

Literature Review: Factors Affecting Marketing Strategy, Market Size, Technology, and End Users on Market Segmentation and Competitive Space

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Article Info

Article history:

Received Jan, 2023

Revised Jan, 2023

Accepted Jan, 2023

Keywords:

Technology

Market Segmentation

Marketing Strategy

Market Size

End User

ABSTRACT

The relatively new information technology has amazingly been the trigger for the growth of so many markets for goods and service offerings to become global in the truest sense. Market segmentation is the process of dividing the market into groups of potential customers who have similar needs and/or personalities and have the same reaction to spending their money. The marketing strategy consists of specific strategies related to the market, the target marketing mix, and the level of marketing expenditure. A company's marketing strategy must be able to change in a competitive environment. The purpose of writing this "Literature Review" is to determine the effect or relationship between exogenous variables (marketing strategy, market size, technology, and end users) on endogenous variables (market segmentation and competitive space).

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1. INTRODUCTION

Relatively new information technology has amazingly been the trigger for the growth of so many markets for goods and the supply of services has become global in its true sense. The rapid and modern development of science and technology, it will have a positive impact on companies engaged in industry, sales, and services.

Competition in the business world continues to be fierce, forcing the industry to seek fast and appropriate strategies in marketing its products. The era of globalization demands that the industry must be able to act and act quickly and precisely in

facing competition in a business environment that is very dynamic and full of uncertainty. Therefore, every industry is required to compete competitively in terms of business strategy to achieve industry goals and understand what is happening in the market and what consumers want.

Market segmentation can simply be referred to as the process of dividing a population of people into smaller groups or segments that differ in characteristics from one another. The segments created will be used as a reference for determining the target market. The main objective of market

segmentation is to attract all potential customers.

Marketing strategy can determine alternative actions that enable the company to achieve its mission and goals in the best way. Marketing strategy is a marketing mindset that will be used by business units to achieve their goals. The marketing strategy also determines a target market and a related marketing mix. This is a big reflection of what the industry will do in several markets [1].

Broadly speaking, the purpose of this study is to suffice one Marketing Management course entitled "*Literature Review: Factors Affecting Marketing Strategy, Market Size, Technology and End User On Market Segmentation And Competitive Space*" so that it can be implemented in writing scientific article or thesis. This Literature Review research examines scientific theories and articles from reputable journals related to the material studied to produce a conceptual framework for further research (thesis).

In detail, the purpose of writing this "Literature Review" is to determine the effect or relationship between endogenous variables (market segmentation and competitive space) on exogenous variables (marketing strategy, market size, technology, and end users):

1. The influence or relationship of marketing strategy to market segmentation.
2. The influence or relationship of market size to market segmentation.
3. The influence or relationship of technology to market segmentation
4. End user influence or relationship to market segmentation.
5. The influence or relationship of marketing strategy to competitive space.
6. The influence or relationship of market size to competitive space.
7. The influence or relationship of technology to the competitive space.
8. End user influence or relationship to competitive space.
9. The influence or relationship of market segmentation to competitive space.

2. LITERATURE REVIEW

2.1 *The market segmentation*

Market segmentation is based on separating or specializing potential customers as a market. In reality, the market is heterogeneous. Therefore it is difficult for companies to market their products without conducting market segmentation. Here the company must be able to select several market segments and then allocate resources to these segments. Market segmentation is the activity of dividing a heterogeneous market from a product into homogeneous market units [2].

Market segmentation is a system of compartmentalizing the market into groups of potential customers who have similar needs and/or traits and have the same responses when spending money [3]. Market segmentation is a marketing strategy that involves viewing each market share as a dissimilar objective with its requirements for product, price, distribution, and promotion [4].

The company divides its market into special market segments where each of the following segments is homogeneous. This is because many products are heterogeneous for all markets, or these products are only needed by the market, or these products are only needed by certain market groups.

Market segmentation is an absolute strategy in developing marketing programs. With market segmentation, it is hoped that marketing efforts will be able to achieve the company's objectives efficiently and effectively. Market segmentation is as follows: "Market segmentation can be interpreted as a system of grouping a heterogeneous total market into groups or segments that have similarities in terms of needs, wants, behavior and/or responses to specific marketing programs" [5].

The concept of market segmentation emerged in the late 1950s, market segmentation is the main and fundamental concept in marketing theory

and practice, starting from the foundation of imperfect competition economic theory [6]. The four levels of segmentation include dealing with markets that involve many people, dealing with segmented markets, dealing with micro or small markets, and dealing with an individual or individual markets, down to individual customers as market segmentation [7].

2.2 Basics of Market Segmentation)

Consumer

Basics for segmenting the consumer market as follows [8]:

1. Geographic Segmentation

Geographic segmentation is dividing the market into different geographic units such as countries, regions, states, counties, cities, or neighborhoods. Many companies today localize their product, promotion, advertising, and selling efforts so that it suits the needs of each region, city, and even settlement.

