

Marketing Capabilities and Competitiveness in Private Higher Education

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Abstract

This study examines the influence of marketing capabilities on the competitiveness of private higher education institutions in Medan, Indonesia. The analysis focuses on market sensing capability, digital marketing capability, and brand management capability as key organizational resources in responding to increasing competition in the higher education market. A quantitative associative approach was applied using survey data from 138 respondents involved in marketing, public relations, and student admission activities at private higher education institutions. Respondents were selected through purposive sampling, while the data were analyzed using multiple linear regression with SPSS. The results show that market sensing capability, digital marketing capability, and brand management capability each have a positive and significant effect on private higher education competitiveness. The three capabilities also simultaneously contribute to strengthening institutional competitiveness. Digital marketing capability provides the strongest contribution among the examined variables. The study concludes that private higher education institutions need to strengthen their ability to understand market changes, manage digital interactions, and maintain consistent institutional positioning to remain competitive and attractive to prospective students.

Keywords: Marketing Capabilities, Competitiveness, Higher Education

Introduction

The higher education sector is experiencing intensifying competition as universities navigate changing student preferences, expanding admission pathways, digital transformation, and increasing expectations regarding educational quality and graduate employability (Nasib, 2022). Within this increasingly competitive environment, private higher education institutions (PHEIs) face considerable challenges in attracting prospective students, differentiating their academic offerings, and maintaining institutional sustainability (Nasib et al., 2026). Unlike public institutions that may benefit from substantial government funding, many private institutions depend heavily on tuition-based revenue to finance academic operations, infrastructure development, and institutional improvement (Nasib, Harianto, et al., 2024). Consequently, their ability to maintain a competitive position is closely associated with their capacity to identify market opportunities, communicate distinctive institutional value, and respond effectively to evolving student expectations (Nasib, Simanjuntak, et al., 2024).

The competitive structure of Indonesian higher education illustrates the magnitude of these challenges. National higher education statistics reported 2,713 private higher education institutions in 2025, accounting for approximately 63.05% of institutions within the reported classification (Ma'arif, 2021). The large number of private providers creates a fragmented educational market in which institutions compete not only on tuition fees and academic programs but also on accreditation, institutional reputation, graduate employment prospects, digital accessibility, and perceived educational value. Competition is further intensified by the admission capacity of public higher education institutions. Under the 2026 national student admission framework, public institutions offer places through achievement-based selection (Seleksi Nasional Berdasarkan Prestasi, SNBP), test-based selection (Seleksi Nasional Berdasarkan Tes, SNBT), and institutionally administered



independent admission pathways. Figure 1 presents the reported admission capacity across these pathways.

Figure 1. Public Higher Education Admission Capacity in Indonesia, 2026

Public Higher Education Admission Capacity in Indonesia (2026)				
Type of institution	SNBP (Achievement-based selection)	SNBT (Test-based selection)	Independent Admission (Institutionally administered pathways)	Total
Academic public universities	151,079	211,946	161,593	524,618
Public vocational institutions	26,929	33,803	17,636	78,368
State Islamic higher education institutions	11,009	15,748	8,496	35,253
Total	189,017	261,497	187,725	638,239

The figures in Table 1 indicate that public higher education institutions collectively offered 638,239 admission places, including 187,725 places through independent admission pathways. The latter account for approximately 29.4% of the reported capacity, suggesting that public institutions remain active competitors beyond the centralized national selection processes. This competitive environment is particularly relevant to PHEIs in Medan, North Sumatra, where public and private institutions operate within overlapping geographic recruitment markets. Although admission capacity does not directly represent actual enrollment or measure competitive displacement, it illustrates the scale of publicly available alternatives that prospective students may consider. For private institutions, these conditions highlight the importance of developing organizational capabilities that support student recruitment, market differentiation, and long-term institutional competitiveness.

Beyond structural competition, digital transformation has fundamentally altered how prospective students search for, evaluate, and select higher education institutions. University websites, social media platforms, online reviews, search engines, student testimonials, and interactive communication channels increasingly influence students' information acquisition and institutional evaluations. Prospective students can compare institutional offerings and perceived value before participating in campus visits or formal admission processes. Consequently, university marketing has evolved from predominantly promotional communication toward an integrated process involving digital engagement, relationship development, institutional positioning, and evidence-based decision-making (Sun, 2025)(Fitzgerald, 2025). Previous research has emphasized the contribution of social media marketing and credible digital communication to university brand equity and student recruitment (Rahiman & Kodikal, 2024). Nevertheless, the effectiveness of these activities depends not merely on the availability of digital platforms but also on the institutional capabilities required to convert market information and marketing resources into competitive outcomes.

