



Open Access Indonesia Journal of Social Sciences

Journal Homepage: <https://journalsocialsciences.com/index.php/OAIJSS>

Beyond Product Attributes: The Role of Segmentation, Targeting, Positioning in Shaping Consumer Satisfaction in the Agri-Food Sector in Kediri Regency, Indonesia

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ARTICLE INFO

Keywords:

Agri-food sector
Consumer satisfaction
Positioning
Segmentation
Targeting

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All authors have reviewed and approved the final version of the manuscript.

<https://doi.org/10.37275/oaijss.v7i5.270>

ABSTRACT

The agri-food sector in Kediri Regency, Indonesia, is undergoing a transformative phase, marked by the dynamic interplay of traditional agricultural practices and the evolving demands of the modern market. While product attributes such as quality and price remain pivotal in consumer decision-making, the strategic utilization of segmentation, targeting, and positioning (STP) has emerged as a critical determinant of consumer satisfaction. This research delves into the profound impact of STP on consumer satisfaction within the agri-food sector of Kediri Regency, aiming to provide actionable insights for businesses navigating this competitive landscape. The study employed a quantitative methodology, involving the collection of data from 60 consumers through structured questionnaires. The survey instrument encompassed questions designed to gauge consumer perceptions of segmentation, targeting, positioning, and their overall satisfaction with agri-food products. The data analysis was conducted using statistical software, employing descriptive statistics to elucidate respondent demographics and their perspectives on STP and satisfaction. Furthermore, multiple regression analysis was leveraged to rigorously test the research hypotheses and illuminate the intricate relationship between STP and consumer satisfaction. The empirical findings of this research underscore the positive and significant influence of STP on consumer satisfaction within the agri-food sector of Kediri Regency. The results unequivocally demonstrate that effective segmentation, targeting, and positioning strategies empower agri-food businesses to cultivate stronger consumer relationships and achieve sustainable growth in an increasingly competitive market. The study concludes that STP is an indispensable tool for agri-food businesses in Kediri Regency to enhance their marketing prowess and foster enduring consumer loyalty. By meticulously tailoring their offerings to specific consumer segments, businesses can elevate consumer satisfaction and fortify their market position.

1. Introduction

The agri-food sector, encompassing the production, processing, distribution, and consumption of agricultural products, stands as a cornerstone of the global economy. It not only ensures food security but also contributes significantly to employment, income generation, and overall economic development (FAO, 2018). In the context of Kediri Regency, Indonesia, the

agri-food sector assumes even greater significance, serving as a vital engine for local economic growth and livelihood sustenance. The regency's fertile lands, favorable climate, and rich agricultural heritage have fostered a diverse and vibrant agri-food landscape, characterized by a dynamic interplay of traditional farming practices and modern market dynamics. The agri-food sector in Kediri Regency encompasses a wide



array of activities, ranging from the cultivation of staple crops like sugarcane and rice to the production of fruits, vegetables, and livestock. The sector also boasts a thriving network of small and medium-sized enterprises (SMEs) engaged in food processing, distribution, and retail, further amplifying its economic contribution. The significance of the agri-food sector in Kediri Regency is underscored by its role in providing employment opportunities for a substantial portion of the population, particularly in rural areas. The sector also plays a crucial role in ensuring food security and promoting nutritional well-being within the community.

However, the agri-food sector in Kediri Regency is not without its challenges. The sector operates in an increasingly competitive environment, with numerous players vying for market share. The volatility of agricultural commodity prices poses a constant threat to the profitability and sustainability of agri-food businesses. Moreover, the sector is grappling with the evolving demands of consumers, who are increasingly seeking high-quality, safe, and sustainably produced food products. The rapid advancement of technology and the growing influence of e-commerce have also disrupted traditional marketing and distribution channels, necessitating adaptation and innovation. In this dynamic and challenging landscape, the strategic implementation of segmentation, targeting, and positioning (STP) has emerged as a critical imperative for agri-food businesses in Kediri Regency to thrive and achieve sustainable growth. STP, a cornerstone of marketing strategy, involves dividing the market into distinct segments based on consumer characteristics, selecting specific target segments, and developing a unique positioning strategy to differentiate products or services in the minds of consumers (Kotler, 2012). The effective execution of STP enables businesses to tailor their marketing efforts to specific consumer groups, thereby enhancing the relevance and effectiveness of their marketing communications.

