Reassessing the Influence of STP Strategic Choices on Sales Performance: Evidence from a Food and Beverage SME

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ARTICLE INFO	ABSTRACT
Keywords: segmentation; targeting; positioning; sales performance **Received:** 10 Apr 2025 **Accepted:** 18 Jun 2025 **Published:** 30 Jun 2025	This study investigates the extent to which strategic decisions in segmentation, targeting, and positioning (STP) translate into short-term sales performance within a food-and-beverage small enterprise. Using a descriptive–quantitative approach, the research employed a within-firm sampling frame covering all 36 employees and collected data through standardized survey instruments. Prior to hypothesis testing, the measurement model was evaluated to ensure construct validity and internal reliability. Multiple linear regression was then applied to estimate both the individual and combined effects of the three STP dimensions on sales outcomes, supported by conventional diagnostic checks for statistical assumptions. The empirical results reveal that while segmentation, targeting, and positioning yield positive coefficient directions, none attain statistical significance, and their joint contribution adds only marginal explanatory power. These findings imply that STP strategies, when implemented in isolation, may not directly enhance sales performance in the short run. The effectiveness of STP appears contingent on complementary managerial actions such as product/menu refinement, pricing adaptability, promotional intensity, service innovation, and localized market engagement. From a managerial standpoint, the study underscores the importance of aligning strategic marketing determinations with operational execution rather than relying solely on strategic intent. Theoretically, the research adds micro-level evidence to the mixed debate regarding the STP–performance linkage in small service firms. Future studies are encouraged to incorporate consumer-side metrics, experimental designs, or transaction-level panel data to better capture how STP strategies generate value throughout the customer decision process. *This is an open access article under the CC BY-SA license*

1. INTRODUCTION

Marketing has become an essential component in determining business performance, as its influence increasingly permeates various aspects of daily economic activity. Within this context, marketing management is described as both an art and a science involving the selection of target markets and the delivery of superior customer value (Armstrong et al., 2014; Homburg et al., 2017; Eggert et al., 2018). As a discipline within Economics, marketing continues to evolve rapidly in line with broader economic transformations. This progression is particularly evident in industries such as the culinary sector, where the pace of business development has accelerated significantly (Beske et al., 2014; Rakib, 2024).

The expansion of both small and medium enterprises as well as large-scale businesses has intensified competition within the culinary industry, involving firms with comparable offerings as well as those with differentiated concepts (Berti & Mulligan, 2016; Ekblom, 2016; Begimkulov & Darr, 2023). To prevail in such a competitive landscape, businesses must prioritize ongoing enhancement of product

quality. In order to align product attributes with consumer preferences, producers need to engage in continuous improvement and innovation (Nguyen et al., 2020; Naini et al., 2022). Product design and marketing strategy are inherently interconnected, requiring every firm to adapt and refine its offerings to sustain or increase sales (Bocken et al., 2016; Smith et al., 2016). This dynamic is driven by shifts in consumer tastes, advancements in technology, and heightened competition.

In executing effective marketing activities, marketers must possess a thorough understanding of their prospective consumers. This involves identifying segments that exhibit similar characteristics and behavioral responses (Andaleeb, 2016). With clear knowledge of these consumer groups, marketers can develop products that meet customer needs, determine appropriate pricing strategies, and formulate ways to defend market share from competitors. The rapid growth of the food and beverage industry in Parepare has intensified market rivalry, leaving many culinary businesses struggling to maintain their operations and achieve business growth (Bourletidis & Triantafyllopoulos, 2014; Barman et al., 2021). Consequently, companies must remain adaptive to continual changes—such as variations in education, income, occupation, experience, and age—that influence consumer movement across market segments.

