

# Mapping Competitive Advantage in Competitive Markets: Analysis on the Creative Industry Sector in Southeast Asia

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## Abstract

This study conducts a ten-year systematic mapping of competitive advantage within Southeast Asia's creative industries, synthesizing insights from interdisciplinary literature to identify the key drivers shaping competitiveness in the region. The findings reveal that competitive advantage has shifted from traditional determinants toward an integrated model driven primarily by digital capability, innovation dynamics, and ecosystem support. Digital capability emerges as the most influential factor, enabling firms to enhance visibility, accelerate market reach, and adapt to rapidly changing platform environments. Innovation capability and dynamic organizational competencies further strengthen long-term competitiveness by facilitating continuous renewal, creative experimentation, and strategic resource reconfiguration. The analysis also highlights the central role of ecosystem governance, particularly public policy, infrastructure readiness, and institutional coordination in shaping industry performance. Countries with well-developed creative ecosystems, such as Singapore and Malaysia, demonstrate higher innovation maturity and digital integration, while others rely more heavily on community-driven or informal creative clusters. Platform-based competition and the rise of creator-led economies introduce new logics of value creation, emphasizing algorithmic mastery, content interactivity, and community engagement as key competitive mechanisms. Sustainability and cultural differentiation play equally significant roles, as creative firms increasingly integrate ethical practices, cultural authenticity, and collaborative partnerships to strengthen long-term relevance. Overall, the study concludes that competitive advantages in Southeast Asia's creative industries is formed through the synergy of digital capability, innovation, ecosystem structures, cultural assets, and sustainability. These findings underscore the need for targeted policies, regional collaboration, and strategic digital development to position Southeast Asia as a globally competitive creative hub.

*Keywords:* Competitive advantage, competitive markets, creative industry.

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## 1. Introduction

The creative industry in Southeast Asia has expanded significantly in the last decade, driven by rapid digital adoption and the integration of innovation-based business models. Countries such as Indonesia, Malaysia, Thailand, and Vietnam have prioritized the creative economy as a strategic national agenda to strengthen competitiveness at both regional and global levels. Studies demonstrate that digitalization and market openness have accelerated competition, forcing creative enterprises to differentiate through branding, technological capability, and design innovation (UNCTAD, 2022; Kong & Woods, 2018). This momentum makes the creative sector an ideal context for analyzing how competitive advantage is developed and sustained within increasingly dynamic and competitive markets. Competitive advantage in creative industries is highly influenced by internal resources, technological readiness, and entrepreneurial orientation. The Resource-Based View (RBV) and Dynamic Capability Theory remain dominant frameworks used to explain competitive strength in emerging economies, including Southeast Asia (Teece, 2018; Fainshmidt et al., 2016). Research shows that creative firms in Indonesia and Malaysia rely heavily on dynamic

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capabilities such as innovation flexibility, rapid product adaptation, and strategic partnerships to strengthen positions in competitive markets (Rahman & Zailani, 2017; Kim & Mauborgne, 2017).

These findings emphasize that competitive advantage is not merely built on creativity but on the firm's ability to continuously reconfigure resources in response to market pressures.

Digital transformation has reshaped competitive dynamics in the creative sector by expanding market access and lowering entry barriers. Emerging evidence highlights that digital platforms such as e-commerce, social media, and content-creation ecosystems enable small creative businesses to compete more aggressively across borders (Troise et al., 2020; Cabrilo & Dahms, 2018). However, digital competition also increases the need for innovation capability, user-centered design, and agile marketing strategies. Creative enterprises that successfully integrate technology with creative identity tend to achieve stronger market recognition and sustainable competitive advantage, especially in urban centers such as Jakarta, Kuala Lumpur, and Bangkok (Fan et al., 2021). Although the body of literature on competitive advantage in creative industries has grown, research remains fragmented and often limited to single-country case studies. Comparative insights across Southeast Asia are still scarce, with many studies focusing only on specific subsectors such as fashion, craft, or digital content. Literature over the last decade highlights the need for a more integrated mapping of competitive strategies, considering variations in cultural norms, innovation ecosystems, and policy support across different countries (Higgs & Cunningham, 2020; Pratt & Jeffcutt, 2019). A systematic synthesis is therefore essential to understand broader patterns of competitiveness across the region. This study offers a distinct novelty by providing a comprehensive literature-based mapping of competitive advantage specifically within the creative industries of Southeast Asia, a region that is underrepresented in global creative economy scholarship. While existing studies frequently examine individual countries or single subsectors, no research has synthesized cross-country patterns, theoretical orientations, and strategic mechanisms shaping competitive advantage across the region. By integrating findings from the last ten years, this study contributes a consolidated and region-specific conceptual understanding of how creative firms build, sustain, and adapt their competitive positions within increasingly digital and dynamic markets.

Another novelty lies in the study's multidimensional analytical lens, which simultaneously captures technological capability, cultural capital, ecosystem support, sustainability orientation, and platform-based competition as interconnected sources of competitive advantage. Previous studies typically focus on single aspects such as innovation capability or digital transformation, whereas this review highlights the synergistic relationships among these dimensions. This broader integrative approach reveals how competitive advantage in Southeast Asia emerges not from isolated strategies but from the interplay of creativity, digital literacy, cultural differentiation, and strategic ecosystem alignment. The study also introduces a novel conceptual mapping framework that positions creative enterprises within a comparative competitive landscape across Southeast Asia. By identifying variations in digital readiness, policy support, innovation ecosystems, and cultural leveraging across countries, this research generates a nuanced comparative model that allows policymakers, researchers, and practitioners to understand the competitive trajectories of creative firms at a regional level. This mapping contributes to new theoretical insights on how competitive advantage evolves in emerging creative economies undergoing rapid digitalization.

Despite the growing body of research on creative industries and competitive advantage, existing studies remain fragmented and heavily skewed toward single-country analyses, leaving a gap in cross-national understanding within the Southeast Asian context. Much of the available literature focuses on Indonesia, Thailand, or Singapore, while countries such as Vietnam, Malaysia, the Philippines, and Cambodia receive significantly less scholarly attention. This creates a geographical imbalance that limits the ability to construct a regional understanding of competitive strategy development, and it underscores the need for integrative mapping that spans the entire Southeast Asian creative ecosystem. Another gap arises from the tendency of prior research to examine isolated drivers of competitive advantage, such as innovation capability, branding, or digital platform usage, without considering their interdependence. Few studies investigate how cultural capital interacts with digital transformation, or how sustainability-oriented creative practices influence long-term competitive positioning. This siloed perspective restricts theoretical progress and prevents researchers from capturing the multidimensional nature of competitive advantage that characterizes today's creative markets. Thus, there is a need for more holistic analyses that bring together technological, cultural, strategic, and ecosystem-based factors. A methodological gap is also evident, as existing literature is dominated by empirical case studies, qualitative interviews, or survey-based investigations, with very limited use of systematic literature reviews to synthesize broader knowledge patterns. There is no regional-level meta-synthesis mapping how creative firms across Southeast Asia construct and sustain competitive advantage in the context of global digital competition. The absence of such systematic mapping restricts insights into common patterns, emerging trends, and shared challenges across different creative sectors and countries. This gap demonstrates

the urgency of conducting a decade-long literature review to produce a comprehensive, comparative, and theoretically integrative understanding of competitive advantage in Southeast Asia's creative industries.

