

**EMPIRICAL ANALYSIS OF STP FRAMEWORK AND MARKETING  
PERFORMANCE OF MANUFACTURING FIRMS IN SOUTH-EAST, NIGERIA**

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**Abstract**

This study examined the extent to which manufacturing firms in South-East Nigeria apply segmentation, targeting and positioning (STP), as well as the nexus between application of STP framework and marketing performance. The study adopted a descriptive design. The population of the study consisted 7,980 manufacturing firms in Anambra and Abia States in South-Eastern Nigeria. A sample size of 380 was drawn from the population using Taro Yemane formula for sample size determination. Stratified random sampling technique was used to arrive at test units. Descriptive statistics were used to summarize the data collected, while Pearson Product Moment Correlation was used to test the between application of STP framework and marketing performance. The study found a significant positive relationship between application of STP framework and marketing performance of manufacturing firms in South-East Nigeria. The study concludes that STP framework is a strategic driver of marketing performance, and recommends that manufacturing firms that seek improved marketing performance should prioritize regular market research to gather reliable data that improves segmentation accuracy, identify emerging customer needs, and guide better targeting and positioning decisions.

**Keywords:** Marketing performance, positioning, segmentation, targeting, manufacturing firms

**Introduction**

In today's competitive business environment, the ability of manufacturing firms to effectively reach and satisfy customers is critical for sustained growth and profitability. The STP framework - Segmentation, Targeting, and Positioning - is a strategic marketing model that help businesses identify and reach valuable customer segments with tailored marketing strategies (Afiah et al., 2022). The application of this model enable firms to differentiate their offerings, maximize customer satisfaction and improve marketing performance. Manufacturing firms in South East Nigeria operate in a dynamic environment characterized by increasing competition, changing customer preferences and economic uncertainties.

Despite the potential of the STP model to enhance marketing efficiency, there is limited empirical evidence on its utilization and impact on marketing performance of firms in the region (Okoro et al., 2022). This study seeks to fill that gap by empirically analyzing the extent to which manufacturing firms in South East Nigeria adopt the STP framework and how it influences their marketing performance. The study also aims to provide strategic insights for firms on optimizing their marketing approach using the STP model.

**Statement of the Problem**

In the face of intense competition, rapid technological change and shifting consumer preferences, manufacturing firms in South East Nigeria are under increasing pressure to adopt more effective marketing strategy to remain competitive (Adeniran et al., 2024). The STP framework offers a structured approach to identifying and serving profitable customer groups (Zikmund & Babin, 2012). However, many firms in the region appear to either underutilize or misapply this framework strategies, resulting in suboptimal marketing performance. Also, despite its recognized importance in marketing literature (Vargo & Lusch, 2008), there is limited empirical assessment of the implementation and impact of STP framework among manufacturing firms in

South-East Nigeria. Many firms in the region still adopt a one-size-fits-all marketing approach, often without a clear understanding of customer differences, competitive positioning or data-driven targeting.

Thus, this study sought to contribute to knowledge by examining the extent of application of STP framework by manufacturing firms in South-East Nigeria; and its impact on their marketing performance. The study specifically sought to:

- i) Assess the level of application of STP framework among manufacturing firms in South-East Nigeria.
- ii) Examine the relationship between application of STP framework and marketing performance of manufacturing firms in South-East Nigeria.

## **Literature Review**

### **Segmentation, Targeting and Positioning (STP) Framework**

Markets naturally comprise individuals, groups and organizations or institutions with different needs and purchasing power; products seldom appeal to everyone equally, and customers may not be equally profitable. Hence, successful marketing strategy development begins with understanding the market a firm intends to serve (Ateke & Nwokah, 2022). STP implore firms to align their competencies to the profitability of market segments, identify and focus on the most promising segments and develop and direct clear marketing communication at key segments.

Conceptually, market segmentation involves dividing a heterogeneous market into smaller, more homogeneous subgroups based on common characteristics such as demographics, psychographics, behavior, or geography (Kotler & Keller, 2016). Effective segmentation allows for better alignment of products with customer needs. Targeting follows segmentation and involves selecting attractive segments to serve. Targeting strategies include undifferentiated (mass), differentiated, and concentrated (niche) marketing. The choice of strategy depends on the firm's capacity and market conditions (Prahalad & Bamaswamy, 2004).

Positioning on the other hand, is the process of establishing a unique image or identity of a product in the customer's mind. Effective positioning is achieved by identifying unique selling propositions and consistently communicating them (Adeniran, 2022). For manufacturing firms, positioning can be based on product quality, pricing, service or innovation.

