

# Marketing Strategy Formulation with the Nine Core Elements of Marketing Framework: A Case Study of Bakpia Satu Hati MSME

Original Article

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## Abstract

This research addresses the strategic challenges faced by Bakpia Satu Hati, a culinary MSME struggling to compete against established brands that utilize conventional marketing and monopolistic tourist channel practices. These barriers limit market expansion and digital technology adoption for new entrants. Consequently, this study aims to provide adaptive, innovative, and ethical strategic solutions for sustainable growth. To address this problem, the research formulates a marketing strategy using the Nine Core Elements of Marketing framework, which encompasses strategy (segmentation, targeting, positioning), tactics (differentiation, marketing mix, selling), and value (brand, service, process). The primary goal is to build a strategy focused not just on market share, but also on cultivating strong brand loyalty and positive brand perception. The analysis integrates several frameworks for a robust foundation. PESTEL examines macro-environmental changes, while Porter's Five Forces deepens competitor analysis. A TOWS matrix synthesizes internal and external factors, complemented by the 4C framework (Change, Competitor, Customer, Company) to provide a multidimensional view of the business landscape. The outcomes are expected to offer practical guidance for Bakpia Satu Hati's sustainable growth and contribute to the academic literature on innovative MSME marketing strategies in the culinary sector.

**Keywords:** Bakpia, Marketing Strategy, MSMEs, Nine Core Elements of Marketing, Porter's Five Forces.

## 1. Introduction

Yogyakarta has long been known as one of Indonesia's main tourist destinations, attracting both domestic and international tourists. Based on the latest data from the Central Statistics Agency of the Special Region of Yogyakarta Province, international tourist visits increased rapidly in 2023, with a total of 75,952 visits from January to September, up more than 2,360% compared to the same period in the previous year. Tourists from countries such as Malaysia (39.72%), Singapore (14.18%), and China (4.37%) dominated arrivals, indicating significant market potential for the souvenir industry, particularly bakpia, which is one of Yogyakarta's signature products. This increase in tourist numbers is expected to be directly proportional to the rising demand for souvenirs, including bakpia products that are favorites among travelers.

The souvenir industry in Yogyakarta has long been one of the sectors playing an important role in supporting local tourism. As a popular cultural tourism destination, Yogyakarta attracts millions of tourists every year, both domestic and international, who seek local products to take home as souvenirs. One of the most iconic products always associated with Yogyakarta is bakpia, a small filled pastry that has been known since the 1940s (Rismalia



et al., 2022). Bakpia is not merely food but has become part of Yogyakarta's cultural identity, reflecting the adaptation of local community tastes and preferences that continue to evolve. With the passage of time, bakpia has undergone modernization both in its production process and flavor variations, keeping it relevant in an increasingly competitive souvenir market (Mayasari et al., 2021).

Along with the development of this souvenir industry, market competition has become increasingly fierce. Major brands such as Bakpia Tugu Jogja have long dominated the market, offering bakpia products that are widely known and have strong consumer loyalty. Amid this dominance, the emergence of new players such as Bakpia Satu Hati presents its own challenges. As a newcomer to a crowded market, Bakpia Satu Hati must be able to offer something different to attract the attention of consumers already accustomed to products from established brands. In this case, differentiation becomes a very important element to compete effectively (Sopiyan, 2021).

In the bakpia industry that has long been dominated by brands such as Bakpia Pathok 25, Bakpia Kurnia Sari, and Bakpia Tugu Jogja, Bakpia Satu Hati as a newcomer faces heavy challenges in building market share and consumer loyalty. Long-established competitors have advantages in terms of brand recognition, extensive distribution networks, and a strong customer base, especially in the tourist market segment. Nevertheless, Bakpia Satu Hati seeks to exploit market gaps through product innovation and the unique shopping experience in their superstore. The modern concept offered by Bakpia Satu Hati attracts the attention of young generations and domestic tourists seeking new alternatives, although their efforts to compete in distribution and brand image still require a more integrated strategy. Bakpia Satu Hati's current position is in the stage of building presence and differentiation amid the dominance of established brands.