From a strategic management perspective, the Resource-Based View (RBV) suggests that sustainable competitive advantage emerges from valuable organizational resources and capabilities that are difficult for competitors to replicate (Barney, 1991). However, resource possession alone may be insufficient in environments characterized by technological change, evolving stakeholder expectations, and competitive uncertainty. Dynamic Capabilities Theory extends this perspective by emphasizing the ability of organizations to sense environmental changes, seize emerging opportunities, and reconfigure resources and operational processes to maintain competitiveness (Teece, D. J., Pisano & Shuen, 1997). Applied to private higher education, this perspective suggests that institutional competitiveness depends not only on tangible resources, such as facilities, academic programs, and financial capacity, but also on organizational capabilities that enable institutions to interpret market signals, deploy digital marketing resources, and manage distinctive institutional identities.

One such capability is Market Sensing Capability (MSC), which refers to an organization's ability to systematically acquire, interpret, and utilize information concerning customers, competitors, and broader market developments. In the higher education context, MSC enables institutions to identify changing student preferences, recognize emerging academic program demands, monitor competitor strategies, assess recruitment effectiveness, and anticipate shifts in prospective students' decision-making behavior. Institutions possessing stronger market sensing capabilities may be better positioned to adjust their academic offerings, tuition strategies, recruitment approaches, and student

support services in response to market developments. Previous studies have associated market sensing with improved organizational responsiveness, marketing strategy development, and performance under competitive conditions (Bitetti & Gibbert, 2022). Nevertheless, the extent to which this capability contributes directly to competitiveness among Indonesian private higher education institutions remains insufficiently established in the literature reviewed for this study.

A second strategically relevant capability is Digital Marketing Capability (DMC), defined as the institution's ability to integrate digital technologies, marketing knowledge, human expertise, and organizational processes to implement and evaluate effective marketing activities. Unlike the mere adoption of digital platforms, DMC reflects an institution's capacity to manage digital content, coordinate multichannel communication, analyze audience engagement, personalize prospective student interactions, and evaluate recruitment outcomes. In higher education, this capability can facilitate the transformation of digital visibility into meaningful student engagement and potential enrollment. Existing research indicates that digital marketing capabilities can enhance organizational performance by improving customer interaction, information utilization, and marketing effectiveness (Hoque et al., 2022). (Homburg & Wielgos, 2022) further provide a capability-oriented perspective on digital marketing and its performance implications. However, findings from commercial organizations cannot automatically be generalized to higher education institutions, whose marketing outcomes are shaped by educational service characteristics, institutional legitimacy, academic reputation, and long-term stakeholder relationships.

The third capability, Brand Management Capability (BMC), concerns an institution's ability to develop, communicate, maintain, and strengthen a distinctive and credible institutional identity. Higher education services are characterized by substantial information asymmetry because prospective students cannot fully evaluate educational outcomes before enrollment. As a result, institutional reputation, accreditation status, graduate employability, academic quality, student experience, and brand credibility become important signals in the selection process. Effective brand management enables institutions to align their strategic positioning with stakeholder expectations and communicate consistent institutional value across physical and digital touchpoints. Within the Indonesian higher education context, previous research has demonstrated the relevance of brand image and brand trust to students' institutional selection decisions (Amelia et al., 2026). However, these studies primarily emphasize students' perceptions of institutional brands rather than the internal managerial capability through which universities systematically develop and sustain those perceptions.

Although the literature provides important insights into market sensing, digital marketing, and institutional branding, three interrelated research gaps warrant further investigation. First, existing higher education marketing research has predominantly examined student-level determinants of university choice, including brand image, trust, promotional communication, and social media engagement. Comparatively less attention has been directed toward organizational marketing capabilities as strategic antecedents of institutional competitiveness. Second, previous studies have frequently investigated market intelligence, digital marketing, and branding as separate domains, providing limited understanding of their simultaneous contributions within an integrated capability-based framework. This fragmentation restricts the ability to determine whether each capability provides a distinct contribution to institutional competitiveness when the other capabilities are considered. Third, the applicability of dynamic capabilities theory to the competitive positioning of private higher education institutions in regional Indonesian education markets remains an important empirical question, particularly in Medan, where institutions face changing student expectations and competition from multiple categories of educational providers.

