



JURNAL RISET BISNIS DAN MANAJEMEN

<https://journal.unpas.ac.id/index.php/jrbm/index>

FROM RECRUITMENT TO VALUE CREATION: A SUSTAINABLE VALUE-BASED DIFFERENTIATION MODEL FOR PRIVATE UNIVERSITY

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Abstract

This study examines how Sustainable Value-Based Differentiation (SVBD) enhances Sustainable Marketing Outcomes (SMO) in private universities operating within spatially concentrated higher education markets. Specifically, it investigates the mediating roles of Perceived University Distinctiveness (PUD) and Student Trust (ST). A quantitative explanatory approach was employed using data collected from 140 students across five private universities in Kota Serang, Indonesia. The findings reveal that SVBD significantly strengthens institutional distinctiveness and student trust, which subsequently improve students' loyalty intention, positive word-of-mouth, and engagement. The study demonstrates that sustainable competitive advantage is achieved through a multi-stage value creation process in which cognitive (PUD) and relational (ST) mechanisms translate value-based differentiation into sustainable marketing outcomes, extending conventional recruitment- and attribute-based approaches in higher education marketing.

Keywords: Sustainable Value-Based Differentiation; Perceived University Distinctiveness; Student Trust; Sustainable Marketing Outcomes; Higher Education

Article Info

History Of Article
Received: 4/5/2026
Revised: 11/5/2026
Accepted: 31/7/2026

Jurnal Riset Bisnis dan
Manajemen
Volume 19, No. 2, Agustus
2026, Page. 14-26
ISSN 1979-0600 (print) 2580-
9539 (online)

INTRODUCTION

The evolution of higher education systems globally has led to a significant increase in the number of institutions, fostering a highly competitive environment for student recruitment (Wang et al., 2026). Currently, Indonesia ranks second worldwide in terms of the number of higher education institutions, surpassed only by India, with a total of 6,552 entities. This landscape is dominated by private universities 4,520, followed by religious institutions 1,659, government affiliated colleges 243, and state universities 130 Higher Education Database (PDDikti), with a heavy concentration in specific regions, particularly Java (Aryani et al., 2025). In response to this intensified competition, many institutions have adopted recruitment-oriented strategies. These approaches generally prioritize institutional branding, educational promotion, digital marketing, and reputation building to attract prospective students (Shah et al., 2015). While such strategies have proven effective in enhancing institutional visibility and enrollment figures, an over-reliance on recruitment often emphasizes

short-term gains in student numbers. Consequently, these efforts may lack a balanced focus on creating long-term value for students and other stakeholders (Mohammadi et al., 2023). As a result, higher education institutions frequently encounter challenges in maintaining a sustainable competitive advantage (Rizki et al., 2023).

Previous studies on higher education marketing have predominantly emphasized recruitment-oriented strategies, such as institutional branding, promotion, advertising, and student enrollment, as the primary drivers of institutional success (Waqas, 2022; Zhou et al., 2024). While these approaches have enhanced understanding of student recruitment, they largely view competitive advantage as the outcome of external marketing activities rather than long-term value creation (Dennis et al., 2017). Moreover, existing research has generally examined Service-Dominant Logic, value co-creation, relationship marketing, institutional distinctiveness, and student trust as independent theoretical perspectives, with limited efforts to integrate them into a unified framework explaining how universities can achieve sustainable competitive advantage (Díaz-Méndez et al., 2019). This theoretical fragmentation reveals a significant research gap in understanding the mechanisms through which value-based differentiation translates into sustainable marketing outcomes. Addressing this gap, the present study develops an integrated Sustainable Value-Based Differentiation model that explains how educational, career, relational, and social value create institutional distinctiveness and student trust, ultimately fostering sustainable marketing outcomes in the context of private higher education.

In this context, Serang City, the capital of Banten Province located on Java Island, occupies a strategic position within the regional higher education ecosystem. As a hub for administration, education, and economic activity, the city faces intensifying competition among private higher education institutions. This competition extends beyond student recruitment to include enhancing academic quality, strengthening institutional reputation, and ensuring the relevance of graduates to industrial and societal demands. Consequently, Serang City serves as a pertinent research setting for examining how private higher education institutions establish and maintain sustainable competitive advantages. The close geographic proximity among private universities intensifies spatial competition by placing institutions within overlapping student markets that offer similar academic programs and compete for the same prospective students. In this context, conventional recruitment strategies based primarily on promotion, branding, and advertising become increasingly ineffective because they are easily imitated and provide only short-term competitive advantages. Consequently, universities must adopt strategies that create sustainable value through distinctive educational experiences, career development, meaningful institutional relationships, and social contributions that are difficult for competitors to replicate. Such a strategic shift is essential for building sustainable competitive advantage by strengthening students' perceptions of institutional distinctiveness and trust. Therefore, in spatially concentrated higher education markets, Sustainable Value-Based Differentiation becomes a critical mechanism for transforming competitive pressure into long-term student loyalty, positive word-of-mouth, and active engagement.

