

ANALYSIS OF SEGMENTING, TARGETING, POSITIONING (STP) MARKETING STRATEGY IN MSME BATIK (A CASE STUDY ON BATIK KRAJAN DW KARANGPLOSO)



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ABSTRACT

Micro, Small, and Medium Enterprises (MSMEs) play a vital role in driving economic growth; however, the increasing level of competition necessitates that business actors adopt effective and appropriate marketing strategies to sustain their competitiveness and achieve long-term success. This study aims to analyse the application of marketing strategies through the STP concept (Segmenting, Targeting, and Positioning) at Batik Krajan DW MSME in Karangploso. This research employs a descriptive qualitative method through observation, interviews, and documentation. The findings indicate that market segmentation includes batik enthusiasts, government institutions, schools, and tourists, with the main target being batik enthusiasts and government institutions. Positioning is carried out through the unique Batik Kawung Kates motif and involvement within the Hasta Padma batik industrial area. However, the implementation of the STP strategy has not been optimal, as indicated by fluctuating sales, low compliance of civil servants in wearing batik, and intense competition. These findings are expected to serve as a basis for strengthening the marketing strategy through a more optimal STP concept at Batik Krajan DW MSME.

Keywords: Batik Krajan DW; MSMEs; STP Marketing Strategy

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INTRODUCTION

The development of the business sector in Indonesia has grown rapidly, with Micro, Small, and Medium Enterprises (MSMEs) being one of the sectors experiencing significant progress. MSMEs play a crucial role in supporting economic growth in Indonesia (Fitriadi et al., 2024). Their development contributes to business actors and opens employment opportunities that help reduce unemployment rates (Aprilia et al., 2025). This contribution also supports equitable distribution of welfare. Amid rapid MSME growth and increasingly intense market competition, MSME actors are required to implement effective and efficient marketing strategies to ensure business sustainability (Putranto, 2025). One strategic approach that can be used is the STP concept: segmenting, targeting, and positioning (Parenden & Junaidin, 2025).

The STP concept helps MSMEs understand the broader market, accurately identify market segments, and build a brand image that differentiates their products from competitors (Mijan et al., 2020). Many MSMEs in Indonesia have begun adjusting to market needs through product innovation; however, many still have not fully implemented marketing strategies, particularly the STP approach (Odoom et al., 2017). The STP concept in MSMEs provides an understanding of market segmentation, defining target consumers, and positioning products in consumers' minds to maintain business continuity. One MSME that can benefit from implementing the STP strategy is Batik Krajan DW.

Batik Krajan DW is a micro, small, and medium enterprise (MSME) engaged in the production of batik, situated in Ngenep Village, Karangploso District, Malang Regency. The area has become renowned as the center of Batik Ploso, owing to the concentration of batik MSMEs that thrive in the region. Originally operating under the name Batik Calosa, the business faced increasing competition from numerous other enterprises using similar names. This prompted the owner, Mrs. Dewi, to undertake a rebranding strategy, formally registering the new trademarked name "Batik Krajan DW" to strengthen the company's brand identity and distinguish itself in the local batik industry. As the sole proprietor, Mrs. Dewi manages Batik Krajan DW independently, prioritizing high-quality craftsmanship, unique patterns, and strong community engagement. Through its registered trademark and independent operations, Batik Krajan DW has succeeded in carving out a distinctive niche in Karangploso's vibrant batik sector, actively contributing to the preservation of traditional batik heritage while positioning itself for sustainable business growth.

As an MSME specializing in traditional Indonesian batik products, Batik Krajan DW possesses significant potential for sustainable growth, given that batik represents a culturally rich heritage imbued with unique artistic value. To ensure continued business sustainability amid intense competition, the owner has implemented the STP marketing strategy. Through effective segmenting, targeting, and positioning, Batik Krajan DW aims to solidify its market presence, enhance its competitive advantage, and improve customer satisfaction and sales performance (Raya, 2021).

