



## Application Segmentation , Targeting and Positioning in the UMKM Marketing Strategy in Indonesia

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### ABSTRACT

The increasing number of Micro, Small and Medium Enterprises (UMKM) in Indonesia has prompted attention to effective marketing strategies to help UMKM achieve success in the increasingly fierce business competition. Segmentation, targeting and positioning (STP) are important concepts in a marketing strategy that can help UMKM identify and reach target markets more effectively. This study aims to analyze the application of STP in the marketing strategy of UMKM in Indonesia. The research method used is descriptive analysis by collecting data through literature studies and interviews with MSME owners and experienced marketing practitioners. The results of the study show that through segmentation, UMKM can provide products or services that are more relevant and better meet the needs of the target market. Targeting helps UMKM to optimize the use of their resources by focusing on segments that have the potential to generate higher sales and profits. Then positioning helps UMKM differentiate themselves and build a strong image, thus creating a competitive advantage in an increasingly fierce market competition. However, there are still several challenges faced by UMKM in implementing STP effectively, including limited resources, limited understanding of the concept, and the need to continuously monitor and adapt their marketing strategies according to market changes.

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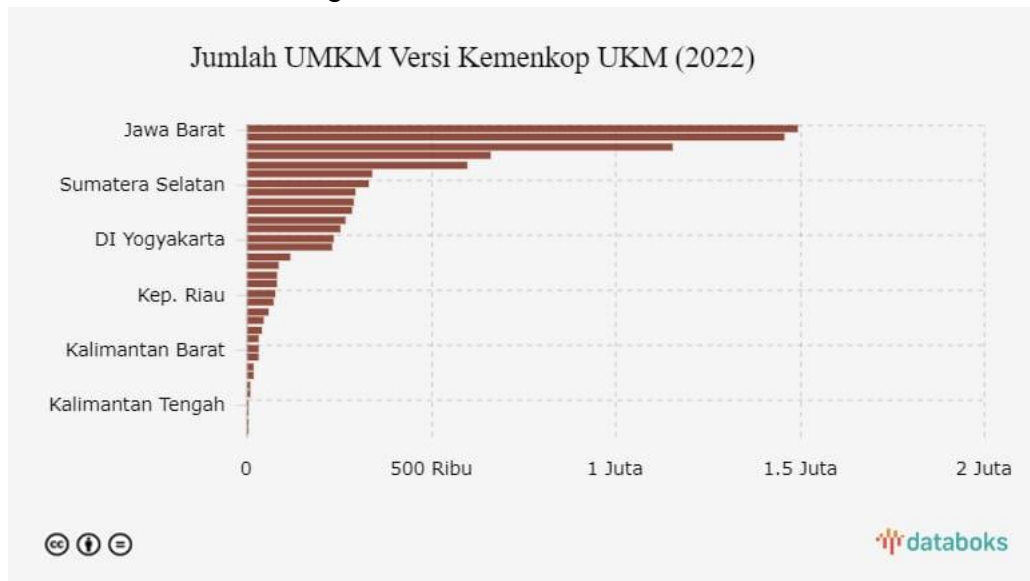
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## INTRODUCTION

UMKM in Indonesia experience very fertile growth . Based on from the data published by the Ministry of Cooperatives and Small and Medium Enterprises ( Kemenkop UKM), the total number of UMKM in Indonesia is figure of 8.71 million business units in 2022. Java east occupy ranking third with a total of 1.15 million

UMKM .<sup>1</sup>

Figure.1: Number of UMKM in Indonesia



Source :

[databoks.katadata.co.id](http://databoks.katadata.co.id).

With exists UMKM growth \_ impact on national GDP by 61.9%, as well can absorb strength work by 97%. <sup>2</sup>this \_ identify that UMKM are strategic and profitable business \_ role important in increase in national GDP <sup>3</sup>. So that behind from matter that is UMKM A opportunity for the Indonesian state to increase growth and stability economy .

Of the many UMKM growth \_ raises problem in competition business with other competitors. it \_ raises must exists the efforts and strategies undertaken by the actors effort for smoothness his efforts For still Can survive and exist from the onslaught of other competitors <sup>4</sup>. Along the development of the era of progress technology Keep going resulting increase \_ competition in all field business become the more too tight . In face matter such , marketers must always marketing oriented \_ product , where all activity the directed and focused For fulfil needs and wants consumer . So with fulfillment needs and wants consumers , marketers No need worried to continuity effort and loss consumer .<sup>5</sup>

must - have thing understood and mastered by SMEs \_ \_ understand the

<sup>1</sup> <https://databoks.katadata.co.id/datapublish/2023/02/02/nomor-umkm-di-indonesia-sepanjang-2022-provinsi-mana-terLOT> accessed on 5 June 2023.