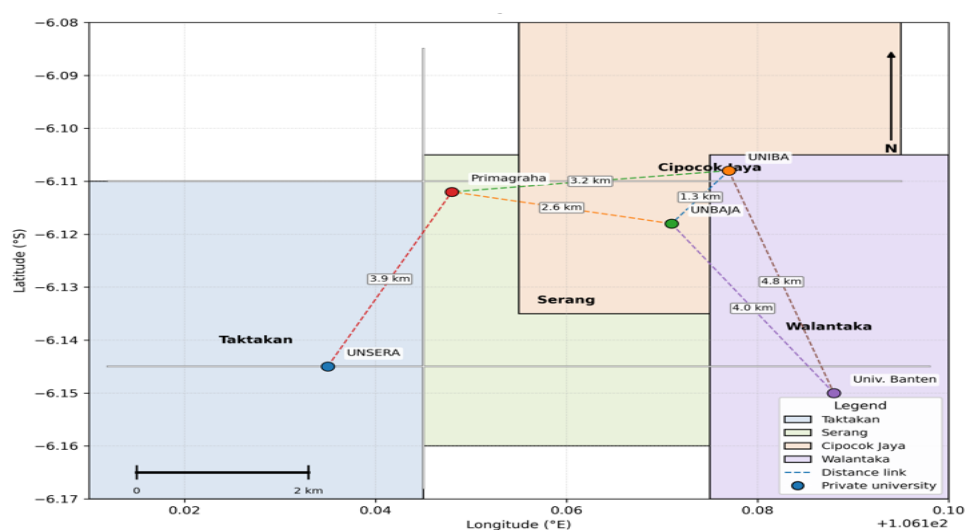


Figure 1. Distance-based spatial map

The visualization in Figure 1 demonstrates that the majority of private higher education institutions in Serang City are situated within a relatively close geographic radius. Extant research has largely overlooked the

dimension of spatial competition in higher education markets, particularly regarding how geographical proximity between institutions shapes competitive intensity and student behavior (Gu, 2012). This spatial proximity indicates a high level of competition among private colleges and universities. Such a phenomenon is further exacerbated by the fact that the Indonesian higher education system lacks specific regulations governing the minimum geographic distance between institutions within a region (Ramaditya et al., 2022). Consequently, multiple institutions can emerge and expand in close proximity, targeting relatively similar student market segments. Simultaneously, stakeholder expectations toward higher education have evolved significantly. Students and parents no longer prioritize access to formal education alone; they increasingly evaluate the extent to which an institution provides long-term value, including employability, competency relevance (Baird et al., 2019), character development, and professional networking opportunities (Hill et al., 2019).

