

## Towards Market Share: Segmentation, Target and Market Position

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**Abstract:** Market share is usually used to express competitive positions. It is also, generally, accepted that increased market share can be equated with success despite decreased market share is a manifestation of unfavorable actions by firms and usually equated with failure. The purpose of this research is to investigate the effect of marketing strategies consisting of segmentation, market target and market positions on market share in PT Batuah Energi Prima in Samarinda city. Research is a survey with quantitative research. Sampling uses saturated sampling, so, the respondents are all company employees (39 people). The data analysis model is a multiple linear regression. Empirical findings indicate that the segmentation variable, target market and market position partially affect the market share of PT Batuah Energi Prima. The market target variable has a dominant influence on PT Batuah Energi Prima. This shows an increase in market share is determined by the act of designing bids and the image of the company to occupy the right target market in offering products to consumers and expanding market share. Enrich the development of marketing management theories and be a contribution of thought to other researchers who want to examine further and in-depth on things that have not been revealed from this research. Besides as input for company in implementing marketing strategies to increase market share.

**Key words:** Segmentation, market target, market position, market share, implementing

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### INTRODUCTION

Organizations are environment dependent. They receive inputs from the environment and they sell or distribute their products to the environment. Companies are created to produce either goods or services that meet the demands of consumers. Companies perform different functions in the process of producing goods or services. They include production, marketing, financial activities and the management of human resources. Marketing is a social and managerial process by which individuals and organizations obtain what they need and want through creating and exchanging value with others. In a narrower business context, marketing involves building profitable, value-laden exchange relationships with customers. Hence, we define marketing as the process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return.

Businesses may not be in a position to satisfy all of their customers, every time. It may prove difficult to meet the exact requirements of each individual customer. People do not have identical preferences, so, rarely does one product completely satisfy everyone. Therefore, many companies may usually adopt a strategy that is known as target marketing. This strategy involves dividing the

market into segments and developing products or services to these segments. A target marketing strategy is focused on the customer's needs and wants. Hence, a prerequisite for the development of this customer-centric strategy is the specification of the target markets that the companies will attempt to serve. The marketing managers who may consider using target marketing will usually break the market down into groups (segments). Then they target the most profitable ones. They may adapt their marketing mix elements including; products, prices, channels and promotional tactics to suit the requirements of individual groups of consumers.

Target marketing involves the identification of the most profitable market segments. Therefore, businesses may decide to focus on just one or a few of these segments. They may develop products or services to satisfy each selected segment. Such a target marketing strategy differs from mass marketing (where a company may decide to produce and distribute one product to all consumers) or from product differentiation (where a company offers a variety of products to a large market). Marketers have been moving away from mass marketing endeavours as they are increasingly targeting smaller segments with customised marketing programmes. In this light, this chapter sheds light on the process of market segmentation. It clarifies how

businesses could select the most profitable segments as they employ market coverage and positioning strategies to attract them (Camilleri, 2018).

Market segmentation is part of the traditional 4Ps of product, place, price and promotion that have been used to position a firm in a strategic point in the market. Market segmentation has been written widely by different scholars (Johnson, 1971; Cohen, 1988; Kimandi, 2002). First defined market segmentation as “viewing a heterogeneous market as a number of smaller homogenous markets in response to differing preferences, attributable to the desires of consumers for more precise satisfaction of their varying wants”. According to Smith’s original definition, the derivation of market segments should be driven by a genuine heterogeneity in consumer needs and wants. It may, however, not always be appropriate to develop a strategy of market segmentation, even where this heterogeneity in demand is found to exist (Smith, 1956). As (Wedel and Kamakura, 2002) note “even if a market can be partitioned into homogenous segments, market segmentation will be useful only if the effectiveness, efficiency and manageability of marketing activity are influenced substantially discerning separate homogenous groups of customers”.

Implementing a marketing strategy is an important key to a company’s success in gaining market share. The success of an organization in winning competition is determined by strategy. A strategy is an effort owned by individuals and elements in an organization to have skills and utilize resources following the conditions of the work environment (Chandler, 2009).

The marketing strategy is a solution to handle activities related to products and services (Kotler and Keller, 2009). The marketing strategy was undertaken by PT Batuah Energi Prima as a solution to overcome problems in gaining market share in coal sales.

