



The Influence of Differentiation and Low-Cost Strategies through Value Creation Strategy on Competitive Advantage at Integrated Islamic Junior High Schools in Riau Islands Province

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ABSTRACT

In the context of educational institutions, especially Islamic schools, strategic management and marketing play a vital role in building competitive advantage. This quantitative study aims to examine the influence of differentiation and low-cost strategies on competitive advantage through a value creation strategy at Integrated Islamic Junior High Schools in Riau Islands Province. The research contributes to the field of Islamic Educational Management, particularly in strategic educational management with a focus on institutional marketing. Data were collected through a survey of 122 respondents, selected using purposive sampling, and analyzed using path analysis. The findings reveal that differentiation and low-cost strategies have both direct and indirect impacts on value creation and competitive advantage. Moreover, the value creation strategy functions as a mediating variable, enhancing the effect of differentiation and low-cost strategies on competitive outcomes. The study concludes that strengthening differentiation, improving cost efficiency, and implementing effective value creation strategies are essential for increasing the competitive advantage of educational institutions in the Islamic education sector.

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INTRODUCTION

In facing competition, a company or organization must plan offers that satisfy its consumers as a target market that is better than its competitors' offers (Abhari & McGuckin, 2023; Gibson et al., 2011; Marwan, 2022). Therefore, to face competitors not only look at the needs of target consumers but also have to think about strategies in dealing with other competitors to be superior (Avença et al., 2024; Praswoto, 2012; Tanjung et al., 2022). Michael A. Porter is no stranger to the world of marketing management. He is a professor at Harvard University as well as the originator of marketing theory, his field of expertise is strategic management (Iskandar &

Machali, 2020; Usman, 2016). He is often invited to give advice in strategic management classes, both invited by companies and organizations (Abhari & McGuckin, 2023; Vesper & Gartner, 1997; Zakaria, 2015). In strategic management, Porter has quite phenomenal views, namely the five forces model and generic strategy. The five forces model is a strategic model that is very useful for organizations or companies, where an organization or company can determine its ability to compete (Afriansyah et al., 2022; Asbari et al., 2019; Ibrahim et al., 2024).

Generic strategies are alternative strategies that can be used organization or company to position itself as a tough competitor in a competition. Analogously, the five forces model in the world of education is more about how schools prepare themselves for competition, prepare superior programs, read the competition map, while generic strategic is more interpreted as what tools are used to win a competition (Dimmock. & Walker., 2002; Hanafi et al., 2021; Yukl, 2010). Porter also has another more comprehensive view, according to him marketing is the search for a favorable competitive position in an industry, because the fundamentals where competition occurs, and marketing is the ability of a company or company obtained through its characteristics and resources to have higher performance than other companies in the same industry or market. In addition, marketing can be obtained through the use of resources owned by the company or organization and how the company or organization is able to formulate and carry out strategies in its marketing (Adillah, 2017; Iswanaji et al., 2021; Rahmah, 2016).

Kotler and Armstrong have a different view, for them, marketing is an advantage over competitors gained by offering consumers more value. Furthermore, marketing is more about creating and sustaining superior performance. Kotler and Armstrong also emphasize that in a more competitive global market, the key to marketing is differentiation (Dewi, 2022; Nugroho et al., 2020; Shi et al., 2023). Market offerings can be differentiated by product, service, personnel, channel, and image. A difference is worth building to the extent that it is important, distinctive, superior, different, affordable, and profitable. Marketing can be analogized as an achievement that is obtained with such great effort in a race. This is what makes a school must continue to formulate and carry out various strategies to achieve marketing. When a school is able to create superior value from the program designed in competition, the school will get many benefits, ranging from the good view of consumers (parents of students) towards educational services that become superior programs to the increasing popularity of the school with more and more enthusiasts to enter the school (Andriani & Hidayat, 2023; Azhari & Kurniady, 2016).

Marketing can be the right strategy for a school to move forward in the future. This will be achieved if the school implements continuous improvement. Another interesting thing Sudaryono tried to express about marketing, that marketing if a company or organization can produce and realize products or services that can be enjoyed and have advantages over what other companies or organizations can achieve. When a company or organization achieves this, the company or organization will generate greater profits, besides that the company or organization can also get other benefits including a good image, consumer loyalty, and when it is able to increase sales, it has a great opportunity to earn greater profits.

