Volume 4 Number 2 (2026)
July-December 2026
Page: 1821-1838

Journal of Creative Power and Ambition (JCPA)
https://edujavare.com/index.php/jcpa
E-ISSN: 3031-4054
DOI: 10.70610/jcpa.1791

Marketing Strategy Analysis Of Seri Kuala Lobam Fashion Centre Sme: An Stp And Business Model Canvas Approach

Renniwaty Siringoringo[1], Cosmas Eko Suharyanto[2], Heryenzus[3], Suali[4]
Jonmaianto Sihombing[5]
[123] Institut Teknologi dan Bisnis Indobaru Nasional, Indonesia
Email: renni.ringo@gmail.com

Article history Submitted: 2026/07/27; Revised: 2026/07/31; Accepted: 2026/08/04

Abstract

The Seri Kuala Lobam Fashion Centre SME is a strategic initiative of the Bintan Regency Government that consolidates 72 garment manufacturing small and medium-sized enterprises (SMEs) into an integrated production cluster based on computerized embroidery and digital printing technology. This study aims to formulate and analyze a comprehensive marketing strategy by integrating the Segmenting, Targeting, Positioning (STP) framework and the Business Model Canvas (BMC). A qualitative-analytical descriptive approach was employed using primary data from field observations, focus group discussions, and a survey of 60 respondents representing B2B institutions in the Batam–Bintan–Karimun region, complemented by secondary data from the Central Statistics Agency and relevant institutional documents. The STP analysis identified the manufacturing and shipbuilding sectors as the primary target markets, with potential demand for workwear (wearpacks) exceeding 20,000 units annually, while the government and education sectors emerged as important contributors to large-scale production demand. SWOT analysis revealed a gap between existing production capacity and market demand, as well as dependence on externally sourced raw materials as a major structural weakness. Business Model Canvas mapping further demonstrated that the Centre’s value proposition is built upon three key pillars: production precision through advanced technology, logistical cost efficiency resulting from proximity to industrial estates, and local economic empowerment. Nevertheless, improvements in cost structure and customer relationship management are required to ensure long-term business sustainability. The findings indicate that integrating the STP and BMC frameworks provides a complementary strategic approach, with STP guiding target market selection and BMC translating market strategies into an executable business model. This study offers a novel contribution by being the first to integrate the STP and Business Model Canvas frameworks in formulating marketing strategies for SMEs, particularly within the context of the Riau Islands.

Keywords Business Model Canvas, Fashion Centre SME, Marketing Strategy, Segmenting, Targeting, and Positioning

INTRODUCTION

Small and medium-sized enterprises (SMEs) are a key pillar of the local economy in Bintan Regency and the Riau Islands Province, particularly in promoting income equality and employment opportunities. Bintan's success in achieving the 'Zero Extreme Poverty' target in 2023 and continuing into 2024 demonstrates the vital role of grassroots economic empowerment. Consequently, investing in SMEs is regarded as a strategy with significant socio-economic impact. The fashion industry in Indonesia contributed 18.01 per cent (equivalent to 116 trillion rupiah) to the national creative economy in 2022, with a projected revenue of 156 trillion rupiah by 2025; this growth is driven by trends in Muslim fashion and sustainable fashion (Bagaskara, 2023). In the Riau Islands, the demand for fashion—particularly industrial workwear (wearpack)—has increased in line with the dominance of the manufacturing sector, which accounts for 40.53 percent of the province's economic structure, with an average annual growth rate of 1.75 percent between 2019 and 2022 (Riau Islands Provincial Statistics Agency, 2022). Industrial estates scattered across the Riau Islands Province, such as the Bintan Inti Industrial Estate (BIIE) in Bintan Regency, the Karimun Maritime Industrial Complex (KMIC) in Karimun Regency, and 31 industrial estates spread across Batam City, are driving the need for workwear (wearpack) for workers in manufacturing, construction, logistics, and shipbuilding. The Seri Kuala Lobam Fashion Centre SME was established as a strategic initiative in 2025 by the Bintan Regency government. The establishment of this center represents a comprehensive solution to address the challenges faced by SMEs in the fashion and garment sectors. These challenges include a shortage of suitable production space, lack of access to ongoing training, difficulties in achieving a certain scale of economy, and limited access to markets and finance. The Center is designed to bring SMEs together into a single, centralized cluster equipped with reliable, modern machinery and equipment, transforming local tailors—who previously worked under constrained conditions—into more professional and competitive business operators. The center consolidates 72 SME units into a single cluster comprising a service building (744.6 m²) and a shared production building (947.6 m²), fully equipped with multi-head computerized embroidery machines and digital printing facilities. However, significant investment in infrastructure does not automatically guarantee business sustainability if it is not supported by a sound marketing strategy.

