MARKETING INNOVATION: DEVELOPMENT STRATEGY OF PRIVATE UNIVERSITY IN INDONESIA

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ABSTRACT
This research aims to determine the role of marketing innovation in developing the private university using the Structure Equation Model (SEM) analysis technique SmartPLS 3.0 through a quantitative survey design. The population in this study is new students from 21 private universities spread across the city of Serang. The sampling technique used purposive with a sample determination of 180. This study found that marketing innovation and brand image provided a competitive advantage and were used for student purchase intention considerations. This research contributes to steps that organizations can use in obtaining purchase intention. The COVID-19 pandemic has significantly impacted the economy and the field of higher education, especially private universities. The pandemic resulted in the closure of universities. It increased competition within the education sector in private universities through various approaches by academic institutions to provide higher-quality education during the COVID-19 restrictions.

Keywords: marketing innovation, brand image, competitive advantage, purchase intention

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INTRODUCTION

Marketing Innovation aims to connect with customers at a new level to provide new promotion efforts. (Kahn, 2018) and also seeks to increase the attractiveness of buying interest (Purchase & Volery, 2020). Marketing innovation is a tool that helps managers use their resources effectively and create a competitive advantage. (Bilan et al., 2020; Monteiro et al., 2019). Marketing innovation can improve reputation or company image, increase profits through increased customer satisfaction, identify processes and develop new ideas to gain a competitive advantage (Scott, 2020).

Asiedu et al. (2020), Dent et al. (2019), and Lysytsia et al. (2019) explain the research on marketing innovation in higher education. However, they have not described marketing innovation at a private university, especially in Banten Province, Indonesia.

Marketing innovation has a role in developing private universities (Arifah Hidayati, 2020) so that it can affect students buying interest. This study uses quantitative analysis, with the research object being 21 private universities spread across the city of Serang. The analytical method used is Structure Equation Model (SEM) with SmartPLS 3.0. The novelties in this study are (1) This research was conducted during The COVID-19 epidemic due to a large number of private universities that were closed and the competition was getting higher, (2) Using competitive advantage as a moderating variable, (3) This research focuses on private universities in the city of Serang, Banten Province, Indonesia.

The COVID-19 epidemic has greatly impacted people's health and lifestyle. Like the way they study, work, and live (Howe, 2020). One of the most significant issues brought about by COVID-19 is how to modify the education system established in private universities. At its peak, more than 188 countries or 91 percent of those recorded globally, threatened to close their campuses in an effort to stop the virus from spreading. The closure of private universities has a very real impact on all students, especially those most vulnerable to knowledge barriers (Abushammala et al., 2021; Kuckertz et al., 2020). Due to private universities' closure, many research have been adversely affected. This directly leads to difficult challenges for higher education (e.g. by providing a complete and good space for each student), so countries need to take steps to promote equitable and inclusive access to favorable learning conditions during the pandemic. (OECD, 2020).

The quality of human resources is one indicator of the development of a nation. Good quality human resources cannot be separated from an educational process, be it formal or informal education. Education is an investment in human resources (human capital investment) (Sabodash et al., 2021; Santy et al., 2021). Awareness of the importance of education must be the concern of all levels of society to provide hope and better possibilities in the future. Education is one way to reduce unemployment (Hindun, 2019; Luckyarid et al., 2022; Maneejuk & Yamaka, 2021). Lack of sources of information, level of expertise, and employment opportunities are factors for unemployment (Hossain et al., 2018; Mada & Ashar, 2015; Permady, 2020). Education is the vehicle of knowledge, self-preservation and success (Bhardwaj, 2016).

Higher education in universities is an important part of the world of education, which aims to educate the nation's responsible life and has quality initiatives to grow a responsible and quality human resource base in the community (Nulhaqim et al., 2016; Papa et al., 2020). A strategic role in overcoming the problems is not only to produce the best graduates but to build a competitive advantage to attract the interest of prospective students and students' satisfaction. Based on university statistics data, in 2020, there were 4,593 affiliated universities, both public and private, registered in Indonesia. Banten Province, as a whole, has 118 private universities. (PDDikti, 2020).

Figure 1 shows the number of private universities in Banten Province with the categories of 23 universities, 2 institutes, 58 high schools, 28 academies, and 7 polytechnics.

Markets are becoming more complex as a result of high competition and uncertainty in demand (Blocker et al., 2011; Casidy, 2013), coupled with COVID-19, which is having a significant impact on all areas of the industry. Likewise, in the world of education (Dawadi et al., 2020; Jena, 2020). One example is John F. Kennedy (JFK), who closed campus operations. Meanwhile, in Indonesia, the data presented by Fasli Jalal, the rector of YARSI University, stated that due to the COVID-19 pandemic, the number of students who wanted to continue to private
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universities (PTS) in Indonesia had decreased by 30 percent.