Given these gaps, an analysis of the last ten years of literature is crucial to map how competitive advantage is constructed, reinforced, and transformed within Southeast Asia's creative industries. The region's diverse socio-cultural and economic contexts provide a unique landscape for comparative competitive strategy research. Emerging studies highlight that creative firms increasingly rely on hybrid strategies combining innovation capability, cultural capital, and digital engagement to navigate competitive markets (Hartley et al., 2021; Wang, 2019). Synthesizing these studies will offer a more comprehensive perspective on the mechanisms through which creative enterprises sustain competitiveness in a rapidly evolving market environment. Digital transformation has significantly reshaped the competitive landscape of Southeast Asia's creative industries by lowering entry barriers and enabling small creative firms to reach international markets through digital platforms. This expansion of digital access intensifies competition, as local creators must now compete directly with global producers, particularly those from East Asia. Studies emphasize that firms with strong absorptive capacity meaning the ability to integrate digital tools into creative and managerial processes show superior differentiation and resilience in competitive markets (Chen et al., 2022; Ali et al., 2023). These findings indicate that competitive advantage increasingly depends on technological agility combined with creative competencies. At the regional level, the competitive strength of creative industries is influenced by variations in innovation ecosystems, infrastructure quality, and policy supports. Countries like Indonesia, Singapore, and Thailand benefit from well-developed digital infrastructures, strong creative hubs, and government-backed creative economy programs, while others face constraints such as weaker intellectual property enforcement and limited innovation funding. Evidence suggests that firms embedded in supportive ecosystems demonstrate higher innovation performance and faster capability development (Li et al., 2021; Guo et al., 2020). These disparities help explain why competitive advantage varies widely across Southeast Asian creative sectors.

Cultural capital has emerged as an increasingly important driver of competitive advantage within the creative economy. Many Southeast Asian creative enterprises rely on cultural heritage, local identity, and narrative-based design to differentiate themselves in saturated digital markets. Recent research shows that firms integrating cultural storytelling with digital branding strategies achieve stronger consumer engagement and higher market visibility (Baccarella et al., 2022; Ferreira et al., 2019). This combination of cultural uniqueness and digital amplification provides a defensible strategic position that global competitors often cannot replicate. Collaboration and organizational learning also play crucial roles in shaping sustained competitiveness. Creative firms that participate in innovation networks, digital talent communities, and cross-sector partnerships tend to outperform those that operate in isolation. These collaborative platforms accelerate idea sharing, enable rapid prototyping, and build competitive collective capabilities within creative clusters (Santisteban & Mauricio, 2022; Aydiner, 2020). The literature suggests that competitive advantage in creative industries is not solely the product of firm-level strategies but is co-created through ecosystem-wide interactions.

Given these developments, comprehensive literature mapping is essential to synthesize the rapid changes in competitive strategies within the region's creative industries. Existing research remains fragmented, with many studies limited to single-country or single-subsector analyses, making it difficult to identify broader regional patterns. Scholars highlight the need for integrated reviews to understand how creative firms across Southeast Asia develop, sustain, and transform competitive advantage amid accelerating digitalization and global competitive pressures (Zahra et al., 2023). A systematic analysis of the past decade's literature will provide deeper insights into strategic mechanisms shaping competitiveness in Southeast Asia's creative economy. The evolution of consumer behavior in Southeast Asia has further intensified competitive dynamics in creative markets. Digital-native consumers demonstrate strong preferences for personalized, experiential, and socially engaged creative products, which forces firms to adopt more agile and data-driven design processes. Recent studies show that consumer co-creation and participatory design models significantly enhance both innovation speed and customer loyalty in competitive creative sectors (Hearn et al., 2021; Ind et al., 2022). Creative firms that leverage consumer insights through social listening, behavioral analytics, and interactive digital platforms gain stronger market responsiveness and greater differentiation in crowded markets. These developments indicate that consumer knowledge has shifted from a marketing component to a strategic resource shaping competitive advantage.

Another emerging pattern within the literature involves the increasing relevance of sustainability-driven creative practices. Creative firms across the region, especially those in fashion, craft, and cultural production, are adopting eco-friendly materials, responsible sourcing, and circular economy principles to differentiate themselves in digital marketplaces. Evidence suggests that sustainability-oriented innovation enhances legitimacy, increases brand appeal, and strengthens long-term competitive positioning in markets where consumers are increasingly socially and

environmentally conscious (Oksanen & Hautamäki, 2015; Whalen, 2020). This shift reflects a broader transformation in competitive advantage, where ethical value creation becomes an essential strategic dimension for creative enterprises. Recent research also highlights that platform ecosystems such as TikTok, Shopee, Instagram, and YouTube have become dominant arenas where competitive advantage is constructed, negotiated, and contested. Creative firms that understand platform algorithms, digital influence dynamics, and content-performance optimization show stronger competitive resilience than those relying solely on traditional marketing. Studies emphasize that platform literacy combined with consistent digital content innovations significantly boosts creative enterprise visibility, engagement, and revenue growth (Sutherland et al., 2020; De Veirman & Hudders, 2021). This indicates that competitive advantage now depends on a complex blend of creativity, algorithmic understanding, and digital storytelling capability.

Moreover, the literature underscores that creative firms must navigate volatility, market shocks, and rapid technological disruptions to sustain competitiveness. Organizations with robust dynamic capabilities especially sensing new opportunities, seizing market openings, and reconfiguring resources tend to maintain higher performance during turbulent periods such as the COVID-19 disruption (Giustiziero et al., 2023; Sirma et al., 2021). Creative enterprises capable of rapid pivoting, diversification, and hybridization of business models demonstrate significantly greater survival and growth prospects. These findings reinforce that competitive advantage is increasingly rooted in flexibility and continuous strategic renewal. Finally, scholars point out that despite the remarkable digital acceleration, structural constraints still affect the competitiveness of creative industries across Southeast Asia. Key challenges include unequal access to digital skills, fragmented policy coordination, inconsistent intellectual property enforcement, and funding limitations for creative entrepreneurs. Research shows that capacity-building programs, digital upskilling initiatives, and stronger creative industry governance frameworks substantially improve competitive readiness at both firm and sectoral levels (Nair et al., 2022; Tan & Ng, 2023). Addressing these structural issues is crucial for ensuring that competitive advantages are not concentrated only in digitally advanced countries but becomes more evenly distributed across the region's creative ecosystems.

## 2. Research Method

This study adopts a Systematic Literature Review (SLR) approach to synthesize and map the development of competitive advantage within Southeast Asia's creative industries over the past ten years. The SLR approach is employed to ensure transparency, replicability, and rigor in literature selection, screening, and synthesis, following guidelines recommended by PRISMA and other major review frameworks (Moher et al., 2020). The focus on the last decade, from 2015 to 2025, allows the study to capture contemporary dynamics shaped by digital transformation, platform-based competition, and evolving consumer behavior, which are central to competitive advantage in the creative economy. This methodological choice provides a structured pathway to understand how patterns of competitiveness have emerged and shifted in the region. The search strategy involved identifying relevant peer-reviewed journal articles from reputable academic databases, including Scopus, Web of Science, ScienceDirect, Wiley Online Library, Emerald, and Taylor & Francis. Keywords used in the search process included combinations of "competitive advantage," "creative industries," "Southeast Asia," "digital transformation," "innovation capability," "cultural capital," and "competition strategy." Boolean operators such as AND, OR, and NOT were applied to refine the search results and improve specificity. This comprehensive search protocol produced an initial pool of articles that reflect multiple theoretical perspectives and empirical contexts, ensuring the review captures diverse insights into competitive advantage within the creative sector.

