

Understanding the Implementation of STP Strategy in Lifestyle-Based Retail: Evidence from Vape Stores in Indonesia

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ABSTRACT

The rapid growth of lifestyle-oriented vape retailing in Indonesia challenges classical Segmentation–Targeting–Positioning (STP) logic, which assumes stable consumer segments and firm-driven positioning. This study investigates how STP is interpreted and enacted within vape store operations, where identity and community strongly shape market behaviour. A qualitative interpretive approach was applied through semi-structured interviews with vape shop operators in major urban areas, followed by phenomenological thematic analysis to capture lived strategic practices. Findings show that segmentation emerges dynamically from everyday customer interactions rather than prior planning, targeting occurs through relational engagement within offline and digital communities, and positioning is continuously co-created through atmosphere, product personalization, and storytelling. These patterns demonstrate that STP functions as a recursive practice rather than a linear managerial process. The study introduces the Spiral STP Model, offering a theoretical contribution to identity-driven marketing strategy and practical guidance for retailers seeking adaptive consumer engagement, while supporting policymakers in balancing industry growth and public health.

INTRODUCTION

Over the past decade, the vape industry has transformed from a niche subculture into a mainstream consumer arena, driven by technological innovation, shifting social norms, and evolving regulatory debates. Globally, the sector was valued at around USD 22 billion in 2023, with annual growth rates exceeding 8% (International Vape Market Report, 2023). Indonesia mirrors this expansion. As the largest economy in Southeast Asia, the country has experienced rapid increases in vape consumption, particularly among individuals aged 20–35 in major urban centres such as Jakarta, Surabaya, and Makassar (ProTC, 2023; Strategies, 2022). Retail development has followed this trend, with more than 3,500 vape stores operating nationwide by 2020 (Ariyani, 2020), many of which function as experiential spaces that host communities, events, and product personalisation rather than merely as transactional outlets. The sector's fiscal relevance is also evident in the sharp increase of excise revenue from other processed tobacco products, which rose from IDR 99 billion in 2018 to IDR 2.65 trillion in 2024 (Indonesia, 2024).

Beyond its economic footprint, vaping in Indonesia has become a sociocultural phenomenon. Vape products increasingly operate as lifestyle artifacts associated with modernity, creativity, and social belonging. International studies show that vape shops construct distinctive atmospheres and identities through store design, community interactions, and symbolic cues (M. Cheney et al., 2015; Lee et al., 2018; Y. Tsai & al., 2016). Indonesian research similarly highlights the role of product experience, service quality, and in-store socialization in shaping consumer loyalty (Walewangko et al., 2021; Wijaya et al., 2023). Public health studies further indicate that vape users often hold favorable attitudes toward e-cigarettes despite limited understanding of associated risks (Masan et al., 2023), while sensation-seeking tendencies significantly increase experimentation and use among adolescents and young adults (Bigwanto et al., 2024). These patterns suggest that behavior in vape retailing is closely tied to identity expression, peer dynamics, and cultural meanings.

Such complexity raises essential questions for classical marketing strategy frameworks, particularly Segmentation–Targeting–Positioning (STP). Initially formulated by Smith (1956) and later refined by Kotler and Keller (2016, 2022), STP offers a structured, linear logic for identifying heterogeneous consumers, evaluating market segments, and formulating differentiated positioning strategies. While this framework remains central in marketing theory and practice, scholars increasingly argue that its sequential and managerialist orientation is poorly aligned with markets in which consumer identities and preferences are fluid, symbolic, and socially constructed (Dibb, 2009; Quinn & Dibb, 2010; Venter et al., 2015). These critiques point to a mismatch between STP's assumptions such as stable segment boundaries and firm-driven positioning and contemporary contexts where meaning is negotiated through communities, digital platforms, and experiential consumption.

From a theoretical perspective, Consumer Culture Theory and related work on tribal and community-based consumption argue that market segments are not simply discovered but are co-produced through narratives, practices, and

social interaction (Grace, 2021). Under such conditions, segmentation often emerges iteratively as firms engage with communities, targeting takes the form of relationship-building within digital and offline networks, and positioning is continuously refined through experiential storytelling and feedback.

