

THE EFFECT OF INNOVATION AND INTELLECTUAL CAPITAL ON FINANCIAL PERFORMANCE OF WANGUN MOTOR USING MARKETING PERFORMANCE AS A MEDIATING VARIABLE

PENGARUH INOVASI DAN MODAL INTELEKTUAL TERHADAP KINERJA KEUANGAN WANGUN MOTOR DENGAN MENGGUNAKAN KINERJA PEMASARAN SEBAGAI VARIABLE MEDIASI

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Abstract: This study aims to analyze the effect of Innovation and Intellectual Capital on Financial Performance of Wangun Motor using Marketing Performance as a mediating variable. This study has used quantitative approach with multiple linear regression as a method analysis, path analysis to determine whether there is an effect between variables. The sample used in this study is data on purchases, sales, and capital from Wangun Motor using time series method with a period from January 2019 to June 2021. Therefore, the result shows that there is a significant effect between Innovation and Intellectual capital on financial performance through marketing performance as a mediating variable.

Keywords: Financial performance, marketing performance, innovation, intellectual capital, automotive industry

Abstrak: Penelitian ini bertujuan untuk Menganalisis pengaruh Inovasi and Modal Intelektual terhadap Kinerja Keuangan Wangun Motor dengan menggunakan Kinerja Pemasaran sebagai variabel mediasi. Dalam penelitian ini digunakan Pendekatan kuantitatif dengan metode regresi linier berganda, analisis jalur untuk mengetahui apakah ada pengaruh antar variabel. Sampel yang digunakan dalam penelitian ini adalah data pembelian, penjualan, dan modal dari Wangun Motor menggunakan metode time series dengan periode dari Januari 2019 sampai Juni 2021. Oleh karena itu, Hasil dari penelitian ini menunjukkan bahwa terdapat pengaruh yang signifikan antara inovasi dan modal intelektual terhadap kinerja keuangan melalui kinerja pemasaran sebagai variabel mediasi.

Kata Kunci: Kinerja keuangan, kinerja pemasaran, inovasi, modal intelektual, industri otomotif.

INTRODUCTION

Research Background

Competition in the business world that developing nowadays it has given rise to tough conditions in competition in all kinds of industrial fields. It is force every business to be ready in their business competition. The development of increasingly sophisticated and competitive technology makes humans have to be able to compete. With this, it increasingly requires companies to be able to act in various appropriate strategies in order to fulfill the sales volume targets. The automotive industry is one of the mainstay sectors that play a major role in the national economic growth. Moreover, Indonesia is still the main destination for investment in the automotive industry sector. Indonesia's large population makes it an attractive market, especially in the context of automotive market. Among South East Asian countries, Indonesia is the largest automotive market followed by Thailand with

the second largest market share. The large population and high vehicle sales in Indonesia have brought fresh air to automotive companies, especially in the field of motorcycle spare parts, which are very much needed by many people. Currently, there are many brands of motorcycle spare parts with various competitive prices, and good quality depending on what product to buy. This is an opportunity for companies engaged in the automotive sector at Indonesia.

Wangun Motor is a business located in Talete Tomohon City., which is engaged in the automotive industry. This business is engaged in the sale of spare parts and services. The number of customers from Wangun Motor is more than 6000 customers spread across the Tomohon, Minahasa, Manado and Bitung areas. Wangun Motor has more than 20 suppliers which sells various types of spare parts from Honda, Yamaha, Suzuki, Aspira and others. To be able to compete with other competitors and get profits, of course Wangun Motor has to carry out various strategies. It is seen that in calculating financial performance, it requires several related variables, Innovation, Intellectual capital, marketing performance and financial performance. In this study "Wangun Motor" which is engaged in the automotive industry uses Innovation as a way to get profit, Intellectual capital intangible assets as a measure of development of a business, marketing performance as mediating variable to find out the mechanism of each variable. And financial performance to ensure the good financial condition.

Research Objectives

1. To identify the effect of Innovation on the Financial Performance of Wangun Motor.
2. To identify the effect of Intellectual Capital on the Financial Performance of Wangun Motor.
3. To identify the effect of Marketing Performance on the Financial Performance of Wangun Motor.
4. To identify the effect of Innovation on the Marketing Performance of Wangun Motor.
5. To identify the effect of Intellectual Capital on the Marketing Performance of Wangun Motor.
6. To identify the effect of Innovation on the Financial Performance of Wangun Motor through Marketing Performance.
7. To identify the effect of Intellectual Capital on the Financial Performance of Wangun Motor through Marketing Performance.