<sup>2</sup> <https://ekon.go.id/> , accessed on 5 June 2023

<sup>3</sup> Niken Permata, Ardhi Khairi, and Utami Tunjung, 'Counseling on STP Marketing Strategies to Increase the Competitiveness of the UMKM Communication Forum in Donokerto , Turi , Sleman , Yogyakarta', Society: Journal of Community Service , 2.1 (2023), 1–5.

<sup>4</sup> Permata, Khairi, and Tunjung.

<sup>5</sup> MZ Yamin, A Rahayu, and ..., 'Analysis of Eiger's Segmentation, Targeting and Positioning Strategies: Analysis of Eiger's Segmentation, Targeting and Positioning Strategies Eiger', *Experimental ...* , 1.1 (2023).

market in order to be able to endure from onslaught competition . Because the consequences are borne by UMKM actors who do not understand the market will impact on failure his efforts <sup>6</sup>. Ways and efforts that can taken the role of UMKM is with understand and master the strategy of market segmentation , and targeting that will aim in market <sup>7</sup>.

Market segmentation can done through target market grouping for narrowing and minimizing the target market that is heterogeneous become homogeneous . that way will Simplify and maximize marketing product to the target market perfect , and got increase level effectiveness in marketing , as well can streamline \_ source Power <sup>8</sup>. Correct and proper implementation of STP ( segmentation , target, position ). can make it easy marketers in preparing and managing effective marketing program activities . \_ Actually in activity marketing There is four element important that can influence level success , including ; product , price , promotion , and distribution <sup>9</sup>. So that in realize success marketing needed good and appropriate segmentation for sustainability \_ successful marketing . \_

Marketing is A activity integrated from business loading business \_ planning , determination price , promotion , and distribution with objective fulfil need consumer . Marketing also plays a role important in a track record company , and own big share \_ in competition with other competitors . In compiling a marketing strategy , a marketers must pay attention to the segmentation strategy , the target to be target , as well ideal position for acquired , as well read opportunities that can accessed For become A profit . Because deep failure marketing majority caused by failure a marketers understand need consumer , target error , error position , as well strategy error \_ <sup>10</sup>.

Important step in the marketing strategy program process is understand market characteristics to be aim . So that our products \_ offer in the market can with easy is at mind consumer . it \_ only will succeed realized with prioritizing the process segmentation in market <sup>11</sup>. According to <sup>12</sup>Segmentation is a deep strategy develop marketing , way For make it easy choose target market with use identification

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<sup>6</sup> Blasius Manggu and Sabinus Beni, 'Analysis of the Implementation of Segmentation, Targeting, Positioning (STP) and Marketing Promotion as a Solution to Improve the Development of UMKM in Bengkulu City', *Sebatik* , 25.1 (2021), 27–34 <<https://doi.org/10.46984/sebatik.v25i1.1146>>.

<sup>7</sup> Permata, Khairi, and Tunjung.

<sup>8</sup> Nuri Aslami Zulfritri, Zuhri M. Nawawi, 'Analysis of the Implementation of Segmenting, Targeting and Positioning Strategies in Marketing Sharia Products at PT. Sun Life Medan', *JOURNAL OF MANAGEMENT ACCOUNTING (JUMSI)* , 03.03 (2023), 1858–78.

<sup>9</sup> Manggu and Beni.

<sup>10</sup> Manggu and Beni.

<sup>11</sup> Nurul Hidayah and Rahmat Tk. Sulaiman, 'INTERVENING THE INFLUENCE OF SEGMENTATION, TARGETING, POSITIONING (STP) IN MARKETING PROMOTION ON SALES IN UMKM ROCKET CAFE', *MABIS: Journal of Sharia Business Management* , 3.1 (2023), 1–16.

<sup>12</sup> Hidayah and Sulaiman.

demographic , geographic , behavioral , and psychographic . While targeting is market selection to be target For served , and supported with allocating source adjustable power \_ with segmentation . In terms of positioning is the way it's done marketers For put the product in the hearts of consumers . So task from marketers No only For look for consumer will but more from matter That is For defend consumers , and make consumers loyal . Because deep operate business No only have objective get profit But For continuity and improvement business the . it \_ can materialize with the existence of a good , precise , and perfect STP strategy <sup>13</sup>. So from it , article This aim For discuss about STP in Marketing Strategy .