Segmentation, the first step in the STP process, involves identifying and profiling distinct groups of consumers based on shared characteristics, needs, or behaviors. Common segmentation variables include demographics (age, gender, income), psychographics (lifestyle, personality, values), and behavioral (usage rate, loyalty, benefits sought) (Wedel, 2012). By understanding the unique characteristics and preferences of different consumer segments, businesses can develop products and services that cater to their specific needs and desires. Targeting, the second step in the STP process entails evaluating the attractiveness of each market segment and selecting one or more segments to serve. The choice of target segments is influenced by a multitude of factors, including segment size, growth potential, profitability, and competitive intensity (Dolnicar et al., 2018). By focusing on specific target segments, businesses can optimize their resource allocation, achieve greater marketing efficiency, and avoid the pitfalls of a one-size-fits-all approach. Positioning, the final step in the STP process, involves creating a distinct and desirable image for a product or service in the minds of consumers. It entails identifying and communicating the unique value proposition of the offering, relative to competitors (Keller, 2013). Effective positioning helps businesses to differentiate themselves in the marketplace, establish a competitive advantage, and foster brand loyalty.

The strategic utilization of STP is particularly crucial in the agri-food sector, where product differentiation and consumer engagement are paramount. By understanding the diverse needs and preferences of consumers, agri-food businesses can develop and market products that resonate with their target audience. Effective STP can also help businesses to communicate the unique value proposition of their offerings, build brand equity, and cultivate long-term consumer relationships. Consumer satisfaction, a multifaceted construct, is a key indicator of the success of STP strategies. It



reflects the consumer's post-purchase evaluation of a product or service in relation to their expectations (Oliver, 1980). Satisfied consumers are more likely to exhibit repeat purchase behavior, positive word-of-mouth recommendations, and brand loyalty (Tjiptono, 2007). In the context of the agri-food sector, consumer satisfaction is influenced by a myriad of factors, including product quality, safety, taste, price, convenience, and sustainability. The relationship between STP and consumer satisfaction is symbiotic. Effective segmentation enables businesses to identify and target consumer groups whose needs and preferences align with their product or service offerings. This alignment increases the likelihood of consumer satisfaction, as consumers are more likely to be satisfied when their expectations are met or exceeded. Targeting specific consumer segments allows businesses to develop marketing messages and communication channels that resonate with their target audience. This targeted approach enhances the effectiveness of marketing efforts and fosters a sense of connection with consumers, leading to increased satisfaction. Positioning plays a crucial role in shaping consumer perceptions and expectations. A clear and compelling positioning strategy helps consumers understand the unique benefits of a product or service and how it differs from competitors. When consumers perceive a product or service to be superior or more valuable, they are more likely to be satisfied with their purchase. In the context of Kediri Regency, the implementation of STP in the agri-food sector presents both opportunities and challenges. The region's diverse consumer base, with varying demographics, psychographics, and behavioral patterns, necessitates a nuanced and adaptive approach to segmentation and targeting. Moreover, the competitive landscape, characterized by the presence of both established players and emerging entrants, demands a well-defined and differentiated positioning strategy. This research aims to contribute to the existing body of knowledge by investigating the impact of STP on

consumer satisfaction in the agri-food sector of Kediri Regency.

2. Literature Review

Consumer satisfaction

Consumer satisfaction, a multifaceted construct, lies at the heart of marketing theory and practice. It is widely recognized as a pivotal indicator of the success of marketing strategies and a key driver of repeat purchase behavior, positive word-of-mouth recommendations, and brand loyalty (Kotler, 2016). The concept of consumer satisfaction has been extensively explored in the literature, with various definitions and theoretical frameworks proposed. One of the most influential models of consumer satisfaction is the expectation-disconfirmation paradigm, which posits that satisfaction is a function of the discrepancy between a consumer's pre-purchase expectations and their post-purchase perceptions of product or service performance (Oliver, 2020). When performance exceeds expectations, positive disconfirmation occurs, leading to high levels of satisfaction. Conversely, when performance falls short of expectations, negative disconfirmation ensues, resulting in dissatisfaction. The expectation-disconfirmation model highlights the importance of managing consumer expectations and delivering on promises to achieve customer satisfaction.