While segmentation, targeting, and positioning remain central in marketing scholarship, recent work highlights the need to rethink how strategy is understood and practiced in contemporary markets. Scholars in interpretive marketing emphasize that strategic decisions are embedded in lived experiences, social interactions, and cultural meanings that cannot be fully captured through linear or data-driven approaches alone (Grace, 2021). In parallel, recent reviews indicate a growing recognition that marketing research should incorporate methods capable of revealing how consumers and practitioners make sense of market environments in their everyday lives (Lucarelli et al., 2024). However, empirical studies that examine how STP processes are interpreted, negotiated, and enacted in culturally expressive retail contexts remain limited. This reveals both a theoretical and methodological gap, suggesting the need for research that explores STP not only as managerial planning but as a dynamic meaning-making process shaped by identity, community, and experiential interaction.

To address this gap, this study investigates how STP strategies are understood and operationalized in Indonesia's vape retail sector. By examining segmentation logic, targeting practices, and positioning approaches used by vape store operators, the research provides empirical insight into the lived implementation of marketing strategy in an identity-driven retail context. Theoretically, the study advances a dynamic and recursive reinterpretation of STP conceptualized as a Spiral STP Model that better reflects culturally embedded, co-created market realities. Practically, the findings offer guidance for vape retailers and related stakeholders in designing more adaptive and responsible marketing strategies, while informing policymakers seeking to balance economic development with public health objectives.

Accordingly, this study explores how segmentation, targeting, and positioning are interpreted and enacted in Indonesia's lifestyle-based vape retail sector, focusing on the dynamic and culturally embedded processes through which market strategies are co-created.

How are segmentation, targeting, and positioning (STP) strategies interpreted and implemented within Indonesia's lifestyle-oriented vape retail sector, and in what ways do these practices reflect dynamic, culturally embedded, and co-created market processes?

THEORETICAL REVIEW

The Segmentation-Targeting-Positioning (STP) framework has traditionally been regarded as a fundamental structure in the development of marketing strategies. Initially articulated by Smith (1956) and later formalized by Kotler and Keller (2016, 2022), STP provides a logical sequence for identifying diverse consumer groups, selecting target segments, and crafting differentiated brand meanings. Classical applications typically emphasize demographic,

geographic, psychographic, and behavioral variables as the foundation for segmentation (Kotler et al., 2020), followed by the evaluation of segment attractiveness and the formulation of a compelling positioning strategy (Keller, 1993). However, it is worth noting that its linear and prescriptive structure has increasingly been subject to scrutiny in identity-driven and culturally fluid markets.

A number of scholars posit that the classical STP model is deficient in its ability to address the intricacies of contemporary consumer dynamics. Dibb (2009) observes that the volatility of consumer preferences and the presence of digital micro-segments frequently impede the translation of segmentation insights into actionable strategies. Venter et al. (2015) further emphasize a conceptual discrepancy between normative STP assumptions and emergent marketplace practices. In lifestyle-oriented contexts, preferences are continuously reshaped through symbolic expression and social interaction, thereby reducing the effectiveness of static segmentation logic.

To more effectively capture these dynamics, the present study proposes the utilization of Consumer Culture Theory (CCT), which offers a culturally attuned lens for understanding market behavior. As Arnould and Thompson (2005) emphasize, consumers actively construct their identities through consumption practices, suggesting that markets function less as fixed segment systems and more as fluid cultural fields. As demonstrated by Cova and Cova (2012), consumers have been shown to organize into "tribes" defined by shared symbolic meaning rather than demographic commonalities. These perspectives suggest that in lifestyle contexts, segmentation must consider cultural affiliation, collective identity, and lived experience – not merely categorical variables.