## LITERATURE REVIEW

### Market Segmentation

According to Tjiptono and Chandra, Market Segmentation has a meaning receptacle yes function For classify the market a heterogeneous whole \_ \_ homogeneous or make more market small from facet segment that has similarities , and needs consumer for more target marketing \_ Specific <sup>14</sup>. Segmentation also has function For share group consumers who need different products and services . \_ Market segmentation is very necessary done remember there is consumers who have different wants and needs . \_

Because basically market segmentation \_ is the strategy of management marketing that has consumer orientation . \_ With implementation market segmentation , marketing activities carried out by the company or more SMEs directed in reach purpose , and utilization source more power \_ efficient and effective . Wants and needs different consumers \_ this is what makes it as a must risk bother again with Good in marketing strategy .

Market segmentation is useful for companies to have a special product that can meet the needs of the target market. So that the use of market segmentation for marketing strategy design is as follows: 1. Get a better competitive position for existing products , 2. Get a more effective position in a limited market , 3. Identify opportunities in the market that represent opportunities for new product development , 4. Identify potential new customers.<sup>15</sup>

According to Suprayanto and Rosad , several criteria must be met by market segments so that the market segmentation process can be carried out effectively and beneficially for the company, namely: 1. Distinctive , indicating that the segment has characteristics and buying behavior that are different from other segments , 2.

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<sup>13</sup> Khorl Ayu Tridyanti and others, 'Segmenting, Targeting, Positioning Strategies in Global Marketing', *MAMEN: Journal of Management* , 2.1 (2023), 151–58 <<https://doi.org/10.55123/mamen.v2i1.1614>>.

<sup>14</sup> Yopi Yunsepa and Jemmy Saputra, 'Marketing Strategy Of Mentari Coffee UMKM In Baturaja The Influence Of Marketing Model Segmenting, Targeting And Positioning On Marketing Strategy In Mentari Coffee UMKM In Baturaja', 4.January (2023), 436–45.

<sup>15</sup> Sofian Assauri . “ Management Marketing ”. Jakarta: Raja Grafindo Persada. hlm . 62

Measurable ( measurability ) indicates that the purchasing power of each segment must be measurable to a certain degree even though in reality certain variables are not easily measured , 3. Accessibility indicates how far a segment can be reached and served effectively , 4. Means ( substantial ) a a group will be called a segment if it is large enough and/or profitable enough , 5. Feasibility indicates how far effective programs can be arranged to attract segment interest , 6. Profitable , namely that the intended market segment can provide benefits financially for the company, either directly or indirectly.<sup>16</sup>

Whereas according to Stanton, Conditions effective market segmentation is as following : 1. Got measurable , meaning properties from buyer That can measurable or approached . 2. Affordable (accessible), meaning that market segment can achieved or penetrated by the company . 3. Profitable (substantial), meaning that market segment must Enough big and profitable for company . 4. Got implemented (actionable), that is all the programs already planned For interesting consumer can done with Good <sup>17</sup>.

In practice market segmentation consists of consumer market segmentation and industrial market segmentation . Each segment has certain variables, but basically the variables used are not much different. Philip Kotler formulates the basics for segmenting the consumer market as follows:

**1. Segmentation Geographical**

segmentation requires dividing the market into different geographic units such as countries, regions, states, regions, cities, or even neighborhoods. A company may decide to operate in one or a few geographic areas, or to operate across all but pay attention to geographic differences in needs and wants.

**2. Segmentation Demographic**

Demographic segmentation divides the market into groups based on variables such as age, gender, family size, family life cycle, income, occupation, education, religion, race, generation and nationality. These demographic factors are the most common basis for segmenting customer groups. One reason is that the degree of variation in consumer needs, wants, and uses is often closely related to demographic variables. Demographic variables are the easiest to measure compared to other variables.

**3. Segmentation Psychographics**

Psychographic segmentation divides buyers into different groups based on social class, lifestyle or personality characteristics. People in the same demographic group can have very different psychographic compositions.

**4. Segmentation behavior**

segmentation divides buyers into groups based on their knowledge,

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<sup>16</sup> Suprianto and Rosad . “ Management Marketing ”. Bogor: IN MEDIA. hlm . 73

<sup>17</sup> Yunsepa and Saputra.

attitudes, uses, or responses to a product. Many marketers believe that behavioral variables are the best starting point for constructing market segments.<sup>18</sup>

Following is benefit market segmentation obtained, namely: 1. Can provide wants and needs customer with more good and appropriate with pattern different consumers, with use different incentives and promotions. 2. Got know different market potential at each segment, so can do marketing with appropriate For get more income. 3. Got increase opportunity For grow, with create an attractive product other consumers for try<sup>19</sup>. While the important factors to consider in evaluating market segments are the attractiveness of the segment as a whole and business resources. After evaluation done, company or place business Then take decision how much Lots segment to be served<sup>20</sup>.