The Segmenting, Targeting, Positioning (STP) framework has long been a fundamental tool in formulating effective marketing strategies, particularly in a business-to-business (B2B) context, as it enables companies to allocate limited resources to segments with the highest potential value (Mora Cortez et al., 2021; Kotler & Keller, 2018). However, STP is essentially market-facing and does not explicitly outline how the value proposition is created, communicated, and converted into revenue at the operational level of the company. To bridge this gap, this study incorporates an analysis of the Business Model Canvas (BMC) developed by Osterwalder and Pigneur (2010), a framework comprising nine building blocks (customer segments, value propositions, channels, customer relationships, revenue streams, key resources, key activities, key partnerships, and cost structure). The BMC has been widely applied to fashion and textile SMEs in various countries to map the architecture of business models holistically (Fedrerika & Ongkowijoyo, 2024; Nauwelaerts & Vingerhoets, 2023).

Previous studies on fashion SMEs in Indonesia have generally applied the STP and BMC models separately. A study of batik SMEs at Cibuluh Market in Bogor showed that a supply strategy targeting institutional business partners proved effective in increasing the collective sales volume of artisans (Anggini et al., 2025), while a study of another textile SME cluster emphasized the importance of unique motifs and local history as the basis for positioning. On the other hand, BMC studies on fashion SMEs generally focus on environmental sustainability and circular business models (Degenstein et al., 2023), but rarely link them explicitly to the results of B2B market segmentation mapping. This research seeks to bridge this gap by integrating STP as a framework for determining market direction and BMC as a framework for translating that market direction into the operational architecture of SME centers.

Based on the above, this study aims to: (1) develop a segmentation, targeting, and positioning map for the Seri Kuala Lobam Fashion Centre SME based on primary and secondary data; (2) identify the gap between production capacity and potential B2B market demand in the Batam–Bintan–Karimun region; and (3) formulate the Center's business model architecture using the Business Model Canvas approach to complement the STP strategy that has been formulated.

METHODS

This study employs a descriptive qualitative-analytical approach that integrates primary and secondary data to analyze the B2B market potential of the Seri Lobam Fashion Industry Center. This is a case study focusing on the Seri Kuala Lobam Fashion Centre SME in Bintan Regency, with a market coverage area comprising Bintan Regency, Batam City, and Karimun Regency.

Primary data was collected using three methods, namely, (1) field observations of the physical conditions of the center and interview visits to the procurement departments of six industrial estates in Batam City (Tunas, Cammo, Tanjung Uncang II, Batamindo, Panbil, and Batu Ampar Industrial Estates); (2) focus group discussions (FGDs) involving local government officials, academics, SME associations, and community leaders, conducted both in person and online; and (3) a questionnaire survey of 60 respondents from B2B institutions (manufacturing/shipbuilding industries, schools, and hotels/resorts) covering four categories of information: respondent profiles, needs analysis and volume, quality and technical requirements, and logistics and partnerships. Secondary data were sourced from the Central Statistics Agency (BPS) of the Riau Islands Province and the City of Batam, the SME Center Master Plan document, and relevant technical literature and regulations.

The data analysis was performed in four sequential stages. First, market segmentation analysis based on geographical, demographic/industry, and behavioral dimensions is drawn from the framework of Kotler and Armstrong (2020). Second, targeting analysis uses criteria such as segment size and growth, structural attractiveness, and resource fit. Third, a SWOT analysis is used to map the center's internal and external strategic position, while also serving as the basis for analyzing the gap between production capacity and market demand. Fourth, the results of the STP and SWOT analyses were mapped onto the nine blocks of the Business Model Canvas (Osterwalder & Pigneur, 2010) to formulate a business model architecture applicable to the Center's management.