Another prominent perspective on consumer satisfaction is the value-based approach, which emphasizes the consumer's perception of the overall value received from a product or service (Zeithaml, 2022). The value-based approach posits that satisfaction is determined by the consumer's assessment of the benefits received in relation to the costs incurred. The benefits can be functional, emotional, or social, while the costs can be monetary, time-related, or psychological. The value-based approach underscores the importance of creating a compelling value proposition that resonates with consumers and delivers superior value compared to



competitors. In the context of the agri-food sector, consumer satisfaction is influenced by a myriad of factors, including product quality, safety, taste, price, convenience, and sustainability (Grunert, 2005). The increasing awareness of food safety and health concerns has heightened consumer expectations regarding the quality and safety of agri-food products. Consumers are also becoming more discerning in their taste preferences, seeking products that offer unique flavors and sensory experiences. Price remains a critical factor in consumer decision-making, particularly in price-sensitive markets. Convenience, in terms of product availability, packaging, and preparation, is also gaining importance as consumers seek time-saving solutions. Furthermore, the growing emphasis on sustainability and ethical sourcing has prompted consumers to consider the environmental and social impact of their food choices.

Segmentation

Market segmentation, a fundamental principle of marketing strategy, involves dividing a heterogeneous market into smaller, more homogeneous groups of consumers based on shared characteristics, needs, or behaviors (Kotler, 2012). The purpose of segmentation is to enable businesses to tailor their marketing efforts to specific consumer groups, thereby increasing the relevance and effectiveness of their marketing communications. Various segmentation variables can be employed to identify and profile distinct consumer segments. Demographic segmentation, one of the most common approaches, divides the market based on readily observable characteristics such as age, gender, income, education, occupation, and family life cycle (Kotler, 2018). Demographic segmentation is often used in conjunction with other segmentation variables to create more refined and targeted segments. Psychographic segmentation delves into the psychological and lifestyle characteristics of consumers, including their personality traits, values, attitudes, interests, and opinions (Solomon, 2015).

Psychographic segmentation provides insights into the motivations and aspirations of consumers, enabling businesses to develop marketing messages that resonate with their target audience on a deeper level. Behavioral segmentation focuses on consumer actions and behaviors, such as their purchase patterns, usage rates, brand loyalty, and benefits sought (Kotler, 2018). Behavioral segmentation allows businesses to identify and target consumers based on their past and current behaviors, which can be strong predictors of future purchase intentions. In the agri-food sector, segmentation can be based on a variety of factors, including: Demographics: Age, gender, income, education, occupation, and family life cycle; Psychographics: Lifestyle, values, attitudes, interests, opinions, food-related motivations (e.g., health consciousness, convenience orientation, ethical concerns); Behavioral: Purchase frequency, spending patterns, brand loyalty, preferred shopping channels, benefits sought (e.g., taste, quality, safety, sustainability). Effective segmentation in the agri-food sector requires a deep understanding of consumer needs, preferences, and behaviors. By identifying and profiling distinct consumer segments, businesses can develop and market products that cater to their specific requirements, thereby enhancing consumer satisfaction and loyalty.

Targeting

Targeting, the second step in the STP process, involves evaluating the attractiveness of each market segment and selecting one or more segments to serve. The choice of target segments is a critical strategic decision that can significantly impact the success of a business. Several factors influence the selection of target segments. Segment size and growth potential are important considerations, as businesses typically seek to target segments that offer a substantial and growing customer base. Profitability is another key factor, as businesses need to ensure that the targeted segments are financially viable and can generate



sufficient returns on investment. The level of competition within a segment also influences targeting decisions, with businesses often seeking to avoid highly competitive segments or those dominated by entrenched players. In addition to these factors, the compatibility of a segment with a business's capabilities and resources is also crucial. Businesses need to assess whether they have the necessary expertise, infrastructure, and financial capacity to effectively serve the targeted segments. The ability to reach and engage with the targeted segments through appropriate marketing channels is also essential. In the agri-food sector, targeting decisions can be particularly complex due to the diversity of consumer needs and preferences. Businesses need to carefully consider the specific characteristics and requirements of each segment and tailor their marketing efforts accordingly. For example, a business targeting health-conscious consumers may focus on promoting the nutritional benefits and safety of its products, while a business targeting convenience-oriented consumers may emphasize the ease of preparation and availability of its products. Effective targeting in the agri-food sector requires a deep understanding of consumer motivations and behaviors. By selecting and focusing on specific target segments, businesses can optimize their resource allocation, achieve greater marketing efficiency, and enhance consumer satisfaction.

