

## The Influence of Green Creativity and Competitive Advantage on Company Value

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### *Abstract*

*Company value is very important because it shows the performance of a company which can influence investors' perceptions of the company. The aim of this research is to determine the influence of green creativity and competitive advantage on company value. This type of research is quantitative. This research data was obtained from the annual report of non-cyclical consumer sector companies listed on the IDX for 2021-2024. The population in this study was 135 companies. This research used a purposive sampling technique to determine the research sample and obtained 85 companies according to the specified criteria. Data analysis in this research uses descriptive analysis, classical assumption testing, multiple linear regression analysis, and hypothesis testing. The research results show that 1) Green Creativity has a positive and significant influence on company value. 2) Competitive Advantage has a positive and significant influence on company value. 3) Green Creativity and Competitive Advantage simultaneously have a positive and significant influence on company value.*

*.Keywords: Green Creativity, Competitive Advantage, Company Value*

## A. INTRODUCTION

### 1. Background

The development of the business world has recently become increasingly rapid and this can be seen from the number of new companies both domestic and foreign. Company value is a reflection of investors' views in seeing the level of success of a company which is linked to several factors such as a company's performance and the company's future prospects (Ilyas Nur Imam *et al.*, 2024). Company value is very important because it shows the performance

of a company which can influence investors' perceptions of the company (Kusuma & Suryanto, 2021). When the company value is higher, it can be used as an attraction for the company to attract other potential investors.

Several variables that can influence company value are green creativity and competitive advantage. Green creativity focuses on the environment, increasing efficiency, and creating products or services that are more environmentally friendly (Ramadhani Abanan & Isharina, 2024). Green creativity results in greening the organization by reducing the organization's environmental impact, solving environmental problems and producing products that are more environmentally efficient (Al-Ghazali & Afsar, 2021). Research conducted by Efriyanti (2024) stated that Green Creativity influences Company Value. Because green creativity plays an important role in companies creating environmentally friendly innovations in products, services or business processes.

Competitive advantage is the extent to which an organization has the competence to create a defensible position over its competitors as a result of stakeholder decisions, which differentiates itself from competing companies. Competitive advantage has a big impact on company value. Research conducted by (Romadhani *et al.*, 2022) explains that competitive advantage influences company value. Companies that have production processes and products that support green competitive advantage will increase company value. With competitive advantage, it is hoped that it can provide additional value to products, both in the form of goods and services produced by the company (Pratama & Achmad, 2015).

Business competition in advances in technology and science encourages companies to innovate their products (Romadhani *et al.*, 2020). In implementing green creativity, it is a concept of creating new ideas, innovations and solutions for added value for companies and consumers. Applications can take the form of green product innovation, energy efficient production processes, use of environmentally friendly materials, and sustainable marketing strategies. Using an environmentally friendly concept is balanced with a competitive

advantage. Competitive Advantage owned by a company can provide consumer satisfaction, because the competitive advantage it has is a reflection that the product offered has met the needs and desires of consumers, and obtained positive value in the eyes of consumers (Vera Putri & Khusnah, 2021).

According to tempo.co.com (2023), PT Toko Buku Gunung Agung is a legendary and historic stationery store in Indonesia. However, PT Toko Buku Gunung Agung suffered significant losses, especially during the Covid-19 pandemic, forcing it to close down. The company failed to anticipate this, causing difficulties in funding its operations. The company also laid off hundreds of employees. PT Toko Buku Gunung Agung failed to implement sustainable innovation (green creativity) to increase its competitiveness. This resulted in a loss of competitive advantage in the market. The Covid-19 pandemic also accelerated this change, leading many customers to shift to digital platforms.

### **B. Theory Study and Hypothesis Developmen**

1. Signaling theory was introduced by Spence in 1973. According to Brigham and Houston, signaling theory is a shareholder's view of a company's ability to increase value in the future, where management communicates information to shareholders. Signal theory explains this problem of information inequality (Paridah & Rokhayati, 2022). This theory provides an explanation of how investors can differentiate between companies with high and low valuation levels.

2. Company Value

The enterprise value of a company is its monetary value or significance to the economy as a whole (Nabiila Ardianto, 2023). The company's value is reflected in the stability of share prices which can increase over a long period of time. Value can be formed from the supply and demand mechanism for share prices on the stock exchange to investors as a reflection of society's value for its financial performance based on facts and good investment assessments (Aminah *et al.*, 2023). Company value is important for companies considering that investors

are more interested in good company performance. A high share price reflects high company value (Ambarwati *et al.*, 2021)

### 3. Green Creativity

Green creativity is the ability to create new things. Green creativity is an energizing process that encourages people to work hard and continuously improve their ideas and solutions (Mazla *et al.*, 2020). Green creativity can help companies take effective environmental action (Hesari *et al.*, 2021). Overall, green creativity is not only relevant as an innovation concept in an environmental context, but is also an important part of business transformation towards sustainable practices (Mansoor *et al.*, 2021). Entrepreneurs use creativity to increase production output and optimize profits (Anabaraoye, 2025). By creating new ideas, companies can respond more quickly to changes in the market and customer needs, which can ultimately increase company value. This is in accordance with research (Muafi, 2024), the results of which show that green creativity has a positive effect on company value because it is able to produce unique and environmentally friendly ideas that are difficult for competitors to imitate, thus strengthening overall competitive advantage.

