



# A Model of Marketing Strategy (Segmentation, Targeting, and Positioning) with the Market Development Approach: The Case of Iran's Leather Industry

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## ABSTRACT

The process of internationalization is a time-consuming activity whose success depends on the supply of extensive resources. Many companies have started market development at the international level. However, they have subsequently given up due to a lack of adequate resources or proper strategies to manage their enterprise at the international level. This research aims to present a marketing strategy model (segmentation, targeting, and positioning) with the approach of developing an international market for Iran's leather industry. The results can significantly contribute to market segmentation, targeting, and positioning in this industry for producers. The research method is mixed-methods (qualitative and quantitative) in strategy, content analysis and exploratory factor analysis (first-order confirmatory factor model), and exploratory in the goal of the qualitative phase. The researchers adopted the library, interview, and questionnaire methods for data collection. Experts were interviewed in the qualitative phase, for which 10 experts were sampled using the snowball technique. The results of the interviews were analyzed by content analysis. Finally, their coding resulted in 5 components and 24 indicators for segmentation, 3 components and 16 indicators for targeting, and 5 components and 19 indicators for positioning. The initial marketing strategy model was developed and presented by the market development approach. In the quantitative phase, the model was tested by a questionnaire. The statistical population in this phase was composed of experts in companies and traders in the leather industry. The sample size was estimated using Cochran's formula and Morgan's table. The data were collected with a questionnaire in which responses were provided to items on a seven-point Likert scale. The collected data were tested by SPSS and Amos. Based on the results, the components of segmentation included demographic, psychological-behavioral, geographical, economic, and political components, those of targeting included expertise in the market, expertise in product, and multinational market, and those of positioning included economic efficiency, distinguished designing, a distinguished mental image of stylish clothing, environmental friendliness, and halal.

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## INTRODUCTION

Marketing and marketing issues play a critical role in the viability of companies in today's competitive world. Large global companies pay close attention to marketing. Owing to membership in global organizations like the World Trade Organization, countries are now trying to facilitate the entry of foreign companies, by which they aim to enhance the competitiveness of domestic industries, supply the changing needs and demands of domestic customers, and increase their internal investment level. Therefore, competition is growing in various industries and countries. Also, since various industries are profitable, new companies enter these industries, thereby significantly increasing the number of companies in different industries. This factor also entails an increased level of competition in industries. In this regard, marketing strategies provide an instrument to achieve these goals. These strategies are subject to diverse variables controlled by companies. The controllable variables of a marketing strategy include product, price, employee, asset, advertisement, and physical facilities (Valdez-Juárez et al., 2022). Some marketing and customer-orientation strategies in the leather industry include service quality promotion, price reduction, advertisement through social media, tele-marketing, participation in work meetings, sponsoring sports events, and social responsibility (Maranjory, 2020). Specialized marketing strategies are reflected in activities like marketing communications, personal sales, pricing, product development, and distribution in commodity-centered industries. These strategies are fundamental in companies that emphasize focus-based market-product strategy elements because establishing a connection between benefits and more customers and prospects depends on these capabilities. Both specialized marketing capabilities and marketing architecture capabilities are necessary for product differentiation. Marketing architecture capabilities support differentiation strategies by collecting information on the market environment and developing marketing programs to use information col-

lected through the market. Many strategy researchers agree that the companies that focus on the efficiency cost of the product-market strategy need less to enhance marketing capability, whereas those that emphasize differentiation-based strategies need a high level of marketing capabilities. As with the scholars of other sciences, marketing and marketing management scholars have their own set of coherent thoughts. According to them, the market management process is composed of the following five steps:



Efficient marketing starts with research (R). Research in a market reveals segments (S) that are formed of customer groups with different needs. The company should target (T) only the segments in which they can work at the highest level of service. The company should provide its recommendation, so the customer can clearly identify its differences from other recommendations, and the company can be well positioned (P). Market segmentation, market targeting, and recommendation positioning (STP) reflect the existence of strategic marketing thought in the organization. In the next step, the company uses the marketing mix (MM) techniques and optimally mixes its factors (product, price, distribution, and promotion). The next step is the implementation (I) of the decisions on market management. The final step is control (C), according to which the company should check and evaluate the outcomes of each step and optimize the strategy (STP) and executive techniques (MM) (Kotler, 2004).

