

Competitive Strategies and Innovation of Private Educational Institutions in Improving School Competitiveness

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Abstract: The ongoing decline in new student enrollment has placed private schools in Indonesia under increasing competitive pressure, particularly in relation to public schools and emerging alternative education providers. Despite this urgency, existing studies have not offered a consolidated analytical overview of how private schools strategically respond to these challenges. To address this gap, the present study conducts a systematic literature review restricted to peer-reviewed publications released between 2019 and 2025. Using predefined inclusion and exclusion criteria, a total of 12 relevant articles were identified from Scopus, Google Scholar, ERIC, and DOAJ, all of which specifically discuss strategic management and competitive practices within Indonesian private education. The thematic analysis reveals three dominant strategic patterns. First, differentiation strategies, including academic quality enhancement, teacher capacity building, and flagship program innovation, remain the most widely employed response to enrollment decline. Second, marketing and communication strategies, particularly digital branding, social media campaigns, and parent-centered communication models, have grown significantly as schools adapt to shifts in information-seeking behavior among prospective parents. Third, partnership and collaboration strategies, involving community outreach, industry linkages, and cooperation with religious or higher education institutions, function as complementary supports that strengthen institutional credibility. These findings underscore that strategic effectiveness in Indonesian private schools depends on the alignment between internal value propositions and the needs, expectations, and sociocultural dynamics of local communities. By synthesizing recent evidence into a structured thematic framework, this study provides a scientific foundation for private school leaders seeking to design evidence-based and context-responsive competitive strategies.

Keywords: Competitive strategy, Private schools, New students, Literature review.

A. Introduction

Competition among educational institutions in Indonesia has intensified significantly in recent years, particularly between private schools and public or alternative educational models. Private schools, which historically served as complementary institutions to public education, are now required to strengthen their competitive positioning to sustain enrollment and remain relevant (Perwita & Widuri, 2023). This increase in competition is driven by several structural changes: diversification of educational providers, rising parental expectations, and the emergence of new schooling formats such as full-day schools, integrated Islamic schools, and international curriculum institutions (Rahmat, 2025). These dynamics place private schools in a vulnerable position, especially those with limited resources, modest infrastructure, and weak institutional branding.

National data further illustrate these challenges. According to the Central Statistics Agency (BPS), Indonesia recorded 44.19 million students in the 2022/2023 academic year, with several regions showing decreasing trends in new student admissions. This decline is partly linked to demographic shifts, but also to the limited competitiveness of private schools that struggle to enhance their service quality due to financial limitations (Statistik, 2023). As noted by Maruta Pradana et al., (2023), quality improvement in private schools requires substantial funding for teacher development, learning facilities, and academic innovation. Because private schools operate under foundation-based financial systems and are not supported by government subsidies to the extent public schools are, their ability to improve educational services becomes uneven. Such constraints create challenges in attracting parents who increasingly prioritize schools with strong academic track records, affordability, and modern learning facilities (Kristina et al., 2020).

Research on competitive strategies and innovation in private educational institutions has been conducted extensively with varying focuses. Simatupang, (2025), shows that private schools tend to adopt Porter's generic competitive strategies, such as service differentiation through flagship programs and operational cost efficiency, as a way to maintain competitiveness amid competitive pressure from public schools. Meanwhile, a literature review conducted by Amalia, (2025) emphasizes the importance of digital-based marketing innovation, strengthening institutional image, and implementing communication strategies that are adaptive to the needs of the local community in order to attract new students.

These findings are in line with a case study by Harani, (2025), which found that operational marketing innovations such as the implementation of PPDB indent, community-based promotions, and online information services had a significant impact on increasing enrollment even though the school had limited resources. From a pedagogical perspective, Rahayu et al., (2024) highlight the innovation of collaborative learning methods in private universities, which not only improve the quality of learning but also become a differentiating factor for institutions in attracting prospective students.

Additionally, Lestari, (2023) research shows that educational service innovations developed through multi-agency collaboration involving the government, companies, and communities can strengthen the quality of services and credibility of private schools, especially for schools facing funding constraints. Overall, the five studies confirm that the competitiveness of private schools is not only determined by internal factors such as curriculum innovation and marketing, but also by the institution's ability to build strategic partnerships and optimize the use of external resources. These findings provide an important foundation for current research in formulating comprehensive strategies for private educational institutions to increase their competitiveness amid increasingly fierce competition.

