

RESEARCH PAPER

Strategic mismatch in niche cultural markets: evidence of tactical-led positioning in an emerging economy

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ABSTRACT

Goal: With the rapid increase of cultural consumption in emerging markets, niche cultural product manufacturers are facing unprecedented challenges when they shift from export-oriented models to a highly competitive domestic market. From the perspective of strategic alignment, this study examines the marketing adaptation strategies of one of the most influential brands in China that integrates the design, production, and sales of dance products (Firm A).

Methodology: A qualitative single case study design was adopted, and the Gioia method was used to analyze the data of semi-structured interviews and internal documents. The structural misalignment between upstream market selection logic (STP) and downstream marketing mix execution (4Ps) is studied.

Findings: The study identifies four key strategic mismatches: rigid product standardization vs. diversified demand; High-end positioning vs aggressive digital pricing; Channel expansion vs. partner conflict; Professional authority vs. mass market promotion. It is particularly noteworthy that the study found the phenomenon of "tactical-led positioning", referring to short-term tactical execution (such as discounting) inadvertently reshaped the long-term positioning of the brand.

Originality / Value: By extending the STP-Mix framework to niche cultural products in emerging economies, this study provides new insights into the "emerging market niche paradox".

Managerial Implications: The research results show that firms should prioritize internal strategic consistency rather than short-term sales volume (GMV), and adopt "digital strategic orientation" to maintain professional legitimacy in the professional market.

Keywords: Strategic Alignment; Niche Marketing; Emerging Markets; STP Framework; Tactical-Led Positioning.

1 INTRODUCTION

1.1 Background

In the past decade, consumption patterns in emerging markets have changed significantly, shifting from meeting basic needs to pursuing symbolic meaning and experiential value. This change has led to the development of niche cultural product industries, such as professional dance supplies, specialized musical instruments, and handmade costumes. Unlike mass consumer goods, niche cultural products are characterized by specific functions, deep cultural connotations, and a need for professional knowledge. These products usually serve "micro-cultures" or specific communities, and consumers' purchase decisions take into account both technical performance

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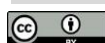
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and identity expression(Areiza-Padilla & Puertas, 2021; Shukla & Rosendo-Rios, 2021).

For many factories in China, an emerging economy, the previous growth mainly depended on the OEM model, that is, specialized in producing standard products for overseas markets. By joining the global supply chain, these factories have developed strong production capacity and cost control advantages. However, the COVID-19 pandemic has severely impacted global cultural and performing arts activities, greatly reducing demand for related products. Consequently, a considerable number of export enterprises are compelled to re-evaluate their market strategies and increasingly focus on the domestic market. (Hou et al., 2024; Tsai-Lin et al., 2021). However, the domestic markets of emerging economies are becoming increasingly complex, characterized by rapid digitalization, highly transparent pricing, and diverse consumer demands. When these companies try to transfer their existing marketing strategies to the domestic market, they often encounter "strategic mismatches", such as tactical decisions, pricing, distribution, or promotion, which are not in line with the company's original positioning and target market selection(Fen et al., 2025; Wang & Aldave, 2024).

1.2 Problem statement and research gap

Despite the increasing scholarly interest in small and medium-sized enterprises (SMEs), the unique operating modes of firms with both "niche" and "cultural" characteristics remain underexplored. Niche cultural products face a distinctive challenge: they require mass production to reduce costs while simultaneously necessitating precise marketing to maintain professional credibility (Wang, 2025).

Moreover, prior studies on marketing strategy frequently consider the elements of the marketing mix, product, price, place, and promotion as distinct instruments. The niche cultural industry is becoming increasingly significant. However, existing research mainly focuses on FMCG or large-scale manufacturing in emerging markets. There are still many theories about how the marketing mix (4Ps) interacts with the broader STP framework (segmentation, targeting, and positioning) in professional market segments. In particular, most previous studies assumed a "top-down" relationship, that is, strategic positioning determines specific implementation, but ignoring specific implementation may, in turn, change the positioning results. How export-oriented firms adapt their standardized production logic to domestic markets that require flexibility and differentiation remains insufficiently understood (Kotler & Keller, 2016; Proctor, 2020).

To address this gap, this study distinguishes between intended positioning (defined at the STP level) and de facto positioning shaped by tactical execution. This gap highlights the need for a better understanding of how strategic intent and operational execution interact in niche market contexts.

Recent work in industrial engineering and operations management further underscores the importance of combining information technology, business analytics, and sales and operations planning to align strategy and execution (Thomé et al., 2021).