THEORETICAL FRAMEWORK

Financial Management

Horne and Wochowiez (2012) states that financial management is all activities related to the acquisition, financing and management of assets with several objectives. Therefore, the decision-making function of the financial manager can be divided into three main areas, namely decisions with investments, financing and assets.

Innovation

According to Fontana (2011), Innovation is a financial success because it involves the introduction or new combination of previous ways of transforming a process from input to output (technology) which results in a major change for the comparison between the use values expected by consumers for utility, a product (goods or services) and the price set by the producer.

Intellectual Capital

Intellectual Capital is defined as knowledge resources in the form of employees, customers, processes or technology which companies can use in the process of creating value for the company (Bukh et al., 2005).

Marketing Performance

While Saeko, Chuntarung and Thoumrungroje (2012) state that Marketing Performance is key to the business success as a result of market strategy for customers, market, and these financial organizations, the market performance such as sales growth, market share and market development in the study of marketing performance.

Financial Performance

According to Fahmi (2011), financial performance is an analysis carried out to see the ability of a company by using proper and correct financial implementation rules.

Mediating Variable

Sugiyono (2017) states that the mediating variable is a variable that theoretically affects the relationship

between the independent variable and the dependent variable into an indirect relationship and cannot be observed and measured.

Previous Research

Tjahjadi, Shanty and Soewarno, N. (2019). investigated the mediating role of marketing performance on innovation-financial performance relationship as well as on process capital-financial performance relationship using the publicly listed manufacturing firms on the Indonesia Stock Exchange (IDX). This is a quantitative research employing marketing performance as the mediation variable. A mediation research model is constructed to test the hypotheses of this research using the Partial Least Squares Structural Equation Modeling. A new data set is prepared which involves the publicly listed manufacturing companies on the IDX covering a period of thirteen years from 2005 to 2017. The results of this research provide the following empirical evidence. Firstly, marketing performance partially mediates the relationship between innovation and financial performance. Secondly, marketing performance fully mediates the relationship between process capital and financial performance.

Gunawan and Ramadhani (2018) examined the effect of intellectual capital on the financial performance of the company. Independent variables consisted of structural capital efficiency (SCE), human capital efficiency (HCE), capital employed efficiency (CEE) control variables used in this research are the size and leverage. The population of this study are non-financial companies listed on the Indonesian Stock Exchange (BEI) 2014. Samples were selected using purposive sampling method and obtained 232 companies. This study using simple regression analysis and descriptive statistics for the analysis of the data processed by SPSS 22. Results showed that HCE has negative effect on the financial performance, SCE has significant positive effect on financial performance, and CEE has significant positive effect on financial performance.

Alam et al (2013) designed to review the existing literature available on firm innovation capabilities and its influence on performance (i.e. business, marketing and financial performance). After reviewing the existing literature on firm innovation capabilities, the researchers have found that firm innovation capabilities have greater influence on business performance, marketing performance and ultimately influence on financial performance. Theoretical framework has been develop on the basis of the reviewed literature, showing the relationship between firm innovation capabilities and performance.

Conceptual Framework

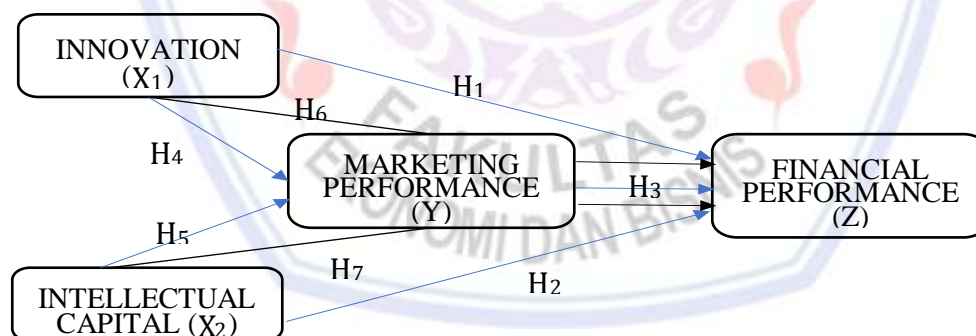


Figure 1. Conceptual Framework

Source: Data Processed (2021)

