona Viruases Disease (Covid-19) pandemic in 2020, many MSMEs in Indonesia, especially in South Sulawesi province, experienced an income crisis that forced many MSMEs to roll out. The following sales turnover of MSMEs during the last 5 (five) years fluctuates from year to year.

Year	Sales (Turnover) (Rp) Increase/Decrease Sales (Rp)		Percentage (%)
2015	1.409.347.200		
2016	1.617.832.203	208.485.003	-27
2017	1.610.280.100	-7.552.103	1
2018	1,710.112.211	99.832.111	-13
2019	1.500.001.000	-210.111.211	28
2020	650.510.001	-849.490.999	112

## TABLE 1: SALES (TURNOVER) DATA OF MSMES IN SOUTH SULAWESI PROVINCE IN

Source : UMKM Industry Report of Sul-Sel Province, 2021

2021

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Table 1 shows from 2015 - 2020 the sales data of MSMEs turnover in South Sulawesi Province actually declined sharply as in 2015 sales turnover of Rp 1,409,347,200, - then in 2016 experienced an increase of Rp 208,485,003, or about 27%. Furthermore, 1,710,112,211,- or in 2017 decreased by Rp 7,552,103,- or about 1% then in 2018 increased Rp 99,832,111,- or 13%. Then in 2019 decreased Rp 210,111,211,- or 28% and the most sharp decline during the Corona Viruases Disease (Covid-19) pandemic in Indonesia, especially South Sulawesi Province amounted to Rp 849,490,999,- or 112%. The main key to maintaining the existence of MSMEs in Indonesia, especially South Sulawesi Province while improving facilities, innovation and creativity in finding market share and new ideas in the face of the atmosphere of the Corona Viruases Disease (Covid-19) pandemic that occurred in Indonesia, especially South Sulawesi Province.

Based on research conducted by Aditi B (2018) stated that innovation and creativity to satisfaction have a significant effect on customer satisfaction with these results can be concluded that innovation is getting better by influencing creativity and customer satisfaction. The results found in the study on the influence of facilities and innovation on customer satisfaction were examined by Syahsudarmi S. (2018) showed that facilities and innovations have a positive effect on customer satisfaction. Research conducted by Siregar T. and Frisnoiry S. (2019) stated that facilities influence creativity and gain positive and significant influences and innovations influence creativity gaining positive and significant influences (Liao Y. and Tsai K., 2019). This shows that facilities and innovations made by the government and private sector directly affect creativity. The results of lorgulescu M. and Ravar A. (2013) showed that facilities and innovation through innovation have a positive and significant effect on consumer satisfaction and the results of research conducted by Wang X., Wen X., Paşamehmetoglu A. and Guchait P. (2021) state that there is a positive and significant influence between creativity and consumer satisfaction.

# **II. CONCEPTUAL MODELS AND HYPOTHESES**

## Literature Review

**Facilities :** Siregar T.M and Frisnoiry S. (2019); Sutomo H. and Baktiono E. (2019); Akgunduz Y., Kizicalioglu G. and Ceylin S. (2018) stated that the government and private sectors are in desperate need of facilities because the government and private sectors fully understand the need for employees and employees to meet the needs of consumers (Real and Perceived Satisfaction) referred to as (Facilities With The Aim Of Convenience For Cunsumers) to meet the exact needs of facilities provided in accordance with the wishes of consumers.

**Innovation :** Marketing innovation is the implementation of new marketing methods that involve significant changes in product design or packaging, product placement, product promotion or pricing. Marketing innovations are aimed at better addressing customer needs, opening new markets, or positioning new company products in the market with the aim of increasing the company's sales (Alyas and Rakib M., 2017).

**Creativity :** Wang X., Wen X., Paşamehmetoglu A. and Guchait P. (2021) expressed concern referring to the psychological state in which a person is conscious and accepting at this time. This is increasingly emerging as an predictable quality, especially in the hospitality industry where employee creativity as a front line is critical to maintaining an organization with high reliability. and showed that the influence of development based on royal training in developing the local economy that will improve the creative industries (Rakib M., Yunus M. and Amin M., 2018).

**Customer Satisfaction :** Satisfaction Over the last few years, inviting competition between business manufacturers is getting tighter. The success of a manufacturer's business is seen from the development of the right marketing strategy to know the changing needs of consumers in order to achieve customer satisfaction (Yolanda V., Suyono S. and Kartika Wijayanti I., 2020). Then showed that the influence of variable mediation influence of marketing strategy between supply and demand produces marketing performance that will improve customer satisfaction (Payangan O., Sahabuddin R and Girikallo A, 2017). Also showed that the influence of quality of service to customer satisfaction through customer value in PDAM Makassar City (Customer's Approach in Developing Clean Water Product Services to Customers) (Putera W., Sahabuddin R., Rakib M. and Girikallo A., 2020).

## Hypothesis

**Facilities Affect Creativity :** Facilities and obtained positive and significant results. This shows that the facilities that have been done by the government and private sector directly affect the creation of creativity. Facility research conducted by Siregar T.M. and Frisnoiry S. (2019) the results of this study stated that facilities have a positive and significant effect on creativity. In line with research, Eaton J, Cloyes K, Paulsen B, Madden C and Ellington L (2020) stated that the facility has a positive and significant effect on kerativitas.