These theoretical insights resonate strongly within the Indonesian vape retail sector, where product adoption among adolescents and young adults is driven by symbolic display and social belonging. Masan et al. (2023) reported positive attitudes toward vaping despite limited awareness of risks, suggesting that emotional and social motivations outweigh rational considerations. Bigwanto et al. (2024) similarly found that sensation-seeking and flavour preferences strongly predict youth vaping. These observations demonstrate that symbolic and experiential consumption behaviours challenge rigid segmentation logics.

This complexity also disrupts conventional notions of targeting. Rather than operating as a top-down managerial process of segment selection, targeting increasingly unfolds through participatory engagement and community formation. Social media platforms enable fluid microcultures where brand meaning emerges through co-creation among consumers, influencers, and brand actors. (Quinn & Dibb, 2010) argue that these environments challenge traditional targeting paradigms, as firms no longer hold unilateral control over message delivery or segment definition. Instead, targeting becomes a relational and ongoing process, rooted in dialogue rather than directive.

Positioning has evolved beyond static value propositions toward immersive, narrative-driven experiences. According to the findings of experiential marketing studies, sensory design and community storytelling have

a significant impact on perceptions of authenticity and belonging (McDougal et al., 2023). Accordingly, positioning is a socially mediated process continually refined through shared meaning.

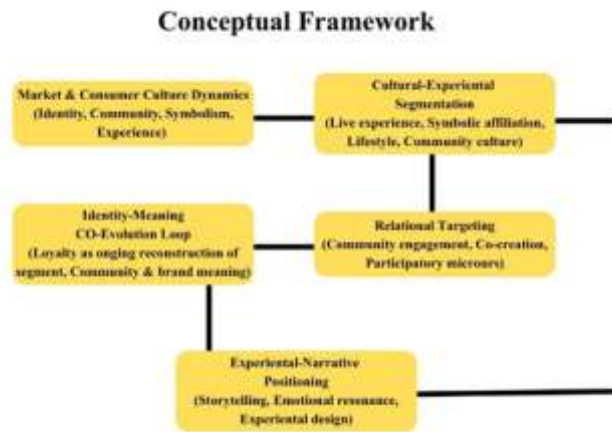


Figure 1. Conceptual Framework

In markets characterized by lifestyle and cultural identity, segmentation, targeting, and positioning do not occur sequentially but rather operate as an iterative spiral. In this model, value and brand meaning emerge continuously through cultural interaction between firms and consumers. In the context of this dynamic environment, the Spiral STP Model is comprised of four interconnected components. The field of Market & Consumer Culture Dynamics posits that identity expression, symbolic affiliation, and community belonging function as pivotal behavioral drivers. The paradigm of Cultural-Experiential Segmentation asserts that segments are formed through lived experiences and cultural meaning rather than demographic categorization. The concept of Relational Targeting is enacted through ongoing co-creation and community engagement across digital and physical spaces. The paradigm of Experiential-Narrative Positioning contends that brand meaning is co-constructed through stories, atmosphere, emotional resonance, and interactive experiences. Collectively, these processes generate a co-evolution cycle through which consumer identity and brand meaning shape one another over time, resulting in dynamic loyalty and flexible market positioning.

A synthesis of these conceptual and empirical perspectives reveals two critical gaps. First, while theoretical critiques of STP have been well-articulated, few studies explore how practitioners in culturally dynamic markets reinterpret and operationalize STP principles. A significant portion of extant literature on the subject remains either conceptually abstract or focused on traditional product categories, thereby leaving lifestyle sectors under-theorized. Secondly, the linear sequencing of segmentation, targeting, and positioning in classical STP models does not reflect the iterative, adaptive processes observed in identity-driven markets. In practice, consumer segments often emerge subsequent to the formation of brand communities; targeting undergoes evolution through

ongoing relationship-building; and positioning is dynamically negotiated through feedback, interaction, and shared meaning.

