



Analysis of Marketing Strategy as a Business Competition Strategy in SMES: a Study on achieved.co

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Abstract In the era of the global economy and increasingly intense competition in Industry 4.0, Micro, Small, and Medium Enterprises (MSMEs) are required to continuously innovate to remain competitive. This study highlights the application of segmentation, targeting, and positioning (STP) strategies and the use of the marketing mix by Achieved.co. The research used a descriptive qualitative approach, with interviews as the primary data collection method. The results of this study reveal that Co's success in maintaining its presence amid intense competition was achieved through the implementation of effective marketing strategies. The segmentation process was based on geographical, demographic, and psychographic factors, primarily focusing on the Gen-Z demographic. Targeting was directed at consumers who value uniqueness and product innovation at affordable prices. Achieved.co's positioning is strengthened through unique services such as customizable orders and offering specialized design services, although it does not yet have a specific slogan. This study underscores the importance of in-depth market analysis to enhance the competitiveness of MSMEs, particularly through the implementation of well-planned STP strategies and a structured marketing mix.

Keywords: Marketing Strategy, STP, Marketing Mix

1. INTRODUCTION

Market mechanisms have become increasingly integrated into economic activities in today's global economy, and this is called Industry 4.0. This integration has led to changes and advancements across various economic sectors worldwide, resulting in competitive structures that shape economic transactions and activities. Theoretically, such competition is expected to increase efficiency, motivating business actors to strive for market success. Companies must consistently prioritize cost-effective and efficient methods to sustain their business amidst competition.

The existence of businesses is particularly vital for Micro, Small, and Medium Enterprises (MSMEs). MSMEs represent small-scale enterprises owned by individuals to meet economic needs and improve living standards. MSME owners often operate with the mindset that profits can be generated as long as the business runs and heavily rely on business instincts. However, the success or failure of these enterprises is influenced by various factors, including market opportunities, competitive conditions, and business trends. Therefore, relying solely on instincts is insufficient for effective business decision-making.

Market analysis is essential for business owners to make informed decisions and devise sales strategies. In a competitive environment, marketers use an effective marketing strategy as a long-term plan to secure market share and achieve a competitive edge. The inability to master STP (segmenting, targeting, and positioning) and the marketing mix is one

of the most common challenges in marketing activities. Many MSME actors are unaware of this issue, leading to a lack of clarity about their target markets, mistakes in marketing mix execution, and errors in positioning, ultimately resulting in business failure (Anjelisa et al., 2018).

To achieve optimal marketing outcomes, MSMEs must first segment the market for their products. This involves categorizing potential markets based on economic class, demographics, education, and lifestyle. The next step is targeting the market identified during the segmentation analysis. Once these two stages are complete, MSME actors can effectively create a positioning strategy for their products. Positioning focuses on creating unique value from the customer's perspective, which is the core of this stage (Butt et al., 2017).

Achieved. Co was selected as the research subject due to its impressive business strategies and development, making it a compelling object of study. The company targets a highly specific consumer base in local, national, and international markets. To ensure the business meets market demands and competes effectively with other entrepreneurs, appropriate policies are necessary for developing and implementing strategies for segmentation, targeting, positioning, and a well-executed marketing mix.

2. LITERATURE REVIEW

Marketing Strategy

A marketing strategy encompasses a series of objectives, goals, and policies that guide a company's marketing efforts at various levels, serving as a framework for responding to environmental and competitive changes. According to Wibowo et al., (2015), a marketing strategy is a plan detailing how various marketing programs or activities can influence the demand for a company's products or product lines in the target market. Marketing activities that impact product demand are included in marketing programs, such as adjusting prices, modifying advertising campaigns, creating special promotions, selecting distribution channels, and more.

Segmenting

Market segmentation is the process of categorizing customers based on specific criteria determined by the company to market its goods and services according to customer preferences. According to Kotler & Keller, (2009), market segmentation involves dividing a market into smaller groups of buyers with distinct needs, features, or behaviors that may require separate products or marketing strategies. Four basic variables are used to measure

market segmentation for grouping markets: demographics, geography, psychographics, and behavior.

Targeting

Targeting is the activity of selecting the segments that a company will serve. It is an evaluation stage in the segmentation process that focuses marketing strategies on business areas with the potential to generate positive consumer responses. According to , the output of targeting is the target market, which refers to one or more market segments that become the focus of marketing activities. There are four strategic options for selecting a target market: mass market, segmented market, niche market, and micro marketing.

Positioning

Companies use positioning as part of their product design and marketing strategies to create a unique impression on consumers. Product positioning indicates where a product stands in the minds of consumers and differentiates it from competitors. According to Kotler & Keller (2009), positioning involves designing a company's offerings and image to occupy a specific place in the target market's minds. Companies use positioning to identify where competitors stand and decide whether to place themselves in the same position or opt for a different one. Key elements in positioning include value proposition, brand positioning statement, and perceptual mapping.