PT Batuah Energi Prima is a private company engaged in the mining sector specifically managing and producing coal mining products headquartered in Rukan Puri Botanical Junction, Jakarta (Indonesia) and has a branch representative office in Samarinda city. This company manages and produces coal mines located in Kutai Kartanegara regency (East Kalimantan province) and also provides other services such as marketing, selling and shipping coal supplies according to domestic needs, especially, in the regions of Java, Sumatra and abroad where shipping destinations and ways of selling are adjusted to the desires of consumers.

However, after mid-2019, PT Batuah Energi Prima can only sell coal at an average price slightly above the coal index selling price on a national or international scale, the company only gets a profit that is not too large from coal sales, thus, affecting the company’s profit. This is since, coal mining companies in the East Kalimantan province have sold coal at a price slightly above the coal index selling price to be able to compete in marketing the coal they produce.

Increasing numbers of coal mining companies have emerged in East Kalimantan province not only making competitive and fierce competition in the field of marketing but also creating competitive and intense competition in the field of human resources. Referring to the phenomenon and facts about the problem, the research aims to investigate how big the role of segmentation, targets and market position is towards the market share in PT Batuah Energi Prima.

### **literature review**

**Segmentation:** A market segment is a group of individuals, groups or organisations who may share the same interests, traits and characteristics. The consumer segments may have similar needs, wants and expectations. Therefore, businesses should ask themselves which segments should they serve? To answer this question, the businesses must determine the most appropriate ways to distinguish and to differentiate their segments. Once the segments have been identified they must customise their offerings to satisfy each and every one of them.

Market segmentation planning process can be divided into five stages. The first stage involves the identification of dimensions that a company might use for segmenting its markets based on its product or service portfolio. The second stage is the development of market segment profiles determining the differences in needs. Thirdly is where the organization needs to forecast the application of forecasting procedures in order to calculate the company’s market share and compare costs and benefits of each segment. The last stage includes the assessment of delivered benefits from each segment in relation to corporate goals which will provide the rationale and justification for further development of each market segment or evaluating the potential and likely success of the segments (Baker, 1997; Bearden *et al.*, 2001; Perreault and McCarthy, 1996). But since, customer’s tastes and preferences are ever-changing, it is paramount that firms have to keep on monitoring the behavioral trends of the segments through research.

For the business to survive in the market aim at holding larger market segmentation to arrive at clusters of like-minded companies, so as to allow its marketing or sales programmes to focus on the subset of prospects that are “most likely” to purchase their offering (Baker, 1987). There is a very strong pressure to use segmentation in business to business markets to win a competitive advantage as there is often little to differentiate one product from another of different organizations. Segmentation, therefore, links strongly with strategy to achieve a sustainable differentiated position (Faulkner and Bowman, 1995).

Market segmentation is the actual process of identifying segments of the market and the process of dividing a broad customer base into sub-groups of consumers consisting of existing and prospective customers. Market segmentation is a consumer-oriented process and can be applied to almost any type of market. In dividing or segmenting markets, researchers typically look for shared characteristics such as common needs, common interests, similar lifestyles or even similar demographic profiles. So, market segmentation assumes that different segments require different marketing programmes as diverse customers are usually targeted through different offers, prices, promotions, distributions or some combination of marketing variables. For example, Southwest Airline's single-minded focus on the short-haul, point-to-point, major-city routes, allowed them to prosper as their competitors floundered. The airline's focus on specific segments allowed them to do a better job of deciding what their target segment really valued (for example, convenience, low price, on-time departures and arrivals, among other things).

**Market target:** In setting a target market, a company can consider five patterns of product specialization. Single-segment concentration means that companies can choose just one segment. Companies can achieve a strong position in one segment with good knowledge of the needs of the segment, so that, profits can be obtained. However, concentration in one segment has a large enough potential risk, so, this is the reason underlying the company to choose more than one segment (Kotler and Keller, 2009).

