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THE INFLUENCE OF INNOVATION AND FINANCIAL TECHNOLOGY ON BUSINESS SUSTAINABILITY: BUSINESS STRATEGY AS A MODERATOR

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Abstract: Competition to obtain loyal customers in Industry 4.0 is very tight; This is caused by various factors, including digitalization and financial technology (Fintech), many large banks acquiring small banks or carrying out mergers, creating increasingly tighter competition between large banks, the government and regulatory authorities often enacting new regulations that affect bank operations, increased competition between banks to get customers in the same market and consumers now prefer services that are fast, easy to access and transparent. In addition, consumers are more likely to move from traditional banks to digital platforms or banks that offer more modern and innovative services. This research aims to determine indicators that have a strong influence on the formation of business sustainability from independent variables, namely innovation and Fintech, with business strategy effectiveness as a moderating variable. The sample in this research was 256 customers from CIMB Niaga Bank who had used Fintech for at least two years, where the questionnaire data obtained was processed using PLS (Partial Least Square). This research shows that innovation and Fintech have a positive and significant influence on the effectiveness of business strategy. The indicator that has the greatest contribution to innovation is customer satisfaction with innovative products. An indicator that really influences financial technology is the growth rate of active users. Meanwhile, business strategy effectiveness as an intervening variable can be well moderated to act as a variable that strengthens the influence of innovation and Fintech variables on sustainability because it can increase market share growth and achieve operational efficiency.

Keywords: *business, fintech, innovation, strategy, sustainability*

1. Introduction

In this era of industry 4.0, business competition is very tight and companies really need special attention to be able to maintain business continuity, especially in the banking industry which must be able to maximize its resources in order to be able to maintain loyal consumers (Bartolacci, Caputo & Soverchia, 2020). CIMB Niaga is one of the largest banks in Indonesia, facing a number of challenges related to increasingly tight banking competition. Problems related to digitalization and financial technology (Fintech), where CIMB Niaga faces increasingly fierce competition from fintech companies that offer digital payment solutions, microcredit and other financial services quickly and efficiently. Fintech can reach customers who may not be served by traditional banking, especially among the younger generation who are more accustomed to using digital applications. Although CIMB Niaga has invested in digital transformation, including through the launch of the CIMB Niaga OCTO Mobile application to facilitate digital transactions and provide faster and more efficient services. However, they still need to continually update their technology and improve their user experience to compete with more agile fintechs. CIMB Niaga competes with large banks such as Bank Mandiri, BCA and BRI which have a large customer base and strong capital support. In addition, digital banks such as Jenius from Bank BTPN and digibank from DBS are also

strong competitors because they offer a completely digital banking experience. To remain competitive, CIMB Niaga needs to continue to innovate in their digital products and services. In addition, they need to build strategic partnerships, for example with fintech startups or digital platforms to expand the financial services ecosystem.

Companies that combine market orientation with innovation can create products that better suit customer needs, while introducing innovations that lead to sustainability (Morgan & Anokhin, 2020). By understanding what the market wants and innovating to meet those needs, companies can create products and services that are not only competitive but also provide added value related to sustainability (Randhawa, Wilden & Gudergan, 2021). Innovation can create differentiation in the market which makes companies more attractive to consumers who are conscious of sustainability. Innovation integrated with a deep understanding of the market also drives efficiency throughout the supply chain and operations, which not only reduces costs but also has a positive impact on the environment (Schulze, Townsend & Talay, 2022).

.Financial Technology (FinTech) refers to technological innovation in financial services which includes various aspects such as digital payments, online loans, asset management, to blockchain and cryptocurrency (Veronica *et.al*, 2020). The role of FinTech in influencing the effectiveness of marketing strategies and business sustainability. FinTech enables companies to reach more customers through digital platforms, such as mobile banking, e-wallets, and payment applications (Danso *et.al*, 2020). With FinTech, consumers can easily make transactions, purchases or payments, which in turn increases the accessibility of company products or services (Zhou, Liu & Luo, 2022). This easier access expands the company's market and increases the effectiveness of marketing strategies. With FinTech, companies can collect real-time consumer transaction data, which can then be analyzed to produce insights about consumer preferences (Hanaysha *et.al*, 2022). This data allows companies to create marketing campaigns that are more personalized and suit the needs of each consumer segment. This personalization not only increases marketing effectiveness, but also creates loyalty and a better customer experience. FinTech can also automate many aspects of marketing, such as campaign tracking, affiliate commission payments, or customer reward systems (Na, Kang & Jeong, 2019).