Furthermore, a methodological gap persists. The prevailing STP literature is characterized by a predominant reliance on quantitative segmentation techniques and managerial perspectives, with a paucity of attention devoted to interpretive, field-based inquiry. This oversight results in a deficiency in capturing the lived realities of marketers and consumers operating within lifestyle contexts. This underscores the necessity of approaches that reflect how meaning and identity are co-created through practice rather than predetermined by static market classifications.

Accordingly, this study offers a culturally grounded refinement of STP by advancing the Spiral STP Model, which positions segmentation, targeting, and positioning as interconnected and recursive processes shaped by cultural engagement. This theoretical stance provides the foundation for the methodological design elaborated in the subsequent section, ensuring alignment between the study's conceptual lens and the empirical strategies used to investigate lived marketing practices in Indonesia's vape retail sector.

METHODOLOGY

Research Paradigm and Design

This study adopts a constructivist-interpretivist paradigm, which views marketing practices as socially constructed through the meanings and interactions of market actors (Lincoln, 1985). To explore how segmentation, targeting, and positioning (STP) unfold within lifestyle-based retail, we employed a qualitative exploratory design using a multi-perspective case study (Yin, 2018). This approach enables an in-depth understanding of symbolic, experiential, and relational dynamics that cannot be captured through quantitative techniques.

Case Selection and Participants

The study was conducted across five vape stores in Malang, East Java, selected purposively for their variation in customer profiles and community engagement (Palinkas et al., 2015). Vape retail in Malang is characterized by strong youth participation and culturally expressive consumption, making it an appropriate setting for examining STP in lifestyle markets. Participants consisted of:

1. Five store owners/managers (O1-O5)
2. Four active customers (C1-C4)

The sample size was determined by information power (Malterud et al., 2016), and thematic saturation occurred when no new insights emerged after the eighth interview (Guest et al., 2006).

Table 1. Summary of Participant Profile and Data Collection

Participant Code	Role	Gender	Description of Involvement	Duration	Notes
O1	Owner/Manager	M	Operates mid-size vape store (3 years)	60 min	Focus on aesthetic branding
O2	Owner/Manager	M	Ex-smoker; targets first-time vapers	55 min	Uses Instagram DM for customer follow-up
O3	Owner/Manager	M	Near the university, youth-focused	50 min	Adopts youth language and cultural codes
O4	Owner/Manager	M	Targets young smokers from local campuses	45 min	Recognizes segments via social behavior
O5	Owner/Manager	M	Community-oriented vaper	50 min	Builds loyalty via peer education
C1	Customer	F	Student; early adopter	45 min	Chooses based on “vibe” & fit
C2	Customer	M	Trend-driven product enthusiast	60 min	Responds to narrative-focused promotion
C3	Customer	M	Community modder and barterer	50 min	Seeks learning & peer exchange
C4	Customer	F	Casual user; brand sensitive	45 min	Drawn by aesthetics & store experience

Data Collection

Data were gathered through semi-structured interviews (45–60 minutes each) and non-participant observation during eight store visits. The interview guide was structured around three classical STP dimensions (Philip Kotler & Keller, 2022): segmentation logic, targeting practices, and positioning strategies. All interviews were audio-recorded with informed consent and transcribed verbatim. Observational notes were used to support the interpretation of spatial cues, customer interaction, and brand expression.

Data Analysis

We conducted thematic analysis following (Braun, 2006) six-phase procedure: familiarization, coding, theme generation, review, definition, and reporting. Coding combined inductive identification of meaning units with deductive sensitizing concepts from STP literature. An analytic memo trail and codebook were maintained to ensure transparency and consistency.

Table 2. Illustration of Coding Pathway from Raw Quotes to Refined Themes

Raw Data (Quote)	Initial Code	Refined Theme
“Kebanyakan mahasiswa... dominan anak muda, yang baru beralih dari rokok.” (O4)	Youth-based clustering	Symbolic Segmentation
“Mereka rutin beli liquid, ganti cartridge, dan kadang ngajak temannya juga.” (O5)	Peer-driven retention	Relational Targeting
“Saya bisa diskusi, kadang barter part...” (C3)	Community knowledge exchange	Relational Targeting
“Promonya menonjolkan kolaborasi brand, lifestyle vaping...” (C2)	Narrative appeal in branding	Experiential Positioning

Trustworthiness and Ethics

Credibility and dependability were strengthened through triangulation of data sources, member checking, and maintaining an audit trail (Lincoln, 1985). Reflexivity was practiced through ongoing analytic memo writing. Ethical procedures included informed consent, anonymization, and secure data storage. The study is non-commercial and intended solely for academic development.

