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Beyond Financial Capital: How Intellectual Capital, Competitive Advantage, and Fintech Shape Financial Performance in Creative Industry SMEs

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ABSTRACT

This study aims to examine the effects of intellectual capital, competitive advantage, and financial technology on the financial performance of creative businesses in Kupang City, Indonesia. A quantitative explanatory research design was employed using a cross-sectional survey. Data were collected through structured questionnaires administered to 60 owners and managers of creative businesses selected using purposive and quota sampling techniques. The data were analyzed using multiple linear regression with SPSS. The results reveal that intellectual capital, competitive advantage, and fintech each have a positive and significant effect on financial performance. Among these variables, competitive advantage demonstrates the strongest influence, followed by fintech adoption and intellectual capital. Simultaneously, the three variables significantly explain variations in financial performance, indicating that the proposed regression model has strong explanatory power. These findings suggest that the financial success of creative businesses depends not only on tangible resources but also on the effective management of knowledge-based assets, competitive advantages, and the adoption of financial technologies. This study extends the application of the Resource-Based View in the context of creative businesses in eastern Indonesia and provides practical implications for entrepreneurs and policymakers seeking to strengthen business competitiveness and financial sustainability through strategic resource management and digital transformation.

1 | Introduction

The transition from a resource-based economy to a knowledge-based economy has fundamentally changed the determinants of organizational competitiveness and financial success (Mohamed et al., 2021). In the contemporary business environment, intangible resources such as knowledge, innovation capability, human expertise, and digital technology have become more valuable than physical assets in generating sustainable competitive advantages. This transformation is particularly evident in the creative industry, where business value is created primarily through creativity, intellectual capability, and continuous innovation rather than through conventional production factors (Hosseini & Rajabipoor Meybodi, 2023). Consequently, improving financial performance in creative enterprises is no longer solely dependent on capital investment but increasingly relies on firms' ability to manage intellectual

resources, develop competitive advantages, and adapt to technological innovations in financial services.

According to Pletsan et al. (2022) the creative industry has become one of the fastest-growing economic sectors worldwide because of its significant contribution to employment, regional development, and economic resilience. In Indonesia, the creative economy has also emerged as an important driver of inclusive economic growth by encouraging entrepreneurship, increasing community income, and promoting local cultural products (Husin et al., 2021). In 2025, the creative economy sector employed 27.40 million workers, representing 18.70% of Indonesia's total national workforce. Compared with the previous year, this figure reflects continued growth in both employment and its share of the national labor force. In 2024, the sector accounted for 26.48 million workers, or 18.30% of the total workforce. This upward trend demonstrates the increasing capacity of the creative economy to absorb labor and reinforces its strategic role in supporting national employment and economic development. The development of digital technology further accelerates this transformation by enabling creative businesses to access broader markets, improve operational efficiency, and develop innovative business models (Iskandar et al., 2025). Consequently, maintaining strong financial performance has become one of the primary challenges for creative enterprises seeking long-term sustainability in an increasingly competitive business environment.

Despite its promising prospects, many creative industry businesses, particularly micro, small, and medium enterprises (MSMEs), continue to experience financial performance constraints (Nareswari et al., 2023). Limited managerial capability, inadequate utilization of intellectual resources, weak product differentiation, and restricted access to financial services frequently hinder business growth including businesses from BUMDes (Situmorang et al., 2024). These challenges are particularly pronounced in developing regions, where limited business ecosystems and underdeveloped digital infrastructure hinder creative businesses from fully leveraging their intangible assets to achieve sustainable financial performance (Sanga, 2026).