Bakpia Satu Hati comes with product innovation designed to meet modern market needs without sacrificing the traditional values inherent in bakpia. This brand offers more innovative bakpia variants, including Bakpia Krispy and Bakpia Kukus, which provide different textures and flavors from traditional bakpia. Additionally, Bakpia Satu Hati also emphasizes the concept of cleanliness and hygiene in its production process. The Bakpia Satu Hati factory uses modern technology that enables large-scale production, reaching up to 1,500 bakpia per hour. The production process is supported by automatic equipment that ensures strict cleanliness standards, including the use of personal protective equipment (PPE) by production staff to maintain product quality. All of this is done with the aim of providing a safer and more comfortable consumption experience for consumers.

However, despite Bakpia Satu Hati's advantages in product innovation and modern production processes, significant challenges remain. Long-established major brands have advantages in brand recognition and consumer loyalty that are difficult for new brands to match. Therefore, Bakpia Satu Hati needs to formulate appropriate marketing strategies to survive and compete in this competitive market. The urgency of this research becomes increasingly significant given the high failure rate of micro, small, and medium enterprises (MSMEs) in Indonesia in maintaining their market existence within a relatively short period.

Based on recent research, nearly 78% of small businesses in Indonesia fail in their first year of operation, often due to a lack of entrepreneurial competence in responding to internal and external challenges (Much, 2022). Main factors include inefficient management, capital limitations, and a lack of innovative and adaptive marketing strategies to ever-changing market dynamics (Husaini & Hutar, 2022). Furthermore, the emergence of issues related to marketing practices in Yogyakarta's signature souvenir sector increasingly emphasizes the need for innovative and ethics-based marketing strategies to create healthy competition.

Several reports indicate marketing practices by leading bakpia brands involving third parties, such as pedicab drivers, carriage coachmen, and travel agents, to direct tourists to certain stores in exchange for commissions (Nihayati, 2020).

Such practices not only provide unequal competitive advantages but also create a tourist distribution monopoly, limiting opportunities for new brands like Bakpia Satu Hati to expand market share. Dependence on such approaches reflects conventional methods that ignore transformation opportunities through technology-based marketing strategies and digitalization. Therefore, this research becomes significant to explore and design marketing strategies oriented toward innovation and sustainability, which not only enhance Bakpia Satu Hati's competitiveness but also contribute to developing an inclusive business ecosystem in Yogyakarta's signature souvenir sector.

Research conducted by Suyatno (2022) shows that without appropriate marketing strategies, many businesses face great difficulties competing in increasingly competitive markets. Therefore, this research plays an important role in formulating comprehensive marketing strategies for Bakpia Satu Hati, to enhance competitiveness and business sustainability amid fierce competition in the souvenir industry, particularly in Yogyakarta. In facing competitive challenges in Yogyakarta's souvenir market, a comprehensive and holistic approach is needed to formulate effective marketing strategies.

This is important because appropriate marketing strategies not only help increase competitiveness but can also influence consumer perception and build brand loyalty. Given the complexity of market dynamics and changing consumer preferences, an approach that encompasses various marketing aspects such as segmentation, target market determination, positioning, and value delivered to consumers is highly necessary. Thus, a comprehensive approach not only helps identify external opportunities and challenges but also strengthens the competitive advantage that Bakpia Satu Hati can possess.

In this context, the use of the Nine Core Elements of Marketing Framework becomes relevant as a tool to formulate comprehensive marketing strategies. The Nine Core Elements of Marketing Framework developed by Hermawan Kartajaya offers a holistic approach to understanding and formulating marketing strategies (Kotler & Hooi, 2021). This framework groups key marketing elements into three main categories known as the STV Triangle: Strategy (Segmentation, Targeting, Positioning), Tactic (Differentiation, Marketing Mix, Selling), and Value (Brand, Service, Process). Each element in this framework works together to help companies create marketing strategies that not only focus on market share but also on how brands can win consumers' minds (mind-share) and hearts (heart-share) (Kotler et al., 2008).

By using this framework, Bakpia Satu Hati can build marketing strategies that are responsive to market changes and capable of creating long-term value for consumers, thus enhancing competitiveness in an increasingly dynamic market. This framework was selected for its comprehensive guidance in managing the multiple marketing dimensions essential for MSME sustainability amid market uncertainty. This study contributes actionable strategic recommendations for Bakpia Satu Hati's management to leverage product advantages, foster customer relationships, and pursue continuous innovation. The research aims to equip owners with a structured approach to formulating and implementing marketing strategies that support sustainable business growth in Yogyakarta's competitive souvenir market.