Positioning

Positioning, the final step in the STP process, involves creating a distinct and desirable image for a product or service in the minds of consumers. It entails identifying and communicating the unique value proposition of the offering, relative to competitors. Effective positioning helps businesses to differentiate themselves in the marketplace, establish a competitive advantage, and foster brand loyalty. The positioning process involves several key steps. The first step is to identify the target market and understand their needs, preferences, and perceptions.

The second step is to analyze the competitive landscape and identify the key differentiators of competitors. The third step is to develop a positioning statement that clearly articulates the unique value proposition of the offering. The fourth step is to communicate the positioning strategy to the target market through various marketing channels. In the agri-food sector, positioning can be based on a variety of factors, including: Product attributes: Quality, taste, safety, nutritional value, sustainability, origin, processing method; Brand image: Reputation, trustworthiness, innovation, social responsibility; Price: Premium, value-for-money, affordable; Emotional benefits: Nostalgia, tradition, health, well-being. Effective positioning in the agri-food sector requires a clear understanding of consumer perceptions and motivations. By crafting a compelling and differentiated positioning strategy, businesses can create a strong brand identity, enhance consumer appeal, and achieve a sustainable competitive advantage.

STP and consumer satisfaction

The relationship between STP and consumer satisfaction is multifaceted and interdependent. Effective segmentation enables businesses to identify and target consumer groups whose needs and preferences align with their product or service offerings. This alignment increases the likelihood of consumer satisfaction, as consumers are more likely to be satisfied when their expectations are met or exceeded. Targeting specific consumer segments allows businesses to develop marketing messages and communication channels that resonate with their target audience. This targeted approach enhances the effectiveness of marketing efforts and fosters a sense of connection with consumers, leading to increased satisfaction. Positioning plays a crucial role in shaping consumer perceptions and expectations. A clear and compelling positioning strategy helps consumers understand the unique benefits of a product or service



and how it differs from competitors. When consumers perceive a product or service to be superior or more valuable, they are more likely to be satisfied with their purchase. In the agri-food sector, the link between STP and consumer satisfaction is particularly salient. The diversity of consumer needs and preferences in this sector necessitates a nuanced and adaptive approach to segmentation and targeting. Moreover, the competitive landscape, characterized by the presence of both established players and emerging entrants, demands a well-defined and differentiated positioning strategy. Empirical research has consistently demonstrated the positive impact of STP on consumer satisfaction in various industries, including the agri-food sector. Studies have shown that businesses that effectively segment, target, and position their offerings are more likely to achieve higher levels of customer satisfaction and loyalty (Hooley et al., 2017; Wind, 2018).

3. Methods

The research design is anchored in a survey method, which involves the collection of data from a sample of respondents through a standardized questionnaire. The survey method is widely employed in social science research due to its ability to gather data from a large number of respondents in a relatively short period. The structured nature of the questionnaire ensures consistency in data collection and facilitates the quantitative analysis of the responses. The questionnaire used in this study was meticulously crafted to measure the key variables of interest, namely segmentation, targeting, positioning, and consumer satisfaction. The questionnaire items were developed based on established scales and adapted to the specific context of the agri-food sector in Kediri Regency. The questionnaire underwent a pilot testing phase to ensure its clarity, comprehensibility, and validity. The feedback from the pilot test was used to refine the questionnaire and enhance its measurement properties.