1.3 Research questions and objectives

To address the identified research gaps, this study aims to answer the following research questions:

1. RQ1: What types of marketing strategies will be mismatched when those companies that produce niche cultural products switch from export business to the competitive domestic market?
2. RQ2: How are these mismatches manifested in several aspects of the marketing mix (product, price, channel, and promotion)?
3. RQ3: How can the STP-Mix alignment framework be extended to explain how these small companies in emerging economies adjust their strategies?

The main goal of this study is to fully understand the reasons and results of strategy misplacement in niche markets and to provide a theoretical framework to link market selection logic with actual marketing operations.

1.4 Research contributions

This research has three main contributions to the field of strategic marketing. First, it expands the scope of emerging market research by paying attention to the fast-growing but little-studied field of niche cultural products. Second, it identifies systematic patterns of strategic mismatch in the process of market transformation, thereby extending the literature on strategic alignment(Matutino, 2025). Thirdly, it offers managerial implications for SME managers in emerging

markets, pointing out the risk of "tactical-led positioning", that is, short-term sales pressure may damage long-term strategic positioning.

2 LITERATURE REVIEW

2.1 Marketing Strategy in Emerging Market SMEs

In emerging markets, marketing strategies are mainly influenced by an uncertain environment, an imperfect system, and insufficient resources (Abdul-Azeez et al., 2024). This is different from developed economies, where the market structure is relatively stable, while the rapid changes in consumer behavior and regulatory rules characterize emerging markets. In these places, small and medium-sized enterprises (SMEs) usually rely on "entrepreneurial marketing" -a marketing method that is active, adventurous, and good at using resources. As the market evolves and the number of local and worldwide competitors increases, dependence on informal or ephemeral marketing strategies will frequently become a liability (Deku et al., 2024). This view is consistent with the previous discussion about the marketing strategy of emerging economies. Those studies point out that the unstable environment and imperfect system will affect how companies choose segmentation, targeting, and positioning, and often make SMEs prefer flexible and opportunity-driven marketing logic to rigid planned strategies (Douglas & Wind, 1987; Porter, 1980). Collectively, these studies suggest that marketing strategies in emerging markets are often shaped by environmental uncertainty and resource constraints.

2.1.1 The Resource-Based View (RBV) and strategic fit

According to the Resource - Based View (RBV), the performance of a company depends on the resources (VRIN) that are valuable, rare, difficult to imitate, and irreplaceable. For small and medium - sized enterprises (SMEs) in emerging markets, resources are usually limited. So, "strategic fit", that is, the matching between existing resources and market opportunities, is particularly important (Knight et al., 2020; Temouri et al., 2020).

For companies that produce niche cultural products, their most important resources are often "Professional Heritage" or "Technical Expertise", which can serve as VRIN-type intangible assets and support differentiation in competitive markets (Temouri et al., 2020).

However, RBV also cautions against "core rigidities", that is, when a firm's core competencies become overly fixed, it cannot adapt to changing market conditions (Tan et al., 2018). This is especially evident for those companies that shift from the export market to the domestic market or need to adjust their growth strategy under higher environmental uncertainty (Temouri et al., 2020).

2.1.2 Dynamic capabilities in volatile environments

Recent research emphasizes the importance of Dynamic Capabilities to the survival of small and medium-sized enterprises. Enterprises should not only have resources, but also can "integrate, establish and reconfigure internal and external capabilities to cope with the rapidly changing environment" (Pathomsakdi & Phonvichai, 2025). In marketing, this means enterprises should be able to adjust the marketing mix in response to market changes. In emerging economies, the pressure of market competition often makes SMEs fall into a "low-price trap", and the lack of strategic differentiation will lead to commercialization and profit decline. Dynamic marketing capabilities enable enterprises to perceive market changes, seize new opportunities, and adjust marketing strategies to remain aligned with strategic objectives (Anning-Dorson, 2023; Deku et al., 2024).

2.1.3 Institutional theory and market legitimacy

According to institutional theory, companies will be influenced by the surrounding "rules of the game", which include formal laws and less formal customs (DiMaggio & Powell, 1983). "Professional Legitimacy" is particularly important in niche cultural markets (Blanco-González et al., 2025; Plaza-Casado et al., 2024) and can be understood as audiences' overall evaluation that an organization is appropriate and desirable (Greenwood et al., 2017). A company must be regarded as a qualified member of the professional circle to succeed. However, the international market and the domestic market may have different requirements for legitimacy. An export company may have a tradition in the global supply chain. However, it lacks a "cultural tradition" in its own market, because consumers there have different aesthetic and social expectations (Choi & Burnes, 2021).

In such cases, firms may need new institutional work to adapt dominant logics and regain market legitimacy in local cultural contexts (Oriaifo et al., 2020).