## 2. Literature Review

### 2.1. Marketing

Kotler & Keller (2016) define marketing as a social and managerial process that enables individuals and groups to obtain what they need and want through the creation, offering, and exchange of products or values with other parties. This definition emphasizes that marketing is a process involving social interaction between companies and consumers, and focuses on mutually beneficial exchange activities.

The American Marketing Association (2017) provides a broader definition, stating that marketing is the activity, institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society in general. In this understanding, marketing is not limited to interactions between companies and consumers but also includes contributions to the welfare of society and other stakeholders.

### 2.2. Marketing Strategy

Marketing strategy is an approach used by companies to create and deliver value to customers while achieving desired business goals. According to Kotler & Keller (2016), marketing strategy involves developing a strong market position through a series of decisions about product, price, place, and promotion. This aims to exploit existing market opportunities and face challenges that arise in competitive markets. Chaffey & Ellis-Chadwick (2019) add that in the digital context, marketing strategy not only involves traditional marketing mix but also consumer experiences built through digital channels to create sustainable relationships.

### 2.3. MSMEs

Micro, Small, and Medium Enterprises (MSMEs) refer to categories of companies that have a limited number of employees and certain annual turnover (Zen & Lestari, 2022). The definition of MSMEs can vary between countries, but generally, criteria used to define MSMEs include the number of employees, annual turnover, and assets owned by the company. According to Law No. 20 of 2008 in Indonesia, micro enterprises are businesses with annual turnover below Rp 300 million and fewer than 10 employees. Small enterprises have annual turnover between Rp 300 million and Rp 2.5 billion, and medium enterprises between Rp 2.5 billion and Rp 50 billion (Law No. 20, 2008).

Globally, the definition of MSMEs also varies. For example, in the European Union, companies with fewer than 250 employees are considered MSMEs, with further divisions between small and medium enterprises based on turnover and number of employees (Madani, 2018). Meanwhile, according to Henschel & Heinze (2018), MSMEs generally have distinctive characteristics that differentiate them from large companies, namely in terms of simpler organizational structure, more flexible management, and decisions that are more influenced by business owners, who are often also directly involved in daily operations.

## 3. Methods

### 3.1. Type of Research

This research uses a qualitative approach, which according to Sugiyono (2017) aims to understand phenomena deeply by exploring information from various perspectives. This type of research focuses not only on numerical measurement but more on exploring processes and meanings behind the phenomena being studied. Qualitative research is relevant in answering

questions that require deep understanding of the context and interactions between elements within it.

This research is naturalistic in nature, conducted in natural conditions without manipulation or intervention, with the researcher as the main instrument. In this approach, researchers are fully responsible for collecting, analyzing, and interpreting data. The philosophy underlying qualitative research is postpositivism, which is often also called the interpretive and constructive paradigm. This paradigm views social reality as something holistic, complex, dynamic, full of meaning, and the relationships between phenomena are interactive or mutually influential.

The qualitative method was chosen because it is suitable for exploring contextual and complex marketing phenomena, such as the marketing strategy of Bakpia Satu Hati MSMEs. The researcher's presence in this study is designed not to influence the dynamics of the research object, so that the data obtained reflects the actual conditions. This approach enables deep information extraction through interviews, observation, and documentation. Moreover, the relevance of this method is evident from previous studies such as Creswell & Creswell (2017), which emphasizes the advantages of qualitative methods in understanding phenomena deeply.

### 3.2. Research Approach

This research uses a case study approach, as explained by Yin (2009), which is a method used to investigate contemporary phenomena in real-life contexts, especially when the boundaries between phenomena and context are not entirely clear. This approach is suitable for in-depth exploration of specific phenomena, such as marketing strategies implemented by Bakpia Satu Hati MSMEs.

The case study approach was chosen because it provides flexibility in understanding the specificity of marketing practices, using data triangulation through interviews, observation, and documentation. This method enables researchers to describe phenomena in detail, thus contributing significantly both theoretically and practically. In the context of this research, case studies also support a richer understanding of the implementation of the Nine Core Elements of Marketing.

### 3.3. Research Data Sources

In this research, the data used is primary data. The data is collected to produce comprehensive and in-depth analysis of Bakpia Satu Hati MSME's marketing strategy.