FINDINGS AND DISCUSSION

The Seri Kuala Lobam Fashion Centre SME is a strategic service hub established by the local government in collaboration with the community and business operators. This center was built and specifically designed to develop the fashion SME ecosystem in Bintan Regency. It is located in the Seri Kuala Lobam sub-district, which serves as one of the industrial centers and a free trade zone (FTZ) within the Bintan Inti Industrial Estate (BIIE). The center was established to consolidate 72 fashion SME units in the Seri Kuala Lobam area, which previously operated in a scattered manner. These units have a combined production capacity of over 24,000 pieces per year and a turnover of approximately Rp4.99 billion; however, they still utilize basic equipment and face constraints regarding workspace, technology, and market access. The core facilities consist of a Service Building (744.6 m^2), which includes rooms for garment manufacturing, embroidery, digital printing, and training, as well as a Shared

Production Building (947.6 m²), which functions as a medium-scale garment production line with four active production lines. From a macroeconomic perspective, the Center is geared towards strengthening the contribution of the manufacturing sector, which accounts for around 40 percent of Bintan's Gross Regional Domestic Product (GRDP), and serves as a key instrument for the 'initiative to link the people's economy (IKM) with the region's industrial and tourism value chains.

The results of the survey of 60 institutional respondents showed that the manufacturing and shipbuilding sectors accounted for 50 percent of the respondents, followed by the education sector (30.00 percent) and tourism (13.33 percent). The most in-demand products are industrial *safety wear* (50 percent) and school uniforms (30.00 percent), with 66.67 percent of respondents mandating compliance with Indonesian National Standards (SNI) and 50 percent requiring quality management certification from their suppliers. These findings are consistent with the argument put forward by Mora Cortez et al. (2021) that effective B2B segmentation must be based on measurable functional criteria rather than merely institutional demographics, as B2B purchasing decisions are heavily influenced by compliance with technical standards and supply reliability.

Target setting focuses on the segments with the highest demand and those best suited to the capacity of SMEs. Industrial safety wear is the most in-demand product (50.00 percent), followed by school uniforms (30.00 percent), hotel/resort uniforms (13.33 percent), and everyday work uniforms (6.67 percent), while the T-shirt/polo shirt and merchandise categories are not in demand at all (0 percent). These findings indicate that the manufacturing/shipbuilding sector should be the primary target and the education sector the secondary target, while non-uniform products should not be prioritized. Positioning is based on compliance with the standards and technical specifications. The majority of respondents (66.67 per cent) require products to be SNI-certified, and 50.00 per cent require suppliers to hold quality management certification, making compliance with standards a fundamental prerequisite for market trust, rather than merely an added value. In terms of raw materials, flame-retardant properties were the most sought-after criterion (50.00%), followed by abrasion resistance/tear resistance (43.33%) and water resistance (6.67%), in line with the nature of the main segment in the shipbuilding sector, which involves high occupational risks. Consequently, the most relevant positioning for SMEs is as suppliers *of* flame-resistant, durable, and SNI-certified workwear and industrial uniforms, which specifically address the functional needs of the manufacturing/shipbuilding segment while distinguishing SMEs from competitors who merely supply general-purpose uniforms without technical specifications or occupational safety certification.

Discussion

Segmentation, Targeting, Positioning

The STP strategy is used as an analytical framework to efficiently align the internal capabilities of the Seri Kuala Lobam Fashion Centre SME with market opportunities. The integration of STP serves to determine the strategic market direction (*who to serve*) and to formulate the appropriate *marketing mix*. The results of the Center's segmentation, targeting, and positioning analysis are summarized in Table 1.

Table 1. Summary of the STP Analysis for the Seri Kuala Lobam Fashion Centre SME

STP Dimensions	Key Components	Empirical Indicators & Contextual Data	Strategic & Operational Implications Journal
Segmentation	Geographical	**Local**: Bintan, Tanjungpinang, Karimun **Regional**: Batam & mainland Riau **International**: Singapore & Malaysia *(Access to Free Trade Zones)*.	Building *relationship marketing* in the local market and utilizing well-established logistics for the regional market.
	Demographic	Total population of the study area: 2.3 million people (65 percent of working age). Industrial sector (*B2B*), education (*B2G*), government (*B2G*), tourism, general.	Focus on standardized bulk procurement and the adaptation of cluster production capacity.
	Behavior	Benefits: Safety & durability, compliance, expression of Malay ethnicity, economic value.	Adjustment of product specifications based on regional motifs and

