



Analysis Of Segmentation, Targeting, And Positioning On Purchasing Decisions Through Digitalization In Nbl Mode Fashion Products

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Abstract. Digital transformation has changed how fashion consumers search for information, evaluate alternatives, and make purchases, requiring small and medium enterprises to align market strategy with digital channels. This study analyzes the effects of segmentation, targeting, and positioning on purchasing decisions, both directly and through digitalization, at NBL Mode in Medan. A quantitative associative design was applied to 168 consumers selected according to indicator-based sample adequacy. Data were collected using questionnaires and analyzed with Partial Least Squares Structural Equation Modeling (PLS-SEM). The results show that segmentation, targeting, and positioning positively and significantly affect both digitalization and purchasing decisions. Digitalization also has a positive and significant effect on purchasing decisions and significantly mediates the effects of all three marketing strategy variables. The model explains 39.8% of digitalization and 52.2% of purchasing decisions. These findings indicate that precise market selection, differentiated positioning, and stronger digital service quality should be integrated to increase purchase conversion and support sustainable competitiveness for fashion SMEs.

Keywords: *Digitalization, Purchase Decisions, Positioning, Segmentation, Targeting.*

INTRODUCTION

Advances in digital technology have reshaped consumer behavior in searching for information, comparing products, interacting with sellers, and completing transactions. Consumers increasingly rely on social media, marketplaces, and instant messaging applications rather than solely on face-to-face interaction. Kotler and Keller (2022) describe the purchase decision as the stage at which consumers select the alternative judged most capable of satisfying their needs after information search and evaluation. For small and medium enterprises (SMEs), this decision is closely related to the firm's ability to recognize market differences, choose priority consumers, establish a distinctive product image, and use digital technology to reduce information and transaction barriers.

The fashion SME sector in Medan has considerable potential but also faces intense competition from local businesses, national brands, and online sellers. NBL Mode markets women's apparel and Muslim fashion through Instagram, WhatsApp, and online marketplaces. Digital channels broaden market reach and allow more personal and interactive communication (Chaffey & Ellis-Chadwick, 2022). Nevertheless, increased online visibility does not automatically produce purchases. The preliminary survey in the source study indicates that digital traffic and interaction were not consistently converted into purchase decisions, suggesting that digital activity needs to be supported by more accurate segmentation, targeting, and positioning.

A pre-survey involving 30 NBL Mode consumers identified several practical weaknesses. Sixty percent of respondents did not yet consider NBL Mode their main fashion choice; 60.0% considered promotions insufficiently aligned with consumer characteristics; 60.0% viewed the offers as insufficiently relevant; 60.0% perceived the product as lacking distinctive features

compared with competitors; and 60.0% considered administrative responses insufficiently prompt. These patterns indicate that the marketing problem is not limited to promotional intensity. It also concerns how the market is classified, which consumers are prioritized, how the brand is positioned, and whether the digital shopping process creates convenience and confidence.

Table 1. Key Findings from the Preliminary Survey (n = 30)

Variable	Key indicator with highest concern	Disagree (%)
Purchase decision	NBL Mode as the primary fashion choice	60.0
Segmentation	Promotions tailored to consumer characteristics	60.0
Targeting	Offers provided are relevant	60.0
Positioning	Distinctive features compared with competitors	60.0
Digitalization	Prompt administrative response	60.0

Source: Preliminary survey results, 2026.

Marketing theory suggests that market segmentation allows firms to divide heterogeneous consumers into relatively homogeneous groups, while targeting directs resources toward segments with the greatest attractiveness and strategic fit (Kotler & Armstrong, 2021; Kotler & Keller, 2022). Positioning then translates the selected market strategy into a clear and differentiated image in consumers' minds. In a digital setting, these processes can become more precise because consumer information, content delivery, interaction, and transactions are supported by digital platforms. Laudon and Traver (2023) emphasize that digitalization can improve access to information, interaction speed, and shopping convenience, thereby strengthening consumer confidence during the decision process.

Previous studies generally report positive relationships between segmentation, targeting, positioning, digital marketing, and consumer decisions, but the strength of those relationships varies across industries and levels of digital adoption. Sudarso (2022) found that segmentation, targeting, and positioning can influence purchase decisions, while Azhari (2025) highlights the importance of digital marketing and customer segmentation in shaping market outcomes. More recent work also shows that positioning quality and digitalization can strengthen brand and decision processes (Taroreh et al., 2024; Akyurek & Bahcelerli, 2026). However, empirical evidence that jointly tests segmentation, targeting, and positioning with digitalization as a mediator in a local fashion SME remains limited.

