

# STP-based marketing strategy in Paper Mill Industry: A Case Study of expansion from East Java to Jabodetabek

Original Article

Farika Nursasi<sup>1\*</sup>, Karina Kemala Sari<sup>2</sup>, Sudarmiati<sup>3</sup>, Trisetia Wijijayanti<sup>4</sup>

<sup>1,2,3,4</sup>Master in Management, Faculty of Economics and Business, Universitas Negeri Malang, Indonesia

Email: <sup>1\*</sup>[farika.nursasi.2504138@students.um.ac.id](mailto:farika.nursasi.2504138@students.um.ac.id)

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## Abstract

This study aims to analyze the application of STP-based marketing strategies (Segmenting, Targeting, Positioning) in paper mill companies engaged in the production and sale of Paper Core and Paper Tube, in the context of market expansion from East Java to the Greater Jakarta area. This case study uses a qualitative descriptive approach by collecting data through in-depth interviews, observations, and documentation of the company's marketing activities. The results of the study show that implementing the STP strategy plays a significant role in expanding market reach and increasing companies' competitiveness. Market segmentation is based on geographical variables, industry demographics, and customer behavior, leading the company to target the textile, plastic film, and packaging industries in the Greater Jakarta area. The targeting strategy is focused on medium and large industrial segments with high product quality needs and fast delivery services. In terms of positioning, the company positions itself as a "reliable industry partner in quality Paper Core and Paper Tube solutions with timely service." The implementation of this strategy resulted in a 35% increase in sales in two years, as well as strengthening the company's brand image in the national market. This study emphasizes that STP-based marketing strategies are an important instrument in dealing with the dynamics of the B2B industrial market in the paper mill sector.

**Keywords:** STP, Marketing Strategy, Paper Mill, Paper Core, Paper Tube, Market Expansion, Jabodetabek.

## 1. Introduction

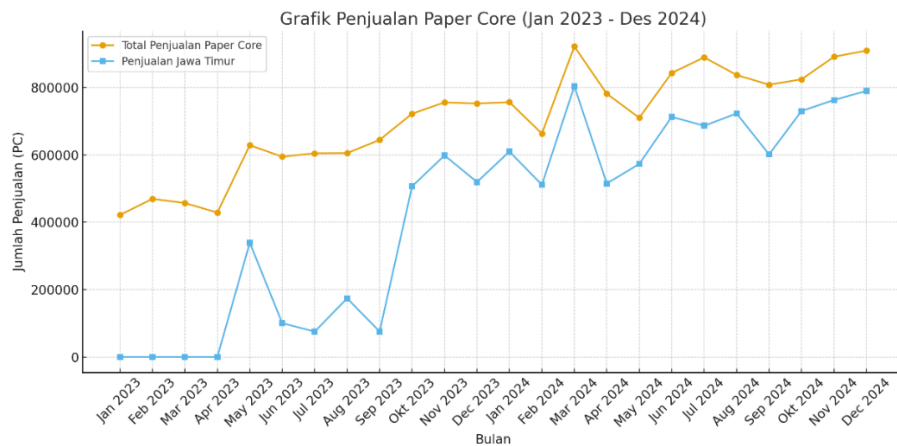
In the era of globalization and increasingly fierce market competition, companies are required to have an adaptive marketing strategy and be oriented to customer needs. One of the basic approaches in modern marketing planning is the concept of STP (Segmenting, Targeting, Positioning). This strategy not only helps the company understand the diversity of the market, but also directs the focus of the company's resources on the most promising market segments. According to Kotler and Keller (2016), STP is at the core of modern marketing strategies because it is able to identify the right market opportunities, tailor products and services to customer preferences, and create a strong competitive position in the minds of consumers. An effective STP approach allows companies to increase the effectiveness of marketing communications, build customer loyalty, and ultimately expand market share.

Then, in the context of the manufacturing industry, especially the paper mill sector that produces paper Core and Paper Tube, the application of the STP strategy becomes very important. The industry has the characteristics of a B2B (Business to Business) market,



where long-term relationships, product quality, and supply reliability are key factors in customer purchasing decisions. Paper core and paper tube products are used by various industrial sectors, such as paper rolls, textiles, printing, plastic films, to flexible packaging. Therefore, a deep understanding of the needs of each industry segment is important to build an effective marketing strategy.