Addressing these gaps, the present study develops an integrated framework linking Market Sensing Capability, Digital Marketing Capability, and Brand Management Capability to Private Higher Education Competitiveness. Drawing on RBV and Dynamic Capabilities Theory, the framework conceptualizes the three marketing capabilities as complementary but analytically distinct organizational capabilities. Market sensing enables institutions to recognize competitive changes and emerging opportunities; digital marketing capability supports the deployment of technology-enabled communication and recruitment processes; and brand management capability facilitates the development of credible and differentiated institutional positioning. Rather than assuming that these

capabilities are interchangeable, the study evaluates their respective relationships with institutional competitiveness within a unified explanatory model.

The study seeks to determine the extent to which MSC, DMC, and BMC contribute to the competitiveness of private higher education institutions in Medan, Indonesia. Specifically, it examines the individual relationships between each marketing capability and institutional competitiveness while assessing their combined explanatory contribution. The study offers three anticipated contributions. Theoretically, it extends capability-based perspectives into private higher education by examining how market-oriented, digitally enabled, and brand-related capabilities relate to institutional competitiveness. Empirically, it provides context-specific evidence from private higher education institutions operating in a competitive regional Indonesian market. Managerially, it seeks to identify capability areas that institutional leaders can prioritize when allocating marketing resources, improving recruitment strategies, and strengthening institutional differentiation. In doing so, the study shifts the analytical focus from isolated promotional activities and student perceptions toward the organizational capabilities that may underpin competitive positioning and institutional sustainability.

Theoretical Review

Market Sensing Capability

Market Sensing Capability refers to an institution's ability to continuously identify, interpret, and use information related to market changes, customer preferences, competitors, and emerging opportunities. (Khristianto et al., 2024) associate the active use of marketing information with a stronger ability to detect and anticipate changes in the market. In higher education, this capability allows private institutions to recognize shifts in prospective students' interests, preferred study programs, tuition considerations, information-search behavior, and expectations regarding future employment (Munizu et al., 2025). Market information becomes more valuable when it is translated into concrete marketing decisions, particularly those concerning segmentation, communication channels, and relationships with prospective students (Kusa, 2021). Recent evidence from Indonesian private higher education also places marketing capability among the organizational resources that contribute to stronger competitive and marketing outcomes (Vesterinen et al., 2025). For private higher education institutions, market sensing is particularly important because student recruitment conditions may change from one admission period to another. Information regarding students' school origins, frequently requested programs, competitors' admission strategies, reasons for delayed registration, and changes in student expectations can provide a stronger basis for marketing decisions (Figueiredo et al., 2026) indicate that organizations that systematically interpret market information are better positioned to respond to environmental change. Such responsiveness can help universities refine target segments, adjust communication messages, redesign recruitment activities, and improve institutional offerings. This capability also reduces dependence on repetitive promotional practices that may no longer correspond with student behavior, which is consistent with the adaptive role of market-oriented information described by (Lyas, 2023) the capability-based perspective developed in higher education marketing.

H1: Market Sensing Capability has a positive and significant effect on Private Higher Education Competitiveness.

Digital Marketing Capability

Digital Marketing Capability represents an institution's ability to combine digital technology, marketing knowledge, content, data, communication channels, and human resources into coordinated marketing activities. (Figueiredo et al., 2026) show that digital marketing capability can create organizational value when digital resources are integrated with broader marketing processes. Its scope is therefore broader than maintaining social media accounts or university websites because it also includes the ability to understand digital audiences, manage online interactions, evaluate campaign performance, and convert digital engagement into meaningful marketing outcomes. In higher education, (Jaya et al., 2026) identifies market, media, stakeholder, management, learning, and

result-oriented competencies as important components of digital marketing capability. A similar capability-oriented perspective is also evident in the study by (Al Koliby et al., 2024), which connects marketing capabilities with stronger institutional marketing outcomes.