Research Hypothesis

- H₁: Innovation Has an Effect on the Financial Performance of Wangun Motor
- H₂: Intellectual Capital Has an Effect on the Financial Performance of Motor Wangun
- H₃: Marketing Performance Has an Effect on the Financial Performance of Wangun Motor
- H₄: Innovation Has Concern with Marketing Performance
- H₅: Intellectual Capital Has Concern with Marketing Performance
- H₆: Marketing Performance Mediates the Relationship between Innovation and Financial Performance
- H₇: Marketing Performance Mediates the Relationship between Intellectual Capital and Financial Performance

RESEARCH METHOD

Research Approach

This research use quantitative method to analyze the effect of Innovation and Intellectual Capital on Financial Performance of Wangun Motor using Marketing Performance as mediating Variable. This research used secondary data.

Population and sample

Population refers to “Wangun Motor” as a place for data retrieval. In this study, the data to be taken are reports on purchases, sales and company capital. The sample used is data on purchases, sales, and capital of “Wangun Motor” using time series method with a period from January 2019 to June 2021. The unit of analysis used are the report on purchases, sales, and company capital from ‘Wangun Motor’ since January 2019 – June 2021 which are input directly by the company. In this case, the number of samples obtained from January 2019 to June 2021 is 30 data which is calculated based on the month analyzed from these reports.

Measurements Formulas

Innovation Measurement Formulas

Innovation in this research is defined as a company effort to find ideas for continuous improvement, new and/or various methods and technologies, cost reduction and any development to meet customer needs

$$INNOVATION = \frac{R\&D\ Expense}{Average\ Total\ Asset}$$

Intellectual Capital Measurement Formulas

Intellectual Capital in this study is defined as value added intellectual capital coefficient method. Designed to provide information about the value creation efficiency of both tangible and intangible assets. Starting from the company's ability to obtain value added (VA).

$$VA = OUT - IN$$

Marketing performance Measurement Formulas

Marketing performance in this study is defined as the result of all marketing activities. Marketing performance is measured using the following formula:

$$MP = \log SALES$$

Financial performance Measurement Formulas

Financial performance in this study is defined as profitability which refers to the profit and loss condition of a profit-oriented company in a certain period. Financial performance is represented by profitability performance as measured by Return On Assets (ROA).

$$FP = \frac{Earning\ before\ extraordinary\ items}{Total\ Asset}$$

Testing of Classical Assumptions

The classical assumption test is a statistical test used to determine the relation between

Multiple Linear Regression Analysis

This research is use regression analysis. Sekaran and Bougie (2010) states regression analysis is used in a situation where independent variable is hypothesized to affect dependent variable. This research is used multiple linear regression analysis as the method of analysis because there are two or more predictor variables.

RESULT AND DISCUSSION

Testing of Classical Assumption

Normality Test

Normality test is a test to examine whether in the regression model, the independent and dependent variables distributed normally or not. Kolmogorov-Smirnov test is used in this research.

Table 1. Normality Test

Variable	Sig	Sign	A
Innovation	0.966	>	0.05
Intellectual Capital	0.081	>	0.05
Marketing Performance	0.830	>	0.05
Financial Performance	0.894	>	0.05

Source: Data Processed, 2021

According to the result of normality test above, it can be concluded that the data of Innovation, Intellectual Capital, Marketing Performance and Financial Performance are more than 0.05 which means the data are distributed normally.

Multicollinearity Test

Multicollinearity test is a test to examine whether the regression model found a high or perfect correlation between the independent variables. Tolerance and Variance Inflation Factor (VIF) are used to see the multicollinearity.

Table 2. Multicollinearity Test

Variable	Collinearity Statistics				Status
	Tolerance		VIF		
	Result	Value	Result	Value	
Innovation	0.413	> 0.1	2.422	< 10	No Multicollinearity
Intellectual Capital	0.989	> 0.1	1.011	< 10	No Multicollinearity
Marketing Performance	0.412	> 0.1	2.426	< 10	No Multicollinearity

Source: Data Processed, 2021

Based on table 2 above, shows the results of multicollinearity. Based on the tolerance value, it can be seen that there is no Tolerance value below 0.1, Innovation 0.413, Intellectual Capital 0.989, and Marketing Performance 0.412. The value of Variance Inflation Factor (VIF) for Innovation 2.422, Intellectual Capital 1.011, and Marketing performance 2.426. All are below than the standard which is 10. It means there is no multicollinearity.