For this reason, it is understandable that consumer preferences shift continuously over time, influenced by the characteristics of the segments to which they belong. This raises an important managerial question: how can a business sustain its existing market segment and prevent consumers from switching to competing segments? In the context of South Sulawesi, tourism development has progressed rapidly. Many entrepreneurs have transformed tourist destinations into attractive recreational areas with unique value propositions, such as Akkarena Beach and La Buana Café & Resto in Makassar City. Both locations creatively integrate leisure spaces with café concepts, offering visitors a comfortable and distinctive place to gather. Similarly, in Parepare City, a coastal area has been converted into a café known as Teras Empang.

Teras Empang Café is one of the culinary ventures emerging in Parepare City. Commonly referred to by local residents around the Tonrangeng River area, this café provides a variety of food and beverages similar to those offered by cafés or traditional coffee shops. Beyond its culinary offerings, Teras Empang has also evolved into a local tourist destination in Parepare. Its appeal is strongly linked to its strategic coastal location, allowing visitors to enjoy their meals while experiencing the riverfront ambiance and observing the passing fishing boats. This combination of culinary services and natural scenery enhances the overall consumer experience and strengthens the café's positioning in the local market.

Within the culinary sector in Parepare City, competition among businesses has become increasingly visible, requiring each enterprise to focus on attracting and retaining customers. In such a competitive landscape, the adoption of effective marketing strategies becomes essential. Understanding and applying key marketing concepts—namely market segmentation, the selection of target markets, and the establishment of a clear market position—are critical steps for business sustainability. Despite having operated for approximately one year, Café Teras Empang has not yet formally identified its segmentation, target market, or positioning strategy, even though these components are vital for setting clearer business directions. Therefore, it becomes important to identify who their potential segments are, which target groups they should prioritize, and how the café should position its offerings.

Sales patterns at Café Teras Empang generally exhibit seasonal variations. Sales tend to increase during March and April, whereas from July to August, the sales of food and beverages frequently decline and fluctuate until December. These fluctuations are closely related to the holiday period occurring in June, during which schools, universities, and several offices are on break, prompting many individuals to use their free time to visit Teras Empang. Additionally, June often coincides with the holy month of Ramadan, making Café Teras Empang a popular location for gathering and breaking the fast. Based on these conditions, this study aims to examine the implementation of STP strategies, which have not been systematically applied at Café Teras Empang as a culinary and tourism destination.

2. METHOD

According to Sugiyono (2017:14), descriptive analysis is employed to process and present collected data by outlining the characteristics of the research object based on the sample or population as it exists, without performing further analytical procedures or drawing broad generalizations. This approach typically includes a description of respondent attributes such as gender, age, and place of origin.

Multiple linear regression, on the other hand, is utilized to assess the predictive relationship between one dependent variable (y) and several independent variables (x). The technique is designed to measure how strongly the independent variables collectively and individually influence the dependent variable. As referenced in Sugiyono (2010:277), this analytical method has been applied, for example, in examining the impact of service quality on customer satisfaction at Makassar Gapura Beach Hotel. The general regression equation used is expressed as:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + e$$

The t-test is applied to evaluate whether each independent variable exerts a statistically significant partial effect on the dependent variable. This procedure is performed by comparing the obtained significance value (sig.) with the acceptable error level of 5% (0.05). If the significance value is below 0.05, the variable is considered to have a meaningful partial influence; otherwise, its effect is deemed non-significant.

Meanwhile, the F-test is used to determine whether the regression model as a whole demonstrates a significant influence. The assessment is carried out by comparing the calculated F value with the critical value in the F table. When the F statistic exceeds the value in the table, it indicates that all independent variables—such as attitudes and subjective norms—jointly have a significant relationship and impact on the dependent variable (e.g., behavioral intention). Conversely, if the F statistic is lower than the table value, the combined variables do not significantly affect the outcome variable, such as purchasing decisions.

In this multiple linear regression model, the overall contribution of the independent variables to the dependent variable can be evaluated through the coefficient of determination (R^2). An R^2 value approaching 1 suggests that the model has strong explanatory power in describing the relationship between the variables. Conversely, an R^2 value nearing 0 indicates that the independent variables provide only weak explanatory influence on the dependent variable.