H1: Facilities have a positive and significant effect on Creativity.

**Innovation Affects Creativity :** Research conducted by Liao Y. and Tsai K. (2019) stated that the results of the analysis of the influence of Innovation on Creativity showed that Innovation has a positive and significant effect on Creativity. In line with Anderson H., PotoAnik K. and Zhou J. (2014) research, innovation has a positive and significant effect on creativity in guiding framework. Research conducted by Epetimehin F. (2011) found a positive influence of innovation on creativity which means that the higher the level of innovation of companies in the Insurance industry also increases marketing creativity.

## H2: Innovation has a positive and significant effect on Creativity.

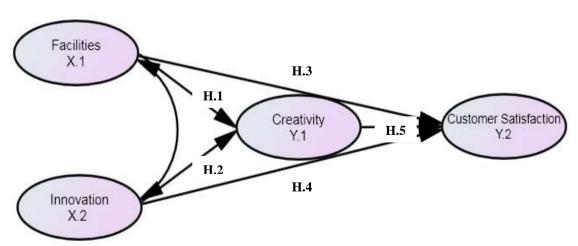
Facilities Affect Customer Satisfaction : Research conducted by Bhaskar A., Aadithya Narayanan R., Sampath D. and Kaushik G. (2019) showed that facility variables affect customer satisfaction with these results can be concluded that facilities can better affect customer satisfaction. Research conducted by Sutomo H. and Baktiono E. (2019), stated that the facility has a significant effect on customer satisfaction of grand darmo suite Surabaya. The higher the facilities, the higher the level of customer satisfaction. In line with research Dissatisfield V (2015) which states that facilities have a positive and significant effect on customer satisfaction. If MSME manufacturers want to increase consumer satisfaction, they must make improvements in the facilities sector which is the initial stage in providing convenience to consumers as well as marketing strategies in maintaining existing consumers and improving consumers

## H3: Facilities have a positive and significant effect on Customer Satisfaction.

**Innovation Affects Consumer Satisfaction :** This means that with the facilities provided to consumers, it will further increase customer satisfaction in MSMEs. Based on the results of research Syapsan (2019) shows that variable innovation has a positive and significant effect on the satisfaction of consumers MSMEs marketing mix strategy. This means that the higher the innovation provided by MSME manufacturers, the higher the level of customer satisfaction of MSMEs, the resulting marketing mix strategy. Furthermore, research conducted by Wikhamn W (2019) innovation has a positive and significant effect on hrm customer satisfaction. That is, the improvement of knowledge-based resources and innovation will certainly increase the satisfaction of small and medium-sized business consumers.

## H4: Innovation has a positive and significant impact on customer satisfaction.

**Creativity Affects Consumer Satisfaction :** Deloitte (2016) states that creativity is positive and significant to consumer satisfaction. This suggests creativity will have a significant impact on consumer satisfaction. This research is supported by previous research that obtained similar results, namely research conducted by Wang X., Wen X., Pasamehmetoglu A. and Guchait P. (2021). Research conducted by Martinaityte I., Sacramento C. and Aryee S. (2019) states that employee performance creativity relies heavily on satisfaction that pleases consumers.



## H5: Creativity has a positive and significant effect on consumer satisfaction.

Source : Data In Process Program (SEM) Amos Ver,-23 FIGURE 1: CONCEPTUAL FRAMEWORK OF RELATIONSHIPS BETWEEN VARIABLES

## **III. RESEARCH METHODS**

This research was conducted in MSME Industry in South Sulawesi Province. This location was chosen because South Sulawesi Province is famous for its typical MSMEs in each district / city with the manufacture of traditional micro handicrafts so that south Sulawesi province is one of the traditional micro-ailment MSMEs that are very favored by consumers. The object of research in this study is the micro handicraft UMKM industry in South Sulawesi Province precisely in 6 districts / cities, among others Pangkep, Barru, Pare-Pare, Pinrang, Sidrap and Enrekang with a focus on customer satisfaction, facilities, innovation, and creativity. The population in this study is the overall number of analyses whose characteristics are predictable. In this study only conducted research for consumers of micro handicraft MSMEs in South Sulawesi Province precisely in 6 districts / cities, among others Pangkep, Barru, Pare-Pare, Pinrang, Sidrap and Enrekang which amounted to 9,912 consumers. Sampling techniques are done with Probability Sampling is multistage random sampling or determination of sampling clusters based on the division of an area / region in stages, then taken randomly for each area, the goal is so that each sample in an area has the same opportunity to be a respondent. That is, anyone who accidentally encountered researchers can be used as a sample. As for determining some samples used by researchers using slovin formula in (Sugiyono, 2011).

No.	Area	Population	Sample
1.	Pangkep	1.950	49
2.	Barru	1.500	38
3.	Pare-Pare	1.400	35
4.	Pinrang	1.350	34
5.	Sidrap	1.256	32
6.	Enrekang	2.456	62
	JUMLAH	9.912	250

**TABLE 2: SAMPLES BASED ON MULTISTAGE RANDOM SAMPLING** 

Source : UMKM Micro Handicrafts Prov Sul-Sel, 2021

From table 2 above based on multistage random sampling population in 6 districts / cities, among others Pangkep, Barru, Pare-Pare, Pinrang, Sidrap and Enrekang as many as 9,912 consumers while for sample withdrawal as many as 250 consumers in South Sulawesi Province. Data collection Method used in this study is through the dissemination of questionnaires to consumers of micro handicraft MSMEs in 6 districts / cities, among others Pangkep, Barru, Pare-Pare, Pinrang, Sidrap and Enrekang in South Sulawesi Province. Data collection in this study using questionnaire method. Respondents' answers were measured using a 5-point Likert scale. The data analysis technique used is Amos's structural equation modeling (SEM).

