

# Analysis of STP

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# Analysis of Segmentation, Targeting, and Positioning in the Hospitality Sector: The Case of Paputo Beach Café

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## Abstract

This study aimed to assess and analyze whether the marketing strategy of segmentation, target, and position (STP) on the level of sales has been implemented by Paputo Beach café in Parepare during a particular period which was from 2018 to 2019. The study applied a quantitative approach. The population of this study were the Paputo Beach café customers. The size of the sample in this study was 100 customers who visited Paputo Beach café. This study employed a representative approach as the sampling method. The data collection was via questionnaire utilization supported by interviews. Moreover, this study applied multiple linear regression analysis and this was followed by the analysis of F test and T test. Based on the results of this study through the application of multiple linear regression analysis, this study found that the regression equation is  $Y = 13,929 + (-0,082 X_1) + 0,112 X_2 + (-0,097 X_3) + e$ . In line with the statistical analysis data, this study shows that all the indicators are valid through the validity test and using the reliability test, all the variables are reliable. Furthermore, by using the method of the classical assumption, this study discovered that all the indicators are in the normal distribution and the correlation is significantly linear onto each independent variable and the dependent variable. This study eventually found that the effects of STP are positive, however not significant, towards the level of sales of Paputo Beach café in Parepare. Restaurant branding communicates a restaurant's personality and unique identity and a well considered brand creates an desired emotional connection with guests.

**Keywords:** segmentation, targeting, positioning, sales level, Indonesia.

## Introduction

The increasing number of businesses that have sprung up both small medium-sized enterprise (SME) and large businesses has an impact on the fierce competition between culinary entrepreneurs. One way to win this competition is to improve product quality (Nicolaidis, 2008a). To improve the quality of products to meet the costumers' needs, producers must always make improvements and innovations on their products and on a continuous basis. Good product design and marketing strategies therefore become interrelated. Each company must constantly develop its products or design its products in order to maintain and



increase the sales. This is due to the existing products are vulnerable on the changes e.g. the consumers' needs and tastes, new technology, and competition.

In order to market a product, a marketer has to identify and know what is critical in terms of the customers needs and wants. Marketers are also required to have several market segments which have the same character and response. By understanding who the customers are, a marketer can determine how to create the product that will fulfil the customers' needs, how to decide a decent sale price of the product for the customers and how to maintain the market from the competitors (Nicolaidis, 2016a).

The growing of food and beverage industry in the Parepare, one of the cities in South Sulawesi, Indonesia, brings a in a new competition level that is greater than before. Great numbers of culinary industries deal with several problems such as difficulty in maintaining and developing their businesses. One of the challenges in every company that may be faced is how the industry is able to get and preserve the customers. To this challenge, the industry therefore is required to become adaptable in responding any change that may occur (Nicolaidis, 2008a). To be more specific in change, the education, income, types of work, experience, age, etc. alter the position and transfer an individual gradually from one segment to another. In line with such change, the customers hence continue to change from time to time and this will be influenced by several existing segments. How a company or industry can preserve and maintain its segment so that the customers do not move to other segments is by being ethical in practices and in realising customer needs more effectively than others (Nicolaidis, 2008b).

Tourism in South Sulawesi is continually developing. Such developments on tourism then invariably affect the business. For example, many entrepreneurs who manage the tourist attractions are offering their services creatively to attract the customers. This can be seen in some places in the region e.g. Akkarena Beach and La Buana Café & Resto in Makassar. Both of them renovated the tourist attractions to become a café. Such renovations are not only occurring in Akkarena Beach and La Buana Café & Resto in Makassar, but also in Parepare. There is also an entrepreneur who turned a beach spoy into a cafe, which is known as Paputo Beach in Parepare. One of the key culinary businesses in Parepare is Paputo Beach. Paputo Beach provides foods and drinks that are similar to what cafés or warkop offer to their customers. Besides the culinary products, Paputo Beach also offers great value for money for its customers, which is boosted by a sea view. Hence, customers also enjoy the view when dining out.

In regard to this phenomenon, the competition inside the culinary businesses in Parepare supports every business unit that engages in the food industry to obtain and sustain customer patronage. Under these circumstances, the role of a marketing strategy becomes essential in order to deal with an increasingly competitive environment. The companies are asked to carefully identify and apply the marketing strategies, to act ethically in marketing initiatives (Nicolaidis, 2018) and to recognize the market (segmenting), optimizing the target of the market (targeting), and to determine the market position (positioning) (Ramphal & Nicolaidis, 2014; Lee et al., 2006).

Based on the marketing perspective, Paputo Beach café, which has been actively operating for around 1 year, has not implemented the determination of segmentation, targets, and position or the type of business. Paputo Beach café is accordingly suggested to apply STP so that the café's goals are more carefully



directed. According to this phenomenon, this study hence intends to illustrate the STP for Paputo Beach café. The following table is Paputo Beach's food and beverage sales records.