Selective specialization means that the company selects several segments. The selected segments may not be interconnected or form synergies but each segment promises money. This strategy is preferred by companies to avoid losses, even though one segment is not productive but the company still receives revenue from other segments. Product specialization means that companies concentrate on making specific or specific products. In this way, the company builds a strong reputation for specific products. But the risk is still there, that is if there is a shortage of material for manufacturing the product or a delay in changing the technology.

Market specialization means that companies concentrate on serving various needs in a particular group. The company gained a strong reputation and became a channel for all new products needed and used by the group. The risk of loss will arise if the group reduces its purchases or needs. And the fifth full market coverage means the company is trying to serve all groups with the products they need. However, only large companies can do it. To create customer satisfaction, marketers can differentiate and generate more sales than not differentiating but differentiation can increase company costs.

**Market position:** To be successful today the organisations have to be aware of today's reality and environment. And the reality that counts is the one in the proposed consumer mind. The fundamentals of positioning is not to create something new or different, but to change or manipulate what is already in the sense of the consumer by tying associations to what already exists. As (Fill, 2002) explains it; Positioning is not about the product but what the buyer thinks about the product or organization. Positioning are not verifiable scientific hypotheses. There is a great deal of subjective interpretation and high degree of risk involved in choosing to seek one positioning strategy over another (Upshaw, 1995). Alternative positioning types; feature-driven prompts, problem/solution prompts, target-driven positioning, competition-driven positioning, emotional/psychological positioning, benefit-driven positioning, aspirational positioning and value positioning.

Positioning is the process whereby information about the organization or the product is communicated in such a way that the object is perceived by the consumer/stakeholder to be differentiated from the competition, to occupy a particular space in the market (Fill, 2002). The commercial utility of positioning lies in how the imbuing of trademarks with unique, true and compelling values can influence purchasing decisions and impact upon sales. The entire enterprise of branding itself can be understood as an exercise in positioning; using product experience and marketing initiatives to increase profitability by associating trademarks with compelling consumer values (Marsden, 2002).

Positioning is about visibility and recognition of what a product/service represents for a buyer. In markets where the intensity of rivalry and competition are increasing and buyers have greater choice, identification and understanding of a product's intrinsic values become critical (Fill, 2002). A brands positioning defines the brands point of reference with respect to the competition (Hankinson and Cowking, 1995).

**Market position market share:** The prevailing firm theory regarding to market structures came roughly to its present contents with more kinds of market situations in the 1930's when (Chamberlin, 1993) published theory of monopolistic competition and economics of imperfect competition. It, since, seems not having significant or meaningful additions up to the present and lacking a theoretical framework tool to handle the market as a whole instead of treating separate market situations of pure competition, monopolistic competition, oligopoly, monopoly, etc., like studying relations of market competition to firm's profit or, more, specifically, relations of firm's profit to market share. We believe our general Theory of Market competition (M Theory) as a generalisation extension fills the gap. M theory also

renders a straight foreword and explicit theoretical framework for model specification and theoretical interpretation foundation in empirical study of the relations between firm's profitability and market competition.

The relations of firm's profit to market share in economic theory from the very beginning to the present is definitely positive, even taking behavioural, industry and firm-specific factors into consideration. It is just a common sense. If ask an ordinary person, would a firm having 90 or 70 or 60% market share in ordinary years without any price-control regulation makes lower return than a firm in the same industry with 30 or 20 or 10% market share does? Who will give an affirmative answer? The theory just gives formal rigorous derivations. However, there do exist the situations when the market is under intense competition where firms with low market shares try costly marketing and/or promoting endeavours would very likely end with lower return even had market shares lifted. No any theory touched upon the subject before, although, there are arguments in this respect by at least (Simon *et al.*, 2006; Schoeffler *et al.*, 1974). Market-share trap brought forth by M theory fills the vacancy.

## MATERIALS AND METHODS

**Research design:** In connection with the detailed data needed, the object of research is only limited to the segmentation variable, segmentation, target market, market position and market share. The research site was conducted in Samarinda city with the object of research being PT Batuah Energi Prima. The location of this study was chosen with the consideration that researchers easily obtain research data (primary and secondary). When the research is carried out for 3 months (October–December 2019).

**Operational definition:** Operational definitions in research are elements of research related to the variables included in the research paradigm under the research objectives. This theory is used as a basis or reason why a person concerned can indeed affect the dependent variable or is one of the causes. The variables of the study are outlined in Table 1.