### *Marketing strategy*

Marketing strategy refers to allocating and coordinating marketing activities and resources to supply the company's operational goals regarding a certain product market. So, the main question in the context of marketing strategy is determining specific target markets for a product family or a certain product. Then, companies pursue competitive advantage and synergy by using the marketing mix as per the prospects' requirements in the target market

(Walker & Mullins, 2007). The strategy aims to gain a competitive advantage by producing at the lowest possible cost compared to competitors (Porter, 1990).

#### *Segmentation*

Market segmentation refers to dividing the market into different but relatively similar and identifiable segments or groups (Rosenbloom, 2011). The rationale for market segmentation by the marketer is that consumers in different segments have different needs. Marketers can segment the market in terms of various indices, such as demographic, geographical, psychological, and behavioral indices.

#### *Targeting*

After segmenting the market, marketers have to select their target markets. Target markets are market segments that offer the most opportunities for the company.

#### *Positioning*

After determining the target markets, marketers have to specify the organization's position in the industry, which is called positioning. Marketers should provide each target market segment with its own market set to win a distinctive place in the consumers' minds for themselves.

#### *International market development approach*

The international marketing development approach is the process by which a commercial company should decide on its marketing mix beyond the boundaries of its homeland. The most complex level of this approach is setting up a production unit and coordinating the company's marketing strategy around the world (Keegan, 2001).

### **Literature Review**

The leather industry is one of the oldest and traditional industries in Iran. Indeed, Iran is regarded as one of the earliest leather producers in the world. The leather industry had a very high growth rate between 1969 and 1978. However, in 2003, it was ranked the most stagnant industry among 36 different industrial groups, with a 43.5% decline. Although the leather industry has a lot of potential and is an industry that can greatly contribute to the economic development of Iran, it currently faces many challenges. The leather

industry needs to compete with organizations that have higher quality at the global level (Salehi Abarquee et al., 2018).

Teymoori et al. (2021) studied the components, antecedents, and consequences affecting the development of political marketing strategies, using the research synthesis method to collect and review previous studies systematically. By integrating automatic and manual search strategies, they reviewed 19 related research articles published in the field of political marketing strategy formulation from 1995 to 2018 for English articles and from 2013 to 2019 for Persian articles. They argued that it was almost impossible and unrealistic to account for the main issue in the field of political actions of candidates without identifying and determining the connections between those factors. The findings showed that the components of advertising, segmenting voters, creating, maintaining, and enhancing long-term relationships, and conducting competitive analysis had the highest frequency among the components influencing the development of political marketing strategies.

Stevani (2022) investigated the effect of marketing strategy on increasing sales in a corporation. In this era of globalization and technological advancement, all companies seek to improve the quality of their production and marketing management to maximize profit according to their goals. Marketing is one of the most essential functions of a company as it can determine the sales volume and the market position of the company (product). By analyzing the survey results based on the research activities and reviewing the theories in the literature, the respondents agreed that using marketing strategies in their companies was necessary so that they could keep up with the current technology and implement it effectively.

Gao et al. (2022) studied choosing a marketing strategy for referral rewards under social networks. The paper used literature analysis and a survey to examine three operational mode strategies and employed the backward induction and optimization method to solve optimal pricing. Then, it studied the effect of

different network structures on strategy selection by numerical simulation experiments. The results showed that the referral reward strategy under the social network was suitable and profitable when the company faced severe information problems and low reward costs. Compared to the baseline model without rewards, introducing rewards lowered the price for first-period consumers and affected their motivation for information sharing. Among the three strategies, the unit reward distribution ratio had little impact on profit. The dual strategy had higher second-period price and profit than the other two. Moreover, the structure of social networks had little effect on profits, so adopting a dual strategy could be more profitable than adopting either of the other two strategies.

Agramov et al. (2021) addressed marketing strategy for the competitiveness of modern companies. They defined the marketing strategy as shaping a proper marketing structure to attract and satisfy the target markets and achieve the organization's goals. The main task of a marketing strategy is the appropriate planning of products, distribution channels, advertisements, and pricing policy.

In a study titled "Marketing strategy: Pricing strategies and its influence on consumer purchase decision," Ali and Anwar (2021) collected data from 162 people using a random sampling method. The results showed that penetration pricing, marketing sharing sites, blogs, and competitive pricing positively and significantly affected consumer behavior.