H1: green creativity has a positive effect on company value

### 4. Competitive Advantage

Competitive advantage is the greater value that a company has in its products or services compared to competitors (Firdaus *et al.*, 2024). Meanwhile, according to (Ma, 2000) competitive advantage is one of the concepts most often used in strategic management, but this concept has not been well defined or applied. In the context of globalization and local markets, companies must be able to balance between competitive global strategies and relevant local adaptation (Yusepa *et al.* 2024). Competitive advantage must be an important consideration in the business world. Therefore, in the business world, everyone must have the ability to compete with other people. This is in accordance with research (Murwaningsari, 2023) and (Ilyas Nur Imam *et al.*, 2024) research results show that competitive advantage has

a positive effect on company value because the company's unique strategy and resources are able to increase the added value recognized by investors, thereby encouraging an increase in company value.

H2: competitive advantage has a positive effect on company value

## C. METHOD

This type of research is quantitative. This research data was obtained from the annual report of non-cyclical consumer sector companies listed on the IDX for 2021-2024. The population in this study was 132 companies. This research used a purposive sampling technique to determine the research sample and obtained 85 companies according to the specified criteria. Data analysis in this research uses descriptive analysis, classical assumption tests (normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test), multiple linear regression analysis, and hypothesis testing (F test, t test, and coefficient of determination)

## D. RESULTS AND DISCUSSION

### RESULTS

#### 1. Classic Assumption Test

##### a. Normality Test

The results of the normality test in this study are as follows:

Testing	Asymp. Sig	Condition	Decision
Kolmogorov-Smirnov	0,071	> 0,050	Normally distributed

Source: Data Processing SPSS, 2025

The influence of Green Creativity and Competitive Advantage on Company Value has a value of Asymp. Sig is  $0.071 > 0.05$  so the data is normally distributed.

## b. Multicollinearity Test

The results of the multicollinearity test in this study are as follows:

Tabel 2. Multicollinearity Test

Variable	Result	Condition	Decision
Green Creativity	Tolerance = 0,958 VIF < 1,044	Tolerance > 0,1 VIF < 10	There are no symptoms of multicollinearity
Competitive Advantage	Tolerance = 0,958 VIF < 1,044	Tolerance > 0,1 VIF < 10	There are no symptoms of multicollinearity

Source: Data Processing SPSS, 2025

Based on the table above, it shows that the two independent variables in this study obtained a Tolerance Value (TV) value of > 0.10 and a Variance Inflation Factor (VIF) value of < 10, so that there is no multicollinearity in these two variables.

## c. Heteroscedasticity Test

The heteroscedasticity test in this research is as follows:

Tabel 3. Heteroscedasticity Test

Variable	Sig. Abs	Condition	Decision
Green Creativity	0,606	> 0,050	There are no symptoms of heteroscedasticity
Competitive Advantage	0,165	> 0,050	There are no symptoms of heteroscedasticity

Source: Data Processing SPSS, 2025

Based on the results of the heteroscedasticity test table above, it is explained that all independent variables have a Sig value > 0.05 so that all the independent variables above do not have heteroscedasticity problems.

## d. Autocorrelation Test

The results of the autocorrelation test in this study are as follows:

Tabel 4. Autocorrelation Test

Testing	Result	Condition	Decision
Durbin-Watson	1,930	1,858 – 2,142	There is no autocorrelation

Source: Data Processing SPSS, 2025

Based on the autocorrelation test results table in the table above, it is known that the Durbin Watson (DW) value is 1.930, then this value will be compared with a significant value of 5% with a sample size of 340 and a number of independent variables of 2, so that the DW value is 1.858 (The source of the DW value is in the Durbin Watson attachment).

So the DW value of 1.930 is greater than the upper limit (DU) which is 1.858 and less than  $(4-du) 4 - 1.858 = 2.142$ , so it can be concluded that the data does not have an autocorrelation problem.