Marketing Mix

According to Kotler & Armstrong (2008), the marketing mix is a set of tactical marketing tools a company integrates to produce the desired response in the target market. After selecting an overall competitive marketing strategy, a company is ready to plan the details of its marketing mix. The marketing mix is one of the dominant ideas in marketing, defined as a set of controllable marketing tools that a company blends to achieve its desired response in the target market.

According to Sumerian (2004), the marketing mix consists of four popular categories, known as the 4P: product, price, place, and promotion. For services, it is often extended to the 7P (4P + 3P), adding people, processes, and physical evidence. Pandey et al. (2023) describe the 7Ps as follows:

1. Product

Refers to the goods or services a business sells. Success in marketing a product lies in meeting consumer needs and offering advantages over competing products.

2. Price

Involves the pricing strategy for a product. The price impacts consumer interest and influences whether a product succeeds or fails.

3. Promotion

Includes activities to promote product advantages and persuade target consumers to purchase the product.

4. Place

Refers to the location of sales transactions, which can encompass physical settings such as retail stores, warehouses, or marketplaces, and digital platforms such as e-commerce websites, mobile applications, or social media channels. The choice of location plays a crucial role in accessibility and convenience for customers, significantly impacting their purchasing decisions and overall satisfaction.

5. Process

Covers all activities within a business, including procedures, schedules, workflows, and routine operations related to product delivery to consumers.

6. People

Involves all individuals involved, from consumers to employees and business teams. Providing training and motivation ensures employees deliver high-quality service and satisfy customers.

7. Physical Evidence

Refers to the physical environment of a business, including cleanliness, organization, décor, and employee appearance, all of which contribute to a positive impression and customer comfort.

3. RESEARCH METHODS

This research employs a descriptive qualitative method. Data collection is conducted through field observations, interviews, and documentation. According to Sugiyono (2018), observation involves directly observing objects to identify visible phenomena and analyze complex processes encompassing biological and psychological activities. In descriptive research, researchers aim to collect data on events through writings, images or works to produce verbal and non-verbal messages (Nuralan et al., 2022).

4. RESULTS AND DISCUSSIONS

In an increasingly competitive landscape, Micro, Small, and Medium Enterprises (MSMEs) must possess the ability to thrive by adopting effective marketing concepts and

strategies, such as enhancing product quality and delivering excellent customer service. Marketing strategies to improve competitive standards are vital; hence, implementing segmentation, targeting, and positioning (STP) is essential to attract consumers based on targeted criteria.

MSMEs have experienced rapid growth, fostering a highly competitive environment. Consequently, many MSMEs struggle to sustain themselves amidst the competition and are forced to shut down. Achieved. Co is one such MSME operating in the garment and screen-printing sector. Established in 2021 after the COVID-19 pandemic by Steven Dwi Kristianto, the business was initiated to revive the family's economic condition and explore a small-scale business venture.

Achieved. Co aims to produce 150 finished products monthly, including t-shirts, hoodies, and custom orders based on consumer requests. According to interviews with the owner, the business has strategies for maintaining its presence in a competitive market. Achieved. Co is well-managed and employs eight staff members.

Analysis of Segmentation, Targeting, and Positioning (STP) Strategy Formulating effective marketing strategies involves systematically executing segmentation, targeting, and positioning processes to ensure impactful and efficient marketing efforts (Wibowo et al., 2015).

Segmentation

Segmentation involves dividing the market into distinct consumer groups with similar characteristics or behaviors. According to Kotler & Keller (2009), segmentation can be categorized based on geographic, demographic, and psychographic factors:

1. Geographic Segmentation

Geographic segmentation is a strategy that divides the market based on the physical location of consumers, considering factors such as region, climate, and population density. Regions include various geographic divisions, such as countries, cities, or even specific neighborhoods, enabling companies to tailor their products to local characteristics. Climate is also an important consideration, as consumer preferences can vary significantly between areas with hot, cold, or humid weather. Population density, encompassing differences between urban, rural, and suburban areas, influences consumer behavior and specific needs.

Based on the interviews, this study found that Achieved. Co's consumers consist of Gen Z and wholesale clothing stores. Achieved. Co offers trendy designs popular among Gen Z and accommodates custom orders based on consumer requests.

2. Demographic Segmentation

Demographic segmentation is a marketing strategy that divides the market based on consumers' physical characteristics or personal traits. Several key factors, such as age, gender, education, occupation, and marital status, can categorize these traits. Age often serves as a primary indicator for understanding consumer needs and preferences, as products or services aimed at teenagers naturally differ from those targeted at older adults. Gender also plays an important role, as the behaviors and preferences of male and female consumers can vary significantly. Education influences how much consumers engage with certain types of information and impacts their purchasing power and lifestyle. A consumer's occupation often reflects their social status and professional needs. In contrast, marital status provides insights into family responsibilities or personal preferences, such as products better suited for families or individuals.