RESULTS

Opening Paragraph

The thematic analysis generated three interrelated themes that illustrate how segmentation, targeting, and positioning (STP) operate as culturally embedded, relational, and experiential practices rather than sequential managerial stages. These dynamics diverge from the classical linear STP framework and instead reflect a recursive pattern aligned with a spiral interpretation of market strategy. Across the field sites, vape stores functioned as hybrid retail-social environments where consumers and staff negotiated identity, belonging, and product meaning through everyday interactions. Local youth subcultures and peer-based microcommunities played a central role in shaping these dynamics.

Theme 1 Symbolic Segmentation

Segmentation was constructed through symbolic cues and shared identity signals rather than demographic or psychographic profiling. Store owners distinguished customer groups based on behavioral transitions, lifestyle expression, and community affiliation.

Illustrative Quote

“Kebanyakan mahasiswa... tapi dominan anak muda, yang baru beralih dari rokok.” – O4

Interpretation

Segments were recognized through shifts in consumption behavior, peer influence, and the identity codes present in youth and hobbyist subcultures. Owners interpreted customers by vaping style, device preference, and affiliation with communities such as campus vaping circles, collectors, or modders, rather than by age or income categories.

Theme 2 Relational Targeting

Targeting emerged as a relational process shaped by ongoing interaction rather than managerial selection of predefined segments.

Illustrative Quotes

"Rutin beli liquid, ganti cartridge, dan kadang ngajak temannya." – O5

"Saya puas karena bisa konsultasi, diskusi, dan barter part." – C3

Interpretation

Retention and target formation developed through repeated interaction, rendering loyalty a collective rather than individual phenomenon. Several owners hosted informal coffee sessions that brought customers, vendors, and hobbyists together to discuss products and share knowledge. These exchanges extended into online groups and membership channels, which served as continuous relational touchpoints. Customers received updates, invitations, and social access, fostering a sense of belonging that exceeded transactional exchange.

Theme 3 Experiential Positioning

Positioning was enacted through experiential and affective cues instead of functional product differentiation. Stores communicated identity through spatial design, atmosphere, and sensory elements.

Illustrative Quote

"Promonya menonjolkan kolaborasi brand, lifestyle vaping... bukan sekadar diskon." – C2

Interpretation

Positioning was expressed through curated environments and narrative-driven displays. Respondents described minimalist and premium décor, matte-finished devices, modern lighting, ambient scents, and lo-fi playlists that produced a lounge-like ambience. One owner described his store as an "experience center," designed with industrial interiors, warm lighting, a lounge area, and a signature slogan reinforced through branded materials.

Cross Participant Patterns

A comparison of perspectives highlighted how owners and customers interpret the three themes from different vantage points. While both groups recognized similar dynamics, owners emphasized strategic intention and design logic, whereas customers emphasized identity alignment, comfort, and emotional resonance. Table 2 summarizes these cross-participant contrasts.

Table 3. Cross-Participant Interpretation of STP Themes

Theme	Owners' Interpretation	Customers' Interpretation
Symbolic Segmentation	Identify groups through lifestyle cues, habits, and community affiliation.	Select stores based on atmosphere, identity alignment, and perceived "vibe."
Relational Targeting	Build engagement through gatherings, peer referrals, and social-media groups.	Experience loyalty through personal attention and a sense of belonging.
Experiential Positioning	Curate décor, lighting, music, and scent to construct a distinct identity.	Assess stores through immersion, comfort, and emotional resonance.

