INDONESIAN JOURNAL OF MULTIDISCIPLINARY SCIENCE

P-ISSN: 2808-5957
E-ISSN: 2808-6724
ijoms.internationaljournallabs.com

SEGMENTING, TARGETING AND POSITIONING ANALYSIS OF MSME FURNITURE BASUKI LACASA MALANG

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Abstract

At the end of 2019 Indonesia began to enter the Covid-19 pandemic which caused a decline in the turnover of several MSMEs. So it is necessary to carry out market research. In determining the need for furniture in the market, every MSME in the furniture sector must carry out a market strategy, one of the market strategies is segmenting, targeting and positioning (STP). In this strategy, it is possible to divide heterogeneous prospective customers into homogeneous prospective customers so that market conditions can be easily entered by MSMEs, especially in the furniture sector. The aims of this study are: 1) to determine the suitability of market segmentation carried out by MSME furniture, Basuki Lacasa; 2) determine the suitability of the target market carried out by MSME Basuki Lacasa; 3) to find out the results of the position of MSME Basuki Lacasa in the market. The method in this research is qualitative with 1 key informant and 3 co-informants. The final result obtained in this research is the application of segmenting, targeting and positioning that has been carried out in accordance with market conditions. STP (Segmenting, Targeting, Positioning) carried out by UMKM Furniture Basuki Lasaca are as follows: (a) the targeted market segments are the upper social class, lower social class and middle social class, (b) the selected target market is in the form of segment concentration or single market, (c) Basuki Lasaca furniture is positioned as furniture with high quality.

Keywords: *Segmenting, targeting, positioning, UMKM market strategy*

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INTRODUCTION

The activities of micro, small and medium enterprises (MSMEs) in Indonesia are currently expected to be a pillar in increasing economic growth in Indonesia. MSMEs have a very important role in improving the Indonesian economy, with MSMEs being able to reduce unemployment and MSMEs are also now not only underestimated by upper-class entrepreneurs but respecting small business actors today. MSMEs are now not only pillars but also a necessity for people who need work (Mad Heri & Fachrudin, 2019).

Based on Law no. 20 of 2008 concerning MSMEs, small and medium enterprises are independent productive economic enterprises carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled or become a part. Either directly or indirectly with small businesses or also the annual sales results as stipulated in the law. The law states that in carrying out its business empowerment activities it is based on first, the principle of kinship, namely the principle that underlies efforts to empower MSMEs as part of the national economy which is carried out on the basis of economic democracy with the principles of

togetherness, efficiency, justice, sustainability, environmental insight, independence, balance, progress and national economic unity for the welfare of all Indonesian people (Stanton, 2009).

Furniture is one of the many MSMEs in Indonesia. Here, we will raise MSME furniture in the Malang area which is carried out by one of the MSMEs. These SMEs start from producing to marketing. So far, production has been carried out in Singosari Malang with ready-to-sell products as well as custom-made products. The products produced include tables, chairs, cupboards, shelves, to pavilion houses. For the material used from various kinds of wood but more use teak wood which is considered better and more durable (Kotler & Armstrong, 2012).

The segmentation carried out by MSME Furniture Basuki Lacasa is based on demographics, geography, psychographics and behavior of consumers throughout Indonesia, especially in East Java. After that determine the target and also positioning which aims to design production, offers and also brand image to potential consumers (Laely Mustain, 2012).

The development of an increasingly advanced era, sometimes companies are always faced with various problems that occur in the market. The company closes its business or goes out of business for the business it has engaged in. The cause of the business closing or going out of business was due to limited capital and the company's inability to adapt and incorrectly implementing the strategies it used. The company must get good results, and the products offered are acceptable in the market, to achieve good results it is necessary to have *segmenting, targeting* and *positioning*applied by the company. Because this strategy is at a very strategic level and determines how a company will work on a target market (Assauri, 2011).

Every company has a goal to be able to stay alive and develop, this goal can only be achieved through efforts to maintain and increase the level of company profits/profits. This effort can only be done if the company can maintain and increase its sales, through efforts to find and foster customers, and dominate the market. This goal can only be achieved if the company's marketing department carries out a solid strategy to be able to use the opportunities or opportunities that exist in marketing, so that the position or position of the market company can be maintained and at the same time improved (Kotler et al., 2016).

Marketing strategy is one of the spearheads of a company, marketing strategy is important for every company, especially for beginners. The purpose of a marketing strategy is to define and achieve organizational goals and implement its mission. The meaning of this strategy is that managers play an active, conscious and rational role in formulating organizational strategy (Hooley et al., 2013).