One of the regions experiencing substantial growth in the creative economy is Kupang City, East Nusa Tenggara Province, Indonesia. This growth is evident in the increasing number of creative businesses, which rose from 287 in 2022 to 413 in 2023 and 460 in 2024, according to the Department of Tourism and Creative Economy of Kupang City. The continuous expansion of the sector highlights its growing contribution to local entrepreneurship and regional economic development. Nevertheless, an increase in the number of businesses does not necessarily translate into stronger financial performance (Ratnasari et al., 2023). Many creative businesses continue to face challenges in sustaining profitability, improving operational efficiency, enhancing market competitiveness, and effectively adopting digital financial services (Iskandar et al., 2025). These challenges suggest that business growth alone is insufficient to achieve sustainable financial performance. Instead, firms require strong strategic organizational capabilities to leverage growth opportunities, adapt to an increasingly dynamic business environment, and transform available resources into long-term competitive advantage (Sanga & Hajanirina, 2023).

From the perspective of the Resource-Based View (RBV), organizations achieve sustainable competitive advantage through valuable, rare, inimitable, and non-substitutable resources (Paul & Mathew, 2025). Intellectual capital represents one of the most strategic intangible resources because it encompasses employees' knowledge, organizational systems, innovation capability, and relationships with customers and stakeholders. Proper management of intellectual capital enables firms to create new knowledge, improve innovation capability, and generate superior business value, which subsequently enhances financial performance (Ahmad, 2024). In addition, competitive advantage serves as an important mechanism through which organizations differentiate themselves from competitors by offering superior value, unique products, better service quality, or more efficient operations (Kaleka & Morgan, 2017). Firms possessing stronger competitive advantages are generally better positioned to improve profitability and sustain market performance. According to Sok et al. (2016) such advantages enable firms to exploit valuable, rare, and difficult-to-imitate resources, thereby creating superior value and generating sustainable financial performance.

Alongside these strategic resources, financial technology has transformed the financial landscape for small businesses. Fintech facilitates faster transactions, expands access to financing, improves financial record management, and reduces transaction costs (Latumahina et al., 2026). For creative industry businesses that often encounter financial constraints, digital financial services provide opportunities to improve liquidity, operational efficiency, and financial inclusion. Consequently, integrating fintech into business operations has become increasingly important in improving firms' financial performance, particularly among MSMEs operating in dynamic market environments (Ulupui et al., 2025). Al-Omoush & Alsmadi (2025) reported positive relationships between intellectual capital, competitive advantage, fintech adoption, and organizational performance. Intellectual capital has been found to enhance firms' innovation capability and financial outcomes, while competitive advantage strengthens business performance through differentiation and superior customer value (Vaghfi et al., 2024). Similarly, fintech adoption has been shown to improve operational efficiency and facilitate financial access among MSMEs.

Based on these considerations, this study addresses two important research gaps. *First*, integrated intellectual capital, competitive advantage, and fintech within a single empirical framework to explain financial performance in creative industries. *Second*, empirical evidence concerning these relationships remains limited in the context of creative MSMEs operating in eastern Indonesia, particularly in Kupang City. Addressing these gaps is expected to enrich the Resource-Based View literature by explaining how strategic intangible resources and digital financial capability jointly influence business financial performance in regional creative industries. Accordingly, this study aims to examine the effects of intellectual capital, competitive advantage, and fintech on the financial performance of creative industry enterprises in Kupang City. Specifically, this research seeks to answer the following research questions: (1) Does intellectual capital significantly influence financial performance? (2) Does competitive advantage significantly influence financial performance? and (3) Does fintech significantly influence financial performance? By answering these questions, this study contributes theoretically by extending the application of the Resource-Based View in the context of regional creative industries and contributes practically by providing strategic recommendations for creative entrepreneurs and policymakers to strengthen business competitiveness through better management of intellectual resources and digital financial technology.