Successful innovation usually centers on efforts to meet unmet customer needs or create new value for customers (Randhawa *et.al*, 2021). Some companies focus too much on internal or technological innovation without really considering whether customers will adopt the solution (Tjahjadi *et.al*, 2020). Lack of understanding of what customers want can cause innovation to fail in the market (Aljanabi, 2022).

Innovation makes companies more sensitive to changes occurring in the market, including changes in customer preferences, technology and competition (Hutahayan, 2020). This allows companies to quickly adapt and update their marketing strategies according to dynamic market conditions. This adaptability increases marketing effectiveness because the strategies implemented are always relevant to the current market situation. Innovation also encourages companies to innovate based on customer feedback and needs (Arner *et.al*, 2020). With a strong market orientation, companies tend to be more proactive in creating new solutions that answer consumer problems or offer better features compared to competitors. Innovation driven by customer understanding makes marketing strategies more effective because the products or services offered have added value that is in line with consumer desires (Rosário & Raimundo, 202).

2. Literature Review

Innovation

Innovation is the process of creating new value through the introduction of ideas, products, processes or services that are better than before. Innovation can occur in various forms, such as product innovation (creating new products or improving existing products), process innovation (changing ways of production or operations), and business model innovation (creating new ways to develop and distribute value to customers) (Chintala, 2021).

Innovation is carried out with the aim of: (1) increasing competitiveness (Suryono *et.al*, 2020); (2) meet customer needs (Tien, Anh & Ngoc, 2020); (3) operational efficiency (Suryono *et.al*, 2020); (4) entering new markets (Phiri, 2020) and (5) overcoming internal or external problems (Jeong & Chung, 2023). From the various goals of innovation, companies that innovate will gain benefits, including: (1) Increased profitability, where innovation can create products or services that provide higher margins and increase sales (Bartolacci, Caputo & Soverchia, 2020); (2) Increased customer satisfaction (Phiri, 2020). By creating new solutions that are more relevant and of better quality, customers feel more satisfied and loyal; (3) Efficiency and cost savings, where innovation in processes can reduce operational costs through automation, digitalization, or new methods (Jeong & Chung, 2023); (4) Strengthening the company image. Companies that continually innovate tend to be seen as dynamic and progressive market leaders (Randhawa, Wilden & Gudergan, 2021); (5) Competitive advantage, where innovation allows companies to differentiate themselves from competitors, either through better products or more efficient distribution methods (Chintala, 2021).

However, there are several obstacles to innovation, namely: (1) Limited resources which include limited capital, labor or infrastructure can hinder a company's ability to innovate (Schulze, Townsend & Talay, 2022); (2) Resistance to change where employees or management are often reluctant to accept change because of uncertainty or concerns about risks that may arise (Zhou, Liu & Luo, 2022); (3) Failure in collaboration where there is an inability to form an effective team or collaborate with outside parties which can hinder innovation (Tjahjadi *et.al*, 2020); (4) Lack of management support: If management does not support innovation initiatives, then the innovation process is difficult to implement (Hanaysha *et.al*, 2022); (5) Bureaucracy and regulations, where regulatory obstacles or complicated bureaucracy can slow down the innovation process, especially in highly regulated industries, such as health or technology (Morgan & Anokhin, 2020).