To win the competition is not only limited to compiling the marketing mix as a tactic, but more than that, developing strategies, namely segmentation (*segmenting*), and targeting (*targeting*) the intended market, as well as the positioning (*positioning)* desired by the company in the minds of consumers (DeSarbo et al., 2015). The essence of any good marketing strategy is a strategy to achieve the right position. The term *positioning* implies how a product is defined by consumers through its important characteristics in the minds of consumers owned by the product (Laely Mustain, 2012).

Segmentation has an important role in a company for several reasons; First, segmentation allows companies to focus more on allocating resources. By dividing the market into segments, it will provide an overview for the company to determine which segments to serve. In addition, segmentation allows companies to get a clear picture of the competition map and determine the company's market position. Second, segmentation is the basis for determining the components of the strategy. Segmentation accompanied by the selection of a target market will provide a reference in determining positioning. Third, segmentation is a key factor to beat competitors, by looking at the market from a unique angle and in a different way than competitors do.

In doing this market segmentation, a good reason is also needed, for example, the existence of a dynamic market and the existence of a market for a particular product. However, not all market segmentation is effective. Thus, an effort is needed so that market segmentation is carried out as expected. There are several things that may need to be considered in segmentation, including: can be measured in large numbers, can be accessed easily, can be distinguished and can be taken action (Arif & Rianto, 2010).

Companies that identify their market segments must be able to evaluate the various segments that will be entered. There are two important factors that must be considered in evaluating market segments, namely the overall attractiveness of the segment and the company's resources. After the evaluation is done, the company then makes a decision on how many segments to serve. At the evaluation stage, there are additional things that can be taken into consideration when choosing a segment, namely ethical choices on goals, interallation and super-segments, segment-by-segment attack plans and cooperation between segments.

METHOD

In this study, it is a qualitative descriptive approach which according to (Leksono, 2013) qualitative economic research is an effort to identify an economic phenomenon, not just a set of descriptions of statements of notations, connotations and descriptive denotations. But cognitively, affectively and psychomotor much deeper than that.

According to Bogdan and Taylor qualitative research is a research procedure that produces descriptive data in the form of written or spoken words from the observed behavior. The researcher uses a qualitative descriptive method because the researcher wants to describe the object under study in accordance with the actual situation at the time the research took place (Leksono, 2013).

There are two sources of data in this study, namely primary and secondary, where the primary is obtained from observations, interviews, documentation and field notes. While secondary data obtained from books and journals that are relevant to this research. In this study there were also two informants, namely key informants consisting of the owner of the business and supporting informants, namely employees, suppliers and consumers.

RESULT AND DISCUSSION

UMKM Furniture, Basuki Lasaka, in running his business, realizes that prospective customers in the market are very large and very heterogeneous. Therefore it is necessary to do

market segmentation. Based on the results of interviews with the owner or leader and one of the marketing staff, it is known that the form of market segmentation chosen by the furniture company is classified into several groups or clusters. The targeted clusters are based on upper socioeconomic class, middle socioeconomic class and lower socioeconomic class. The consideration for choosing social class is because the UMKM assume that the tastes of the 3 clusters are different so that the products served are also different (Solomon et al., 2019).

Besides that, materials and prices also greatly affect the tastes of the 3 clusters. This UMKM furniture Basuki Lasaca provides several products from various types of wood and several types of other auxiliary materials so that the selling price is also different. In addition, these UMKM also accept product orders according to designs from potential consumers.

The next step after determining the market segment is to determine the target market. In deciding the target market, the company must pay attention to the size/size of the segment that has been previously determined and the position of competitors in that market segment.

The size of the targeted segment as discussed above is that the targeted segment is based on 3 clusters, namely upper social class, middle social class and lower social class, each of which has its own criteria from materials to motifs. In addition, the position of competitors in the targeted segment of the company is known that there are several competitors in East Java that have the same product with their respective advantages.

Considering the pre-determined size/size of the segment as well as the competitive position in the segment the company is targeting, the company decides to choose a target market in the form of segment concentration or a single market. By concentrating on a single segment, the company hopes to be able to provide the best possible service to its customers. The advantage that can be obtained by choosing a target market in a single segment is that the company usually has a strong market position in the segment it enters. This is because the company has complete knowledge of the needs of customers in this segment.

After the target market is determined, the next step is to position the product (positioning). To determine product positioning, it is determined from technical attributes and non-technical attributes. The technical attribute in question is the attribute attached to the product, which in this case is the product quality attribute. As for non-technical attributes, namely attributes that are not attached to the product, in this case is social class

CONCLUSION

STP (Segmenting, Targeting, Positioning) carried out by UMKM Furniture Basuki Lasaca are as follows: (a) the targeted market segments are the upper social class, lower social class and middle social class, (b) the selected target market is in the form of segment concentration or single market, (c) Basuki Lasaca furniture is positioned as furniture with high quality.

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