Table 1: Summary of research variables

Variable type	Variable (symbol)	Explanation	Indicators
Independent variabel	Segmentation (X1)	The business approach is taken to increase market share	Survey, analysis and profile formation activities
Independent variabel	Target market (X2)	Evaluating various segments and deciding how many segments to target	Understand the characteristics of potential customers, make selective choices and make product offerings
Independent variabel	Market position (X3)	The act of designing a company's offer and image, so that, it occupies a distinguished position in the minds of potential target consumers	Making serious consumer choices, offering marketed products and expanding market share
Dependent variabel	Market share (Y)	Direction to create various market opportunities that benefit the company	Customers, competitors and functional coordination

Author design

**Population and sample:** The population is a generalization area consisting of objects or subjects that have certain qualities and characteristics determined by researchers to be studied and then conclusions are drawn. The population of this research is all employees of PT Batuah Energi Prima in Samarinda.

The sample is part of the number and characteristics possessed by the population. Sampling in this study uses saturated sampling. Saturated sampling is a sampling technique when all members of the population are used as samples, so that, all 39 employees of PT Batuah Energi Prima in Samarinda will be sampled.

**Data collection technique:** Data collection techniques used are observation, questionnaires and study documentation. Observation which is a data collection technique in which researchers are directly involved to observe the analysis of segmentation, market targeting and market position on market share in PT Batuah Energi Prima.

The distribution of questionnaires was used to obtain quantitative data consisting of independent variables and dependent variables. The measurement technique uses a Likert scale. The technique is done by asking questions to respondents to be answered by the level of acceptance of respondents. The nature of the question is closed, meaning that the answer has been determined by the researcher, the respondent only has to choose the answer available. The answers consist of five categories where each answer will be tabulated, so that, the average value is obtained. Documentation studies are data collection techniques by studying books and journals related to the topic of discussion.

From this study, determined by the data collection tools (instruments) used are non-test in the form of a questionnaire or questionnaire, observation and interview. The items in the questionnaire are based on relevant management theory and from previous research findings. Questions or statements in the questionnaire are measured using a Likert scale, a scale used to measure attitudes, opinions, perceptions of a person or a group of people about social phenomena.

A distinctive feature of the Likert scale is that the higher the score/score given by the respondent, indicates that the respondent shows a more positive attitude

Table 2: Score Likert scale calculation

Explanation	Vaules
Very bad	1
Bad	2
Enough	3
Good	4
Very good	5

towards the object under study by the researcher. Likert scale is used because it has a lot of ease in compiling questions, giving a score/score and a score/higher grade is easier than the score/lower value, besides that it also has high reliability based on the intensity of certain attitudes (Table 2). Answers from respondents are qualitative and quantitative through answers to statements given a score with the following components:

**Analysis model:** Validity is showing the extent to which a measuring instrument can measure what you want measured. Validity test in this study was conducted by correlating the score on the item with the score of the item. Item scores are considered as X values while total scores are considered as Y values. If item scores have a significant positive correlation, meaning the item can be used as an indicator to measure variables. The decision on an item can be considered valid can be done in several ways; if the product moment correlation coefficient exceeds 0.3, if the product moment correlation coefficient  $>r$  table ( $\alpha$ ;  $n-2$ )  $n$  = number of samples and sig value  $\leq \alpha$ .

Reliability is a measure of the stability and consistency of respondents in answering matters relating to the constructs of questions which are dimensions of a variable and are arranged in a questionnaire form. The measuring instrument that will be used is Cronbach alpha through excel statistic analysis and SPSS computer programs. Reliability of a variable construct is said to be good if it has a value  $>0.60$ . Reliability tests can be done using the  $\alpha$ -Cronbach technique which is by the formula:

$$r_{11} = \left\{ \frac{k}{k-1} \right\} \left\{ 1 - \frac{\sum \sigma_b^2}{\sigma_t^2} \right\} \quad (1)$$

Remarks:

- $r_{11}$  : Instrument reliability
- $k$  : Number of questions
- $\sum \sigma_b^2$  : Number of item variances
- $\sigma_t^2$  : Total variance

After that a calculation with SPSS 24.0 for windows is performed. The instrument reliability test criteria use the limit of 0.6, if Cronbach alpha is  $>0.6$ , then the question is declared reliable.