Financial Technology (Fintech)

Fintech is a new financial industry that combines technology to enhance traditional financial activities, such as payments, investing, and lending Schueffel in Veronica *et.al* (2020). Fintech is the application of technology in financial services that enables the delivery of better and more efficient financial solutions for users Arner, Barberis, & Buckley in Na, Kang & Jeong (2019). The main objectives of fintech include: (1) increasing the accessibility of financial services (Aljanabi, 2022); (2) efficiency in financial transactions (Danso *et.al*, 2020); (3) providing affordable financial solutions (Tien, Anh & Ngoc, 2020); (4) encouraging financial inclusion (Hutahayan, 2020); (5) accelerating innovation in the financial sector (Rosário & Raimundo, 2021); and (6) increasing transparency and security (Arner *et.al*, 2020).

Although fintech offers many advantages, there are several disadvantages and challenges that need to be considered, among others. One of the main drawbacks of fintech is the risk to data

security and user privacy (Bartolacci, Caputo & Soverchia, 2020). Because fintechs operate digitally, their systems are vulnerable to cyberattacks, identity theft and data breaches (Tien, Anh & Ngoc, 2020). This can result in financial losses and loss of consumer trust (Suryono *et.al*, 2020). Fintech regulations are still in the developing stage in many countries, including Indonesia (Hutahayan, 2020). Inadequate or non-uniform regulation can cause uncertainty for fintech companies and consumers (Schulze, Townsend & Talay, 2022). This also has the potential to open up opportunities for fraud or unethical business practices. The use of fintech is highly dependent on a stable technological infrastructure, including internet access and digital devices (Morgan & Anokhin, 2020). In areas with poor technological infrastructure, access to fintech services is limited (Veronica *et.al*, 2020). In addition, technical problems, such as system failure or server problems, can affect the smooth running of transactions (Hanaysha *et.al*, 2022).

Business Sustainability

Business sustainability means a company's ability to meet the needs of its current stakeholders, including customers, employees and investors, without compromising the company's ability in the future to meet the needs of the next generation (Dyllick & Hockerts in Tjahjadi *et.al*, 2020). Business sustainability is about how companies can reduce environmental and social risks while creating new opportunities for innovation and business growth. Thus, companies not only survive by managing their impacts, but also exploit sustainability challenges as opportunities to create new value (Hart & Milstein in Phiri, 2020).

Some problems related to business sustainability include high initial costs, where investment in sustainable practices often requires high initial costs, both for environmentally friendly technology, certification and workforce training (Danso *et.al*, 2020). Many companies, especially small and medium-sized companies (SMEs), have difficulty providing funds for such changes (Randhawa, Wilden & Gudergan, 2021). Lack of management support and leadership commitment where sustainability implementation often fails due to lack of support from top management or lack of leadership commitment to encourage organizational culture change (Arner *et.al*, 2020). Without a clear commitment from leadership, business sustainability is often considered a secondary initiative or only the responsibility of certain departments. Lack of Understanding and Awareness, where there are still many companies that still do not understand the importance of business sustainability, especially in the long term (Zhou, Liu & Luo, 2022). They may prioritize short-term gains over more sustainable long-term gains. There are limitations to the technology required to implement sustainable processes, which is often still in the development stage or not yet accessible to many companies (Aljanabi, 2022). Additionally, companies located in developing countries may not have adequate access to environmentally friendly technologies. And a problem that is no less important is that regulations that are less supportive or too strict can be an obstacle for companies in implementing sustainability strategies. On the one hand, weak regulations may not provide enough incentives to shift to sustainable business practices. Regulations that are too strict can increase operational costs and make it difficult for companies to comply with various regulations (Rosário & Raimundo, 2021).

Effectiveness Business Strategy

An effective business strategy is a strategy that is clear, flexible, measurable, and focuses on creating sustainable value for customers and competitive advantage for the company (Jeong & Chung, 2023). This strategy must be carefully planned, executed well, and evaluated