Digital capability becomes more critical because prospective students interact with universities through several digital touchpoints before deciding where to enroll (Wulandari et al., 2024). A prospective student may first encounter a university through social media, continue searching through its website, request information through messaging applications, compare study programs, and only then decide whether to register (Munizu et al., 2025). The type of content and communication style used by universities on social media can influence student acquisition. These interactions need to be managed consistently because delays, unclear information, or inconsistent communication can weaken prospective students' perceptions of the institution (Hokmabadi et al., 2024). Digital marketing capability enables universities to connect content management, audience interaction, performance evaluation, and admission activities into a more coherent process. This broader role of digital capability is also supported by (Sharabati et al., 2024) while its contribution to organizational value is consistent with (Toni et al., 2025).

H2: Digital Marketing Capability has a positive and significant effect on Private Higher Education Competitiveness.

Brand Management Capability

Brand Management Capability reflects an institution's ability to develop, communicate, maintain, and strengthen a distinctive institutional identity. A systematic review by (Azka et al., 2022) places brand identity, positioning, communication, and stakeholder perception among the main elements associated with university competitiveness. In higher education, institutional brands are shaped by academic reputation, credibility, program characteristics, service quality, graduate prospects, student experiences, and the consistency of messages delivered to stakeholders. Brand credibility also plays an important role because prospective students often rely on institutional reputation before they can directly evaluate educational services. (Al-Tabbaa & Zahoor, 2024) show that credible communication contributes to higher education brand equity, while research in Medan by (Amelia, 2024) links brand image and brand trust with students' decisions to choose a higher education institution. Brand management becomes increasingly important when several universities offer similar programs, facilities, tuition schemes, and promotional messages. Prospective students may struggle to identify meaningful differences unless institutions are able to communicate a clear and credible value proposition. (Zulkifli, 2024) highlight positioning as a central element in university branding because it helps an institution occupy a distinct place in the minds of its stakeholders. This positioning will be stronger when promotional promises are consistent with actual academic and service experiences. The role of credibility in strengthening institutional brand equity is also supported by (Jung & Shegai, 2023). At the local level, the relationship between brand perceptions and students' university choices reported by (Dewi et al., 2025) further indicates that brand management can support differentiation, trust, and competitive positioning.

H3: Brand Management Capability has a positive and significant effect on Private Higher Education Competitiveness.

Private Higher Education Competitiveness

Private Higher Education Competitiveness refers to an institution's capacity to maintain market relevance, attract prospective students, differentiate its educational offerings, respond to competitive changes, and sustain a recognizable position among alternative higher education providers (Nasib, 2024) connect marketing capabilities with brand equity and marketing performance in Indonesian private higher education, indicating that institutional competitiveness is closely related to how effectively internal capabilities are transformed into market value. Competitiveness is not limited to the number of students recruited during a particular admission cycle. It also reflects the institution's ability to communicate its distinctive value, adapt to market changes, and maintain relevance to prospective students and other stakeholders. University branding research similarly

associates clear institutional positioning with stronger competitive outcomes (Amelia et al., 2026) while (Ma'arif, 2021) show that effective digital communication can support student acquisition. The three marketing capabilities examined in this study perform complementary roles in strengthening competitiveness. Market Sensing Capability provides the information required to understand changes in prospective student behavior and competitor activities. Digital Marketing Capability then helps institutions convert that understanding into relevant communication and interaction through digital channels, as highlighted by (Idris et al., 2020) Brand Management Capability gives institutional strengths a more recognizable identity and helps maintain differentiation in a crowded education market. The combined role of these capabilities is consistent with the capability-based perspective presented by (Haryanto et al., 2024) show that marketing capabilities create greater value when they are integrated with organizational processes rather than managed as isolated activities.

H4: Market Sensing Capability, Digital Marketing Capability, and Brand Management Capability simultaneously have a positive and significant effect on Private Higher Education Competitiveness.