However, the implementation of the STP strategy at Batik Krajan DW has not been optimal, as reflected in fluctuating sales performance. This study aims to assist in improving the application of the STP marketing strategy at Batik Krajan DW Karangploso and identify factors influencing sales volume through marketing strategies. The findings are expected to contribute to MSME owners in developing their businesses through innovative, creative, and competitive marketing strategies (Rubio et al., 2024). Effective marketing strategies may also positively impact local economic growth in Malang.

Based on the issues and phenomena described, this study aims to analyze the STP marketing strategy—Segmenting, Targeting, and Positioning—applied in MSMEs, with a specific focus on Batik Krajan DW Karangploso. Batik Krajan DW, distinguished by its rich historical background and strong cultural identity, holds significant potential for sustainable growth despite facing intense industry competition. By investigating its implementation of the STP marketing approach, this research seeks to provide a comprehensive understanding of how effective segmentation, careful targeting, and strategic positioning can enhance the company's market reach, strengthen its competitive advantage, and improve overall business performance.

Furthermore, the study intends to offer valuable insights not only for Batik Krajan DW's marketing optimization but also for preserving Indonesia's cultural heritage through sustainable business practices in the MSME sector. Employing a qualitative case study methodology, data will be collected from various sources including interviews, observations, and documentation to ensure an in-depth analysis of the subject matter, thereby contributing both practical implications and academic knowledge in the field of MSME marketing strategies.

LITERATURE REVIEW

Marketing

Marketing is one of the most important aspects within an organization, serving as an effort to create, communicate, and provide understanding or information about a product to consumers (Dowling, 2004). According to Kotler (2007), marketing is defined as a social and managerial process through which individuals or groups obtain what they need by creating products and exchanging value with others. Marketing consists of a series of processes carried out to create, communicate, and deliver product value to customers while maintaining mutually beneficial relationships (Alwan & Alshurideh, 2022). Along with the development of modern business practices, marketing is no longer limited to selling products but also encompasses the identification of consumer needs, market research, and the establishment of strong customer relationships (Haris, 2024).

Marketing Strategy

Marketing strategy is a component of organizational or corporate strategy that is directly related to creating value and communicating a product to consumers or customers (Nijssen & Frambach, 2000). It is a fundamental concept for achieving organizational goals by establishing sustainable competitive advantages. A marketing strategy includes determining the target market, defining product positioning, and planning the marketing mix (Patrick & Hee, 2022). In increasingly competitive market conditions, marketing strategy becomes a crucial aspect for achieving business objectives and ensuring business sustainability by maintaining product competitiveness (Wu et al., 2014).

STP Strategy (Segmenting, Targeting, positioning)

The STP strategy—Segmenting, Targeting, and Positioning—is a systematic approach widely used by businesses to thoroughly understand market dynamics and to build effective marketing strategies (Darmawan, 2024). This framework begins with segmentation, which involves dividing a broad market into distinct groups of consumers who share similar characteristics, needs, or behaviors. The next step, targeting, requires businesses to evaluate these market segments and select those most appropriate or profitable to focus their efforts on. Finally, positioning entails designing a distinctive image and value proposition for the product within the minds of the selected target

segment, ensuring that it stands out from competitors and fulfills the specific needs of the audience (Rostini & Ciptosari, 2022). Implementing the STP strategy allows companies to deliver more tailored marketing messages, improve customer engagement, and maintain a competitive edge in their industry. The detailed explanation of the STP strategy is as follows:

Market Segmentation

Market segmentation represents the foundational step in designing an effective marketing strategy (Martin, 2011). This process entails dividing a broad market into smaller, well-defined groups based on specific characteristics such as demographics, geographic location, psychographics, income levels, and consumer behavior (Potton & Baharuddin, 2024). By segmenting the market in this way, businesses gain deeper insights into their customers' needs and preferences, enabling them to tailor their marketing efforts more precisely and enhance overall market responsiveness (Saputro & Mustofa, 2024). The purpose of segmentation is to identify individuals or groups with similar needs and preferences, enabling companies to provide products that align with consumer expectations (Gajanova et al., 2019).