Hill and Jones also have a view that is no less interesting, for them marketing is a specific strength of the company or organization that can make the company or organization able to create products or services that have high differentiation when compared to the products or services offered by its competitors. Even the company or organization will set the best price so that it is not much different from the pricing set by its competitors and of course with the best quality. This is because consumers are quite selective in choosing prices when making purchases, consumers will tend to choose the desired product or service that has a lower price, so companies or organizations

that are able to attract more consumers will certainly be superior to their competitors (Gibson et al., 2011; Thohir et al., 2021).

From some of the views of experts and also from the perspective of Islamic thought above, it can be concluded that marketing is an advantage that can be achieved by a company or organization by creating a product or service that has a more competitive differentiation advantage than its competitors. It can be analogized that when a school is building its marketing, it means that the school is building a strong fortress in the school marketing competition so that its competitors will find it difficult to destroy the fortress. A school's marketing will create good value over a relatively longer period of time.

Progressive marketing can be detailed in the following figure:

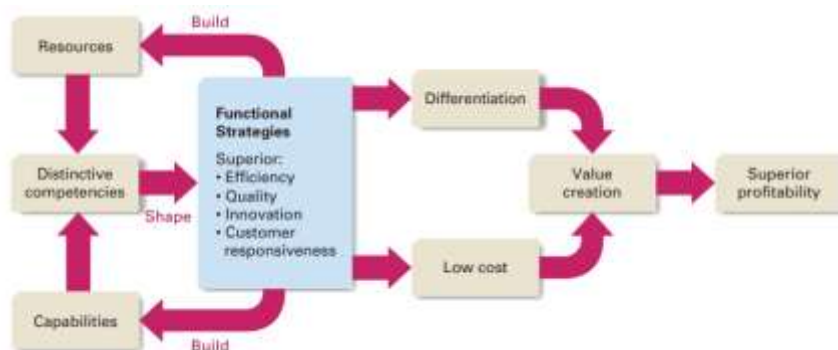


Figure 2. *The Roots of Competitive Advantage* (He et al., 2023)

Based on the figure above, there are two basic conditions that determine the profitability of a school: first, the number of values that parents (consumers) place on the services provided by the school. Second, the cost of production (all costs incurred to sustain a school). In general, the more values that consumers place on a school with its services, the higher the price that a school can charge for its education services. However, the price a school charges for educational services is usually lower than the value placed on these services by the average consumer (Donkoh et al., 2023; Rochmah & Kusumawati, 2019).

This happens because the average consumer captures some of that value in the form of what economists call consumer surplus. Consumers can do this because schools compete with other schools to maintain the loyalty of their customers. A school needs to set the best cost so that it can provide the best educational services, but at a cost that is not much different from its competitors. This will further strengthen the hearts of its loyal customers, assuming they get the best education services at a cost that is still within their reach. This strategy is still believed to be a strategy that can be done by a school to determine the market segmentation they are looking for (Salahuddin, 2019).

Hill and Jones also view the process of creating value in a company or organization as the act of making a product or service that is so needed and attractive in the eyes of its consumers. More precisely, how companies or organizations try to produce products or services that cannot be surpassed by their competitors. Basically, value can be created by innovating by optimizing the resources and capabilities of a company or organization (Darmadi, 2015; Syafaruddin, 2003).

A business model is seen as a strategy of a company or organization to create marketing that its competitors are unable to achieve. More precisely, a business model represents the way managers configure a firm's value chain through strategy, as well as the investments they make to

support that configuration, so that they can build the specialized competencies needed to achieve the efficiency, quality, innovation, and consumer responsiveness needed to support the firm's low-cost or differentiated position, thereby achieving marketability and generating superior profitability (Adillah, 2017).

Marketing in this study focuses more on educational products or services offered by schools to their consumers (parents). Kotler has divided several types of competition in marketing, including: 1) Brand competition, this type of competition is dominated by the actor's view of the company or organization that sees its competitors as a threat, because it offers the same or similar products or services to the same consumers at the same price, 2) Industrial competition (company competition), this type of competition is more of a large-scale competition than brand competition (Rofiatun Nisa & Eli Fatmawati, 2020). Companies or organizations that are patient and have become powerful will view all large and powerful companies as competitors, because these companies make the same products or services as those made by the company, 3) Form competition (company competition), companies can see their competitors more broadly, much wider than the scope of company competition, namely all companies that produce products or services and provide the same benefits that the company can provide, 4) Public competition, companies can view their main competitors more broadly than public competition, namely all companies that compete with relatively the same size of production financing (Aziz et al., 2015).

Based on Kotler's view above, it can be concluded that this research tends to be more suitable for the first type, namely brand competition. Marketing is the focus of the research on how a school designs their flagship program so that it has uniqueness and characteristics that are different from its competitors. In addition, appropriate costing has triggered these schools to have marketing that is difficult for other schools to surpass.