Marketing performance - the criterion variable in this study - refers to how well a firm meets its marketing objectives, typically measured by sales growth, customer acquisition, market share, customer acquisition cost, customer retention rate, return on marketing investment, brand awareness, lead conversion rate, and product penetration rate (Payne et al., 2008; Iglesias & Schultz, 2013).

These marketing performance metrics are used to assess how marketing strategies (like STP) contribute to business outcomes; they help to evaluate return on marketing investment and guide strategic decisions (Yi et al., 2013; Pine & Gilmore, 1999). Previous studies suggest a positive relationship between STP and business performance (Jaakkola & Alexander, 2014) in different sectors and regions. Ramaswamy and Oscan (2016) report that proper segmentation and targeting significantly improve sales performance. However, there is limited research on the link between STP framework and marketing performance of manufacturing firms in South-East Nigeria. Therefore, we hypothesize that:

**H<sub>01</sub>:** There is no significant relationship between application of STP framework and marketing performance of manufacturing firms in South-East Nigeria.

### Methodology

This is a descriptive study, and is quasi-experimental in nature. It adopted a survey strategy. The study is cross-sectional in time horizon, and was conducted in a non-contrived setting. The population of the study consisted 7,980 manufacturing firms in Anambra and Abia States of South-East Nigeria.

**Table 1: Population of Manufacturing Firms in Selected Industrial clusters in Anambra and Abia States in South-East Nigeria**

S/N	Location/Address	No of Producers/Shops	No of Employees	Total
	<b>Aba Leather Cluster</b>			
1	Power line	600 shops	4	2400
2	Shoe plaza	1200 shops	3	3600
3	Bakassi	150 producers	5	750
4	Nwaogu	250 shops	3	750
	<b>Onitsha Plastic Cluster</b>			
5	Osakwe Industrial Cluster, Awada	80 Industries	6	480
	<b>Grand Total</b>			<b>7,980</b>

Source: Development facility phase II (2018), Ihediora (2006) and Onwuchekwa (2017).

A sample size of 380 was drawn from the population using Taro Yemane formula. A stratified random sampling technique was used to ensure representation across different manufacturing sectors. Primary data were collected using structured questionnaire designed in the 5-point Likert-scale, and pre-tested with a sample of firms to ensure clarity and consistency. Cronbach's Alpha was used to test reliability, with a benchmark of 0.7 for internal consistency. Descriptive statistics (Tables, frequency and percentage) were used to summarize the data collected; while Pearson Product Moment Correlation was used to test the relationship between application of STP framework and marketing performance of manufacturing firms in South-East Nigeria.

### Results and Interpretation

**Table 2: Application of STP framework**

S/N	Items	SA	A	N	D	SD	Total
A.	Segmentation						
1	Our company segments its market based on customer characteristics.	150 (39%)	200 (53%)	10 (3%)	20 (5%)	-	380 (100%)
2	We consider customer behavior (usage, loyalty) in our segmentation strategy	120 (32%)	250 (66%)	-	10 (2%)	-	380 (100%)
B.	Targeting						
3	Targeting specific groups has helped us improve our marketing efficiency.	100(26%)	230 (61%)	-	40 (11%)	10 (2%)	380 (100%)
4	Our firm tailors marketing strategies to different target segments	140 (37%)	200 (53%)	5 (1%)	20 (5%)	15 (4%)	380 (100%)
C.	Positioning						
5	We focus on delivering consistent brand messages across channels.	90 (24%)	260 (68%)	20 (5%)	10 (3%)	-	380 (100%)
6	We have a clear and unique value proposition for our products.	180 (48%)	150 (39%)		30 (8%)	20 (5%)	380 (100%)

Table 2 shows that 39% of respondents strongly agreed that their company segment its market based on customer characteristics, 53% agreed, 3% were neutral, while 5% disagreed. Table 2 also shows that 32% of respondents strongly agreed that their company consider customer behaviour in their segmentation strategy, 66% agreed, while 2% disagreed. In addition, Table 2 showed that 26% of respondents strongly agreed that targeting specific groups has helped them improve their marketing efficiency, 61% agreed, 11% disagreed, while 2% strongly disagreed. Similarly, 37% of respondents strongly agreed that their firms tailor marketing strategies to different target segments, 53% agreed to the same item, 1% remained neutral, 5% disagreed while 4% strongly disagreed.