**Table 1. FOOD AND DRINKS SALES RECORDS OF PAPUTO BEACH CAFÉ IN 2018**

Month	Sales (IDR)	Percentage per Month (%)
March	125.384.000	-
April	269.674.000	115.1
May	226.543.000	-16
June	353.816.000	56.2
July	285.979.000	-19.2
August	184.353.000	-35.5
September	193.955.000	5.2
October	112.282.000	-42.1
November	139.266.000	24.0
December	158.830.000	14.0

Source: Paputo Beach Café (2019)

Table 1 shows the number of Paputo Beach Café's sales of food and beverage in 2018 in March to December. Records in January to February have not been received from the café. Table 1 shows there was a sales escalation in March to April and May to June. However, in June to December the sales report tended to fluctuate between decline and incline. Looking at the data above, it shows that in June the sales increased on food and beverage for IDR 353,816,000. This was due to the fact that in June there are many holidays such as school and university long holidays. This allows many people to take advantage of their vacation by visiting tourism attractions including Paputo Beach café. The sales also increase due to the specific moment with the Ramadhan month so that some people choose to break their fasting with their family at the Paputo Beach café.

Segmentation, which relies on the results of the research, provides the way in obtaining the information, the accuracy of information about the product, and therefore it helps the respondents in making decisions. Furthermore, targeting based on the results of the research demonstrates that strategy of targeting influences the customers' decision to buy the products. Last but not least, positioning based on the results of the research indicates that the positioning strategy also affects the customers' decision to buy the product.

## Literature Review

### Marketing

Marketing is one of the main activities that need to be carried out by companies in order to maintain the viability of their businesses. This is due to marketing is one of the company's activities which is directly related to the customers. According to Musa et al. (2018), marketing identifies and fulfil the human and social needs. According to Armstrong et al. (1990) explains marketing as a social and managerial process where individuals and groups get their needs by creating, offering and, exchanging things that have value to each other. According to Porral and Stanton (2001), marketing is an overall system of business activities aimed at planning, pricing, promoting, and distributing goods or services that fulfil the needs of both existing and potential buyers. Nicolaidis, (2016b), says that all marketing should be driven by effective codes of practice so that customers are not manipulated by greedy businesses.



### **Marketing Concept**

Marketing is an important factor for achieving success for the company. Through the application of good marketing, the company gets to understand the right ways and philosophies involved in the marketing process (Kotler et al., 2010). Such ways and philosophies are called the marketing concept which is generated using three basic factors, namely:

- a) Channel of planning and corporate activities should be oriented onto the customer or market.
- b) The volume of sales should be the objectives of the company, instead of the volume for all's interest itself.
- c) All marketing activities within the company should be coordinated and integrated as an organizational practice.

The main objective of the marketing concept is to serve the customers while earning some profit or it can be interpreted as a comparison between the income and the cost. This is different from the concept of sales which emphasizes the the company's needs. The philosophy of the sales approach is to produce a business, and then ensure that the customers buy at that business.

### **Marketing strategy**

Marketing strategy is basically a comprehensive, integrated, and unified plan in the marketing context that provides a direction about the future activities which should be carried out in order to achieve the marketing objectives of a company. In other words, marketing strategy is a set of goals or targets, policies, and rules that provides a guideline for a company's marketing efforts from time to time, in each level and its references and allocations. This is also especially as a response of the company in dealing with the frequent changes in the operational environment and in dealing with the often fierce competition (Bonoma, 1985).

### **Market Segmentation**

According to Ahani et al. (2019), market segmentation is the act of identifying and forming different groups of buyers who may request separated products and/or marketing strategies. Based on the above definition, market segmentation can be interpreted as the process of dividing heterogeneous markets into the more homogeneous groups, which have similar needs or characteristics and responses to marketing programs (Nicolaidis, 2008; Kotler & Keller, 2006; Goswami, 2018).

According to Armstrong et al. (2018), and also Anwar (2012), market segments consist of groups of customers who have the same set of needs and wants. There is no single way to segment the market. Marketers have to try a number of different segmentation variables, individually or together, in the hope of finding the best way to see the market structure clearly. Furthermore, Musa (2002) stated that segmentation can be done based on the following variables:

- a. Geographic segmentation is a segmentation that divides markets into different geographical units such as countries, autonomous regions, cities, climates, or residential areas.
- b. Demographic segmentation is a segmentation that divides markets into various groups based on variables such as age, gender, family life cycle, income, employment, education, religion, race and nationality. Demographic factors are most often the basis for grading consumer



groups. One reason is the needs, desires and levels of consumer use are closely related to demographic variables. Another reason is that demographic variables are easier to measure compared to other types of variables.

- c. Behavioral segmentation classifies the buyer based on knowledge, attitudes, usage rates on a product or service, as well as the benefits looked after by the customers in purchasing a product or service.
- d. Psychographic segmentation divides customers into different groups based on their lifestyle characteristics and personalities. (Wijaya, 2006).

According to Wardana and Maulana (2014), in order to provide a more effective and useful process of the market segmentation for the company, the market segmentation should meet the following conditions:

- a) Market segmentation can be measured or is measurable, the size and extent as well as the purchasing power of the segment.
- b) Market segmentation can be reached or is accessible, so it can be served selectively.
- c) Market segmentation is substantial so it can be profitable if it serves.
- d) Market segmentation can be implemented or is actionable, so all programs that have been arranged to attract and serve that market segment becoming effective.
- e) Market segmentation can be distinguished or is differentiable, so the segments can be separated conceptually and the segments can respond differently to the elements and programs of different marketing mix.