Based on the Background presented previously, in order to test the influence between Differentiation, Low-Cost, and Value Creation Strategy on Competitive Advantage. The hypothesis proposed in this study is as follows: Partially there is an Influence of Differentiation on Value Creation Strategy at Integrated Islamic Junior High Schools in the Riau Islands (H_1), Partially there is an Influence of Low Cost on Value Creation Strategy at Integrated Islamic Junior High Schools in the Riau Islands (H_2). Simultaneously there is an influence of Differentiation and Low Cost on Value Creation Strategy at Integrated Islamic Junior High Schools in the Riau Islands (H_3). Partially there is an Influence of Differentiation on Competitive Advantage at Integrated Islamic Junior High Schools in the Riau Islands (H_4). Partially there is an Influence of Low Cost on Competitive Advantage at Integrated Islamic Junior High Schools in the Riau Islands (H_5). Simultaneously there is an influence of Differentiation and Low Cost on Competitive Advantage at Integrated Islamic Junior High Schools in the Riau Islands (H_6). Partially there is an Influence of Value Creation Strategy on Competitive Advantage at Integrated Islamic Junior High Schools in the Riau Islands (H_7). Simultaneously, there is an influence of Differentiation, Low Cost, and Value Creation Strategy on Competitive Advantage at Integrated Islamic Junior High Schools in the Riau Islands (H_8). Partially, there is an Influence of Differentiation through Value Creation Strategy on Competitive Advantage at Integrated Islamic Junior High Schools in the Riau Islands (H_9). Partially, there is an Influence of Low Cost through Value Creation Strategy on Competitive Advantage at Integrated Islamic Junior High Schools in the Riau Islands (H_{10}).

METHOD

Participants

This study employed a quantitative research design using a survey method. The population consisted of all academicians from Integrated Islamic Junior High Schools in Riau Islands Province. A total of 122 respondents were selected through purposive sampling.

Procedures

To get accurate information, the right method is needed which is collected in this study using questionnaire and observation methods. The approach used in this research is a quantitative approach. This research was conducted at Integrated Islamic Junior High Schools in Riau Islands Province. Observation was carried out by looking at the form of educational marketing used by schools, then to deepen the data in the field, FGD (Focus Group Discussion) was also used as supporting data for research. In addition, researchers also analyzed documents, such as written documents, pictures, works and electronics. The documents received were analyzed, compared and integrated (synthesis) into a systematic, integrated and complete study.

FINDINGS AND DISCUSSION

The study used a sample of 152 people, 30 of whom were used to test the validity of the instrument, while 122 were used to test the research instrument. From this sample, only one Integrated Islamic High School in each Regency / City was taken as a research sample. This study will formulate the effect of Differentiation, Low Cost, Value Creation Strategy, on Educational Marketing. The constellation of the influence between these variables can be seen in the following model:

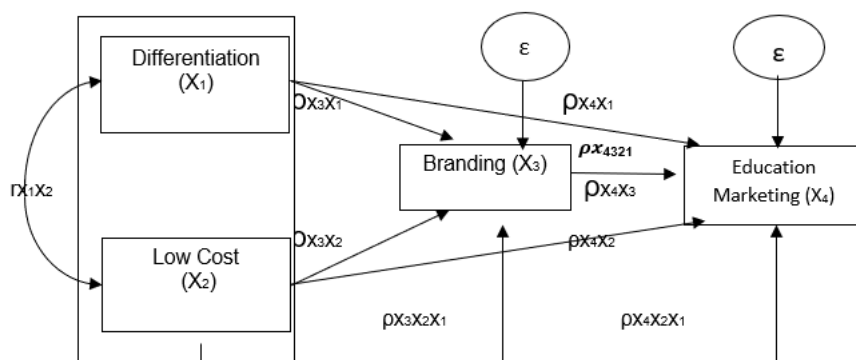


Figure 1. The constellation of influences between these variables can be seen in the following model.

The Effect of Differentiation on Value Creation Strategy

In testing the first hypothesis, the Partial Test (t-test) is used which is processed manually and also validated with the SPSS version 29.0 program, which is to see the partial influence between the Differentiation variable (X_1) on the Value Creation Strategy variable (X_3). From the test results in Table 4.34, it is obtained that the t value of variable X_1 is 8.157, because the value of $t_{count} > t_{table}$ ($8.157 > 1.660$), then partially the Differentiation variable has an influence on the Value Creation Strategy variable. Therefore, H_0 is rejected, meaning that partially there is a significant influence between Differentiation and Value Creation Strategy. In addition, to conduct a test based on significance testing, it can be seen from the significance output of 0.035, because

the significance level number is more <0.05 ($0.000 < 0.05$). So it can be concluded that Differentiation has a very strong effect on Value Creation Strategy based on the correlation coefficient interpretation guidelines. Based on the calculation of R^2 , the Differentiation variable (X_1) affects the Value Creation Strategy variable (X_3) by 34% while the remaining 66% is influenced by other variables.