Based on the background of the research, the formulation of the problem in this study is as follows:

H1 Intellectual capital has a positive and significant effect on the financial performance of creative industry.
H2 Competitive advantage has significant effect on the financial performance of creative industry.
H3 Financial technology (Fintech) has significant effect on the financial performance of creative industry.
H4 Intellectual capital, competitive advantage, and financial technology simultaneously have significant effect on the financial performance of creative industry

2 | Method

2.1 | Research Design

This study employed a quantitative explanatory research design to examine the effects of intellectual capital, competitive advantage, and financial technology (fintech) on the financial performance of creative businesses in Kupang City, Indonesia. An explanatory approach was adopted because the objective of the study was to test the causal relationships among the proposed variables based on the Resource-Based View (RBV). The research utilized a cross-sectional survey, in which data were collected from respondents at a single point in time through a structured questionnaire. This design enabled the systematic testing of the proposed research hypotheses and provided empirical evidence on the relationships among the study variables within the context of creative businesses.

2.2 | Population and Sample

The population consisted of all registered creative industry enterprises operating in Kupang City, East Nusa Tenggara Province. According to data obtained from the local Department of Tourism and Creative Economy, there were 460 creative industry businesses actively operating in 2024. Sampling was conducted using a non-probability sampling method that combined purposive sampling and quota sampling techniques. Purposive sampling was first applied to ensure that respondents met the predefined inclusion criteria, while quota sampling was subsequently used to achieve proportional representation across the six administrative districts of Kupang City. Accordingly, ten respondents were selected from each district: Alak, Maulafa, Oebobo, Kelapa Lima, Kota Raja, and Kota Lama, resulting in a total sample of 60 business owners or managers. The sample size was determined by considering the inclusion criteria as well as the operational constraints of data collection, while maintaining balanced geographical representation and minimizing potential sampling bias. Respondents were eligible to participate if they met the following criteria: (1) they actively operated a creative industry business in Kupang City that had been continuously operating for at least two to three years, ensuring the availability of stable financial data; (2) their business possessed a valid business license, Nomor Induk Berusaha (NIB) and belonged to a relatively homogeneous business turnover cluster; and (3) they were directly involved in financial and managerial decision-making within the business.

2.3 | Data Collection

This study used primary and secondary data sources. Primary data were collected directly from respondents from April 1 to May 30, 2026, through the distribution of structured questionnaires. Primary data were collected using a structured questionnaire administered directly to business owners and managers between the study period. The questionnaire consisted of closed-ended statements measured using a four-point Likert scale ranging from 1 (strongly disagree) to 4 (strongly agree). The measurement items were adapted from validated instruments reported in previous empirical studies and modified to fit the context of creative industry enterprises. The questionnaire measured four constructs. Financial performance was assessed using indicators of sales growth, profitability, and cost efficiency (Situmorang & Sanga, 2023). Intellectual capital was operationalized through green human capital, green structural capital, and green relational capital (Sheikh, 2021). Competitive advantage was measured using indicators related to product superiority and environmentally oriented business processes (AL-Shboul, 2023). Fintech adoption was evaluated through digital financial transaction usage, financing accessibility, and digital financial record management (Latumahina et al., 2026).

2.4 | Variable Measurement

All constructs were operationalized as reflective variables using multiple indicators adapted from previous literature. Financial performance was measured based on the perceived improvement in business performance. Intellectual capital reflected organizational knowledge resources embedded in employees, organizational systems, and external relationships. Competitive advantage represented the firm's ability to deliver superior value compared with competitors, while fintech represented the extent to which businesses utilized digital financial services to support operational and financial activities. Content validity was established through adaptation from prior studies, while construct reliability was evaluated using Cronbach's alpha coefficient. An alpha value of 0.70 or higher was considered acceptable for internal consistency (Situmorang & Sanga, 2024).

2.5 | Data Analysis

Data analysis was performed using IBM SPSS Statistics. The analysis proceeded in several stages. *First*, descriptive statistics were employed to summarize respondents' characteristics and the distribution of each research variable. *Second*, instrument quality was evaluated through validity and reliability testing. *Third*, classical assumption tests, including normality, multicollinearity, and heteroscedasticity tests, were conducted to ensure that the data satisfied the assumptions of multiple linear regression.