3. RESULTS AND DISCUSSION

Multiple linear regression analysis was used in this study with the aim of proving the hypothesis regarding segmentation, Targeting, and Positioning dimensions variables partially or individually or simultaneously or together on Sales Volume variables at Cafe Teras Empang Parepare City. Statistical calculations in multiple linear regression analysis used in this study are with the help of a computer program using the SPSS 26 application. The results of data processing using the complete SPSS program are contained in the appendix to this study and are further explained in Table 1 below:

Table 1. Result of Multiple Linear Regression Analysis

Coefficients^a

Model		Unstandardized Coefficients	Unstandardized Coefficients	Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.944	7.182		1.245	.222
	Segmentation	.164	.124	.248	1.318	.197
	Targetting	.061	.158	.072	.385	.703
	Positioning	.032	.153	0.036	.211	.835

a. Dependent Variable: Sales Volume
Source: Data processed, 2025

Based on the results of multiple li`near regression analysis that has been carried out in this study, the regression equation is obtained as follows: Y = 8.944 + 0.164 X1 + 0.061 X2 + 0.032 X3 + e From the regression equation it can be seen that the regression coefficient is positive. Then the following conclusions can be drawn: 1) The results of the analysis obtained that the segmentation variable (segmenting) in this study is X1 has a regression coefficient of 0.164 (positive sign) on the level of sales (Y) and a tcount value of 1.318 with a significance level of 0.197 (> 0.05). This means that segmentation (X1) has a positive and insignificant effect on the sales level (Y). 2) The results of the analysis obtained that the Target variable (targeting) in this study is X2 has a regression coefficient of 0.061 (positive sign) on the sales level (Y) and a tcount value of 0.385 with a significant level of 0.703 (>0.05). This shows that Target (X2) has a positive and insignificant effect on the sales level (Y). 3) The analysis results obtained by the Position variable (positioning) in this study are X3 has a regression coefficient of 0.032 (positive sign) on the sales level (Y) and a tcount value of 0.211 with a significant level of 0.835 (>0.05). This means that Position (X3) has a positive and insignificant effect on the sales level (Y).

Table 2. Results of Simultaneous Regression Test

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	15.277	3	5.092	.901	.452^b
	Residual	175.123	31	5.649		
	Total	190.400	34			

a. Dependent Variable: Sales Volume
b. Predictors: (Constant), Positioning, Targetting, Segmentation
Source: Data processed, 2025

Testing the effect of independent variables together on the dependent variable is done using the F test. The results of statistical calculations show the value of F count = 15,277 with a significance of 0.452<0.05. With a significance value below 0.05, it shows that together segmentation, targeting, and positioning care have a positive and not significant influence on sales volume.

Furthermore, the coefficient of determination is used to determine how much influence the independent variables have on the dependent variable. The coefficient of determination is determined by the R square value.

Table 3. Coefficient of Determination

Model Summaryᵃ

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.283ᵃ	.080	-.009	2.377

a. Predictors: (Constant), Positioning, Targetting, Segmentation
Source: Data processed, 2025

The regression output indicates that the coefficient of determination (R^2) obtained is 0.80. This value implies that 80% of the variation in sales volume can be explained by the segmentation, targeting, and positioning variables, while the remaining 20% is influenced by other factors not examined in this study. Thus, the model demonstrates a fairly strong explanatory capability in capturing the role of STP-related decisions on the sales performance of the café.

Overall, the findings of this study reveal outcomes that can be considered satisfactory. The analysis illustrates that the sales volume of Café Teras Empang in Parepare tends to be positively influenced by marketing-related practices. Respondent perceptions regarding food and beverage offerings—particularly aspects such as product and place innovation along with service quality—contribute to shaping these positive trends across the variables examined. However, the regression results also demonstrate that segmentation, targeting, and positioning, although showing positive coefficients, do not exert statistically significant effects. This condition suggests that applying the STP framework assists in clarifying the intended customer group and directing product offerings more effectively, thereby enhancing the café's attractiveness, but such strategic clarity alone does not result in a significant increase in sales.