### **Target Market**

To design a superior marketing strategy, the companies must first decide who they will serve by dividing the market into customer segments (market segmentation) and selecting which segments are the objectives (marketing targets). The target market or market targeting consists of a group of buyers who have the same characteristic needs, and which the company wants to serve well.

Target market (targeting) is an activity of selecting one or more market segments that are intended to be entered into. The purpose this target determination is to provide satisfaction for the customers needs and diverse wants. When costumers are satisfied, the demand for a product is increasing, with increasing demand; the company's profits also increase (Nicolaidis, 2008). The product of the targeting is the target market, which is a focused market segment of marketing activities.

Kotler, (1967) anticipated probing every product as though it were three distinct products and he termed these the core benefit, the actual product, and the augmented product. The Core benefit referes to the the rudimentary customer need that is being fulfilled. The Actual product is the features of the product that the customer sees. Then her is the Augmented product which is the intangible features of the product. The real value is added at this level but when put together, these three separate products are recognized as Three Product Levels.

According to Reutterer et al. (2006) companies can consider five target market selection patterns, namely:

1. Single segment concentration  
In the context of minor issue, the company selects a single segment. This is because there are limited funds owned by the company. It also due to the fact that there are market opportunities in the relevant segment that have not been worked on or even ignored by the competitors, or else the



company considers that segment is the most appropriate segment. Relying on only one segment, the company obtains a deep understanding of the needs of the segment and the company is able to achieve a strong market position and a solid brand image.

2. Selective specialization

In this strategy, the company picks a number of attractive market segments and these are based on its objectives and resources. Each segment can have strong synergies with the others or be without synergy at all, but at least each segment promises a source of income for the company. With this strategy, the company can minimize the risk in which if there is a decline in one segment, then the company's overall sales are not affected, because the company still attains revenue from other segments.

3. Market specialization

The company concentrates on serving many needs of a particular group of customers. Through this strategy, the company acquires a strong reputation from the customers through its service to the customer groups and such company may become a key reference for the customer if the customers later need other products.

4. Product specialization

The company concentrates on the certain products manufacturing that will be sold within several segments. Through this strategy, the company gains a stronger reputation in the specific product fields.

5. Full market coverage

The company gives a great effort to serve all customers with all the products needed. However, only large companies can handle a full range of market strategies.

## Positioning

Market position (positioning) is the act of designing a product and company image in order to create an impression and a special and unique place in the minds of the target market and eventually the company is perceived as a superior than other competitors (Armstrong & Collopy, 1996). This is linked to brand and should be palpable upon entering the restaurant. Not only does quality restaurant branding increase loyalty, but it also entices new customers who may be attracted to the brand through effective word of mouth and other marketing. Product positioning is a management strategy that uses information to create an impression of a product in accordance with the desires of the intended market. Thus, positioning can be explained as an effort made by the company through designing their products so as to create the impression and image in the minds of customers and as such the market position meets the company's targeted market (Keegan et al., 2012). The positioning strategy of the product includes:

a. Positioning on benefits

This strategy locates the products as a leader in a particular benefit. Benefits include a symbolic benefit, functional benefits, and experience. Successful positioning requires a good communication strategy that is able to attract the needs of the customers whether symbolic, functional, and experimentally.

b. Positioning by category

Positioning by product category is to locate the product as a leader in this product category. Product can be categorized in the beverage and food category, household product category, medicine category, personal care category, personal equipment category, household equipment category,



communication and information technology category, automotive category, and banking and financial categories.

- c. Positioning based on attributes  
Positioning based on the attribute highlights the products based on symbol, logo, size, color, location, and so on.
- d. Positioning based on its value  
Market targeting determines the company's competitors. The company should examine the competitor's position and choose it's the best position. Positioning is the act of designing the image the value of the company so the customers in a particular segment can understand and appreciate the company's position in relation to its products.

### **Sales Level**

Sales level is the level of company activities e.g. production and sales. This level is the sales that are stated in terms of the number of sales, the number of physical units or the amount of money that must be achieved. In a company marketing objectives are to increase the level of sales that are profitable in the sense that it can generate revenue optimally and increase profits. Based on the above understanding it can be concluded that the level of sales is the number of units of the product sold which is expressed in terms of the number of units that must be achieved in product sales. One of the company's goals in carrying out its activities is achieving the desired level of sales by the company in the form of goods or services and developing a brand personality (Keller & Richey,2006). With the level of sales the company can generate revenue and obtain the expected profit. So an increase in the level of sales is needed by the company in order to achieve profits and its survival can be maintained.

Factors that affect the level of sales, based on the study of Ataman et al. (2010: 99), namely:

- 1) Company condition  
Companies or manufacturers are the deciding factor in this increase in sales of the company and must implement a marketing strategy effectively and efficiently and attracts the consumers. In addition to marketing strategy, capital and services are provided by the customers and must be able to support their needs and wants.
- 2) Customer state  
The customer is the determinant of company income, under certain conditions; the customer can buy more or less. The different market conditions become the determinants of customers in making buying decisions.
- 3) Government  
Under specific circumstances, the government plays the vital role in increasing the company's earnings. Through the policies of the government, a company can benefit or could be harmed. Also, national security and economic stability of the country become factors that could increase or decrease the company's income such as for example any global pandemics.