### **Targeting**

Targeting According Suwondo and (Munandar, 2014), targeting is activity after identify opportunity market segment, then do evaluation various segment the For decide which segment to target marketing. According to (Kotler and Armstrong, 2012), targeting is needs and characteristics from consumers who have set by the company For serve him. Whereas according to (Tjiptono and Chandra, 2012), targeting is the process of evaluating and selecting One or a number of the most attractive market segment For served with marketing programs Specific company. The company realized that No Possible serve all existing segment because limitations source owned power, then company must decide which segment will made target.

According to (Kotler, 2000), there are five patterns in selection of target market, namely: a. Single-segment concentration b. Selective specialization c. Product specialization d. Market specialization e. Full market coverage. Besides pattern above, there is four mandatory criteria fulfilled For get the optimal target market. According to Clancy and Shulman in (Kasali, 2003), four criteria the namely: a. Responsive, target market must responsive to products and programs developed marketing. b. Potency Sales, potential sale must Enough broad. The more the bigger the target market, the more big value. The magnitude No only determined by the amount population but also power buy and the market wants for own product the. c. Growth Adequate, the market is not can with quick react. The market is growing slowly until Finally slide with rapidly and achieve point his maturity. d. Media Reach, target market can achieved optimally if the marketer is right

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<sup>18</sup> Philip Kotler. "Management and Marketing Strategy". Jakarta: Erlangga. hlm. 56

<sup>19</sup> Novan Hariansyah, 'Market Segmentation in Islamic Marketing Communication', *Al-Hikmah Journal*, 19.2 (2021), 127-38 <<https://doi.org/10.35719/alhikmah.v19i2.73>>.

<sup>20</sup> Yunsepa and Saputra.

choose the medium for promote and introduce the product<sup>21</sup>

The target market is grouping consumer based on characteristics , liking and attraction to something goods of the kind considered by the offender business as consumer potential . Determining the target market can done with method do prior market research To use know actual market conditions so that No will go wrong determination consumer . Besides that's the culprit business can make customized product \_ with majority consumers and do evaluation Who just consumers who are interested in the product the so that sale Can focused on the target market . For perpetrator effort is very important For can define the right target market . First , determine target market segment to be used scale big and got give profit or small market segment but own prospect for perpetrator future endeavors . \_ Second , when perpetrator business has set segment selected target \_ so in face market competition must have superiority competitive like differentiation product . Third , the perpetrator business must Can know condition facing market competition so that in set no market segment experience error and can effect on interest consumers on products or brand from perpetrator business<sup>22</sup>

From several definition above \_ can concluded that targeting or target market is activity Where company choose market segment for entered and then company can determine more specific market to be target . Targeting is the process of evaluating every Power pull segment Then choose One or more characteristics For served .<sup>23</sup>

### **Marketing Strategy**

marketing strategy is series efforts made by the company in framework reach objective particular , because potency For sell proposition limited to the number of people who know this . corporate strategy own role important in something company or business Because function For determine mark company , fine price goods nor services . Marketing strategy (Boon, 2008) is the whole program in determine the target market and satisfy consumer with build combination element from mix marketing , product , distribution , price . Purpose of marketing strategy 1. To increase quality coordination between individual in team marketing , 2. As size results marketing on base standard past achievements \_ determined . 3. As base logical in step taking decision marketing . 4. For increase ability adapt if there is change .

### **UMKM**

UMKM or Micro , Small and Medium Enterprises is sector owning business \_

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<sup>21</sup> Yunsepa and Saputra.

<sup>22</sup> Permata, Khairi, and Tunjung.

<sup>23</sup> Ali Mujahidin and Ifa Khoirianingrum, 'Muhammadiyah University Semarang National Seminar on Publication of Research Results and Community Service Analysis of Segmentation, Targeting, Positioning (STP) at Zakiyya House Bojonegoro The Analysis of Segmentation, Targeting, Positioning (STP) on Zak', Seminar *Proceedings Unimus National* , 2 (2019), 284–94.

scale business small with amount worker or employee limited , capacity relative production and turnover \_ low as well as access limited to source power .  
<https://www.kemenkopukm.go.id/read/pengertian-umkm>

## **METHOD**

Study This use approach qualitative with type literature study . In study this , author study and collect relevant literature . \_ Literature originate from source secondary , includes various article journals and books that still exist relevant with topic research , incl book print and digital as well source other . Then harmonized with existing findings \_ in the field .