2. Demographic Segmentation

Demographic segmentation divides the market into groups based on variables such as age, gender, family size, family life cycle, income, occupation, education, religion, race, and nationality. Demographic factors are then the basis that most people like in segmenting customer groups. One of the reasons is that consumers' needs, wants and levels of utilization of products are most closely related to demographic variables. Age and life cycle segmentation carries the meaning of dividing the market into different age groups and life cycles.

3. Psychographic Segmentation

Psychographic segmentation divides customers into distinct groups based on social class, life type, or personality characteristics. People in similar demographic groups may have different psychographics.

4. Behavioral Segmentation

Behavioral segmentation divides buyers into groups based on

knowledge, attitudes, uses, or responses to a product. Many marketers believe that behavioral variables are the best initial inspiration in building market segments.

2.3 Market Segmentation Criteria and Terms

For the subsequent market segmentation process to be efficient and functional for the company, the market segment must meet the following terms and conditions:

- a. Measurable, size and energy buying segments can be measured.
- b. Big enough (substantial). The segment is quite large and profitable to serve.
- c. Can be achieved or reached (accessible), to be served effectively.
- d. Differentiable. Segments can be distinguished conceptually and have different responses to different elements and programs of the marketing mix.
- e. Actionable, so that all programs that have been prepared to attract and serve the market segment can be effective.

2.4 The Purpose of Doing Market Segmentation

5 advantages can be obtained by carrying out market segmentation:

1. Design products that are more responsive to market needs

Only by understanding which segments are responsive to a stimulus can you design a product that fits the needs or demands of these segments. So the company puts the customer first and adapts its product to satisfy it.

2. Analyzing the market Market segments help executives detect who will undermine the market for their products

Remember your competitors are not just "those who produce the same product that you serve to buyers". Your competitors are those who can be an alternative to consumer needs.

3. Finding opportunities (niches)

After analyzing the market, those who are well-versed in the concept of segmentation will arrive at the concept of gaining opportunities and inspiration. This opportunity is not necessarily something big, but over time it will be.

4. Mastering a superior and competitive position

Those who control the segment well are mostly those who know their consumers well. They study the shifts that occur within the segment.

5. Determine effective and effective communication tricks

If it is clear who the segment is, then you can know how to communicate well with them, then not only market segmentation, marketers need to have a clear media planning plan and existing alternative media. Each media has different characters and segments.

2.5 Segmentation Procedure

Segmentation must be based on in-depth knowledge of the market, namely through research. But it takes time, skill, and money. The recommended procedure is as follows:

1. Collection of information about products, competition, and consumers.
2. Study the consumers who want to be served and determine how segmentation can be used. All kinds of segmentation steps always have to be the basis for thinking, but in the implementation, for analysis, you have to take one of the bases combined with the demographic basis.

3. Apply the methodology to identify many segments.
4. After the information has been collected, create consumer profiles for each segment.
5. Choose the target segment with the most potential, both in terms of size, buying energy, and the company's ability to serve it.
6. Develop sustainable marketing programs with selected segments through the marketing mix program.
7. Evaluate and improve programs that are not in line with segment needs.

2.6 Marketing strategy

Marketing strategy is the marketing logic used by business units to achieve marketing objectives [9]. The marketing strategy consists of specific strategies related to the market, marketing mix objectives, and marketing spending levels. A company's marketing strategy must be able to respond to changes in the competitive environment. Strategy of entering the market (market entry strategy) by (1) Providing other companies, is the most advanced and capable step to enter a particular market, to avoid an expensive and time-consuming testing process. (2) Cooperating with other companies, complementing existing deficiencies, and sharing risks. (3) Self-developing, developing own research or development [10].

Marketing mix strategy (marketing mix strategy) is a collection of variables that can be used by companies to influence consumer responses. Variables that can affect customers are variables that are related to product, price, place, and promotion. Timing strategy (timing strategy), determination of the right in marketing goods and services is something that must be considered. There are several kinds of understanding of strategy from experts. Tricks are defined as a process of determining the concept of top leaders who focus on the long-term goals of the organization, accompanied

by the preparation of a step or effort so that the following goals can be achieved. Strategy is defined specifically as actions that are incremental (always increasing) and continuous [11].

Marketing strategy is a tool to achieve marketing objectives which is a way how a company can win customer mind share. The dimensions of marketing tricks consist of three types, namely:

- a. Segmentation
How to divide the market based on certain variables.
- b. Targeting
Choose one or more market segments to be the target market.
- c. Positioning
Position desired by a company to what is in the minds of consumers.