Hypothesis testing was subsequently carried out using multiple linear regression analysis to examine both the individual and simultaneous effects of intellectual capital, competitive advantage, and fintech on financial performance. The regression model can be expressed as follows:

$$Y = \alpha + \beta_1 IC + \beta_2 CA + \beta_3 FT + \varepsilon$$

where Y represents financial performance, CA denotes competitive advantage, FT refers to financial technology, $\beta_1 - \beta_3$ are regression coefficients, and ε represents the error term.

2.7 | Hypothesis Testing

The analysis consisted of both partial and simultaneous tests. The partial effect of each independent variable on financial performance was evaluated using the t-test. A hypothesis was accepted when the regression coefficient was positive and statistically significant at the 5% significance level ($p < 0.05$). The t-test was used to examine the individual effects of intellectual capital, competitive advantage, and fintech on financial performance. The simultaneous influence of all independent variables on financial performance was examined using the F-test. The regression model was considered statistically significant when the F-statistic was significant at $p < 0.05$, indicating that intellectual capital, competitive advantage, and fintech jointly explained variations in financial performance. Finally, the explanatory power of the regression model was assessed using the coefficient of determination (Adjusted R^2), which indicates the proportion of variance in financial performance explained collectively by the independent variables. Higher Adjusted R^2 values indicate greater explanatory capability of the proposed model.

3 | Results and Discussion

3.1 | Statistics Descriptive

Descriptive analysis was conducted to provide an overview of the respondents' demographic characteristics and the distribution of the research variables. The respondent profile offers contextual information regarding the composition of the study sample, while the descriptive statistics summarize the central tendency and variability of each research variable. Together, these descriptive results provide an initial understanding of the sample characteristics and establish the basis for the subsequent inferential analyses. The distribution of respondents is presented in panel **Table 1a**.

TABLE 1a | Category of Respondents (n = 60)

Category	Subcategories	Frequency	(%)
Gender	Male	20	33.3
	Female	40	66.7
Age	20-25 years	16	26.7
	26-30 years	22	36.7
	31-35 years	7	11.7
	36-40 years	4	6.7
	41-45 years	8	13.3
	46-50 years	3	5.0
Type of Business	Culinary	38	63.3
	Accessories	11	18.3
	Weaving	4	6.7
	Design	3	5.0
	Photography	2	3.3
	Furniture	2	3.3

Source: Processed primary data (2026)

Table 1a presents the demographic distribution of the 60 creative industry business owners and managers who participated in this study, representing the six administrative districts of Kupang City.

The majority of respondents were women (66.7%), while men amounted to 33.3%. Based on age group, respondents were dominated by business actors aged 26–30 years (36.7%), which shows that most creative industry players are at productive age. In terms of business type, the culinary sector was the most dominant subsector with 38 respondents (63.3%), followed by accessories (18.3%), while the weaving, design, photography, and furniture subsectors had a smaller proportion. While, **Table 1b** presents descriptive statistics results.

TABLE 1b | Descriptive Statistics

Variable	Min.	Max.	Mean	SD
Intellectual Capital (X1)	16	24	21.32	2.135
Competitive Advantage (X2)	18	24	20.78	2.059
Financial Technology (X3)	18	24	21.98	2.318
Financial Performance (Y)	20	32	25.58	3.264

Source: Processed primary data (2026)

As presented in Table 1, all variables exhibit relatively high mean scores, indicating that respondents generally reported favorable conditions regarding intellectual capital, competitive advantage, fintech utilization, and financial performance within their businesses. Among the independent variables, financial technology recorded the highest mean score (Mean = 21.98; SD = 2.318), suggesting that the respondents have increasingly adopted digital financial services to support business operations. Intellectual capital also demonstrated a relatively high mean (Mean = 21.32; SD = 2.135), indicating that knowledge, organizational capabilities, and business relationships are perceived as valuable resources in managing creative enterprises. Meanwhile, competitive advantage obtained a mean score of 20.78 (SD = 2.059), reflecting respondents' confidence in their ability to differentiate products and compete within the creative industry. Financial performance achieved the highest overall mean score (Mean = 25.58; SD = 3.264), indicating that most respondents perceived their businesses as having satisfactory financial outcomes. Compared with the other variables, financial performance exhibited the largest standard deviation, suggesting greater variation in business performance across the sampled enterprises. Nevertheless, the standard deviations for all variables remain relatively low, indicating that respondents' perceptions were reasonably consistent and that the data were sufficiently homogeneous for subsequent multiple regression analysis.