Rana et al. (2020) focused on the determinants of the international marketing strategy for emerging multinational markets. They used self-administered questionnaires to collect data from international marketing managers and senior managers of Indian manufacturing companies based on the Churchill approach. They developed various hypotheses related to order placement and quality level. The findings showed that the four key factors that influenced the evaluation of the beneficial effects in a multicultural global environment were, in order of importance: sources of ben-

eficial effects, operational efficiency, international marketing strategic choice, and useful outcomes.

Gnizy (2019) explored the role of inter-firm dispersion of international marketing capabilities strategy and business performance. Based on the dynamic capability framework, this study examined the boundary conditions that guided the management of capability dispersion and its effects on strategic measures and performance. The results derived from survey data from a sample of firms revealed that dispersed capabilities were beneficial because they could help firms achieve key performance goals indirectly by developing the ability to manage elements outside the country (adaptation strategy). Moreover, the decisions of firms about capability dispersion were conditional in which market dynamics and coordination moderated the link between dispersion and adaptability.

Jiménez-Asenjo and Filipescu (2019) studied the international marketing strategies of Spanish beverage exporters. Due to globalization and increased competition in the beverage sector, both multinational and small and medium-sized companies have expanded their presence in emerging markets, especially in China. This paper provides an in-depth analysis of the case of Spanish beverage exporters to China and examines various external and internal factors that influence their international marketing decisions. Using the case study method, they found that external factors forced the companies to adapt their labels, distribution channels, prices, and communications, while the internal factor of the company strategy was the main driver of standardization of product range, brand names, main labels, and positioning. The paper also shows the need to consider the variable of company size as an internal factor that significantly influences the development and control of the marketing mix and the access to networks.

Wu (2016) worked on modeling the international marketing strategy of leisure farms. The study used postal data from 212 leisure farms and tested the predicted relationships

using multiple regression analysis and fuzzy-set qualitative comparative analysis methods. The results derived from the research sample confirmed that government support, international promotion strategy, product strategy, and economic environment were the key factors of the organization's performance. Based on the results, the researchers developed an international marketing plan for the leisure farm.

Cuadros and Dominguez (2014) researched a customer segmentation model based on value creation for developing marketing strategies. When deciding which segment to invest in and how to allocate the marketing budget, managers often take risks regardless of the actual effect of each customer or segment on the organization's profit. This paper proposes a segmentation framework that first calculates the customer lifetime value, current value, and customer loyalty and then creates customer segments using self-organizing maps. The effectiveness of the proposed method was demonstrated by an experimental study in a sugarcane mill factory, where a total of 9 segments were identified for decision-making.

Shaw (2012) reviewed the marketing strategy from the emergence of the concept to the development of a conceptual framework. As an intensive literature review, this article traced three streams of marketing strate-

gy terms and concepts from their origins in early marketing management, managerial economics, and corporate management literature to the present day. Based on the results and marketing ideas, the strategy concepts were directly incorporated from managerial economics and corporate management into the strategic marketing thinking body. By systematically following the evolutionary development of major contributions in strategic marketing thinking and by redefining terms and refining concepts, different approaches to strategy could be integrated into a comprehensive conceptual framework for organizing and selecting among individual marketing strategies.

international marketing strategy has various dimensions: (1) standardization/adaptation, which represents the aspect of recommendation to the market, (2) concentration/decentralization, which represents the organizational and structural aspect, and (3) cohesion/non-dependence, which represents the competitive process. Also, Zou and Cavusgil (2002) defined global marketing strategy as a combination of three approaches: standardization/adaptation, coordination and structure of value chain activities, and integration of value chain activities. Table 1 presents the main approaches to global marketing strategy (one of the international marketing levels).

Table 1  
Main Approaches to Global Marketing Strategy.