### **Research Method**

This study adopted a quantitative approach in addressing the proposed research question because this methods involves the collection and analysis of numerical data that yields descriptive results to explain relationships between variables of study, theories and social reality (Saunders et al, 2013). Essentially, quantitative





methods employ mathematical and statistical approaches (empirical data) to make sense of a phenomenon under study. The sample size for this study consisted of 100 café customers as respondents who were selected through a convenience sampling method. The collected data was analysed using the SPSS (Statistical Package for the Social Sciences) statistic program for the analysis of the results. The results of the analysis were presented in appropriate info-graphics, using frequency and percentages to explain the demographics of the participants.

## Results

### Response Index of Respondents on Segmentation

Segmentation shows who the consumers of Paputo Beach café are or what products are sold to prospective customers, where food and drink is an example of being all the provisions provided by Cafe Paputo so as to satisfy consumers needs. This study uses 4 items. The results of responses to segmentation can be explained in the following table:

**Table 2. RESPONSE INDEX ON SEGMENTATION**

No	Indicator	Score					Qty	Index	Criteria
		SS	S	CS	TS	STS			
1	Indicator 1	55	27	14	4	0	441	88,2	High
2	Indicator 2	44	18	36	2	0	404	80,8	High
3	Indicator 3	49	51	0	0	0	449	89,8	High
4	Indicator 4	44	44	12	0	0	432	86,4	High
<b>Total</b>									
<b>Index X1</b>							<b>1.726</b>	<b>86,3</b>	<b>High</b>

Source: Data processing results of questionnaire, 2019.

The measurement of respondents' responses regarding segmentation was as follows:

1. Indicator 1  
Index Value =  $[(0 \times 1) + (4 \times 4) + (14 \times 3) + (27 \times 4) + (55 \times 5)] / 5 = 88.2$
2. Indicator 2  
Index value =  $[(0 \times 1) + (2 \times 2) + (36 \times 3) + (18 \times 4) + (44 \times 5)] / 5 = 80.8$
3. Indicator 3  
Index value =  $[(0 \times 1) + (0 \times 2) + (0 \times 3) + (51 \times 4) + (49 \times 5)] / 5 = 89.8$
4. Indicator 4  
Index value =  $[(0 \times 1) + (0 \times 2) + (12 \times 3) + (44 \times 4) + (44 \times 5)] / 5 = 86.4$

Looking at the responses of the respondents in the table 2, it shows that most respondents gave very agreeing responses, for the respondents' response index regarding the segmentation that had the highest score was indicator 3 with an index value of 89.8. This was due to the food and drinks provided by Paputo Beach café which are already suitable to be seen from consumers who like the food and beverage products offered. The lowest score was seen in indicator 2 with an index value of 80.8, this was due to special services to consumers who want to conduct revitalization for events such as seminars in stages of development. In theory demographic segregation, things that are supported by the food and drinks provided can be felt by all groups, whether it is seen from the sex, age, religion, income, education, work and family life cycle, because the food and drinks provided at Paputo Beach café was found to be in accordance with the needs and desires of consumers, In addition, the café has a characteristic comparable to the



cafes in the vicinity, namely it is a café with a place on the coast so that it has its own unique attraction to bring to prospective customers.

### Index of Respondents' Response to Targets

Segmentation shows who the customers of Paputo Beach café are or what products are sold to prospective customers, where food and drink is an example of being all the provisions provided by Paputo Beach café. This study uses 4 items. The results of responses to segmentation can be explained in the following table 3:

**Table 3. RESPONSE ON TARGETING**

No	Indicator	Score					Qty	Index	Criteria
		SS	S	CS	TS	STS			
1	Indicator 1	64	33	3	0	0	461	92,2	High
2	Indicator 2	67	29	4	0	0	463	92,6	High
3	Indicator 3	70	27	3	0	0	467	93,4	High
4	Indicator 4	62	35	3	0	0	459	91,8	High
<b>Total</b>							<b>1.850</b>		
<b>Index X2</b>								<b>92,5</b>	<b>High</b>

Source: Data processing results of questionnaire, 2019.

The measurement of respondents' responses regarding targeting is as follows:

1. Indicator 1  
Index Value =  $[(0 \times 1) + (0 \times 4) + (3 \times 3) + (33 \times 4) + (64 \times 5)] / 5 = 92,2$
2. Indicator 2  
Index value =  $[(0 \times 1) + (0 \times 2) + (4 \times 3) + (29 \times 4) + (67 \times 5)] / 5 = 92,6$
3. Indicator 3  
Index value =  $[(0 \times 1) + (0 \times 2) + (3 \times 3) + (27 \times 4) + (70 \times 5)] / 5 = 93,4$
4. Indicator 4  
Index value =  $[(0 \times 1) + (0 \times 2) + (3 \times 3) + (35 \times 4) + (62 \times 5)] / 5 = 91,8$

Respondents' responses in the table 3 shows that the highest respondent's response was indicator 2 with an index value of 93.4 and this is due to the prices offered on food and beverage products which can be said to be affordable for all people. This is seen from the payment process at the cashier which usually conduct transactions both from adolescents, adults, and parents, while for the lowest respondent's response is indicator 3 with an index value of 91.8. This is due to the fact that the number of consumers every day is erratic as seen from the Paputo Beach café visits, so that sometimes it is crowded and sometimes very quiet. In theory, the target market the café targets are consumers who come to visit the café in groups, whether with family or friends or friends.