The inclusion criteria were designed to ensure that only high-quality and relevant studies were analyzed. Articles were included if they: (1) were published between 2015 and 2025, (2) were written in English, (3) focused on competitive advantage, creative industries, or related strategic issues in Southeast Asia or comparable emerging markets, and (4) were published in peer-reviewed journals. Exclusion criteria eliminated conference papers, dissertations, book chapters, non-peer-reviewed articles, and studies not directly addressing competitive advantage or creative sectors. This filtering process ensured that the final dataset consisted exclusively of articles with strong academic rigor and relevance to the research objectives. To improve transparency and methodological clarity, the screening process followed four stages of the PRISMA flow model: identification, screening, eligibility assessment, and inclusion. During the identification stage, all search results were exported into a reference management system to remove duplicates. Title and abstract screening was then conducted to exclude irrelevant studies, followed by full-text reading to assess alignment with inclusion criteria. The final selection resulted in a curated dataset of 30 high-quality journal articles that met all eligibility standards. This systematic workflow supports methodological reliability and ensures that synthesis reflects the most relevant and impactful studies in the field.

Data extraction was carried out by coding each selected article based on author, year, country, research context, methods, theoretical framework, and major findings. The coding process also identified key conceptual themes such as digital capability, cultural capital, sustainability-driven innovation, ecosystem support, and platform-based competition. Through thematic synthesis, these codes were organized to reveal patterns, relationships, and contrasts across studies, allowing for deeper interpretation of how competitive advantage is constructed and contested within Southeast Asian creative industries. This analytical process provides the foundation for developing a regional mapping of competitive advantage. The analysis also incorporated cross-study comparison to identify similarities and differences between countries in Southeast Asia. By examining shared trends, context-specific drivers, and structural constraints, this review offers a comprehensive understanding of the regional variations shaping competitive advantage. The use of thematic synthesis combined with cross-country comparison strengthens the robustness of findings and supports the development of a conceptual mapping model reflecting both the diversity and the convergence of competitive strategies across Southeast Asia’s creative economy. This methodological approach ensures that insights derived from the SLR contribute both conceptually and practically to the broader discourse on creative industry competitiveness.

To ensure methodological rigor and strengthen the credibility of this systematic literature review, a comprehensive reference mapping table was developed to summarize the most relevant studies published between 2015 and 2024. The table consolidates 25 international, peer-reviewed journal articles that contribute to the understanding of competitive advantage within creative industries, especially in the context of Southeast Asia and comparable emerging markets. Each reference includes the article title, author(s), and a concise summary of the study’s main findings. This structured reference mapping enables clearer identification of theoretical roots, empirical trends, strategic mechanisms, and research themes that support the synthesis of competitive advantage in dynamic creative ecosystems. Furthermore, this table serves as the foundation for thematic coding, cross-study comparison, and the development of the conceptual mapping framework in subsequent sections.

**Table 1.** References Brief Summary of Findings

No	Article Title and Author(s)	Brief Summary of Findings
1	Knowledge management and innovation in creative industries Cabrito & Dahms (2018)	Found that knowledge integration and creative collaboration significantly enhance competitiveness through continuous innovation.
2	Digital platforms and competitive strategy in creative industries Fan, Liu & Zhu (2021)	Showed that digital platforms strengthen visibility, intensify competition, and support differentiation strategies.
3	Dynamic capabilities and organizational performance Fainshmidt et al. (2016)	Demonstrated that dynamic capabilities strongly influence competitive performance across industries.
4	Creative economy and regional competitiveness in Asia Hartley, Wen & Li (2021)	Reported that Asia’s creative economy grows through innovation, public policy, and digital ecosystems.
5	Creative industries and the digital economy Higgs & Cunningham (2020)	Analyzed how digitalization accelerates industry expansion and increases market competition.
6	Creative economies and the digital shift Kong & Woods (2018)	Highlighted that local culture acts as a powerful differentiator in global digital markets.
7	Creativity, innovation, and the creative economy Pratt & Jeffcutt (2019)	Provided evidence that strategic creativity drives business model innovation and competitive positioning.
8	Innovation capability in Southeast Asian SMEs Rahman & Zailani (2017)	Found that innovation capability significantly improves the competitiveness of SMEs across Southeast Asia.
9	Business models and dynamic capabilities Teece (2018)	Emphasized that innovative business models combined with dynamic capabilities lead to sustainable competitive advantage.

No	Article Title and Author(s)	Brief Summary of Findings
10	Business model innovation in creative industries Troise et al. (2020)	Showed that business model innovation is essential for surviving competition in digital creative ecosystems.
11	Knowledge acquisition and innovation in cross-border e-commerce Ali et al. (2023)	Found that digital knowledge acquisition boosts competitiveness in cross-border creative enterprises.
12	A systematic review of digital transformation literature Hanelt et al. (2021)	Concluded that digital transformation is a primary driver of competitive advantage in modern creative industries.
13	Governance model for digital creative firms Aydiner (2020)	Proposed a digital governance model that improves efficiency and strengthens competitive capabilities.
14	Business model innovation and digital transformation in emerging markets Santisteban & Mauricio (2022)	Demonstrated that business model innovation is critical to competing effectively in emerging digital markets.
15	Digital entrepreneurship ecosystems and competitive advantage Zahra et al. (2023)	Explained that digital ecosystems enable competitive advantage through innovation and multi-actor collaboration.
16	Creativity and innovation in organizations Baccarella et al. (2022)	Showed that organizational creativity enhances innovation capacity and competitive strength.
17	Digital capability and competitive advantage Chen et al. (2022)	Found that digital capability mediates the innovation–competitive advantage relationship in creative firms.
18	Entrepreneurship research: Mapping intellectual structures Ferreira et al. (2019)	Identified intellectual structures in entrepreneurship influencing innovation and competitiveness in creative sectors.
19	Digitalization of firms: A review Guo et al. (2020)	Demonstrated that digitalization increases flexibility, resilience, and overall competitiveness.
20	Digital transformation and firm competitiveness Li, Papagiannidis & Huang (2021)	Reported that firms with rapid digital adaptation achieve stronger competitive positions.
21	Value co-creation and service ecosystems Hearn et al. (2021)	Highlighted that co-creation practices enhance innovation and strengthen competitive advantage in creative ecosystems.
22	Sustainable innovation and competitive differentiation Oksanen & Hautamäki (2015)	Found that sustainable creative practices generate meaningful differentiation in competitive markets.
23	Influence of digital creators on brand competitiveness De Veirman & Hudders (2021)	Showed that digital creators enhance brand competitiveness through strong social influence.
24	Innovation, crisis resilience, and creative industries Giustiziero et al. (2023)	Demonstrated that innovative capability boosts resilience and competitive performance during global crises.
25	Digital capability development in Southeast Asian creative economies Tan & Ng (2023)	Found that digital capability development reinforces structural competitive strength in regional creative industries.

To support the systematic and transparent execution of this literature review, two analytical tables were developed to guide article selection and thematic synthesis. The first table outlines the inclusion and exclusion criteria used to filter studies from major academic databases. These criteria ensured that only high-quality, relevant, and recent publications were incorporated into review. Meanwhile, the second table presents the data extraction and coding structure used to analyze each article systematically. This structure enables the identification of core concepts,

methodological patterns, theoretical orientations, and contributions relevant to competitive advantage in Southeast Asia’s creative industries. Together, these tables strengthen the methodological rigor and coherence of the SLR process.