Primary data is data obtained directly from the first source through interaction with research subjects. According to Sugiyono (2017), primary data is data collected directly by researchers through techniques such as interviews, observation, or surveys. In the context of this research, primary data will be obtained through:

- 1) In-depth Interviews: Involving the owner and marketing manager of Bakpia Satu Hati MSMEs to explore business landscape conditions, map external threats and opportunities, internal strengths and weaknesses of the company, and marketing strategies used.
- 2) Direct Observation: Conducting observations of marketing activities, production facilities, and consumer interactions at Bakpia Satu Hati's factory and outlet locations.

By collecting primary data, this research is expected to provide a comprehensive picture of marketing strategies based on the Nine Core Elements of Marketing at Bakpia Satu Hati MSMEs.

### 3.4. Data Collection Techniques

In this research, data collection techniques used include semi-structured interviews and observation. Both techniques complement each other to obtain accurate and in-depth data regarding Bakpia Satu Hati MSME's marketing strategy. In-depth interviews with semi-structured format were conducted face-to-face with each participant. On average, each interview lasted approximately 30 minutes and all interviews were recorded with participants' permission. The interview protocol was designed to explore business landscape conditions, map external threats and opportunities, internal strengths and weaknesses of the company, and marketing strategies used by Bakpia Satu Hati MSMEs. These interviews aim to explore information related to factors influencing marketing decisions, and understand how the company faces existing challenges and opportunities. Additionally, interviews also aim to obtain an overview of marketing strategies implemented, and how the company manages their market position and faces changing business environment dynamics.

Interviews will be conducted twice. The first interview will begin to collect information in compiling PESTEL Analysis and Porter's Five Forces, focusing on macro dynamics (political, economic, social, technological, legal, and environmental) and aspects of industry competitiveness. Furthermore, the first interview is also focused on exploring information needed in compiling 4C and TOWS Analysis, which is to map the company's external and internal environment, and to identify threats, opportunities, strengths, and weaknesses faced by the company. The second interview will be conducted to collect data needed in compiling Marketing Strategy Formulation using the Nine Core Elements of Marketing, which includes aspects of strategy, tactics, and value applied in bakpia product marketing.

Observation is conducted to directly observe marketing activities, consumer interactions, and production facilities at Bakpia Satu Hati's factory and outlet locations. Observation enables researchers to obtain a more realistic picture of phenomena occurring in the field. This technique is used to complement interview data and ensure information validity. Observation is conducted by documenting important activities using field notes, photos, or videos. Several aspects observed include: bakpia production process, promotional activities at outlets, interactions between employees and customers.

### 3.5. Data Analysis Techniques

The data analysis process in this research begins with transcription of interview and observation data, which is then analyzed using manual coding to identify themes and patterns relevant to research objectives. The initial stage includes reading all data to recognize initial themes, then relevant codes are assigned to each piece of information, which are subsequently grouped into major categories. Analysis is conducted through several frameworks, namely PESTEL to assess external macro factors, Porter's Five Forces to assess industry competitiveness, 4C (Change, Competitor, Customer, Company) for strategic data classification, and TOWS Matrix to integrate internal and external factors into specific strategies (SO, ST, WO, WT). Based on these analysis results, researchers formulate Bakpia Satu Hati's marketing strategy using the Nine Core Elements of Marketing, which includes Strategy dimensions (Segmentation, Targeting, Positioning), Tactic (Differentiation, Marketing Mix, Selling), and Value (Brand, Service, Process), so that the resulting strategy aligns with market needs and company objectives.

## 4. Results and Discussion

### 4.1. Business Environment Change Conditions Affecting Bakpia Satu Hati's Marketing Strategy Based on 4C Diamond Analysis

#### 4.1.1. Change Aspect (Business Environment Changes)

Based on research results, the Change aspect shows that Bakpia Satu Hati's marketing strategy is influenced by external environment dynamics encompassing policy changes, economic conditions, socio-cultural shifts, technological developments, increasing environmental awareness, and regulations governing food products. These findings align with the Change concept in the 4C framework that positions external environment changes as the main factor shaping marketing strategic context (Kotler et al., 2023).