Differentiation has a direct effect on Value Creation Strategy. This shows that the Differentiation Variable has an important role in building value for a school. Differentiation carried out by schools, be it from improving the quality of education, the quality of graduates, and superior programs, is a characteristic that makes a school difficult to be surpassed by its competitors. Differentiation becomes a differentiator that when continuously improved and improved and developed will become a Value Added for the school, where the Value will continue to be remembered by parents as consumers. The results of the first hypothesis test are in line with Graham Hubbard's view, according to him, Value Creation Strategy is the ability to increase the value of something to meet certain expectations. From a workplace perspective, Value Creation Strategy focuses on the production and sales of an organization or company and how the two can improve each other to meet consumer expectations. Furthermore, he said that organizations or companies that have the desire to meet the needs of their consumers should always consistently build Differentiation (Masitah et al., 2022; Mullins, 2010).

An Organization or company must offer products or services that add value to their consumers. By creating value for their consumers, they increase the likelihood that those consumers will continue to use their products or services. The best way to create value in an organization or company is to think of ways to solve problems creatively and efficiently. The act of asking questions and finding solutions to problems faced by consumers is an essential skill for creating value. The results of this first hypothesis test also intersect with the literature study research initiated by Nadira Ruri Kusuma Putri and Retno Kusumastuti Hardjono, with the topic Value Co-Creation Product Differentiation in The Creative Economy: Insight for Gaining Competitive Advantage. They make a pretty interesting argument by establishing that differentiating on a product or service is the key to success in achieving Value Creation Strategy. The results of the study show that co-Value Creation Strategy has a positive impact on Competitive Advantage, as well as Differentiation which has a positive effect on Competitive Advantage because it is necessary to diversify products or services according to current consumer needs (Kartikawati, 2016).

Differentiation must be carried out by school stakeholders in general, and also specifically for private Islamic schools in Riau Islands Province. The most relevant actions that must be taken by stakeholders by implementing the four Differentiation Models, among which are product differentiation, service differentiation, personnel differentiation, and image differentiation. The four Differentiation models can be the best strategy so that a school can achieve benchmarking. Basically, the Differentiation Strategy emphasizes more on the process of creating value for consumers, where the product or service offered must provide valuable benefits or solutions for consumers, so that consumers are willing to use the product or service continuously.

The argument above is quite grounded, due to the increasing competition of schools in the Riau Islands Province. Schools that do not choose to apply the four Differentiation models, it is very unlikely that the school will be able to compete with other schools. Integrated Islamic High School as an Islamic educational institution must be able to compete with other schools. All of this is inseparable from the strengthening of Differentiation which eventually becomes Value Creation Strategy so that a school is more recognized for its advantages than other schools.

This research has illustrated that Differentiation Strategy has a strong influence on Value Creation Strategy. In introducing an educational product or service, an education marketer is not allowed to spread the badness of products or services made by his competitors. Ethically, this must be done to maintain good relations with other producers and ensure that business competition runs fairly and honestly.

The Effect of Low Cost on Value Creation Strategy

From the results of the test in Table 4.34 which was carried out, the t-value of the X2 variable was obtained of 6,023, because the t-value of the t-calculation $>$ t table ($6,023 > 1,660$), so partially Low Cost has an influence on Value Creation Strategy. Therefore, H_0 is rejected, meaning that there is a significant influence between Low Cost and Value Creation Strategy. In addition, to conduct a test based on significance testing, it can be seen from the significance output of 0.000, because the significance level number is more $<$ 0.05 ($0.000 < 0.05$), the output strengthens the hypothesis of the researcher. Based on this explanation, it can be proven that Low Cost has an influence on Value Creation Strategy. Therefore, it can be concluded that Low Cost has a very strong effect on Value Creation Strategy based on the guidelines of the Interpretation of the correlation coefficient. Based on $R_{\text{Square's}}$ calculation, the Differentiation variable (X_1) has an effect on the Value Creation Strategy variable (X_3) by 15% While the remaining 85% is influenced by other variables.

