ABSTRACT

This study aims to analyze the influence of generic strategies on corporate financial performance, with strategic Corporate Social Responsibility (CSR) as a mediating variable. The research focuses on companies operating in Indonesia's primary consumer sector, which faces intense competitive pressure and requires strategic clarity to sustain long-term performance.

A quantitative approach was employed using panel data regression methods. The sample consists of 15 companies in the primary consumer sector that were consistently listed on the Indonesia Stock Exchange during the 2019–2023 period. The sample was selected using purposive sampling, with the inclusion criteria being companies with available strategic CSR scores sourced from the Eikon Refinitiv database. The study utilizes secondary data, including annual financial reports and strategic CSR indicators, and applies the Fixed Effect Model to test the proposed hypotheses.

The results indicate that cost leadership has no significant direct effect on Return on Assets (ROA). However, through the mediating role of strategic CSR, cost leadership shows a negative indirect effect on ROA, suggesting that cost efficiency allocations toward CSR have yet to generate short-term financial gains. Differentiation strategy, on the other hand, has a significant but negative direct effect on ROA, while it positively influences strategic CSR, which subsequently has a positive indirect impact on financial performance. Strategic CSR itself exerts a direct negative effect on ROA, indicating its role as a long-term investment rather than a short-term profit driver. The regression model demonstrates a high explanatory power, with adjusted R-squared values of 85.6% for the ROA model and 93.88% for the strategic CSR model. Future research is encouraged to explore alternative theoretical frameworks related to corporate strategy and to incorporate control and moderating variables to enrich the existing literature.

***Keywords**: Cost Leadership, Differentiation, Strategic CSR, Financial Performance, Primary Consumer Sector.*