Key approaches (Zou and Cavusgil)	Base rationale	Main variables	Determinants	Effects
Standardization	Saving to scale	Product standardization	Convergence of cultures Demand Few barriers to trade Technological advances Corporate orientation	Efficiency Adaptation Transfer of ideas
	Cost reduction	Promotion standardization		
	Simplification	Distribution channel structure standardization Price standardization		
Configuration/coordination (centralized/non-centralized)	Relative advantage	Centralization of value chain activities	Few barriers to trade	Efficiency
	Mutual dependence Specialization	Coordination of value chain activities	Technological advances Corporate orientation Corporate experience	Synergy
Integration	Inter-sectoral financing	Integrated competitive strategies	Few barriers to trade Corporate orientation Corporate experience	Effectiveness in competition Competitive leverage
	Competitive (advantage) transfer Rationalization	Global market contribution	Integrated markets	

Based on the research in the context of international marketing, there are two basic types of international marketing strategies: standardization and adaptation (Medina & Duffy, 1998; Venaik, 1999; Hollensen, 2001; Theodosiou & Leonidou, 2003; Ozsomer & Simonin, 2004; Katsikeas et al., 2006; Javalgi et al., 2006; Viswanathan & Dickson, 2007).

Since there is no established marketing strategy for Iran's leather industry, which shows the necessity of the current work, this research aims to answer the question as to what the criteria are for a suitable marketing strategy with a market development approach in Iran's leather industry. The researcher intends to examine and formulate a marketing strategy model (segmentation, targeting, positioning) with the market development approach for Iran's leather industry.

### Methodology

The research adopted a mixed-methods design (qualitative-quantitative). On the one hand, it is qualitative because the researcher aimed to identify and rank the components and indicators of a model for developing a marketing strategy with the market development approach for the Iranian leather industry from the experts' perspective using content analysis. On the other hand, the model obtained was tested in the quantitative phase. The method used for data collection was a combination of library, field, and survey methods. The researcher has described the status quo as a series of indicators and criteria during the process of thematic analysis and Colaizzi's phenomenology (survey of experts). In other words, it has been tried to discover the components and indicators

of developing a marketing strategy for Iran's leather industry. Accordingly, the primary purpose of the research was to use the theoretical foundations and theories in the literature derived from applied research to identify these components and indicators. The panel members or specialists and experts as the statistical population in this research were composed of academic faculty members of business management and managers and consultants working in Iran's leather industry. The final sample was estimated to be ten people, taken by the snowball technique and subjected to in-depth interviews. After presenting the desired model in the qualitative part (thematic analysis), it should be quantitatively tested in the target population. In the quantitative part of the research, a questionnaire was first developed in 50 items using the components and indicators identified in the qualitative phase. Then, its validity and reliability were checked. In the next step, 96 people were sampled from the statistical population, including 130 traders and experts from companies in the leather industry, to fill out the questionnaire. The sample size was determined by Cochran's formula and Jersey Morgan's table. In the inferential statistics section, the Kaiser-Meyer-Olkin (KMO) sampling adequacy test, Bartlett's test of sphericity, Cronbach's alpha and composite reliability (CR), convergent validity (AVE), divergent validity, first-order confirmatory factor model, and the overall model evaluation indices, including the status of bad model fit indices (CMIN/DF, RMSEA) and good model fit indices (CFI, PCFI, TLI, PNFI), were conducted using the AMOS and SPSS software suites.

Table 2

*The Layers of the Present Research*

Research layers	Specifications of the current research
Orientation	Applied, descriptive, and survey
Methodology	Mixed methods (quantitative and qualitative)
Strategy	Content analysis and Colaizzi's phenomenology – exploratory factor analysis (first-order confirmatory factor model)
Goal	Exploratory (Determining appropriate criteria (segmentation, targeting and positioning) to identify the international target market of Iran's leather industry)
Time horizon	Single-sectional
Data collection method	Library studies, interviews, and questionnaire

**Research Innovation**

This research helps managers and researchers have a comprehensive view of the market development for the Iranian leather industry with a strategic perspective and consider all the underpinning factors so that they can pursue the sustainable development of this industry at the international level. According to the results, the following recommendations can be put forth for developing the market of this industry with emphasis on practical strategies in the areas of segmentation, targeting, and positioning for this industry.

**Research Innovation**

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**Result**

The study used exploratory factor analysis (first-order confirmatory factor model) based on the structure of research questions. The respondents answered the questions about each of the dimensions of the marketing strategy in terms of the segmentation, targeting, and positioning criteria. The KMO index and Bartlett's test were used to ensure the application of factor analysis for the collected data. The closer the value of the KMO index is to one, the more suitable the data are for factor analysis. The results showed that the values were acceptable (Table 3).