Research results show that government policies, particularly budget cuts for Civil Servant (ASN) official travel and restrictions on inter-provincial study tour activities, impact decreased tourist mobility to Yogyakarta and have direct implications on souvenir product demand. From a PESTEL perspective, political and legal factors are understood as part of political-legal drivers that shape market climate through public policies and regulations (Sammut-Bonnici & Galea, 2015). These findings strengthen the view that macro policies can affect MSME market size dependent on the tourism sector. These results align with research by Putri et al. (2023) showing that external policy changes demand marketing strategy adjustments for companies to remain competitive.

From the economic side, research results show that community purchasing power and consumer price sensitivity affect bakpia demand patterns as souvenir products. These findings can be explained through the economic dimension in PESTEL, which confirms that fluctuations in economic conditions will affect consumption behavior and purchasing decisions (Huszagh et al., 1992). In the MSME context, flexibility in responding to economic changes becomes crucial. This is reinforced by research by Heriyoga & Rachmat (2016) which found that MSME limitations in distribution and promotion demand more adaptive marketing strategies amid economic pressures.

Research results also show socio-cultural consumer shifts, where bakpia is no longer evaluated solely on taste aspects but also on cleanliness, product innovation, packaging, and shopping experience. These findings align with Kivenzor (2015) that social dynamics and lifestyle changes significantly shape consumer preferences. Research by Prabawati & Harsono (2019) also confirms that service experience and processes become important factors in maintaining competitiveness when offered products are relatively homogeneous.

Furthermore, technological development becomes a driver of Bakpia Satu Hati's marketing strategy changes, particularly through digital channel utilization. In the technology driver framework in 4C and PESTEL analysis, technology is viewed as an enabler that allows marketing efficiency and market reach expansion (Chaffey & Ellis-Chadwick, 2019). These findings are reinforced by research by Malik et al. (2022) and Hanadhyas & Wulandari (2022) showing that digital marketing is effective in increasing brand awareness and reaching new consumers in MSME contexts.

Environmental and regulatory aspects also emerge in research results, particularly regarding production cleanliness and food safety standards. In PESTEL analysis, environmental and legal factors are understood as external pressures affecting consumer legitimacy and trust (Rashid, 2023). Research by Ibad & Susilaningih (2019) shows that integrating ecological and economic aspects can strengthen business image, while compliance with regulations potentially becomes a source of added value when properly communicated.

#### 4.1.2. Competitor Aspect (Competition Structure and Intensity)

Based on research results, the Competitor aspect shows that Bakpia Satu Hati operates in a highly competitive bakpia industry structure. This industry is dominated by long-established brands that already have consumer loyalty, extensive distribution networks, and strong positions in tourist areas. These conditions create significant competitive pressure for new business actors.

From the Porter's Five Forces perspective, rivalry among existing competitors becomes the most dominant force. Porter (2008) explains that competition levels will be higher when products are relatively uniform and differentiation is difficult to achieve. Research findings show that bakpia products have similar characteristics, so competition occurs more in brand aspects, innovation, and consumer experience. This condition aligns with research by Prabawati & Harsono (2019) which found that in industries with homogeneous products, service and process differentiation becomes the key to competitive advantage.

Research results also show that buyer bargaining power is relatively high because consumers have many bakpia product choices with comparable price ranges. In Porter's framework, high buyer bargaining power will pressure companies to continuously improve offered value. These findings are reinforced by research by Atmoko (2018) showing that in tourism and souvenir industries, consumer bargaining power drives companies to improve service quality and set competitive prices.

Additionally, research results show threats of substitute products, both from non-bakpia souvenir products and similar product innovations. Porter (2008) states that substitute existence will increase competitive pressure and narrow differentiation space. These findings align with research by Putri et al. (2023) showing that companies need to continuously develop product and marketing innovations to maintain relevance amid diverse consumer choice alternatives.

Meanwhile, entry barriers for new entrants are relatively high due to strong established brands and tourist distribution channel control. In Porter's theory, this condition benefits established players but makes it difficult for new players to compete directly. These findings align with research by Malik et al. (2022) and Saptono & Khozen (2022) showing that limited promotion and distribution access drives new MSMEs to seek alternative strategies, particularly through digital channels.

#### 4.1.3. Customer Aspect (Customer Preferences and Needs)

Based on research results, the Customer aspect shows that Bakpia Satu Hati consumer preferences and needs experience significant shifts. Research findings reveal that consumers no longer evaluate bakpia solely from taste aspects but also consider product cleanliness, modern packaging, product variety, and overall shopping experience. This shift indicates that souvenir consumers have more complex expectations of offered product value.