		Environmental awareness (*sustainability & zero waste).*	environmentally friendly materials.
Targeting	1.Main Market (Priority)	**Industry:** BIIE Bintan *workwear* and expansion to 31 industrial estates in Batam (1,500–2,000 companies). **Government:** Official uniforms for 3,183 civil servants in Bintan funded through the local budget. **Education:** Bintan's free school uniform program (341 schools) and work experience uniforms for vocational schools (SMK) in Tanjung Bintan and Batam.	Optimal allocation of resources (shared infrastructure, skilled personnel) to dominate the high-volume institutional market (*B2B/B2G*).
	2.Secondary Market	Tourism sector (hotel uniforms and *merchandise*). Domestic markets outside the region and exports.	Diversification of aesthetic products and long-term promotional media.
Positioning	1.Quality & Reliability	Compliance with SNI certification standards. Timeliness and after-sales service guarantees.	Building professional *trust* in the B2B/B2G market whilst addressing *the pain point of* late deliveries.

	2.Local Focus & Innovation	Narrative: *"A provider of high-quality workwear and uniforms meeting national standards, featuring ergonomic and sustainable designs, produced by skilled local workers."* Ergonomic designs (in partnership with STTT Bandung) and ethnic Malay batik patterns.	SME products are underpinned by four pillars: quality/certification, local origin, innovation, and reliability. Differentiation from out-of-region suppliers is achieved through a combination of compliance with standards (SNI), narratives on SME empowerment, and logistical efficiency within the FTZ

Source: Researcher's analysis of data (2025)

Based on the summary of the mapping results above, the market for the Seri Kuala Lobam Fashion Centre SME is, on the whole, characterized by a *business-to-business* (B2B) model, dominated by demand for institutional work uniforms, rather than the retail fashion market for individual consumers. The manufacturing/shipbuilding sector (50.00 percent) is both the primary segment and the main target market, with the education/private sector (30.00 percent) as a secondary target, characterized by annual/periodic transaction patterns (56.67 percent) and a 'Net 30 Days' payment scheme (90.00 percent), which reflects the nature of corporate/institutional buyers. The high demand for SNI certification (66.67 percent), quality management certification (50.00 percent), and the need for flame-retardant materials (50.00%) have positioned IKM as a supplier of flame-retardant, durable and SNI-certified industrial workwear and uniforms—a specific market position that is relevant to its primary segment and distinguishes IKM from competitors offering general-purpose uniforms.

SWOT Analysis and Capacity-Demand Gap

This SWOT analysis identifies the strategic position of the Seri Kuala Lobam Fashion Centre SME within the context of the Bintan and Batam regional markets. This region possesses unique characteristics, with rapidly growing industrial, tourism and trade sectors, creating demand for fashion products for both industrial purposes (uniforms) and consumer goods (fashion and merchandise). A summary of the SWOT analysis is shown in Table 2 below:

Table 2. SWOT Analysis of the Seri Kuala Lobam Fashion Centre SME

STRENGTHS	WEAKNESSES
▪ Comprehensive & Modern Facilities: Features integrated embroidery machines, digital printing equipment, a garment production area, and a crafting area. ▪ Integrated Services: Not only production, but also training, mentoring and marketing. ▪ Strong Network Support: Has established partnerships with the government and major companies (Club Med, BOMC, etc.). ▪ Strategic Location: Located in Bintan Regency, close to growth centres such as the Bintan and Batam Industrial Zones. ▪ Social Value: Empowering local tailors and promoting Bintan's cultural heritage.	▪ Dependence on Orders: The business model may still be reactive to orders, rather than creating a strong brand of its own. ▪ Limited Production Capacity: The ability to handle very large orders (hundreds of thousands of units) may still be limited. ▪ Human Resources: The workforce's skills in supply chain management, advanced digital marketing and international-standard design may need to be continuously improved. ▪ Brand Awareness: It may not yet be widely recognised by potential industry partners outside Bintan.
OPPORTUNITIES	**THREATS**

▪ Growth of Industrial and Tourism Zones: Increasing demand for work uniforms, workwear and merchandise from companies and hotels. ▪ Government Programmes: Support and funding from the Ministry of Industry for the development of SMEs and industrial centres. ▪ 'Local Pride' Trend: Rising demand for fashion products that represent local identity. ▪ Digital Market: Opportunities to reach a wider market through *e-commerce* platforms *(marketplaces)* and digital marketing.	▪ Competitors from Outside the Region: The entry of fashion suppliers from Batam, Surabaya or Bandung offering highly competitive prices. ▪ Economic Fluctuations: A global recession could reduce orders from the industrial and tourism sectors. ▪ Rising Raw Material Prices: Reliance on imported or out-of-region raw materials may affect profit margins. ▪ Policy Changes: Changes to trade and tax regulations may affect the business climate.