periodically to ensure suitability with the company's long-term goals. Flexibility in dealing with change and the ability to innovate are also very important in maintaining strategic effectiveness in a dynamic business environment (Chintala, 2021). An effective business strategy is a plan or series of actions designed and implemented by a company to achieve certain business goals efficiently and consistently, by maximizing competitive advantage and taking into account the company's market and internal environment (Na, Kang & Jeong, 2019). Effective business strategies help companies achieve a better position in the market, increase profitability, and maintain long-term sustainability (Bartolacci, Caputo & Soverchia, 2020).
An effective business strategy must start with clear, specific and measurable goals. This goal provides direction for the company and ensures that all actions taken are aligned with the organization's long-term vision (Veronica *et.al*, 2020). An effective business strategy considers external factors that influence the market, such as economic conditions, competition, regulations, and technological trends (Rosário & Raimundo, 2021). Developing an effective business strategy also requires a deep understanding of competitors. SWOT analysis is often used to evaluate a company's strengths and weaknesses in a market context and threats from competitors. Effective strategies focus on creating and maintaining sustainable competitive advantages (Morgan & Anokhin, 2020). This competitive advantage could be product uniqueness, cost efficiency, or exclusive access to resources. This strategy must take advantage of internal resources and capabilities that are difficult for competitors to imitate (Tien, Anh & Ngoc, 2020). Markets are always changing, so effective business strategies must be flexible and able to adapt to environmental changes, such as changing customer preferences, new technology, or new regulations (Zhou, Liu & Luo, 2022). A strategy that is too rigid can hinder rapid response to emerging opportunities or threats. Customers are at the center of an effective business strategy. Companies must continually understand customer needs, preferences and behavior, and adapt products and services to provide greater value than competitors (Hanaysha *et.al*, 2022). A good business strategy not only requires careful planning, but also consistent execution. Timely implementation and with proper resource allocation is the key to success (Hutahayan, 2020). Organizations must ensure that each division and individual within the company understands their role in implementing the strategy (Tjahjadi *et.al*, 2020).

3. Research Methodology

This research is quantitative research where data is collected based on respondents' answers through a questionnaire containing statements related to innovation, financial technology, business sustainability and business strategy addressed to respondents. This research used 256 respondents who were the entire population of Bank CIMB Bank Niaga customers. The sampling technique used is a purposive sampling technique, namely where the samples used as respondents for this research will be selected based on certain criteria. Some of these criteria include respondents being CIMB Niaga Bank customers for more than 2 (two) years and respondents being Fintech users. Data processing was carried out using PLS (Partial Least Square) because this method has advantages, including (Randhawa, Wilden & Gudergan, 2021): (1) PLS can handle many independent variables, even though multicollinearity occurs between independent variables (Aljanabi, 2022); (2) PLS is reflexive but can also be used for formative relationships (Schulze, Townsend & Talay, 2022); (3) PLS can be used for relatively small sample sizes (Na, Kang & Jeong, 2019); (4) PLS can be used for very complex models (Jeong & Chung, 2023); and (5) PLS can be used when the distribution is skewed (Danso *et.al*, 2020).

Meanwhile, indicators related to exogenous and endogenous variables can be explained in Table 1 as follows:

Table 1. Indicators of Research Variables

No.	Variable	Indicator	Symbol
1	Innovation	Number of ideas or innovation projects implemented	$X_{1.1}$
		Rate of adoption of new technolog	$X_{1.2}$
		Customer satisfaction with innovative products	$X_{1.3}$
		Innovation process efficiency	$X_{1.4}$
		Recognition and appreciation for innovation	$X_{1.5}$
2.	Financial Technology	Transaction volume	$X_{2.1}$
		Active user growth rate	$X_{1.2}$
		Customer retention rate	$X_{2.3}$
		Loan repayment rate	$X_{2.4}$
		Customer satisfaction and feedback	$X_{2.5}$
		Cost per acquisition	$X_{2.6}$
		Transaction speed	$X_{2.7}$
		Operational efficiency	$X_{2.8}$
3.	Business Sustainability	Supply chain sustainability	Z_1
		Customer satisfaction with sustainable products	Z_2
		There is a budget for CSR programs	Z_3
		Sustainability reporting	Z_4
		Sustainable profitability	Z_5
		Sustainability of market	Z_6
		Sustainability for developing product	Z_7
		Sustainability of demand	Z_8
4.	Effectiveness Business Strategy	Achievement of financial goals	Y_1
		Market share growth	Y_2
		Customer satisfaction and retention levels	Y_3
		Operational efficiency	Y_4
		Level of adaptation to market changes	Y_5

