

Innovation or Marketing? : The Analysis of R&D and Advertising Budget of Indonesian Manufacturing Firms

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Abstract

The innovation and marketing plays the significant impact in achieving company performance according to Drucker (1954). The innovation reflected by R&D budget while marketing by advertising expenses. This study aims to describe the profile the manufacturing firms that listed in Indonesia based on R&D and advertising budget as percentage of sales in suggesting the policy making of Indonesian manufacturing industry in the future. One of the important components of these are R&D and advertising expenses that determining the performance of concerned firm or industry. This study analyzes the R&D and advertising expenses for Indonesian manufacturing industry over the period 2014 to 2018 that listed in Indonesia Stock Exchange. The data retrieved from S&P Global Market Intelligence and Compustat. The managerial implications and suggestions will be posed to the Indonesian government.

Keywords

Advertising, Indonesia, manufacturing industry, R&D

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