Thematic Integration

Across cases, segmentation, targeting, and positioning operated as connected and overlapping practices. Lifestyle cues informed how owners recognised customer groups; relational exchanges sustained participation; and experiential environments reinforced the meanings consumers attached to the space. These dynamics unfolded iteratively in day-to-day interaction.

The three themes collectively indicate that identities, relational touchpoints, and experiential cues continuously shape one another. Lifestyle-based segmentation draws particular groups, relational targeting deepens engagement, and experiential positioning reinforces shared meanings, which then influence how store practices evolve. This cyclical movement represents the empirical basis for a spiral interpretation of STP within this retail context.

Closing Findings

Overall, the findings show that segmentation, targeting, and positioning function as interlinked processes shaped by lifestyle cues, interpersonal relationships, and experiential environments. Rather than operating as discrete managerial steps, these components interact continuously in everyday practice. Customer identities, engagement patterns, and store atmospheres reinforce one another, producing recurring patterns of participation.

These dynamics provide the empirical foundation for interpreting STP as a spiral process. Lifestyle-based segmentation attracts particular groups, relational targeting strengthens community involvement, and experiential positioning sustains and reshapes shared identity. As these cycles repeat, both customers and store owners co-construct the meanings that guide market practice, forming the basis for the conceptual development that follows in the next section.

DISCUSSION

Revisiting the Classical STP Logic in Light of Contemporary Market Dynamics

Although the classic Segmentation–Targeting–Positioning (STP) framework remains foundational in marketing scholarship, extensive critiques challenge its relevance for culturally dynamic markets. Early work identified conceptual inconsistencies in the linear and managerial logic underlying segmentation. (Wright & Esslemont, 1994) showed that the assumptions supporting traditional target marketing lack empirical justification, and (Wright, 1996) further argued that segmentation presumes discrete, identifiable, and stable consumer groups a condition rarely met in practice. (Lynn, 2012) likewise conceptualized STP as a normative sequence but acknowledged its limitations in fluid markets where consumers routinely cross assumed segment boundaries. More recently, (Sharp et al., 2024) demonstrated that empirical patterns of brand competition often contradict the STP expectation of clearly differentiated segments and selective targeting.

The present study reinforces and extends these critiques. Findings show that segmentation, targeting, and positioning do not operate as sequential decisions. Instead, they emerge concurrently through symbolic cues, relational interactions, and experiential environments. This contradicts the classical assumption that managers segment the market first, choose a target second, and develop a positioning strategy last. The evidence from lifestyle-oriented vape retail reveals that each element dynamically shapes the others, supporting calls for more adaptive and recursive interpretations of market strategy.

Segmentation as an Identity-Based and Emergent Process

The first major insight from the findings concerns the emergent and symbolic nature of segmentation, rather than being defined by demographic variables, consumer groups in vape retail formed around identity cues embedded in store atmospheres and community interactions. This aligns with identity-based consumer behavior theory (Reed et al., 2012), which argues that consumption choices reflect salient self-categories that guide interpretation and motivation. Identity-based motivation research (Shavitt et al., 2009) similarly posits that active identities make certain consumption choices appear appropriate or normatively expected. These frameworks help explain why vape consumers coalesce around aesthetic preferences, lifestyle markers, and shared practices.

The findings also align with multicultural identity research. (Kipnis et al., 2019) show that consumers negotiate hybrid local–global identities that manifest in cultural preferences and consumption patterns. In the vape context, this dynamic appeared in the way young adults engaged with global vaping aesthetics while anchoring themselves within local peer cultures. Because these identities shifted depending on context, the segments observed in the field were fluid, overlapping, and constantly reassembled.

Prior empirical research on vape retail supports this interpretation. Studies show that vape shops function as identity-signaling spaces where users express belonging, lifestyle orientation, and group membership (A. Cheney et al., 2017; J. Tsai, Walton, et al., 2016). The U.S. longitudinal study by (Pokhrel et al., 2017) similarly found that vape shop patrons often form micro-communities around shared identity markers such as flavors, hobbies, and perceived subcultural affiliations. These findings reinforce that segmentation in vape retail does not originate from managerial analysis but emerges through symbolic consumption and social participation.