Based on the interviews, this study found that the majority of Achieved. Co's consumers are between 18 and 22 years old, aligning with Gen Z as the primary target market. Additionally, when categorized by gender, the majority of consumers are male.

3. Psychographic Segmentation

Psychographic segmentation is an approach that groups consumers based on deeper internal aspects such as lifestyle, values, personality, and interests. Unlike demographic segmentation, which focuses more on physical or objective characteristics, psychographic segmentation delves deeper into understanding individuals' psychological motivations and preferences. A consumer's lifestyle reflects their time and money, including preferences for various activities. Personality also plays an important role, as people with different personalities, such as introverts and extroverts, may be attracted to different products or services. Social status indicates differences in needs based on a person's economic position or social class. At the same time, values and beliefs encompass moral, religious, and worldview aspects influencing consumers' purchasing decisions.

Based on the interviews, this study found that Achieved. Co's consumers are categorized based on their lifestyle and lower-middle socioeconomic status. Therefore, when determining prices, the owner analyzes factors such as consumers' clothing styles, behaviors, and attributes, which reflect the economic conditions of the consumer background.

Targeting

After conducting market segmentation, a business must determine which market segment to target. To determine the target market, businesses should conduct several surveys

to understand the market conditions so that the marketing process achieves its goals. Targeting is the evaluation stage of the segmentation process, where the marketing strategy focuses on a specific country, province, or group of people who have the potential to respond (Wijaya & Sirine, 2016).

According to sources, the consumer base includes all customer categories, regardless of income or other factors. Achieved. Co offers prices that are accessible to all groups. Consumer feedback on this business has been quite positive, as Achieved. Co authentically provides a unique appearance compared to its competitors. The business consistently works hard to address consumer complaints, such as issues with poorly stitched products, failed prints, incorrect fabric cutting, and other concerns, ensuring that consumers are satisfied with the services provided.

Positioning

Positioning is the act of designing a company's offerings and image to gain a special place in the target market's minds. According to Kotler & Keller (2009), positioning is one of the steps a company takes to introduce its products to consumers to create a specific impression.

Based on the research findings, it was discovered that Achieved. Co currently does not have a slogan or any other specific statement to represent the business in the minds of consumers. However, Achieved. Co is easily remembered by consumers due to one of its services, which offers a pre-order (PO) system and special requests according to consumer demands, even producing orders starting from just one piece.

Marketing Mix Analysis

According to Kismono (2012), "The marketing mix is a combination of variables or activities that form the core of the marketing system, consisting of product strategy, price, promotion, and distribution (place)." Meanwhile, Tjiptono (2014) explains, "The marketing mix is a set of tools that marketers can use to shape the characteristics of the services offered to customers." The following is the analysis of the marketing mix implementation at Achieved. co:

1. Product

Achieved. Co-produces hoodies and t-shirts in various variants, such as Boxy, Regular, and Oversize. The materials used are cotton and cotton fleece, depending on consumer requests. Achieved. Co uses a pre-order (PO) system for production. The maximum production capacity for orders is between 200 to 300 pieces per month. Achieved. Co's market orientation focuses on offering high-quality and innovative

products. Achieved. Co also offers design services for customers who do not have a design.

2. Place

Achieved. co is located at Jalan Pelabuhan Bakahuni, Bakalanrajan, Sukun District, Malang City. The office and production are located strategically; even though they are not in the city center, they are easy for consumers to find. Achieved. Co's distribution channel is direct distribution, where the producer directly delivers products to consumers without intermediaries.

3. Price

Achieved. Co's prices are relatively affordable for Gen Z, with t-shirts priced from IDR 65,000 to IDR 115,000 and hoodies ranging from IDR 180,000 to IDR 280,000. The price depends on consumer requests, such as material quality, printing, and design.

4. Promotion

Achieved. Co's target market is Gen Z. Therefore, it promotes its products using social media platforms such as Instagram and TikTok. Additionally, it collaborates with influencers.

5. Process

Achieved. Co positions itself as a business that can keep up with Gen Z trends—the uniqueness of Achieved. Co's products are in various styles that are popular with Gen Z. Few brands are still in the market offering products tailored to the demands of Gen Z consumers.

6. Physical Evidence

The physical evidence of Achieved. Co's clothing industry service has characteristics that differentiate it from other garment industries. The location is strategic (easy to reach), safe, and provides a comfortable space for customers when visiting Achieved. Co. Additionally, customers can observe the production process directly from the production team as the office and production areas are nearby.

7. People

People are a key asset in the garment industry service, particularly the employees who work in marketing and directly serve customers. Achieved. Co has 11 high-performing employees, each skilled in their respective fields. When recruiting employees, the owner does not focus on educational background or age but prioritizes good manners, strong ethics, and a willingness to learn new things.

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