Heteroscedasticity Test

Heteroscedasticity test is to test whether in the regression model there is an inequality of variance from the residual one observation to another observation.

Table 3. Heteroscedasticity Test

Variable	Sig
Innovation	0.619
Intellectual Capital	0.478
Marketing Performance	0.548

Source: Data Processed, 2021

The significant value of Innovation (0.619), Intellectual Capital (0.478), Marketing Performance (0.548). All variables have the significant value ≥ 0.05 . Therefore, there is no heteroscedasticity in this regression model.

Autocorrelation Test

The autocorrelation test aims to test whether in a linear regression model there is a correlation between the confounding error (residual) in period t and the error period t-1 (previous).

Table 4. Autocorrelation Test

Run test	Sig
Unstandardized Residual	0.577

Source: Data Processed, 2021

Based on the table 4, the significant value ≥ 0.05 , which is 0.577, so it means there is no autocorrelation in the regression model.

Table 5. Linear Regression I

Model	Coefficients ^a				T	Sig.
	Unstandardized Coefficients		Standardized Coefficients	Beta		
	B	Std. Error				
1 (Constant)	1.152	533497324.5			21.590	.000
Innovation	-1779.289	287.303	-.765		-6.193	.000
Intellectual Capital	.001	.003	.065		.524	.604

a. Dependent Variable: Marketing Performance

Source: Data Processed, 2021

The result in the Table can be shown through the formula of regression equation as follows:

$$Y = 1.152 - 1779.289 (X_1) + 0.001 (X_2)$$

Description:

Y = Marketing Performance

X₁ = Innovation

X₂ = Intellectual Capital

Table 6. Linear Regression II

Model	Coefficients ^a				T	Sig.
	Unstandardized Coefficients		Standardized Coefficients	Beta		
	B	Std. Error				
1 (Constant)	-2.577	1513231228.741			-1.703	.101
Innovation	78.042	296.666	.059		.263	.795
Intellectual Capital	.006	.002	.464		3.224	.003
Marketing Performance	.299	.128	.522		2.342	.027

a. Dependent Variable: Financial Performance

Source Data Processed, 2021

The result in the table can be shown through the formula of regression equation as follows:

$$Z = -2.577 + 78.042 (X_1) + 0.006 (X_2) + 0.299 (Y)$$

Description:

Z = Financial Performance

X₁ = Innovation

X₂ = Intellectual Capital

Y = Marketing Performance

Model	Coefficients ^a				T	Sig.
	Unstandardized Coefficients		Standardized Coefficients	Beta		
	B	Std. Error				
1 (Constant)	8.697	382368579.098			2.274	.031
Innovation	-454.275	205.916	-.341		-2.206	.036
Intellectual Capital	.006	.002	.498		3.220	.003

Table 7. Linear Regression III

a. Dependent Variable: Financial Performance

Source: Data Processed, 2021

The result in the Table can be shown through the formula of regression equation as follows:

$$Z = 8.697 - 454.275(X_1) + 0.006(X_2)$$

Description:

Z = Financial Performance

X₁ = Innovation

X₂ = Intellectual Capital

Table 8. Linear Regression IV

Model	Coefficients ^a			T	Sig.
	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta		
1 (Constant)	-2.307	771754260.267		-2.989	.006
Marketing Performance	.286	.094	.499	3.043	.005

a. Dependent Variable: FinancialPerformance

Source: Data Processed, 2021

The result in the Table can be shown through the formula of regression equation as follows:

$$Z = -2.307 + 0.286 (y)$$

Description:

Z = Financial Performance

Y = Marketing Performance

Model Testing

Table 9. Model I

		ANOVA ^a				
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	100785816092482240.000	2	50392908046241120.000	19.247	.000 ^b
	Residual	70692564989635480.000	27	2618243147764277.000		
	Total	171478381082117728.000	29			

Source: Data Processed, 2021

Based on the table above, result in ANOVA output with 5% ($\alpha=0.05$) as the level of significance, the result of significant level is 0.000, it means below 0.05. There is a significant influence of Innovation and Intellectual Capital on Marketing Performance.

