

Analysis of STP Marketing Strategy Implementation (Segmenting, Targeting, Positioning) and PLC (Product Life Cycle) at UMKM Souvenir Center (Case study on MSME Taman Sari Madiun City)

Original Article

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Abstract

This study aims to analyze the implementation of STP (Segmenting, Targeting, Positioning) marketing strategies and product life cycle (PLC) in MSMEs of the Taman Sari Souvenir Center in Madiun City. The research approach used is qualitative descriptive with data collection techniques through observation, interviews, and documentation. The results of the study show that the segmentation strategy is carried out based on the demographic and psychographic characteristics of consumers, especially tourists and local people with an interest in regional products. Targeting is focused on middle to upper consumers who prioritize product quality and authenticity, while positioning is built through the image of a trusted souvenir center with superior quality and competitive prices. In PLC analysis, superior products such as Madiun cakes and traditional processed foods are currently at the maturity stage, characterized by stable sales and increasing market competition. To maintain its market position, Taman Sari MSMEs implement product innovation, attractive packaging, and digital promotion strategies through social media. These findings affirm the importance of integration between STP and PLC strategies in maintaining the competitiveness and sustainability of MSME businesses in the digital era.

Keywords: STP (Segmenting, Targeting, Positioning), Product Life Cycle (PLC), Marketing Strategy, MSMEs.

1. Introduction

Competition among micro, small, and medium enterprises (MSMEs) is becoming increasingly intense, particularly in the regional souvenir industry, which plays a vital role in supporting the local tourism sector. MSMEs hold a strategic position in regional economic growth due to their contributions to employment creation and community income enhancement (Susanto & Wibowo, 2022). In this context, the implementation of effective marketing strategies has become essential for ensuring that MSMEs can survive and grow amid changing consumer behavior and dynamic market conditions.

The STP (Segmenting, Targeting, Positioning) marketing framework is widely applied as an approach to understanding consumer needs and creating differentiated value. Market



segmentation enables businesses to identify consumer groups based on demographic, psychographic, and behavioral characteristics; targeting allows firms to determine the most potential customer groups; and positioning assists in building a brand image in consumers' minds (Kotler et al., 2021). Effective application of STP strategies has been shown to improve marketing effectiveness, customer loyalty, and sales volume among food and beverage MSMEs in various regions (Putri & Santoso, 2023).

In addition to STP, understanding the Product Life Cycle (PLC) is also a critical component of a sustainable marketing strategy. The product life cycle outlines stages from introduction to decline, allowing businesses to adjust their marketing strategies according to the product's phase (Rahmawati et al., 2022). Studies indicate that product innovation and promotional diversification during the maturity stage can extend product longevity and enhance competitiveness (Sari & Nugraha, 2021). In the context of souvenir-based MSMEs, these strategies are particularly important because traditional products often face market saturation if innovation is not continuously pursued.

Digital transformation further provides new opportunities for MSMEs to strengthen the application of STP and PLC strategies. Through digital platforms such as Instagram, online marketplaces, and WhatsApp Business, MSMEs are able to expand market reach, build brand identity, and enhance consumer engagement (Ardhiansyah & Lestari, 2022). Digital marketing strategies enable more precise market segmentation and promotional activities that align with consumers' digital behavior (Rahardjo et al., 2023).

The Taman Sari Souvenir Center MSME in Madiun City serves as a concrete example of how STP and PLC strategies can be integrated into the management of local souvenir businesses. By utilizing social media for promotion, strengthening the identity of Madiun specialty products, and innovating packaging and product variations, this MSME strives to maintain competitiveness amid increasing market rivalry. Therefore, this study aims to analyze the implementation of STP and PLC strategies at the Taman Sari Souvenir Center MSME to assess their effectiveness in improving business sustainability and contributing to local economic development.

2. Literature Review

2.1. Marketing Strategies in the Context of MSMEs

Marketing strategy refers to the process of planning and implementing actions aimed at creating value for consumers and building long-term, mutually beneficial relationships between firms and their customers (Kotler & Keller, 2021). In the context of micro, small, and medium enterprises (MSMEs), marketing strategies extend beyond increasing sales; they involve enabling businesses to survive dynamic competition through a clear understanding of market needs and consumer preferences. Research by Ardhiansyah and Lestari (2022) shows that MSMEs with well-defined marketing strategies—particularly in market segmentation and product differentiation—have stronger prospects for business sustainability. Souvenir-based MSMEs, such as Taman Sari in Madiun City, require marketing strategies aligned with the characteristics of the tourism market and local cultural context. Therefore, the STP (Segmenting, Targeting, Positioning) model becomes a highly relevant approach for analyzing consumer behavior and establishing competitive advantages grounded in regional product identity.

