

ABSTRACT

This research aims to analyze the impact of green innovation on firm value with competitive advantage as a mediating variable. The focus is on manufacturing companies in the pharmaceutical and food-beverage subsectors listed on the Indonesia Stock Exchange (IDX) from 2020 to 2022. This study employs purposive sampling and collects data from 120 samples representing 43 companies. The analysis utilizes multiple regression techniques with green innovation as the independent variable, firm value measured by Tobin's Q as the dependent variable, and competitive advantage calculated through asset turnover as the mediating variable. The research also incorporates leverage, firm size, and industry type as control variables. The results indicate that green innovation positively affects competitive advantage and firm value. Competitive advantage positively impacts firm value. Furthermore, competitive advantage statistically mediates the relationship between green innovation and firm value. Thus, this study provides new insights for companies to consider green and innovation as a strategy in achieving competitive advantage, which in turn enhances firm value.

Keywords: competitive advantage, firm value, food and beverage industry, green innovation, pharmaceutical industry