Table 3  
*Main Approaches to Global Marketing Strategy.*

Main variables	KMO sampling adequacy test	Bartlett's test of sphericity	
		X <sup>2</sup>	Sig. levels
Segmentation (market division)	0.92	1673.54	0.0001
Targeting (target market selection)	0.91	1547.91	0.0001
Positioning (Iranian brands against foreign brands)	0.90	1655.69	0.0001

Based on the analysis, the appropriate criteria for segmentation, targeting, and positioning strategies with the approach of market development for the Iranian leather industry are presented in Tables 4, 6, and 8.

**The variable of segmentation**

The results of categorizing the concepts and main components of the market segmentation are presented in Table 4.

Table 4  
*The Components and Sub-indices of Market Segmentation Derived from Interviews.*

Components identified	Sub-indices
Demographic factors	The number of Iranians living in different countries
	Per capita income of countries
	Percentage of young population of countries
	Tendency to use leather products in different countries
Psychological and behavioral factors	Determining the level of cultural acceptance of the consumption of Iranian goods in different countries
	Determining the extent of the desire for diversity in different markets
	Investigating the lifestyle of the young population in different countries
	Investigating the degree of independence of the young population in different countries

	<p>Desire for luxury in global markets</p> <p>Investigating the trend of leather products in global markets</p> <p>Determining the level of malleability of consumption patterns in different countries</p>
Geographical factors	<p>The compatibility of the geography and weather conditions of different countries with Iran</p> <p>Proximity to the target market</p> <p>Conditions for providing warranty for leather products in different geographical conditions</p> <p>Suitability of Iran's leather products with the weather conditions of the host countries in terms of durability</p> <p>The extent of fitness of the leather to the geographical conditions of the target countries</p>
Economic factors	<p>Economic conditions of exchange with different countries</p> <p>Cost of marketing leather products in host countries</p> <p>The cost of adapting leather products to the conditions and needs of the host countries</p> <p>Communication and advertising costs in the host countries</p> <p>Investigating the possibility of developing the market share in the host countries given the presence of competitors</p>
Political factors	<p>Investigating political relations with host countries</p> <p>Examining the facilities originating from political relations to penetrate the target market</p> <p>Political stability of the host countries for the development of joint ventures</p>

According to Table 5, all p-values are < 0.05 in the output of the regression weights, meaning that all correlation coefficients between the observed and latent variables in the model are significantly different ( $P < 0.05$ ). The confirmatory factor model shows that the following components have the highest to the lowest importance in accounting for the variable of market segmentations in Iran's leather industry:

1. Political factors with a factor loading of 0.67
2. Geographical factors with a factor loading of 0.58
3. Economic factors with a factor loading of 0.51
4. Psychological and behavioral factors with a factor loading of 0.50
5. Demographic factors with a factor loading of 0.46

Table 5  
The Output Regression Weights.

Index	Standardized values	Critical points	Sig. level
Demographic factors	0.46	5.36	0.0001
Psychological and behavioral factors	0.50	5.73	0.0001
Geographical factors	0.58	6.41	0.0001
Economic factors	0.51	5.77	0.0001
Political factors	0.67	7.24	0.0001



**The variable of targeting**

the concepts and primary components of the market targeting.

Table 6 presents the results of categorizing

Table 6

*The Components and Sub-indices of Market Targeting Derived from Interviews.*

Components identified	Sub-indices
Specialty in the market	Determining the target market based on operational indicators Examining competitors of the leather industry in global markets and choosing a market where competitors do not have a strong presence Identifying the needs of the markets (customer groups) and determining a group of customers or a market whose needs can be satisfied in the best way Forming creative teams to produce and supply innovative products for customer groups with special needs Examining trends in changing tastes, preferences, and needs of customer groups in the world
Specialty in product	Choosing a product that can be produced for different customer groups globally or regionally Choosing a product that can be adapted to global standards in global production and supply Choosing a leather product (such as shoes) that has production capabilities for all customer groups Checking the possibilities of producing the target product in different designs and colors Examining the possibilities of producing the target product with a suitable final price for different customer groups, taking into account the costs of transportation and export insurance
Multinational markets	Examining the possibilities of adapting communication channels and advertising about the target product in global markets Reviewing and determining different marketing mixes for various market segments at the global level Examining the needs and patterns of different coverage in global markets and adapting the product and its features based on the identified differences Examining the differences in export laws in different regions and providing appropriate export packages Foresight to invest in joint cooperation in different regions Determining marketing strategies appropriate to culture, laws, and costs in different regions of global markets