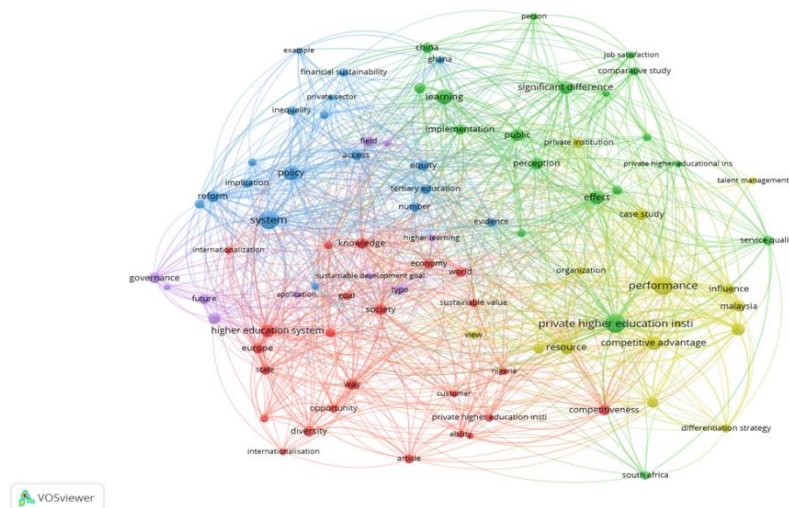


Figure 2. Network visualization of Sustainable Value in Private University

Bibliometric analysis using VOSviewer reveals that the conceptual network in higher education marketing research is predominantly clustered around performance, competitive advantage, service quality, and resources. This underscores that current literature remains heavily focused on institutional performance and competition. Nevertheless, the emergence of newer clusters encompassing concepts such as sustainable value, perception, learning, and implementation indicates a shifting academic focus toward a more value-creation-oriented approach. Despite this shift, VOSviewer mapping also demonstrates that the connectivity between the sustainable value cluster and the clusters of differentiation strategy and marketing performance remains relatively weak, signaling a conceptual gap in the existing literature. This suggests that the integration of sustainable value as an institutional differentiation strategy has not been systematically explored. Consequently, marketing practices in private higher education institutions continue to be dominated by recruitment-based, short-term orientations (James & Derrick, 2019) and are not yet fully integrated with the process of sustainable value creation (Filho et al., 2017).

In an increasingly competitive higher education landscape, particularly within the context of spatial competition, institutional advantage is no longer determined solely by symbolic attributes or promotional activities. Instead, it hinges on the capacity to create meaningful value for students. Sustainable Value-Based Differentiation (SVBD) emerges as a strategic approach that emphasizes long-term value creation through educational, career, relational, and social values directly experienced by students. The value generated through this process fosters Perceived University Distinctiveness (PUD), defined as students' perception of an institution's authentic and inimitable uniqueness. This perception subsequently evolves into Student Trust (ST), reflecting students' confidence in the institution's consistency, integrity, and benevolence. Ultimately, the synergy between perceived distinctiveness and established trust drives Sustainable Marketing Outcomes (SMO), such as student loyalty, positive word-of-mouth, and student engagement. Thus, the integration of SVBD, PUD, and ST elucidates the key mechanisms through which universities can construct sustainable competitive advantages in an increasingly dynamic higher education market.

From a modern marketing perspective, value is no longer generated unilaterally by an organization, instead it emerges through collaborative interactions between the organization and its stakeholders. This principle is encapsulated in Service Dominant Logic and further reinforced by the concept of value co-creation, which positions customers as active co-creators of value. S-D Logic serves as a marketing paradigm emphasizing that service, rather than goods, constitutes the fundamental basis of economic exchange (Lusch et al., 2007). Within this framework, value is not an output delivered by the provider but is co-created through interactive processes between the service provider and the customer. In the higher education context, students play a pivotal role in value creation through their learning experiences and academic interactions. Furthermore, relationship marketing asserts that such co-created value serves as the foundation for establishing long-term relationships characterized by trust, commitment, and engagement (Rădulescu & Rădulescu, 2015). However, a significant theoretical gap remains, as the existing literature continues to treat these three perspectives in isolation. There is a lack of comprehensive explanation regarding how their integration can serve as the basis for developing sustainable value-based differentiation to yield sustainable marketing outcomes within higher education. Consequently, an integrative model is required to systematically elucidate these mechanisms.

Previous studies on private higher education marketing have predominantly emphasized recruitment-based strategies, such as promotional intensity, advertising, pricing, and enrollment acquisition, as the primary indicators of institutional success. However, empirical evidence suggests that recruitment-oriented approaches often generate only short-term enrollment gains and are insufficient to sustain long-term student loyalty, trust, and institutional engagement. In highly competitive higher education environments, universities that rely primarily on transactional recruitment strategies frequently encounter difficulties in maintaining student commitment and developing sustainable competitive advantages. These limitations indicate the need for a strategic shift from student acquisition toward long-term value creation and relationship development.

This issue is particularly relevant in the context of private universities in Kota Serang, Indonesia, where geographically concentrated institutions compete within a highly homogeneous higher education market. The combination of spatial competition and institutional similarity intensifies rivalry while limiting the effectiveness of conventional recruitment and promotional strategies, making Kota Serang a natural laboratory for examining the effectiveness of Sustainable Value-Based Differentiation (SVBD). Beyond providing a local empirical setting, this context offers theoretical value by enabling the investigation of how value-based differentiation can create institutional distinctiveness, strengthen student trust, and generate sustainable marketing outcomes under conditions where traditional sources of competitive advantage are increasingly difficult to sustain.