## 2. Multiple Linear Regression Analysis

The multiple linear regression analysis has the following results:

Tabel 5. Multiple Linear Regression Analysis

Variable	Beta	Standar Error
Constant	-0,013	0,233
Green Creativity	0,458	0,244
Competitive Advantage	0,519	0,234

Source: Data Processing SPSS, 2025

Based on this table, the multiple regression line equation obtained in this research is as follows:

$$\hat{Y} = a + b_1X_1 + b_2X_2 + b_3X_3 + e_i$$

$$\hat{Y} = -0,013 + 0,458X_1 + 0,519X_2 + 0,043X_3 + e_i$$

## 3. Hypothesis Testing

### a. F test

The results of the F test in this research are as follows:

Tabel 6. F Test

Testing	Significance	Condition	Decision
F Test	0,000	< 0,050	Significant influence

Source: Data Processing SPSS, 2025

Based on the results of the F test in the table above, it can be seen that with a significance level of 0.000 or <0.05, there is an influence of Green Creativity and Competitive Advantage on Company Value

### b. T Test

The results of the t test in this study are as follows:

Tabel 7. T Test

Variable	T-Count	Significance	Condition	Decision
Green Creativity	2.451	.016	< 0,050	Positive & significant influence

Competitive Advantage	3.021	.001	< 0,050	Positive & significant influence
a. Dependent variabel: Firm Value				

Source: Data Processing SPSS, 2025

Based on the results of the analysis above, it can be concluded as follows:

- 1) For the Green Creativity variable, the significance result was  $0.016 < 0.05$ , meaning  $H_0$  was rejected and  $H_a$  was accepted. This means that partially the Green Creativity variable has a positive and significant influence on company value.
- 2) For the Competitive Advantage variable, the significance result is  $0.001 < 0.05$ , meaning  $H_0$  is rejected and  $H_a$  is accepted. This means that partially the Competitive Advantage variable has a positive and significant influence on company value.

### c. Coefficient of Determination ( $R^2$ )

The proportion/percentage of this contribution is called the coefficient of multiple determination with the symbol  $R^2$  with the following results:

Tabel 8. Coefficient of Determination

Testing	Adjusted R Square	Contribution
Coefficient of Determination	0,702	70,2%

Source: Data Processing SPSS, 2025

Based on the results of the data analysis above, it can be seen that the Adjusted R Square value is 0.702, so the percentage influence of Green Creativity and Competitive Advantage on Company Value is 70.2%. while the remaining 29.8% is influenced by other independent variables not examined in this research

## DISCUSSION

### 1. The Influence of Green Creativity on Company Value

Green creativity in the corporate context refers to the company's ability to think creatively and innovatively in matters related to the environment. Green creativity involves looking for new solutions to reduce negative impacts on the environment, increase

efficiency, and create products or services that are more environmentally friendly (Ikhtiar, 2020). This is the application of the Resource-Based View (RBV) which emphasizes the importance of utilizing a company's unique resources and capabilities to create sustainable innovation (Barney, 1991). Green creativity focuses on finding new, environmentally friendly solutions (Ikhtiar, 2020). The RBV principle states that green creativity is the key to creating added value (Khan *et al.*, 2021). Companies that integrate green creativity into their strategy can create products and services that not only meet market needs but also contribute to environmental sustainability (Ferreira *et al.*, 2010).

Research conducted by Efriyanti (2024) stated that Green Creativity influences Company Value, because the higher the green creativity, the higher the company value will be. As according to (Ramadhani Abanan & Isharina, 2024) when companies actively create innovative, environmentally friendly ideas such as alternative fuel logistics fleets or energy efficient distribution centers the company will build a reputation as a business player who cares about the environment. Green creativity allows companies to offer unique and innovative products, creating a competitive advantage that can increase market share. This strengthens the positive perception of consumers and investors towards the brand. Which has an impact on increasing company value

## **2. The Effect of Competitive Advantage on Company Value**

Competitive Advantage is a company's ability to differentiate itself from its competitors, so that it can provide more value to customers or have a better position in the market. This could be cost efficiency, superior product quality, or unique service. According to (El Nsour, 2021). Competitive advantage is something that allows a company to compete effectively as well as the ability to innovate and adapt to a changing environment.

For competitors, advantage is intangible and incomparable. For the company, this advantage is an exclusive combination of skills, resources and processes (Lee *et al.*, 2022). Designing a competitive advantage model in the food and beverage industry has never been

done before. Therefore, the design of the competitive advantage model is based on the current problem conditions that exist in the food and beverage industry in Indonesia. The design of the competitive advantage model is also based on literature studies resulting from previous research so that it can strengthen the design of the research competitive advantage model.

Competitive advantage has a big impact on company value. Research conducted by (Romadhani *et al.*, 2022) explains that competitive advantage influences company value. With competitive advantage, it is hoped that it can provide additional value to products, both in the form of goods and services produced by the company (Pratama & Achmad, 2015). Having a good competitive advantage can help increase stock market value. Because, good competitive advantage creates added value for the company and provides a positive signal to the market, which can contribute to increasing stock market value. There are still relatively limited research results that examine the relationship between competitive advantage and company value.

## **E. CONCLUSION**

The conclusions in this research are: 1) Green Creativity has a positive and significant influence on company value. 2) Competitive Advantage has a positive and significant influence on company value. 3) Green Creativity and Competitive Advantage simultaneously have a positive and significant influence on company value

## **F. SUGGESTIONS**

Some suggestions that can be given are: 1) Adding other variables that influence company value. This is because these variables in several studies still show mixed results. 2) Adding years of research that can reflect long-term research so that the results of measuring the company's corporate value become more accurate and can be generalized

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