Accordingly, this study examines the direct effects of segmentation, targeting, and positioning on purchasing decisions and digitalization, the direct effect of digitalization on purchasing decisions, and the mediating role of digitalization in the relationships between the three marketing strategy variables and purchasing decisions at NBL Mode. The study contributes an integrated explanation of how conventional STP strategy and digital execution work together in an SME fashion context.

LITERATURE REVIEW

Purchasing Decisions

Purchasing decisions reflect the consumer's final choice after recognizing needs, searching for information, evaluating alternatives, and assessing perceived value. Kotler and Keller (2022) emphasize product choice, brand choice, seller choice, purchase timing, purchase quantity, and payment method as dimensions of the decision process. In fashion markets, the decision is particularly sensitive to style compatibility, product quality, price, brand image,

availability, and the convenience of obtaining information and completing payment. A stronger purchase decision is therefore expected when marketing messages reduce uncertainty and demonstrate a close fit between the offering and the consumer's preferences.

Segmentation

Market segmentation is the process of dividing a heterogeneous market into consumer groups with relatively similar characteristics, needs, or behavior (Kotler & Armstrong, 2021). Relevant bases for fashion markets include demographic, geographic, psychographic, and behavioral characteristics. Effective segmentation enables a fashion SME to distinguish, for example, younger trend-oriented consumers from working women or consumers seeking modern Muslim fashion. When segments are clearly understood, products, prices, content, and services can be adjusted more precisely. This increases message relevance and can also improve the quality of digital campaigns by allowing content to be directed to identifiable groups.

Targeting

Targeting evaluates market segments and selects one or more groups that offer the strongest potential and strategic fit (Kotler & Keller, 2022). The principal considerations include target-market fit, segment attractiveness, the suitability of the offering, promotional effectiveness, and service prioritization. For SMEs with limited resources, targeting is important because it prevents marketing expenditure from being spread too broadly. Digital platforms can strengthen targeting through audience selection and tailored content, but the benefit depends on whether the chosen audience actually corresponds to the product characteristics and purchasing capacity.

Positioning

Positioning is the effort to establish a clear, distinctive, and valuable place for a product or brand in consumers' minds relative to competitors (Kotler & Armstrong, 2021). Effective positioning depends on clarity, distinctiveness, memorability, competitive advantage, and consistency of image. In fashion, positioning can be reinforced through visual identity, product design, material quality, price-value cues, testimonials, and consistent communication. Taroreh et al. (2024) note that digital business intensifies the need for coherent brand positioning because consumers repeatedly encounter competing visual and promotional messages online.

Digitalization as a Mediating Mechanism

Digitalization refers to the use of digital technology and online platforms to support marketing, communication, service, and transactions (Chaffey & Ellis-Chadwick, 2022). Its practical dimensions include information accessibility, interactivity, content quality, responsiveness, transaction convenience, and overall digital customer experience. Digitalization is expected to mediate STP strategy because segmentation identifies who should receive the message, targeting prioritizes the audience, and positioning determines what value should be communicated; digital channels then operationalize these decisions through content, interaction, ordering, and payment. When digital execution is weak, an otherwise appropriate STP strategy may not translate into actual purchases. Based on this framework, ten hypotheses were tested: segmentation, targeting, and positioning were each expected to have positive effects on purchasing decisions and digitalization; digitalization was expected to have a positive effect on purchasing decisions; and digitalization was expected to mediate the effects of segmentation, targeting, and positioning on purchasing decisions.

METHODS

This research used a quantitative associative design to test causal relationships among segmentation (X1), targeting (X2), positioning (X3), digitalization (Z), and purchasing decisions (Y). The study was conducted at NBL Mode in Medan during 2026. The unit of analysis was the consumer, and respondents were required to have purchased from NBL Mode, used its digital services, and been willing to complete the questionnaire.

The population comprised consumers who had made purchases at NBL Mode. Sample adequacy followed the indicator-based rule commonly used for multivariate analysis. With 21 measurement indicators and a multiplier of eight, the study used 168 respondents. Primary data were collected using a structured questionnaire measuring the five constructs, while secondary data were obtained from books, journal articles, and supporting business information. The measurement items covered demographic, geographic, psychographic, and behavioral segmentation; target-market fit and promotional relevance; positioning clarity and distinctiveness; digital accessibility, content, responsiveness, and transaction convenience; and indicators of purchase choice and continuation.

Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS. The measurement model was assessed through outer loadings, Cronbach's alpha, composite reliability, and Average Variance Extracted (AVE). The structural model was evaluated using R-square values, path coefficients, t-statistics, and p-values. A relationship was considered statistically significant when $p < 0.05$ and the bootstrapped t-statistic exceeded 1.96. Specific indirect effects were examined to determine whether digitalization significantly mediated the effects of segmentation, targeting, and positioning on purchasing decisions.

Table 2. Operationalization of Research Constructs

Construct	Principal indicators
Segmentation	Demographic, geographic, psychographic, behavioral, strategy-segment fit
Targeting	Target-market fit, attractiveness, tailored offers, promotional effectiveness, service priority
Positioning	Clarity, distinctiveness, memorability, competitive advantage, image consistency
Digitalization	Accessibility, interactivity, content quality, responsiveness, transaction convenience, experience
Purchase Decision	Product/brand/seller choice, purchase timing and quantity, payment method

Source: Constructed from the measurement framework used in the study.

RESULTS

Measurement Model

All indicator loadings in the source analysis were at least 0.60, supporting indicator validity. Construct reliability and convergent validity were also acceptable. Cronbach's alpha ranged from 0.781 to 0.858, composite reliability ranged from 0.850 to 0.895, and all AVE values exceeded 0.50. The measurement model therefore provided an adequate basis for structural testing.

Table 3. Construct Reliability and Convergent Validity

Construct	Cronbach Alpha	Composite Reliability	AVE
Digitalization	0.821	0.870	0.527

Construct	Cronbach Alpha	Composite Reliability	AVE
Purchase Decision	0.858	0.895	0.586
Positioning	0.781	0.851	0.534
Segmentation	0.794	0.859	0.550
Targeting	0.782	0.850	0.532

Source: SmartPLS output from the research data.

Explanatory Power of the Structural Model

The R-square value for digitalization was 0.398, indicating that segmentation, targeting, and positioning explained 39.8% of its variance. The R-square for purchasing decisions was 0.522, meaning that the three STP variables together with digitalization explained 52.2% of purchase-decision variance. The remaining 60.2% and 47.8%, respectively, reflect factors outside the specified model.

Table 4. R-Square Results

Endogenous Variable	R-Square	Adjusted R-Square
Digitalization	0.398	0.387
Purchase Decision	0.522	0.510

Source: SmartPLS output from the research data.

Direct Effects

All seven direct paths tested in the structural model were positive and statistically significant. Digitalization had the largest direct coefficient on purchasing decisions (0.362), followed by segmentation (0.233), positioning (0.209), and targeting (0.142). For the digitalization equation, segmentation had the strongest coefficient (0.347), followed by targeting (0.296) and positioning (0.191).

Table 5. Direct Path Coefficients

Relationship	Coefficient	t-statistic	p-value	Decision
Segmentation -> Purchase Decision	0.233	3.516	0.000	Accepted
Segmentation -> Digitalization	0.347	5.406	0.000	Accepted
Targeting -> Purchase Decision	0.142	2.032	0.043	Accepted
Targeting -> Digitalization	0.296	4.856	0.000	Accepted
Positioning -> Purchase Decision	0.209	2.923	0.004	Accepted
Positioning -> Digitalization	0.191	2.693	0.007	Accepted
Digitalization -> Purchase Decision	0.362	5.860	0.000	Accepted

Source: SmartPLS output from the research data.

Indirect Effects through Digitalization

Digitalization significantly mediated all three STP relationships with purchasing decisions. The largest mediated effect was segmentation through digitalization (0.126), followed by targeting (0.107) and positioning (0.069). Because the corresponding p-values were below 0.05, the mediation hypotheses were accepted.

Table 6. Specific Indirect Effects

Indirect Relationship	Coefficient	t-statistic	p-value	Decision
Segmentation -> Digitalization -> Purchase Decision	0.126	3.854	0.000	Accepted
Targeting -> Digitalization -> Purchase Decision	0.107	3.796	0.000	Accepted
Positioning -> Digitalization -> Purchase Decision	0.069	2.380	0.018	Accepted

Source: SmartPLS output from the research data.