These findings can be explained through the customer perceived value concept, which emphasizes that purchasing decisions are influenced by consumer perceptions of total benefits received compared to sacrifices made (Kotler & Keller, 2016). In Bakpia Satu Hati's context, product cleanliness and production process quality become important parts of functional benefits expected by consumers. These findings align with research by Ibad & Susilarningsih (2019) showing that perceptions of quality and product safety significantly affect consumer trust in food-based MSMEs.

Research results also show that consumers, particularly younger generations, have greater interest in souvenir products with modern images. This interest is reflected in positive consumer responses to premium packaging and Bakpia Satu Hati's superstore concept. From a marketing perspective, modern product image plays a role in forming initial consumer

perception and increasing product attractiveness. These findings align with research by Saptono & Khozen (2022) stating that packaging design and product visuals contribute to building value perception and MSME product differentiation in the market.

Furthermore, product innovation becomes an important finding in the Customer aspect. Research results show that developing steamed bakpia and crispy bakpia variants attracts consumer interest as perceived renewals from conventional bakpia products. In marketing theory, product innovation is understood as company responses to dynamic consumer needs and preferences. These findings align with research by Atmoko (2018) showing that product innovation in tourism and souvenir sectors plays a role in increasing purchase interest and maintaining business competitiveness.

The next finding shows that shopping experience becomes an integral part of consumer needs. Consumers not only buy products but also seek comfort, convenience, and pleasant experiences during the purchase process. From a customer experience perspective, consumer interactions with store environments and services will shape overall customer perception and satisfaction. These findings are reinforced by research by Prabawati & Harsono (2019) and Malik et al. (2022) showing that positive shopping experiences can increase consumer interest and preferences toward MSME products.

#### **4.1.4. Company Aspect (Bakpia Satu Hati's Internal Capabilities)**

Based on research results, the Company aspect shows that Bakpia Satu Hati has a combination of internal strengths and limitations affecting the company's ability to formulate and implement marketing strategies. In the 4C Diamond analysis framework, the Company element represents company internal readiness, particularly capabilities and resources possessed, in responding to business environment change dynamics and competitive pressures. Thus, Company aspect findings become an important foundation for assessing to what extent Bakpia Satu Hati can exploit market opportunities and face industry challenges.

Research results show that Bakpia Satu Hati has relatively large facilities and production capacity supported by modern equipment. Conceptually, production capability is tangible internal resources that play a role in supporting company operational reliability. This capability enables Bakpia Satu Hati to maintain product quality consistency and meet large quantity demands. These findings align with research by Heriyoga & Rachmat (2016) showing that operational readiness and production capacity are MSME internal strengths in supporting marketing strategy development.

Besides production capacity, research results also show that Bakpia Satu Hati has implemented cleanliness and hygiene standards in production processes. From a marketing perspective, production process quality contributes to forming product quality perception in consumers' eyes. Hygiene implementation not only functions to maintain food safety but also becomes internal value that strengthens consumer trust. These findings are reinforced by research by Ibad & Susilaningsih (2019) stating that hygiene standard implementation in food businesses positively affects quality perception and consumer trust.

Next research results show that the superstore concept owned by Bakpia Satu Hati becomes one of the company's internal advantages. From an internal capability perspective, company ability to design service environments supporting shopping comfort and experience is a strategic value source. The superstore concept enables Bakpia Satu Hati to offer different shopping experiences compared to conventional bakpia stores. These findings align with research by Prabawati & Harsono (2019) showing that internal facilities and service processes can become MSME differentiation sources amid fierce competition.

Additionally, research results show that Bakpia Satu Hati has internal capability in conducting product innovation, such as developing steamed bakpia and crispy bakpia

variants. Theoretically, product innovation is understood as internal capability enabling companies to adapt to changing consumer preferences. This innovation capability reflects company internal flexibility in responding to market needs. These findings align with research by Atmoko (2018) showing that product innovation plays an important role in increasing souvenir product attractiveness and maintaining business sustainability.

On the other hand, research results show that Bakpia Satu Hati still faces limitations in brand strength and conventional distribution network aspects. From a strategic marketing perspective, brand and distribution are intangible internal resources having important roles in building company market position. This brand awareness and distribution limitation restricts Bakpia Satu Hati's marketing reach compared to established competitors. These findings are reinforced by research by Malik et al. (2022) and Saptono and Khozen (2022) showing that limitations in brand and distribution aspects become main internal challenges for MSMEs in expanding markets.