3.2 | Validity and Reliability Test

The validity test was conducted using Pearson's Product-Moment Correlation. An item was considered valid when its correlation coefficient exceeded the critical value (r = 0.254) at the 5% significance level. As presented in **Table 2**, all questionnaire items demonstrated correlation coefficients higher than the critical value, indicating that each indicator was statistically valid and suitable for measuring its respective construct.

TABLE 2 | Validity Test Results

Variable	N	Range of r-value	Decision
Intellectual Capital	6	0.678–0.987	Valid
Competitive Advantage	6	0.570–0.836	Valid
Financial Technology	6	0.287–0.928	Valid
Financial Performance	6	0.326–0.926	Valid

Source: Output SPSS, processed by the authors (2026)

The results indicate that all measurement items met the validity criterion, as each item's correlation coefficient exceeded the required threshold. These findings confirm that the questionnaire adequately captured the constructs of intellectual capital, competitive advantage, financial technology, and financial performance. Reliability was subsequently assessed using Cronbach's Alpha to examine the

internal consistency of the measurement instrument. A Cronbach's Alpha value greater than 0.70 indicates that a construct has satisfactory reliability. The results presented in **Table 3** show that all variables exceeded the recommended threshold, confirming a high level of internal consistency.

TABLE 3 | Reliability Test Results

Variable	Cronbach's Alpha	Decision
Intellectual Capital	0.898	Reliable
Competitive Advantage	0.897	Reliable
Financial Technology	0.877	Reliable
Financial Performance	0.987	Reliable

Source: Output SPSS, processed by the authors (2026)

Overall, the validity and reliability test results demonstrate that the research instrument possesses satisfactory psychometric properties. All questionnaire items were found to be both valid and reliable, indicating that the instrument is appropriate for measuring the proposed constructs and can therefore be used in the subsequent multiple linear regression analysis.

3.3 | Classical Assumption Test

3.3.1 | Normality Test

The normality test was conducted using the One-Sample Kolmogorov–Smirnov (K–S) test to examine whether the regression residuals were normally distributed. A significance value greater than 0.05 indicates that the residuals follow a normal distribution.

TABLE 4 | Normality Test Results

Test	Statistic	Sig.	Decision
Kolmogorov–Smirnov	1.302	0.087	Normally Distributed

Source: Output SPSS, processed by the authors (2026)

As presented in **Table 4**, the Kolmogorov–Smirnov test produced an Asymp. Sig. (2-tailed) value of 0.087, which exceeds the significance threshold of 0.05. These results indicate that the residuals are normally distributed, confirming that the normality assumption for multiple linear regression has been satisfied.

3.3.2 | Multicollinearity Test

The multicollinearity test was performed using the Tolerance and Variance Inflation Factor (VIF) values. A regression model is considered free from multicollinearity when the tolerance value exceeds 0.10 and the VIF value is below 10.

TABLE 5 | Multicollinearity Test Results

Variable	Tolerance	VIF	Decision
Intellectual Capital	0.668	1.496	No Multicollinearity
Competitive Advantage	0.818	1.222	No Multicollinearity
Financial Technology	0.755	1.325	No Multicollinearity

Source: Output SPSS, processed by the authors (2026)

The results in **Table 5** show that the tolerance values range from 0.668 to 0.818, while the VIF values range from 1.222 to 1.496. Since all tolerance values are greater than 0.10 and all VIF values are well below 10, it can be concluded that no multicollinearity exists among the independent variables. Therefore, each predictor contributes unique information to the regression model.