2.2 Niche cultural products: characteristics and complexity

Niche cultural products occupy a distinct position in the consumer market, serving highly specialized segments with specific requirements. For example, professional dance products function not only as apparel but also as performance tools, requiring strict technical standards while reflecting the aesthetic norms of the dance industry (Liu & Zhao, 2024). Similar patterns also appear in other cultural and creative products. Consumer not only values the practical functions of products, but also care whether they conform to specific cultural connotations (Gao et al., 2020).

These products require the company to be both professional and commercial. Consumers in these markets usually have high "cultural capital" and are particularly sensitive to the authenticity of brands (Jasovska et al., 2023; Liu & Zhao, 2024). When a brand is considered too "popular" or seems to lower its professional standards, it may lose its core audience (Gao et al., 2020). This shows that there is a contradiction between authenticity and commercialization in the niche cultural market.

2.3 The STP framework and strategic alignment

The framework of segmentation, targeting, and positioning (STP) is the cornerstone of strategic marketing. It includes three steps: dividing the market into different segments, choosing which targeting groups to serve, and then establishing a unique value proposition in the minds of those consumers (Kotler, 1994; Kotler & Keller, 2016; Proctor, 2020). However, in emerging markets, the application of STP is often in trouble, because there is "data poverty" and consumers' preferences are always changing (Kotler & Keller, 2016; Proctor, 2020).

Strategic alignment, also known as "fit", refers to the consistency between the company's high-level strategy (STP) and its actual operation (marketing mix). Whether the effect of the marketing mix is positive or negative depends on its alignment with the chosen positioning (Proctor, 2020). For example, a "premium" positioning requires high-quality product features, high-end pricing, carefully selected distribution channels, and brand image promotion. If any of these elements do not match, for example, selling high-end products through a discount channel, it may confuse consumers and damage the value of the brand. This highlights the central role of positioning as the anchor that ensures coherence across all elements of the marketing mix (Proctor, 2020).

2.4 Marketing mix mismatch in the digital era

In emerging markets, the rapid diffusion of e-commerce and social media has created new forms of strategic mismatch in the marketing mix. Digital channels usually pay more attention to speed and price, which may conflict with the role played by niche products in traditional channels, such as providing professional advice or personalized services (Spilotro et al., 2025). The research points out that "channel conflict" is a main manifestation of marketing mix mismatch. When companies directly cooperate with Internet platforms but do not adjust prices or product categories, they often harm the profits of offline distributors (Tahirov & Glock, 2022).

Moreover, the "short-termism" encouraged by digital promotional tools (such as limited-time purchase and online celebrity discount) may damage the long-term positioning of enterprises as professional or high-end brands (Bellaa, 2021; Jayawardena et al., 2024). Based on these viewpoints, this study discusses how this mismatch is formed and persists in the field of niche cultural products. This study builds on this line of research by examining how such mismatches systematically emerge in niche cultural product markets.

3 METHODOLOGY

3.1 Research design: qualitative case study

This study adopts a qualitative single case study design. This study selects this case because it is theoretically relevant and effectively illustrates, and it can well show the tension between export efficiency and domestic market demand. The research questions are primarily concerned with "how" and "why"; for example, the study aims to examine the process of strategic adaptation and how the strategic mismatch is formed (Lavarda & Bellucci, 2022). This case is not only representative but also critical and revelatory, as it captures a transitional stage where strategic misalignment becomes particularly visible (Bouncken et al., 2025). In this example,

Firm A represents the common development track of many emerging market manufacturers: they are shifting from an export-oriented and efficiency-first mode to a domestic-oriented and differentiation-first mode.

3.2 Case Selection: Firm A

Firm A is one of the leading manufacturers and brands of professional dance supplies in China, established in the early 1980s. This study selected it for several reasons:

Industry Relevance: It operates in a niche cultural market (dance products) of an emerging economy (China).

Strategic transformation: It has recently shifted its focus from the international OEM/ export market to the domestic market in China.

Observed strategic tensions: According to the preliminary investigation, there are significant internal disagreements and external market frictions in the marketing decision-making of the company, which makes it an ideal case to study the mismatch of strategies.

Data availability: Management allows researchers to access a large number of internal documents and contact key personnel.

This makes Firm A a theoretically relevant case for examining how strategic mismatch emerges and evolves in practice.

3.3 Data collection

Data were collected over a 12-month period from multiple sources to ensure triangulation and enhance the internal validity of the findings.

3.3.1 Semi-structured interviews

A total of 18 semi-structured interviews were conducted with participants across different functional areas and hierarchical levels. The interviews lasted between 45 and 90 minutes and were recorded and transcribed. Data collection continued until theoretical saturation was reached, at which point no new themes or insights emerged from additional interviews. This was evidenced by the recurrence of similar themes across interviews without the emergence of new conceptual insights.