Based on these gaps, this study aims to develop a sustainable value-based differentiation model for private higher education institutions by conceptualizing the transformation from recruitment-focused strategies toward an institutional value creation process. The proposed model emphasizes that student recruitment should not merely function as a mechanism for attracting prospective students, but also as an initial stage in building sustainable value creation processes that position students as active co-creators within the educational ecosystem. By integrating higher education marketing perspectives (Mariange & Gibbs, 2020), value creation theory (Sheth, 2020), Service-Dominant Logic (Vargo, 2009), and strategic management approaches (Cravens & Piercy, 2009), this research offers a conceptual framework explaining how private universities can transition from recruitment-oriented competition toward a sustainable value-based differentiation strategy capable of strengthening institutional distinctiveness, student trust, and long-term marketing outcomes.

METHOD

This study employs a quantitative approach with an explanatory research design to examine the inter-construct relationships between sustainable value-based differentiation, perceived university distinctiveness, student trust, and sustainable marketing outcomes. An explanatory design is appropriate as it facilitates the empirical testing of theoretically derived causal relationships that integrate Service-Dominant Logic, value co-creation, and relationship marketing within the context of higher education marketing (Ananya, 2019). Data analysis is conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM). This variance-based SEM technique is well-suited for predictive research models, complex structural paths, and latent variables measured by multiple indicators (Ahmed et al., 2024). PLS-SEM was selected over covariance-based SEM and linear regression because this study focuses on predicting and explaining sustainable intentions, involves multiple mediation paths, and does not necessitate normally distributed data conditions under which PLS-SEM demonstrates robust performance (J. Hair & Alamer, 2022a).

The study population consists of students from five private higher education institutions in Kota Serang, Indonesia: Universitas Banten (UB), Universitas Bina Bangsa (UNIBA), Universitas Banten Jaya (UNBAJA), Universitas Primagraha (UPG), and Universitas Serang Raya (UNSERA). These institutions were selected because they operate within a geographically concentrated higher education environment characterized by intense spatial competition. Located within an approximate radius of 1–6 kilometers, these universities form a highly competitive institutional cluster in which competition extends beyond student recruitment to institutional positioning and differentiation strategies. This competitive cluster setting provides an appropriate empirical context for examining how value-based differentiation mechanisms operate in higher education markets characterized by high spatial proximity and competitive intensity.

The sampling technique employs a purposive sampling approach, with criteria requiring respondents to be active students who have completed at least one semester. This ensures that participants possess sufficient experience to evaluate the services and values provided by the university. Adhering to the 10-times rule for Partial Least Squares Structural Equation Modeling (PLS-SEM) and considering the presence of mediating constructs, a target sample size of 140 respondents is deemed adequate to achieve stable parameter estimates (J. F. Hair et al., 2020; Kock, 2018). Data were collected using a structured questionnaire utilizing a 5-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree). The research instrument was developed based on the established theoretical constructs SVD, PUD, ST, and SMO with indicators adapted from previous literature. Data collection was conducted online via the Google Forms platform, enabling broader and more efficient distribution to respondents across various institutions within the Serang City higher education cluster. Since all variables were collected from the same respondents using self-reported questionnaires, procedures to minimize and assess common method bias (CMB) were implemented. Procedurally, respondent anonymity and confidentiality were assured to reduce evaluation apprehension and social desirability bias. Statistically, common method bias was assessed using Harman's single-factor test, in which the total variance explained by a single factor remained below the recommended threshold of 50%, indicating that common method bias was not a significant concern in this study.

Table 1. Result of the Measurement Model

Variabel	Indicator	Loading Factor	Cronbach's alpha	Composite Reliability	Average Variation Extracted
<i>Sustainable Value-Based Differentiation (SVBD)</i>	Educational Value	0.978	0.970	0,980	0,917
	Career Value	0.973			
	Realational Value	0.929			
	Social Value	0.952			
Perceived University Distinctiveness (PUD)	Academic Distinctiveness	0.905	0.941	0,940	0,849
	Experiential Distinctiveness	0.930			
	Reputational Distinctiveness	0.917			
	Value Proposition	0.934			
	Distinctiveness				
Student Trust (ST)	Reliability Trust	0.875	0.858	0,859	0,778
	Integrity Trust	0.896			
	Benevolence Trust	0.876			
Sustainable Marketing Outcomes (SMO)	Loyalty Intention	0.874	0.839	0,840	0,755
	Positive Word of Mouth	0.866			
	Student Engagement	0.868			