According to Table 7, all p-values are < 0.05 for the output of regression weights. Thus, all coefficients of correlation between the observed and latent variables are significantly (P < 0.05) different in the model. Based on the confirmatory factor model, the following components are the most to least important

factors in accounting for the variable of targeting (target market selection) for Iran's leather industry:

1. Multinational markets with a factor loading of 0.59
2. Specialty in product with a factor loading of 0.56
3. Specialty in market with a factor loading of 0.49

Table 7

*The Output Regression Weights.*

Index	Standardized values	Critical points	Sig. level
Specialty in market	0.49	4.88	0.0001
Specialty in product	0.56	6.63	0.0001
Multinational market	0.59	6.91	0.0001

**The variable of positioning** the concepts and main components related to  
 Table 8 displays the results of categorizing market positioning.

Table 8

*The Components and Sub-indices of Market Positioning Derived from Interviews.*

Components identified	Sub-indices
Economic efficiency	Application of creative methods in production cost management to increase competitiveness Reasonable price of leather products compared to product quality Increasing production efficiency indicators to reduce the cost price Using penetrating pricing strategies to expand the market
Distinctive and diverse designing	Taking advantage of the clothing patterns of Iranian ethnic groups Using natural and unique colors according to Iranian traditional culture Distinctive design for different target markets considering their cultural overlap with Iranian ethnic groups Encouraging and persuading international and famous models to cooperate in introducing Iranian designs
Creating a different mental image in stylish clothing by providing different designs derived from Iran's rich history	Using global models to change fashion in leather clothing Presenting different definitions of beauty with an emphasis on Iranian history and geography with the help of experts in related sciences Taking advantage of the creativity of the Iranian workforce for a positive mental image of Iranian leather
Environmental friendliness	Using the best leather in the world Suiting to the taste and ecological characteristics of different climates Using natural leather to produce products Using environmentally friendly raw materials in the production Compliance with regional and global environmental standards
Halal	Using halal animal skin to differentiate leather fans in Muslim countries Taking part in halal exhibitions at the international level due to the growth of demand in global markets The necessity of the halal brand for leather products due to the relative advantage and added value of halal clothing compared to its similar types

According to Table 9, all p-values are <0.05 in the output of the regression weights. In other words, all coefficients of the correlation between the observed and latent variables are significantly (P < 0.05) different in the model. The confirmatory factor model shows that the following components were the most to least important factors explaining the variable of positioning in Iran's leather industry (the po-

sition of Iranian brands versus foreign competitors):

1. Different mental image of stylish dressing with a factor loading of 0.56
2. Economic efficiency with a factor loading of 0.56
3. Distinctive and diverse designs with a factor loading of 0.50
4. Environmental friendliness with a factor loading of 0.49
5. To be halal with a factor loading of 0.52

Table 9  
The Output Regression Weights.

Index	Standardized values	Critical points	Sig. level
Economic efficiency	0.56	6.33	0.0001
Distinctive and diverse designs	0.50	6.02	0.0001
Different mental images of stylish clothing	0.58	6.25	0.0001
Environmental friendliness	0.49	5.99	0.0001
Halal	0.42	5.64	0.0001

### Discussion and Conclusions

According to the results, the interviewed experts perceived that among the most essential criteria of the segmentation strategy that can affect the development of the market for the Iranian leather industry's products, the political factors were ranked first with a factor loading of 0.67. The following ranks were assigned to geographical factors with a factor loading of 0.58, economic factors with a factor loading of 0.51, psychological and behavioral factors with a factor loading of 0.50, and demographic factors with a factor loading of 0.46. This finding confirms the importance of and need for finding an effective segmentation-based strategy for the market development in the Iranian leather industry. To explain this result, it can be stated that the marketing and trade experts in the Iranian leather industry put the most emphasis on developing and keeping a market strategy among the segmentation criteria.

It was also seen that among the most important criteria of the targeting strategy that can affect the market development for the Iranian leather industry, the multinational market component with a factor loading of 0.59 was ranked the highest by the interviewed experts. Then, the components of expertise in the product with a factor loading of 0.56 and expertise in the market with a factor loading of 0.49 were ranked second and third, respectively. This finding reflects the significance of paying attention to multinational markets to develop a market for the Iranian leather industry's products. It can, accordingly, be claimed that the marketing and trade experts in the Iranian leather industry perceive that focus on the target market and competition at the level of international markets, both in the regional and extra-regional markets, is the most targeting criteria for developing a marketing strategy.