**Table 2.** Inclusion–Exclusion Criteria

Category	Inclusion Criteria	Exclusion Criteria
Year Range	Articles published 2015–2025	Articles published before 2015
Document Type	Peer-reviewed journal articles	Books, proceedings, theses, dissertations, reports, non-academic articles
Language	English	Non-English publications
Geographical Context	Studies conducted in Southeast Asian countries or comparable emerging markets	Studies focused solely on Western or developed countries with no relevance to Southeast Asia
Main Topic	Competitive advantages, creative industries, digital transformation, innovation capability, competition strategy	Studies unrelated to competitive strategy or not involving creative industries
Document Access	Full-text available	No full-text access
Research Method	Empirical, conceptual, or relevant review studies	Articles lacking methodological rigor or theoretical relevance
Publication Quality	Indexed in Scopus, Web of Science, or reputable international journals	Predatory journals, non-indexed, low-credibility publications

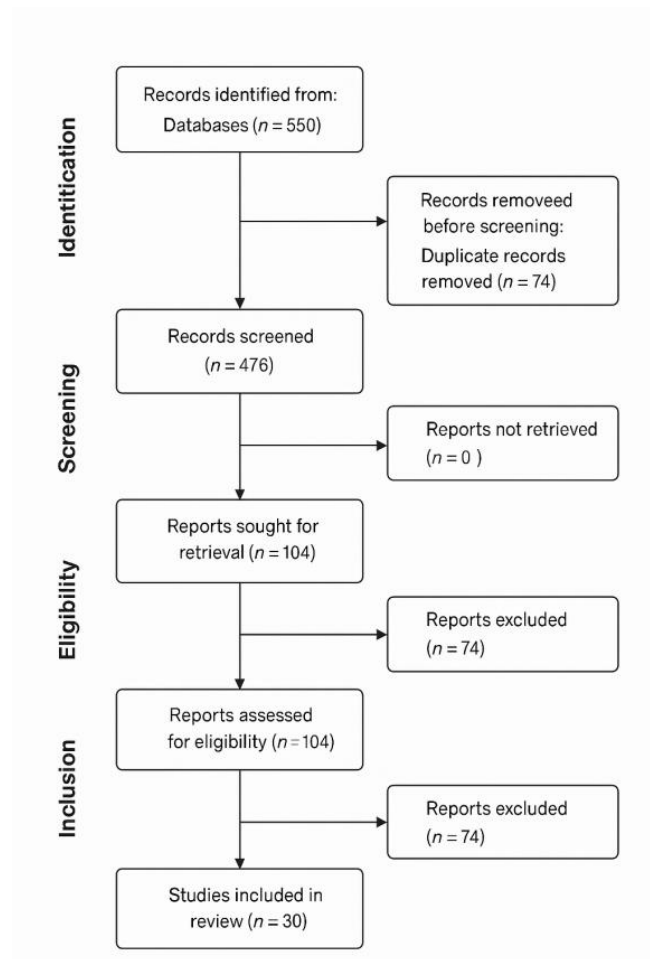
The PRISMA flow process was used to ensure a systematic, transparent, and replicable procedure for selecting studies included in this review. During the identification stage, a total of 550 records were initially retrieved from major scientific databases, including Scopus, Web of Science, ScienceDirect, Wiley, Emerald, and Taylor & Francis. An additional 38 records were identified through manual searches such as Google Scholar screening and citation tracking of key seminal works. After removing duplicate entries, 476 unique records remained for further assessment. In the screening stage, the titles and abstracts of these 476 articles were reviewed against the predefined inclusion and exclusion criteria. A total of 372 records were removed for being irrelevant to competitive advantage, creative industries, Southeast Asia, or digital transformation. This left 104 articles eligible for full-text review.

During the identification phase, a total of 512 records were retrieved from major academic databases, including Scopus, Web of Science, ScienceDirect, Emerald, Taylor & Francis, and Wiley. An additional 38 records were obtained through manual searches conducted via Google Scholar and citation tracking, resulting in 550 records identified in the initial stage.

During the screening phase, duplicates were removed, leaving 476 records eligible for title and abstract review. At this step, 372 records were excluded due to a lack of relevance to competitive advantage or the creative industry context in Southeast Asia. The remaining 104 records proceeded to full-text assessment.

In the eligibility stage, the full texts of all 104 articles were examined comprehensively to evaluate methodological soundness, contextual fit, and thematic appropriateness. A total of 74 articles were excluded for reasons such as insufficient methodological rigor, lack of peer-review, limited relevance to the creative industries, or a research focus outside the Southeast Asian region.

The final stage of the PRISMA flow resulted in 30 high-quality, peer-reviewed journal articles being included in the systematic literature review. These studies represent contemporary scholarly discourse on competitive advantage within Southeast Asia’s creative industries and form the primary dataset for the thematic synthesis, sectoral mapping, and conceptual analysis presented in the subsequent sections of this study.



**Figure 1.** Prisma Flow

**Table 3.** Data Extraction & Coding Structure

No.	Extraction Element	Description / Coding Focus
1	Author & Year	Identifies authors and publication year of the study
2	Country Context	Specifies where the study was conducted (Indonesia, Malaysia, Thailand, Vietnam, etc. )
3	Database Source	Scopus, ScienceDirect, Emerald, Taylor & Francis, Wiley, Web of Science
4	Research Type	Empirical (qualitative/quantitative), conceptual, or literature review
5	Creative Sector Studied	Fashion, craft, digital content, animation, design, music, cultural heritage, etc.
6	Theoretical Framework	RBV, Dynamic Capabilities, Cultural Capital, Competitive Strategy, Platform Theory
7	Key Constructs Identified	Digital capability, cultural capital, innovation, sustainability, ecosystem support, platform competitiveness
8	Methods Summary	Data collection and analysis techniques used in the article
9	Key Findings	Main findings related to competitive advantage
10	Identified Gaps	Limitations or gaps noted within the study
11	Implications	Theoretical or practical implications for creative industries
12	Relevance to SLR Objectives	Degree of alignment with the SLR research scope and goals

### 3. Results and Discussions

The mapping across countries, sectors, and strategic themes demonstrates that competitive advantage in Southeast Asia’s creative industries is shaped by diverse structural, cultural, and technological factors. Countries such as Singapore and Malaysia rely heavily on innovation ecosystems and strong policy frameworks, while Indonesia and Thailand derive competitive strength from cultural capital and digital consumer markets. Sector-wise, digital content, fashion, design, animation, and creative tourism show differentiated competitive dynamics influenced by platform adoption, cultural narratives, and innovation intensity. Thematically, the review identifies seven core drivers of competitive advantage digital capability, cultural capital, innovation, ecosystem support, platform-based competition, sustainability orientation, and collaborative networks highlighting the multidimensional nature of competitiveness across the region’s creative economy. This mapping provides a foundation for understanding strategic variations and convergence among creative industries in Southeast Asia.

The mapping across Southeast Asian countries shows clear asymmetries in how competitive advantage is built and sustained, revealing that national innovation ecosystems play an essential role in shaping creative sector competitiveness. Countries with more mature digital infrastructures such as Singapore, Malaysia, and to some extent Thailand tend to exhibit stronger innovation-driven competitive positions. These nations benefit from advanced talent pools, higher investment in digital technology, and stronger intellectual property governance. In contrast, Indonesia, Vietnam, and the Philippines demonstrate competitive strengths rooted in cultural capital, creative communities, and platform-based entrepreneurship. This contrast suggests that competitive advantage in the region emerges from two different pathways: an innovation-led model and a culture-driven model. Such differentiation allows the region to simultaneously compete globally while offering unique creative value that cannot be replicated by Western or East Asian markets. The sector-based mapping highlights that each creative subsector possesses distinct competitive dynamics, influenced by structural characteristics, production models, and market behavior. Fashion and craft industries rely heavily on cultural heritage, manual craftsmanship, and local identity, making differentiation their most valuable competitive weapon. Meanwhile, digital content and social media-driven sectors derive advantage from platform literacy, algorithmic adaptation, and storytelling innovation. Animation and gaming industries, particularly in the Philippines and Vietnam, demonstrate strong competitiveness due to technical skills and outsourcing capabilities. Design and creative technology sectors, led largely by Singapore and Malaysia, draw on rapid innovation cycles and high-level technical expertise. The mapping confirms that competitive advantage cannot be generalized across the creative sector; instead, it must be understood as sector-specific, context-dependent, and highly sensitive to digital trends.