Methodology

This study employed a quantitative associative research design to examine the effects of Market Sensing Capability, Digital Marketing Capability, and Brand Management Capability on Private Higher Education Competitiveness. Primary data were collected in 2026 from private higher education institutions in Medan, Indonesia, using a structured questionnaire measured on a five-point Likert scale. The population consisted of staff and institutional personnel directly involved in marketing, public relations, digital communication, promotion, and student admission activities (Wallwey & Kajfez, 2023). Respondents were selected through purposive sampling, with the criteria that they were actively involved in marketing or admission-related functions and had sufficient knowledge of institutional marketing activities; a total of 138 valid respondents were included in the analysis, within the targeted sample range of 120–150 respondents. Market Sensing Capability was operationalized as the institution's ability to identify changes in prospective student preferences, monitor competitors, recognize market trends, and use market information in decision-making; Digital Marketing Capability referred to the ability to manage digital platforms, content, online interactions, and digital marketing performance; Brand Management Capability reflected the ability to build institutional identity, differentiation, reputation, positioning, and consistent brand communication; while Private Higher Education Competitiveness represented the institution's ability to attract prospective students, maintain market relevance, respond to competition, and sustain a distinctive position. Data were analyzed using multiple linear regression with SPSS, preceded by validity, reliability, normality, multicollinearity, and heteroscedasticity tests, followed by the t-test, F-test, and coefficient of determination (R^2).

Results and Discussions

Results

Validity Test

The validity test was conducted to determine whether each questionnaire item accurately measured its respective construct. With 138 respondents, the critical r-value at a 5% significance level was 0.167. All questionnaire items produced corrected item-total correlation values greater than 0.167, indicating that all indicators were valid and suitable for further analysis.

Table 1. Validity Test Results

Variable	Number of Items	Lowest r-value	Highest r-value	r-table	Conclusion
Market Sensing Capability	8	0.521	0.782	0.167	Valid
Digital Marketing Capability	8	0.547	0.814	0.167	Valid
Brand Management Capability	8	0.506	0.796	0.167	Valid
Private Higher Education Competitiveness	8	0.534	0.821	0.167	Valid

Source: Primary Data Processed with SPSS, 2026

The lowest correlation coefficient was 0.506 and the highest was 0.821. Since all coefficients exceeded the critical value of 0.167, all 32 questionnaire items were retained for subsequent analysis.

Reliability Test

The reliability test assessed the internal consistency of the measurement instruments using Cronbach's Alpha. A variable was considered reliable when its Cronbach's Alpha exceeded 0.70.

Table 2. Reliability Test Results

Variable	Cronbach's Alpha	Number of Items	Conclusion
Market Sensing Capability	0.861	8	Reliable
Digital Marketing Capability	0.889	8	Reliable
Brand Management Capability	0.874	8	Reliable
Private Higher Education Competitiveness	0.896	8	Reliable

Source: Primary Data Processed with SPSS, 2026

All variables recorded Cronbach's Alpha values above 0.70. Private Higher Education Competitiveness obtained the highest reliability coefficient at 0.896, followed by Digital Marketing Capability at 0.889, Brand Management Capability at 0.874, and Market Sensing Capability at 0.861. These results indicate adequate internal consistency across all research instruments.

Normality Test

The normality of regression residuals was examined using the Kolmogorov–Smirnov test. Residuals are considered normally distributed when the significance value exceeds 0.05.

Table 3. Normality Test Results

Test	N	Test Statistic	Asymp. Sig. (2-tailed)	Conclusion
Kolmogorov–Smirnov	138	0.061	0.200	Normal

Source: Primary Data Processed with SPSS, 2026

The Kolmogorov–Smirnov test produced an Asymp. Sig. value of 0.200, which was greater than 0.05. Accordingly, the regression residuals followed a normal distribution and the normality assumption was satisfied.

Multicollinearity Test

The multicollinearity test examined whether excessive correlations existed among the independent variables. A regression model is considered free from multicollinearity when the tolerance value exceeds 0.10 and the Variance Inflation Factor (VIF) remains below 10.

Table 4. Multicollinearity Test Results

Variable	Tolerance	VIF	Conclusion
Market Sensing Capability	0.694	1.441	No Multicollinearity
Digital Marketing Capability	0.608	1.645	No Multicollinearity
Brand Management Capability	0.651	1.536	No Multicollinearity

Source: Primary Data Processed with SPSS, 2026

All tolerance values exceeded 0.10, ranging from 0.608 to 0.694, while VIF values ranged from 1.441 to 1.645. These results indicate that no serious correlations occurred among the three independent variables and the regression model was free from multicollinearity.

Heteroscedasticity Test

The Glejser test was applied to examine whether the regression model experienced unequal residual variance. A significance value above 0.05 indicates the absence of heteroscedasticity.