This directly addresses the first research gap identified in the literature review: the lack of empirical understanding of STP in culturally expressive, identity-driven markets. The study shows that identity-based segmentation is not an abstract theoretical claim but a lived process observable in everyday marketplace interactions.

Targeting as Relational Co-Creation Rather than Managerial Selection

The second theme challenges the classical depiction of targeting as a top-down decision. Findings reveal that targeting in vape retail arises through relational engagement, peer influence, and community participation. Store owners described how customers introduced friends, self-organized through WhatsApp groups, and returned for informal events such as “coffee sessions” activities that collectively co-created the store’s audience.

This dynamic aligns with the relational marketing perspective, which reframes value creation as an outcome of ongoing interaction rather than discrete transactions. (Brodie et al., 2011) identify customer engagement as a psychological state emerging from iterative interactions within a network of actors, while (Jaakkola & Alexander, 2014) show how engagement behaviors contribute to value co-creation in service ecosystems. (Grönroos, 2011) similarly emphasizes that value arises from evolving relationships rather than managerial interventions. These theories resonate closely with the observed practices in vape retail, where targeting is enacted through participation rather than selection.

Research on vape shops further reinforces these findings. (Pokhrel et al., 2017) observed that vape shops often rely on community building and interpersonal relationships to sustain patronage, functioning more as social hubs than transactional outlets. This aligns with Indonesian evidence as well: (Walewangko et al., 2021; Wijaya et al., 2023) document how vape retailers cultivate customer loyalty through interpersonal warmth, informational support, and peer-based influence. Together, this empirical body highlights that targeting has shifted from segment selection toward relational orchestration.

These findings shed light on the second research gap: the absence of frameworks that capture how targeting unfolds in lifestyle retail contexts characterized by dense social interaction. By demonstrating that targeting is co-created through community participation, the study challenges classical STP logic and supports a more interactive and reciprocal interpretation.

Positioning through Experiential Atmospheres and Symbolic Enactment

The third theme reveals that positioning in vape retail is less about message-based differentiation and more about constructing immersive experiential atmospheres. Store owners deliberately curated lighting, scent, music, interior design, and aesthetic coherence to evoke a premium, inclusive, and identity-responsive environment. This reflects the experiential marketing paradigm, which positions experiences as core elements of value creation (Schmitt, 1999).

(Bitner, 1992) servicescape theory provides an explanatory foundation: physical environments shape affective, cognitive, and behavioral responses, influencing how customers interpret and engage with the space. Subsequent research supports these effects. (Bäckström & Johansson, 2006) emphasize that retail environments act as arenas for co-created experiences, while (Valentini et al., 2024) show empirically that servicescape remodeling affects customer lifetime value. (Breugelmans et al., 2023) similarly argue that physical stores maintain relevance only when they provide compelling experiential, social, or symbolic value.

Prior vape research echoes this. Studies show that vape shops create specific atmospheres often styled as lounges, hobbyist labs, or lifestyle boutiques to signal subcultural identity and build community (A. Cheney et al., 2017; J. Tsai, Bluthenthal, et al., 2016). The present findings confirm these dynamics in the Indonesian context: experiential positioning not only shaped customer perceptions but also attracted identity-specific groups and reinforced community boundaries.

This addresses the third research gap: the limited understanding of positioning as an experiential and symbolic process in lifestyle retail. It also shows how experiential cues initiate segmentation and targeting patterns contradicting the classical view that positioning follows segmentation and targeting.

Why the Spiral STP Model is Theoretically and Empirically Justified

The combined findings suggest that segmentation, targeting, and positioning do not operate sequentially but form an interdependent, ongoing cycle. This dynamic can be explained using emergent and nonlinear theories of marketing. (S. Vargo et al., 2023) conceptualize markets as complex adaptive systems in which actors, resources, and meanings co-evolve through interaction rather than follow preset sequences. (Ekman et al., 2021) similarly show that market innovation emerges through cumulative interactions, incremental adjustments, and institutional work.