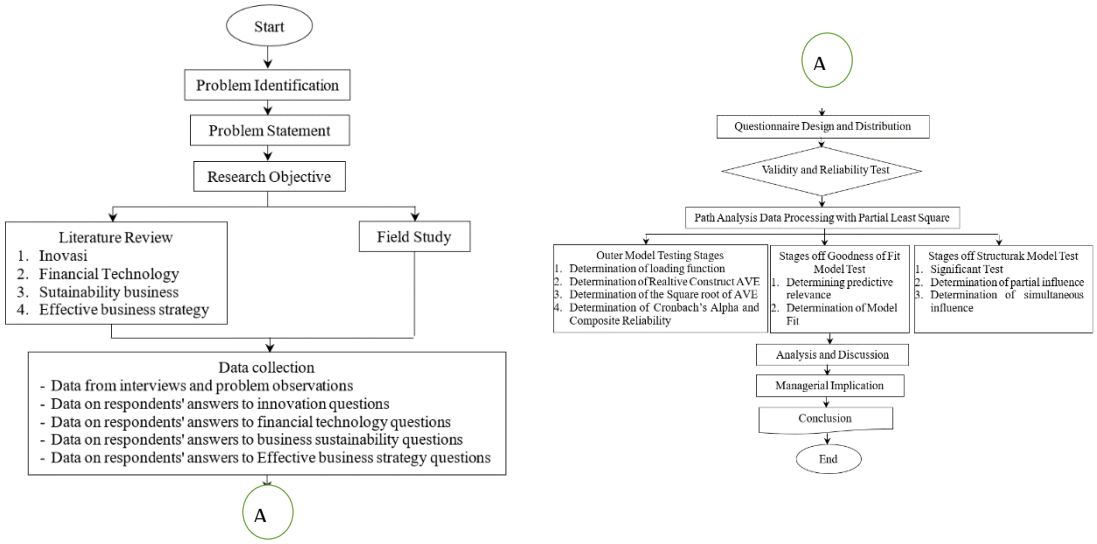

Figure 1. Research Methodology

4. Finding and Discussion

Convergent Validity

In convergent validity testing, the aim is to evaluate the indicators for the variables by looking at the value of the outer loading where the required quantity is > 0.7 to be said to be good or valid.