Source: Output of Smart PLS Program. 3.0, data processed by the author 2026

Table 1 presents the results of the measurement model evaluation concerning convergent validity and construct reliability. All constructs exhibit Average Variance Extracted (AVE) values exceeding 0.50, demonstrating that the indicators effectively represent their respective constructs (Claes Fornell and David F. Larcker, 1981). Furthermore, construct reliability was assessed using Cronbach's Alpha and Composite Reliability (CR), with all values surpassing the 0.70 threshold (Khairusy et al., 2022). These results indicate

strong internal consistency among the indicators. Consequently, all constructs in this study are declared valid and reliable, satisfying the requirements for subsequent structural model analysis

RESULTS

The evaluation of the measurement model confirms that all indicators exhibit satisfactory outer loading values, exceeding the recommended threshold of 0.70 (Azri et al., 2025) thereby establishing robust convergent validity across all latent constructs. Specifically, the indicators for the Sustainable Value-Based Differentiation (SVBD) construct show exceptionally high outer loadings, ranging from 0.929 to 0.978, indicating a very strong contribution of the indicators in reflecting the construct. Similarly, the Perceived University Distinctiveness (PUD) construct yields outer loading values between 0.905 and 0.934, demonstrating the consistency of the indicators in measuring the perception of institutional uniqueness. For the Student Trust (ST) construct, outer loadings range from 0.875 to 0.896, while for the Sustainable Marketing Outcomes (SMO) construct, values fall within the range of 0.866 to 0.874. All recorded values significantly exceed the required minimum threshold.

The measurement model demonstrates exceptionally high outer loading values for the Sustainable Value-Based Differentiation (SVBD) construct (0.929–0.978), accompanied by a Composite Reliability (CR) value of 0.980. Although values of this magnitude may suggest potential indicator redundancy (J. Hair & Alamer, 2022b), the indicators were retained because they represent conceptually distinct dimensions of the construct rather than repetitive measurement items. Specifically, educational value, career value, relational value, and social value capture different aspects of sustainable value creation experienced by students. Their high correlations indicate that these dimensions collectively reflect a coherent strategic orientation toward sustainable value-based differentiation, while their theoretical foundations and substantive meanings remain distinct. Therefore, the high reliability values are interpreted as evidence of strong internal consistency and convergent validity rather than redundancy among indicators.

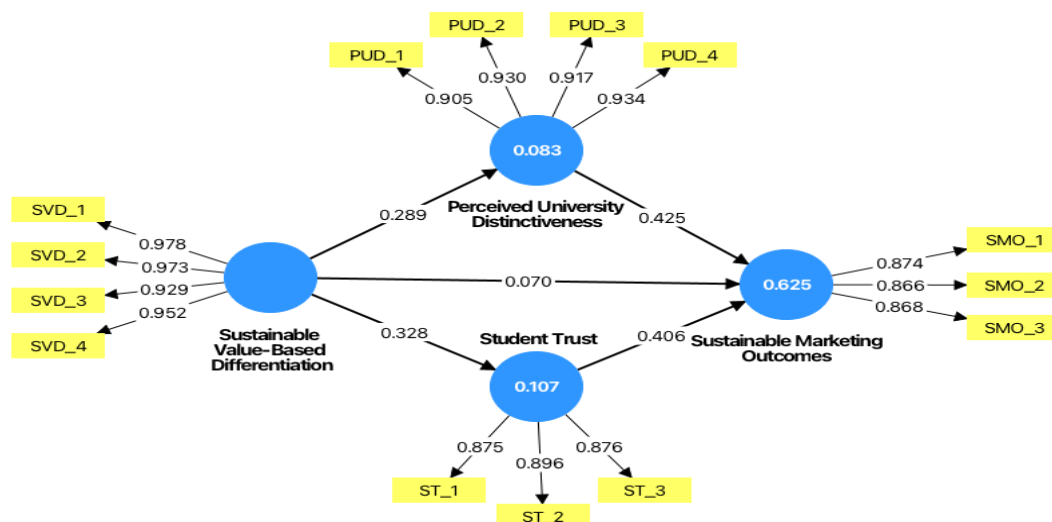


Figure 3. Model Result

Table 2. Result of Direct Influence Test

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Perceived University Distinctiveness → Sustainable Marketing_Outcomes	0.425	0.427	0.089	4.792	0.000
Student Trust → Sustainable Marketing_Outcomes	0.406	0.405	0.089	4.550	0.000
SustainableValue-Based _Differentiation → Perceived University _Distinctiveness	0.289	0.289	0.056	5.116	0.000
SustainableValue-Based _Differentiation → Student Trust	0.328	0.331	0.064	5.134	0.000
Sustainable Value-Based Differentiation → Sustainable Marketing_Outcomes	0.326	0.325	0.077	4.255	0.000