This study shows results that are in line with the ideas initiated by John C. Groth and Michael R. Kinney. For them, cost is very important, success in managing costs well has a phenomenal effect on Value Creation Strategy a product or service. Conversely, the lack of managing costs results in intensive write-offs. These reasons prove the importance of paying attention to cost in value creation.

Price determination, it can be understood that in relation to the market mechanism, where price drives the rate of production. This is related to the desire of human beings to carry out economic activities to meet their living needs by making the products or services needed. Similarly, price acts as a regulator between the production and distribution of a product or service that connects producers and consumers. The price is determined, then there is an exchange of goods between producers and consumers, thus, consumers can get the necessary products or services according to the level of financial ability they have.

The Effect of Differentiation and Low Cost on Value Creation Strategy

From the Anova test or F test using SPSS 29.0 for windows or manually, the F calculation is 3298,237 with a probability level of p-value of 0.000, because the F value is calculated $>$ F table ($3298,237 > 3.07$) so that it can be concluded that the zero hypothesis (H_0) is rejected and the alternative hypothesis (H_1) is accepted, meaning that there is a significant influence between Differentiation and Low Cost together has an influence on Value Creation Strategy. In addition, to conduct a test based on significance testing, it can be seen from the significance output of 0.000, because the significance level number is much $<$ 0.05 ($0.000 < 0.05$), Therefore, it can be concluded that the Differentiation and Low-Cost variables together have a significant effect on the Value Creation Strategy variable. Based on this explanation, H_0 was rejected and H_1 was accepted, which means that this proves that the Differentiation (X_1) and Low Cost (X_2) variables together have a significant effect on the Value Creation Strategy variable (X_3).

An R_{value} of 0.987 shows a double correlation (Differentiation and Low Cost) with Competitive Advantage. By considering the variation in the R Square value (determination coefficient) of

0.975, it has the meaning of the large role or contribution of the Differentiation and Low-Cost variables to be able to explain the Competitive Advantage variable by 97.5%. While the remaining 2.5% is still influenced by other variables that are not included in the focus of this study. The results of this study show that there is a correlation from Kotler's thinking which assumes that there are three strategies that can be carried out by an organization or company, namely the strategy of cost advantage (Overall Cost), Differentiation (Differentiation), and Focus (Focus) (Menne et al., 2022).

The Effect of Differentiation on Competitive Advantage

From the results of the test in Table 4.42 which was carried out, the value of t calculation of the X_1 variable was 7.147, because the value of t calculation $>$ t table ($7.147 > 1.660$), so partially Differentiation has an influence on Competitive Advantage. Therefore, H_0 is rejected, meaning that there is a significant influence between Differentiation and Competitive Advantage. In addition, to conduct a test based on significance testing, it can be seen from the significance output of 0.000, because the significance level number is more $<$ 0.05 ($0.000 < 0.05$), it can be concluded that Differentiation has an effect on Competitive Advantage at Integrated Islamic High School in Riau Islands Province. Based on this explanation, H_0 is rejected and H_1 is accepted, meaning that Differentiation has an effect on Competitive Advantage.

It is known that Coefficients can see that the Differentiation Variable (X_1) has a fairly dominant influence of 0.624 with a fairly strong category compared to the Low-Cost Variable (X_2) of 0.367 with a weak category on the Competitive Advantage Variable (X_4). This is in line with the guidelines for interpreting the correlation coefficient. Based on $R_{\text{Square's}}$ calculation, the Differentiation variable (X_1) affects the Competitive Advantage variable (X_4) by 35% while the remaining 65% is influenced by other variables.

The results of the hypothesis test above are very intersecting with the research initiated by Desak Putu Rahayu Lestari, et al. with the research topic The Effect of Market Orientation and Differentiation Strategy on Competitive Advantage and Company Performance. The results of the study stated that there was a positive relationship between Differentiation Strategy and Competitive Advantage. Improving Differentiation Strategy by differentiating service quality can affect the improvement of Competitive Advantage. This research also confirms an argument that the strategy variables are product differentiation, service differentiation, personnel differentiation, and image differentiation. Each has an interrelated indicator and has a positive effect on Competitive Advantage (Ibrahim et al., 2024).