## **4.2. Strategic Issue Formulation for Bakpia Satu Hati Marketing Based on TOWS Analysis**

### **4.2.1. SO Strategy (Strength-Opportunity): Leveraging Strengths to Capture Opportunities**

Research results show that Bakpia Satu Hati has several internal strengths, such as modern production facilities, good hygiene standards, high production capacity, and a superstore concept offering shopping experience. These strengths meet external opportunities in the form of digital technology development and consumer preference changes toward modern products and better consumption experiences. SO strategy in this context leads to leveraging internal capabilities to optimize digital marketing opportunities and experiential marketing. These findings align with Kotler & Hooi (2021) stating that internal advantages must be translated into value propositions relevant to market needs. Research by Malik et al. (2022) and Hanadhyas & Wulandari (2022) also shows that MSMEs able to integrate production strengths with digital marketing tend to be more effective in building brand awareness. Thus, SO strategy confirms that Bakpia Satu Hati's internal strengths potentially become the main growth driver when directed to capture consumer behavior change opportunities and technological development.

### **4.2.2. ST Strategy (Strength-Threat): Leveraging Strengths to Face Threats**

The main threats faced by Bakpia Satu Hati come from high bakpia industry competition intensity, established brand dominance, and strong conventional distribution networks not easily accessed by newcomers. In these conditions, Bakpia Satu Hati's internal strengths become important elements to reduce competitive pressure. ST strategy emphasizes using differentiation based on process quality, hygiene, product innovation, and shopping experience as responses to competitive threats. This approach aligns with Porter's (2008) theory confirming that differentiation is a key strategy in industries with high rivalry. Research by Prabawati & Harsono (2019) also shows that service innovation and customer experience can become counterbalances to intense competitive pressure. Thus, ST strategy directs Bakpia Satu Hati not to be trapped in price wars but to build advantages through values difficult for established competitors to imitate.

### **4.2.3. WO Strategy (Weakness-Opportunity): Minimizing Weaknesses by Exploiting Opportunities**

Research results show that although Bakpia Satu Hati has strong operational capabilities, the company still faces weaknesses in brand strength and distribution network

aspects. However, these weaknesses meet external opportunities in the form of relatively open digital marketing access and lower entry costs compared to conventional channels. WO strategy focuses on exploiting digital opportunities to cover distribution and brand awareness limitations. These findings align with research by Heriyoga & Rachmat (2016) stating that MSME distribution weaknesses can be overcome through more innovative marketing strategies. Additionally, Saptono & Khozen (2022) also confirm that digital marketing becomes a strategic solution in facing resource limitations. Thus, WO strategy positions marketing transformation as a tool to accelerate Bakpia Satu Hati's market position strengthening.

#### **4.2.4. WT Strategy (Weakness-Threat): Defensive Strategy to Maintain Sustainability**

WT strategy emerges from the combination of internal weaknesses and external threats, demanding defensive approaches. In Bakpia Satu Hati's context, this strategy is oriented toward selective resource management, focus on the most potential market segments, and strengthening marketing efficiency. This approach aligns with Grünig & Kühn (2015) view stating that defensive strategies are needed to maintain business sustainability in high competition conditions and resource limitations. WT strategy is not intended for aggressive expansion but to ensure business stability while preparing long-term growth foundations.

### **4.3. Bakpia Satu Hati Marketing Strategy Formulation Using Nine Core Elements of Marketing Framework**

Results of Bakpia Satu Hati's marketing strategy formulation using the Nine Core Elements of Marketing Framework. This strategy formulation is based on synthesis of 4C Diamond analysis results (Research Problem 1) and strategic issue mapping through TOWS Matrix (Research Problem 2). The Nine Core Elements of Marketing Framework was chosen because it can provide a holistic marketing approach by integrating three main dimensions, namely Strategy, Tactic, and Value (STV Triangle). This approach enables companies not only to pursue market share increases but also to build perception (mind share) and emotional connections with consumers (heart share) (Kotler & Hooi, 2021).