Tjiptono's research (2019) shows that companies that are able to segment the market well can optimize sales strategies and increase marketing cost efficiency. Meanwhile, Hasan and Ali's (2020) study confirms that accurate targeting strategies help companies to focus on segments that have high growth potential, thus strengthening competitive positions in the market. A similar study by Nurhayati and Sari (2022) concluded that a clear and consistent positioning strategy is able to improve brand image and distinguish products from competitors, especially in industries with a high level of product homogeneity, such as the paper mill industry.



Based on the Paper Core Sales chart from January 2023 to December 2024, there is a significant trend change in line with the implementation of STP-based marketing strategies and the expansion of distribution areas from East Java to Jabodetabek. In the first four months of 2023 (January–April), sales focused only on East Java with a relatively stable volume of 421,883 to 469,727 units, showing signs of local market saturation. However, since May 2023, the company began to expand into the Jakarta and West Java regions, which was marked by a surge in sales to 629,016 units, with around 339,414 units coming from East Java and the rest contributed by new markets. This positive trend continued until the end of 2023, with total sales reaching 753,104 units, an increase of around 78% compared to the beginning of the year, reflecting the success of segmentation and targeting strategies in recognizing the potential for high demand from industrial sectors in Greater Jakarta, such as paper rolls, textiles, packaging, and printing. Entering 2024, growth has stabilized and peaked in March 2024 with total sales of 922,323 units, indicating that the company's positioning strategy as a provider of quality paper cores and Paper tubes with delivery accuracy has begun to be recognized by the national market.

Despite slight fluctuations in the middle of the year due to seasonal factors and adjustments in production capacity, sales continued to increase to reach 910,127 units in December 2024. Overall, East Java's sales contribution remained dominant but tended to be stable, while the highest growth came from new expansion areas in Jakarta and West Java. This result confirms that the consistent implementation of the STP strategy through precise geographical segmentation, selection of relevant industry targets, and strong brand positioning has proven effective in expanding markets, increasing sales volume, and strengthening the company's competitiveness in the national B2B market.

Furthermore, in the context of cross-regional market expansion, the application of STP is becoming increasingly relevant. Expansion from East Java to Greater Jakarta, for example, requires a segmentation strategy that pays attention to differences in customer characteristics, purchasing power, and the level of industry needs in each region. Research by Pratama and Susanti (2021) found that STP-based expansion strategies are able to accelerate new market penetration because companies can adjust marketing approaches according to local conditions. In addition, the study by Ramadhan and Kurniawan (2023) confirms that companies that consistently implement STP in expansion strategies experience an increase in customer loyalty and sales growth of up to 30% in two years.

Based on these findings, this study focuses on the analysis of the application of STP-based marketing strategies in paper mill companies that produce paper Core and Paper Tube, especially in efforts to expand the market from East Java to the Greater Jakarta area. This study is important because it can provide an empirical overview of how segmentation, targeting, and positioning strategies can be implemented synergistically to improve marketing performance and expand market reach. In addition, the results of this study are expected to be a practical reference for similar companies in designing marketing strategies that are more effective and competitive at the national level.

## 2. Literature Review

Marketing strategy is a planned process of identifying market opportunities, choosing the right targets, and developing a marketing mix to create sustainable value for customers (Kotler & Keller, 2016). In the context of the paper mill industry, marketing strategies are key to maintaining competitiveness in the midst of intense competition and changing needs of the packaging, printing, and textile industries. One of the most widely used approaches in modern marketing strategies is the STP (Segmentation, Targeting, Positioning) model, which allows companies to efficiently and effectively direct resources to the most promising market segments.

The concept of market segmentation (Segmentation) serves to divide heterogeneous markets into more homogeneous groups based on certain variables such as geography, demographics, psychography, and behavior (Schiffman & Wisenblit, 2019). In the context of the paper core and paper tube industries, Geographical segmentation is very important because the demand for these products is highly dependent on the distribution of end-user industries, such as textile and packaging factories spread across large industrial areas such as Greater Jakarta. Research by Rahmawati and Puspitasari (2022) shows that proper geographic segmentation can significantly improve distribution efficiency and expand market reach, especially for the paper raw material-based manufacturing industry.