## **IV. RESULTS AND DISCUSSIONS**

Respondents used in this study had different characteristics or identities according to Table 2

	TABLE 3: CHARACTERISTICS OF RESPONDENTS						
No	Variable	Classification	Number Of Respondents	Percentage (%)			
1	Gender	Male	120	48			
		Female	130	52			
		Total	250	100			
2	Age	25 - 30 Years	25	10			
		31 – 35 Years Old	31	12			
		36 – 40 Years Old	52	21			
		41 – 45 Years Old	70	28			
		>45 Years	72	29			
		Total	250	100			
3.	Education	High School	55	22			
		Diploma	62	25			
		Scholars	64	26			
		Master	69	28			
		Total	250	100			

Source : Primary Data Processed, 2021 (N=250)

Based on Table 3. respondents were mostly female as much as 52%. Based on age, 25 years to 30 years old by 10%, age 31 to 35 years old by 12%, age 36 to 40 years old by 52%, age 41 to 45 years old by 70% and age over 45 years of age by 72%. A person's last education can reflect the level of knowledge and understanding of the business they own. Based on Table 2 it can be known that respondents are mostly of high school educational background 22%, in the following Diploma 25%, Bachelor 26% and Master 28%.

#### Validity Test

	TABLE 4: DATA VALIDITY TEST							
No.	Variable/Indicator	Value t-count	Valuet-t-table	Discription				
1.	Facilities (X.1)							
	Product (X1.1)	0,740	0,165	Valid				
	Promotion (X1.2)	0,667	0,165	Valid				
	Distribution Place (X1.3)	0,490	0,165	Valid				
2.	Innovation (X.2)		0,165					
	Creating New Products (X2.1)	0,700	0,165	Valid				
	Creating Processes (X2.2)	0,588	0,165	Valid				
	Product Development (X2.3)	0,126	0,165	Valid				
3.	Creativty (Y.1)		0,165					
	Having Great Curiosity (Y1.1)	0,470	0,165	Valid				
	Frequently Asked Weighted Questions (Y1.2)	0,485	0,165	Valid				
	Giving Many Ideas and Suggestions (Y1.3)	0,324	0,165	Valid				
4.	Customer Satisfaction (Y.2)		0,165					
	Feeling Satisfied (Y2.1)	0,638	0,165	Valid				
	FulfillingConsumerExpectationsAfterProducts (Y2.2)	0,215	0,165	Valid				
	Always Buy Products (Y2.3)	0,290	0,165	Valid				

<b>TABLE 4: DATA</b>	VALIDITY TEST
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Source : Data in Process Program SPSS Ver, -23, 2021 (N=250)

Table 4 of the validity tests above show that all question/statement items for measuring facility variables (X.1), innovation (X.2), creativity (Y.1) and consumer satisfaction (Y.2) in this study had correlation coefficients greater than fables = 0.165 (tabel values for n=250). So, it can be concluded that all items in the facility variable question/statement indicator (X.1), innovation (X.2), creativity (Y.1) and consumer satisfaction (Y.2) are valid.

## **Reliability Test**

#### **TABLE 5: DATA RELIABILITY TEST**

	TIDEE CI E	ATA KELIADILI				
No.	Variabel/Indikator	Cronbach Alpha	r-tabel	Ket		
1.	Facilities (X.1)					
	Product (X1.1)	0,738	0,126	Reliabel		
	Promotion (X1.2)	0,834	0,126	Reliabel		
	Distribution Place (X1.3)	0,800	0,126	Reliabel		
2.	Innovation (X.2)		0,126			
	Creating New Products (X2.1)	0,734	0,126	Reliabel		
	Creating Processes (X2.2)	0,743	0,126	Reliabel		
	Product Development (X2.3)	0,739	0,126	Reliabel		
3.	Creativty (Y.1)		0,126			
	Having Great Curiosity (Y1.1)	0,740	0,126	Reliabel		
	Frequently Asked Weighted Questions (Y1.2)	0,746	0,126	Reliabel		
	Giving Many Ideas and Suggestions (Y1.3)	0,752	0,126	Reliabel		
4.	Customer Satisfaction (Y.2)		0,126			
	Feeling Satisfied (Y2.1)	0,741	0,126	Reliabel		
	Fulfilling Consumer Expectations After Purchasing Products (Y2.2)	0,776	0,126	Reliabel		
	Always Buy Products (Y2.3)	0,849	0,126	Reliabel		
C						

Source : Data in Process Program SPSS Ver, -23, 2021(N=250)

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Table 5 of the reliability test above shows that the question/statement item for the service facility variable has a Cronbach's Alpha value above 0.7 and above the apostate value of 0.126 and so it can be stated that the question/statement item for the question/statement variable for the facility variable is eligible to be used as a data collection tool and as a measuring instrument.