The population of this study comprises consumers of agri-food products in Kediri Regency. The target population is vast and heterogeneous, encompassing individuals from diverse demographic, socioeconomic, and cultural backgrounds. The selection of an appropriate sample is crucial to ensure the representativeness and generalizability of the findings. The study employed a convenience sampling technique, which involves selecting respondents based on their accessibility and willingness to participate. While convenience sampling may limit the generalizability of the findings, it is a practical and cost-effective method for data collection, particularly for exploratory research. The sample size for this study was determined to be 60 consumers, which is considered adequate for conducting statistical analyses and drawing meaningful conclusions. The convenience sampling approach was implemented by distributing questionnaires to consumers at various locations in Kediri Regency, including supermarkets, traditional markets, and agri-food stores. The selection of these locations was based on their high footfall and the likelihood of encountering a diverse range of consumers. The researchers approached potential respondents and explained the purpose of the study, inviting them to participate voluntarily. The respondents were assured of the confidentiality and anonymity of their responses.

The data collection process was conducted with utmost care and adherence to ethical considerations. The researchers obtained informed consent from all participants before administering the questionnaire. The respondents were provided with clear instructions on how to complete the questionnaire and were encouraged to seek clarification if needed. The researchers were also available to answer any questions or concerns that the respondents may have had. The questionnaire consisted of closed-ended questions, which allowed for easy quantification and analysis of the data. The questions were designed to measure consumer perceptions of segmentation,



targeting, positioning, and satisfaction with agri-food products. The segmentation questions assessed the extent to which consumers perceived agri-food businesses to be catering to their specific needs and preferences. The targeting questions evaluated the relevance and effectiveness of marketing messages and communication channels used by agri-food businesses. The positioning questions explored consumer perceptions of the unique value proposition and differentiation of agri-food products. The satisfaction questions measured the overall satisfaction of consumers with agri-food products in terms of quality, safety, taste, price, convenience, and sustainability. The data collection process was conducted over a period of several weeks to ensure a sufficient sample size and representation of diverse consumer groups. The researchers maintained a log of the data collection process, including the date, time, and location of each questionnaire administration. The completed questionnaires were carefully checked for completeness and accuracy before being entered into a database for analysis.

The collected data was subjected to rigorous statistical analysis using specialized software. The analysis process involved several stages, including data cleaning, coding, and transformation. Data cleaning involved checking for missing values, outliers, and inconsistencies in the data. Coding involved assigning numerical values to the categorical responses in the questionnaire. Data transformation involves converting the raw data into a format suitable for statistical analysis. Descriptive statistics were used to summarize the demographic characteristics of the respondents and their perceptions of segmentation, targeting, positioning, and satisfaction. The descriptive statistics provided a snapshot of the sample and revealed key trends and patterns in the data. Multiple regression analysis was employed to test the hypotheses and examine the relationship between STP and consumer satisfaction. Multiple regression is a powerful statistical technique that

allows for the simultaneous examination of the effects of multiple independent variables on a dependent variable. In this study, segmentation, targeting, and positioning were treated as the independent variables, while consumer satisfaction was treated as the dependent variable. The multiple regression analysis yielded several key outputs, including the regression coefficients, standard errors, t-statistics, p-values, and the coefficient of determination (R-squared). The regression coefficients indicated the direction and magnitude of the relationship between each independent variable and the dependent variable. The standard errors provided a measure of the precision of the estimated coefficients. The t-statistics tested the statistical significance of the coefficients, while the p-values indicated the probability of obtaining the observed results by chance. The R-squared value represented the proportion of variance in the dependent variable explained by the independent variables. The results of the multiple regression analysis were carefully interpreted to draw meaningful conclusions about the relationship between STP and consumer satisfaction in the agri-food sector of Kediri Regency. The research was conducted in accordance with ethical guidelines and principles. The researchers obtained informed consent from all participants and ensured the confidentiality and anonymity of their responses. The researchers also adhered to the principles of beneficence, non-maleficence, and justice throughout the research process.

4. Results and Discussion

Table 1 provides a snapshot of the demographic characteristics of the respondents and their perceptions related to the agri-food sector in Kediri Regency. The majority of respondents are female (62%) and fall within the age group of 41-50 years (65%). The income distribution is skewed towards the middle-income bracket, with 65% earning between IDR 2,000,000 and IDR 5,000,000 per month. Traditional markets are the dominant source (45%), followed by



supermarkets (35%). This suggests a preference for local and readily available produce, although modern retail formats are also utilized. The perceptions of segmentation and targeting are moderately positive, with 50% and 55% of respondents, respectively, indicating a moderate level of agreement. This implies that agri-food businesses are perceived to be making reasonable efforts to understand and cater to consumer needs. However, the perception of positioning is slightly lower, with only 25% of respondents indicating a high level of agreement. This suggests room for improvement in terms of product differentiation and communication of unique value propositions. The overall satisfaction levels are