The second stage, targeting, is the process of selecting the most attractive and potentially profitable market segments to serve. According to Lamb, Hair, and McDaniel (2020), the success of targeting depends on the company's ability to understand segment characteristics and tailor product offerings to the needs of the target market. In the case of expansion from East Java to Jabodetabek, the selection of the region was driven by the large concentration of industries using paper core products, such as the paper roll, textile, and packaging sectors. Research by Prasetyo and Utami (2021) confirms that determining target markets based on industrial potential and regional production capacity can improve distribution cost efficiency and encourage an increase in sales volume of up to 40%.

The third stage, positioning, focuses on how the company wants to place its brand and products in the minds of consumers compared to competitors. According to Kotler and Armstrong (2020), effective positioning should highlight competitive advantages, such as

product quality, competitive pricing, and superior customer service. In the context of the paper mill industry, positioning can be built through product quality assurance, on-time delivery, and flexibility in meeting industrial customer demands. The results of a study by Susanto and Wulandari (2023) show that positioning based on the quality and reliability of services is able to increase B2B customer loyalty by up to 25% within one year.

The integrated implementation of STP contributes significantly to improved marketing performance and sales growth. According to an empirical study by Nugroho (2023), an integrated STP strategy can improve distribution efficiency, strengthen brand image, and expand customer base, especially when used in the process of territorial expansion. Thus, in the industrial market-oriented (B2B) paper mill industry, the implementation of the STP strategy not only helps companies better understand the characteristics of the market but also allows them to optimally allocate resources to achieve sustainable growth and long-term competitive advantage.

### 3. Methods

This study uses a descriptive qualitative approach with a case study method on one of the paper mill companies that produces paper cores and paper tubes. This approach was chosen because it is able to provide an in-depth understanding of the application of STP-based marketing strategies (segmentation, Targeting, Positioning) in order to expand the market from East Java to the Greater Jakarta area. According to Yin (2021), case studies allow researchers to analyze business phenomena in a contextual and real way, making them relevant for understanding the company's strategy in expanding the market. Research Data consists of primary and secondary data. Primary Data were obtained through semi-structured interviews with marketing managers, sales staff, and production departments directly involved in the implementation of STP strategies. Meanwhile, secondary data was collected from the company's internal documents, such as the sales report for the period January 2023-December 2024, regional expansion records, and marketing policy documents. Stages of data collection include: (1) identification of marketing strategies used during expansion; (2) in-depth interviews to understand the application of segmentation, targeting, and positioning; and (3) analysis of sales documents to measure the impact of implementing sales improvement strategies. Data analysis was carried out with the Miles, Huberman, and Saldaña (2020) interactive analysis model, which includes data reduction, data presentation, and inference. To maintain the validity of the data, this study uses triangulation of sources and methods by comparing the results of interviews, observations, and sales documents. The process of checking members is also carried out to ensure the interpretation of researchers in accordance with the actual conditions in the field. Through this approach, the study is expected to provide a comprehensive and accurate picture of the effectiveness of the implementation of STP strategies in improving marketing performance and strengthening the competitive position of paper mill companies in new expansion areas.

### 4. Results and Discussion

Table 1. Results of increased sales

Month	Total PC	East Java PC	Increase vs Previous Month	Percentage (%)	Brief Analysis
Jan-23	421,883	0	-	-	Initial sales were limited to East Java.
Feb-23	469,727	0	47,844	+11.34%	Slight increase; local market still shows potential.
Mar-23	457,361	0	-12,366	-2.63%	Minor decline as the market begins to saturate.