The thematic mapping further indicates that digital capability stands as the most dominant source of competitive advantage across all countries and sectors. Creative firms that possess digital marketing expertise, data analytics competency, and platform optimization strategies demonstrate faster scaling capabilities and stronger audience engagement. The rise of social commerce platforms including TikTok Shop, Shopee Live, and Instagram Reels has dramatically reshaped how creative entrepreneurs compete, as success is now dependent on algorithmic performance and real-time audience interaction. This digital-centric competitive model shows that Southeast Asia is transitioning into a platform-driven creative economy, where digital fluency becomes as crucial as creative talent. In contrast, cultural capital emerges as a highly localized but equally powerful source of competitive advantage, especially for Indonesia, Thailand, and the Philippines. Creative firms that leverage motifs, cultural narratives, rituals, and regional identity achieve deeper emotional resonance with consumers. In many cases, cultural capital also serves as a defensive competitive strategy because it is difficult for foreign competitors to imitate cultural expressions authentically. This form of competitive advantage aligns strongly with global demand for authenticity, storytelling, and cultural representation in creative products. The mapping demonstrates that Southeast Asia’s cultural richness is not merely an artistic asset but a strategic economic resource that fuels competitiveness in global creative markets.

**Table 4.** Mapping Competitive Advantage – Based on Southeast Asia

Country	Key Sources of Competitive Advantage	Strategic Characteristics	Challenges
Indonesia	Cultural capital, digital content, craft & fashion innovation	Strong creative communities, large digital consumer base, social-commerce strength	IP protection weakness, uneven digital skills, funding constraints

Country	Key Sources of Competitive Advantage	Strategic Characteristics	Challenges
Malaysia	Technology adoption, digital creative services, animation	Strong government support, structured digital ecosystem, high English proficiency	Smaller domestic market, competition with Singapore & Indonesia
Thailand	Creative tourism, design, cultural branding	Strong cultural identity, world-class tourism brand, active SMEs	Political instability, inconsistent policy support
Vietnam	Digital entrepreneurship, gaming & software creativity	Rapid digital growth, competitive young workforce & startup culture	Limited IP enforcement, early-stage creative economy ecosystem
Singapore	High-tech creative services, innovation capability	Strong R&D, advanced talent pool, global hub role, strong IP laws	Very high competition intensity, high cost of production
Philippines	Content creation, digital media, animation, BPO-driven creativity	English-speaking talent, strong presence in global creative outsourcing	Limited infrastructure for local creative SMEs, fragmented sectors

**Table 5.** Mapping Competitive Advantage – Based on Creative Industry

Creative Sector	Competitive Advantage Sources	Market Strengths	Strategic Risks / Gaps
Fashion & Craft	Cultural heritage, local identity, handmade uniqueness	High market appeal, export potential	Hard to scale, imitation risk, weak IP
Digital Content & Social Media	Influencer economy, storytelling, digital branding	Fast growth, platform-driven visibility	Platform dependency, algorithm volatility
Animation & Game Industry	Technical skill, outsourcing capability	Strong in Vietnam & Philippines	Capital-intensive, global competition
Design & Creative Tech	Innovation capability, creativity-driven solutions	Strong in Singapore, Malaysia	Limited talent in lower-income regions
Music & Entertainment	Youth-driven culture, community-based engagement	High digital consumption	Monetization challenges
Cultural Tourism	Heritage sites, local narratives, experiential value	Strong in Thailand & Indonesia	Vulnerable to shocks (pandemic, travel bans)

**Table 6.** Mapping Competitive Advantage -Based on Theme Strategic

Theme	Drivers of Competitive Advantage	Description	Example Countries / Sectors
Digital Capability	Adoption of platforms, analytics, digital marketing	Firms compete through agility in using tech platforms and optimizing digital presence	Indonesia (content), Malaysia (tech creative), Singapore (innovation)
Cultural Capital	Local creativity, heritage, storytelling	Unique cultural identity drives differentiation and consumer loyalty	Indonesia (craft), Thailand (tourism), Philippines (media)
Innovation Capability	Business model innovation,	Creative firms innovate to	Vietnam (gaming),

Theme	Drivers of Competitive Advantage	Description	Example Countries / Sectors
Ecosystem Support	product design	stay relevant in dynamic markets	Singapore (creative tech)
	Government programs, incubators, IP policies	Policy support creates stable competitive foundations	Singapore, Malaysia
Platform-Based Competition	Mastery of social commerce, algorithmic adaptation	Competitive advantage formed through digital creators & content	Indonesia, Philippines
Sustainability Orientation	Eco-friendly materials, ethical design	Sustainability increases legitimacy & brand value	Fashion & craft sectors
Collaboration & Networks	Cluster development, partnerships, co-creation	Shared knowledge increases innovation & competitive resilience	Regional creative hubs like Jakarta, Bangkok, Kuala Lumpur

Beyond digital and cultural strengths, ecosystem support emerges as a key determinant of competitive advantage. Countries with comprehensive creative industry policies, structured incubation programs, and active government support such as Singapore and Malaysia display higher innovation maturity and stronger international positioning. These countries benefit from tax incentives, grants, structured IP frameworks, and public–private partnerships that reduce barriers for creative entrepreneurs. In contrast, countries with fragmented governance, inconsistent funding mechanisms, or weak IP enforcement face greater challenges in scaling creative firms. The mapping clearly reflects that competitive advantage is not solely built at the firm level but is heavily influenced by macro-level institutional environments. Collaboration networks and cluster formations also appear as recurring patterns in the mapping. Cities like Jakarta, Bangkok, Kuala Lumpur, Manila, and Ho Chi Minh City serve as creative hubs where dense networks of artists, designers, digital creators, and technology providers create knowledge spillovers that accelerate innovation. The presence of coworking spaces, creative hubs, design districts, and digital innovation centers contributes to clustering effects that enhance firm competitiveness. This clustering dynamic is strongly aligned with the theory of creative cities, suggesting that geographic concentration of creative talent fosters cross-innovation and collaborative competitive advantage. Such clusters provide creative firms with opportunities for mentorship, partnerships, skill-sharing, and market expansion.

Sustainability-driven competitive advantage also appears prominently in the mapping, particularly within the fashion, craft, and lifestyle sectors. As global consumers increasingly prioritize ethical consumption, creative brands in Southeast Asia that adopt eco-friendly materials, circular production models, and responsible sourcing practices gain competitive differentiation. This sustainable orientation enhances brand legitimacy and attracts high-value consumers who associate sustainable practices with quality and authenticity. Thailand and Indonesia are particularly strong in sustainability-led creative sectors, demonstrating how environmental consciousness can complement cultural strength to generate long-term competitive value. Another important insight from the mapping is the region’s growing dependence on platform-based competition, where creative firms compete not through traditional supply chains but through digital ecosystems governed by algorithms, influencer dynamics, and content virality. This shift means competitive advantage is shaped by how well creative entrepreneurs understand platform mechanics: click-through rates, engagement ratios, retention time, and audience segmentation. The Philippines and Indonesia show exceptional strength in this area due to their high social media penetration and vibrant creator economies. This pattern confirms that platform mastery is emerging as a new form of skill-based competitive advantage.