The Effect of Low Cost on Competitive Advantage

From the results of the test in Table 4.42 which was carried out, the value of t-calculation variable X_2 was obtained of 4,364, because the t-value calculated $>$ t table ($4,364 > 1,660$), so partially Low Cost has an influence on Competitive Advantage. Therefore, H_0 is rejected, meaning that there is a significant influence between Low Cost and Competitive Advantage. In addition, to conduct a test based on the significance test, it can be seen from the significance output of 0.000, because the significance level number is more $<$ 0.05 ($0.000 < 0.05$), it can be concluded that Low Cost has an effect on Competitive Advantage. Based on $R_{\text{Square's}}$ calculation, the Differentiation variable (X_1) affects the Competitive Advantage variable (X_4) by 15% while the remaining 85% is influenced by other variables. Based on $R_{\text{Square's}}$ calculation, the Differentiation variable (X_1) affects the Competitive Advantage variable (X_4) by 15% while the remaining 85% is influenced

by other variables. Based on this explanation, H₀ is rejected and H₁ is accepted, meaning that Low Cost affects Competitive Advantage.

The results of the hypothesis test have similarities with the results of the research initiated by Hamidi & Imam Abbas. In their research, they found a fact that in determining pricing (Pricing Strategies) will greatly determine the Competitive Advantage that will be achieved by an organization or company. Therefore, the process of determining the price of a product or service is carried out by considering these pricing strategies (skimming strategy, penetration strategy, pricing strategy, low-cost strategy, final price strategy, etc.) and supply and demand. Each type of strategy has an advantage that is used in the market, which consequently affects Competitive Advantage between organizations or companies. In line with the research conducted by Hamidi & Imam Abbas, Islamic schools in Riau Islands Province must also look comprehensively, where in setting prices must be carefully considered. It is better to follow the advice of Philip Kotler who is of the view that pricing should choose Low Cost by focusing on the best price analyzed from similar schools that offer the same quality (Marwan, 2022).

The Low-Cost Strategy can work well, if school leaders offer affordable prices by consumers, but still provide the best quality of education (Best Cost). Research relevant to the results of this hypothesis test was also shown by Chi-Hyon Lee, et al, empirically their research examined the impact of organizations or companies that pursue several generic strategies, namely low-cost strategies and Porter's focus strategies. They find organizations or companies that choose to pursue excellence, then the organization or company will choose to do cost efficiency as a Low-Cost Strategy. The argument can be validated that the Low-Cost Strategy has a significant influence in increasing profitability. In essence, the results of their research show that when an organization or company implements a low-cost strategy it will definitely have a cost efficiency advantage over their competitors for a full consumer base, it will gain nothing by limiting competition simultaneously by focusing on a smaller consumer segment and thus handing over revenue to competitors (Muhdi et al., 2017).

The Effect of Differentiation and Low Cost on Competitive Advantage

From the ANOVA test or F test as seen in Table 4.46 with an F value of 2277.495 with a probability level of p-value of 0.000, because the F value is calculated $> F$ table ($2277.495 > 3.07$) so that it can be concluded that the zero hypothesis (H₀) is rejected and the alternative hypothesis (H₁) is accepted, meaning that there is a significant influence between Differentiation and Low Cost together on Competitive Advantage. In addition, to conduct a test based on significance testing, it can be seen from the significance output of 0.000, because the significance level is much < 0.05 ($0.000 < 0.05$), it can be concluded that the Differentiation (X₁) and Low Cost (X₂) variables together have a significant effect on the Competitive Advantage variable (X₄). Based on this explanation, H₀ was rejected and H₁ was accepted, which means that this proves that the Differentiation and Low Cost variables together have a significant effect on the Competitive Advantage variable.

The results of the hypothesis test above are in line with the views of Xhavit Islami, et al. They review the use of Generic Porter strategies in organizations or companies operating in a competitive environment. The goal is to demonstrate the impact of Generic Porter strategies (low-cost strategies and differentiation strategies) on the performance of an organization or company. The econometric results show that the use of differentiation strategies provides higher organizational or company performance compared to Porter's other two generic strategies.

The Influence of Value Creation Strategy on Competitive Advantage

From the test results in Table 4.48, the t-value of variable X3 is 52.519, because the t-value > t table ($52.519 > 1.65765$), then partially Value Creation Strategy has an influence on Competitive Advantage. Therefore, H₀ is rejected, meaning that partially there is a significant influence between Value Creation Strategy and Competitive Advantage. In addition, to conduct a test based on significance testing, it can be seen from the significance output of 0.000, because the significance level is more < 0.05 ($0.000 < 0.05$) it can be concluded that Value Creation Strategy has an influence on Competitive Advantage. Based on the R² calculation, the Value Creation Strategy variable (X₃) has an influence on the Competitive Advantage variable (X₄) by 39% while the remaining 61% is influenced by other variables. Based on this explanation, therefore H₀ is rejected and H₁ is accepted, meaning that Value Creation Strategy has an influence on Competitive Advantage.