2.7 Technology concept

Technology comes from the Greek language, namely "Tecnologia" which means a systematic discussion of all arts and crafts. This term has the root word "techne" in ancient Greek meaning art (art), or craft (craft). From this literal meaning, technology in ancient Greek can be defined as the art of processing tools, processing and using them. This definition then develops into the use of science according to human needs. Technology can also be interpreted as "knowledge about how to make things (know-how of making things) or "how to do things" (know-how of doing things), in the sense of the power to do something with high value, both usability value and social value selling [12].

Sociologically, technology has a deeper meaning than equipment. Technology determines a framework for the non-material culture of a group. If a group's technology changes, then the human way of thinking will also change. This includes impacting the way they relate to others. For Marx, technology is a tool, in the view of historical materialism, it only refers to many tools that humans can use to achieve prosperity. Weber

limited technology as an idea or the human mind itself. Meanwhile, according to Durkheim, technology is a collective consciousness that is moreover predicted to take over the position of religion in society [12].

3. METHODS

The research method in this journal utilizes studying literature. By reviewing various references to the theories discussed, especially within the scope of marketing management. Besides that, analyzing reputable scientific articles and including scientific articles from journals that are not yet reputable. All cited scientific articles are sourced from Google Scholar.

4. RESULTS AND DISCUSSION

a. Influence / Marketing Strategy Relationship Against Market Segmentation

Market segmentation in the world of business competition greatly influences marketing tricks. Each market segmentation has its marketing tricks. Market segmentation variables that are not the same, for example, demographics, geography, psychographics, benefits, conditions of use, and others cannot use the same marketing tricks. Therefore it is necessary to identify market segmentation - establish market segmentation - make market segmentation more refined - choose a method for market segmentation - and define or interpret market segmentation to be made [13]. Marketing strategy is a tool for achieving marketing goals which is a step on how a company can capture customer mind share. Businesses from the industrial sector utilize market segmentation in marketing and strategic planning. For most people, market segmentation is recognized as a panacea in the modern world [14]. Segmentation,

targeting, and development approaches are highly recommended to have customer value as the basis for the basic premise that not all market levels and customer companies desire congruent cooperative interactions [15].

5. Influence/Relationship of Market Size to Market Segmentation

Market size or market size has an absolute function in market segmentation, how big is the market, how many employees are needed, and how big the market can be accommodated. This is an absolute method with moving goals in choosing market segmentation. Market size selects opportunities, and includes long-term market potential as additional conditions to the initial screening system to compensate for deficiencies [16].

6. Influence / Technology Relations on Market Segmentation

For Marx, technology is a tool, in the view of historical materialism, it only refers to many tools that humans can use to achieve prosperity. Weber defines technology as the inspiration or assumption of the man himself. Meanwhile, according to Durkheim, technology is a collective consciousness that is even predicted to take over the position of religion in the population [12]. In conjunction with market segmentation, technology has important benefits in compartmentalizing market segmentation. A concrete example of the effect of market segmentation on technology is when we market cellular phone prepaid cards, the geographical segmentation in Indonesia that is so broad will automatically cause the market to match the availability of existing networks.

7. Influence / Relationship of End Users on Market Segmentation

End users or end users are one of the variables in determining market segmentation. Various end-user variables require us to impact different market segmentations. Geographical conditions, socioeconomic conditions, needs, demands, and availability of goods and services will form separate market segments that require us to be able to digest the needs of end users.

8. Market Strategy Influence / Relationship Against Competitive Space

The competitive area is created by the existence of a desire for goods and services. Importance of tips in the competitive area is needed to survive the world of business competition. Influence/Relationship of Market Size to Competitive Area. the competitive area must take into account the size of the market, how far the expansion can be done, how much space must be provided, and how many workers are needed.

9. Influence/Relationship of Technology to Competitive Space

Increasingly advanced technology can create new competitive spaces. Technology allows competitive space to be created virtually, an example of a competitive space that is created virtually is business competition against online marketplaces such as Bukalapak, Shopee, and Tokopedia [17].

10. End User Influence/Relationship Over Competitive Space

End users cannot be separated from their influence along with the competitive area. End users create a competitive area from the factors of price, branding, and quality is directly proportional to the competitive area created.

11. Influence / Relationship of Market Segmentation to Competitive Space

Competitive space determines market segmentation, market segmentation can be determined by existing competitive space or new competitive space.

5. CONCLUSION

Based on the results of the research together with the use of the formulation of the article, the results, and discussion that were reviewed and discussed in this research to draw conclusions and be able to build a usability hypothesis for further research are:

1. Marketing strategy has a relationship and influence on market segmentation
2. The market size has a relationship and influence on market segmentation

3. Technology has a relationship and influence on market segmentation
4. End users have a relationship and influence on market segmentation
5. Marketing strategy has a relationship and influence on competitive space
6. The market size has a relationship and influence on competitive space
7. Technology has a relationship and influences the competitive space
8. End users have a relationship with and influence the competitive space
9. Market segmentation has a relationship with and influences the competitive space

ACKNOWLEDGEMENTS

We thank the anonymous referees for their useful suggestion

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