

1 INTRODUCTION

The global fashion industry exhibits remarkable dynamism, with projections indicating an annual growth rate of 8.94% by 2029 [1]. This growth occurs against a backdrop of significant challenges, including economic volatility, sustainability pressures, and evolving consumer preferences [2, 3]. Within this context, Design Thinking emerges as a structured, human-centered framework for creative problem-solving [4, 5, 6, 7]. This approach involves empathizing, defining problems, ideating, prototyping, and testing, fostering innovation and responsiveness in a rapidly changing landscape [8, 9]. The combination of empathy and structure is particularly effective in creative sectors like fashion, where frequent shifts in consumer preferences demand agile and innovative approaches [10, 11].

Indonesia's creative industry, particularly in Bandung, as an emerging market represents a compelling case study in the application of innovative approaches. Since its recognition by UNESCO's Creative City Network in 2015, Bandung has emerged as a significant hub for creative industries [12]. The city's fashion sector demonstrates remarkable economic impact, contributing 40.95% of total export value from 2019 to 2021 [13]. Within this sector, Micro, Small, and Medium Enterprises (MSMEs) play a crucial role, promoting local job creation and economic resilience. Nationally, MSMEs represented 61% of Indonesia's GDP in 2023, valued at IDR9,580 trillion and provided 97% of total employment [14]. In Bandung, the fashion sector alone employs around 10,000 people [15].

While Design Thinking has gained traction in various industries, including Bandung's culinary MSMEs [16], a comprehensive review of its implementation within the fashion MSME sector remains absent. Given the critical role of fashion in Bandung's economy, there is a need to evaluate how effectively Design Thinking principles are being implemented and understand their impact on business performance and innovation capabilities. This research conducts a systematic review of Design Thinking implementation in Bandung's fashion MSME sector, aiming to assess current adoption patterns, identify implementation challenges, and evaluate its effectiveness in driving innovation and competitiveness. The study employs a quantitative approach, surveying 327 respondents from 1,778 fashion MSMEs in Bandung [17], based on Yamane's [18] formula. The operational variables for Design Thinking assessment are adapted from [16] framework, building upon [19] and [20], with the goal of providing actionable recommendations for improving Design Thinking implementation in the sector.