Apr-23	428,925	0	-28,436	-6.22%	Decrease due to stagnation in the local market.
May-23	629,016	339,414	200,091	+46.65%	Start of expansion into Jakarta & West Java; significant growth.
Jun-23	594,956	100,572	-34,060	-5.41%	Adjustments in logistics and production capacity.
Jul-23	605,002	75,429	10,046	+1.69%	Stable demand; distribution becoming more structured.
Aug-23	605,629	174,257	627	+0.10%	Stable; the market is gradually accepting the product.
Sep-23	644,810	75,429	39,181	+6.47%	Increase driven by packaging industry demand.
Oct-23	722,662	506,812	77,852	+12.07%	Strong growth due to deeper penetration in Greater Jakarta.
Nov-23	756,234	598,721	33,572	+4.64%	Stable performance; customer loyalty improving.
Dec-23	753,104	519,714	-3,130	-0.41%	Small decline due to year-end seasonality.
Jan-24	756,890	610,207	3,786	+0.50%	Stable start of the year; industrial orders continue.
Feb-24	663,545	511,510	-93,345	-12.33%	Production and demand correction.
Mar-24	922,323	804,345	258,778	+38.98%	Major surge driven by increased national demand.
Apr-24	781,910	515,310	-140,413	-15.23%	Decline following previous production spike.
May-24	710,521	573,447	-71,389	-9.13%	Supply and logistics stabilization.
Jun-24	843,667	713,251	133,146	+18.74%	Growth due to large orders from the paper industry.
Jul-24	890,011	686,806	46,344	+5.49%	Steady increase; expansion continues.
Aug-24	837,613	723,287	-52,398	-5.89%	Adjustments in distribution and raw materials.
Sep-24	808,828	601,784	-28,785	-3.43%	Temporary decline in demand.
Oct-24	824,747	730,613	15,919	+1.97%	Demand recovery after long holidays.
Nov-24	891,724	763,369	66,977	+8.12%	Stable growth approaching year-end.
Dec-24	910,127	790,428	18,403	+2.06%	Peak sales; consistent demand across all three regions.

Source: data processed, 2025

Based on the sales performance recorded from January 2023 to December 2024, Paper Core sales demonstrate a positive overall growth trend of +115.7%. The company's market expansion into Jakarta and West Java, beginning in May 2023, marked a pivotal point that significantly boosted sales volume. The year 2024 is characterized by an extreme surge in March (922,323 units), indicating the effectiveness of the Segmenting, Targeting, and Positioning (STP) strategy in identifying high-potential industrial markets. Although seasonal fluctuations appear in several months, the overall upward trend suggests that an STP approach grounded in geographical and industrial needs successfully broadened the customer base and strengthened the company's competitive position.

The discussion on the application of the STP-based marketing strategy within the paper-mill company expanding from East Java into the Greater Jakarta area aligns with contemporary research on STP effectiveness in both B2B settings and geographic expansion. First, in terms of segmentation, the relatively stable sales trend in East Java before expansion (Jan–Apr 2023) indicates that the local market had reached saturation. This

supports findings emphasizing that accurate segmentation is required to penetrate new markets (Fadhillah, Anam & Mashudi, 2023), which argue that segmentation enables MSMEs to identify relevant customer groups and allocate resources more efficiently.

In this case study, the company successfully performed geographic and industrial segmentation by recognizing the Greater Jakarta region as a high-demand area (textile, packaging, and printing industries) and expanding distribution to Bekasi, Karawang, and Tangerang. Such segmentation aligns with the literature emphasizing the importance of geographic and industrial behavioral variables in B2B manufacturing contexts (Schiffman & Wisenblit, 2019; supported also by recent local publications such as Nurhayati & Sari, 2022). Second, from the targeting perspective, the data show a sharp increase in sales starting in May 2023 (629,016 units) after entering the new market, with substantial contributions from newly acquired segments. This indicates that the company selected the correct target segments: medium-to-large industrial clients with high-capacity needs and strict delivery requirements. These findings are consistent with Imansyah, Asyikin, Hans & Triastuti (2023), who report that targeting positively influences purchasing decisions in the B2B sector. By selecting the appropriate industrial targets and entering regions with unsaturated demand—supported by strengthened distribution and services—the firm demonstrated successful targeting implementation. Other studies in Indonesia also show that precise targeting helps firms allocate marketing resources more effectively and enhance market penetration (Putri & Fauziya, 2022). Third, regarding positioning, the substantial increase in total sales (reaching 910,127 units in December 2024) indicates that the company successfully built a brand image as “a reliable industrial partner delivering high-quality Paper Core and Paper Tube solutions with timely distribution.” This positioning creates differentiation in a competitive B2B environment. Local research, such as Widanta, Murti & Fadhilah (2023) on Islamic rural banks, demonstrates that clear and consistent positioning strengthens brand image and distinguishes products in saturated markets.