Regression is defined as a data analysis technique used to look for influences between two or more variables. The intended variable in this case is the independent variable which is usually symbolized by X

Table 3: Interpretation of correlation coefficients

Coefficient interval	Relationship level
0.000-0.199	Very low
0.200-0.399	Low
0.400-0.599	Enough
0.600-0.799	Strong
0.800-1.000	Very strong

and the dependent variable symbolized by Y. Multiple linear regression analysis is used to find the effect between two or more independent variables on one dependent variable. Multiple linear regression analysis estimates the magnitude of the coefficients produced by the linear one involving two independent variables to be used as a predictor of the value of the dependent variable. Multiple linear regression analysis is a quantitative data analysis that is used to find the large linear relationship between two or more independent variables ( $X_1, X_2, \dots, X_n$ ) with the dependent variable (Y). This test is used to determine whether the independent variables ( $X_1, X_2, \dots, X_n$ ) together significantly influence the dependent variable. The multiple linear regression equation is as follows:

$$Y = \alpha + b_1 X_1 + b_2 X_2 + b_3 X_3 + e \quad (2)$$

Remarks:

- Y : Market share
- $b_1$  : Segmentation regression coefficient
- $b_2$  : Market target regression coefficient
- $b_3$  : Market position regression coefficient
- $X_1$  : Segmentation
- $X_2$  : (Market target)
- $X_3$  : (Market position)
- e : (Error factor)

The correlation coefficient (R) is used to answer how close or how strong the linear relationship is between the independent variable and the dependent variable. The correlation coefficient used here is the pearson correlation coefficient. To be able to provide an interpretation of the correlation coefficient found is large or small. The coefficient levels are guided by the provisions in Table 3.

$R^2$  test or determination test is an important measure in regression because it can inform whether or not the estimated regression model or in other words the number can measure how close the regression line is estimated to the actual data. The value of the coefficient of determination ( $R^2$ ) reflects how much the variation of the dependent variable Y can be explained by the independent variable X. If the value of the coefficient of determination is equal to 0 ( $R^2 = 0$ ), it means that the variation of Y cannot be explained by X at all. Meanwhile, if  $R^2 = 1$ , it means that the variation of Y as a whole can be explained by X. In other words, if  $R^2 = 1$ , then all observation points are right on the regression line. Thus, the good or bad of a regression equation is

determined by  $R^2$  on the SPSS calculation results which have values between zero and one. For regression with more than two independent variables,  $R^2$  is used as the coefficient of determination.

## RESULTS AND DISCUSSION

### Empirical findings

**Validity test and reliability test result:** Based on the results of the analysis of the validity test and the reliability test of the study, it shows that the validity and reliability testing of the questionnaire instruments was carried out to ensure that the research instruments used were accurate and reliable. For details, the two tests can be explained in Table 4.

Referring to Table 4, the validity test results can be seen that the whole statement item shows that  $r$ -value  $>r$  table. This means that each statement or indicator variable is declared valid to be used as an instrument in research or the proposed statement can be used to measure the variable under study.

Table 5 shows that the alpha value of the research instrument on each variable is greater than the required value of 0.60. It can be concluded, the entire questionnaire instrument in this study is reliable because it has met the minimum requirements.

**Hypothesis test:** Regression analysis is used to test hypotheses in the research variable model. A good regression equation model is one that meets the instrument test requirements (validity and reliability). From previous calculations, prove that this research is considered good. The regression results through SPSS that are used as a program prove the following hypothesis testing (Table 6).

The nature of the correlation ( $R$ ) shown is 0.987. This shows that the relationship between independent variables namely the segmentation variable, target market and market position with the dependent variable (market share) is very strong because it is in the correlation interval between 0.800-1.000.

The coefficient of determination ( $R^2$ ) is used to find out how much the contribution or contribution of the

segmentation, market target and market position variables to the market share variable. Empirical findings of the factors affecting market share indicate that the value of the  $R^2$  is 0.974. This indicates that the three independent variables that are jointly contributing are 97.4% to the market share variable while the remaining 2.6% is explained by other factors (residuals).