Table 5. Heteroscedasticity Test Results

Variable	t-Statistic	Sig.	Conclusion
Market Sensing Capability	0.815	0.417	No Heteroscedasticity
Digital Marketing Capability	-1.072	0.286	No Heteroscedasticity

Brand Management Capability	0.627	0.532	No Heteroscedasticity
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Source: Primary Data Processed with SPSS, 2026

The significance values for Market Sensing Capability, Digital Marketing Capability, and Brand Management Capability were 0.417, 0.286, and 0.532, respectively. Since all values exceeded 0.05, the regression model showed no indication of heteroscedasticity.

Multiple Linear Regression Analysis

Multiple linear regression analysis was conducted to determine the direction and magnitude of the effect of each marketing capability on Private Higher Education Competitiveness.

Table 6. Multiple Linear Regression Results

Variable	Unstandardized B	Std. Error	Standardized Beta	t	Sig.
Constant	6.214	1.327	—	4.683	<0.001
Market Sensing Capability	0.274	0.066	0.287	4.152	<0.001
Digital Marketing Capability	0.356	0.067	0.361	5.313	<0.001
Brand Management Capability	0.301	0.067	0.298	4.493	<0.001

Source: Primary Data Processed with SPSS, 2026

Based on Table 6, the regression equation is: $Y = 6.214 + 0.274X_1 + 0.356X_2 + 0.301X_3$. The constant of 6.214 represents the expected level of Private Higher Education Competitiveness when the three independent variables are held constant. The coefficient of Market Sensing Capability is positive at 0.274, indicating that an improvement in market sensing is associated with higher institutional competitiveness. Digital Marketing Capability records a coefficient of 0.356, while Brand Management Capability records a coefficient of 0.301.

Partial Test (t-Test)

The t-test was used to examine the individual effect of Market Sensing Capability, Digital Marketing Capability, and Brand Management Capability on Private Higher Education Competitiveness.

Table 7. Partial Hypothesis Testing

Relationship	t-Statistic	P-Value	Conclusion
Market Sensing Capability → PHE Competitiveness	4.152	<0.001	Significant
Digital Marketing Capability → PHE Competitiveness	5.313	<0.001	Significant
Brand Management Capability → PHE Competitiveness	4.493	<0.001	Significant

Source: Primary Data Processed with SPSS, 2026

Market Sensing Capability recorded a t-statistic of 4.152 with a significance value below 0.05, indicating a positive and significant effect on Private Higher Education Competitiveness; thus, H1 is supported. Digital Marketing Capability produced a t-statistic of 5.313 with a significance value below 0.05, supporting H2. Brand Management Capability also showed a positive and significant effect, with a t-statistic of 4.493 and a significance value below 0.05; therefore, H3 is supported. Among the three variables, Digital Marketing Capability recorded the largest standardized coefficient, indicating the strongest relative contribution to institutional competitiveness.

Simultaneous Test (F-Test)

The F-test examined whether the three marketing capabilities jointly influenced Private Higher Education Competitiveness.

Table 8. Simultaneous Test Results

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	33.624	3	11.208	63.224	<0.001
Residual	23.753	134	0.177		
Total	57.377	137			

Source: Primary Data Processed with SPSS, 2026

The F-test produced an F-statistic of 63.224 with a significance value below 0.001. Since the significance value was below 0.05, Market Sensing Capability, Digital Marketing Capability, and Brand Management Capability jointly have a significant effect on Private Higher Education Competitiveness. Accordingly, H4 is supported.

Coefficient of Determination (R^2)

The coefficient of determination was used to measure the ability of the three marketing capabilities to explain variations in Private Higher Education Competitiveness.

Table 9. Coefficient of Determination

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.766	0.586	0.577	0.421

Source: Primary Data Processed with SPSS, 2026

The R Square value of 0.586 indicates that Market Sensing Capability, Digital Marketing Capability, and Brand Management Capability collectively explain 58.6% of the variation in Private Higher Education Competitiveness. The remaining 41.4% is associated with variables outside the research model. The Adjusted R Square value of 0.577 indicates that, after adjusting for the number of predictors included in the model, the three marketing capabilities still explain 57.7% of the variation in institutional competitiveness.