Paputo Beach café also often drives new developments or modifications to the food and drinks offerings offered to consumers and this promotes Paputo Beach café processes utilizing social media such as Instagram, Facebook and others as well as other media such as radio and newspapers to provide positive references about Paputo Beach café to the public.

### Index of Respondents' Response to Market Position

Market position shows the act of designing a product and company image to create an impression or a special and unique place in the minds of the target market in such a way, that they find out the market position of the Paputo Beach café. This study used 4 questionnaire items in a positioning questionnaire to measure the company as viewed by the respondents regarding the responsiveness at Paputo



Beach café. Here are the results of a response variable market position that can be in described in the following table:

**Table 4. RESPONSE ON MARKET POSITION**

No	Indicator	Score					Qty	Index	Criteria
		SS	S	CS	TS	STS			
1	Indicator 1	50	25	25	0	0	425	85	High
2	Indicator 2	39	33	28	0	0	411	82,2	High
3	Indicator 3	58	25	17	0	0	441	88,2	Tinggi
4	Indicator 4	31	60	9	0	0	422	84,4	High
<b>Total</b>							<b>1.699</b>		
<b>Index X1</b>								<b>84,95</b>	<b>High</b>

Source: Data processing results of questionnaire, 2019.

The measurement of respondents' responses regarding targeting is as follows:

1. Indicator 1  

$$\text{Index Value} = [(0 \times 1) + (0 \times 4) + (25 \times 3) + (25 \times 4) + (50 \times 5)] / 5 = 85$$
2. Indicator 2  

$$\text{Index value} = [(0 \times 1) + (0 \times 2) + (28 \times 3) + (33 \times 4) + (39 \times 5)] / 5 = 82,2$$
3. Indicator 3  

$$\text{Index value} = [(0 \times 1) + (0 \times 2) + (17 \times 3) + (25 \times 4) + (58 \times 5)] / 5 = 88,2$$
4. Indicator 4  

$$\text{Index value} = [(0 \times 1) + (0 \times 2) + (9 \times 3) + (60 \times 4) + (31 \times 5)] / 5 = 84,4$$

Respondents' response in the table above shows that the highest respondent's response was indicator 3 with an index score of 39.25, this is due to the location of Paputo Beach café being very close to the coast so that it can provide a beautiful view and impression for visitors. The lowest respondent's response is indicator 2 with an index score of 22.6, this is because Paputo Beach café itself is not only for people who want to enjoy food and drinks but also visitors who can enjoy the beach of Paputo Beach café. According to market position theory, Paputo Beach café has created a product and company image so that it has an impression and is considered to be a special and unique place in the minds of consumers. This supports it being viewed as superior to its competitors. Thanks to its location on the coast, Paputo Beach café has the advantage of an attractive view, so that if the people of Parepare or outside Parepare want to take a vacation to the beach, the Paputo Beach café can be their vacation option.

#### A. Index of Respondents' Response on the Level of Sales

The level of sales is the level of activity of the company both production and sales, in a company the marketing objective is to increase the level of profitable sales in the sense that it can generate revenue optimally and can increase profits. The following table is the result of responses to the Sales Level:

**Table 5. RESPONSE ON LEVEL OF SALES**

No	Indicator	Score					Qty	Index	Criteria
		SS	S	CS	TS	STS			
1	Indicator 1	31	41	24	4	0	407	81,4	High
2	Indicator 2	56	33	11	0	0	445	89	High
3	Indicator 3	55	39	6	0	0	449	89,8	High
<b>Total</b>							<b>1.301</b>		
<b>Avarage</b>								<b>86,7</b>	<b>High</b>

Source: Data processing results of questionnaire, 2019.



The measurement of respondents' responses regarding level of sales is as follows:

1. Indicator 1  
Index Value =  $[(0 \times 1) + (4 \times 4) + (24 \times 3) + (41 \times 4) + (31 \times 5)] / 5 = 81,4$
2. Indicator 2  
Index value =  $[(0 \times 1) + (0 \times 2) + (11 \times 3) + (33 \times 4) + (56 \times 5)] / 5 = 89$
3. Indicator 3  
Index value =  $[(0 \times 1) + (0 \times 2) + (6 \times 3) + (39 \times 4) + (55 \times 5)] / 5 = 89,8$

The respondent's response at the level of sales shows that the highest respondent's response is indicator 3 with an index score of 89.8, according to respondents consumers do not experience problems in the sense that consumers do not have a problem going to the location of Paputo Beach café. For the lowest respondent's, the response is an indicator 1 with a score of 81.4, this is due to the lack of support from the local government in terms of promoting Paputo Beach café for a wider audience both from within and from outside the city of Parepare. According to the theory, the level of sales at Paputo Beach café itself is experiencing fluctuations due to visitors to Paputo Beach café, which as stated earlier id sometimes crowded and sometimes quiet.