Table 1 - Interview Information

Participant ID	Roles	Stakeholders	Experience in Firm A
P1	General Manager	Executive	15 years
P2	Marketing Director	Marketing	8 years
P3	Sales Manager (Domestic)	Sales	5 years
P4	Sales Manager (Export)	Sales	12 years
P5	Product Designer	R&D	6 years
P6	Supply Chain Coordinator	Operations	10 years
P7	E-commerce Lead	Digital Marketing	3 years
P8-P12	Regional Distributors	External Partners	4-10 years
P13-P18	Professional Dance Practitioners	Key Influencers	N/A

3.3.2 Documentary evidence

The researchers analyzed over 200 pages of internal documents, including:

1. Annual marketing plans (2021-2024).
2. Product development briefs and design specifications.
3. Pricing lists for different channels (online vs. offline).
4. Internal memos regarding channel conflict and customer feedback reports.
5. Social media campaign analytics and sales performance data.

3.4 Data analysis: thematic coding process

This study employs “the Gioia methodology” as a qualitative data analysis approach. It requires sort out the respondents' own words (1st-order terms), then find out the theoretical themes behind them (2nd-order themes), and finally sum up the large theoretical dimensions. This approach ensures that conclusions are grounded in empirical evidence while allowing for theoretical abstraction (Gioia et al., 2013). Analytical memos were maintained throughout the coding process to capture emerging insights and enhance reflexivity.

3.4.1 Coding structure

The coding process was iterative, involving multiple rounds of review by the research team. The following table illustrates the transition from raw data to theoretical constructs. Coding was conducted independently by two researchers, and any discrepancies were resolved through discussion until consensus was reached.

Table 2 - Overview of thematic analysis and coding process

1st-Order Codes (Informant Terms)	2nd-Order Themes (Theoretical Categories)	Aggregate Dimensions (Strategic Mismatch)
"We use the same set of molds for export and domestic use."	Rigid Production Logic	Product-Demand Mismatch
"The design cycle will take 12 months."	Heterogeneous Market Needs	
"Domestic users like fashionable colors."	Short-term Sales Orientation	Price-Positioning Mismatch
"Amateur users prioritize comfort over professional rigidity."	Brand Equity Erosion	
"Our e-commerce team is pressured to hit GMV targets, leading to almost continuous monthly discounting on Tmall."	Multichannel Conflict	Channel-Value Mismatch
"We have to accomplish the GMV goal at all costs."	Divergent Channel Roles	
"Professional dance instructors have complained to me that our frequent online promotions are eroding our premium brand image."	Technical Inaccuracy	Promotion-Authority Mismatch
"The online price is 40% lower than the official price."	Source Credibility Loss	

3.4.2 Analytical steps

- Open Coding:** Read the records first to find out the original data points related to marketing decisions and challenges. This study started with more than 400 codes.
- Axial Coding:** Classify the first-level codes into higher-level categories. This study focuses on the "tension" or "conflict" patterns in the data.
- Theoretical Integration:** connects these categories with the core concepts of STP theory and marketing mix. This research focuses on those cases where the decision in "P" (such as Price) is in contradiction with the "Positioning" set in the STP stage.
- Constant Comparison:** while sorting out the theme, compare it with the existing literature on strategic alignment and emerging market marketing.

3.5 Research rigor and ethics

To ensure the reliability of the research, the researchers shared the preliminary findings with

major information providers (such as P1 and P2). They asked them to help us check, which not only confirmed understanding but also ensured that the researcher's analysis was consistent with the participants' views. Morally, researchers hide the company's real name and the identities of all participants, protecting the company's interests and everyone's privacy.

In addition, researchers have been mindful of the potential prejudice that may arise from close cooperation with the case firm and have strived to remain neutral throughout the research process. They kept an audit trail of the steps in data collection and analysis, which made the process more transparent and easier to verify repeatedly. Together, these steps improve the reliability and transparency of our research.

4 CASE CONTEXT: THE CHINESE DANCE PRODUCTS COMPANY

4.1 Market evolution: the rise of the aesthetic economy

In recent years, the dance products market in China has become particularly large. This used to be a niche professional field, but now it has become a fast-growing industry. This growth is related to the rise of the "aesthetic economy," as people increasingly value their emotions and the symbolic significance of their purchases. By 2023, the number of amateur dancers in China reportedly exceeded 50 million, and the dancewear market had been growing at approximately 15% annually (Zhang, 2022).

Specialised consumer demand is concentrated in the central districts of major cities, whilst market expansion is increasingly being driven by non-specialised consumers in small and medium-sized towns, who exhibit distinct differences in terms of price and design preferences. At the same time, the rise of "Guochao" culture has presented domestic enterprises with new opportunities to compete with established international brands (Lin & Liu, 2023).