Source: Researcher's Analysis (2025)

The SWOT analysis confirms that the center's main strengths lie in its comprehensive integrated production facilities and institutional support, while the main structural weakness is the limitation of actual production capacity (12,000–15,000 sets per year) compared to the estimated total B2B market demand in the study area, which far exceeds this figure, particularly in the education segment, which requires more than 250,000 sets per year. This gap is not merely quantitative in nature but also encompasses aspects of quality and standardization (the absence of SNI/ISO 9001 certification for the majority of production) and timeliness and supply chain management, as well as research and development (R&D) functions that remain project-based. These findings reinforce the argument that infrastructure advantages alone are insufficient to guarantee the competitiveness of SMEs without the accompanying strengthening of quality systems and institutional capacity (Mitchell & Wilson, 1998).

Exports of ready-made garments from Indonesia (including contributions from the Riau Islands Province, particularly the city of Batam) showed an upward trend from 2023 to 2024. The value of national exports in 2024 stood at USD 4.04 billion, with the United States being the main export destination, accounting for USD 2.48 billion, or 61.4 percent. As for the countries closest to Bintan Regency and Batam—namely, Malaysia and Singapore—the total value of ready-made garment exports from Indonesia to Malaysia was USD 55.675 million, with a growth rate of 60 percent, while exports to Singapore amounted to USD 36.978 million, with a growth rate of 13 percent.

Table 3. Indonesia's Ready-Made Garment Exports in 2024

Destination Country	**Export Value (USD thousand)**	**Market Share (%)**	**Growth (2023–2024)**
United States	2,483,923	61.40%	8%
Japan	226,459	5.60%	-19%
South Korea	206,388	5.10%	31%
Canada	146,308	3.60%	13%
Germany	98,636	2.40%	-2%
Netherlands	96,930	2.40%	7%
Malaysia	55,675	1.40%	60%
Singapore	36,978	0.90%	13%

Data Source: Trademap.org

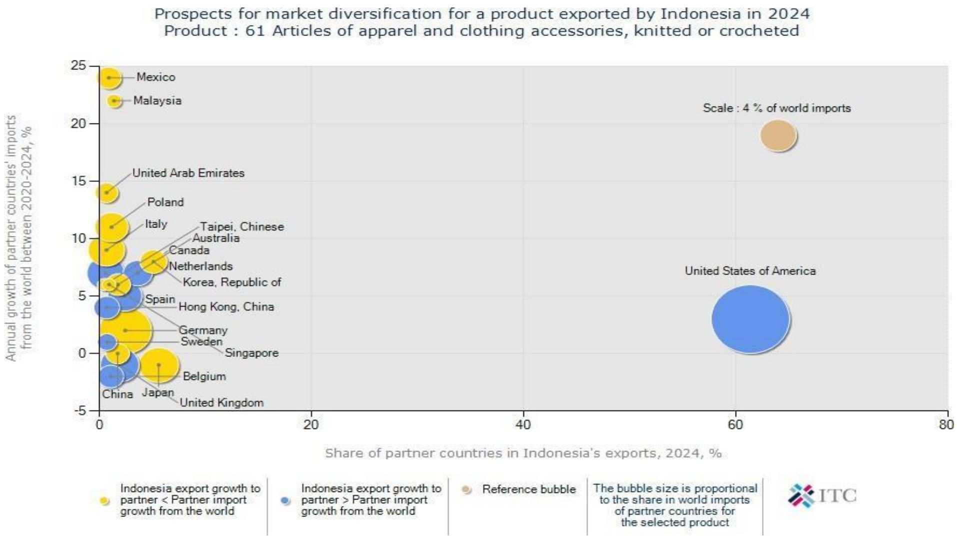

Figure 1. Prospects for Diversifying the Market for Indonesian Ready-to-Wear Garment Exports in 2024

Table 3 and Figure 1 show that Malaysia has the potential to become a target market for SMEs exporting ready-made garments. Malaysia is demonstrating aggressive growth, which indicates the following:

- Cultural affinity, namely, the demand for modern Muslim clothing or Malay attire
- Logistical opportunities: The short distance from Bintan to Johor allows for significantly lower logistics costs compared to exporters from Java, enabling Bintan's SMEs to compete on price.