### Data Analysis

#### Validity Test

Validity testing in this study was conducted using correlation analysis. The calculation was done with the help of SPSS 21 program, in the validity test this time if  $r\text{-table} > r\text{-count}$  means to show as a valid item. To test the validity of this study there were 4 variables namely segmentation, target and position free variables while the dependent variable is the level of sales. The results of the validity test data were obtained from the score of each questionnaire given to the respondents. The overall validity test can be seen in the following table:

#### Validity Test Table of Segmentation Variable

a. Table 6. VALIDITY TEST OF SEGMENTATION VARIABLES

1.	Segmentation	r-count	r-table	Information
	Indicator 1	0.537	0.195	VALID
	Indicator 2	0.506	0.195	VALID
	Indicator 3	0.329	0.195	VALID
	Indicator 4	0.307	0.195	VALID

Source: Data analysis results of SPSS, 2019.

b. Table 7. VALIDITY TEST OF TARGET VARIABLES

2	Target	r-count	r-table	Information
	Indicator 1	0.562	0.195	VALID
	Indicator 2	0.623	0.195	VALID
	Indicator 3	0.610	0.195	VALID
	Indicator 4	0.234	0.195	VALID

Source: Data analysis results of SPSS, 2019.



**c. Table 8. VALIDITY TEST OF POSITION VARIABLES**

3	Position	r- count	r-table	Information
	Indicator 1	0.357	0.195	VALID
	Indicator 2	0.327	0.195	VALID
	Indicator 3	0.464	0.195	VALID
	Indicator 4	0.502	0.195	VALID

Source: Data analysis results of SPSS, 2019.

**d. Table 9. VALIDITY TEST OF SALES LEVEL VARIABLES**

Source: Data analysis results of SPSS, 2019.

4	The Level of Sales	r- count	r-table	Information
	Indicator 1	0.708	0.195	VALID
	Indicator 2	0.310	0.195	VALID
	Indicator 6	0.380	0.195	VALID

Table 6 to 9 show that all indicators used to measure the variables have a correlation value which is greater than 0.195. The results of such value indicate that all of the indicators are valid.

### Reliability Test

Reliability testing is useful to provide the assumption that if  $r\text{-count} > r\text{-table}$  is declared reliable for each variable; The reliability test result follows:

**Table 10. THE RESULTS OF REALIBILITY TEST** Source: Data analysis results of SPSS, 2019.

Realibility	r-count	r-table	Information
X1	0.617	0.195	RELIABLE
X2	0.631	0.195	RELIABLE
X3	0.609	0.195	RELIABLE
Y	0.588	0.195	RELIABLE

The reliability test results show that all  $r\text{-counts}$  of each variable are greater than  $r\text{-table}$  so that it can be said that all measuring concepts of each variable from the questionnaire are reliable or consistent. That means the questionnaire used in this study was a reliable questionnaire.

### Classic Assumption Test

#### Normality test

A good regression model has a normal or near normal data distribution. The normality test in this study used the Kolmogorov-Smirnov method. The normality test results can be seen in the following table 11:



**Table 11. THE RESULTS OF NORMALITY TEST**  
**One-Sample Kolmogorov-Smirnov Test**

		Unstandardized Residual
N		100
Normal Parameters <sup>a,b</sup>	Mean	.0000000
	Std. Deviation	1.16850315
	Absolute	.056
Most Extreme Differences	Positive	.056
	Negative	-.050
Kolmogorov-Smirnov Z		.563
Asymp. Sig. (2-tailed)		.910

a. Test distribution is Normal.

b. Calculated from data.

Source: Data analysis results of SPSS, 2019.

From the table above shows that the significance value obtained by Asymp.sig. (2-tailed) is 0.910 which is greater than 0.05. So it can be said that the above normality data stated that the data is normally distributed.

a. Linearity test

Linearity testing in this study was carried out using a comparison of the significance value of deviation from linearity on each independent variable. The following is a table 12 of linearity tests results:

**Table 12. Linearity Test Results**

Variable	Sig. Devanation from Linearity	Information
Segmentation	0.486	Linearity
Target	0.509	Linearity
Position	0,682	Linearity

Source: Data analysis results of SPSS, 2019.

The test results show that the significance value of Deviation from Linearity on each of the variables above there is a significant linear relationship between each independent variable with the dependent variable. This is evidenced by the significance value of Deviation from Linearity y from the Segmentation variable, the target and the position value is greater than 0.05 or 5%.

a. Heteroscedasticity test

Heteroscedasticity test aims in the regression model, is to ascertain whether there is an inequality of residual variance from one observation to another. To find out the heteroscedasticity is to do Glejser test, namely by regressing the absolute value of the residual obtained from the regression model of the dependent variable on all independent variables. The level of confidence used is equal to 5% if the significance is greater than 0.05, it is said that heteroscedasticity does not occur. Following table 13 is the heteroscedasticity test results:



**Table 13. Heteroscedasticity Test Results**

Variable	Sig, <i>Devanation from Linearity</i>	Information
Segmentation	0,413	Not Heteroscedasticity
Target	0,763	Not Heteroscedasticity
Position	0,178	Not Heteroscedasticity

Source: Data analysis results of SPSS, 2019.