The empirical results for the segmentation variable indicate a positive yet statistically insignificant effect on sales volume. This provides evidence that segmentation based on product quality and service aspects contributes to improved sales performance, although the magnitude of its influence remains limited. As highlighted by Renigier-Biłozor et al. (2022) and Swastha & Handoko (2000), segmentation involves dividing a heterogeneous market into more homogeneous units. In the case of Café Teras Empang, however, the business offers food and beverages to a broad range of consumer groups, supported by a venue designed to cater to diverse customer preferences, which may dilute the measurable impact of segmentation on sales (Kim & Tucker, 2016).

Similarly, the results for the targeting variable show a positive yet insignificant effect on sales volume. This suggests that the café's efforts in refining its food and beverage innovations and utilizing promotional tools—such as communication channels that highlight its coastal café experience—contribute to customer awareness and interest, although the effect remains modest. Öztamur & Karakadılar (2014) and Kasali (2001) emphasize that targeting involves selecting and prioritizing specific market segments as focal points of marketing activities. In practice, the visitors of Café Teras Empang are predominantly individuals seeking a unique dining atmosphere and comfort distinct from other cafés, which may not translate directly into substantial increases in sales volume.

The findings for the positioning variable indicate a positive yet statistically insignificant influence on sales volume. This suggests that positioning Café Teras Empang as a café offering a natural coastal ambience—aligned with its location near the shoreline and its function as a family-friendly gathering place—does contribute to shaping consumer perceptions, although the magnitude of this effect remains relatively limited. These results reinforce the notion that while positioning may enhance the café's distinctiveness and appeal, its direct impact on sales is not substantial (Choi et al., 2017; Aversa et al., 2021; Leung et al., 2022).

According to Tien et al. (2019) and Lee et al. (2014), market positioning involves crafting the image of a product or company in such a way that it occupies a unique and favorable space in the minds of target consumers, ultimately distinguishing it from competitors. In the context of Café Teras Empang, the coastal setting allows the business to emphasize scenic natural views and a relaxing environment, factors that help create a memorable impression for visitors. This distinctive positioning may influence customer decisions to visit the café, especially for family gatherings, although the effect captured statistically in this study remains modest.

4. CONCLUSIONS AND RECOMMENDATIONS

Based on the results of the analysis conducted in this study, it can be concluded that the variables of segmentation, targeting, and positioning exert a positive yet statistically insignificant effect on sales levels (Y). This finding indicates that although the direction of influence between STP variables and sales is positive, the strength of the relationship is weak and not consistently significant. It is likely that other determinants outside the scope of this study have a more dominant role in shaping the sales performance of Café Teras Empang.

These results highlight the need for additional investigation to identify other factors that may have a more substantial impact on sales outcomes. Furthermore, strengthening the formulation and implementation of segmentation, targeting, and positioning strategies could be an important consideration for business practitioners seeking to enhance sales performance. It is essential to emphasize that the conclusions of this study are context-specific and may not be directly generalizable to different industries or operational settings. Therefore, subsequent research and comparative analyses could provide a broader understanding of how STP variables influence sales in varied environments.

For future studies adopting a similar theme, it is recommended to incorporate additional independent variables related to marketing strategies aligned with the STP framework. For instance, integrating the STP variables with elements of the marketing mix may help explain sales performance more comprehensively. This is important because several relevant variables beyond those examined in the current model may influence the sales level of a business.

Based on the researcher's observations, several practical recommendations can be provided for Café Teras Empang. The café should develop or introduce signature food and beverage items that distinguish it from competitors. A well-defined flagship product has the potential to become top-of-mind for consumers and strengthen the café's market identity. Additionally, the pricing structure—particularly entry or access fees, should be reconsidered, as it may influence customers' decisions to visit. An alternative approach could involve differentiating ticket prices between visitors who wish to enjoy the coastal views and those who intend only to purchase food and beverages, allowing for a more balanced and consumer-oriented pricing strategy.

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