2.2. The Concept of Segmenting, Targeting, and Positioning (STP)

a) Segmenting

Market segmentation is the process of dividing a market into groups of consumers who share similar needs, characteristics, or behaviors (Kotler et al., 2021). In souvenir-based MSMEs, segmentation may be based on demographic factors (age, income, occupation), geographic factors (customer location, such as domestic or local tourists), and psychographic attributes (lifestyle and preferences for traditional products). Putri and Santoso (2023) highlight that psychographic and behavioral segmentation are the most influential aspects in shaping marketing strategies within culinary and regional specialty businesses. By understanding segmentation, Taman Sari can identify potential consumer groups such as tourists seeking authentic products or residents looking for practical and affordable souvenirs.

b) Targeting

Targeting refers to the process of selecting the most promising market segments with high purchasing power as the focus of marketing activities. According to Handayani and Wijaya (2024), the success of determining a target market is influenced by segment size, growth potential, and competitive intensity. MSMEs that target clearly defined segments are able to allocate resources more efficiently and effectively. In the context of the Taman Sari Souvenir Center, the primary target market consists of tourists and middle-income consumers who prioritize product quality and authenticity.

c) Positioning

Positioning involves establishing a product or brand in the minds of consumers in a way that distinguishes it from competitors. Kurnia and Darmawan (2023) argue that effective positioning strategies can be built through product differentiation, brand image, and customer experience. In souvenir-based MSMEs, positioning can be strengthened by highlighting the uniqueness of local products, such as distinctive flavors, attractive packaging, and cultural narratives. For instance, Taman Sari can reinforce its position as “The Premier Souvenir Center of Madiun Offering Premium Quality.” Conceptually, the three STP components form an interconnected strategic framework—segmentation identifies the market, targeting selects the most profitable segments, and positioning determines how to compete within them (Kotler et al., 2021).

2.3. The Concept of the Product Life Cycle (PLC)

The Product Life Cycle (PLC) outlines the stages a product undergoes from introduction, growth, and maturity to decline (Rahmawati et al., 2022). Each stage requires distinct marketing strategies to keep the product relevant and profitable. During the introduction stage, the primary strategy focuses on building market awareness through intensive promotion and penetration pricing. In the growth stage, businesses must expand distribution and highlight product advantages. As products enter the maturity stage, competition intensifies and sales stabilize. Innovation in packaging, flavor diversification, and branding strategies becomes essential for maintaining customer loyalty (Sari & Nugraha, 2021). Meanwhile, in the decline stage, common strategies include product repositioning, cost reduction, or developing new products.

In the context of souvenir-based MSMEs, many items such as traditional cakes, chips, and signature beverages fall into the maturity stage. This implies that product development

and promotional strategies must be more creative to sustain consumer interest. Wulandari and Fitriana (2025) emphasize that continuous innovation is the key to extending product life cycles, including adopting eco-friendly packaging trends and utilizing digital platforms.

2.4. Integrating STP and PLC in MSME Marketing Development

Integrating STP and PLC strategies creates a dynamic and long-term marketing approach. STP guides businesses in determining target markets and establishing strong positioning, while PLC ensures that these strategies remain relevant throughout the product's lifespan. Rahardjo et al. (2023) assert that combining these approaches enables MSMEs to engage in continuous product innovation, optimize resources, and strengthen customer loyalty through well-targeted differentiation. In the case of Taman Sari, STP and PLC can be applied by implementing market re-segmentation based on consumers' digital behavior, defining new target audiences through social media promotion, and repositioning products by highlighting local cultural value. Consequently, marketing strategies become oriented not only toward increasing sales but also toward building long-term brand equity and business sustainability.

Overall, the STP and PLC frameworks provide a robust conceptual foundation for the Taman Sari Souvenir Center in designing adaptive, innovative, and locally rooted marketing strategies to address modern market challenges.

3. Methods

This study employs a descriptive qualitative approach to provide an in-depth portrayal of the implementation of STP (Segmenting, Targeting, Positioning) marketing strategies and the Product Life Cycle (PLC) at the Taman Sari Souvenir Center MSME in Madiun City. The research subjects include the owner, employees, and consumers who are directly involved in marketing activities and the purchase of local souvenir products. Primary data were obtained through in-depth interviews, direct observation, and documentation, while secondary data were collected from literature, reports, and publications related to MSME marketing strategies. A purposive sampling technique was used to select informants considered to have the most substantial understanding of the marketing strategies applied.

Data analysis was carried out in three stages—data reduction, data display, and conclusion drawing/verification—following the interactive analysis model of Miles and Huberman (1994). Data validity was ensured through source and method triangulation to strengthen the credibility of the research findings. The outcomes of this methodological process are expected to provide a comprehensive overview of the effectiveness of STP and PLC implementation in enhancing the competitiveness and business sustainability of souvenir-based MSMEs in the digital era.

4. Results and Discussion

The findings indicate that the MSME Pusat Oleh-Oleh Taman Sari in Madiun City has implemented marketing strategies based on STP (Segmenting, Targeting, Positioning) and demonstrates an understanding of the Product Life Cycle (PLC) stages in sustaining its presence amid increasingly competitive souvenir businesses. Based on interviews and observations, market segmentation is conducted by considering demographic, geographic, and psychographic factors. Demographic segmentation focuses on productive-age consumers (20–45 years old) who tend to be active travelers with relatively strong purchasing power, while geographic segmentation targets tourists from East Java and surrounding regions. Psychographic segmentation is directed toward consumers who value local specialty products and cultural heritage. These findings align with previous studies emphasizing the importance of understanding consumer characteristics in shaping effective marketing strategies for culture-based MSMEs (Putri & Santoso, 2023; Handayani & Wijaya, 2024).

