

ABSTRACT

The creation of the Pasar Kreatif Jawa Barat represents the government of West Java optimistic attitude toward the creative economic sector. The creative economy has become one of the major contributors to Indonesia's GDP. At the province level, West Java has contributed the most to GDP, accounting for 11.81 percent. Several reasons, including the Bandung people's highly evolved lifestyle, have resulted in a significant demand for the culinary, fashion, and kriya industries in the region. However, this is not without its obstacles. Because it is still very new, that is, a month after its inception, the Pasar Kreatif Jawa Barat is still facing various challenges, particularly how to maintain the existing strengths and even increase the number of strengths that are including in order to ensure the sustainability of the business in the future. One of these involves innovation.

This study intends to determine the impact of innovation capabilities such as product innovation, service innovation, process innovation, and marketing innovation on the sustainability of a company, specifically the UMKM creative sector. This is a quantitative study that employs the purposive sample technique. Respondents include the entrepreneur or tenant and his staff, who sell at the Pasar Kreatif Jawa Barat. This study's respondents total 100 people.

The study's findings indicate that product and service innovation have a positive and significant impact on enterprise sustainability in the Pasar Kreatif Jawa Barat, whereas process innovation and marketing innovation have a positive but not significant impact on business sustainability. Meanwhile simultaneously, the innovation capability has been shown to affect the sustainability of enterprises.

Keywords: *Innovation Capability, Product Innovation, Service Innovation, Process Innovation, Marketing Innovation, Business Sustainability, Creative Economy.*