Source: Output of Smart PLS Program. 3.0, data processed by the author 2026

Hypothesis 1. The original sample value of 0.427 yields a t-statistic of 4.792 (> 1.655) and the P-value of 0.000 (< 0.05). These results demonstrate that Perceived University Distinctiveness has a significant direct effect on Sustainable Marketing Outcomes.

Hypothesis 2. Based on an original sample value of 0.405, a t-statistic of 4.550 (> 1.655) and the P-value of 0.000 (< 0.05) were obtained. This evidence confirms that Student Trust exerts a significant direct influence on Sustainable Marketing Outcomes.

Hypothesis 3. The original sample value of 0.289 results in a t-statistic of 5.116 (> 1.655) and the P-value of 0.000 (< 0.05). This finding proves that Sustainable Value-Based Differentiation significantly impacts Perceived University Distinctiveness.

Hypothesis 4. With an original sample value of 0.331, the analysis yielded a t-statistic of 5.134 (> 1.655) and the P-value of 0.000 (< 0.05). This indicates that Sustainable Value-Based Differentiation has a significant direct effect on Student Trust.

Hypothesis 5. The original sample value of 0.325 corresponds to a t-statistic of 4.225 (> 1.655) and the P-value of 0.000 (< 0.05). These results establish that Sustainable Value-Based Differentiation significantly influences Sustainable Marketing Outcomes.

Table 3. Result of Indirect Influence Test

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Sustainable Value-Based Differentiation → Student Trust → Sustainable Marketing Outcomes	0.133	0.133	0.038	3.466	0.001
Sustainable Value-Based Differentiation → Perceived University Distinctiveness → Sustainable Marketing Outcomes	0.123	0.123	0.034	3.568	0.000

Source: Output of Smart PLS Program. 3.0, data processed by the author 2026

Hypothesis 6. An original sample value of 0.113 yielded a t-statistic of 3.466 and a p-value of 0.001 (< 0.05). These results demonstrate that Sustainable Value-Based Differentiation significantly influences Sustainable Marketing Outcomes through the mediation of Student Trust.

Hypothesis 7. Based on an original sample value of 0.123, a t-statistic of 3.568 and a p-value of 0.000 (< 0.05) were obtained. This evidence proves that Sustainable Value-Based Differentiation has a significant effect on Sustainable Marketing Outcomes mediated by Perceived University Distinctiveness.

DISCUSSION

The findings of this study demonstrate that Sustainable Value-Based Differentiation (SVBD) functions not merely as a marketing strategy, but as a strategic value-creation mechanism capable of transforming institutional competitiveness into sustainable relational outcomes. By integrating Service-Dominant (S-D) Logic, Value Co-Creation, and Relationship Marketing perspectives, this study explains how sustainable competitive advantage in higher education is increasingly shaped by the university's ability to co-create meaningful value with students rather than relying on traditional recruitment-oriented competition. In this context, students are positioned not as passive consumers but as active participants in generating educational, career, relational, and social value. These value experiences subsequently shape Perceived University Distinctiveness (PUD), strengthen Student Trust (ST), and ultimately generate Sustainable Marketing Outcomes (SMO), including loyalty intention, positive word-of-mouth, and student engagement. Beyond confirming the relationships among these constructs, this study makes an important theoretical contribution by extending the application of Service-Dominant Logic, Value Co-Creation, and Relationship Marketing to the context of private higher education institutions. Unlike previous studies that primarily conceptualize university

differentiation through tangible institutional attributes, such as facilities, reputation, or promotional activities, the present findings demonstrate that sustainable differentiation is fundamentally constructed through students' co-created value experiences. Educational, career, relational, and social value emerge as the primary mechanisms through which students perceive institutional distinctiveness, develop trust, and establish long-term relationships with the university. This finding broadens the understanding of university differentiation by shifting the focus from institution-centered competitive attributes toward value-based relational mechanisms as the foundation of sustainable competitive advantage.