#### Classic Assumption Test Normality Test

# TABLE 6: DATA NORMALITY TEST One-Sample Kolmogorov-Smirnov Test

		Fasilitas	Inovasi	Kreativitas	Kepuasan Konsumen
Ν		250	250	250	250
Normal Parameters <sup>a,b</sup>	Mean	33.7160	31.4000	33.7360	33.0880
	Std. Deviation	4.55611	3.53866	4.50639	4.45601
Most Extreme	Absolute	.156	.078	.108	.100
Differences	Positive	.108	.058	.053	.100
	Negative	156	078	108	097
Kolmogorov-Smirnov Z		2.461	1.240	1.712	1.577
Asymp. Sig. (2-tailed)		.078	.092	.006	.057

a. Test distribution is Normal.

b. Calculated from data.

Source : Data in Process Program SPSS Ver, -23, 2021

From table 6 above can be inferred the results of the data normality test with Kolmogorov-Smirnov by comparing the value of probability numbers or Asymp. Sig (2-tailed) with a significance level of 0.05 or 5% with decision making if the value of significance is less than 0.05 or 5% then the distribution of data is abnormal. Based on SPSS Ver calculation,-21 above is a probability number value or Asymp. Sig (2-tailed) with significance above 0.05 or 5% then the data is declared distributed normally.

#### **Multicoionerity Test**

No.	Variable	Collionearity Statistics			
		Tolerence	VIF		
1.	Facilities (X.1)	.844	1.185		
2.	Innovation (X.2)	.893	1.120		
3.	Creativity (Y.1)	.916	1.091		

TABLE 7. DATA MULTICOIONERITY

Dependent Variables : Customer Satisfaction

Source : Data in Process SPSS Ver, -23, 2021

In table 7, the result of calculating tolerance value is no independent variable that has a Tolerance value of less than 0.10 with tolerance value of 0.844, innovation of 0.893 and creativity of 0.916. Meanwhile, the results of variance inflation factor (VIF) value calculation also showed the same thing, namely the absence of VIF value from independent variables that have a VIF value of more than 10 with the vif value of each independent variable worth 1,185 facilities, innovation of 1,120 and creativity of 1,091. Referencing the results of the calculation of Tolerance and VIF values can be concluded that there is no multicolineerity between independent variables in the regression model.

## Heterokedastisity Test

## TABLE 8: HETEROKEDASTISTAS DATA TEST

Coeffi ci ents<sup>a</sup>

		Unstandardized Coefficients		Standardized Coefficients		
Model		В	Std. Error	Beta	t	Sig.
1	(Constant)	4.981	1.335		3.730	.000
	Fasilitas	.015	.033	.031	.453	.651
	Inovasi	032	.033	064	966	.335
	Kreativ it as	074	.025	191	-2.931	.221

a. Dependent Variable: RES2

Source : Data in Process SPSS Ver,-23, 2021

The results in table 8, show each facility variable (X.1) with Sig 0.651, innovation (X.2) with Sig 0.335 and creativity (Y.1) with a Sig value of 0.221 each variable (Sig.) > 0.05 or above 0.05 then it can be concluded that there are no symptoms of heterokedastisitas.

TABLE 7: RESULTS OF TATH ANALISIS IN STRUCTURE T						
Madal	Unstandardized Standardized Coeficients Coeficients				4	<b>C:</b>
Model	В	Std. Error	Beta	ι	Sig	
(Constant)	19.768	3.116		6.343	.000	
Facilities	.323	.081	.255	3.970	.000	
Innovation	.098	.082	.077	1.192	.235	
$R^2: 0.408$						

**TABLE 9: RESULTS OF PATH ANALYSIS IN STRUCTURE 1** 

Source : Data in Process SPSS Ver, -23, 2021

Based on the results of path analysis in Table 9, structural equations can be formulated as follows: Y1 = 0.255 X1 + 0.077 X2 + e1

Structural equations can be interpreted as:

(1) Variable facilities have a coefficient of 0.255 which means that the facility has a positive effect on creativity, meaning that if the facility increases then creativity will increase.

(2) Variable innovation has a coefficient value of 0.077 which means that innovation has an influence on creativity, meaning that the more innovation increases, the creativity will increase. In this study the influence of facilities, innovation and creativity on consumer satisfaction was calculated through SPSS 21.0 for windows. Here are the results of the calculation of the second structure in Table 10.

Model	Unstand Coefic	lardized cients	Standardized Coeficients	t	Sig
	В	Std. Error	Beta		
(Constant)	8.641	2.076		4.162	.000
Facilities	.075	.052	.077	1.449	.148
Innovation	.319	.051	.326	6.285	.000
Creativity	.353	.039	.460	8.972	.000
$R^2$ :.618					

 TABLE 10: RESULTS OF PATH ANALYSIS IN STRUCTURE 2

Source : Data in Process SPSS Ver, - 23, 2021

Based on the results of path analysis in Table 10, structural equations can be formulated as follows.

Y2= 0.077 X1+0.326 X2 +0.460 Y+ e2

Structural equations can be interpreted as:

(1) The facility variable has a coefficient of 0.077 which means that the facility has a positive effect on customer satisfaction, meaning that if the facility increases then customer satisfaction will increase.