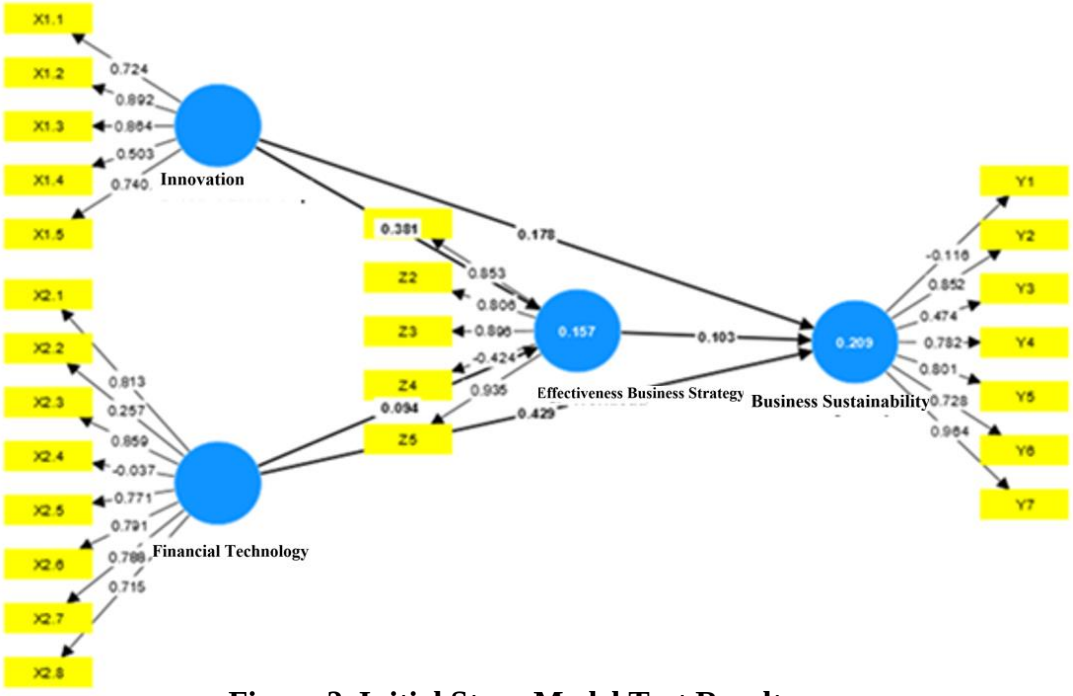

Figure 2. Initial Stage Model Test Results

Table 1. Outer Loading Test Results at the Initial Stage

Indicator	Variable			
	Innovation	Financial Technology	Effective Business Strategy	Business Sustainability
$X_{1.1}$	0,724			
$X_{1.2}$	0,892			
$X_{1.3}$	0,864			
$X_{1.4}$	0,503			
$X_{1.5}$	0,740			
$X_{2.1}$		0,813		
$X_{2.2}$		0,257		
$X_{2.3}$		0,859		
$X_{2.4}$		0,037		
$X_{2.5}$		0,771		
$X_{2.6}$		0,791		
$X_{2.7}$		0,788		
$X_{2.8}$		0.715		

Table 1. Outer Loading Test Results at the Initial Stage (continous)

Indicator	Variable			
	Innovation	Financial Technology	Effective Business Strategy	Business Sustainability
Z_1			0.853	
Z_2			0.806	
Z_3			0.896	
Z_4			-0,424	
Z_5			0.935	
Y_1				-0,116
Y_2				0,852
Y_3				0,474
Y_4				0,782
Y_5				0,801
Y_6				0,728
Y_7				0,954

From the results of testing this model, it can be seen that in this model there is still a low loading factor indicator value, namely below 0.7. So, it can be said that this indicator is not able to reflect the latent variable. Based on Table 1 above, the results of convergent validity testing can be concluded as follows:

- In the innovation variable (X1), it is known that there is still one indicator that does not meet the requirements for an outer loading value of > 0.7; namely innovation process efficiency (X1.4) with a value of 0.503.
- In the financial technology variable (X2) there are two indicators that must meet the outer loading value requirements, namely the active user growth rate (X2.2) of 0.267, and the loan repayment rate (X2.4) of -0.037.
- In the business strategy effectiveness variable (Z) there are still two indicators that do not meet the outer loading value requirements, where these indicators are the achievement of financial goals (Z1) of -0.116 and the level of customer satisfaction and retention (Z3) of 0.474.
- Meanwhile, for the business sustainability variable (Y1), there is one indicator that still needs to meet the outer loading value requirements, namely the sustainability of profitability indicator (Y4) of -0.424. So this indicator must be removed because the outer loading value is less than 0.7.

Next, retesting will be carried out to obtain a good loading factor value. So, the test results can be seen in Figure 2 below

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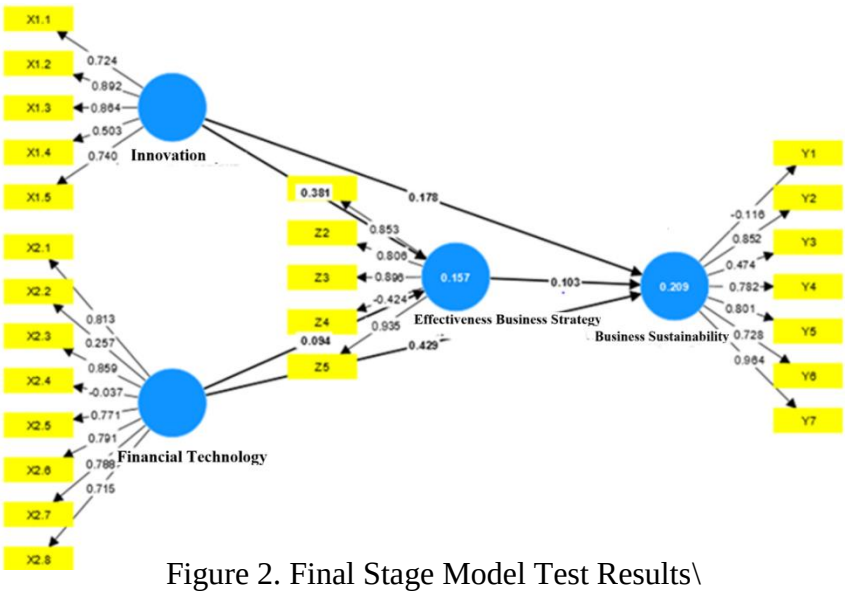