The positive relationship between Sustainable Value-Based Differentiation (SVBD) and Perceived University Distinctiveness (PUD) indicates that institutional distinctiveness is no longer primarily determined by symbolic attributes, promotional campaigns, or physical facilities, but by students' perceptions of meaningful and sustainable value experiences. Among the dimensions of SVBD, educational value appears particularly influential because academic quality constitutes the institution's core service and directly shapes students' daily experiences (Bhuttah et al., 2024), Career value further reinforces distinctiveness by providing tangible future-oriented benefits, such as employability and industry connectivity, which are increasingly critical in competitive higher education environments (Sui et al., 2018). Relational value strengthens experiential distinctiveness by fostering responsive interactions and a sense of belonging (Yang et al., 2008), while social/societal value enhances moral legitimacy and reputational credibility (Buckner et al., 2025; Radiah Othman & Roslan Othman, 2014). Conceptually, SVBD constructs an institutional identity that is difficult to imitate because it is rooted in value processes and long-term relationships, thereby generating authentic and sustainable perceptions of uniqueness. Consequently, the more robust the implementation of value-based differentiation, the higher the students' perception of university distinctiveness. This underscores that modern competitive advantage rests upon meaningful value rather than mere attribute differentiation (Khalifa et al., 2024). The empirical findings of this study reinforce this argument, demonstrating that SVBD has a positive and significant influence on PUD ($\beta = 0.289$; $t = 5.116$; $p < 0.05$). Therefore suggest that sustainable competitive advantage in higher education increasingly depends on the institution's ability to integrate multiple dimensions of value into a coherent and authentic student experience.

The significant relationship between Sustainable Value-Based Differentiation (SVBD) and Student Trust (ST) further demonstrates that trust becomes a central mechanism in sustainable differentiation because trust reduces uncertainty within long-term educational relationships (Pedro et al., 2024). When a university consistently delivers educational value through relevant pedagogical quality, career value by enhancing employability, and relational value via responsive and transparent academic services, students develop reliability and integrity trust toward the institution (Carvalho & de Oliveira Mota, 2010). Concurrently, a commitment to social/societal value, such as student welfare and social contribution, strengthens benevolence trust. Unlike traditional differentiation approaches that prioritize promotional activities or physical facilities, SVBD emphasizes authentic and sustainable value experiences. This focus reduces uncertainty and fosters both cognitive and affective trust. Consequently, a stronger perception of value-based differentiation among students leads to higher levels of institutional trust (Jia & Jing, 2021), positioning trust as a key relational mechanism for maintaining long-term relationships and institutional sustainability. The empirical findings of this study reinforce this argument, demonstrating that SVBD has a positive and significant influence on ST ($\beta = 0.331$; $t = 5.134$; $p < 0.05$) suggests that trust becomes central because sustainable differentiation ultimately depends on whether students perceive the institution as credible, caring, and consistently capable of delivering long-term value. In this sense, trust functions not only as an outcome of differentiation but also as a stabilizing relational asset that sustains institutional competitiveness over time.

The findings also reveal that Sustainable Value-Based Differentiation (SVBD) significantly influences Sustainable Marketing Outcomes (SMO), indicating that sustainable marketing performance in higher education is driven more effectively by meaningful value creation than by transactional recruitment strategies (Purcell et al., 2019). This relationship appears particularly strong because the four dimensions of SVBD collectively shape both cognitive and emotional student responses. This finding suggests that differentiation strategies should no longer focus solely on physical attributes or promotional activities (Fazli-Salehi et al., 2019). Instead, the focus must shift toward creating meaningful value for students, which effectively drives behaviors that support institutional sustainability. Specifically, the implementation of SVBD through the dimensions of educational, career, relational, and social values enables universities to provide a holistic and relevant educational experience. When students perceive high pedagogical quality (educational value), clear career development opportunities (career value), positive institutional relationships (relational value), and significant social contributions (social value), they are more likely to exhibit positive behavioral responses (Zhao & Wu, 2022).

These responses are reflected in increased loyalty intentions, a higher propensity for positive word-of-mouth, and elevated levels of student engagement in both academic and institutional activities. The empirical evidence of this research reinforces this argument, showing that SVBD significantly impacts SM ($\beta = 0.325$; $t = 4.225$; $p < 0.05$) therefore highlights that sustainable marketing outcomes emerge when universities successfully combine functional benefits with relational and symbolic value experiences.