moderately high, with 35% of respondents indicating high satisfaction. This suggests that while consumers are generally content with agri-food products, there is scope for further enhancement through refined STP strategies. Table 1 reveals a consumer base that is predominantly female, middle-aged, and middle-income. They primarily source their agri-food products from traditional markets and supermarkets. While they perceive businesses to be moderately successful in segmentation and targeting, there is a need for improvement in positioning. The overall satisfaction levels are moderately high, indicating potential for further enhancement through strategic marketing efforts.

Table 1. Descriptive statistics of respondents.

Characteristic	Category	Frequency (n=60)	Percentage
Gender	Male	23	38%
	Female	37	62%
Age	20-30 years	3	5%
	31-40 years	18	30%
	41-50 years	39	65%
Income (IDR per month)	< 2,000,000	21	35%
	2,000,000 - 5,000,000	39	65%
	> 5,000,000	0	0%
Primary source of agri-food products	Traditional Market	27	45%
	Supermarket	21	35%
	Others	12	20%
Perception of segmentation	Low	12	20%
	Moderate	30	50%
	High	18	30%
Perception of targeting	Low	15	25%
	Moderate	33	55%
	High	12	20%
Perception of positioning	Low	18	30%
	Moderate	27	45%
	High	15	25%
Overall satisfaction	Low	9	15%
	Moderate	30	50%
	High	21	35%

The results of the multiple regression analysis (Table 2) indicate that all three independent variables - segmentation (X1), targeting (X2), and positioning (X3) - have a positive and significant impact on consumer satisfaction (Y). The coefficient of determination (R-squared) of 0.704 suggests that

70.4% of the variance in consumer satisfaction can be explained by the combined effect of segmentation, targeting, and positioning. The adjusted R-squared of 0.685 further confirms the goodness of fit of the model, taking into account the number of independent variables and the sample size. The F-statistic of 31.143



and its associated p-value of 0.000 indicate that the overall model is statistically significant, implying that the independent variables collectively have a significant impact on the dependent variable. The individual coefficients for each independent variable provide further insights into their specific effects on consumer satisfaction. The coefficient for segmentation (X1) is 0.327, suggesting that a one-unit increase in segmentation leads to a 0.327-unit increase in consumer satisfaction, holding other variables constant. The coefficient for targeting (X2) is 0.484, indicating that a one-unit increase in targeting results in a 0.484-unit increase in consumer satisfaction, *ceteris paribus*. The coefficient for

positioning (X3) is 0.771, implying that a one-unit increase in positioning leads to a 0.771 unit increase in consumer satisfaction, all else being equal. The t-statistics and p-values for each independent variable provide evidence of their statistical significance. The t-statistic for segmentation (X1) is 2.219, with a p-value of 0.031, which is less than the conventional significance level of 0.05. This suggests that segmentation has a statistically significant positive impact on consumer satisfaction. Similarly, the t-statistics for targeting (X2) and positioning (X3) are 3.916 and 6.612, respectively, with p-values of 0.000, indicating that both variables have a statistically significant positive impact on consumer satisfaction.

Table 2. Multiple regression analysis.

Variable	Coefficient	Standard error	t-statistic	p-value
Constant	1.719	0.773	2.223	0.030
Segmentation (X1)	0.327	0.147	2.219	0.031
Targeting (X2)	0.484	0.124	3.916	0
Positioning (X3)	0.771	0.117	6.612	0
R-squared	0.704	Adjusted R-squared	0.685	-
F-statistic	31.143	p-value	0.000	-

The findings of this research provide compelling evidence for the significant and positive impact of segmentation, targeting, and positioning (STP) on consumer satisfaction in the agri-food sector of Kediri Regency, Indonesia. The results align with the proposed hypotheses and contribute to the broader understanding of the role of STP in shaping consumer perceptions and purchase behavior. The positive and significant relationship between segmentation and consumer satisfaction underscores the importance of understanding and catering to the diverse needs and preferences of consumers in the agri-food sector. The findings suggest that when agri-food businesses effectively segment the market and tailor their offerings to specific consumer groups, they are more likely to achieve higher levels of customer satisfaction.