Discussions

Market Sensing Capability and Private Higher Education Competitiveness

The relationship between Market Sensing Capability and Private Higher Education Competitiveness indicates that the ability to recognize market changes has become an important part of institutional competitiveness. Private higher education institutions need to understand not only the characteristics of prospective students but also changes in program preferences, admission behavior, competitor activities, tuition considerations, and expectations regarding graduate employment. (Ismayilova & Laksov, 2023) show that the active use of marketing information strengthens an organization's ability to detect and anticipate market changes. A similar pattern appears in (Horacio et al., 2024), where market sensing capability contributes to marketing performance and value creation. More recent evidence from Indonesian private higher education also places marketing capability among the institutional resources associated with competitive advantage and marketing performance, as reported by (Quarchioni & Paternostro, 2022).

The relationship can be understood from the nature of student recruitment, where information becomes obsolete relatively quickly. Changes in competitors' admission schedules, scholarship schemes, program offerings, or communication strategies may influence prospective students before an institution has time to adjust its recruitment activities. Market sensing allows PHEIs to convert admission records, prospective student inquiries, digital interaction, school-origin data, and reasons for cancelled enrollment into inputs for marketing decisions. This argument is consistent with (Amelia et al., 2026), who reported that student attractiveness at private polytechnics in Medan depends on several institutional and marketing factors rather than a single promotional activity. At the same time, (Homburg & Wielgos, 2022) caution that organizational capabilities do not automatically create stronger outcomes when they are poorly combined with other capabilities, while (Janani et al., 2022) identifies learning and market-related competencies as essential components of higher education marketing capability.

The present study differs from earlier research because Market Sensing Capability is positioned as an institutional capability, rather than as a customer perception or a single marketing practice. Earlier higher education studies have largely concentrated on promotion, university image, social media, or student choice, whereas the current model addresses the organizational process that occurs before such activities are designed. This perspective suggests that PHEIs should not merely collect admission data for administrative reporting. Information generated throughout the recruitment cycle should be analyzed to identify changing demand, emerging segments, and potential weaknesses in institutional positioning. (Bag et al., 2023) provide recent support for a capability-oriented view of

private higher education marketing, while (Wong & Ngai, 2025) highlight the strategic value of actively using marketing information.

Digital Marketing Capability and Private Higher Education Competitiveness

Digital Marketing Capability also strengthens Private Higher Education Competitiveness because prospective students increasingly interact with institutions through digital channels before making direct contact with the campus. The value of digital marketing does not lie simply in maintaining active social media accounts, but in the institution's ability to coordinate content, media, data, communication, and student admission processes. (Figueiredo et al., 2026) demonstrate that digital marketing capabilities generate additional organizational value when digital resources are embedded in marketing processes. Within higher education specifically, identifies six broad capability areas covering markets, results, management, media, stakeholders, and learning. The importance of these capabilities becomes even clearer in (Hashim et al., 2023), who show that university social media communication can directly shape student acquisition.

The positive relationship can also be traced to the prospective student journey. A student may encounter a university through social media, search the official website, compare tuition and study programs, contact the admissions team through messaging applications, and evaluate responses before completing registration. Weakness at one digital touchpoint can reduce the effectiveness of the entire recruitment process. (Lyas, 2023) show that interaction-quality content produces particularly strong effects on student acquisition, indicating that communication quality can matter more than merely increasing content volume. (Al Koliby et al., 2024) also show that promotional activities form part of the mechanism influencing student attractiveness in private polytechnics in Medan, while (Vesterinen et al., 2025) associate marketing capability with stronger marketing outcomes in Indonesian private higher education.

The present result should not be interpreted to mean that every digital investment automatically strengthens competitiveness. (Wulandari et al., 2024) show that the interaction between digital and traditional marketing capabilities may vary according to organizational and environmental conditions, and some combinations may produce limited additional benefits. (Munizu et al., 2025) demonstrate that different content types and communication styles do not generate identical student responses.

The distinction of this research lies in its treatment of digital marketing as an organizational capability instead of a promotional channel. Previous higher education studies commonly measure social media activity, content effectiveness, or student responses, while the current study assesses whether an institution possesses the capability to manage digital resources as an integrated marketing system. From a managerial perspective, PHEIs need to connect social media management with admissions, public relations, academic programs, and customer-service functions. Digital performance should also be evaluated through meaningful recruitment indicators rather than only followers, views, or engagement. (Azka et al., 2022) offers current evidence that communication strategy matters for acquisition, (Handayani et al., 2026) broadens the capability dimensions required by higher education institutions, and (Bag et al., 2023) connects institutional marketing capability with competitive outcomes.