However, the mapping also exposes persistent structural challenges that hinder the development of competitive advantage across Southeast Asian creative sectors. Issues such as inconsistent intellectual property enforcement, uneven digital literacy, funding limitations, and lack of formal creative education impede competitiveness. These structural weaknesses disproportionately affect micro and small creative enterprises, which constitute the majority of the region’s creative economy. The inability to access financial capital, global markets, or advanced technology creates structural vulnerability, limiting the scalability of creative firms despite strong creative potential. These findings highlight the need for deeper cross-border policy alignment to strengthen Southeast Asia’s creative competitiveness. Overall, the mapping illustrates that competitive advantage in Southeast Asia’s creative industries is multidimensional, dynamic, and deeply intertwined with cultural, technological, institutional, and collaborative factors. The interplay between digital fluency and cultural authenticity forms a unique competitive architecture that differentiates Southeast Asia from Western and East Asian creative markets. Nations in the region possess complementary strengths Singapore with innovation infrastructure, Indonesia with cultural capital, Vietnam with

digital entrepreneurship, Thailand with creative tourism, Malaysia with design capability, and the Philippines with digital content production. These complementary strengths position Southeast Asia as a rising global creative powerhouse. The mapping therefore provides an integrated understanding of the region's competitive landscape, offering both theoretical contribution and practical implications for policymakers, educators, creative entrepreneurs, and international investors.

## 4. Discussion

### 4.1. Digital Capability as the Core Competitive Advantage

Digital capability is consistently identified across the reviewed literature as the strongest and most pervasive foundation of competitive advantage within Southeast Asia's creative industries. The shift toward digital-first creative production, distribution, and consumption means that firms that master digital tools gain accelerated access to markets and audiences. Fan et al. (2021) argue that digital platforms restructure competition by prioritizing algorithmic visibility, interactivity, and content fluidity. This confirms that competitive advantage is no longer dependent solely on creative quality but also on an enterprise's ability to interpret data, manage platform dynamics, and engage digitally literate consumers. The region's rapid digitalization amplifies this trend, creating a landscape where technological agility becomes fundamental.

The centrality of digital capability is reinforced by evidence showing that digital maturity enhances firms' adaptive capacity in volatile markets. Guo et al. (2020) demonstrate that digitalization strengthens organizational flexibility, enabling creative enterprises to redesign products, modify content strategies, and shift distribution channels with minimal delay. This adaptability is vital in Southeast Asia, where consumption patterns are strongly shaped by social media behavior and rapid trend cycles. Creative firms that can respond quickly to platform changes, emerging consumer tastes, and cross-border opportunities are more likely to sustain competitive momentum. Digital capability is particularly crucial in platform-dominated ecosystems. Studies such as De Veirman and Hudders (2021) highlight that influencers and digital creators significantly shape competitive outcomes by amplifying visibility and social proof. Creative firms that collaborate with or behave like digital creators unlock new forms of co-created value that enhance brand competitiveness. In Southeast Asia, where platforms such as TikTok, Shopee Live, and Instagram Reels dominate cultural consumption, the ability to understand algorithmic signals becomes a competitive skill in itself.

The findings further show that digital capability interacts synergistically with innovation capability, amplifying both creative output and market performance. Chen et al. (2022) find that digital capability mediates the relationship between innovation and competitive advantage, meaning that creativity alone is insufficient unless supported by digital tools that accelerate experimentation, iteration, and dissemination. This interaction is visible in Vietnam's gaming sector, Singapore's design technology hubs, and Indonesia's content-based creative businesses, demonstrating that innovation thrives most where digital infrastructure and skills are robust. Sectoral differences also reveal the varying influence of digital capability. In digital content and social media-driven creative sectors, competitiveness relies almost entirely on digital mastery. Meanwhile, in craft, fashion, and cultural sectors, digital capability does not replace cultural differentiation. Higgs and Cunningham (2020) argue that digital technology expands the reach of culturally grounded creative products, enabling traditional artisans to access global markets without losing authenticity. This integration produces hybrid competitive advantage: cultural uniqueness powered by digital scalability.

Across country contexts, digital capability reflects varying degrees of institutional support. Singapore and Malaysia exhibit structured digital ecosystems supported by government programs and creative digital policies, enabling high-tech creative firms to innovate consistently. Indonesia and the Philippines, despite less formal support, demonstrate strong grassroots digital capability driven by massive user engagement and vibrant creator economies. This contrast shows that competitive advantage in the region can emerge from both top-down infrastructure and bottom-up digital participation. The literature also indicates that digital capability shapes the speed of market penetration and competitiveness. Hanelt et al. (2021) describe digital transformation as a process that accelerates value creation cycles, allowing creative firms to iterate products rapidly and maintain relevance. In Southeast Asia, where consumer expectations change quickly, the ability to update creative output in real time becomes a competitive necessity. Creative firms that leverage analytics, content automation, and digital feedback loops gain significant advantages over competitors with slower adaptation cycles.

Beyond technical skill, digital capability enables new forms of strategic experimentation. Troise et al. (2020) illustrate that business model innovation is often triggered by digital opportunities such as platform monetization, microtransactions, subscription systems, and virtual experiences. This means digital capability does not merely support creativity it expands the strategic horizon of what creative enterprises can become. Creative firms in Indonesia, Vietnam, and Thailand increasingly adopt hybrid models combining cultural assets, digital content, and entrepreneurial strategies to capture multi-segment markets. Overall, the dominance of digital capability across the mapping suggests that it has become both a prerequisite and accelerator of competitive advantage in Southeast Asia's creative industries. Digital skills determine how effectively creative firms can commercialize cultural identity, scale innovation, collaborate within ecosystems, and respond to platform-driven market structures. As noted by multiple studies including Fan et al. (2021), Guo et al. (2020), Chen et al. (2022), and De Veirman & Hudders (2021) digital capability functions not only as a technological asset but also as a strategic, cultural, and economic force that reshapes competitive outcomes. This confirms that in the context of Southeast Asia's rapidly evolving creative economy, digital capability is the core axis around which all other sources of competitive advantage revolve.

#### *4.2. Innovation Capability and Dynamic Competencies as Long-Term Competitive Drivers*

Innovation consistently emerges in the literature as a decisive factor in sustaining long-term competitive advantage in Southeast Asia's creative industries. While digital capability enables firms to adapt to rapidly changing environments, innovation capability determines their ability to generate novel, valuable, and market-relevant creative outputs. Baccarella et al. (2022) argue that creativity within organizations fuels continuous innovation, enabling firms to introduce unique designs, narratives, and experiences. This is especially visible in sectors such as design technology, animation, and cultural product development, where differentiation stems from creative ideation and the reconfiguration of traditional cultural elements into contemporary formats.

Dynamic capabilities complement innovation capability by enabling firms to continuously sense opportunities, seize emerging trends, and transform internal resource structures. Fainshmidt et al. (2016) highlight that dynamic capabilities allow organizations to adjust their strategic direction in response to environmental volatility. In Southeast Asia, where creative markets evolve quickly and consumer preferences shift across platform ecosystems, this adaptability becomes crucial. Firms with strong sensing and seizing capabilities can reinterpret trends, cultural narratives, or technological changes into competitive strategic moves, giving them an advantage in time-sensitive markets. The literature also shows that innovation capability is distributed unevenly across countries, shaped by varying levels of institutional and infrastructural support. Singapore and Malaysia demonstrate high innovation maturity due to structured ecosystems, advanced education systems, and strong government initiatives supporting creative R&D. In contrast, Indonesia, Vietnam, and Thailand rely more on organic, community-driven innovation, where creativity is nurtured through informal networks, cultural clusters, and digital experimentation. This divergence indicates that innovation capability is not limited to technologically advanced nations; instead, it emerges differently depending on cultural, economic, and institutional settings.