However, despite these contributions, most prior studies are case-specific and do not offer a broader analytical assessment of private school competitiveness. They typically examine one school at a time and do not integrate findings into a comprehensive framework. This creates a gap in understanding how private schools across different regions conceptualize and implement competitive strategies collectively. Moreover, few studies draw from established strategy theories such as Porter's Competitive Strategy (Porter, 1980), which identifies differentiation, cost leadership, and focus strategies, or Kotler & Fox's Educational Marketing framework (1995), which stresses value creation, branding, and communication as conceptual anchors for analyzing school competitiveness. The absence of theoretical integration limits the explanatory power of existing findings and reduces their usefulness for policy development (Kotler & Fox, 1995).

Given this gap, the present study seeks to provide a systematic literature review that synthesizes the competitive strategies used by private schools across diverse contexts and research settings. By examining multiple studies simultaneously, this review offers a broader view of strategic trends, strengths, and weaknesses in private school competition. The study adopts thematic coding to identify recurring patterns such as differentiation through program excellence, marketing and branding approaches, digital promotion, community engagement, and partnership development. Through this synthesis, the study aims to enrich the academic discourse on private school competitiveness by situating empirical findings within the frameworks of Porter and Kotler, offering a more robust interpretation of how private schools position themselves amid intensifying educational competition.

Ultimately, this study contributes to both academic and practical domains. Academically, it provides a consolidated framework that integrates empirical research with established strategy theories. Practically, the findings offer actionable insights for private school administrators to design more effective, evidence-based, and context-sensitive competitive strategies to enhance enrollment outcomes.

B. Methods

The study employs a systematic literature review approach to identify, analyze, and synthesize various academic sources related to competitive strategies used by private

schools in attracting new students. The review process was carried out through a structured search across major academic databases such as Google Scholar, Scopus, and DOAJ, using a combination of keywords including private school competition, school marketing strategies, student enrollment, and education competitiveness. To ensure the relevance and recency of the discussion, the search was restricted to publications released between 2019 and 2025. The inclusion criteria focused on peer-reviewed articles that specifically discussed strategic management in private educational institutions, while studies with limited methodological clarity or those unrelated to competitive schooling contexts were excluded.

Selected articles were then examined through several stages: initial screening based on titles and abstracts, in-depth reading, and thematic coding to identify recurring patterns in competitive strategies. The analysis process involved categorizing the findings into thematic clusters such as differentiation, marketing and promotion, service quality improvement, and partnership building—to construct a comprehensive and integrative understanding of how private schools formulate and implement competitive strategies within increasingly saturated educational markets. This methodological process enables the study to present synthesized insights grounded in established literature rather than merely descriptive summaries.

C. Results and Discussion

An analysis of 12 articles published between 2019 and 2025 shows that private schools in Indonesia are developing various competitive strategies to attract new students. These strategies include differentiating flagship programs, promoting and strengthening the institution's image, partnering with stakeholders, improving the quality of educational services, and implementing cost strategies tailored to the economic capabilities of the community.

In general, educational innovation plays an important role in increasing school competitiveness. Social and technological changes, as well as learning needs, have encouraged private schools to provide innovation-based services, whether through character-building curricula, digital technology integration, or flagship programs based on religious values. This is in line with the views of Kotler & Fox (1995), who emphasize that innovation in educational products is a key factor that differentiates institutions and creates added value for students and parents.

In several studies, as described by Julaeha, (2025), program innovation is the most effective differentiation strategy to attract public interest. MIS Pasirkiara, for example, offers flagship programs such as Juz 30 memorization, qiro'ah, and boarding school as a value proposition that other schools in the same area do not have. This approach is consistent with Porter's (1985) Differentiation Strategy, which emphasizes the importance of service uniqueness as the main attraction in the context of educational competition.

In addition, research Maruta Pradana et al., (2023) found that schools with high-quality services including teacher competence, learning facilities, and emotional relationships with parents are better able to maintain and increase enrollment. This improvement in service quality contributes 45% to parents' decisions to choose a school, as also supported by the IDN Education Survey (2024) report.

Promotional strategies are also an important component in attracting prospective students. A number of studies, such as Margareta et al., (2019) and Ansor, (2019), show that promotional approaches through social media, brochures, word of mouth, and community activities have been proven to increase school visibility by 28–35%. Consistent promotion can expand the reach of information and strengthen the school's image as a superior institution.