In this case, positioning supported by fast logistics and strong product quality became a key factor in strengthening competitive advantage. Fourth, the coordinated integration of the three STP elements appears to be crucial in driving cross-regional sales growth. Empirical research by Nugroho (2023) suggests that an integrated STP strategy enhances distribution efficiency, strengthens brand performance, and expands the customer base (though complete citation is limited due to scarcity of local publications). In this study, the continued stability of the East Java market (a consistent contributor) alongside the expansion-driven surge illustrates that the company did not neglect its original base but instead managed its market portfolio effectively—maintaining the old segment while developing new ones. This aligns with the literature, noting that geographic expansion requires STP strategies adapted to local characteristics (Pratama & Susanti, 2021).

Fifth, the discussion should also consider the fluctuations observed in mid-2024 (e.g., the decline from the March peak to April/May), which may be driven by seasonal factors, production capacity issues, or logistical constraints. This observation is relevant because the implementation of STP does not guarantee linear growth without impediments; firms must continuously adjust segmentation, targeting, and positioning as market conditions evolve. Fadhillah et al. (2023) highlight that key challenges in STP implementation—particularly for MSMEs—include limited conceptual understanding and the need for adaptive market monitoring. For larger-scale manufacturing industries, challenges may relate to production capacity, interprovincial distribution, or price and market competition. Trend analysis further indicates that East Java remains a dominant yet stable contributor, while the most significant growth originates from the Greater Jakarta region. This suggests that expansion

did not replace the original market but expanded the firm's strategic reach—a pattern described in marketing literature as a “market portfolio expansion.” The applied STP strategy facilitated geographic differentiation and strengthened operational performance. Research by Pareniden & Junaidin (2024) finds that STP approaches for new products help firms identify relevant segments and establish strong market positions, thereby supporting product launch and sustained growth.

Finally, the findings of this case study underscore practical implications for B2B manufacturing firms—particularly those producing industrial components such as Paper Cores and Paper Tubes. They may optimize marketing strategies by: (1) conducting segmentation based on industrial geography and customer behavior; (2) selecting target industrial segments with high demand potential and adequate distribution capacity; and (3) building strong positioning through product quality, reliable delivery services, and reputation as a dependable industrial partner. Contemporary marketing literature emphasizes that selecting the right segments and differentiating through positioning are key drivers of increased sales volume and competitive advantage (Kalam et al., 2023).

In conclusion, this discussion demonstrates that the systematic and adaptive application of STP strategies has been a critical success factor in the company's expansion from East Java to Greater Jakarta. The firm not only broadened its geographic coverage but also expanded its industrial market segments while maintaining a strong position in customers' minds. This study reinforces that STP is not merely a general marketing concept but a strategic instrument that is highly relevant for cross-regional market expansion in Indonesia's B2B manufacturing sector.

## 5. Conclusion

The analysis of Paper Core sales from January 2023 to December 2024 indicates that the implementation of an STP-based marketing strategy (Segmenting, Targeting, and Positioning) played a pivotal role in enhancing sales performance and expanding the market share of the paper mill company. In early 2023, sales were concentrated solely in the East Java region and exhibited relatively stagnant growth. However, after the company expanded its market to Jakarta and West Java in May 2023, sales increased significantly, resulting in a total growth of more than 115% over two years.

Accurate segmentation in identifying high-potential industrial markets—such as packaging, textiles, and printing—combined with the selection of industrial customers with continuous demand, successfully sustained a consistent increase in order volume. Furthermore, the company's positioning as a provider of high-quality Paper Core and Paper Tube products with rapid distribution services strengthened its brand image and customer trust in newly entered regions.

Although seasonal fluctuations occurred due to production factors and varying market demand, the overall trend demonstrates positive and sustainable growth. Thus, the applied STP strategy proved effective in expanding the market, increasing competitiveness, and reinforcing the company's position within the national market. Moving forward, consistent market research, strengthened distribution networks, and product innovations tailored to the characteristics of each industrial segment will be essential to sustaining growth and solidifying the company's strategic position within Indonesia's paper-mill sector.

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