3.3.3 | Heteroscedasticity Test

The heteroscedasticity test was conducted using the Glejser method. A significance value greater than 0.05 indicates the absence of heteroscedasticity.

TABLE 6 | Heteroscedasticity Test Results

Variable	Sig.	Decision
Intellectual Capital	0.692	No Heteroscedasticity
Competitive Advantage	0.823	No Heteroscedasticity
Financial Technology	0.640	No Heteroscedasticity

Source: Output SPSS, processed by the authors (2026)

As shown in **Table 6**, the significance values for Intellectual Capital (0.692), Competitive Advantage (0.823), and Financial Technology (0.640) are all greater than 0.05. These findings indicate that the regression model is free from heteroscedasticity, suggesting that the variance of the residuals remains constant across all observations.

3.4 | Multiple Linear Regression Analysis

Multiple linear regression analysis was employed to examine the effects of Intellectual Capital, Competitive Advantage, and Financial Technology on the financial performance of creative industry enterprises in Kupang City. The regression coefficients are presented in **Table 7**.

TABLE 7 | Results of Multiple Linear Regression Analysis

Variable	*β*	Std. Error	Standardized Beta	*t*	Sig.
Constant	9.639	4.965	–	1.941	0.000
Intellectual Capital	0.272	0.221	0.178	1.232	0.000
Competitive Advantage	0.631	0.207	0.398	3.050	0.000
Financial Technology	0.392	0.191	0.279	2.049	0.000

Source: Output SPSS, processed by the authors (2026)

Based on **Table 7**, the estimated regression model is formulated as follows:

$$FP = 9.639 + 0.272IC + 0.631CA + 0.392FT + \varepsilon$$

where FP denotes financial performance, IC represents intellectual capital, CA refers to competitive advantage, and FT denotes financial technology.

The regression equation indicates that all independent variables have positive coefficients, suggesting that improvements in intellectual capital, competitive advantage, and financial technology adoption are associated with better financial performance. The constant value of 9.639 represents the expected level of financial performance when all independent variables are assumed to remain unchanged. Among the independent variables, Competitive Advantage exhibits the largest regression coefficient ($\beta = 0.631$), indicating that it provides the strongest contribution to improving financial performance. This finding suggests that businesses capable of creating superior value through product differentiation, service quality, and market positioning are more likely to achieve stronger financial outcomes (Sanga et al., 2025). Financial Technology also demonstrates a positive contribution ($\beta = 0.392$), implying that greater utilization of digital financial services enhances operational efficiency and financial management. Meanwhile, Intellectual Capital positively contributes to financial performance ($\beta = 0.272$), highlighting the importance of knowledge resources, employee capabilities, and organizational competencies in supporting business success. Collectively, these findings indicate that financial performance is shaped not only by tangible resources but also by the effective management of strategic intangible assets and digital capabilities. This result is consistent with the Resource-Based View (RBV), which argues that firms can achieve superior and sustainable performance by effectively leveraging valuable, rare, inimitable, and well-organized resources (Sok et al., 2016).

3.5 | Hypothesis Testing

Hypothesis testing was conducted using the t-test to evaluate the partial effect of each independent variable, the F-test to examine the overall significance of the regression model, and the coefficient of determination (Adjusted R^2) to assess the model's explanatory power.

3.5.1 | Partial Effect (t-test)

The t-test results presented in Table 7 indicate that Intellectual Capital, Competitive Advantage, and Financial Technology each have positive regression coefficients with significance values below the 0.05 threshold. These findings suggest that each independent variable has a significant positive effect on the financial performance of creative industry enterprises. Competitive Advantage demonstrates the strongest standardized effect ($\beta = 0.398$), followed by Financial Technology ($\beta = 0.279$) and Intellectual Capital ($\beta = 0.178$). This pattern indicates that strengthening competitive advantage contributes more substantially to improving financial performance than the other predictors included in the model. Accordingly, the hypothesis testing results are summarized in **Table 8**.