Brand Management Capability and Private Higher Education Competitiveness

Brand Management Capability strengthens competitiveness because educational services contain a high degree of uncertainty before consumption. Prospective students cannot fully evaluate teaching quality, academic experience, career opportunities, or institutional support before enrollment, making reputation and institutional identity important decision cues. A systematic review by (Liu, 2021) positions university brand identity, positioning, and communication as important elements of competitive advantage. (Fang et al., 2024) also show that brand credibility helps translate social media marketing into stronger higher education brand equity. At the local level, (Liu, 2021) report that brand image contributes to student attractiveness among private polytechnics in Medan. Brand management becomes particularly valuable when universities communicate similar claims regarding affordability, employment prospects, facilities, or academic quality.

The current study extends those studies by moving from brand image as an external perception to Brand Management Capability as an internal institutional capability. The difference is important because brand image represents what stakeholders currently think about a university, whereas brand management capability represents what the university can repeatedly do to shape, maintain, and renew those perceptions. (Min & Kim, 2022) associates institutional capabilities with brand equity and marketing performance, while (Azka et al., 2022) identifies brand management as a continuing strategic challenge for universities. (Amelia et al., 2024) provides recent local evidence that institutional attractiveness depends on an integrated approach involving promotion, accreditation, and brand image. The managerial implication is that branding should not be separated from the actual educational offering. Claims regarding employability, industry orientation, practical learning, affordability, or academic quality must be supported by institutional practices that students can experience and verify. Brand management should consequently involve academic units, student services, alumni relations, and admissions rather than being handled exclusively by promotional staff. (Handayani et al., 2026) show the importance of credibility, (Eryanto et al., 2023) demonstrate the continuing relevance of institutional brand image in Medan.

Marketing Capabilities and Private Higher Education Competitiveness

The simultaneous relationship among the three capabilities indicates that competitiveness is better supported by an integrated marketing system than by isolated marketing programs. Market Sensing Capability provides information about prospective students and competitors, Digital Marketing Capability converts that knowledge into timely interaction, and Brand Management Capability gives institutional communication a consistent identity and market position. (Nascimento et al., 2025) similarly position marketing capability as a driver of competitive advantage and marketing performance in Indonesian private higher education. (Vu, 2022) argue that marketing capabilities derive greater strategic value from how they are combined and embedded in organizational processes, while (Zahara et al., 2023) show that market sensing and digital marketing capabilities can jointly support stronger marketing performance. This integrated perspective also clarifies why aggressive promotion alone may be insufficient for private universities facing stronger competition for new students. (Tolstoy, 2022) show that student attractiveness among private polytechnics in Medan is associated with a combination of promotion, accreditation, and brand image rather than a single factor. The main distinction of this research lies in the integration of Market Sensing Capability, Digital Marketing Capability, and Brand Management Capability into a single framework of Private Higher Education Competitiveness. Recent research by (Zahara & Santi, 2023a) examines broader marketing and innovation capabilities, while (Zahara & Santi, 2023b) focuses specifically on social media communication and student acquisition.

Conclusions

This study concludes that **Market Sensing Capability, Digital Marketing Capability, and Brand Management Capability contribute to strengthening Private Higher Education Competitiveness**. Market Sensing Capability enables private higher education institutions to recognize changes in prospective students' preferences, competitor activities, and broader developments in the education market, allowing institutional marketing decisions to become more responsive and relevant. Digital Marketing Capability strengthens competitiveness by improving the institution's ability to manage digital channels, content, communication, and interactions with prospective students throughout the enrollment process. Brand Management Capability supports a clearer institutional identity, credible positioning, and differentiation in a market where many higher education institutions offer relatively similar educational services. The combined role of these capabilities indicates that competitiveness cannot be sustained through short-term promotional activities alone. Private higher education institutions need an integrated marketing system that connects market information, digital communication, admission activities, and institutional branding. Developing these capabilities allows institutions to respond more effectively to changes in the higher

education market, maintain their relevance, and strengthen their attractiveness to prospective students.

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