## **RESULTS AND DISCUSSION**

In implementing a marketing strategy , UMKM need understand STP implementation so that the marketing strategy is implemented appropriate target . According to Kotler, marketing strategy consists from three phases : segmentation , targeting , and positioning . Market segmentation basically is a strategy for understand needs and wants consumers , meanwhile targeting is about assess , select , and reach audience or consumer . Next process is positioning. this \_ is a strategy that aims For attach self in mind consumers to have proper perception \_ to product <sup>24</sup>.

### **Marketing Strategy**

Strategy is plan choice For reach purpose . because \_ it , the strategy is plan single , comprehensive and integrated design \_ For combine corporate strategy benefits with challenge environment and ensure that , through proper implementation inside \_ \_ company , goal main company achieved <sup>25</sup>. According to Kotler & Armstrong marketing strategy is knowledge logic in activity marketing , and products produced own value in mind consumers , as well can build good relationship \_ with consumer and earn profit . said . Business need measure which prospects to be customer they through segmentation and targeting . Same thing with company give service to company through positioning <sup>26</sup>. On the other hand Chandra argues marketing strategy is plans and actions For determine in a manner detail hope company , know How something product demanded in a particular market . This will influence all activity marketing For situation . Activity marketing is all subsequent marketing processes \_ must influence request will product , change price , change advertising , apply draft advertising specifically , and decide channel which sale will be used <sup>27</sup>.

Marketing strategy is series efforts made \_ company For reach objective

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<sup>24</sup> Mujahidin and Khoiraningrum.

<sup>25</sup> Zulfitri, Zuhri M. Nawawi.

<sup>26</sup> Tridyanthi and others.

<sup>27</sup> Tridyanthi and others.

particular , because opportunity For can sell offer limited to the number of people who know about it . Business strategy play role important in every company or operation business Because determine mark business Good from facet price goods and services <sup>28</sup>. According to Chandra deep strategy marketing is form presenting plan \_ expectation company or UMKM against impact from marketing activities and programs <sup>29</sup>. According to Assauri , marketing strategy is set goals , guidelines , and rules that provide direction activity marketing in every level company at the time certain , especially as response to environment competition company always \_ changing and the competition in which it operates . References and attribution provided If in accordance condition . According to Tjiptono marketing strategy is set plan \_ expectation company about impact various activity or marketing program to request product or line product in the target market certain <sup>30</sup>

Marketing strategy is the first step company in arrange plans and tactics to activity marketing For reach something to be expected consumer . So that in reach an effective strategy , the company or UMKM will apply possible decisions \_ used For set goals and directions target to be aim <sup>31</sup>. So from That according to Umar Strategy is defined as a determining process \_ businessman in reach objective period Length from company <sup>32</sup>. in tune with Bestari in <sup>33</sup> that deep strategy marketing is method For win superiority in compete and be seen as base to draw up a plan or plan something company in control in a manner thorough . So that companies or UMKM are still level small or big Certain requires a competitive , efficient , and effective strategy in order to endure in face competition from competitors <sup>34</sup>. Even good response \_ in face competition is with method do innovation continuously so that UMKM or company can survive and be competitive <sup>35</sup>.

Marketing strategy is a holistic program For satisfying consumer with identify target market and build on combination factor mix marketing , product , distribution and price . Target marketing strategy 1. Increase quality coordination between individual member team marketing , 2. As size performance marketing based on criteria performance that has set . 3. As base thinking procedure taking decision

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<sup>28</sup> Manggu and Beni.

<sup>29</sup> Dimas Hendika Wibowo, Zainul Arifin, and Sunarti, 'ANALYSIS OF MARKETING STRATEGY TO IMPROVE THE COMPETITIVENESS OF UMKM (Study On Batik Djajeng Solo)', *Journal of Business Administration (JAB)* , 29.1 (2015), 59–66.

<sup>30</sup> Yunsepa and Saputra.

<sup>31</sup> Yamin, Rahayu, and ...

<sup>32</sup> Anisa Yusrin Nanda, 'Analysis of Effective Marketing Strategies for E-Commerce Users', *Journal of Management and Innovation (MANOVA)* , 1.1 (2018), 11–19 <<https://doi.org/10.15642/manova.v1i1.346>> .

<sup>33</sup> Wibowo, Arifin, and Sunarti.

<sup>34</sup> Wibowo, Arifin, and Sunarti.

<sup>35</sup> Wibowo, Arifin, and Sunarti.

marketing . 4. Upgrade ability adapt you to change .<sup>36</sup> Function of marketing strategy This that is For arrange channel the way company so that form team with proper and effective coordination .<sup>37</sup> . Another reason for the importance of a marketing strategy is increasing competition faced by businesses in general . \_ In situation like it , company no choice \_ besides face situation the or go out fully from landscape competition . Business need increase efficiency and profit customer<sup>38</sup>.