The mediating role of Perceived University Distinctiveness (PUD) further indicates that the effectiveness of value-based differentiation depends on students' cognitive interpretation of institutional uniqueness (Park, 2026). The findings suggest that value creation alone is insufficient unless students cognitively recognize and internalize those values as indicators of institutional superiority and uniqueness. In this process, this value is subsequently internalized into a perception of institutional uniqueness (PUD), wherein students perceive the university as distinct, superior, and possessing an identity that is not easily replicated. In this context, PUD functions as a cognitive translation mechanism that converts value creation into tangible differentiation in the minds of students (Fuchs et al., 2020). Overall, these findings underscore that the influence of SVBD on SMO through PUD constitutes a form of cognitive-based mediation, where created value does not immediately trigger behavior but first shapes a perception of uniqueness as a primary prerequisite. The empirical findings of this study reinforce this mechanism, demonstrating that SVBD has a positive and significant indirect effect on SMO through PUD ($\beta = 0.123$; $t = 3.568$; $p < 0.05$). Therefore, universities that successfully convert value creation into strong perceptions of uniqueness are more likely to achieve sustainable behavioral outcomes among students.

The mediating role of Student Trust (ST) demonstrates that the relationship between value-based differentiation and sustainable marketing outcomes is also fundamentally relational in nature (Haverila et al., 2025). SVBD manifested through educational, career, relational, and social values creates a consistent and meaningful value experience, thereby building student trust in the institution through the dimensions of reliability, integrity, and benevolence. In this context, student trust functions as a relational transmission mechanism that bridges value creation with student behavioral responses (Nguyen et al., 2021). When students perceive the university as a competent, honest, and caring institution, they are more likely to exhibit behaviors that support institutional sustainability, such as loyalty, positive word-of-mouth, and higher levels of engagement. The empirical findings of this study reinforce this mechanism, demonstrating that SVBD has a significant indirect effect on SMO through ST ($\beta \approx 0.113$; $t > 1.96$; $p < 0.05$). This confirms that trust functions as a relational transmission mechanism linking value experiences to supportive student behaviors. This finding suggests that even strong differentiation strategies may fail to produce sustainable outcomes if they do not simultaneously cultivate trust. Thus, trust becomes central in sustainable differentiation because it transforms short-term value perceptions into enduring relational commitment, ultimately reinforcing loyalty, advocacy, and engagement (Eikeland & Ohna, 2022). The findings therefore emphasize that sustainable competitive advantage in higher education is not solely achieved through institutional uniqueness, but through the institution's ability to sustain trustworthy and meaningful relationships with students over time.

CONCLUSION

Based on the empirical findings, this study confirms that Sustainable Value-Based Differentiation (SVBD) significantly influences Sustainable Marketing Outcomes both directly and indirectly through Perceived University Distinctiveness (PUD) and Student Trust (ST). More importantly, this study contributes to the higher education marketing literature by proposing and validating an integrated conceptual model demonstrating that sustainable competitive advantage is not solely derived from differentiation strategies, but is achieved through the interaction of cognitive mechanisms, represented by students' perceptions of institutional distinctiveness, and relational mechanisms, represented by student trust. This finding extends the perspectives of Service-Dominant Logic, Value Co-Creation, and Relationship Marketing by positioning sustainable value creation as the primary source of institutional differentiation, moving beyond conventional recruitment-oriented and promotion-based strategies toward a long-term value-based competitive advantage. From a practical perspective, the findings suggest that private universities should prioritize the creation of educational, career, relational, and social value to strengthen institutional distinctiveness, foster student trust, and achieve sustainable marketing outcomes. Rather than relying primarily on promotional activities or physical attributes, universities need to develop sustainable value-based differentiation strategies capable of generating enduring relationships with students and enhancing institutional competitiveness. Although this study focuses on private higher education institutions in Serang City, the findings provide broader insights into competition within

geographically concentrated higher education markets. Future research is encouraged to validate the proposed model across different institutional and national contexts using longitudinal and comparative designs, while incorporating additional stakeholders and constructs, such as student experience, institutional reputation, and value co-creation, to further advance the understanding of sustainable competitive advantage in higher education. Further research is also encouraged to compare public and private universities in order to identify potential differences in differentiation strategies, institutional distinctiveness, and sustainable marketing outcomes across institutional types. Moreover, future studies should incorporate multi-stakeholder perspectives, including lecturers, university management, alumni, parents, and industry partners, to develop a more comprehensive understanding of value creation processes in higher education.

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