Table 10. Model II

		ANOVA ^a				
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	26364131882902252.000	3	8788043960967417.000	7.620	.001 ^b
	Residual	29986608612720340.000	26	1153331100489243.800		
	Total	56350740495622592.000	29			

a. Dependent Variable: FinancialPerformance

b. Predictors: (Constant), MarketingPerformance, IntellectualCapital, Innovation

Source: Data Processed, 2021

Based on the table above, result in ANOVA output with 5% ($\alpha=0.05$) as the level of significance, the result of significant level is 0.001, it means below 0.05. There is a significant influence of Innovation, Intellectual Capital, and Marketing Performance on Financial Performance.

Table 11. Model III

		ANOVA ^a				
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	20036777838584104.000	2	10018388919292052.000	7.449	.003 ^b
	Residual	36313962657038488.000	27	1344961579890314.200		
	Total	56350740495622592.000	29			

a. Dependent Variable: FinancialPerformance

b. Predictors: (Constant), IntellectualCapital, Innovation

Source: Data Processed, 2021

Based on the table above, result in ANOVA output with 5% ($\alpha=0.05$) as the level of significance, the result of significant level is 0.003, it means below 0.05. There is a significant influence of Innovation and Intellectual Capital on Financial Performance.

Table 12. Model IV

		ANOVA ^a				
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	14006828000891456.000	1	14006828000891456.000	9.262	.005 ^b
	Residual	42343912494731136.000	28	1512282589097540.500		
	Total	56350740495622592.000	29			

a. Dependent Variable: FinancialPerformance

b. Predictors: (Constant), MarketingPerformance

Source: Data Processed, 2021

Based on the table above, result in ANOVA output with 5% ($\alpha=0.05$) as the level of significance, the result of significant level is 0.005, it means below 0.05. There is a significant influence of Innovation and Intellectual Capital on Financial Performance.

Coefficient of Determination (R^2) and Correlation (R)

Table 13. Coefficient of Determination of Linear Regression Model I

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.767 ^a	.588	.557	51168771.21609

a. Predictors: (Constant), IntellectualCapital, Innovation

b. Dependent Variable: MarketingPerformance

Source: Data Processed 2021

According to Table, it shows the result of Correlation Coefficient and Coefficient of Determination to measure the correlation between variables in this research. The coefficient correlation (R) value is 0.767. It means that the correlation relationship between all independent variables, Innovation and Intellectual Capital with the dependent variable, Marketing Performance is 0.767. If the coefficient correlation value tend to be close to 1 and it means there is tightly relationship between the independent variables and dependent variable. The coefficient of determination (R^2) measures and examine the ability of a model in explaining the variation of dependent variables. R^2 has value is 0.588 means that the 58.8% variation of marketing performance variables are influenced by innovation and intellectual capital and 41.2% are influenced by other variables.

Coefficient of Determination (R^2) and Correlation (R)

Table 14. Coefficient of Determination of Linear Regression Model II

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.684 ^a	.468	.406	33960728.79797

a. Predictors: (Constant), MarketingPerformance, IntellectualCapital, Innovation

b. Dependent Variable: FinancialPerformance

Source: Data Processed, 2021

According to Table 14, it shows the result of Correlation Coefficient and Coefficient of Determination to measure the correlation between variables in this research. The coefficient correlation (R) value is 0,684. It means that the correlation relationship between all independent variables, Innovation, Intellectual Capital and Marketing Performance with the dependent variable, Financial Performance is 0.684. If the coefficient correlation value tend to be close to 1 and it means there is tightly relationship between the independent variables and dependent variable. The coefficient of determination (R^2) measures and examine the ability of a model in explaining the variation of dependent variables. R^2 has value is 0.468 means that the 46.8% variation of Financial Performance variables are influenced by Innovation and Intellectual Capital and 53.2% are influenced by Marketing Performance and other variables.

Coefficient of Determination (R^2) and Correlation (R)

Table 15. Coefficient of Determination of Linear Regression Model III

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.596 ^a	.356	.308	36673717.83567

a. Predictors: (Constant), IntellectualCapital, Innovation

b. Dependent Variable: FinancialPerformance

Source: Data Processed, 2021

According to Table 15, it shows the result of Correlation Coefficient and Coefficient of Determination to measure the correlation between variables in this research. The coefficient correlation (R) value is 0,596. It means that the correlation relationship between all independent variables, Innovation and Intellectual Capital with the dependent variable, Financial Performance is 0.596. If the coefficient correlation value tend to be close to 1 and it means there is tightly relationship between the independent variables and dependent variable. The coefficient of determination (R^2) measures and examine the ability of a model in explaining the variation of dependent variables. R^2 has value is 0.356 means that the 35.6% variation of Financial Performance variables are influenced by Innovation and Intellectual Capital and 64.4% are influenced by other variables.