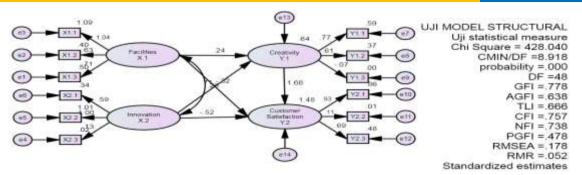
(2) Variable innovation has a coefficient of 0.326 which means that innovation has a positive effect on marketing performance, meaning that if the entrepreneurial orientation increases then the marketing performance will increase.

(3) The variable of creativity has a coefficient of 0.346 which means that creativity has a positive influence on consumer satisfaction, meaning that if creativity increases then consumer satisfaction will increase.

Test the value of the coefficient of determination (R2) and variable error (e) In calculating the value of the total determination coefficient obtained by 0.639 obtained the conclusion of 63.9% of the consumer satisfaction variable in MSMEs 6 Districts / Cities, among others Pangkep, Barru, Pare-Pare, Pinrang, Sidrap and Enrekang in South Sulawesi Province were influenced by facilities, innovation and creativity, while the remaining 36.1% were influenced by other factors that were not included in the research model or outside the research model.

Initial Confirmatory Factor Analysis (CFA) model that has been done with the Program (AMOS) obtained the following values:

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Source : Data In Process Program (SEM) Amos Ver, -23 FIGURE 2: CFA PRELIMINARY ANALYSIS OF GOOD OF FIT EXOGENOUS AND ENDOGENOUS

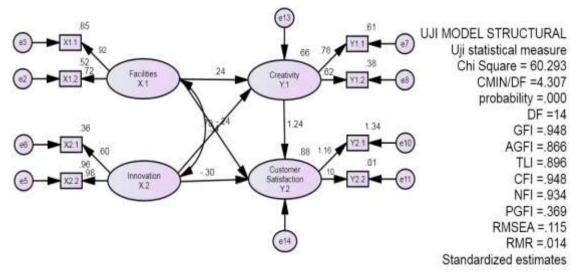
In Figure 2, the magnitude of the value of the influence of facilities and innovation on creativity and consumer satisfaction variables, and the value of the influence of creativity variables on consumer satisfaction, each value of the magnitude of influence obtained from the beta standard coefficient and the value of each variable error of each structural equation. Based on the path diagram in Figure 2, it can be summarized the calculation of the results of the early stage Goodness Of Fit Model Structural test that will be presented in Table 5 below.

Goodness Of Fit Index	Cut-Off Value	Result Of Model	Information
Chi square	Expected smaller	428.040	Good
Probability	$\geq 0,05$	0,000	Excellent
GFI	$\leq 2.00$	0,778	Marginal
AGFI	$\geq$ 0,90	0,638	Marginal
CFI	$\geq$ 0,90	0,757	Marginal
TLI	$\geq 0,90$	0,666	Marginal
RMSEA	$\geq 0,90$	0,178	Marginal

 TABLE 11: EARLY STAGE STRUCTURAL MODEL GOODNESS OF FIT TEST RESULTS

Source: SEM AMOS Ver Calculation Result, -23 (N=250), 2021

Table 11 shows the results of a summary of early stage Goodness of Fit Model Structural test scores that have yet to find the best model. To achieve the maximum level of Goodness Of Fit from Confirmatory Factory Analysis (CFA) of GFI, AGFI, TLI, CFI, NFI, PGFI and RMSEA values, it is necessary to modify structural models, among others: correlation between variables and indicators as well as elimination of indicators to improve the suitability of good of fit (GoF) models, Confirmatory Factor Anlysis (CFA) Equation Modeling (SEM) (Latan H. and Temalagi S., 2013).



Source : Data In Process Program (SEM) Amos Ver,-23 FIGURE 3: CFA FINAL ANALYSIS OF GOOD OF FIT EXOGENOUS AND ENDOGENOUS

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Goodness Of Fit Index	Cut-Off Value	Result Of Model	Information
Chi square	Expected smaller	60,293	Good
Probability	$\geq$ 0,05	0,000	Excellent
GFI	$\leq 2.00$	0,948	Excellent
AGFI	$\geq 0,90$	0,866	Good
CFI	$\geq 0,90$	0,948	Excellent
TLI	$\geq 0,90$	0,896	Good
RMSEA	$\geq$ 0,08	0,115	Excellent

## TABLE 12: FINAL STAGE STRUCTURAL MODEL GOODNESS OF FIT TEST RESULTS

Source: SEM AMOS Ver Calculation Result, -23 (N=250), 2021

Table 12 obtained the value of chi square 60.293 with a probability of 0.000 > 0.05, rmsea value of  $0.115 \le 0.08$ , TLI value of 0.896 < 0.90 CFI value of 0.948 > 0.90 GFI value of 0.948 > 0.90 and AGFI of 0.821 < 0.90 and loading factor all above 0.5. Thus showing that the conformity test of this model resulted in a good reception where all the parameters of the recommended model's conformity have been met (Hair J, Anderson R, Tatham R and Black W, 2018). Thus, the model is expressly stated that the covariance matrix or correlation of the sample data analyzed is in accordance with the covariance matrix or population correlation estimated on the proposed model.

