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SEGMENTATION AND CONSUMER PREFERENCE OF WEDDING
ORGANIZER IN SEMARANG

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ABSTRACT

The wedding organizer industry in Semarang is growing along with its economy. This trend induces industry players to deliver the best service to its consumers. Segmentation needs to be conducted to achieve the best products and service delivery. Besides from that, this study also aims to determine consumer preference in each segment. 428 respondents were interviewed in this study using non-probability sampling. There were 4 segments discovered: uncomplicated couple, think too much couple, blue-blood family couple and wedding dream couple. These segments were then analyzed with cross tabulation to yield preferences for each segment.

INTRODUCTION

Urban citizens nowadays are so busy that preparing wedding ceremonies properly would take up too much time. Wedding organizers appeared out of necessity for that need. Wedding organizer is a specialized service that personally helps brides-to-be and family in planning, budgeting and supervising wedding ceremonies. Wedding organizers help brides/grooms to be in planning the wedding, looking for vendors such as a building / hotel for the reception, catering, decoration, even coordinating the D-day such as all the parties involved: the bride & groom, the families and relatives, locations, the bands, even the preparation meetings as well as the wedding rehearsal. According to Melati (2010), wedding organizers are becoming a solution for couples preparing their weddings well and proper. With each marriage ceremony carrying a high price tag, a wedding organizer may reap a net of 5 – 20 million Rupiahs or around 10 – 20% per ceremony. A wedding organizer may even demand a flat fee of 10 Million Rupiahs for D-day ceremony only. That is a net income potential of up to 100 million Rupiahs a month (Sitorus, 2016). In a 2016 survey conducted by Bridestory (2017), the largest wedding organizer in Southeast Asia, Indonesia has an annual wedding market of above \$ 7 Billion. Premium wedding expos are also a lucrative business for the industry. Bidakara Wedding Expo books an average of 18 Billion

Rupiahs in revenue. These numbers show that the wedding industry is lucrative.

According to Melati (2010), segmentation is needed for wedding organizer business in order to better aim at different specific customers and provide appropriate services. Failure in segmentation will result in the same service, leaving customers paying premium less satisfied for getting the same features as the lower paying ones. Differentiations may appear in the type and quality of services given by organizers to each customer.

Melati (2010) came up with 7 segments of wedding organizer consumers in Jakarta through a study from 2008 – 2009: The wedding dream couple, socialite couple, workaholic couple, the no idea at all, the wishy-washy couple, familiar faces couple, and uncle scrooge couple. This study is a quantitative study using the same segmentation. This study is a quantitative study to validate the seven segments produced by the previous study.

Also, this study was conducted in Semarang, as opposed to Jakarta. Semarang has a population deprived of time and energy to plan their wedding ceremonies. This situation drives Semarang to be a lucrative market. 2015 data from the Central Bureau of Statistics (Badan Pusat Statistik, 2018) yields the population of 21 – 35 years old in Semarang the largest in Central Java.

Table 1. *BPS data of population in Cities in Central Java*

Cities in Central Jawa	Population aged 21 – 35 yo
Semarang	447.447
Surakarta	131.101
Tegal	93.112
Pekalongan	76.083
Salatiga	47.510
Magelang	30.204

Wedding organizer consumer segmentation is using segmentation already formed from Melati (2010), where segmentation was conducted with qualitative research. This study aims to validate the segmentation using quantitative research.