Finally, the results revealed that the interviewed experts found a different mental image of stylish

clothing with a factor loading of 0.58 the most important criterion among the positioning criteria that can influence market development for the Iranian leather industry. They put the components of economic efficiency, distinctive and diverse designs, and environmental friendliness with factor loadings of 0.56, 0.50, and 0.49 in the next ranks, respectively. So, they believe that attention to and improvement of competitive advantages in the international setting significantly influences the development of a market for the Iranian leather industry. It can be inferred that marketing and trade experts in the Iranian leather industry stress the importance of the strengths and competitive advantages of the products, in compliance with the international quality standards, in improving and distinguishing the products in the competitive context of international markets.

Figure 1 depicts the conceptual model of the marketing strategy with the market development approach for the Iranian leather industry at the international level.



Figure 1. The conceptual model of the marketing strategy with the market development approach for the Iranian leather industry at the international level

### Recommendations

This research helps managers and researchers have a comprehensive view of the market development for the Iranian leather industry with a strategic perspective and consider all the underpinning factors so that they can pursue the sustainable development of this industry at the international level. According to the results, the following recommendations can be put forth for developing the market of this industry with emphasis on practical strategies in the areas of segmentation, targeting, and positioning for this industry:

Based on the final model of the research, considering “demographic factors” as one of the components of market segmentation, it is recommended to have accurate statistics and data on the number and capacity of Iranians living in the target countries, the per capita income, age composition of the population, and the tendency to use leather products in different countries in the market segmentation for the market development of the Iranian leather industry.

Regarding “psychological and behavioral factors,” which are an essential component of market segmentation, to segment the markets for the market development of the Iranian leather industry, we need to have a complete awareness of the extent and intensity of cultural acceptance of Iranian commodities in the host countries, the tendency for diversity in people who are selecting leather products, trend of changes in lifestyle and personality traits, the degree of independence of the young population, the desire for luxury products, and also the methods of the flexibility of consumption patterns in different countries.

It was found that “geographical factors” were an important component of market segmentation. We need to consider the suitability of weather and climatic conditions, closeness and remoteness, the suitability of leather products with the weather conditions of the target countries in terms of durability and longevity, and the provision of valid guarantees in different geographical conditions when segmenting the markets for the market development of the Iranian leather industry.

Given the final model of the research and the important role of “economic factors” in market segmentation, it is better to segment and divide the target markets for the market development of the Iranian leather industry based on the economic conditions of trade with the host countries, marketing and advertising costs, and the potential market share growth due to the presence of competitors.

We observed that “political factors” are a vital component of market segmentation, so when segmenting the target markets for the market development of the Iranian leather industry, it is recommended to evaluate the amount of transactions, the extent of political relations, the data on the use of facilities emanating from political ties, and the political stability of the host country for the development of joint ventures and collaborations.

According to the final model of the research, considering “market expertise,” which is one of the components of targeting (selecting the target market), to select target markets for the market development of Iran’s leather industry, it is necessary to determine operational indicators of the target markets, identify the requirements of the customer groups, monitor the trend of changes in their tastes, preferences, and needs, and also form creative teams consisting of people with different expertise to produce and supply creative products for the markets.

As it was found that “product expertise” is one of the important targeting components (selecting the target market), when selecting the target markets for the market development of the Iranian leather industry, manufacturers should check if they have the capability of production consistent with the target markets according to different customer groups. They should also adapt their products to global standards. Furthermore, they must conduct evaluations about producing various products with different designs and colors and with a suitable price for different customer groups and transportation and export insurance costs.

The fact that the “multinational market” is a component of targeting requires leather

production companies to consider the facilities to match their communication channels and advertisement about a target product, to adopt different market mixes that are consistent with different sectors of the market at the global level, to evaluate the different clothing needs and adapt the product specifications with them, to consider variations in export regulations and provide proper export packages, and to be ready for investments and cooperation in joint ventures.