![Graph showing number of private universities in Banten Province 2021](image)

**Figure 1**: Number of Private Universities. Banten Province 2021

This causes great disruption to the implementation of higher education, thus requiring a special strategy to attract the interest of prospective students.

**LITERATURE REVIEW**

Concept of Private University Marketing Innovation Strategic

The concept of innovation presented by researchers from various business and management domains has differences. Economists consider marketing innovation from a process and a product perspective, whereas a marketing researcher conceptualizes innovation from a commercialization perspective (Gupta et al., 2016). Recently, a new definition of the marketing function in innovation has emerged. (Joueid & Coenders, 2018). Innovation in higher education is all efforts made by universities to seek and develop existing conditions to achieve progress (Soenarto, 2019).

The marketing strategy creation process takes into account the changing business environment according to the client’s needs and aims to deliver higher value. In contrast to efforts to increase sales, the focus of marketing strategy is primarily on organizational performance. (Cravens & Piercy, 2009). Strategic management is the organization’s analysis, decision-making, and actions to create and maintain a competitive advantage (Gurel Emet, 2017; Tapera, 2014). Strategic planning aims to create a competitive advantage by combining other factors (Phiri et al., 2019). To describe how organizations create, deliver, and capture value. The factors of business success are always varied and complex, namely the role of decision-making and sustainable strategy.

Marketing Innovation and Purchase Intention

Marketing innovation today refers to the application of fresh marketing tactics that significantly alter product positioning, pricing, promotion, and design/packaging. (Medrano et al., 2020). Innovation in marketing is a tool that supports managers in using their resources efficiently to develop a competitive advantage. Ambient marketing, personal marketing, environmental marketing, guerrilla marketing, ambush marketing, buzz marketing, viral marketing, product placement, mobile marketing, event marketing, word-of-mouth marketing, neuromarketing, geomarketing, and behavioral marketing are some of the progressive developments in the field of innovation marketing. (Ungerman et al., 2018).

The majority of businesses use purchase intention as a predictor of sales of new products and purchases of existing products because it has become the main idea and foundation in the marketing literature. (Lasuin & Ching, 2014). The indicators used to measure marketing innovation are product, promotion, place, price, and service (Medrano et al., 2020).

Brand Image and Purchase Intention

Brand strategy is important for the success of an innovation in the long term. It needs to be emphasized that the brand is not just giving a name and logo to an innovation (Aaker, 2007). Brand image is a mental representation that consumers have about a product and how the market perceives good quality. (Chatterjee & Basu, 2020; Rahman, 2020). Brand image has an influence on buying interest and consumer satisfaction (Agmeka et al., 2019; Dash et al., 2021). Institutional prestige, campus facilities, quality of lecturers, and perceived quality can be indicators in measuring brand image. (Cubillo et al., 2006; Lee et al., 2019).
Marketing Innovation and Competitive Advantage

Innovation is empirically linked to competitiveness as a strategic tool that companies need to remain competitive and relevant (Anning-Dorson, 2018; Grawe et al., 2009). Marketing innovation has a relationship with a competitive advantage, Gap research is obtained from several studies that state that marketing innovation has no effect on competitive advantage (Maftuchach et al., 2020). Marketing innovation affects competitive advantage (Handoyo, 2015; Muhammad et al., 2019). The indicators used to measure competitive advantage are research grants, enrollment rate, student population, resources and sponsorship (Thiong’o et al., 2021).

Brand Image and Competitive Advantage

The brand image of a university can be generated from the tangible (tangible) and emotional (intangible) aspects (Nguyen & LeBlanc, 2001). Creating a brand image of private universities is essential for the long-term viability of the universities. (Alkhawaldeh et al., 2020). Brand image is created to make people think about business activities so that it becomes clear that the specified brand image can benefit the organization in the long run. When a university projects a positive image on its students, the student will be very satisfied, develop a positive pattern of behavior in the form of high retention, and provide positive recommendations about the college to others (Hwang & Choi, 2019).

Competitive Advantage to Purchase Intention

Competitive advantage is the benefit gained over competitors by offering customers more value, either through lower prices or more benefits and services. (Porter, 1985). (Augusty, 2014) Transactional interest, Referential interest, Preferential interest, and Explorative interest.

Figure 2 shows the hypothesis proposed in the study using the variable marketing innovation, brand image, competitive advantage, and purchase intentions of students.

Figure 2: Conceptual Framework

METHOD

This study used a quantitative research design using a questionnaire and analyzed using the Partially Least Square Structural Equation Modeling (PLS-SEM) technique. Data was collected by sending questionnaires to respondents using online survey service providers. The population of the study's data consisted of 4441 new students from 21 private universities dispersed throughout the city of Serang. (Badan Pusat Statistik Kota Serang, 2021). The sampling technique used purposive
with a sample determination of 180 (Hair et al., 2014; Kock, 2018). Convergent validity and discriminant validity are the two methodologies used in the PLS-SEM validity test. This study uses the Average Variance Extractor (AVE) value with a minimum criterion value of 0.5 (Claes Fornell and David F. Larcker, 1981).