#### **4.3.1. Strategy Dimension: Segmentation, Targeting, and Positioning**

In the Strategy dimension, research results show that Bakpia Satu Hati implements the Segmentation, Targeting, and Positioning (STP) approach as proposed by Philip Kotler, which emphasizes the importance of proper market segment selection to create competitive advantage (Kotler & Keller, 2016). Market segmentation is directed at domestic tourists, younger generations, and families seeking souvenir products with modern, hygienic, and comfortable concepts. Targeting is focused on middle-class consumers who prioritize quality, innovation, and shopping experience, while positioning is built as modern bakpia with high cleanliness standards, diverse product innovation, and superstore and educational tourism concepts. This STP clarity functions to strengthen consumer mind share through clear and consistent perception. These findings align with research by Atmoko (2018) and Putri et al. (2023) showing that segmentation and positioning clarity play important roles in MSME souvenir product differentiation.

#### **4.3.2. Tactic Dimension: Differentiation, Marketing Mix, and Selling**

In the Tactic dimension, research results show that strategies are translated into Differentiation, Marketing Mix, and Selling, as confirmed by Kartajaya (2017) that differentiation must be realized in concrete marketing actions to be felt by the market. Bakpia Satu Hati differentiation is built through product innovation, modern and hygienic production

processes, and educational tourism concepts such as factory visits and open kitchens. This differentiation is then strengthened through marketing mix, especially in product aspects (variants and premium packaging), promotion (social media, influencer endorsements, and collaboration with external parties), and superstore utilization as sales centers. Sales activities are also directed not only toward transactions but toward creating consumer interactions and experiences. This approach aligns with research by Heriyoga & Rachmat (2016) and Saptono & Khozen (2022) confirming that tactical innovation and digital marketing utilization can increase MSME marketing effectiveness amid conventional distribution limitations.

#### **4.3.3. Value Dimension: Brand, Service, and Process**

In the Value dimension, research results show that Bakpia Satu Hati emphasizes long-term value creation through Brand, Service, and Process strengthening. In the STV Triangle framework, the value dimension functions to build consumer heart share, namely emotional attachment driving long-term loyalty (Kotler et al., 2019). The Bakpia Satu Hati brand is built as a symbol of cleanliness, quality, innovation, and trust, while services are directed toward creating comfortable and pleasant shopping experiences. Internal processes are designed hygienically and standardized to maintain product quality consistency. These findings align with research by Ibad & Susilarningsih (2019) showing that process and quality consistency affect consumer trust, and Prabawati & Harsono (2019) confirming that service quality and customer experience are important determinants in maintaining MSME consumer loyalty.

Overall, discussion of the third Research Problem shows that implementing the Nine Core Elements of Marketing through STV Triangle as proposed by Philip Kotler and Hermawan Kertajaya enables Bakpia Satu Hati to integrate strategy, tactics, and value into one complete and continuous marketing framework. Novelty at this stage lies in implementing the Nine Core Elements of Marketing as the final integrative framework connecting 4C Diamond and TOWS Matrix analysis in traditional souvenir MSME contexts. This approach not only produces strategies oriented toward market share but also strengthens consumer mind share and heart share. Thus, formulated strategies are not partial but holistic and oriented toward Bakpia Satu Hati's business sustainability.

## **5. Conclusion**

This study aimed to formulate a competitive marketing strategy for Bakpia Satu Hati to overcome market entry barriers and intense competition from established brands. The research analyzed internal and external conditions using 4C Diamond, PESTEL, and Porter's Five Forces, finding that the company operates in a dynamic environment where consumers prioritize modern, hygienic, and experience-oriented products. Bakpia Satu Hati demonstrates strengths in production capacity, product innovation, hygiene standards, and its superstore concept, though brand strength and distribution remain limited. Marketing strategies developed through TOWS Matrix include aggressive, adaptive, defensive, and survival approaches, all emphasizing growth and sustainability. Implementation of the Nine Core Elements framework ensures integrated operational strategies from market segmentation to value creation.

Managerial implications recommend leveraging internal strengths in the short term, strengthening brand and distribution in the medium term, and building sustainable brand positioning in the long term. Research limitations include a single-object focus and descriptive qualitative approach. Future research should expand to multiple objects and incorporate quantitative methods to improve generalizability. This study contributes actionable strategic

guidance for Bakpia Satu Hati's owners and marketing managers to implement value-based strategies focused on consumer experience and loyalty.

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