It was found that “economic efficiency” is a component of position. In this regard, companies are recommended to apply creative methods in managing production costs, improving competitiveness, using better technologies, matching pricing with product quality, and using penetrative pricing strategies in order to position Iranian brands against foreign competitors for the sake of developing the market of Iranian leather products.

The design was found to be a component of positioning. To position Iranian brands, producers are recommended to use the clothing patterns of different Iranian ethics for the target markets that are culturally closer to these ethics. They can also use natural and unique colors used in Iran’s traditional culture for producing leather products with distinctive and diverse designs. Also, internationally famous models can be encouraged to cooperate in introducing Iranian designs and leather products in different international markets.

“Different mental images of stylish clothing” were found to be a component of positioning in the final model. To position Iranian brands in the international setting, creative human resources must be employed to create a positive image of Iranian leather products. By emphasizing Iran’s history and geography and using experts of different sciences, it should be tried to create a novel definition of stylish clothing and beauty in the minds of consumers in different markets.

In the final model, “environmental friendliness” was ranked as an important positioning component. It is recommended to extensively popularize the high quality of Iranian leather products (especially light-weighted leather)

and their compatibility with tastes and ecological characteristics of different climates in the efforts to position Iranian brands against foreign competitors.

Since “the leather used in production is halal” is a major component of positioning, it is recommended to the managers and activists of the leather industry in Iran to consider taking part in international halal products exhibitions and using the skin of halal animals, thereby distinguishing their products from competitors for consumers in the target markets.

Also, based on the results, it is recommended that policymakers of leather product exports pay more attention to the causes of sanctions and focus on their removal. Changes must be made in the regulations about international exports and trade rules for exporting Iran’s leather. The Iranian leather exports union can hold free educational courses with the help of active companies for developing marketing strategists for the development of the leather market. A plan must be made to raise the awareness of managers and activists of Iranian leather market about the importance of strategic thinking, market adjustment, and strategy stability. By consulting with countries that have significant trade ties with Iran, a network can be created for exchanging and developing leather products. Authorities and policymakers can adopt marco-level strategies to introduce the strategic position and resources of Iran’s leather industry at the international level. Managers and activities of Iran’s leather can hold specialized seminars and workshops to improve synergy and cooperation for identifying and removing the barriers of the international trade of Iranian leather products.

### Research Limitations

Limitations are an integral part of all studies as they provide the ground for future and new research. This research is not an exception to this rule. Among the existing limitations are:

It was time-consuming to conduct interviews and collect information.

Experts were dispersed and difficult to access for interviews.

Many respondents were conservative in an-

swering the questions, which might have affected the results.

As the specific limitations of the questionnaire, it is clear that the statements contained in the questionnaire cannot fully and accurately measure what is in the mind of the respondents. These limitations exist more or less for all questionnaires, and the questionnaire of this research was not exempt from this shortcoming.

Since this research was a cross-sectional study, its results may change with the passage of time and cannot be generalized.

Another unique contribution of the present research, as far as we know, is that none of the previous studies aimed at providing a model for developing a marketing strategy with the approach of developing the Iranian leather industry market based on various aspects of this issue. In recent models, the market development approach has not been examined (or sometimes they were ignored).

The results of this research were obtained from the data and information collected from a questionnaire that was obtained for the selected sample members who were often identified by the researcher as managers, experts, and businessmen active in the leather industry. However, it is possible that most of the respondents who were familiar with and specialized in marketing strategy with the market development approach of Iran's leather industry have not been surveyed.

### Recommendations for Future Research

It is recommended to focus on the details of developing strategies for certain types of commodities produced in Iran's leather market so that the accuracy of market research in this field can be promoted. It is also suggested that the components identified in this research be used as a standard conceptual model in future research. Research on other industries in which Iran traditionally has a competitive advantage, e.g., carpet, caviar, pistachio, and saffron, can help detect new components. Researchers should also focus on other organizations and compare the results with the present work.

Considering the time-consuming nature of conducting interviews and collecting information, the dispersion and lack of easy access to experts for interviews, and the conservatism of many respondents in answering questions that affect the results and findings, more accurate identification of managers, experts, and active businessmen with sufficient knowledge and expertise regarding marketing strategies with a market development approach seem essential.

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### Conflict of Interest

The authors declare that they have no conflict of interest.

### Authors' Contributions

The authors are solely responsible for the conception and design of the study, data collection, analysis and interpretation of the results, and preparation of the manuscript.

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