Methodologically, critiques of linear modeling strengthen the argument. (Dew, 2024) show that marketing effects often are nonlinear and time-varying, while (Ma & Jiang, 2022) demonstrate that advertising dynamics can exhibit nonlinear behavior such as bifurcation and feedback cycles. These insights collectively support the plausibility of a recursive, rather than linear, interpretation of marketing processes.

The present study provides empirical grounding for this theoretical shift. Identity-based segmentation emerges from experiential environments; experiential positioning attracts specific communities; relational targeting

strengthens and reshapes these communities; and these dynamics recursively update identity cues and experiential elements. This constitutes a logical chain that justifies the spiral model:

1. Identity cues shape emergent segments (Theme 1).
2. Community interactions shape targeting (Theme 2).
3. Experiential cues shape positioning (Theme 3).
4. Positioning reshapes identity cues, generating new segments.
5. These cycles repeat mirroring emergent, nonlinear system behavior.

Thus, the Spiral STP Model aligns with both empirical observations and contemporary theoretical perspectives, offering a more accurate framework for understanding strategy formation in lifestyle-based markets.

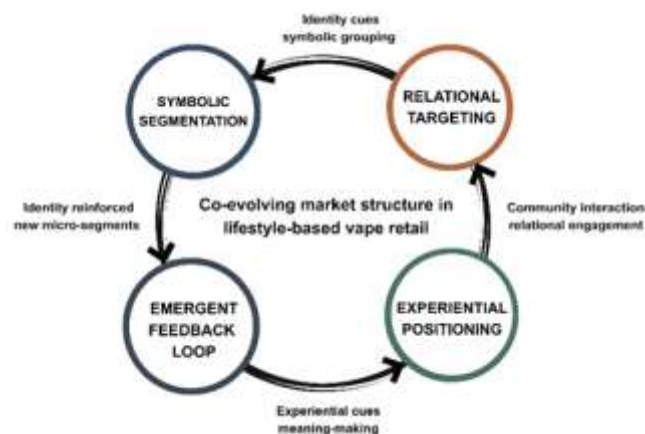


Figure 2. Figure X. Spiral STP Model

A nonlinear framework showing how symbolic segmentation, relational targeting, and experiential positioning interact recursively in vape retail, forming an emergent and co-evolving market structure.

CONCLUSIONS AND RECOMMENDATIONS

This study advances marketing scholarship by demonstrating that segmentation, targeting, and positioning in vape store settings do not operate as discrete or sequential decisions but as interdependent processes shaped by identity cues, relational interactions, and experiential environments. The findings empirically reinforce longstanding critiques of the linear STP logic (Sharp et al., 2024; Wright, 1996), while integrating insights from identity-based consumer behavior, relational marketing, and servicescape theory. In doing so, the study shows how symbolic segmentation, community-driven targeting, and experiential positioning continually influence one another within the everyday practices of vape retailing. The resulting Spiral STP Model reframes STP as a nonlinear and emergent system, consistent with contemporary views of markets as complex and co-evolving (S. Vargo et al., 2023).

The study shows that STP in vape retail operates as a recursive process in which cultural, relational, and experiential elements continually shape one another. The Spiral STP Model provides a theoretically grounded and empirically supported alternative to linear formulations, offering a foundation for future

research on dynamic strategy formation across other culturally expressive and community-driven markets.

FURTHER STUDY

This study is limited to five vape stores in a single urban setting, which may restrict the transferability of its findings to other regions or retail contexts. Although thematic saturation was achieved, the localized scope may not capture broader variations in cultural or regulatory environments. The qualitative design also limits generalizability and prevents assessment of causal relationships. Future research should explore comparative settings or adopt longitudinal and mixed-method approaches to examine how Spiral STP dynamics develop across different markets.

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