### Multiple Linear Regression Analysis

Multiple linear regression analysis is used in this study with the aim to prove the hypothesis of the influence of variable dimensions of service quality partially or jointly against Seller level la n. The statistical calculation in the multiple linear regression analysis used in this study was to use the SPSS 21 computer application program. The results of data processing using the SPSS program, here was a double linear regression analysis. The regression equation model that can be written from these results in the form of a regression equation is as follows:

**Table 14. Results of Multiple Linear Regression Analysis**

Coefficients <sup>a</sup>						
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	
	B	Std. Error	Beta			
1	(Constant)	13.929	2.819		4.942	.000
	Segmenting	-.082	.074	-.114	-1.112	.269
	Targeting	.112	.099	.113	1.128	.262
	Positioning	-.097	.080	-.125	-1.222	.225

a. Dependent Variable: Sales Level

Source: Data analysis results of SPSS, 2019.

$$Y = 13.929 + (-0,082 X_1) + 0,112 X_2 + (-0,097X_3) + e$$

The regression equation can be explained as follows:

- The positive value of a constant value of 13,929 means that the level of sales of Paputo Beach café is 13,929 units, assuming the segmentation, target and position are in a constant or constant condition meaning the level of sales is influenced by segmentation, target and position.
- The regression coefficient of the segmentation variable (X1) has a negative value of -0.082 and a significance value of 0.269; this indicates that segmentation has no significant effect on the level of sales at Paputo Beach. This means that if each segmentation variable is increased by one unit it causes a significant decrease in the level of sales.
- Target variable regression coefficient is positive which means that any increase in the target variable by one unit, then leads to the rate of sales increased by 0.112 units assuming other variables (segmentation and positioning) is constant and the significance level of 0.262.



- d. Variable regression coefficient Positioning is negative amounting to -0.097 and the significance value of 0.225, this shows that the position of not significant effect on the level of sales at Paputo Beach. This means that if each position variable is making an increase in one unit and this causes a significant decrease in the level of sales.

### T Test (Partial Test)

To partially test the significance of the regression model each can be obtained using the t test. assuming if  $t \text{ count} > t \text{ table}$  then the independent variable gives a significant effect on the dependent variable and for t table in this study the amount is 1,988. The following is an explanation of T testing for each variable partially:

#### 1. Segmenting

The test results obtained by calculating the value of t for the segmentation variable shows the results of the value of  $t = -1.112$  where -1.112 is smaller than 1.988 with a significance value of  $0.269 > 0.05$ . This indicates that the segmentation had a negative effect and no significant effect on the level of sales at Paputo Beach café. Hence:

- H0: Partial segmentation has no significant effect on the level of sales at Paputo Beach café in Parepare City.
- H1: Segmentation has a significant effect on the level of sales at Paputo Beach café Paputo Beach café in Parepare City.
- Reject H0 and accept H1 if  $t \text{ count} > t \text{ table}$  at the 5% significance level.
- Accept H0 and reject H1 if  $t \text{ count} < t \text{ table}$  at the 5% significance level.

#### 2. Targeting

The test results for the target t count obtained shows the results of the value of  $t = 1.128$  where 1,128 is smaller than 1,988 with a significance value of  $0.262 > 0.05$ . This shows that target has a positive and also insignificant effect on the level of sales at Paputo Beach café. Hence:

- H0: The target partially has an insignificant influence on the level of sales at Paputo Beach café of Parepare City.
- H2: The target has a significant effect on the level of sales at the Paputo Beach café of Parepare City.
- Reject H0 and accept H2 if the value of  $t \text{ count} > t \text{ table}$  at a significance level of 5%.
- Accept H0 and reject H2 if the value of  $t \text{ count} < t \text{ table}$  at a significance level of 5%.

#### 3. Positioning

The results of t value is -1,222 where -1,222 is smaller than 1,988 with significant value  $0,225 > 0, 05$ . This shows that the position has a positive and also does not have significant effect on the level of sales at Paputo Beach café. Hence:

- H0: The position has a partial effect that is not significant to the level of sales at Paputo Beach café of Parepare City.
- H3: Position has a significant influence on the level of sales at Paputo Beach café of Parepare City.





- Reject H0 and accept H3 if the value of t count > t table at a significance level of 5%.
- Accept H0 and Accept H3 if the value of t count < t table at a significance level of 5%.

### F Test (Simultaneous Test)

The following table 15 demonstrates the results of F test:

**Table 15. Results of Simultaneous Regression Analysis**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.335	3	1.778	1.263	.291 <sup>b</sup>
	Residual	135.175	96	1.408		
	Total	140.510	99			

a. Dependent Variable: Sales Level

b. Predictors: (Constant), Positioning, Targeting, Segmenting

Source: Data analysis results of SPSS, 2019.

Testing the influence of the independent variables together against the dependent variable is done by using the F test, statistical calculation results show the value of F count = 1,263 which means  $1,263 < 2,87$  while the significance of  $0.291 > 0.05$ . This means that with significance value above 0.05 shows that together STP do not have a significant effect on sales levels. Therefore:

- H0: STP does not have a significant simultaneous effect on the level of sales at Paputo Beach café in the City of Parepare.
- H4: STP has a significant simultaneous effect on the level of sales at Paputo Beach café in the City of Parepare.

The coefficient of determination was used to find out the influence value of the independent variables on the dependent variable. The coefficient of determination was measured by the value of R square. The results of coefficient of determination analysis are described in the following table 16:

**Table 16. Coefficient of Determination**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.195 <sup>a</sup>	.038	.008	1.187

a. Predictors: (Constant), Positioning, Targeting, Segmenting

Source: Data analysis results of SPSS, 2019.