Segment validation on this study will use the same dimension and indicator with the ones already discovered by Melati (2010), with segmentation based on behavioral, demographic and consumer preferences aspect, as described in the following table:

Table 2. *Operating Variable*

Variable	Dimension	Indicators	Measurement Scale
Demographic Segmentation	Age	Age of Marriage	Interval
		Non-age of Marriage	
Demographic	Gender	Male	Nominal
		Female	
Strategy of Market Segmentation,	Consumer Occupation	Student	Nominal
		Office Worker	
		Entrepreneur	
		Government Official	

Meghan NM 2016	Education Level	Senior High School Bachelor Magister or upper	Nominal
Behavioral Segmentation	Wedding Imagination	Knowledge Level Imagination Reference	Likert
Segmentasi Pelanggan Pada Bisnis Wedding organizer, Melati 2010	Demand for Service	Need for a 24-hour service Intensity of meeting Corporate assistance	Likert
	Contract Budget & Adjustment	Contract consistency from WO Contract consistency form client Budget input sensitivity	Likert
	Wedding organizer Experience	Suggestion from others Customer Experience	Likert
Consumer Preference of Wedding organizer	Product	Company portfolio Merchandise Documentation Ability to decorate Make Up and Wardrobe Catering Rundown	Likert
Product and Services of Wedding organizer, Melati 2010	Services	Office environment Employee's quality Consultation time Service contract Service portfolio Suitability Quality perception	Likert

The city chosen for this study is Semarang. Manufacturing and trade sector dominate Semarang economy by 76.06%. In 2015, Semarang's Gross Regional Domestic Product was above 75 Billion Rupiahs. Semarang people allocate more budget in ceremonies or events, 6.14% in 2015 from 3.25% in 2014. Melati (2010) categorize consumer preference in choosing a wedding organizer, based on products and services is as follows:

Table 2. *Consumer preference for services and products.*

Product	Service
Company's portfolio	Service portfolio
Decoration	Office environment
Catering	Employee's quality
Documentation	Consultation time
Merchandise	Service contract
Make-up and wardrobe	
Wedding rundown	

Research Objective

The objective of the study is as follows:

1. Conduct market segmentation of wedding organizer users in Semarang.
2. Reveal preference of product and services of each segment.
3. To find out price perception from each segment.

LITERATURE REVIEW

Segmentation is a process of dividing into groups based on different characteristics. According to Kotler and Armstrong (2011), a group consists of consumers with a similar response to certain marketing strategies, and some other similar properties such as in interests, needs, and location. Through segmentation, a business can determine its targets, positions, and marketing channel to communicate its value to its customers. Etzel, Bruce and Stanton. (2001) note that the essence of market segmentation is based on defining and categorizing similar users into groups of meaningful, viable and accessible homogeneous consumers. It is meant for to enable the company focusing its effort on pleasing one group of people with similar need rather than trying to please everybody and probably end up pleasing nobody According to Middleton & Clarke (1989), the more an organization knows about its customers, the better marketing strategy will be designed and implemented, resulting in better marketing efforts. Srihadi, Hartoyo and Soehadi. (2016) argue that the purpose of segmentation is to meet the customer needs, protect the firm's offerings competing on price, and improve the customer loyalty. An appropriate segmentation depends on the size of the segment and the cost related to the different strategy used (Peter & Olson, 2010).

In the wedding organizer industry, studies of segmentation are already conducted by preferences of products and services (Melati, 2010) and demographics (Meghana, 2016). Demography based segmentation is an important indicator to determine. This study is using segmentation based on those studies and is aimed to elaborate further on the segmentation based on products and services preference.

Melati (2010) stated 7 segments for wedding organizer consumers.

The Wedding Dream Couple

This type of consumer consists of smart, choosy and perfectionist consumers. Some of them may even be too particular. Therefore the appropriate approach is to have a trusted consultant from wedding organizers that is fast, smart and patient enough. These consultants are demanded to fulfill every need of the consumers of this segment and can implement it at the wedding. An important point to remember for wedding organizers is that the consumers of this segment have no issues with the increase in budget. If the wedding organizer can provide a 24-hour service for them, the wedding organizer has earned the premium.

The Socialite Couple

This segment expects wedding organizer leaders to appear and interact as often as possible with the client. The client is usually public figures or someone with a social or political standing that requires extra attention and sometimes require intense and direct attention from the owners.