4.2 Firm A: the trajectory of an export giant

Firm A is a top manufacturer specializing in dance products in China, which has been producing ballet shoes and tights for international brands for a long time. Their production system is designed for large-scale and standardized manufacturing, with high efficiency and stable product quality. In addition, the R&D department of the company mainly focuses on improving the appearance design and further improving the production efficiency (Guo & Zhou, 2025; Child & Rodrigues, 2005).

Around 2018, with the growth of domestic demand, Firm A began to shift its focus to the China market. Initially, the domestic market was regarded as a secondary channel for exporting surplus products or slightly adjusted export products. However, the company soon faced fierce competition from local digital native brands, which are more flexible, keep up with the trend and can quickly respond to the changing preferences of consumers. By 2022, Firm A realized that its standardized production mode was increasingly mismatched with the fast-paced and price-sensitive domestic market, which led to the strategic contradiction discussed in this study.

5 FINDINGS

This study identifies four interrelated forms of strategic mismatch between Firm A's intended positioning and its marketing execution. The key forms of strategic mismatch are summarized in Table 3.

Table 3 - Summary of strategic mismatches

Mismatch Type	Core Issue	Illustrative Evidence
Product-Demand Mismatch	Standardized production fails to meet diverse domestic preferences	"We simply don't have those colors at all ..." (P5)
Price-Positioning Mismatch	Frequent discounting undermines premium brand positioning	"If the product is constantly discounted, it is difficult to justify its professional value" (P14)
Channel-Value Mismatch	Lack of differentiation across channels leads to conflict and showrooming	Customers try products offline but purchase online at lower prices (P9)
Promotion-Authority Mismatch	Mass-oriented promotion weakens professional legitimacy	"This brand seems to care more about exposure than professionalism" (P16)

Note: The table summarizes the four key forms of strategic mismatch identified in the study, along with representative evidence from interview data.

5.1 Product–Demand Mismatch

Firm A aims to position itself as a professional and reliable brand; however, its product strategy reveals a clear product–demand mismatch.

Their product development mainly depends on international standards and previous export experience. Although this can ensure stable quality, it is difficult to take care of the preferences of local people. The domestic market can be broadly divided into two segments: professional users pay more attention to technical performance. At the same time, amateur consumers care more about whether they look good or not and whether they can express themselves.

A designer said, "We simply don't have those colors at all..." (P5). This highlights that standardized production cannot keep pace with changing market tastes. It reveals a significant issue: mass production struggles to fulfill the unique needs of niche markets. One professional dancer confirmed this gap, stating, "The technical quality is there, but the designs feel like they were made for a different market. We want colors and cuts that reflect current stage aesthetics, not just functionality" (P15). This indicates that the firm's internal design logic is at odds with the aesthetic expectations of domestic consumers.

5.2 Price–Positioning Mismatch

Firm A has always positioned itself as a high-end brand, emphasizing professional quality and brand inheritance. It frequently runs large promotions on the e-commerce platform, which conflicts with its high-end image.

Because this platform focuses on performance indicators such as GMV, the company often participates in various promotional activities. These practices lead consumers to see the products as lacking value, so undermining the premium image the brand seeks to establish. As a result, short-term sales have gone up, but long-term brand value has been weakened.

Professional users are not satisfied with this pricing strategy. Just as an interviewee said, "If the product is constantly discounted, it is difficult to justify its professional value" (P14). This indicates a misalignment between strategic positioning and pricing practices. In essence, tactical pricing execution is completely out of touch with the desired strategic positioning. Similar views were expressed by multiple participants across different stakeholder groups.

5.3 Channel–Value Mismatch

Firm A has expanded its online and offline channels and aims to capture a larger market share. However, there is limited differentiation across channels, which leads to positioning conflicts and confusion.

The price of the same product sold in different channels is different. Online platforms usually have lower prices because of frequent promotions. This has led to the phenomenon of "showrooming", where customers try products in-stores but ultimately purchase them from cheaper places online (Tahirov & Glock, 2022).

A dealer noted: "Customers try products offline but purchase online at lower prices" (P9). This demonstrates a misalignment between the roles of channels and value creation within the marketing mix. The domestic sales manager saw the pressure from within: "We know our dealers are unhappy, but if we don't match the online price, the customer just buys from another brand. The platform rules make it impossible to hold the line" (P3). This indicates that the conflict is not only external but also recognized internally as an insoluble dilemma in the context of current platform governance.