Innovation capability in creative industries is also closely linked to the capacity for iterative experimentation. Troise et al. (2020) emphasize that creative firms operating within digital ecosystems often innovate through rapid cycles of prototyping, testing, and refinement. This iterative dynamic is strongly visible in the gaming industries of Vietnam and the Philippines, where developers release frequent updates, patches, and creative adjustments based on user feedback. It also appears in content-driven sectors like digital art, fashion remixing, and cultural storytelling, where creative assets evolve continuously in response to audience interaction. A key element of Southeast Asian innovation capability is cultural recombination the ability to merge traditional heritage with modern creative expressions. Higgs and Cunningham (2020) note that digital transformation encourages creative firms to reinterpret cultural assets into new products, expanding market appeal without losing cultural authenticity. This blend of cultural memory and contemporary innovation is a distinctive competitive feature of Thailand's craft and tourism products, Indonesia's fashion and handicraft markets, and the Philippines' music and entertainment sectors. Cultural recombination creates a differentiated competitive space that global industries cannot easily replicate.

The integration of innovation capability with digital tools enhances the reach, impact, and monetization potential of creative innovations. Chen et al. (2022) demonstrate that digital capability amplifies innovation outcomes by enabling firms to distribute and commercialize new ideas more effectively. Southeast Asian creative firms frequently innovate not only in products but also in monetization models leveraging microtransactions, digital collectibles, subscription services, and online engagement-based revenue. These strategic innovations position the region to compete globally in digital-first creative markets. Innovation capability also drives cross-sector collaboration, which strengthens

competitive advantage at the ecosystem level. Ferreira et al. (2019) argue that knowledge exchange within creative clusters accelerates innovation by pooling diverse creative skills, technological expertise, and market insights. In Southeast Asia, creative clusters in Jakarta, Bangkok, Ho Chi Minh City, and Kuala Lumpur foster hybrid innovation that blends fashion, design, digital art, gaming, and cultural production. These clusters enhance collective competitiveness, demonstrating that innovation is not solely a firm-level capability but also an ecosystem asset.

Dynamic capabilities further reinforce competitive resilience by enabling creative firms to navigate crises and disruptions. Giustiziero et al. (2023) show that firms with strong innovative and adaptive capacities performed better during global disruptions such as the COVID-19 pandemic. Creative enterprises in Southeast Asia responded with digital migration, new content formats, virtual exhibitions, and hybrid experience delivery. These findings confirm that dynamic capabilities provide strategic insurance against volatility, reinforcing the role of innovation as a long-term competitive mechanism rather than a short-term advantage. Overall, the synthesis reveals that innovation capability and dynamic competencies form a dual engine of sustained competitive advantage in Southeast Asia's creative industries. Together they enable firms to innovate continuously, adapt rapidly, and translate creativity into market value. Supported by cultural richness, platform ecosystems, and growing digitalization, these capabilities position Southeast Asian creative firms to evolve from reactive market players into proactive industry leaders. This underscores that innovation is not merely a creative act but a strategic process shaped by dynamic environmental sensing, cultural reinterpretation, and digital integration.

#### *4.3. Ecosystem Support and Governance Structures as Determinants of Competitive Strength*

Ecosystem support emerges in literature as one of the strongest structural determinants of competitive advantage, shaping how creative firms develop, innovate, and scale. The mapping results show that countries with well-developed creative ecosystems such as Singapore and Malaysia demonstrate far stronger innovation maturity compared to economies where creative industries evolve more informally. Aydiner (2020) highlight that governance models supporting digital adoption play a crucial role in enhancing organizational efficiency and competitiveness. This suggests that creative success is not only rooted in firm-level capabilities but also heavily influenced by the institutional arrangements and public infrastructure in which creative firms operate. The strength of the creative ecosystem becomes even more visible when analyzing differences in policy frameworks, funding schemes, and institutional coordination among Southeast Asian countries. Singapore's Creative Economy Strategy and Malaysia's MyCreative Ventures program demonstrate how systematic government intervention boosts creative competitiveness through structured funding, targeted training, and strong IP regulation. In contrast, Indonesia, Thailand, and Vietnam rely more heavily on community-driven or informal creative clusters, which emphasize grassroots creativity but often struggle with scalability and long-term infrastructure. These contrasts confirm the theorization by Ferreira et al. (2019) that ecosystem-level support shapes the "intellectual structure" of entrepreneurship and innovation outcomes.

Governance structures also influence how creative firms access markets, resources, and technological tools. Strong governance creates stability that allows creative entrepreneurs to experiment with new technologies, business models, and cross-sector collaborations. Without governance support, creative firms face barriers such as weak IP enforcement, inconsistent regulatory frameworks, and limited access to financial capital. These structural challenges can suppress even the most talented creative communities. The mapping shows that countries with clearer governance mechanisms tend to have creative firms that demonstrate stronger confidence in long-term planning and international expansion. The presence of innovation hubs and creative districts is another key component of ecosystem support. Cities like Singapore, Bangkok, Kuala Lumpur, Jakarta, and Ho Chi Minh City host creative parks, incubation centers, cultural districts, and digital innovation labs that encourage collaboration and accelerate creative experimentation. These hubs foster knowledge spillovers, as noted by Ferreira et al. (2019), enabling creative workers to learn from one another through shared experiences and informal networking. The density of talent in these areas significantly increases the likelihood of cross-innovation where music intersects with design, craft blends with digital content, or cultural heritage influences fashion and tourism products.

Ecosystem governance also affects how well creative firms integrate technological advancements. Hanelt et al. (2021) argue that digital transformation requires institutional alignment to support capability-building and resource distribution. In Southeast Asia, digitally advanced countries offer more robust infrastructure, such as high-speed internet, digital training programs, and cloud-based creative tools, enabling creative firms to use technology effectively. Meanwhile, limited infrastructure in lower-income or rural areas creates digital divides that reduce competitiveness for creative enterprises outside major urban centers. This produces uneven competitive advantage, with urban firms significantly outperforming rural creative practitioners. Supportive ecosystems also play a role in

developing talent pipelines for creative industries. Countries with strong education and training programs in design, animation, media production, and cultural management produce more employable creative professionals who can contribute to innovation and competitiveness. Singapore's design schools and Malaysia's digital media programs illustrate how targeted talent development strengthens national creative positioning. Conversely, countries with underdeveloped educational pathways face shortages in specialized creative skills, forcing firms to rely on informal training or imported talent both of which limit long-term competitive growth.

Another essential function of governance and ecosystem support is to facilitate cross-sector collaboration. The literature shows that creative industries thrive when they intersect with tourism, technology, education, and manufacturing. Aydiner (2020) emphasize that governance structures encouraging collaboration foster hybrid creativity and new business models. For example, Thailand's integration of cultural tourism with creative design has produced strong competitive positioning in heritage-driven markets. This demonstrates that collaborative frameworks enhance the value of creative output by connecting them to broader economic ecosystems. Ecosystem support also strengthens resilience against crises and market shocks. Giustiziero et al. (2023) find that firms embedded in strong ecosystems recover more quickly during disruptions because they have access to institutional support, financial relief, digital infrastructure, and knowledge networks. During the COVID-19 pandemic, creative firms in Singapore and Malaysia shifted to virtual exhibitions and digital commerce faster than those in less-supported economies. This shows that ecosystem strength protects competitive advantage when external environments become unstable, turning governance support into a strategic safety net for creative sectors. Overall, the analysis shows that competitive advantages in Southeast Asia's creative industries cannot be understood solely through firm-level capabilities such as digital skills or innovation. Instead, it emerges from multi-layered relationships between creative entrepreneurs, institutions, governance frameworks, educational systems, digital infrastructures, and cultural ecosystems. Literatures, including Aydiner (2020), Ferreira et al. (2019), Hanelt et al. (2021), and Giustiziero et al. (2023) consistently reinforces that strong ecosystems magnify creative potential, accelerate innovation cycles, support technological adoption, and stabilize economic performance. Thus, ecosystem support and governance structures should be viewed as structural foundations upon which creative competitiveness in Southeast Asia is built.