RESULT AND DISCUSSION

Scoring Model Evaluation (Outer Model)

The first stage is assessing the model's measurement form, which involves testing discriminant validity, composite reliability, and convergent validity. Analyzing the number of loading factors from each indicator marker to the construct allows the assessment of convergent validity. Confirmatory research has a loading factor limit of 0.70, while exploratory research uses a loading factor limit of 0.60. Therefore, this study is confirmatory; this research is confirmatory research, so the limit factor used to test the validity of the concurrent data for each indicator marker has a value of more than 0.70. The test results using the Smart PLS construct model can be seen in Figure 3.

According to Figure 3, each variable indicator of marketing innovation, brand image, competitive advantage, and purchase intention has a value of >7.0 for the loading factor. In addition, the outer loading can be observed in table 1, which is below.

Table 1 describes the descriptive analysis. Obviously, the outer loading value on each variable indicator has a value > 0.70. Not just by looking at each marker's loading factor value, the convergent validity test was also tried by looking at the AVE value of each construct, explaining that the convergent validity required was fulfilled if each construct had an AVE number of more than 50%.
Table 1: Outer Loading

Table 2. The analysis in the tabulation above ensures that all constructs have an AVE value above 0.50 which means that all constructs have positive convergent validity. Construct reliability can be estimated from the Crombachs Alpha value and the Composite Reliability value of each construct.

The construct was observed to have valid reliability if the Crombachs alpha value for each elastic had a number greater than 0.70 or 70% and the composite reliability value was above 0.70 or 70%. To recognize the discriminant validity number, the method of looking at the source of the square of AVE.

Table 3 above shows that the square of AVE on all constructs is stronger from all sources than the correlation between variables and other factors. The base number of the square of AVE and the number below it is the number of the relationship with the construct. So it appears that the source number of the AVE square is greater than the relationship number. That way it can be concluded that all the elasticities of this study are real because they have fulfilled discriminant validity. The number that is expected to be the source of the square is greater than the relationship number can be observed in table 3. as follows:
**Table 3: Discriminant Validity**

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Brand Image</th>
<th>Competitive Advantage</th>
<th>Marketing Innovation</th>
<th>Purchase Intention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Image</td>
<td>0.805</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competitive Advantage</td>
<td>0.536</td>
<td>0.833</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketing Innovation</td>
<td>0.171</td>
<td>0.239</td>
<td>0.884</td>
<td></td>
</tr>
<tr>
<td>Purchase Intention</td>
<td>0.604</td>
<td>0.811</td>
<td>0.291</td>
<td>0.905</td>
</tr>
</tbody>
</table>

**Hypothesis**

Hypothesis testing is used to determine the effect of exogenous variables (marketing innovation, brand image, competitive advantage) on endogenous variables (purchase intention).

**Figure 4: Direct Effect Bootstrapping Test Results Model**

Based on Tables 4 and 5, the explanation regarding the hypothesis test analysis is tried with a significance of 5%, automatically creating a critical statistical t number of ± 1, 960. The assumption is obtained if accepted if the t statistic is > 1, 960 t Table. Otherwise, if the feasibility test is not supported, if t-statistic number < 1, 960 t table is rejected, this is the result of statistical tests to respond to the totality of research problems, and their descriptions can be presented in the following description.
**Table 4: Direct Effect Bootstraping Test**

|                              | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics (|O/STDEV|) | P Values |
|------------------------------|---------------------|-----------------|----------------------------|--------------------------|----------|
| Brand Image → Competitive Advantage | 0,510               | 0,510           | 0,064                      | 7,988                    | 0,000    |
| Brand Image → Purchase Intention | 0,232               | 0,233           | 0,053                      | 4,399                    | 0,000    |
| Competitive Advantage → Purchase Intention | 0,665               | 0,664           | 0,050                      | 13,417                   | 0,000    |
| Marketing Innovation → Competitive Advantage | 0,152               | 0,160           | 0,066                      | 2,299                    | 0,022    |
| Marketing Innovation → Purchase Intention | 0,092               | 0,092           | 0,039                      | 2,339                    | 0,020    |

**Table 5: Indirect Effect Bootstraping Hypothesis Test**

|                              | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics (|O/STDEV|) | P Values |
|------------------------------|---------------------|-----------------|----------------------------|--------------------------|----------|
| Brand Image → Competitive Advantage → Purchase Intention | 0,339               | 0,338           | 0,045                      | 7,528                    | 0,000    |
| Marketing Innovation → Competitive Advantage → Purchase Intention | 0,101               | 0,107           | 0,046                      | 2,181                    | 0,030    |