Coefficient of Determination (R^2) and Correlation (R)

Table 16. Coefficient of Determination of Linear Regression Model IV

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.499 ^a	.249	.222	38888077.72438

a. Predictors: (Constant), MarketingPerformance

b. Dependent Variable: FinancialPerformance

Source: Data Processed, 2021

According to Table 16, it shows the result of Correlation Coefficient and Coefficient of Determination to measure the correlation between variables in this research. The coefficient correlation (R) value is 0,499. It means that the correlation relationship between all independent variables, Marketing Performance with the dependent variable, Financial Performance is 0.499. If the coefficient correlation value tend to be close to 1 and it means there is tightly relationship between the independent variables and dependent variable. The coefficient of determination (R^2) measures and examine the ability of a model in explaining the variation of dependent variables. R^2 has value is 0.249 means that the 24.9% variation of Financial Performance variables are influenced by Marketing Performance and 75.1% are influenced by other variables.

Discussion

Innovation on the Financial Performance

Based on this the researcher makes the hypothesis that innovation has a significant effect on financial performance of Wangun Motor Tomohon which is supported by a significant value of 0.03, smaller than α which is 0.05 and the coefficient of determination is 35.6%. Influenced by the innovation variable and the remaining 64.4% are influenced by other variables. This results support research conducted by Bigliardi (2013), the empirical findings confirm that an increase in the innovation level increased the financial performance. Specifically, they underline the relevance of the innovation developed in order to meet the customers' needs as well as of those developed in order to differentiate from the competitors in improving the financial performance.

Intellectual Capital on the Financial Performance

In order to reveal whether there is an effect between Intellectual Capital on the Financial Performance of Wangun Motor, the researcher makes the hypothesis, and it proves that intellectual Capital has a significant effect on Financial Performance of Wangun Motor, which is supported by a significant value of 0.03, smaller than α which is 0.05 and the coefficient of determination is 35.6%. Influenced by the Intellectual Capital variable and the remaining 64.4% are influenced by other variables. Companies that can obtain good financial performance if they are successful in managing their resources and generate competitive advantage. And according to Wijaya and Wiksuana (2018), managers in companies need to increase the efficiency of the use of structural capital by increasing its use in the company's daily operational activities, such as owned systems, computer software, internet services or supporting human work other than physical capital in increasing its influence on the company's financial performance.

Marketing Performance on Financial Performance

In order to reveal whether there is an effect between Marketing Performance on the Financial Performance of Wangun Motor, the researcher makes the hypothesis, and it proves that Intellectual Capital has a significant effect on Financial Performance of Wangun Motor, The results of this study, researchers found that marketing performance has a significant influence on financial performance, which is supported by a significant value of 0.005, smaller than α which is 0.05 and the coefficient of determination is 24.9% Influenced by the Marketing Performance variable and the remaining 75.1% are influenced by other variables. As has been found by previous researchers, which proves empirical evidence that there are direct effects of marketing research and marketing management on market performance, while there are also moderated effects of product development and pricing on market performance. In addition, there is a direct effect of marketing management on financial performance (Lagat and Frankwick, 2017).

Innovation on the Marketing Performance

In order to reveal whether there is an effect between innovation on the marketing Performance of Wangun Motor, the researcher makes the hypothesis, and it proves that Innovation has a significant effect on Marketing Performance of Wangun Motor, which is supported by a significant value of 0.00, smaller than α which is 0.05 and the coefficient of determination is 58.8% Influenced by the Innovation variable and the remaining 41.2% are influenced by other variables. This is reinforced by which provides empirical evidence that innovation affects the marketing performance of a company and sustainable competitive advantage (Suendro, 2010). Tjahjadi, Shanty and Soewarno (2019) state that the more creative the innovations created by firms, the fewer competitors the firms will face. Because of the perfect innovation, firms can determine the premium price of new products. High market share and premium price will certainly influence profit improvement.