### **Market Segmentation**

In carry out a marketing strategy , SMEs must understand implementation of STP so that the marketing strategy is carried out in accordance with targets. According to Kotler Marketing strategy consists on three stage namely segmenting, targeting, positioning. Market segmentation basically is a strategy for understand needs and wants consumers , while targeting is evaluate Then select , select and reach consumers who will become target . Next process is do positioning ie a strategy for enter mind consumer so that Can form A perception Good about products to consumers<sup>39</sup>.

A must first step carried out by SMEs in formulate a marketing strategy is segmentation . Segmentation Alone according to Kotler and Keller's defining opinion segmentation as a separate market from bunch consumers who have similarity in needs and wants<sup>40</sup>. So segmenting ( segmentation ) can said with that market too many and wide shared become a number of group buyer based on desire , characteristic buyers and behavior buyer That alone . Then from a number of group mentioned , the company get target market or intended buyer . \_ From the division and the desired target market company such , the company Can focus serve need consumer or buyers to be the target , so company Can reach desired position \_<sup>41</sup>.

According to Assauri , market segmentation is activity dividing the consumer market to in different groups . \_ each group the consists from consumer with the same characteristics or almost same . Every group consumer can selected in the market reached by the mix strategy marketing . because \_ Therefore , market segmentation is a marketing strategy that is carried out For dividing the market into a number of share , and division of the market become base For make it a target market to be served .<sup>42</sup>. Segmentation is the process of dividing the market into groups with different characteristics and needs . \_ According to Firmansyah in<sup>43</sup> Segmentation is the process of grouping heterogeneous markets become One group

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<sup>36</sup> Manggu and Beni.

<sup>37</sup> Nanda.

<sup>38</sup> Wibowo, Arifin, and Sunarti.

<sup>39</sup> Mujahidin and Khoirianingrum.

<sup>40</sup> Yamin, Rahayu, and ...

<sup>41</sup> Mujahidin and Khoirianingrum.

<sup>42</sup> Mujahidin and Khoirianingrum.

<sup>43</sup> Manggu and Beni.

that has the same characteristics and needs .

Understanding market segmentation is effort group consumer to in relative groups \_ homogeneous . Do segmentation is A commitment , and to we also follow a special strategy in approach every market segments that are our target market. Whereas according to Philip Kotler and Gary Armstrong, market segmentation is dividing the market into a number of group different buyers . \_ Market segmentation can understood as dividing different ( heterogeneous ) markets into in homogeneous market group so each group can made target For sell product in accordance with need , want or characteristics buyers in that market <sup>44</sup>.

one \_ method in application market segmentation is with dissect market segments based on 4 ( four ) categories including :

- 1) Geographic , segmentation This dividing the market into a number of part such as countries, states , regions, cities and villages that are considered to have great potential .
- 2) Demographics , in matter Market demographics are divided become groups based on distribution like age , type gender , grade income , rate education and religion to be more easy accessible and relative more cheap For identify the target market, information demographics give outlook about current trend , though No can used For predict behavior consumer but use information Demographics This can see change request various product and get used For evaluate campaign marketing .
- 3) Psychographics , in segmentation psychographics this , consumer can seen from class social , style life , values , and personality . According to Maliki Class social can distinguished according to wealth , power , honor and knowledge <sup>45</sup>. Meanwhile according to opinion of Keller & Kotler, style life can reflected in activities , hobbies , and opinions <sup>46</sup>.
- 4) Behavior , segmentation behavior consumer divided become a number of group based on knowledge , attitude , use , or reaction to product <sup>47</sup>.

Many marketers believe variable like incident behavior , rewards , user status , usage , loyalty status , readiness buyers , and attitudes is point beginning best For build market <sup>48</sup>segment . So that after SMEs apply market segmentation with Good can reach objective from segmentation For understand in a manner more effective and efficient about needs , characteristics or behavior consumer different . \_ As well as can make it easy For designing more products \_ responsive to market needs , Analyzing the market, Finding opportunity , Master superior and competitive position

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<sup>44</sup> Mujahidin and Khoirianingrum.

<sup>45</sup> Manggu and Beni.

<sup>46</sup> Manggu and Beni.

<sup>47</sup> Manggu and Beni.

<sup>48</sup> Manggu and Beni.

, and Determine an effective and efficient communication strategy to candidate consumer <sup>49</sup>.

### **Targeting Determination**

After do segmentation consumer to in group , step furthermore is targeting . According to Keegan & Green targeting Alone is the process of evaluating segmentation and focusing marketing strategy on a country, region, or potential group of people For served <sup>50</sup>. targetring is the process of evaluating and selecting a number of market segment of results segmentation to be target <sup>51</sup>.