Determining The Target Market

At this stage, business actors identify the most potential market segments to be selected as marketing targets. Target market selection is based on organizational goals and available resources to ensure consumer needs are met (Aghdaie & Alimardani, 2015). Determining the target market helps companies focus on specific groups or individuals most likely to purchase the offered products or services. Determining the target market is a crucial phase in the marketing process where businesses identify the most promising market segments to designate as their marketing targets. The selection of these target markets is guided by the organization's goals and the resources available, ensuring that consumer needs can be effectively met (Suyatno et al., 2023). By clearly defining the target market, companies can concentrate their efforts on specific groups or individuals who are most likely to purchase their products or services, thereby optimizing marketing efficiency and increasing the potential for business success. At this point, the company already understands the characteristics of its intended consumers, allowing marketing strategies to be optimized (Khoilola & Jibril, 2024).

Establishing Product Position

Establishing a strong product position is a fundamental element of an effective marketing strategy, as the brand image plays a crucial role in ensuring that products are easily identifiable and memorable to consumers (Nugraha & Sjoraida, 2025). Positioning involves deliberate efforts to create a unique and distinctive image or perception of a product in the minds of the target audience (Sinulingga, 2023). A well-executed positioning strategy not only helps products stand out from competitors but also makes them more appealing and recognizable, thereby fostering customer loyalty and preference (Mauliano & Arimbawa, 2025). By clearly defining the product's unique attributes, benefits, and value proposition, businesses can influence consumer perception and establish a competitive edge in the marketplace. Ultimately, strategic product positioning ensures that the product occupies a meaningful and favorable place in the consumer's mind, enhancing brand visibility and driving long-term success (Putri & Fauziya, 2024). Theoretically, effective positioning explains the value and benefits of a

product, is relevant to customer needs, and is difficult for competitors to imitate, thereby creating a competitive advantage (Ries & Trout, 1981).

METHOD

This research was conducted using a descriptive qualitative approach with an exploratory objective to examine various issues through informants and the required data (Sugiyono, 2017). The study provides a systematic description of the research object, namely Batik Krajan DW MSME, located in Ngenep Village, Karangploso District, Malang Regency.

The research focuses on variables including operational management, marketing and customer relations, and the economic impact on the surrounding community. Qualitative analysis was carried out by interpreting the collected data, supported by additional visual explanations. The purpose of this approach is to provide an in-depth understanding of various challenges that influence business development efforts.

RESULTS AND DISCUSSION

This study highlights several significant aspects of the MSME Batik Krajan DW, encompassing its historical background and business development, production techniques, motifs and design characteristics, economic contributions, as well as the opportunities and challenges it faces. Batik Krajan DW, located in Ngenep Village within the Karangploso District, was originally established under the name Batik Calosa. However, to distinguish itself amid the dense concentration of batik producers in the region, the business underwent a name change. Karangploso's batik industry earned the moniker "Batik Ploso" due to the large number of batik MSMEs operating there.

According to Mrs. Dewi, the owner of Batik Krajan DW, the rebranding aimed to forge a unique and recognizable identity that would resonate with customers and set the enterprise apart from competitors. The production process at Batik Krajan DW involves both stamped batik (*batik cap*) and hand-drawn batik (*batik tulis*). Presently, in line with evolving consumer preferences, the majority of orders cater to stamped batik; nonetheless, hand-drawn batik production remains available and is fulfilled upon special request by customers. This balance of traditional craftsmanship and market adaptation underscores Batik Krajan DW's commitment to sustaining both cultural heritage and business viability.

The unique motifs and intricate design of Batik Krajan DW significantly contribute to its competitive edge in the market. The hallmark of their collection is the signature motif known as Batik Kawung Kates, which artfully merges the traditional kawung pattern—historically symbolizing strength and purity—with artistic elements inspired by the papaya fruit, adding a fresh and distinctive touch. This exclusive motif not only reflects the rich cultural heritage embedded in their products but also serves as a powerful visual identifier that enables consumers to easily recognize and distinguish Batik Krajan DW's offerings from those of other producers.

From an economic perspective, Batik Krajan DW plays an essential role in uplifting the local community by providing employment opportunities to a diverse range of individuals, including local residents, neighbors, relatives, the elderly, and recent graduates from vocational schools. The business fosters a family-oriented environment, actively involving family members in various stages of the production process, which strengthens communal ties and ensures quality craftsmanship. This holistic approach

underscores Batik Krajan DW's commitment to both cultural preservation and socio-economic development within its surrounding community.