As for the market share in Singapore, although the market potential or opportunities are small, the country can still serve as a strategic partner. The Singaporean market demands very high technical specifications and stitching quality (premium standards). Therefore, the Bintan SME Centre can position itself as a supplier of 'high-quality industrial workwear' for Singaporean companies operating in the Riau Islands. The strategy is to focus on the B2B segment, namely manufacturing companies headquartered in Singapore but operating in Bintan or the Batam Industrial Estate.

Mapping the Business Model Canvas

To translate the results of the STP and SWOT analyses into an applicable operational architecture, this study maps the conditions of the center into the nine blocks of *the Business Model Canvas* (Osterwalder & Pigneur, 2010). The BMC strategy mapping is presented in Table 4 as follows:

Table 4. Business Model Canvas for the Seri Kuala Lobam Fashion Centre SME

1. *Key Partnerships*	**2. *Key Activities***	**3. *Value Propositions***
▪ Bintan Regency Government & Ministry of Industry ▪ Bandung STTT Polytechnic (training & ergonomic design)	▪ Mass production of garments (workwear, PDH, school uniforms) ▪ Computerized embroidery and	▪ Standardized uniforms/workwear meeting SNI standards with high-precision digital embroidery ▪ Competitive cost structure due to geographical proximity

▪ Companies in the BIIE, Batamindo, Panbil industrial estates, etc., as regular clients ▪ Regional financing institutions (Revolving Fund, interest subsidies under Governor's Regulation No.34/2021)	high-precision digital printing ▪ Tiered staff training and legal support (NIB, trademark certificates) ▪ B2B/B2G marketing and LPSE tender management	to industrial estates (logistical efficiency) ▪ Social value: empowerment of 72 small and medium-sized enterprises (SMEs) and local workers ("proudly sewn by the people of Bintan") ▪ Integrated services: production, legal compliance, and support within a single ecosystem
4. *Key Resources* ▪ Service Building (744.6 m²) and Shared Production Building (947.6 m²) ▪ Thirty types of production equipment (sewing machines, overlockers, multi-head automatic embroidery machines, etc.) ▪ Seventy-two (72) member SMEs and a tiered workforce of trained staff	**5. *Channels*** ▪ Direct key account management with the industrial estate's procurement department ▪ Government procurement portal (LPSE/e-catalogue) ▪ Trade fairs, Sentra showrooms, and digital marketing/marketplaces	**6. *Customer Relationships*** ▪ Long-term supply contracts (minimum 1 year) for industrial and government clients ▪ Quality guarantees and after-sales service to build reliability ▪ Loyalty programs and ongoing communication for occasional customers (tourists, retail)

7. Cost Structure	**8. *Revenue* Streams**	**9. Customer Segments**
▪ Raw material costs (>85% sourced from outside the region) as the largest variable cost component ▪ Labour costs and maintenance of production machinery/digital embroidery machines ▪ Training, certification (SNI/ISO 9001) and distribution logistics costs	▪ Sales of B2B/B2G garment products (workwear, PDH, school uniforms) ▪ Small- to medium-scale computerised embroidery and digital printing services ▪ Sales of *merchandise* (tote bags, caps, key rings) and potential for training services	▪ Manufacturing & shipbuilding industries (main segment, 50% of survey respondents) ▪ Government agencies (civil service uniforms) and educational institutions (school uniforms) ▪ Tourism sector (hotels/resorts) and general retail market; potential for exports to Malaysia and Singapore

Source: Researcher's data (2025)

The BMC mapping shows that Sentra's *value proposition* blocks are based on a combination of technological precision (computerized embroidery and digital printing), cost-efficient logistics due to its geographical proximity to the Bintan-Batam industrial area, and the social value of empowering local SMEs. These three elements are aligned with the positioning formulated during the STP stage, ensuring consistency between the target market and the value propositions offered. This is in line with the argument put forward by Fedrerika and Ongkowijoyo (2024) that innovation within the value proposition block is a determining factor in the competitive advantage of fashion SMEs in Indonesia, particularly when competing with larger-scale garment manufacturers from outside the region.