IADLE 13: REGRESSION ANAL 1515								
Estimate	S.E	C.R	Р	Label				
.274	.086	3.196	.001	Par-5				
1.071	.141	7.576	***	Par-6				
-376	.129	-2.927	.003	Par-10				
-626	.387	-1.617	.106	Par-7				
1.716	.338	5.074	***	Par-9				
	Estimate           .274           1.071           -376           -626	Estimate         S.E           .274         .086           1.071         .141           -376         .129           -626         .387	EstimateS.EC.R.274.0863.1961.071.1417.576-376.129-2.927-626.387-1.617	Estimate         S.E         C.R         P           .274         .086         3.196         .001           1.071         .141         7.576         ***           -376         .129         -2.927         .003           -626         .387         -1.617         .106				

TABLE 13: REGRESSION ANALYSIS

Source: SEM AMOS Ver Calculation Result, -23 (N=250), 2021

**Hypothesis 1:** Based on hypothesis testing as evidenced by the t-value of 3,196 > 1.96 with the significance of P-Value 0.01 > 0.05 (5%) this suggests that facilities have a significant effect on creativity which means hypotheses are accepted.

**Hypothesis 2 :** Based on hypothesis testing evidenced by t-value of 7,576 > 1.96 with significance of P-Value 0.00 > 0.05 (5%) this suggests that innovation has a significant effect on creativity which means the hypothesis is accepted.

**Hypothesis 3 :** Based on hypothesis testing evidenced by t-value of -2,927 < 1.96 with significance of P-Value 0.03 > 0.05 (5%) this indicates that the facility has a significant effect on consumer satisfaction which means the hypothesis is accepted.

**Hypothesis 4 :** Based on hypothesis testing as evidenced by the value of t-value of -1,617 < 1.96 with the significance of P-Value 0.106 > 0.05 (5%) this suggests that innovation has a significant effect on consumer satisfaction which means the hypothesis is accepted.

**Hypothesis 5:** Based on hypothesis testing evidenced by t-value of 5,074 > 1.96 with significance of P-Value 0.00 > 0.05 (5%) this suggests that creativity has a significant effect on consumer satisfaction which means the hypothesis is accepted.

**Facilities Affecting Creativity :** The results showed that the facility indirectly (indirect effect) positively affects creativity in MSMEs micro handicrafts of South Sulawesi Province with a loading factor value of 0.241 with a coefficient of path of 0.274 with a t-value of 3,196 > 1.96 with a p-value of < 0.005. It means that if the facilities will be functioned it affects creativity. The achievement of creativity is inseparable from how the facilities provided by MSMEs are micro-craft Prov Sul-Sel. Where facilities include products, promotions and distribution places of micro handicraft MSMEs provider Prov Sul-Sel as a form of fulfillment of needs to consumers. If you look at the results of research that shows that facilities affect creativity, then micro-craft MSMEs should be able to provide creativity to consumers by having a great curiosity, often asking weighty questions and giving many ideas and proposals.

The initial Confirmatory Factor Analysis (CFA) results variable facility consists of product indicators, promotions and distribution points. The variable creativity consists of indicators having a great curiosity, often asking weighty questions and giving a lot of ideas and suggestions. In line with research conducted by Siregar T.M. and Frisnoiry S. (2019) showed that facilities have a positive and significant effect on creativity. The final Confirmatory Factor Analysis (CFA) results and facility variable hypothesis results consist of product and

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promotion indicators as well as indicator creativity variables having great curiosity, often asking weighty questions. In line with the research conducted by Siregar T.M and Frisnoiry S. (2019) which stated that the facility affects creativity and obtains positive and significant results. In other words, improving the facilities of MSMEs Micro Handicraft Products in 6 districts / cities, among others Pangkep, Barru, Pare-Pare, Pinrang, Sidrap and Enrekang in South Sulawesi Province, the higher the level of creativity in 6 districts / cities, among others Pangkep, Barru, Pare-Pare, Pinrang, Sidrap and Enrekang in South Sulawesi Province. So the first hypothesis is accepted. This is in line with the results of research conducted by Eaton J, Cloyes K, Paulsen B, Madden C and Ellington L (2020) stated that facilities have a positive and significant effect on creativity. This shows that the facilities that have been done by the Government / Swastra can directly affect the creation of creativity.

**Innovation Affects Creativity :** The results showed that innovation indirectly (indirect effect) positively affects creativity in micro handicraft MSMEs of South Sulawesi Province with a loading factor value of 0.697 with a path coefficient of 1,071 with a t-value of 7,576 > 1.96 with a p-value of < 0.000. It means that if innovation will be functioned will affect creativity. The achievement of creativity is inseparable from how innovations provided by MSMEs micro-craft Prov Sul-Sel. Where innovations include creating new products, creating processes and developing products of UMKM providers of micro-craft Prov Sul-Sel as a form of fulfillment of needs to consumers. If you look at the results of research that shows that innovation affects creativity, then micro-craft MSMEs should be able to provide creativity to consumers by providing good product services to consumers.