Several opportunities can be leveraged by Batik Krajan DW, including proactive promotional efforts (jemput bola) to reach customers. Additionally, the district government's policy requiring civil servants and local government units (OPD) to wear Garudeya batik provides market opportunities, especially for batik MSMEs such as Batik Krajan DW to collaborate with the government. However, challenges include its distance from the district's central offices, such as the creative economy and tourism departments, resulting in limited access to government-facilitated business development programs. Competition is also intense due to the growing number of batik MSMEs, and many civil servants do not consistently comply with the policy of wearing batik.

Based on the analysis of the STP (Segmenting, Targeting, Positioning) marketing strategy, Batik Krajan DW has effectively implemented segmentation by dividing the market into distinct groups such as batik enthusiasts, government institutions, and educational institutions like schools. The targeting strategy primarily concentrates on government institutions and batik enthusiasts, who represent the core customer base, while also recognizing tourists from outside Malang as a promising secondary market. In terms of positioning, Batik Krajan DW situates itself within the Hasta Patma batik industry center located in Malang Regency, which is a renowned destination attracting batik aficionados interested in viewing and purchasing authentic batik products. This strategic positioning enables Batik Krajan DW to leverage the industry cluster's reputation to strengthen its market presence. Through the application of the comprehensive STP framework, Batik Krajan DW aims to broaden its market coverage and reinforce its competitive advantage.

According to interviews with the owner, social media platforms are utilized as the primary marketing channels to connect with consumers. Additionally, product innovation efforts have been initiated, such as upgrading stamping tools to introduce new motifs that align closely with evolving consumer preferences. However, the implementation of these strategies has not yet reached its full potential, highlighting the need for further optimization and detailed analysis to enhance marketing effectiveness and overall business performance.

CONCLUSION AND SUGGESTION

The implementation of the STP strategy at Batik Krajan DW MSME has involved segmenting, targeting, and positioning efforts to enhance competitiveness. Segmentation includes all batik enthusiasts, government institutions, schools, and tourists. Targeting is focused on government institutions and batik enthusiasts, as these groups are considered to have high market potential. Positioning is carried out by creating the distinctive Kawung Kates batik motif and situating the business within the Hasta Patma Batik Industrial Area, which serves as a batik destination center in Malang Regency.

However, the application of the STP concept has not been fully optimized, as indicated by fluctuating sales, intense competition, and limited access to business development support due to the business's distance from central government offices and related agencies. In addition, inconsistent compliance among civil servants (ASN) and government units (OPD) in wearing batik as mandated by district regulations poses another challenge. The marketing strategy has been adjusted to accommodate consumers' budgets, enabling the business to meet varying levels of demand. Furthermore, to remain competitive, Batik Krajan DW continues to innovate by

upgrading stamping equipment to produce new and updated batik motifs that match consumer preferences.

Batik Krajan DW MSME needs to optimize its marketing strategy through the STP concept by clarifying market segmentation, identifying more potential target markets, and strengthening product positioning through motif differentiation that highlights unique characteristics. Digital marketing efforts should be enhanced by producing engaging and consistent content. In addition, Batik Krajan DW should build collaborations with government institutions, schools, and community groups to expand its market reach while maintaining continuous product innovation. Improving human resource competencies through training in digital marketing, production management, and batik motif and design development is also essential to strengthen competitiveness amid the increasingly intense competition within the batik industry.

For future researchers, it is recommended to expand the scope of analysis by incorporating additional variables that may strengthen the understanding of how the STP framework influences marketing outcomes. Variables such as brand awareness, customer value perception, digital marketing engagement, brand loyalty, and customer experience could provide deeper insights into how segmentation, targeting, and positioning interact with broader consumer behavior dynamics. Researchers may also consider exploring moderating or mediating variables such as social media influence, competitive intensity, or product innovation to better capture the complexity of modern market environments. Additionally, examining the STP strategy across different industries or digital platforms may offer more comprehensive and comparative results, contributing to a richer theoretical and practical understanding of strategic marketing applications.

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