This is consistent with the expectation-disconfirmation paradigm, which posits that satisfaction is driven by the alignment between consumer expectations and product or service performance (Oliver, 2020). When businesses accurately identify and target consumer segments whose needs and preferences align with their offerings, they increase the likelihood of meeting or exceeding consumer expectations, thereby fostering satisfaction. The results also resonate with the value-based approach to consumer satisfaction, which emphasizes the consumer's perception of the overall value received from a product or service (Zeithaml, 1988). Effective segmentation enables businesses to create value propositions that are specifically tailored to the needs and desires of their target segments. By offering



products or services that deliver superior value in terms of quality, safety, taste, price, convenience, or sustainability, businesses can enhance consumer satisfaction and loyalty. In the context of Kediri Regency, the diverse consumer base, with varying demographics, psychographics, and behavioral patterns, necessitates a nuanced and adaptive approach to segmentation. Agri-food businesses need to go beyond traditional demographic segmentation and delve into the psychographic and behavioral dimensions of consumer preferences. This may involve understanding consumer motivations, lifestyles, values, and purchase patterns to identify and target segments that are most likely to respond favorably to their offerings. The findings of this research suggest that agri-food businesses in Kediri Regency can enhance consumer satisfaction by adopting a more refined and targeted approach to segmentation. This may involve conducting market research to gain a deeper understanding of consumer needs and preferences, developing buyer personas to represent different consumer segments, and tailoring marketing messages and communication channels to resonate with specific target audiences.

The positive and significant relationship between targeting and consumer satisfaction highlights the importance of selecting and focusing on the right consumer segments. The results indicate that when agri-food businesses accurately identify and target their ideal customers, they are more likely to achieve higher levels of customer satisfaction. This is in line with the principle of marketing efficiency, which emphasizes the need to allocate resources effectively to maximize returns (Kotler, 2012). By focusing on specific target segments, businesses can avoid wasting resources on marketing efforts that are unlikely to yield positive results. The findings also support the notion that targeted marketing efforts are more likely to resonate with consumers and foster a sense of connection, leading to increased satisfaction. When businesses tailor their marketing messages and

communication channels to the specific needs and preferences of their target audience, they create a more personalized and engaging experience for consumers. This personalized approach can enhance consumer perceptions of the brand and its offerings, thereby contributing to higher levels of satisfaction. In the context of Kediri Regency, the competitive landscape in the agri-food sector demands a well-defined and focused targeting strategy. Agri-food businesses need to carefully evaluate the attractiveness of different consumer segments and select those that offer the greatest potential for growth and profitability. This may involve analyzing segment size, growth potential, profitability, competitive intensity, and the compatibility of the segment with the business's capabilities and resources. The findings of this research suggest that agri-food businesses in Kediri Regency can improve consumer satisfaction by adopting a more strategic and targeted approach to marketing. This may involve developing detailed buyer personas, conducting market research to understand the specific needs and preferences of target segments, and utilizing appropriate marketing channels to reach and engage with these segments effectively.

The positive and significant relationship between positioning and consumer satisfaction underscores the critical role of creating a distinct and desirable image for a product or service in the minds of consumers. The results indicate that when agri-food businesses effectively position their offerings, they are more likely to achieve higher levels of customer satisfaction. This is consistent with the concept of differentiation, which emphasizes the importance of creating a unique and compelling value proposition that sets a business apart from its competitors (Porter, 2020). The findings also support the notion that positioning influences consumer perceptions and expectations. A clear and compelling positioning strategy helps consumers to understand the unique benefits of a product or service and how it differs from competitors. When consumers perceive a product or



service to be superior or more valuable, they are more likely to be satisfied with their purchase. In the context of Kediri Regency, the competitive landscape in the agri-food sector necessitates a well-defined and differentiated positioning strategy. Agri-food businesses need to identify and communicate the unique attributes and benefits of their offerings that resonate with their target consumers. This may involve emphasizing product quality, safety, taste, nutritional value, sustainability, origin, processing method, brand image, price, or emotional benefits. The findings of this research suggest that agri-food businesses in Kediri Regency can enhance consumer satisfaction by developing and implementing a strong positioning strategy. This may involve conducting market research to understand consumer perceptions and preferences, identifying key differentiators, crafting a compelling positioning statement, and communicating the positioning strategy effectively through various marketing channels.