It can be seen from Table 6 for the segmentation variable ( $X_1$ ), the significance value is  $0.045 < 0.05$  which indicates if  $X_1$  has a significant effect on market share. Meanwhile, the market target variable ( $X_2$ ) has a significant effect on market share ( $0.003 < 0.05$ ) and market position ( $X_3$ ) also has a significant effect on market share with a significance level of 0.017 or lower than the statistical requirements. Based on the SPSS output, the multiple linear regression equation can be formulated as follows:

$$Y = 3.237\alpha + 0.584X_1 + 0.503X_2 + 0.595X_3 + 0.026e \quad (3)$$

The regression coefficient of  $X_1$  is positive, so, this can be interpreted that the segmentation variable affects market share that is 0.584. If every increase of  $X_1$  is one unit, it will increase market share by 58.4% assuming the other variables are fixed. The regression coefficient of  $X_2$  is positive, so, this can be interpreted that the target market variable influences the market share that is 0.503. If every increase of  $X_2$  is one unit, it will increase market share by 50.3% assuming the other variables are fixed.

In the regression coefficient of  $X_3$  with positive results, then this can also be interpreted if the market position variable can affect market share by 0.595. If every increase of  $X_3$  is one unit, it will increase market share by 59.5% assuming the other variables are fixed (Fig. 1).

**Effect of segmentation and market share:** The segmentation implemented by PT Batuah Energi Prima, namely conducting surveys, analysis and forming profiles. The company determines market segmentation based on the approach taken before a survey is conducted. A priori approach to segmentation on a basis is an approach based on consumer attributes, namely geographic segmentation

Table 4: Highlights test variable validity

Variable	Indicators	r-value	r-table	Measurement
Segmentation ( $X_1$ )	Survey	0.457		Valid
	Analysis	0.625		Valid
	Profile formation activities	0.497		Valid
Target market ( $X_2$ )	Understand the characteristics of potential customers	0.626		Valid
	Make selective choices	0.616		Valid
	Make product offerings	0.502		Valid
Market position ( $X_3$ )	Making serious consumer choices	0.575	0.184	Valid
	Offering marketed products	0.626		Valid
	Expanding market share	0.550		Valid
Market share ( $Y$ )	Customers	0.438		Valid
	Competitors	0.478		Valid
	Functional coordination	0.512		Valid

Researchers calculation

Table 5: Highlights test variable reliability

Variable	Cronbach's Alpha	Inference
Segmentation (X1)	0.457	Reliable
Target market (X2)	0.626	Reliable
Market position (X3)	0.575	Reliable
Market share (Y)	0.438	Reliable

Researchers calculation

Table 6: Highlights test variable reliability

Model	Unstandardized coefficients	Sig.	SE	t-value
Constant ( $\alpha$ )	3.237	0.000	0.445	7.280
X1-Y	0.584	0.045	0.065	9.011
X2-Y	0.503	0.003	0.067	7.524
X3-Y	0.595	0.017	0.047	10.505

R = 0.987

R<sup>2</sup> = 0.974

Durbin-Watson (DW) = 1.712

Researchers calculation

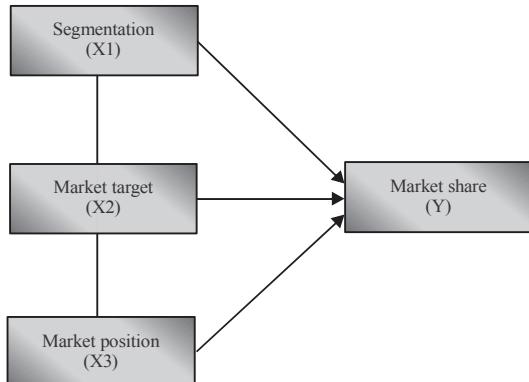


Fig. 1: Research variable model

approach to segmentation on a basis is an approach based on consumer attributes, namely geographic segmentation which is to divide the market into several geographical units. The reason for choosing this segmentation is because each region has a different character from other regions. In the initial stage to market coal products, it will concentrate product distribution on several consumer segments.