Intellectual Capital on the Marketing Performance

In order to reveal whether there is an effect between intellectual capital on the marketing Performance of Wangun Motor, the researcher makes the hypothesis, and it proves that Intellectual capital has a significant effect on Marketing Performance of Wangun Motor, which is supported by a significant value of 0.00, smaller than α which is 0.05 and the coefficient of determination is 58.8% Influenced by the Intellectual Capital variable and the remaining 41.2% are influenced by other variables. The results of this study indicate that Intellectual Capital has a significant influence on Marketing Performance. This illustrates that intellectual property in the form of Human Capital and Organizational Capital encourages Marketing Performance towards a better direction and of course increases the marketing of the company itself. Wang and Chang (2005) state by providing empirical evidence that intellectual capital has a positive effect on Marketing Performance. And it will make customers interested because they provide effective and efficient services. Because basically customers want good service from a company.

Innovation on the Financial Performance through Marketing Performance

This study reveals that, innovation has an effect on financial performance through marketing performance as a mediating variable which is supported by a significant value of 0.01 smaller than α which is 0.05 and the coefficient of determination is 46.8% Influenced by the Innovation variable and the remaining 53.2% are influenced by other variables. According to Tjahjadi, Shanty and Soewarno (2019), marketing performance partially mediates the relationship between innovation and financial performance. This study provides a better understanding of managers regarding the mechanism of how innovation affects financial performance via marketing performance as well. This explains that the product and service innovations carried out by Wangun

Motor will have a positive impact on financial performance and will increase the sales performance of Wangun Motor, because innovation can also allow management to solve marketing problems for a product being sold and services provided so that it can meet the expectations of its customers.

Intellectual Capital on the Financial Performance through Marketing Performance

In order to reveal whether there is an effect between intellectual capital on the financial Performance through marketing performance as a mediating variable of Wangun Motor, the researcher makes the hypothesis, and it proves that Intellectual capital has a significant effect on Marketing Performance of Wangun Motor, which is supported by a significant value of 0.01 smaller than α which is 0.05 and the coefficient of determination is 46.8% Influenced by the Intellectual Capital variable and the remaining 53.2% are influenced by other variables. Therefore, companies should not ignore the role of human capital and human resources, and of course provide good training to their employees so that they can provide good quality service to their own customers. And also the productivity of the company itself will certainly be even better and have an impact on the internal matters of the company itself, and can boost the potential of the company and the results of the marketing performance will increase the company's financial performance. Marketing performance fully mediates the relationship between intellectual capital and financial performance. This is reinforced by empirical research from Cheng et al. (2010), an efficient innovation process and good consumer relations have a significant effect on financial performance.

CONCLUSION AND RECOMMENDATIONS

Conclusion

After doing the research and processing the data that has been collected with the aim of knowing the effect of Innovation and Intellectual Capital on Financial Performance of Wangun Motor Using Marketing Performance as a Mediating Variable, the researcher can draw conclusions that

1. There is a significant effect between the Innovation variable on the financial performance variable
2. There is a significant effect between the Intellectual Capital variable on the financial performance variable
3. There is a significant effect between the Marketing Performance variable on the financial performance variable
4. There is a significant effect between the Innovation variable on Marketing Performance Variable
5. There is a significant effect between the Intellectual Capital variable on Marketing Performance Variable
6. There is a significant influence between the innovation variable on financial performance through the marketing performance variable
7. There is a significant influence between the intellectual capital variable on financial performance through the marketing performance variable

Recommendations

By the result, here are several recommendations that can be given by the researcher:

1. Based on the results of research that has been carried out by researchers, it shows that the innovation and intellectual capital variables have a significant influence on the marketing performance variable. So that when a company wants to develop its company, greater innovation is needed, both in service and for its products. For this reason, this suggestion deserves to be taken into account. Companies must be more consistent in carrying out greater innovations, and also provide continuous training to their employees in accordance with their respective duties and responsibilities effectively and efficiently. In addition, the company must further improve its marketing so that it is better known by many people and also improve its company name by clarifying the profile of the company itself, so that people can remember it, and attract the attention of customers to buy products from wangun motor or use its services.
2. Based on research that has been done by researchers. The government can see that the automotive industry, especially in the field of motor vehicles, has a great influence on the economy in Indonesia and its sales continue to increase from year to year. With this research, researchers hope that the government can encourage all forms of innovation and increase existing resources in the country because this can increase state income and improve the welfare of people who use vehicles daily and also employees in the company.

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