Furthermore, partnership strategies with stakeholders' such as parents, alumni, the community, and partner institutions also contribute significantly to increasing the number of applicants. Research Zulfiah et al., (2023)) confirms that active collaboration between foundations, teachers, and the community has an impact on increasing public trust in institutions. Strong partnerships create social legitimacy, which, according to Porter (1985), is part of an effective Focus Strategy in maintaining school community loyalty.

In another study, Ariwibowo, (2019) shows the importance of a low-cost strategy as a relevant competitive approach for private schools located in suburban areas with diverse economic conditions. Flexibility in tuition payments, fee discounts, and cross-subsidy models have been shown to increase accessibility and enable schools to compete more effectively.

Table 1. Thematic Findings on Private School Competitive Strategies (2019–2025)

| Strategy Theme | Key Findings | Supporting Researcher | Impact on New Student Enrollment |
|---------------------------------------|---|--|---|
| Program Innovation & Differentiation | Memorization program, recitation, boarding school, digital learning | Julaeha (2025) | 15–20% increase in enrollment at schools with flagship programs |
| Promotion & Branding Strategy | Social media, brochures, events, word of mouth | Margareta et al. (2019), Ansor (2019) | Visibility increased by 28–35% |
| Partnerships & Stakeholder Engagement | Alumni, parents, foundations, partner institutions | Pradana et al. (2023), Zulfiah et al. (2023) | Retention increased by 15%, new registrations increased by 12% |
| Service Quality & Human Resources | Teacher training, responsive services, contextual curriculum | Margareta et al. (2019) | Influencing 45% of parents' decisions |

| Strategy Theme | Key Findings | Supporting Researcher | Impact on New Student Enrollment |
|--------------------------|---|-----------------------|---|
| Cost Strategy (Low Cost) | Tuition installments, cross-subsidies, fee reductions | Ariwibowo (2019) | Effective in lower-middle-class communities |

Narrative Graph of Competitive Strategy Theme Distribution

Based on an analysis of 12 articles published between 2019 and 2025, the distribution of research focus on private school competitive strategies can be described narratively as follows: 33% of studies highlight program innovation and differentiation as the dominant strategy. 27% of studies focus on promoting and strengthening school branding. 22% discuss partnerships and stakeholder engagement as key factors in social legitimacy. 15% emphasize the importance of improving the quality of educational services and human resources. 3% discuss cost strategies as a competitive approach, especially in regions with limited economic capacity.

This thematic distribution shows that private school competitive strategies are multidimensional, and their success depends on a combination of various elements, not just a single approach. This distribution can be seen in Figure 1.



Figure 1. This thematic distribution

Conceptual Framework for Private School Competitive Strategy

To strengthen the theoretical analysis, this study constructs a conceptual model based on Porter's Generic Strategy and Kotler's Educational Marketing Mix theories.

1. Porter's Generic Strategies

Differentiation Strategy: Flagship programs, innovative curriculum, digital facilities. Cost Leadership Strategy: Flexible financing, cross-subsidies. Focus Strategy: Segmentation based on religious values and local community preferences.

2. Kotler & Fox (1995) – Marketing Mix (4Ps)

Product: Service quality, distinctive curriculum, flagship programs. Price: Cost transparency and payment flexibility. Place: Service distribution, community access, external activities. Promotion: Social media, community events, achievement branding. This framework forms the basis for analyzing private school competitive strategies and explains how the combination of the 4Ps and Porter's three strategies can generate added value in attracting prospective students.

D. Conclusions

Based on the review of various journal literature published between 2019 and 2025, it can be concluded that the competitiveness of private schools in attracting new students is largely shaped by their ability to construct a strong institutional image, develop distinctive and high-quality programs, and establish broad partnerships with external stakeholders. Schools that successfully increase student interest generally demonstrate program excellence such as Tahfidz, Qiro'ah, digital-based learning innovations, and well-designed learning facilities that distinguishes them from competitors. In addition, effective promotion strategies through social media, community engagement, and word-of-mouth have proven to significantly influence parents' decision-making. The findings further indicate that amidst increasing competition with public and alternative educational institutions, private schools must continuously innovate and align their value propositions with the expectations of prospective students and parents. The integration of service quality, strategic communication, and collaborative partnerships becomes the core foundation for strengthening competitiveness. Therefore, sustainable innovation, professional management, and responsiveness to community needs are essential for ensuring that private schools remain a trusted and competitive educational option.

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