The result of of table 16 shows that the coefficient of determination (R Square) is 0.038. This means that 38% of the sales level is affected by STP simultaneously, while the remaining 62% of the sales rate is influenced by other variables examined in this study.



## Discussion

This study shows that the level of sales at Paputo Beach café in the city of Parepare have a positive effect and also shows those aspects that have a negative effect. This can indicate the number of respondents' responses regarding food and beverage products, namely product and place innovation as well as the quality of service that can be provided to consumers on the condition of each research variable. By setting the marketing strategy of the STP concept (Segmentation, Target and Position) it can help to clarify the products made for consumers and the products sold by Paputo Beach café can thus be more directed to consumer needs and wants and we can also strive to make Paputo Beach café the place which is considered to be very popular, if not the most, among the customers (Haeruddin & Natsir, 2016).

Results of research for the variable segmentation showed a negative influence and significance of the level of sales. These results provide empirical evidence that the segmentation of food and beverages in this case is the quality and service that will determine the increase in sales but the effect is not too large at this stage. According to Ahani et al. (2019), Musa et al., (2018), and Reutterer et al. (2006) market segmentation is the activity of dividing markets that have a heterogeneous nature into a one-unit market that is homogeneous. But for Paputo Beach café, in this study it was found to provide food and drinks for all people as well as have value for its location and view. The results of the research for the target variable indicate that it has a positive but not significant effect on the level of sales. These results provide empirical evidence that in food and beverage products innovations and modifications need to be made to improve the quality of taste and facilities in promoting Paputo Beach café as a tool, so that people get a good positive reference on Paputo Beach café as a desired destination. This determines the level of sales but the effect is not too large at this stage (Haeruddin, 2017a). According to Inanna et al. (2020) targeting or setting a target market is a matter of how to choose, select, and reach the market. The product of targeting is the target market, which are one or several market segments that will be the focus of marketing activities (Mustafa et al., 2018). In fact, for visitors who come to Paputo Beach café are the visitors who want to enjoy a unique place in a good location while eating and having some quality drinks.

Results of the research for the variable position shows that these have a negative effect and no significant effect on the level of sales. These results provide empirical evidence that in categorizing Paputo Beach café in its location that is near the coast, it is sometimes be used as a gathering place for families. This also determines the level of sales but the effect is not too large. According to Arif (2012), Market Position is the act of designing a product and company image in order to create a special and unique impression or place in the minds of the target market in such a way that it is perceived to be superior to competitors in terms of service quality, ethical practices and skilled employees (Nicolaidis, 2012). It can be argued that Paputo Beach café offers panoramic natural views so that it can be a value add for visitors. In addition, this can be an option for the customers wanting to have a peaceful break when gathering with their families.

## Conclusion

In relation to Segmentation, Cafe Paputo Beach needs to improve its Segmentation, which must clarify the products they make so that they are acceptable to all groups of people, or they should make products for certain



selected segments as an attraction. Not only must food and beverage segments must be sought out, but good service must also be the added value to consumers so that consumers feel satisfied and indeed be overjoyed, with what is provided. A unique special costume or dress must be created for employees, so as to bolster brand identity. Currently it is difficult for visitors to distinguish where the employees are from when viewing for example media photographs. Moreover, in terms of the market targeting, the target that has been addressed by Cafe Paputo Beach has been sufficiently fulfilled, where Cafe Paputo is innovating in modifying food and beverage products that are 'cafe paputo specials' so that it can be favored by consumers which can make Cafe Paputo's visitors increase in numbers. Even drinks can be utilized for social media to introduce their business, not only via social media but also through radio advertising. In branding the restaurant well, the best ways to create brand awareness is through having a logo, unique menu design, good restaurant design, quality restaurant food, furniture and colors used in a restaurant, restaurant specialties, carefully worded advertisements, and a good ongoing social media presence (Nicolaidis, 2012).

Furthermore, in regard to market positioning, Cafe Paputo Beach positions its café with a cafe theme in nature so that it can produce a beautiful view, where Cafe Paputo Beach is located on a suitable beach, and is a suitable cafe option for gathering with family. It also provides an attractive place, and also offers food and drink menus for Cafe Paputo's visitors. Cafe Paputo itself does not have the specialty of the food and drinks it needs to offer, so the Cafe Paputo should strive create food or drinks that can be characteristic of the Café. In this way it that it can sell more in the eyes of consumers (Haeruddin, 2017b).

For future research, it is suggested to add other independent variables related to marketing strategies with the STP concept, which are Segmentation, Targeting, and Positioning. For example combining the STP independent variables and the marketing mix may influence the sales level to better complement the study because there are still other dependent variables outside of this study that might be able to influence the sales level of a company (Natsir et al., 2020). Moreover, Cafe Paputo Beach should make or create food and drinks that are the signature for Cafe Paputo Beach so that it can be a distinguishing product compared to other cafes, if there are products that characterize it can be at the top of mind of consumers, and the ticket price that is applied can be taken into consideration in the future because the price of admission given to consumers can be considered by consumers' as a decision to visit or not visit Cafe Paputo Beach. There can also be a differentiation of the entry ticket for visitors who want to enjoy the beach and visitors who only want to come to order food and drink.

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