Figure 2. Final Stage Model Test Results\

The test results of this model show that the loading factor value on the indicator meets the requirements, namely > 0.7. This indicator can reflect the latent variable.

Based on Table 2, the results of convergent validity testing at the final stage after modification can be summarized as follows:

a. In the innovative variable (X1), which has been retested, it can be seen that the indicators in the innovative variable have met the prerequisites for an outer loading value > 0.7. These indicators include: (1) number of ideas or innovation projects implemented (X1.1) of 0.872; (2) new technology adoption rate (X1.2) of 0.941; (3) customer satisfaction with innovative products (X1.3) of 0.933 and (4) recognition and appreciation for innovation (X1.5) of 0.986.
b. In the financial technology variable (X2), which has been retested, it can be seen that the indicators in the fintech variable have met the prerequisites for an outer loading value > 0.7. These indicators include: (1) volume of transaction (X2.1) of 0.831; (2) customer retention rate (X2.3) of 0.888; (3) customer satisfaction and feedback (X2.5) of 0.925; (4) cost per acquisition (X2.6) of 0.807; (5) transaction speed (X2.7) of 0.817; and (6) operational efficiency (X2.8) of 0.892.
c. In the effectiveness business strategy (Z), which has been retested, it can be seen that the indicators in the effectiveness business strategy variable have met the prerequisites for an outer loading value > 0.7. These indicators include (1) achievement of financial goals (Z1) of 0.925; (2) market share growth (Z2) of 0.908; (3) level of customer satisfaction and retention (Z3) of 0.923; (4) level of adaptation to market changes (Z5) of 0.899.
d. In the business sustainability variable (Y), which has been retested, it can be seen that the business sustainability variable indicators have met the prerequisites for an outer loading value > 0.7. These indicators include: (1) customer satisfaction with sustainable products (Y2) of 0.920; (2) there is a budget for the CSR program (Y3) of 0.848; (3) sustainable profitability (Y5) of 0.822; (4) sustainability of market (Y6) of 0.812; and (5) sustainability for developing products (Y7) of 0.976.

Table 2. Outer Loading Test Results at the Final Stage

Indicator	Variable			
	Innovation	Financial Technology	Effective Business Strategy	Business Sustainability
$X_{1.1}$	0,872			
$X_{1.2}$	0,941			
$X_{1.3}$	0,933			
$X_{1.5}$	0,986			
$X_{2.1}$		0,832		
$X_{2.3}$		0,888		
$X_{2.5}$		0,925		
$X_{2.6}$		0,807		
$X_{2.7}$		0,811		
$X_{2.8}$		0.892		
Z_1			0.925	
Z_2			0.908	
Z_3			0.923	
Z_5			0.899	
Y_2				0.920
Y_4				0.848
Y_5				0.822
Y_6				0.812
Y_7				0.976

Discriminant Validity

At this stage of the discriminant validity test, the aim is to evaluate each construct variable's correlation with other variables. This can be known through the value of each indicator's cross-loading. This test can be seen from the AVE value, which is compared with the root AVE value. The model is said to be good if the AVE value is > 0.5.