Three type strategy in implement market segments are : 1) Undifferentiated Marketing. With this strategy , the company make an effort create One product that can satisfying desire every consumer or largest market segment . 2) Marketing Differentiation . we are trying identify group consumer certain with dividing the market into two group or more . company then create different products and marketing programs For every group . 3) Marketing focused is the strategy in which the company only serve One or more group consumers <sup>52</sup>

In addition to the above strategies , the company must have ; Power response , potential Adequate sales , moderate growth , and media reach . Chain consumption known as an AIDA process and consists from perception ( basic consumer to existence product / brand ), interaction ( interest ), desire ( want , feel needed ), and action ( purchasing ) <sup>53</sup>.

With identify possible parts of the market served in a manner effective company \_ can serve customer particular market \_ with more ok . According to Ferrell and Hartline there are five basic strategies For choose a target market; 1. Targeting segment single 2. Targeting Selective 3. Mass Market Targeting 4. Specialization Product 5. Market Specialization .

Target market determination begins from Target and customize market response to need base , power buy , and constraints . Before you launch your product , you need choose group your target after segmentation . Because no all product business or corporation reach every segment . Accurate target market selection push reception product new by society general <sup>54</sup>.

Target Market is grouping consumer based on characteristics , preferences , and interests them on the product similar to that of the perpetrator economy as consumer potential . Target market determination can done through more market research formerly For know actual market conditions in order for consumers No wrong . Besides that's the culprit economy can produce customized product \_ with

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<sup>49</sup> Mujahidin and Khoirianingrum.

<sup>50</sup> Yamin, Rahayu, and ...

<sup>51</sup> Manggu and Beni.

<sup>52</sup> Manggu and Beni.

<sup>53</sup> Manggu and Beni.

<sup>54</sup> Hariansyah.

majority consumer and rate which consumers are interested in with product that , allows they For focus sales to the target market .

Very important for perpetrator economy For can define the right target market . First , determine multiple target market segments \_ use and potential profitable , or more market segments small that gives future prospects \_ for perpetrator business . Second , after agent economy determine segment chosen target , he \_ must own superiority competitive when face market competition , for example through differentiation product . Third , the perpetrator economy must identify their market facing so that they No do error in identify market segment or damage interest they to products and brands consumer <sup>55</sup>.

this targeting strategy determined Because they realize that basically \_ they No can serve whole customer in that market . Too many customers , very scattered and dispersed as well as varied in demands his needs and wants . According to Tjiptono and Chandra (2012), understanding the target market is the process of evaluating and selecting One or a number of the most attractive market segment For served with marketing programs Specific company . Whereas according to Daryanto (2011), understanding the target market is a selection process Power pull market segment and choose One or a number of For entered . According to Kotler and Armstrong (2008) the target market is bunch consumers who have need or the same characteristics that become objective promotion company . From several definition above \_ can concluded that targeting or target market is activity Where company choose market segment for entered and then company can determine more specific market to be target . Targeting is the process of evaluating every Power pull segment Then choose One or more characteristics For served .

Determination of the target market: According Tjiptono and Chandra (2012) there are five alternatives in choose a target market namely : a. Single- Segment Concentration Company choose One single market segment , with a number considerations , for example limited funds \_ company , yes inside market opportunities segment concerned who have not Lots done or even ignored competitors ; or company consider segment the is most appropriate segment as base For expansion to segment other . b. Selective Specialization In this strategy , the company choose a number attractive and appropriate market segments with destination and source owned power . \_ c. Market Specialization In this strategy , the company specialize in effort serve various need from something group customer certain . d. Product Specialization In specialization product , company concentrate yourself on the product or service certain to be sold \_ to various market segment . e. Full Market Coverage In this strategy , the company try serve all group customer with all possible product \_ they need . Generally only company big can \_ implement this

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<sup>55</sup> Permata, Khairi, and Tunjung.

strategy , because needed source enormous power .<sup>56</sup> \_

Determination of Target Market According to Tjiptono and Chandra (2012), in determine the company's target market (targeting) can consider patterns , got explained as following : a. Differentiation segment , field differentiated business \_ market segment so company provide need product different For each different segments are also adjusted with need each segment and deliver various variant from product offered . \_ b. Undifferentiation segment , field effort that is not differentiate market segment . c. Concentrate marketing, specifications meaning effort \_ is company concentrate serve need in group certain Because No everyone can \_ enjoy available products . \_ d. Market coverage strategy, is a strategy that is carried out with use membership system as well product No for sale free ( only in store myself ) so can make it easy consumers and producers .<sup>57</sup>