5.4 Promotion–Authority Mismatch

Firm A's goal is to show its technical strength and maintain its authoritative position in the professional circle. However, they over-rely on mass-oriented influencers, which has affected this goal.

Their marketing activities are increasingly attracting ordinary audiences with life-oriented content. Although more people can see this, professional users feel that these contents are not professional enough. Some promotions are even considered false by professionals (Blanco-González et al., 2025).

One practitioner said, "This brand seems to care more about exposure than professionalism"

(P16). In the final analysis, this exposes the significant disconnect between the most fundamental source of professional legitimacy (professional authority) of the company and its promotion methods for the mass market. The marketing director reflected on this dilemma: "We want to be seen as a professional authority, but when the algorithm rewards lifestyle content over technique-focused posts, the pressure to follow the trend is immense" (P2). This tension highlights how algorithmic incentives on digital platforms can pull a niche brand away from its core professional identity.

6 DISCUSSION

6.1 Theoretical Implications: The "Emerging Market Niche Paradox"

The results of this study contribute to the theory of strategic marketing, as it identifies a phenomenon termed "Emerging Market Niche Paradox". This paradox suggests that when a company succeeds in a specialized market segment (usually the international market), it will form a set of fixed organizational capabilities, which will hinder it from competing in the more flexible and diversified local market of emerging economies.

6.1.1 Path Dependence and the "Competency Trap"

Firm A's problem reflects the concept of path dependence and the "competence trap" it entails. This company used to pay special attention to export efficiency, which made it form a strong but rigid organizational structure. Its supply chain, R&D process, and even the company's internal culture are all optimized for standardization and cost control. These capabilities are its "Core Competencies" in the international OEM market, but in the domestic market of China, they have become "core rigidities" (Keller et al., 2022).

When the domestic market needs dynamic capabilities, that is, the ability to "integrate, build and adjust internal and external capabilities to cope with the rapidly changing environment, "its past success traps Firm A. This discovery expands the previous research and shows that strategic mismatch is not only a tactical error, but also a structural problem brought about by organizational path dependence. The contradiction here is that the capabilities that make this company a global leader (such as standardization, scale, and technical rigidity) are precisely the reasons why it lags in the domestic market (Keller et al., 2022).

6.1.2 Extending the STP-Mix Alignment Framework: Tactical-Led Positioning

Traditional marketing theory typically conceptualizes strategy implementation as a top-down linear process, and Strategy (STP) determines Tactics (marketing mix). However, this research found a reverse path called "tactical-led positioning". In this case, the actual operation of the digital team (such as e-commerce pricing decision) will form a kind of "de facto positioning", even surpassing the original "intended positioning" of the company (Katsikeas et al., 2020).

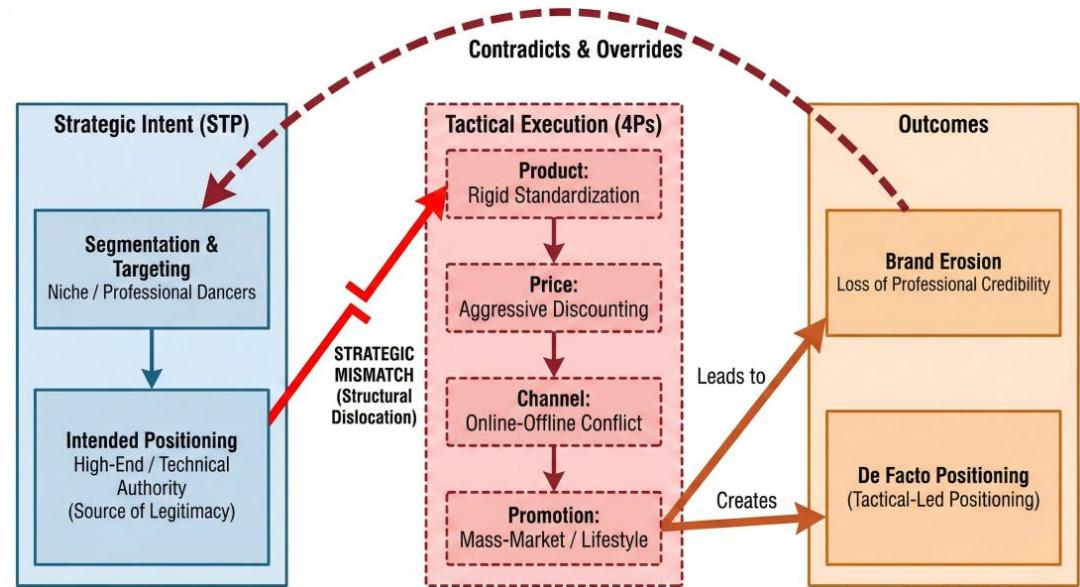


Figure 1 - The Conceptual Framework of Strategic Mismatch and Tactical-Led Positioning.