The Workaholic Couple

Because of their time limit, it will be more efficient for a wedding organizer to choose a liaison that acts as a dedicated personal assistant to each the bride and the groom. Considering that the wedding organizer might have other clients, it will be a difficult task to find the right time for both the bride and groom of the workaholic couple. Both assistants will be on duty during the preparation of the wedding up to the wedding ceremony. The assistants will be carrying the tux and dress to the groom and bride office for a fitting. The personal assistants will also be reminding the bride and groom to try out make up, as well as other things.

The No Idea at All Couple

This segment can be categorized as an easy segment because they go along with any suggestion from the wedding organizer, from budgeting, concept to vendors. Some of them are from a high economic background that they are not bothered by the budget. The difference about my wedding dream and socialite couples are they are not too much of a “reader” or not having too much odd requests that would cause wedding organizers too much time that they would have a dedicated assistant.

The Wishy – Washy Couple

One thing to remember by wedding organizers handling customer from this segment is that they have to be patient and be firm and to avoid too many changes to the wedding package. Special treatments that can be given are showing offers, options and suggestive information and inputs to the customer in order to decrease their confusion. Alternatives and information are advised to be given in a group of no more than 3 each, all referring to the agreed upon contract. Should the changes be significant, wedding organizers should not hesitate to add the cost to the budget projection.

The Familiar Faces Couple

Because they are familiar with wedding organizers, it would not be difficult for one to do their job. One thing to be remembered is that customers from this segment might have seen a better performance of a wedding organizer so they will not tolerate mistakes easily. Wedding organizers should not take this segment lightly considering this is the most loyal and most easy to seek out for. Because this segment is used to using a wedding organizer service, it would not be hard for a wedding organizer to conduct their duty. A point to remember is that they probably have seen better performance from previous experience so they might not be so tolerant in any mistake. Hence a wedding organizer should not be hasty nor taking any task lightly. This segment is also the most loyal and easy to sought after. An owner and staff of wedding organizer should position themselves part of the family. Extra treatments provide being a mediator of both families, the council for the bride and groom, as well as a friend to be relied on. A wedding organizer must be willing to conduct all these tasks voluntarily.

The Uncle Scourage

This segment that is the most price sensitive, always negotiating, wedding organizers are demanded to be better and more careful because they will note down anything wedding organizers says. Hence a wedding organizer

consultant should always refer to the contract and not easily agree with the customer suggestions without consulting with his supervisor. Haggling is common among consumers in this segment. They are also more detailed and a little ungenerous. Special treatments that can be given to this segment is effective, efficient and detailed budget projection.

MATERIALS AND METHODS

This study is quantitative research. The sampling method used is simple random sampling. Data collection was conducted online, given to 428 respondents in Semarang between the age 21 – 35 years old. Data were then analyzed using SPSS Statistics 23.0 using Cluster Analysis method to determine behavioral segmentation as well as consumer preference. Also, data were analyzed using cross tabulation to determine price perception for each segment.

Cluster Analysis

The objective of cluster analysis is to define data structure by categorizing similar data into one group. This grouping is based on the correlation between objects or by measuring proximity between two-dimensional space.

Cluster analysis used is K Means Cluster, because the sample size is more than 100 respondents. The analysis was done using SPSS. This study conducted a cluster analysis to produce segmentations on wedding organizer market in Semarang. The cluster analysis focus on dividing segments based on Melati's (2010) segmentation.

RESULTS AND DISCUSSIONS

Cluster Analysis

Table 3. *Number of cases per cluster.*

Number of Cases in each Cluster		
Cluster		
	1	108.000
	2	94.000
	3	84.000
	4	142.000
Valid		428.000
Missing		.000

Based on table 1 out of 428 respondents 4 clusters were produced. The number of respondents for cluster 1 to 4 respectively are 108, 94, 84 and 142.

Respondents were divided to 3 clusters. The distances between clusters differed greatly, from 200 to 500. Respondents were then grouped to 4 clusters.