DISCUSSION

The positive effect of segmentation on purchasing decisions confirms that a clearer understanding of consumer groups helps NBL Mode present products and promotions that are more relevant to customer needs. The direct coefficient of 0.233 and the significant path to digitalization (0.347) show that segmentation functions both as a market-planning mechanism and as an input for digital execution. These findings are consistent with the premise of Kotler and Armstrong (2021) and with evidence reported by Rossanty et al. (2018) and Azhari (2025): a market is more effectively served when differences in consumer characteristics are recognized rather than treated as a single homogeneous audience. The significant mediated effect further indicates that segmentation becomes more influential when it is translated into accessible information, tailored content, and responsive online communication.

Targeting also had significant direct effects on purchasing decisions and digitalization, although its direct coefficient on purchase decisions was the smallest among the direct predictors. This suggests that simply identifying a priority audience is not sufficient; the selected target must receive an offer that is visibly relevant and easy to act upon. The result is consistent with Sudarso (2022), who found that STP implementation affects consumer decisions. In NBL Mode's context, the implication is that young women, working women, homemakers, or modern Muslim-fashion consumers should not receive identical promotional messages. Digital platforms can operationalize targeting by varying visuals, product emphasis, price communication, and call-to-action according to audience characteristics.

Positioning had a positive effect on both purchasing decisions and digitalization. This supports the view that consumers are more likely to remember and select a product when its value and differentiation are clear. Taroreh et al. (2024) similarly emphasize the importance of coherent brand positioning in digital business. For NBL Mode, positioning should therefore be expressed consistently through product photography, visual identity, communication style, testimonials, and clear statements of product advantages such as fashionable design, comfort, quality, and affordability. Digital channels are especially important because repeated online exposure can either reinforce a consistent brand meaning or create confusion when messages are inconsistent.

Digitalization produced the strongest direct effect on purchasing decisions and significantly mediated segmentation, targeting, and positioning. This finding indicates that digitalization is not merely an additional promotional channel but an operational bridge that converts market strategy into consumer experience. Chaffey and Ellis-Chadwick (2022) and Laudon and Traver (2023) explain that digital systems can improve information access, interaction, and transaction convenience. The NBL Mode result extends this logic by showing that STP strategies become more effective when digital touchpoints provide complete product information, engaging visual content, prompt responses, simple ordering, multiple payment options, and a comfortable shopping process.

Managerially, the findings suggest that NBL Mode should integrate customer data, audience selection, brand differentiation, and digital service management rather than improving each element separately. Customer databases, transaction histories, online surveys, and social-media interactions can be used to refine segments. Priority targets can then receive distinct content through Instagram and TikTok, consultation and order support through WhatsApp Business, and secure transactions through marketplaces. The business should also standardize response time, product descriptions, size and material information, stock availability, payment instructions, testimonials, and loyalty or referral programs. Such integration is more likely to increase initial purchases, repeat purchases, and recommendations than relying on generic promotions alone.

CONCLUSION

The study demonstrates that segmentation, targeting, and positioning each have positive and significant effects on both purchasing decisions and digitalization at NBL Mode. Digitalization also has a positive and significant effect on purchasing decisions and significantly mediates the effects of all three STP variables. The model explains 39.8% of digitalization and 52.2% of purchasing decisions. These results support an integrated marketing perspective in which the quality of market definition and brand positioning must be accompanied by effective digital execution to produce stronger consumer decisions.

For practice, NBL Mode should refine its consumer segmentation, define priority target markets more specifically, strengthen a distinctive and consistent brand position, and improve digital information, content quality, responsiveness, ordering, and payment convenience. Future studies can incorporate product quality, price, trust, brand image, electronic word-of-mouth, service quality, digital promotion, or customer satisfaction, and can compare several fashion SMEs or combine quantitative and qualitative approaches to broaden generalizability and explain the mechanisms behind consumer decisions.

LIMITATION

This study is limited to one fashion SME and uses a cross-sectional, self-reported questionnaire design, so the findings should be generalized cautiously to other businesses, cities, or consumer segments. The model explains 52.2% of purchasing decisions, leaving 47.8% to other factors not included in the analysis. In addition, the use of PLS-SEM identifies predictive relationships and mediation within the specified model but does not by itself establish longitudinal causality. Future research should use broader samples, multiple firms, repeated observations, and complementary qualitative evidence.

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