On the left-hand side of the canvas, Sentra's *'key resources'* and *'key activities'* blocks are relatively strong as they are supported by integrated production infrastructure and legal support; however, the 'cost structure' block reveals structural vulnerabilities due to a reliance on raw materials sourced from outside the region (>85 percent), making profit margins susceptible to fluctuations in prices and exchange rates. This situation is consistent with findings in the European textile and fashion industry that the sustainability of textile SME business models is largely determined by the strength of supply chain collaboration within the 'key partnerships' block, particularly in managing risks relating to raw material supply and certification (Nauwelaerts & Vingerhoets, 2023).

In the customer relationships segment, Sentra still relies on a project-based transactional model, as indicated by survey results showing that 56.67% of respondents place orders on a project-based or ad hoc basis, while only 20% place orders on an annual or periodic basis. This pattern poses a risk to cash flow stability and production machinery utilization. Therefore, strengthening the customer relationships segment through key account management schemes and long-term contracts (minimum one year) is a priority, given that 80% of survey respondents stated they were 'possibly interested' to 'very interested' in establishing medium- to long-term partnerships with Sentra, provided that the quality and reliability of services can be guaranteed.

Bridging STP and BMC in a Holistic Marketing Strategy

The integration of the two frameworks yields mutually reinforcing strategic implications. The results of targeting the manufacturing and shipbuilding sectors directly become priorities within the BMC's *'customer segments'* block, while the *positioning* elements based on quality and certification translate into an urgent need to strengthen *the 'key activities'* (SNI/ISO 9001 certification) and *'cost structure'* (raw material supply chain efficiency) blocks. Thus, the STP serves as a market compass, while the BMC acts as an operational map guiding the Sentra's resource allocation more optimally. This integrative approach makes a methodological contribution to the study of fashion SME marketing in Indonesia, which has traditionally tended to use STP and the BMC separately. Consequently, this research yields three main findings: ***firstly***, the Seri Kuala Lobam Fashion Centre SME possesses significant B2B market potential, with the manufacturing and shipbuilding sectors as its primary markets, supported by the government and education sectors to underpin mass production volumes, while the tourism sector and the Malaysia-Singapore export market serve as secondary markets for long-term diversification. ***Secondly***, there is a structural gap between the center's actual production capacity and the estimated aggregate market demand in terms of quantity, quality standardization, timeliness, and research and development functions. ***Thirdly,*** the *Business Model Canvas* analysis indicates that the Centre's value proposition is aligned with the results of the STP positioning, but the sustainability of the business model still requires strengthening in the areas of *cost structure* (through diversification of local raw material suppliers) and *customer relationships* (through long-term contracts and *key account management*).

CONCLUSION

Theoretically, this study contributes to the literature on SME marketing by demonstrating that the integration of STP and BMC can bridge the gap between market strategy formulation and its operational implementation, particularly in the context of collectively managed SME centers. In practical terms, the research findings can serve as a reference for the center's management and the Bintan Regency Government in drawing up a development roadmap, including accelerating product certification, strengthening raw material supply chain partnerships, and developing long-term supply contract schemes with B2B partners.

This study is limited by the scope of the survey respondents, which focused on three main sectors; consequently, any generalizations regarding the overall market potential of the Riau Islands must be made with caution. Further research is recommended to quantitatively examine the relationship between the implementation of the BMC and the sales performance of Sentra, as well as to expand the scope of respondents to include the export market segment in order to strengthen the external validity of the findings

REFERENCES

Anggini, K., Rafiqah, Carissa, D. C., Putra, R. P., Ramadhani, H. F., & El Ayyubi, S. (2025). The effectiveness of business-to-business marketing in expanding the market reach of Cibuluh Batik, Bogor. Journal of the Centre for Community Innovation, 7(1), 186–199. https://doi.org/10.29244/jpim.7.1.186-199

Central Statistics Agency of Batam City. (2023). Batam City in Figures 2023. Batam, Indonesia: BPS Kota Batam.