Confirmatory Factor Analysis (CFA) results early variable innovation consists of indicators of creating new products, creating processes, product development and creativity variables have a great curiosity, often ask weighty questions and give a lot of ideas and proposals. In line with research conducted by Liao Y. and Tsai K. (2019) shows that innovation has a positive and significant effect on creativity. The final Confirmatory Factor Analysis (CFA) results and innovation variable hypothesis results consist of creating new products and creating processes and variables of creativity indicators have a great curiosity, often asking weighty questions. In line with research conducted by Anderson N., Potocnik K. and Zhou J. (2014) which stated that innovation affects creativity and obtains positive and significant results, that the facility affects creativity and achieves positive and significant results. In other words, improving the facilities of MSMEs Micro Handicraft Products in 6 districts / cities, among others Pangkep, Barru, Pare-Pare, Pinrang, Sidrap and Enrekang in South Sulawesi Province, the higher the level of creativity in 6 districts / cities, among others Pangkep, Barru, Pare-Pare, Pinrang, Sidrap and Enrekang in South Sulawesi Province. In other words, increasing the innovation of MSMEs micro handicraft products in 6 districts / cities, among others Pangkep, Barru, Pare-Pare, Pinrang, Sidrap and Enrekang in South Sulawesi Province, the higher the level of creativity in 6 districts / cities, among others Pangkep, Barru, Pare-Pare, Pinrang, Sidrap and Enrekang in South Sulawesi Province. So, the second hypothesis is accepted. This is in line with the results of research conducted by Epetimehin F. (2011) stated that innovation has a positive and significant effect on creativity. This shows the innovation that has been done by companies in the Insurance industry also increases marketing creativity. Rakib M., Yunus M. and Amin N. (2018) stated that innovation has a positive and significant effect on creativity. This shows the development of creative industries through entrepreneurial training the provision of facilities and infrastructure as well as improving marketing creativity based on entrepreneurial training.

**Facilities Affect Customer Satisfaction :** The results showed that the facility directly (direct effect) negatively affects consumer satisfaction in micro handicraft MSMEs of South Sulawesi Province with a loading factor value of -0.241 with a coefficient of path of -0.379 with a t-value of -2,927 > 1.96 with a p-value of < 0.003. This means that facilities still need to get attention and improvement to improve the satisfaction of consumers of micro-craft MSMEs in South Sulawesi Province, especially in products, promotions and distribution places produced. If you look at the results of research that shows that facilities of negative value affect consumer satisfaction, then micro handicraft MSMEs should be able to provide satisfaction to consumers by providing products, promotions and good distribution places to consumers.

Confirmatory Factor Analysis (CFA) results early variable facilities consist of product indicators, promotions and distribution places and consumer satisfaction variables consist of indicators of feelings of satisfaction, fulfilling consumer expectations after buying a product and always buying a product. In line with research conducted by Bhaskar A., Aadithya Narayanan R., Sampath D. and Kaushik G. (2019) showed that facility variables affect customer satisfaction. The final Confirmatory Factor Analysis (CFA) results of facility variables and hypothetical results consist of product indicators and promotions as well as consumer satisfaction variables consisting of indicators of feelings of satisfaction and fulfillment of consumer expectations after purchasing the product. In line with the research conducted by Sutomo H. and Baktiono E. (2019), stated that the facility has a significant effect on customer satisfaction. In other words, improving the facilities of MSMEs micro handicraft products in 6 districts / cities, among others Pangkep, Barru, Pare-Pare, Pinrang, Sidrap and Enrekang in South

Sulawesi Province, the higher the level of customer satisfaction in 6 districts / cities, among others Pangkep, Barru, Pare-Pare, Pinrang, Sidrap and Enrekang in Sulawesi Province, the higher the level of facilities in 6 districts / cities, among others Pangkep, Barru, Pare-Pare, Pinrang, Sidrap and Enrekang in South Sulawesi Province, the higher the level of facilities in 6 districts / cities, among others Pangkep, Barru, Pare-Pare, Pinrang, Sidrap and Enrekang in South Sulawesi Province. So the second hypothesis is accepted. This is in line with the results of research conducted by Dissatisfield V (2015) which states that facilities have a positive and significant effect on customer satisfaction. This means that the higher the influence of the facility will increase customer satisfaction. This means that the higher the influence of facilities such as products and promotions that must be done by MSMEs entrepreneurs for the continuity of the business of micro handicraft products.

**Innovation Affects Consumer Satisfaction :** The results showed that direct effect innovation negatively affects consumer satisfaction in micro handicraft MSMEs of South Sulawesi Province with a loading factor value of -0.295 with a path coefficient of -0.626 with a t-value of -1.917 > 1.96 with a p-value of < 0.106. This means that innovations provided by MSMEs micro handicrafts of South Sulawesi Province still need to be improved and evaluation of new products, creating processes and product development that need to get special attention. If you look at the results of research that shows that innovation is negatively valued to influence consumer satisfaction, then micro handicraft MSMEs should be able to provide satisfaction to consumers by providing new products according to consumer wishes, creating micro handicraft processes better and, product development so that more attention to every detail that must be improved so that the level of satisfaction of consumers can be achieved.

Confirmatory Factor Analysis (CFA) results early variable innovation consists of indicators of creating new products, creating processes, product development and consumer satisfaction variables consisting of indicators of feelings of satisfaction, fulfillment of consumer expectations after buying a product and always buying a product. In line with the research conducted by Syapsan (2019) shows that variable innovation has a positive and significant effect on the satisfaction of consumers MSMEs marketing mix strategy. The final Confirmatory Factor Analysis (CFA) results and hypothetical results show innovation variables consisting of indicators of creating new products and creating processes and variables of consumer satisfaction consisting of indicators of feelings of satisfaction and fulfillment of consumer expectations after purchasing a product. In line with research conducted by Wikhamn W. (2019) the positive and significant influence of variable innovation on hrm customer satisfaction. The results show that innovations that meet knowledge-based resources and innovation will certainly increase the satisfaction of small and medium-sized business consumers.