Table 3. Comparative of AVE Value and AVE Root Square

Construct	AVE	Akar AVE
Innovative	0,722	0,850
Financial Technology	0,671	0,819
Effective business strategy	0,634	0,796
Business Sustainability	0,752	0,851

Based on Table 3 above, the AVE value obtained for each variable construct is > 0.5, which can be said to be good or valid because the variable can explain the variance of the indicators. Apart from that, in testing discriminant validity, it can be determined by comparing the AVE root values for each variable with the condition that the value is > 0.7. The comparison results above show that each variable's root AVE value is greater than 0.7. So, this model is said to be good or valid and meets the requirements of discriminant validity.

Composite Reliability

Reliability testing can be done by looking at the output value of composite reliability, provided the value is > 0.7. Based on Table 4, the composite reliability value for each variable in the study is greater than 0.7. So, the model in this research is reliable.

Table 4. Composite Reliability

Construct	*Composite Reliability*
Innovative	0,862
Financial Technology	0.765
Effective business strategy	0,812
Business Sustainability	0,843

Structural Model (Inner Model)

The path coefficient in the model demonstrates the significance of the influence between these variables. The complete results of this test are also available by looking at the output of the bootstrapping report. This inner model tested several things, which will be described below.

R-Square (R^2)

In this case, the value obtained from R-Square can measure the magnitude of the structural model predictions. Apart from that, R-Square functions to show the ability of exogenous latent variables to explain endogenous latent variables. This measurement is divided into 3 (three) parameters, including R-Square, with a value of 0.75, the model is declared strong; with a value of 0.50, the model is declared moderate; and with a value of 0.25, the model is declared weak. The results of the R-Square in this research can be seen in Table 5 below.

Table 5. R-Square Value and R-Square Adjusted Value

Construct	R-Square	R-Square Adjusted
Effective business strategy	0,639	0,419
Business Sustainability	0,798	0,678

Based on Table 5 above, it can be seen that the R-Square value of the effective business strategy variable is 0.639, where it can be concluded that the effective business strategy variable can be explained by innovation and financial technology at 63.9%.≈64%, while variables outside this research influence the remaining 36%. For the sustainability business variable, it is 0.798, where it can be concluded that sustainability business variable can be explained by innovative, financial technology, and effective business strategy of 79.8%≈80%. In comparison, variables outside this research influence the remaining 20%.

Inner Weight

In inner weight, this functions to determine the effect of the relationship between exogenous latent variables and endogenous latent variables or moderating variables.

Table 6. *Path Coefficient*

Correlation	*Original Sample*	T Statistic	P *Value*
IN → EBS	0,112	2.605	0,000
FIN → EBS	0,164	2.025	0,014
IN → SB	0,222	1,982	0,031
FIN → SB	0,352	2,214	0,001
EBS → SB	0,368	2,091	0,017

Information:

IN : Innovation
FIN: Financial Technology
EBS: Effective business strategy
SB: Sustainability business

Table 7. Path Coefficient of Moderating Effects

Correlation	Original Sample	T Statistic	P *Value*
IN → EBS → SB	0,173	2,582	0,000
FIN → EBS → SB	0,427	2,224	0,021

The original sample's value shows that the relationship's direction is positive or negative depending on the size of the value. Meanwhile, the t statistic shows how much influence these variables have, and the p-value aims to determine the significance level of the relationship between exogenous and endogenous latent variables.

5. Conclusion and Further Research

Innovation and Fintech have a positive and significant influence on effective business strategy. Likewise, innovation, Fintech and effective business strategy have a positive and significant impact on business sustainability at Bank CIMB Niaga. This is because innovation at the Bank has several factors, namely the number of innovation ideas or projects implemented, the level of adoption of new technology, customer satisfaction with innovative products, and recognition and appreciation for innovation. Apart from that, the Fintech implemented also applies the principles of transaction volume, customer retention rate, loan repayment rate, cost per acquisition transaction speed, and operational efficiency. Effective business strategy as an intervening variable can be moderated well so that it can act as a variable that strengthens the relationship between innovation and Fintech variables in forming business sustainability. Because, well-managed innovation and Fintech can minimize aspects that trigger obstacles to implementing effective business strategies, including lack of management understanding or support, limited resources, unsupportive organizational culture, rapid external changes, especially financial technology, unclear goals. and priorities, and lack of performance measurement.

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