**DISCUSSION**

**The Effect of Marketing Innovation in University on Student’s Purchase Intention**

This study's first finding shows that universities' marketing innovation significantly and positively affects students' purchase intention. Based on the results of the bootstrapping test, University Marketing Innovation influences Purchase Intention. Students have a t-statistic value of 2.339 > 1.960 and have a p-value of 0.020 < Sig 0.05. Thus, it can be said that the first hypothesis is accepted. The better the University's Marketing Innovation, the higher the Student's Purchase Intention. Thus, increasing Student's Purchase Intention can be done by increasing University Marketing Innovation. The University Marketing Innovation variable has 5 indicators: Product innovation, Price innovation, Place Innovation, and Promotion Innovation Service Innovation.

**The Effect of Brand Image in University on Student’s Purchase Intention**

From the results of this study, the second study shows that the university's brand image significantly and beneficially influences students' purchase intention. Based on the results of the bootstrapping test, University Brand Image has an effect on Purchase Intention. Student's has a t-statistic value of 4.399 > 1.960 and has a p-value of 0.000 < Sig 0.05. The value means, it can be that...
the second hypothesis is accepted, so it can be concluded that the higher the University Brand Image, the higher the Student's Purchase Intention. Thus, increasing Student's Purchase Intention can be done by increasing the University's Brand Image. Brand strategy is important for the success of an innovation in the long term. It needs to be emphasized that the brand is not just giving a name and logo to an innovation (Aaker, 2007). The brand image relates to consumers' perception of a product and how the market perceives its features. (Chatterjee & Basu, 2020; Rahman, 2020). Researchers can build hypotheses in the previous chapter and the findings from this study that Student Purchase intention is positively and significantly impacted by university brand image.

The Effect of Marketing Innovation in University on Competitive Advantage

The third finding in this study shows that the marketing innovation of universities has a positive and significant effect on competitive advantage. Based on the results of the bootstrapping test, marketing innovation of universities has an influence on competitive advantage, has a p-value of 0.022 Sig 0.05, t-statistic 2.299 > 1.960, and. It can be said that the third hypothesis is accepted. This means that the more effective the marketing innovation of the university is, the more competitive advantage will be. Thus, to increase competitive advantage, it can be done by increasing marketing innovation of the university. Researchers can build hypotheses in the previous chapter and the findings from this study; students' purchase intentions are positively and significantly influenced by the university's brand image.

The Effect of Brand Image in University on Competitive Advantage

The fourth conclusion in this study reveals that the university's brand image has a beneficial and significant influence on Competitive Advantage. This finding is based on the results of the research evaluation. Based on the results of the bootstrapping test, the brand image of the university has an influence on Competitive Advantage. It has a t value of 7.988 > 1.960 and has a p value of 0.000 < Sig 0.05. Thus it can be said that the third hypothesis is accepted. This means that the better the brand image of the university have better the Competitive Advantage. Thus, increasing the Competitive Advantage, it can be done by increasing the University's Brand Image. The brand image of a university can be generated from the tangible (tangible) and emotional (intangible) aspects (Baranova et al., 2021). Creating a private university brand image is critical to the university's long-term viability (Alkhawaldeh et al., 2020). Researchers can build a hypothesis in the previous chapter now from the findings of this study that Competitive Advantage is significantly and favorably impacted by University Brand Image.

The Effect of Competitive Advantage on Student’s Purchase Intention

From the results of this study, the fifth finding shows that competitive advantage has a positive and significant effect on students' buying interest. Based on the results of the bootstrapping test, Competitive Advantage has an effect on Purchase IntentionThe t-value for the students was 13.417 > 1.960, and their p-score was 0.000 Sig 0.05. Consequently, it is possible to say that the fifth hypothesis is correct. This means that the higher the Competitive Advantage, the higher the Student’s Purchase Intention. Thus, increasing the competitive advantage, it can be done by incorporating more facilities and services. (Porter, 1985). Researchers can now build hypotheses in the previous chapter from the findings of Intention Student's research.

CONCLUSION AND RECOMMENDATION

The analysis concludes that marketing innovation and brand image can be used as a step or strategy for private universities to obtain purchase intention. Empirical evidence that moderate competitive advantage strengthens the influence of marketing innovation and brand image on private universities. Moderation is positive and significant. The study's limitations are (1) This research was only conducted in the city of Serang, Banten Province, (2) This research only focuses on private universities. Further research can expand the area of the work unit. We use the SEM with SmartPLS 3.0 survey analysis method to support this research. This paper can be useful for private university organizations in Indonesia.
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Advantage: Creating and Sustaining Superior Performance (pp. 33–35).


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