Also, 24% of respondents strongly agreed that their firms focus on delivering consistent brand messages across channels, 68% agreed, 5% were neutral, while 3% disagreed. Furthermore, Table 2 demonstrated that 48% of respondents strongly agreed that they have a clear and unique value proposition for their products, 39% agreed, 8% disagreed while 5% strongly disagreed. These statistics show that manufacturing firms in Anambra and Abia States apply STP framework in their marketing operations.

**Table 3: Marketing Performance**

S/N	Questions	SA	A	N	D	SD	Total
1	We have experienced growth in sales over the past 2 years	150 (39%)	220 (58%)	10 (3%)	-	-	380 (100%)
2	We have improved customer retention and loyalty.	100 (26%)	270 (71%)	-	10 (3%)	-	380 (100%)
3	Our market share has expanded in recent years.	130 (34%)	240 (63%)	10 (3%)	-	-	380 (100%)

Source: Field Survey, 2025

In Table 3, 39% of respondents strongly agreed that their firms experienced growth in sales over the past two years, 58% agreed, while 3% were neutral. Table 3 also showed that 26% of respondents agreed that their firms experienced improve customer retention and loyalty, 71% agreed, while 3% were neutral at the instance of the research. In addition, Table 3 indicated that 34% of respondents strongly agreed that their firms' market share has expanded in recent years, 63% agreed, while 3% disagreed.

**Table 4: Level of Application of STP Framework among Manufacturing Firms**

S/N	Variables	Adopted	Percentage	Did not Adopt	Percentage	Total
1	Segmentation	300	79	80	21	380 (100%)
2	Targeting	280	74	100	26	380 (100%)
3	Positioning	350	92	30	8	380(100%)

Source: Field Survey, 2025

Table 4 indicated that 79% of respondents believe that their firms practice market segmentation while 21% did not believe so. This implies that majority of firms surveyed, segment their market to identify distinct customer needs. Table 4 also indicated that 74% of respondents believe that their firms adopt targeting strategies while 26% of the respondents did not believe so. This shows that majority of manufacturing firms in South-East Nigeria select market segments based on their attractiveness and profitability. Furthermore, Table 4 revealed that 92% of respondents believe that their firms adopt positioning strategies while 8% did not believe so. This is an indication that

majority of manufacturing firms in South-East Nigeria make efforts to differentiate their products from those of competitors.

**Table 5: Correlations analysis of STP Framework and Marketing Performance**

Correlations			STP Framework	Marketing Performance
Pearson correlation	STP Framework	Correlation Coefficient	1.000	.703**
		Sig. (2-tailed)	.	.023
		N	380	380
	Marketing Performance	Correlation Coefficient	.703**	1.000
		Sig. (2-tailed)	.023	.
		N	380	380

\*\*. Correlation is significant at the 0.05 level (2-tailed).

Source: SPSS Output Data, 2025

Table 5 shows a correlation coefficient (r) of 0.703\*\*, indicating a strong relationship between application of STP framework and marketing performance of manufacturing firms in South-East Nigeria. In order to estimate the proportion of the variations in marketing performance attributable to variations in application of STP framework, we calculated the coefficient of determination - the square of the correlation coefficient. The  $R^2$   $(0.703)^2$  is 0.494. This means that 49% of variations in marketing performance of manufacturing firms in South-East Nigeria is accounted for, by variations in application of STP framework. These facts points to the fact that application of STP framework has significant relationship with marketing performance of manufacturing firms in South-East Nigeria. Therefore, the null hypothesis is rejected.

### Conclusion and Recommendations

This study examined the link between application of STP framework and marketing performance of manufacturing firms in South-East Nigeria. The findings provide empirical evidence that STP play significant roles in shaping marketing strategies and influencing marketing outcomes in the region. The analysis revealed that manufacturing firms actively practice segmentation, targeting and positioning, particularly using demographic and geographic factors to identify and reach customers. Positioning practices were also found to be in use.

The test of relationship showed a strong positive relationship between application of STP framework and marketing performance. These findings reinforce the importance of strategic marketing practices in driving marketing success, particularly in competitive and dynamic environments like South-East Nigeria. Thus, the study concludes that STP framework is a strategic tool for driving marketing success or that firms that adopt a structured and data-driven approach to STP are likely to gain a competitive edge, attract loyal customers, and achieve sustainable growth.

Consequently, the study recommends that manufacturing firms in South-East Nigeria that seek improved marketing performance should prioritize regular market research to gather reliable customer data that improves segmentation accuracy, help identify emerging customer needs, and guide better targeting decision. The study also recommends these firms should craft and consistently communicate a compelling brand message that clearly differentiates their products

from competitors; they should emphasize unique selling propositions such as quality, affordability, durability, or local identity.

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