In terms of targeting, Pusat Oleh-Oleh Taman Sari concentrates its strategy on middle-to upper-income consumers who prioritize product quality and authenticity. This is reflected in the development of premium products such as Madiun specialty foods, tempe brownies, and packaged chili sauces made from high-quality ingredients. This approach supports earlier research suggesting that focusing on consumer segments with higher purchasing power can enhance brand image and foster loyalty (Sari & Nugraha, 2021; Wulandari & Fitriana, 2025). Additionally, the MSME applies adaptive targeting strategies by adjusting promotions and pricing based on tourism seasons, culinary trends, and online market demand.

The positioning strategy of Pusat Oleh-Oleh Taman Sari is established by promoting its image as the “Most Complete and Premium-Quality Souvenir Center of Madiun.” This positioning is strengthened through packaging innovations, improved cleanliness, and responsive customer service. The results reinforce the argument that strong and consistent positioning enhances consumer trust and broadens market reach (Kurnia & Darmawan, 2023; Ardiansyah & Lestari, 2022). Furthermore, the development of a positive brand image is supported by the MSME’s presence on various digital platforms such as Instagram, TikTok, and local marketplaces, which has been shown to increase brand awareness and sales volume (Rahardjo et al., 2023; Yuliana & Setyawan, 2024).

About the Product Life Cycle (PLC), the findings reveal that most souvenir products sold at Taman Sari are currently in the maturity stage, characterized by stable sales volume, increased competition, and the need for continuous innovation. To respond to these conditions, the MSME adopts several strategies, including product diversification (adding flavor variants), packaging renewal, and enhanced digital promotion. These practices are consistent with the PLC framework, which emphasizes differentiation and innovation during the maturity phase to maintain customer loyalty (Kotler et al., 2021). Continuous product innovation has also been shown to extend product life cycles and sustain profitability for small enterprises (Rahmawati et al., 2022).

The results further indicate that digital marketing strategies play an essential role in integrating STP and PLC. Social media platforms enable the MSME to build direct interactions with customers, promote new products, and reinforce its local brand identity. This supports studies arguing that digitalization allows MSMEs to conduct micro-segmentation and personalize promotional messages (Gunawan & Fadhilah, 2022). Digital promotion has also been recognized as an effective mechanism to enhance the competitiveness of local products by expanding consumer reach beyond geographical boundaries (Rosita & Pramono, 2023).

Observations also reveal that product quality, packaging, and customer service significantly contribute to the success of STP and PLC strategies. Product quality remains the

primary factor influencing consumers' positive perceptions of a brand (Susanto & Wibowo, 2022). Consistent improvements and product innovation have been shown to significantly influence consumers' repurchase intentions for local food MSMEs (Farida et al., 2021). Modern and attractive packaging further strengthens brand positioning (Nugroho & Kurniawan, 2024). From a managerial perspective, the successful implementation of STP and PLC depends not only on marketing strategies but also on the management's ability to adapt to market changes and shifts in consumer behavior. Adaptive leadership and an innovation-oriented mindset are identified as key determinants of MSME sustainability in the digital era (Rahardjo et al., 2023; Kusuma & Lestari, 2021).

Overall, this study demonstrates that the integrated application of STP and PLC strategies strengthens competitiveness, enhances brand image, and supports MSME sustainability. Effective segmentation helps identify market opportunities, targeted strategies optimize resource allocation, consistent positioning reinforces brand perception, and adaptive PLC management ensures product relevance throughout its life cycle. These findings support contemporary strategic marketing theories that highlight the importance of market orientation, innovation, and digitalization as critical success factors for MSMEs (Kotler & Keller, 2021; Rahmawati et al., 2022).

5. Conclusion

The analysis indicates that the implementation of the STP (Segmenting, Targeting, Positioning) marketing strategy and the Product Life Cycle (PLC) framework at Pusat Oleh-Oleh Taman Sari in Madiun City has been effective in enhancing competitive advantage and business sustainability amid the increasing competition in the regional souvenir market. Segmentation based on demographic, geographic, and psychographic characteristics enables the MSME to identify consumer needs more accurately, while targeting middle- to upper-income segments increases the perceived value of its products. The positioning of the business as a provider of high-quality Madiun specialty products has successfully built a positive brand image and fostered customer loyalty.

Furthermore, an understanding of the stages of the product life cycle encourages the MSME to continue innovating, updating its packaging, and utilizing digital promotion to maintain market relevance during the maturity stage. The integration of STP, PLC, and digital marketing has proven to be an adaptive and long-term strategic approach that not only boosts sales performance but also strengthens local identity and supports the MSME's contribution to the regional economy.

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