The results of the multiple regression analysis reveal that segmentation, targeting, and positioning, when combined, have a substantial and significant impact on consumer satisfaction in the agri-food sector of Kediri Regency. The high R-squared value indicates that a significant proportion of the variance in consumer satisfaction can be explained by the collective influence of these three variables. This suggests that STP, as a holistic marketing strategy, plays a crucial role in shaping consumer perceptions and purchase behavior. The findings emphasize the synergistic effect of STP. While each individual component of STP contributes to consumer satisfaction, their combined impact is greater than the sum of their individual effects. This underscores the importance of adopting an integrated approach to STP, where segmentation, targeting, and positioning are aligned and mutually reinforcing. In the context of Kediri Regency, the complex and dynamic nature of the agri-food sector demands a comprehensive and well-orchestrated STP strategy. Agri-food businesses

need to meticulously segment the market, identify and target their ideal customers, and develop a compelling positioning strategy that resonates with their target audience. By doing so, they can create a virtuous cycle where effective STP leads to enhanced consumer satisfaction, which in turn drives repeat purchase behavior, positive word-of-mouth recommendations, and brand loyalty.

The findings of this research have several important implications for agri-food businesses in Kediri Regency. First and foremost, the study highlights the critical role of STP in achieving consumer satisfaction and loyalty. Agri-food businesses need to invest in market research and consumer insights to understand the diverse needs and preferences of their target market. They also need to develop and implement effective segmentation, targeting, and positioning strategies that are aligned with their business objectives and capabilities. Second, the study underscores the importance of differentiation in the agri-food sector. With increasing competition and evolving consumer demands, businesses need to identify and communicate the unique attributes and benefits of their offerings that set them apart from their competitors. This may involve focusing on product quality, safety, taste, nutritional value, sustainability, origin, processing method, brand image, price, or emotional benefits. Third, the study emphasizes the need for an integrated approach to STP. Segmentation, targeting, and positioning should not be viewed as isolated activities but rather as interconnected components of a holistic marketing strategy. Businesses need to ensure that their segmentation, targeting, and positioning efforts are aligned and mutually reinforcing to achieve maximum impact on consumer satisfaction. Fourth, the study highlights the importance of continuous monitoring and adaptation. Consumer needs and preferences are constantly evolving, and the competitive landscape is dynamic. Agri-food businesses need to stay abreast of these changes and



adapt their STP strategies accordingly. This may involve conducting regular market research, tracking consumer feedback, and monitoring competitor activities.

This research has several limitations that need to be acknowledged. First, the study employed a convenience sampling technique, which may limit the generalizability of the findings to the broader population of agri-food consumers in Kediri Regency. Future research could employ a more rigorous sampling method, such as stratified random sampling, to enhance the representativeness of the sample. Second, the study relied on self-reported data from consumers, which may be subject to social desirability bias and other response biases. Future research could incorporate objective measures of consumer behavior, such as purchase data or eye-tracking studies, to complement the survey data and provide a more comprehensive understanding of the relationship between STP and consumer satisfaction. Third, the study focused on the agri-food sector in Kediri Regency, Indonesia. The findings may not be generalizable to other sectors or geographical contexts. Future research could replicate this study in other sectors or regions to examine the cross-sectoral and cross-cultural validity of the findings. Fourth, the study examined the direct relationship between STP and consumer satisfaction. Future research could explore the mediating or moderating role of other variables, such as brand image, trust, or perceived value, in the relationship between STP and consumer satisfaction. Despite these limitations, this research contributes to the growing body of knowledge on the role of STP in shaping consumer satisfaction in the agri-food sector.

5. Conclusion

This research has shed light on the critical role of STP in shaping consumer satisfaction in the agri-food sector of Kediri Regency, Indonesia. The findings underscore the importance of understanding and

catering to the diverse needs and preferences of consumers, selecting and focusing on the right target segments, and developing a compelling and differentiated positioning strategy. By effectively implementing STP, agri-food businesses can enhance consumer satisfaction, foster loyalty, and achieve sustainable growth in an increasingly competitive market.

6. References

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