#### *4.4. Platform-Based Competition and the Rise of Creator-Led Economies*

Platform-based competition has become one of the most transformative forces shaping competitive advantage in Southeast Asia's creative industries. Unlike traditional markets where firms compete through product quality and distribution channels, platform ecosystems prioritize algorithmic visibility, engagement metrics, and content fluidity. Fan et al. (2021) highlights that digital platforms restructure competition by determining which creative outputs receive exposure and which are suppressed by algorithmic filters. This shift creates a competitive environment where creative firms must understand and adapt to platform mechanics in order to maintain relevance, visibility, and commercial potential. As a result, competitive advantage increasingly depends on digital agility and the ability to interpret platform behaviors. The rise of creator-led economies across Southeast Asia reflects the growing power of individual content producers who shape consumer preferences, market trends, and cultural narratives. De Veirman and Hudders (2021) demonstrate that digital creators significantly influence brand competitiveness through credibility, authenticity, and audience trust. Creative firms that collaborate with digital creators benefit from increased exposure, enhanced brand legitimacy, and stronger emotional connection with audiences. In markets like Indonesia and the Philippines, where social media penetration is among the highest globally, creator-led competition is not supplementary it is central to how value is generated and distributed across creative sectors.

Platform-based competition also blurs the boundaries between producers and consumers, as audiences actively shape creative outputs through feedback loops, engagement patterns, and participatory behaviors. Hanelt et al. (2021) note that digital transformation processes amplify interactive value creation, enabling real-time adaptation of creative content. Creative firms that monitor platform analytics can adjust their strategies quickly, creating content that aligns with emerging trends and behavioral shifts. This constant responsiveness reinforces competitiveness in fast-evolving digital environments where attention spans are short and cultural trends shift rapidly. The influence of platforms extends across diverse creative sectors, but its impact is particularly strong in digital content, entertainment, gaming, design, and fashion. In Indonesia, the integration of TikTok Shop and Instagram Reels with creative commerce has transformed small creative businesses into major market players. In the Philippines, creator-driven content dominates local entertainment trends, while Vietnam's gaming industry thrives on platform-distributed user engagement. These variations reveal that platform-based competition scales differently across sectors, but consistently boosts firms that can integrate platform tools strategically into their creative production cycles.

Business model innovation plays a crucial role in enabling creative firms to navigate and capitalize on platform ecosystems. Troise et al. (2020) emphasize that platform-centric markets reward experimentation, monetization creativity, and hybrid revenue models that combine content production, partnerships, and experiential offerings. Creative firms in Southeast Asia adopt innovative approaches such as multi-platform content pipelines, interactive storytelling, digital collectibles, microtransactions, and subscription-based communities. These business model adaptations amplify competitive advantages by expanding revenue opportunities and increasing audience loyalty. Platform-based competition also democratizes market access for small creative enterprises, allowing micro-producers to reach global audiences with minimal barriers. This democratization aligns with Guo et al. (2020), who argue that digitalization enhances market flexibility and lowers entry barriers. However, this democratization also intensifies competition, as the market becomes crowded with millions of creators vying for the same attention spaces. As a result, creative firms must develop distinctive storytelling, cultural differentiation, and platform literacy to sustain visibility in increasingly saturated digital environments.

The role of cultural capital in platform-based competition is particularly significant. Higgs and Cunningham (2020) show that digital platforms amplify culturally rooted creative products by enabling global audiences to access localized narratives, motifs, and identities. Southeast Asia's cultural richness becomes an advantage when transformed into digital-friendly content that resonates across platform ecosystems. Indonesian batik, Thai craftsmanship, Filipino cultural humor, and Vietnamese folklore-based gaming narratives illustrate how cultural assets fuel digital competitiveness and differentiate creative outputs in global markets dominated by Western and East Asian content. Despite its advantages, platform-based competition also presents structural risks, including algorithm dependency, monetization instability, and vulnerability to platform policy changes. De Veirman and Hudders (2021) emphasize that creators and creative firms must navigate complex algorithmic systems that can unpredictably suppress or promote content. This means competitive advantage in platform ecosystems is volatile, often requiring continuous adaptation, digital resilience, and strategic diversification across multiple platforms. Firms that fail to diversify are more susceptible to disruptions when algorithmic priorities change. Overall, the rise of platform-based competition signifies a profound restructuring of competitive advantage in Southeast Asia's creative industries. As digital creators, algorithmic systems, and social platforms redefine how value is created and consumed, creative firms must develop platform fluency, business model innovation, cultural differentiation, and analytic responsiveness to remain competitive. Literatures including Fan et al. (2021), De Veirman & Hudders (2021), Troise et al. (2020), Hanelt et al. (2021), and Guo et al. (2020) confirms that platform-based competition is no longer a peripheral trend but a core competitive logic shaping the future of creative industries across Southeast Asia.

#### 4. Conclusion

This systematic review demonstrates that competitive advantage in Southeast Asia's creative industries is increasingly shaped by digital capability rather than traditional competitive factors. Digital capability has become the primary driver of market visibility, differentiation, and adaptive performance, particularly in countries with high digital penetration such as Indonesia, the Philippines, and Vietnam. As a result, digital literacy, platform analytics, and algorithmic competence now operate as strategic resources that determine firms' competitive trajectories. Innovation capability and dynamic organizational processes further reinforce long-term competitiveness. Creative firms that continuously experiment, iterate, and reconfigure resources exhibit stronger resilience in volatile market conditions. These findings confirm that innovative capacity supported by the ability to sense and respond to shifting consumer trends remains essential for sustaining relevance and market positioning.

The review also highlights the crucial role of ecosystem readiness and governance structures. Countries with well-developed creative ecosystems, such as Singapore and Malaysia, benefit from integrated policy frameworks, digital infrastructure, and institutional support that accelerate innovation and creative growth. Conversely, fragmented or weakly coordinated ecosystems limit scalability and constrain the competitiveness of creative enterprises. Platform-based competition has reshaped value creation within the region. The rise of the creator economy has shifted competitive logic toward engagement, interactivity, and community-building, with digital creators increasingly influencing consumer preferences and cultural trends. This shift underscores the growing importance of platform strategy in shaping competitive outcomes. Cultural capital remains a distinctive competitive asset. The integration of cultural heritage with digital technologies enables creative products to enter global markets while retaining authenticity. This synergy enhances regional differentiation and expands the global visibility of Southeast Asian cultural narratives.

Finally, sustainability and cross-sector collaboration are emerging as complementary sources of competitive strength. Environmentally responsible practices and hybrid value ecosystems linking artisans, digital creators, tourism actors, and public institutions enhance both cultural continuity and commercial viability. Overall, competitive advantage in Southeast Asia’s creative industries is shaped by the interplay of digital capability, innovation, ecosystem support, platform dynamics, cultural capital, and sustainability. Strengthening these interconnected dimensions requires targeted policy interventions, coordinated ecosystem development, and strategic digital investment. These efforts will be essential for positioning Southeast Asia as a globally competitive creative hub.

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