**Creativity Affects Consumer Satisfaction :** The results showed that creativity indirectly (indirect effect) positively affects consumer satisfaction in micro handicraft MSMEs of South Sulawesi Province with a loading factor value of 1,243 with a path coefficient of 1,716 with a t-value of 5,074 < 1.96 with a p-value of < 0.000. It means that if creativity will be functioned then it affects consumer satisfaction. The achievement of consumer satisfaction is inseparable from how creativity provided by MSMEs micro-craft Prov Sul-Sel. Where creativity includes having a great curiosity, often asking weighty questions and Giving Many Ideas and Proposals to MSMEs micro handicrafts Prov Sul-Sel as a form of fulfillment of needs to consumers. If you look at the results of research that shows that creativity affects consumer satisfaction, then micro-craft MSMEs should be able to provide satisfaction to consumers by providing creativity over the resulting micro-craft MSMEs products.

The final Confirmatory Factor Analysis (CFA) results and hypothetical results show that creativity variables with indicators have a great curiosity, often asking weighty questions and variable consumer satisfaction with indicators of feelings of satisfaction and fulfillment of consumer expectations after purchasing a product. In line with research conducted by Deloitte (2016) states that creativity is positive and significant to consumer satisfaction. This suggests creativity will have a significant impact on consumer satisfaction. This research that obtained similar results, namely research conducted by Wang X., Wen X., Pasamehmetoglu A. and Guchait P. (2021). Research conducted by Martinaityte I., Sacramento C. and Aryee S. (2019) revealed the results of research conducted with creativity to customer satisfaction states that employee performance creativity relies heavily on satisfaction that pleases consumers.

## V. CONCLUSIONS AND SUGGESTIONS

Based on the results of testing and empirical discussion, the conclusion of this study is that the facilities have a positive and significant effect on the creativity of MSMEs micro handicraft products in 6 districts / cities, among others Pangkep, Barru, Pare-Pare, Pinrang, Sidrap and Enrekang in South Sulawesi Province. Innovation has a positive and significant effect on the creativity of MSMEs Micro Handicraft Products in 6 districts / cities, among others Pangkep, Barru, Pare-Pare, Pinrang, Sidrap and Enrekang in South Sulawesi Province. Facilities have a positive and significant effect on the satisfaction of consumers of MSMEs Micro Handicraft Products in 6 districts / cities, a factor of districts / cities, among others Pangkep, Barru, Pare-Pare, Pinrang, Sidrap and Enrekang in South Sulawesi Province. Facilities have a positive and significant effect on the satisfaction of consumers of MSMEs Micro Handicraft Products in 6 districts / cities, among others Pangkep, Barru, Pare-Pare, Pinrang, Sidrap and Enrekang in South Sulawesi Province.

Province. Innovation has a positive and significant effect on the satisfaction of consumers of MSMEs Micro Handicraft Products in 6 districts / cities, among others Pangkep, Barru, Pare-Pare, Pinrang, Sidrap and Enrekang in South Sulawesi Province. Creativity has a positive and significant effect on the satisfaction of consumers of MSMEs Micro Handicraft Products in 6 districts / cities, among others Pangkep, Barru, Pare-Pare, Pinrang, Sidrap and Enrekang in South Sulawesi Province. So all hypotheses are accepted.

Based on the results of the research and conclusions that have been outlined, there are some suggestions in terms of facilities, the thing that MSMEs should do is to know more clearly about products, promotions and distribution places to improve the facilities of MSMEs micro handicraft products. In terms of innovation, what MSMEs have to do is create new products, create processes so that micro handicraft product innovations continue to compete with other innovations with the same craft. In terms of creativity, the thing to do by MSMEs is to have a large curiosity indicator and ask weighty questions to increase the creativity of MSMEs in micro handicraft products so that existing creativity can be developed according to what consumers of MSMEs want micro handicraft products. In terms of consumer satisfaction, what must be done by MSMEs is to maintain a feeling of satisfaction and fulfillment of consumer expectations after buying products so that consumers are satisfied to increase the purchase of MSMEs micro handicraft products in 6 districts / cities, among others Pangkep, Barru, Pare-Pare, Pinrang, Sidrap and Enrekang in South Sulawesi Province. Furthermore, this research is expected to increase the scope of research, not only in MSMEs of micro handicraft products but in other sectors or can also replace research sites that are not only at the same research location, thus providing a more capable and capable perspective applied in general. Further research is also expected to be conducted on an ongoing basis because the development of the environment and technology is always changing at all times.

## VI. THANK YOU

Thank you to all parties especially the respondents of consumers of MSMEs Micro Handicraft Products in 6 districts / cities, among others Pangkep, Barru, Pare-Pare, Pinrang, Sidrap and Enrekang in South Sulawesi Province who have helped a lot in this research, so that the research of MSMEs Micro Handicraft Products can be written and informed to MSMEs in the world especially in Indonesia.

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