Furthermore, demographic segmentation which divides the market into groups based on variables such as age, gender, income, employment, education. The reason for choosing this segmentation is that segmentation in any way must always be seen from a demographic perspective and demographic information is the easiest and most affordable information to identify your target market. The segmentation targeted by PT Batuah Energi Prima is a coal user and producer industry, especially, in locations relatively close to the mining location of company on Kalimantan island, Java island and Sumatra island. The approach used by this company to segment a coal market is a geographical approach. This is because the location of coal buyers will greatly affect the competitiveness of the company against other competitors. The company has positioned its products as cheap coal products in the eyes

of both buyers and prospective buyers of the same quality compared to its competitors. The product strategy is emphasized for exploitation in locations that have coal with the lowest humidity levels, so that, good coal quality can be produced. The distribution strategy is used by direct distribution channels without intermediaries because the available personnel can still handle it, so that, this channel is the most efficient and effective. For the promotion strategy because this item is an industrial item, personal selling and public relations marketing are more suitable for this company. Meanwhile, for the pricing strategy, the price set here must be lower than its competitors and use its production costs as the lower limit.

Segments are created after data has been collected and analyzed according to attributes that are considered important, this approach is based on product attributes and four product approaches can be developed for the formulation of appropriate segmentation. Based on this, it is known that market segmentation is a way of looking at the market creatively. We need to creatively identify and take advantage of opportunities that arise in the market.

Market segmentation is very important in the banking business and marketing of coal products but also it cannot divide the market too small, market segmentation is still something that must be learned in building a business. Application of segmentation to increase the market share of PT Batuah Energi Prima enabling the company to focus more not too far/deviate from the target, get input on the competition map and position in the market is the basis for preparing further marketing strategies and key factors to defeat competitors by looking at the market from a unique angle different.

Market segmentation allows a small business to develop a product and a marketing mix that fit a relatively homogeneous part of the total market (Faulkner and Bowman, 1995). By focusing its resources on a specific customer base in this way, a small business may be able to carve out a niche that it can serve well that its larger competitors. Thus, marketers who successfully segment the overall market and adapt their products to the needs of one or more smaller segments stand to gain in terms of increased profit margins and reduced competitive pressures. But the potential gains offered by market segmentation must be measured against cost which in addition to the market research required to segment a market may include increased production and marketing expenses (Dickson and Ginter, 2016).

**Effect of market target and market share:** In the world of product marketing implemented by PT Batuah Energi Prima, there are three strategies for determining the target market that is often done by business people. First, understand the characteristics of potential customers

through marketing strategies without differentiation. The company sees the market as a whole without differentiating certain target markets. Companies that use this marketing strategy, only offer one product and cover the entire market. Without differentiating the target market, it aims to instill a strong image of its products to consumers. Marketing without differentiating the target market is chosen by business people because this strategy will cost smaller than marketing by differentiating target markets.

Marketing without differentiating the target market relies more on mass production, distribution and promotion strategies, to save costs. But despite its advantages, the marketing strategy also has shortcomings. Most businesses do not differentiate consumers, they will choose the broadest target market to offer their products. If many business people choose this method, the business competition will become even tougher.

Next, selective selection by implementing a differentiated marketing strategy. The second marketing by differentiating target markets according to consumer needs. The variety of needs that are needed by consumers is a driving factor for businesses to differentiate their target markets. The effort to differentiate the target market is aimed, so that, consumer loyalty towards a product is stronger because the company offers products that are under the wishes of consumers.

When compared to marketing without differentiation, marketing strategies with differentiators require greater costs. Because it takes money to research new products, a larger production process and increased costs for market research. Nevertheless, marketing with differentiation is more preferred by business actors. Because with differentiating marketing, their products have a stronger appeal than products marketed by competitors.

Third, namely offering products through a concentrated marketing strategy. In contrast to marketing strategies that different consumers according to their needs, concentrated marketing only focuses on marketing its products to one or several groups of buyers, so, marketing products are only aimed at the most potential groups.

Thus far, we have shown how a high market-share company can locate its optimal market share. We shall now discuss the various strategies a company can use either to attain or maintain this optimal share or to shift it to a higher level. Market-share management strategies fall into four broad categories: share building, share maintenance, share reduction and risk reduction (Bloom and Kotler, 1975).