Central Statistics Agency of the Riau Islands Province. (2022). The Riau Islands Province in Figures 2022. Tanjungpinang, Indonesia: Central Statistics Agency of the Riau Islands Province.

Bagaskara, G., & Mirzanti, I. R. (2023). Business strategy for clothing brands in Indonesia. International Journal of Current Science Research and Review, 6(1), 845–851. https://doi.org/10.47191/ijcsrr/V6-i1-90

Degenstein, L. M., McQueen, R. H., Krogman, N. T., & McNeill, L. S. (2023). Integrating product stewardship into the clothing and textile industry: Perspectives of New Zealand stakeholders. Sustainability, 15(5), 4250. https://doi.org/10.3390/su15054250

Fedrerika, F., & Ongkowijoyo, G. (2024). Is innovation the missing link in the competitive advantage of Indonesia's small and medium-sized enterprises in the fashion industry? Petra International Journal of Business Studies, 7(2), 221–234. https://doi.org/10.9744/petraijbs.7.2.221-234

Hambali, A., & Andarini, S. (2021). Formulating a Business Development Strategy Using the Business Model Canvas (BMC) and SWOT Analysis to Enhance Competitiveness at Piring Seng Coffee & Co, Tunjungan, Surabaya. Journal of Applied Business Administration, 5(2), 131–142. https://jurnal.polibatam.ac.id/index.php/JABA/article/view/2969

Hendrawan, H. (2021). SWOT and STP (Segmentation, Targeting, and Positioning) Analysis of Digital Marketing Strategies at the Micro-Enterprise 'Bunda Culinary.' JKBM (Journal of Business Concepts and Management), 7(2), 127–138. https://ojs.uma.ac.id/index.php/bisman/article/view/4505

Kotler, P., & Armstrong, G. (2020). Principles of Marketing (18th ed.). London, England: Pearson Education.

Kotler, P., & Keller, K. L. (2018). Marketing management (15th ed.). New Jersey, NJ: Pearson Education.

Mitchell, V. W., & Wilson, D. F. (1998). Balancing Theory and Practice: A Reappraisal of Business-to-Business Segmentation. Industrial Marketing Management, 27(5), 429–445. https://doi.org/10.1016/S0019-8501(97)00069-6

Mora Cortez, R., Clarke, A. H., & Freytag, P. V. (2021). B2B Market Segmentation: A Systematic Review and Research Agenda. Journal of Business Research, 126, 415–428. https://doi.org/10.1016/j.jbusres.2020.12.070

Nauwelaerts, Y., & Vingerhoets, M. (2023). The Role of Different Stakeholders in the Transition to a Sustainable Fashion Industry in Europe. International Journal of Sustainable Fashion & Textiles, 2(2), 199–226. https://doi.org/10.1386/sft_00032_1 https://doi.org/10.1386/sft_00032_1

Osterwalder, A., & Pigneur, Y. (2010). Business Model Generation: A Handbook for

Visionaries, Game Changers, and Challengers. Hoboken, NJ: John Wiley & Sons.

Bintan Regency Government. (2025). Master Plan for the Bintan Regency Fashion Industry Centre. Bintan, Indonesia: Bintan Regency Government.

Rahmawaty, D., Nadiroh, Husen, A., Purwanto, A., & Astra, I. M. (2021). Sustainable Fashion as a Zero-Waste Initiative in Sustainable Development by Designers. Community Development Journal, 2(2), 431–437.

Smith, W. R. (1956). Product Differentiation and Market Segmentation as Alternative Marketing Strategies. Journal of Marketing, 21(1), 3–8. https://doi.org/10.1177/002224295602100102

Thomas, R. J. (2012). Business-to-Business Market Segmentation. In G. L. Lilien & R. Grewal (Eds.), Handbook of business-to-business marketing (pp. 293–315). Cheltenham, England: Edward Elgar Publishing.

LPPM – IIBN Team. (2025). Market Research Study on the Seri Kuala Lobam Fashion Centre SME, Bintan Regency, 2025. Batam, Indonesia: Indobaru Nasional Institute of Technology & Business.

Tjendrawinata, K., Indrajit, R. E., & Dazki, E. (2022). Designing a Fashion Industry Company Model Using Enterprise Architecture. Journal of Informatics and Information Systems Engineering, 9(3), 2071–2084.