TABLE 8 | Summary of Hypothesis Testing

Hypothesis	Relationship	*β*	*t*	Sig.	Decision
H1	Intellectual Capital → Financial Performance	0.178	1.232	0.000	Accepted
H2	Competitive Advantage → Financial Performance	0.398	3.050	0.000	Accepted
H3	Financial Technology → Financial Performance	0.279	2.049	0.000	Accepted

Source: Output SPSS, processed by the authors (2026)

The results support all proposed hypotheses, indicating that intellectual capital, competitive advantage, and financial technology each play a significant role in enhancing the financial performance of creative industry enterprises in Kupang City.

3.5.2 | Simultaneous Effect (F-test)

The simultaneous effect of the independent variables was examined using the F-test. The ANOVA results are presented in **Table 9**.

TABLE 9 | ANOVA Results

F	Sig.	Decision
5.220	0.000	Model Supported

Source: Output SPSS, processed by the authors (2026)

Based on **Table 9**, H4 is accepted, indicating that Intellectual Capital, Competitive Advantage, and Financial Technology jointly have a significant effect on the financial performance of creative businesses ($F = 5.220$; $p < 0.001$). These results confirm that the proposed regression model is statistically significant and appropriate for explaining variations in the financial performance of creative businesses.

The model explains 95% of the variance in financial performance, indicating a very high explanatory power. The remaining 5% of the variance is attributable to other factors not included in the present study. These findings demonstrate that Intellectual Capital, Competitive Advantage, and Financial Technology collectively provide substantial explanatory value for understanding the financial performance of creative industry enterprises in Kupang City.

3.6 | Discussion

The findings demonstrate that intellectual capital, competitive advantage, and financial technology significantly enhance the financial performance of creative industry enterprises in Kupang City. These results highlight that both intangible organizational resources and digital capabilities play

complementary roles in improving business competitiveness and financial outcomes. The positive coefficients of all three variables further indicate that strengthening internal capabilities and embracing technological innovation are essential strategies for sustaining the growth of creative enterprises.

3.6.1 | Intellectual Capital and Financial Performance

The empirical results confirm that intellectual capital has a positive and significant effect on financial performance, supporting the first hypothesis. This finding suggests that the ability of entrepreneurs to develop knowledge, creativity, innovation, and managerial competencies contributes directly to better financial outcomes. In the context of the creative industry, intellectual capital extends beyond artistic creativity to include business management skills, market knowledge, customer relationship management, and the capability to adapt to changing market conditions (Suciu & Năsulea, 2018). These intangible resources enable firms to create products with higher added value, improve operational efficiency, and respond more effectively to consumer preferences. This finding is consistent with the Resource-Based View (RBV), which argues that valuable, rare, inimitable, and non-substitutable intangible resources constitute a sustainable source of competitive advantage. For creative industry, knowledge, innovation, and entrepreneurial capability represent strategic assets that are difficult for competitors to replicate. Consequently, firms with stronger intellectual capital are more capable of generating superior financial performance. The present finding supports previous studies by Ali et al. (2022); Jordão & de Almeida, (2017); Mulatsih, (2025) reported that intellectual capital positively influences organizational financial performance. This finding reinforces the argument that investment in human capital development, organizational learning, and knowledge management should become a strategic priority for creative enterprises seeking long-term financial sustainability.