**Effect of market position and market share:** After the target market has been chosen and the product needed is designed, now it's PT Batuah Energi Prima positions the product into the brains of potential customers, so, it must be done with careful planning and appropriate

steps. For this reason, the company must understand how consumers process information how consumers shape perception and how perception influences his decision making. Marketing products that have a very high level of competition then positioning in marketing is very important.

Determining the product's position is a communication strategy to enter the consumer's brain window, so that, the product/brand/name contains certain meanings which in some respects reflect the superiority of the product/brand/other names in the form of associative relationships. Building positioning is nothing but a matter of how the company PT Batuah Energi Prima seeks trust, positioning involves creating 'being' in the minds of consumers and directing it with full credibility.

Positioning is essentially a promise made by the company to its customers. Positioning that is structured to market products is by selecting serious consumers, offering marketed products and expanding market share. Positioning or market position is a way how the company tries to create the image or identity of a product, brand or company in the minds of consumers. Positioning is the perception occupied by a product in a market how consumers perceive the product and how they compare it to competing products.

The ability to see opportunities to strengthen positioning is a special talent possessed by the company. A successful positioning strategy is usually rooted in what competitive advantage a product has. In general, the basics used to form a positioning strategy are the specific features of the product, the specific solutions and benefits that a product can offer, the specific categories of products and when the product is suitable for use.

Generally, the company PT Batuah Energi Prima conducts positioning by paying attention to 3 concepts namely positioning based on function, to solve problems and provide benefits to consumers. Second, positioning in matters that are symbolic, namely to improve the image of consumers, satisfy the customer's ego, so that, consumers can have a sense of belongingness and make them feel "superior" in social relations and for self-satisfaction. And third, positioning in creating a customer experience. Product positioning is the consumer's perspective of the product on the most important attributes which in turn will produce a positive image or a negative image of consumers about a product.

The market share as determinant of return on investment and therefore an increase in market share will lead to an increase in profitability (Buzzell *et al.*, 1975). To see market share as sales relative to those of other competitors in the market. Market share is usually used to express competitive position. It is also, generally, accepted that increased market share can be equated with success whereas decreased market share is a manifestation of unfavorable actions by firm and usually equated with failure (Pearce and Robinson, 2003). However, high

market share has been associated with higher profits. Three outstanding theories emerge and present a clear direction and firm behavior about market share and its impact on profitability.

## CONCLUSION

A marketing strategy that consists of segmentation, target market and market position partially influences the market share of PT Batuah Energi Prima. This explains that based on demand and volume shows a fluctuating percentage of market share can not be separated from the implementation of marketing strategies applied by the company ranging from segmentation, market targets and market positions that provide a positive and significant impact on the increasing market share of PT Batuah Energi Prima.

Market target is the dominant variable influencing the market share of PT Batuah Energi Prima. This shows an increase in market share is determined by the act of designing bids and the image of the company to occupy the right position in offering products to consumers and expanding market share. This means that the target market in the form of market position determines an increase in the company's market share which means that with an appropriate market position, market share will increase without ignoring the role of segmentation and market position.

Company leaders and staff to continuously and continuously improve the application of marketing strategies ranging from segmentation, target markets and market positions. The segmentation strategy must be continued and evaluated periodically because the market segment is always changing. In terms of target markets, companies must be able to choose and determine a single segment to concentrate on a particular market. From the market position, several possible competitive advantages are identified and effective communication is made to choose the right market position.

## RECOMMENDATION

Based on the results of the study, it is suggested that in determining the market position to be able to choose the right target market and analyze consumer behavior, then to do the target market through selecting the target market and determining the product's position as a communication strategy in product marketing.

The first researcher designs and establishes the research problem, the title, identifies the interrelationship of the variable model and the preparation of the research framework. The contribution of the second researcher is to communicate with the object of research

(PT. Batuah Energi Prima) to obtain approval of field data collection through interviews with respondents under the questionnaire design and conduct stages of analysis. Next, the researchers work together to calculate empirical findings to the point of discussion and confirmation of conclusions.

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