### **Positioning**

Positioning is method put product at the location desired by the target market (Kotler, 2012). He own three phase in decision determination position : stage gather various mark customer For build position , and stage selection whole . Fandy (2011) states that He own seven possible approach \_ used for positioning; 1) Positioning based attribute , characteristic or benefit customers (attribute positioning), namely positioning with combine benefit products and customers . 2) Positioning based price and quality (price and quality positioning), namely positioning that aims create impression / image quality tall through price high , or on the contrary , stressed price low as indicator value . determination position . 3) based positioning aspect usage or application (usage application); That is , a set mark mark use used \_ as factor highlighting compared to with competitors . 4) Positioning product based on user (use positioning), ie associate product with personality or type user . 5) Positioning based class product certain (product class positioning). For example , candy Kopiko positioned as candy coffee , no coffee flavored candy . 6) positioning oriented advantage (benefit positioning), ie associate something brand with one \_ characteristics or feature inclined product \_ perceived consumer as desired benefits ; \_ 7) Positioning Against Competitors (Competitive Positioning). related with position competitive competitor major ( Manggu & Beni, 2021)

Positioning The most important process in the STP (Segmenting, Targeting, Positioning) process is put product in mind consumer with characteristics for those who can distinguished with product other or positionning . Positioning is method company embed image , perception and imagination on product offered \_ to consumer through the communication process . According to Tjiptono and Chandra said that (2012) positioning is method A product , brand or \_ company perceived in a manner relatively compared to with product , brand or organization competitors by

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<sup>56</sup> Mujahidin and Khoirianingrum.

<sup>57</sup> Mujahidin and Khoirianingrum.

customers . this \_ Can said positioning is something action or steps taken by the company in effort offer mark Where in One segment certain consumer understand and appreciate what to do something company compared to with its competitors .

So Positioning is not put product For group certain or segmentation , however try embed image product on the mind consumers in the segment that has selected . Positioning related with play deep communication \_ mind consumer embedded something image certain . Positioning Strategy Forms According to Kotler (2006) there are a number of how to product positioning that can done marketers in promote product to intended consumers \_ among others: a. Determination position according to attribute b. Determination position according to benefits c. Determination position according to application and use d. Determination position according to user e. Determination position according to competitor f. Determination position according to category product g. Determination position according to price<sup>58</sup>

kindly general positioning task consists from three stage namely : a. Identify a number possibility superiority compete For build position b. Choose superiority proper competition c . Communicating in a manner effective and delivering elected position \_ market So focus main positioning is perception customer to the resulting product and not only just product physical . Positioning success is largely determined by ability A company For differentiate or give superior value to customer .<sup>59</sup>

## **CONCLUSION**

Application segmentation , targeting and positioning (STP) in the marketing strategy of UMKM in Indonesia important role \_ in help SMEs achieve success in competition growing business \_ tight . Following is a number of possible conclusions \_ taken from study this :

UMKM in Indonesia are increasing realize the importance of STP in obtain profit competitive . They confess that deep understanding \_ about the target market they is key For provide product or more service \_ relevant and fulfilling need customer with more ok .

Segmentation customer is step important start \_ in the UMKM marketing strategy . With dividing the market into more segments \_ small , UMKM can focus on the most promising segments and develop strategies accordingly For every segment .

Targeting helps UMKM optimize use source Power they with focus on potential market segments produce more sales and profits \_ high . In choose target segment , UMKM can use various approach like demographic , geographic , behavioral , or psychographics .

Positioning plays role important in differentiate SMEs from competitor and build strong image \_ in thought consumer . UMKM need communicate proposition unique and outstanding value \_ excess them so they can create superiority competitive .

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<sup>58</sup> Mujahidin and Khoirianingrum.

<sup>59</sup> Mujahidin and Khoirianingrum.

The application of STP in the UMKM marketing strategy in Indonesia provides benefit significant , incl enhancement satisfaction customer , increase sales and success period long in business . With good understanding \_ about STP, UMKM can direct effort they with more effective and efficient .

Although thus , challenge Still There is in implementation of STP. SMEs are faced with limitations source power , limited understanding \_ about draft this , and needs For Keep going Monitor and adjust marketing strategy they in accordance with market changes .

For overcome challenge this , UMKM need increase understanding they about STP through education and training , develop partnership with expert experienced marketing , and use available technology \_ For support marketing strategy implementation them . With effective implementation of STP , UMKM in Indonesia can obtain profit competitive , develop more market share broad , and reaching sustainable growth \_ in growing industry \_ competitive .

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