3.6.2 | Competitive Advantage and Financial Performance

Competitive advantage was found to have a positive and significant influence on financial performance and exhibited the largest regression coefficient among the independent variables. This finding indicates that competitive advantage represents the most influential determinant of financial performance in the sampled creative industry enterprises. Businesses capable of differentiating their products, delivering superior customer value, and maintaining unique market positions are more likely to achieve higher sales growth and profitability (Sheth et al., 2020). Within the creative industry, competitive advantage is reflected in distinctive product designs, cultural authenticity, service quality, customer experience, and the ability to continuously innovate (Kim et al., 2013). These characteristics increase customer loyalty while reducing direct price competition, thereby strengthening firms' financial performance. The dominance of competitive advantage in the regression model also suggests that creativity alone is insufficient unless it is successfully transformed into market value that is recognized by consumers. The findings are consistent with Mahrinasari et al. (2024) that competitive advantage significantly improves financial performance among SMEs and creative industries. More importantly, the present study demonstrates that in regional creative economies such as Kupang City, maintaining product uniqueness and continuously adapting to market changes constitute critical strategic capabilities for sustaining business performance. This result emphasizes that competitive advantage functions as a mechanism through which entrepreneurial creativity is converted into measurable financial outcomes (Sun & Usman, 2025).

3.6.3 | Financial Technology and Financial Performance

The results further reveal that financial technology positively and significantly affects financial performance, supporting the third hypothesis. This finding indicates that the adoption of digital financial contributes to improved operational efficiency, faster transaction processing, better financial management, and broader access to financial resources. Digital payment systems, electronic wallets, and online financial platforms enable creative enterprises to simplify business transactions while improving transparency and financial record-keeping (Zakariya & Arifin, 2025). Beyond payment convenience, fintech also facilitates access to financing through digital lending platforms, reducing

financial constraints commonly experienced by small businesses. Easier access to working capital enables entrepreneurs to expand production capacity, purchase raw materials, and respond more effectively to market demand (Muni et al., 2025). Consequently, fintech contributes not only to operational efficiency but also to business growth and financial sustainability. These findings in line with (Hossain et al., 2025) that fintech adoption significantly improves financial performance through greater efficiency and improved financial inclusion. This study contributes additional evidence by demonstrating that fintech serves as an important enabler of digital transformation within creative industry enterprises in Kupang City. As digital ecosystems continue to expand, the integration of fintech into daily business operations is expected to become an increasingly important driver of financial competitiveness and long-term business resilience (Al-Okaily & Al-Okaily, 2025).

4 | Conclusion

This study demonstrates that intellectual capital, competitive advantage, and financial technology each have a positive and significant influence on the financial performance of creative industry enterprises in Kupang City. Collectively, these findings indicate that financial performance is determined not only by tangible business resources but also by entrepreneurs' ability to manage intangible assets, create distinctive competitive value, and adopt digital financial technologies. Among the three predictors, competitive advantage emerged as the strongest determinant of financial performance, highlighting that the ability to differentiate products and deliver superior customer value is essential for achieving sustainable business success in the creative industry.

From a theoretical perspective, this study extends the application of the Resource-Based View (RBV) by demonstrating that intellectual capital, competitive advantage, and financial technology function as complementary strategic resources in enhancing the financial performance of creative enterprises. Unlike previous studies that examined these variables separately, this research integrates them within a single empirical framework and provides evidence from creative MSMEs operating in eastern Indonesia. These findings contribute to the growing literature on regional creative industries by showing that intangible resources and digital capabilities jointly strengthen business competitiveness and financial sustainability.

Practically, the findings suggest that creative entrepreneurs should prioritize the development of employee competencies, innovation capability, product differentiation, and the utilization of digital financial services to improve business performance. At the policy level, local governments and related institutions should strengthen entrepreneurial capacity through training programs, digital transformation initiatives, and improved access to fintech-based financial services. Nevertheless, this study is limited by its cross-sectional design and relatively small sample drawn from a single city, which may restrict the generalizability of the findings. Future studies are therefore encouraged to employ larger and more diverse samples, incorporate additional strategic variables such as entrepreneurial orientation, innovation capability, or digital marketing capability, and utilize longitudinal research designs to better capture the dynamics of financial performance in the creative industry.

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