The hypothesis test above has similarities with the research results achieved by Cemal Zehir & Merve Vural Allaham. They conducted a study with the aim of providing a comprehensive analysis of the role of dynamic capabilities in the Value Creation Strategy process. This study specifically focuses on its impact on Competitive Advantage as well as to understand the mediating role of Value Creation Strategy. Their findings are that the Value Creation Strategy variable has a positive effect on the Competitive Advantage variable. The same results were also shown by Ahmad Firman & Muhammad Hidayat with the research title Investigating Factors Affecting Value Creation and Its Distribution on Company's Performance (Sudirman & Ubaidillah, 2019).

The Effect of Differentiation, Low Cost, and Value Creation Strategy on Competitive Advantage

From the ANOVA test or F test using SPSS 29.0 for windows or manually, the F count is 1506.699 with a probability level p-value of 0.000, because the value of F count > F table ($1506.699 > 2.68$) so it can be concluded that the null hypothesis (H₀) is rejected and the alternative hypothesis (H₁) is accepted, meaning that there is a significant influence between Differentiation, Low Cost, and Value Creation Strategy together on Competitive Advantage. In addition, to conduct a test based on significance testing, it can be seen from the significance output of 0.000, because the significance level number is much more < 0.05 ($0.000 < 0.05$), it can be concluded that the Differentiation, Low Cost, and Value Creation Strategy variables together have a significant effect on the Competitive Advantage variable. Based on the calculation of R Square, the Differentiation (X₁), Differentiation, Low Cost, and Value Creation Strategy (X₃) variables affect Competitive Advantage (X₄) by 48% while the remaining 52% is influenced by other variables. Based on this explanation, H₀ is rejected and H₁ is accepted, meaning that this proves that the Differentiation, Low Cost, and Value Creation Strategy variables together have a significant effect on the Competitive Advantage variable.

From the beginning, it has been stated by the researcher that this research has the main benchmark on the credo initiated by Will & Jones regarding their view of Competitive Advantage. Their credo is then combined with various other supporting theories. Will & Jones themselves believe that to achieve Competitive Advantage, a school must do two important things, one of which is that they must carry out a Differentiation Strategy, where they are required to use the imagination and creativity of every individual who is involved in the school. The purpose of the innovation created will create a considerable distance from competitors. The Differentiation Strategy is an important part that makes a school still exist and remains a benchmarking in their respective regions (Vesper & Gartner, 1997).

The Effect of Differentiation on Competitive Advantage Through Value Creation Strategy

From the calculation process above, it is known that the direct effect of Differentiation on Competitive Advantage is 0.3894, while the indirect effect is 0.5159, and the total effect is 0.9053. From these calculations it is known that the indirect effect is greater than the direct effect. Based on the results of the calculation with the Sobel test, the calculated t value of $= 13.576$ is greater than the t table value with a significant level of 0.05, namely 1.658, because the calculated t value $>$ t table value ($13.576 > 1.658$), it can be concluded that the mediation coefficient of 0.5159 is significant, which means that there is a mediating influence. Based on the calculation of R Square, the Differentiation variable (X_1) through Value Creation Strategy (X_3) affects Competitive Advantage (X_4) by 47% while the remaining 53% is influenced by other variables.

From the analysis of the intervening Differentiation test on Competitive Advantage through Value Creation Strategy, it was obtained that Differentiation can have a direct effect on Competitive Advantage and can also have an indirect effect, namely from Differentiation to Value Creation Strategy (as an intervening variable) then to Competitive Advantage, where the magnitude of the direct effect on public perception is 0.3894, while the indirect effect is 0.5159, and the total effect is 0.9053. From these calculations, it is known that the indirect effect is greater than the direct effect, which means that if a school already has high Differentiation, and is supported by a Value Creation Strategy, it will have a greater effect on Competitive Advantage.

Low Cost on Value Creation Strategy through Competitive Advantage

From the calculation process above, it is known that the direct effect of Low Cost on Competitive Advantage is 0.13469, while the indirect effect is 0.41411, and the total effect is 0.670031. From these calculations it is known that the indirect effect is greater than the direct effect, which means that if the Low-Cost variable is supported by the Value Creation Strategy variable, it is very significant that it has a strong influence on the Competitive Advantage variable, while to find out whether the Value Creation Strategy variable is able to mediate the Low-Cost variable on Competitive Advantage,

From the results of the calculation with the Sobel test, the calculated t value of $= 8.2824$ is greater than the t table value with a significant level of 0.05, namely 1.658, because the calculated t value $>$ t table value ($8.2824 > 1.658$), it can be concluded that the mediation coefficient of 0.41412 is significant, which means that there is a mediating effect. Thus, the tenth hypothesis is accepted.