Note: The figure illustrates the "Emerging Market Niche Paradox." The left panel shows the intended STP strategy, and the center panel shows Tactical Execution (4Ps) under short-term digital pressures. The disconnect is a function of structural mismatch. The dashed loop depicts 'tactical-led positioning', which is the process of tactics shaping brand positioning and destroying strategic intent.

This shows that for SMEs in emerging markets, the marketing mix is not only an implementation tool, but also a strategic feedback mechanism. If the 4Ps are not properly managed, it may lead to "de facto positioning" that conflicts with the intended positioning. This discovery extends the research of Katsikeas et al. (2020) and emphasizes the importance of cultivating a digital strategic orientation to maintain consistency between tactical execution and strategic positioning.

Different from the concepts of strategy-tactics decoupling or channel conflict, tactical-led positioning emphasizes how repeated tactical actions (especially pricing) gradually shift market positioning in a legitimacy-sensitive environment. These findings can be summarized in Figure 1.

Boundary conditions of tactical-led positioning

Tactical-led positioning is not inevitable. In this case, a combination of pressures produced it. Relentless pressure from platforms to push for GMV meant that the brand was engaged in near-constant discounting. The judgment of the professional dance community carried far more weight than brand awareness among ordinary consumers. Price gaps between channels were so obvious that customers could easily try in-store and buy cheaper online, and there was no meaningful channel differentiation—the same products were sold everywhere. Where these conditions are weaker, however, for example, in markets less dominated by a single platform or where expert endorsement is less decisive, tactics are far less likely to override strategy. Future research could test the generalizability of this pattern through comparative cases or quantitative designs.

6.1.3 Cultural Capital and Niche Market Legitimacy

This research, in accordance with Institutional Theory, identified that Cultural Capital is crucial for sustaining market legitimacy. In those niche cultural markets, legitimacy depends not only on technology but also on "Authenticity" and "belonging" (Slater & Demangeot, 2021). Firm A's promotion method is inconsistent with the professional norms of dance circles (Mismatch 4), and as a result, "Cultural Legitimacy" is lost. This shows that, for these niche companies, the "Promotion" part of the marketing mix should be viewed from a sociological perspective, and attention should be paid to how communication style reflects respect for this circle's values.

6.2 The Strategic Realignment Framework for Niche Firms

Based on the findings, this study proposes a Strategic Realignment Framework for niche cultural product firms transitioning from export to domestic markets. This framework consists of three pillars.

6.2.1 Pillar 1: Modular Strategic Flexibility

To address the mismatch between product requirements (Mismatch 1), companies should adopt a "modular" approach to product management (Jeannet et al., 2021). This aligns with prior research highlighting the role of modularity in enhancing strategic flexibility and responsiveness, as well as the importance of strategic flexibility in enabling firms to adapt to dynamic market conditions (Clemente et al., 2019; Martinez et al., 2019).

6.2.2 Pillar 2: Value-Based Channel Orchestration

To address channel-value mismatch (Mismatch 3), the company must shift from "Channel Expansion" to "Channel Orchestration".

Offline Channels: focus on "experience, fitting, and community". These channels should be maintained with exclusive SKUs and price protection policies.

Online Channels: focus on "conviction, repetition, and reach". These channels are suitable for selling standardized products and entry-level goods (Bhagya et al., 2024; Yan et al., 2022).

6.2.3 Pillar 3: Authenticity-Centric Communication

To address promotion–authority mismatch (Mismatch 4), companies must regard "authenticity" as more important than "coverage". This requires a focus on "Micro-Influencers" who wield significant influence inside niche communities, rather than prominent internet celebrities with broad audiences. When communicating with them, the focus should be on "storytelling" and "technical science popularization", rather than emphasizing lifestyle-oriented content (Nyandieka, 2025).

6.3 Managerial Implications: Navigating the "Digital Double-Edge"

Managers must recognize that digital strategy is closely integrated with overall marketing strategy. Accordingly, firms should adopt a "digital strategic orientation" that prioritizes long-term brand health over short-term platform indicators. In this study, digital strategic orientation refers to integrating digital channel decisions into the firm's overall strategic positioning, rather than treating them as isolated tactical tools. Investing in localized market insight and maintaining authenticity-oriented communication can strengthen strategic consistency and improve organizational performance by enhancing digital competence (Yu & Moon, 2021). This supports the view that effective competitive strategy implementation requires not only clear strategic intent but also alignment of projects, processes, and people capabilities involved in execution (Ferreira et al., 2019).

6.3.1 From Standardization to "Modular Flexibility"

The findings suggest that niche firms should move away from rigid standard production toward modular production systems. Firms can build a stable "core" professional product line, add a "fashion" line, and produce in smaller, faster batches (Furr et al., 2022).

6.3.2 Channel-Specific Value Propositions

In order to avoid fighting between different sales channels, firms need to differentiate offerings across channels; each channel should offer a differentiated value proposition. For example, you can prepare "Online Exclusive" styles for amateur users who like cheap goods online, and keep the "Professional Only" series for offline stores that provide intimate services. Pricing should also be coordinated so that offline partners are not penalized by their high service costs. (Franco et al., 2025; Sharabati et al., 2024).

6.3.3 Authenticity-Driven Digital Marketing

In the niche cultural market, "authenticity" is paramount. Marketing teams should prioritize micro-influencers (such as respected dance teachers and professional performers) over mainstream celebrities. Digital content should emphasize educational value and professional heritage, rather than focusing on superficial aesthetic appeal (Manjunath et al., 2024; Ziłkowska, 2021).

6.3.4 The Role of Digital Transformation in Strategic Mismatch

Although digital tools bring unprecedented market opportunities to Firm A, they also accelerate the strategic mismatch—because tactical teams (such as e-commerce) bypass the strategic core and gain decision-making power (Spilotro et al., 2025).

To address this issue, firms need "digital strategic orientation". This requires integrating digital tools into the strategic planning process, rather than treating them as separate sales channels. The data of digital platform should not only be used to promote short-term sales, but also provide "localized consumer insights" needed to optimize the STP framework of the company (Chen et al., 2024; Fernández-Gómez et al., 2024).

7 CONCLUSION

7.1 Research Summary

This study examines the strategic adaptation of a niche cultural product firm in an emerging market context. Based on an in-depth case analysis of Firm A, this study identifies four structural

mismatches when the company's tactical execution in the marketing mix deviates from its strategic positioning. These mismatches-involving product, price, channel and promotion-jointly weaken the company's competitive advantage and brand value (İpek, 2020).

7.2 Limitations and Future Research

First of all, this study is a single case study, so the conclusion cannot be readily generalized. Although Firm A represents a typical path for China's export-oriented manufacturers to turn to the domestic market, companies operating in other emerging economies or different niche cultural industries (such as musical instruments or specialized sports equipment) may encounter different institutional environments, consumer preferences, and competition. In the future, researchers can compare cases to see the successful and unsuccessful strategic adjustment processes under different backgrounds, which can improve the external validity (Fregidou-Malama et al., 2022).

Secondly, this study primarily utilizes qualitative data, which provides rich background information; however, verifying the causal relationship through experiments is challenging. In particular, the relationship between "STP-Mix Alignment" and corporate performance has not been quantitatively studied. In future research, researchers can try quantitative methods, such as questionnaire surveys or structural equation modeling, to verify these relationships in more niche firm samples, so as to make the research results more reliable.

Thirdly, this study captures the strategic mismatch at a specific stage of market transformation but does not fully explain how it changes dynamically over time. However, strategic matching is not static; It will evolve as companies accumulate local market knowledge and cultivate adaptability. Therefore, future research can examine the vertical changes in strategic mismatch and how this mismatch evolves as the market matures and companies gain more experience in domestic operations (İpek, 2020).

7.3 Conclusion

Under the "new normal" of emerging markets, maintaining strategic consistency is more important than pursuing scale (Li et al., 2025). Firms that once thrived on export-led standardization must now compete on domestic-led differentiation. For some cultural products enterprises, the key to sustained growth lies in the fine balance between professional inheritance and market response (Li et al., 2025).

Strategic alignment is not a one - off accomplishment but a continuous adjustment process. As the experience of Firm A demonstrates, the most substantial challenge often arises not from the market itself but from the firm's past success. By aligning tactical maneuvers with a distinct and authentic positioning and embracing the "Modular Flexibility" demanded by contemporary consumers, niche enterprises can transform the challenges of domestic competition into opportunities for long - term brand preeminence (Li et al., 2025).

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Appendix A

Appendix A.1 Interview Protocol (Simplified)

The protocol was designed to capture first-order informant-centric concepts, which were later aggregated into higher-order theoretical themes.

The following are representative interview questions:

1. How would you describe the firm's core strategic positioning?
2. What challenges has the firm encountered when shifting from export markets to the domestic market?
3. How are key marketing decisions (product, pricing, channels, and promotion) developed and coordinated?
4. Have you observed any inconsistencies between the firm's strategic positioning and its actual marketing practices?
5. How do digital platforms influence marketing strategies and performance?
6. What tensions or conflicts arise across different channels or stakeholder groups?
7. How has the firm responded to changing consumer preferences in the domestic market?