From the analysis of the Low-Cost intervening test on Competitive Advantage through Value Creation Strategy, it is found that Low Cost can have a direct effect on Competitive Advantage and can also have an indirect effect, namely from Low Cost to Value Creation Strategy (as an intervening variable) then to Competitive Advantage, where the magnitude of the direct effect of public perception is 0.13469, while the indirect effect is 0.41411, and the total effect is 0.670031. From the calculation, it is known that the indirect effect is greater than the direct effect, which means that if the school already has a high Low cost, and is supported by Value Creation Strategy, it will have a greater influence on Competitive Advantage.

DISCUSSION

Competitive Advantage variables are still very rarely discussed in educational research, especially in the scope of Competitive Advantage strategy management. This is because Competitive Advantage Variables are more often reviewed in various business management

studies. This is a strong reason for the novelty of this research, where researchers see this situation as a big enough opportunity to review Competitive Advantage in the world of education. Moreover, the researcher sees a problem gap, with the non-application of Competitive Advantage strategy management theory properly resulting in some schools experiencing a shortage of students, and even some schools choosing to close. Therefore, this research will help schools in concocting Competitive Advantage by applying three strategy models, namely Differentiation Strategy, Low-Cost Strategy, and Value Creation Strategy so that they can survive in the midst of increasingly massive school competition.

Differentiation, Low Cost, and Value Creation Strategy Variables There is no education management research that reviews the relationship between the three variables specifically, most of the research found by researchers only reviews one of them. This is evidence of the newness that the researcher is trying to assume. Moreover, no similar research has been found in the world of education management in the realm of strategic management studies of education. This is an opportunity to parse in depth the relationship between the three variables in order to improve and develop Competitive Advantage so that it can lead a school to become a benchmarking in their respective regions.

The results showed that there is a relationship between the use of Low-Cost Strategy in improving a school's Competitive Advantage. This research proves that by implementing Low-Cost Strategy, a school is able to strengthen Value Added for consumers so that more parents entrust their children's education at the school. As a result, the school will be able to reduce costs significantly with the profit margin obtained from the increasing number of students. In conclusion, schools can provide the best quality of education and not much different from schools that are expensive, but still prioritize cost advantages (Best Cost).

The results show that Differentiation has a more dominant influence on Competitive Advantage. Even much greater than the influence of Low Cost on Competitive Advantage. This is an important note for school principals to start preparing what are the advantages or uniqueness of their school. This will become a Value Creation Strategy that is attached to the hearts of parents so that they will always entrust the education of their sons and daughters at the school. Strong differentiation will be the hallmark of a school so that it is able to provide the best service with educational programs that are current and in accordance with the demands of the times.

CONCLUSION

The results include; 1). Differentiation (X_1) has a direct effect on Value Creation Strategy (X_3) of 34%. 2). Low Cost (X_2) has a direct effect on Value Creation Strategy (X_3) by 15%. 3). Differentiation (X_1) and Low Cost (X_2) simultaneously have a direct effect on Value Creation Strategy (X_3) by 98%. 4). Differentiation (X_1) has a direct effect on Competitive Advantage (X_4) by 35%. 5). Low Cost (X_2) has a direct effect on Competitive Advantage (X_4) by 15%. 6). Competitive Advantage (X_4) simultaneously has a direct effect on Competitive Advantage (X_4) by 98%. 7). Value Creation Strategy (X_3) directly affects Competitive Advantage (X_4) by 39%. 8). Differentiation (X_1), Low Cost (X_2), and Value Creation Strategy (X_3) together (simultaneously) have a direct effect on Competitive Advantage (X_4) by 48%. 9). Differentiation (X_1) has a direct effect on Competitive Advantage (X_4) through Value Creation Strategy (X_3) by 47%. 10). Low Cost (X_2) has a direct effect on Competitive Advantage (X_4) through Value Creation Strategy (X_3) by 39%. The study concludes that differentiation, low-cost strategies, and value creation strategy significantly influence competitive advantage. Moreover, the value creation strategy not only acts

as an exogenous variable but also serves effectively as an intervening variable. This implies that the stronger the relationship between differentiation, low-cost strategies, and value creation, the greater the potential to enhance competitive advantage.

The authors declare that there is no conflict of interest in this work.

The author declares that there is no conflict of interest in the writing and preparation of this scientific work. The entire research process, data analysis, and article writing were carried out objectively and independently, without any influence from any party that could affect the results and conclusions of the research.

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