Table 4. *Distances between clusters*

Distances between Final Cluster Centers				
Cluster	1	2	3	4
1		4.890	7.849	6.600
2	4.890		6.542	5.142
3	7.849	6.542		3.966
4	6.600	5.142	3.966	

Source: writer

Based on **Error! Reference source not found.**, cluster 3 and 1 have the most different characteristics, and cluster 3 and 4 have the most similar characteristics.

Segmentation

This research revealed 4 market segments for wedding organizer in Semarang, such as Uncomplicated Couple, Think Too Much Couple, Blue-blood Family Couple and Wedding Dream Couple. Each segment with unique its characteristic.

Uncomplicated Couple

This group mainly consists of people with a bachelor's degree, aged 26 – 30 years old and work in the private sector. This segment has no or little knowledge of marriage detail and the options of marriage concepts; therefore they need wedding organizer's service for their wedding. This segment is not price-sensitive. Their wedding demands are not to be fulfilled by wedding organizers. They trust their organizers and give them the authority to conduct their job.

Think Too Much Couple

Most of this group is 26 – 30 years old with a high school diploma and work in the private sector. This segment has some knowledge and vision of their dream wedding, but they still haven't decided on their wedding concept. Another note is that this group is budget sensitive.

Blue-blood Family Couple

This group aged 26-30 years old with a bachelor's degree and mostly consist of entrepreneurs. This segment has a clear concept and detail vision of their wedding. They also understand how wedding organizer works and their fee. They have the experience of being involved in detail in wedding ceremonies of their close families or relatives using the service of wedding organizers. They are not priced sensitive because they understand and appreciate the services provided.

Wedding Dream Couple

Majority of this group is 21 – 25 years old with a bachelor's degree and are working in the private sector. This segment has detailed knowledge, vision, and concept of their wedding. They do not have any experience being involved in family weddings using wedding organizers. This segment is not priced sensitive because they trust wedding organizers and will yield to a premium budget if it is what they dream of and is carried well.

From the cluster analysis, 4 segments of wedding organizer consumer were produced. From the segmentation, a cross-tabulation was done to determine consumer preference for each segment. The following is the result:

Table 5. *Wedding organizer consumer preference.*

		Uncomplicated Couple	Think Too Much Couple	Blueblood Family Couple	Wedding Dream Couple
Consumer Preferences based on Product Feature	Makeup & wardrobe	v	v	v	v
	Catering	v	v	v	v
	Decoration	v	v	v	v
	Documentation	v	v	v	v
	Company's Portfolio	v	v	v	v
	Wedding Rundown	v	v	v	v
Consumer Preferences based on Service Feature	Merchandise	v	v	v	v
	Employee's Quality	v	v	v	v
	Wedding Organizer Services	v			
	Consultation Time	v	v	v	v
	Service Contract	v	v	v	v
	Office Environment	v	v	v	v
	Service Portfolio		v	v	v

Each segment has its products and service preference. As seen in the uncomplicated couple segment, in the behavioral aspect, they do not look up in the matter and become couples that have minimal information on the wedding. Therefore they need a complete package, starting from makeup & wardrobe, documentation, decoration, merchandise and wedding rundown. They also need wedding organizers that can give maximum service, especially in consultation time. This segment is specific in that they are don't put too much attention on company portfolio in the services aspect. However, they put attention on the overall wedding organizer portfolio, for them, this is the most important.

The next three segments have the same characteristics in product and service preference, but the interesting part is the Uncomplicated Couple segment would prefer wedding organizer service in service feature, but not for wedding dream couple. This preference may be because the segment has felt that they have paid expensive enough for the whole package that they feel entitled for the wedding organizer service to be included in the package that they are more focused in the consultation time aspect.

CONCLUSIONS

Now that the segmentation for the wedding organizer has been set including the preferred products and services, wedding organizer players should be able to construct appropriate wedding packages according to each segment. How do they aim for the segments? Lau and Hui (2010) suggested that employee attitude, cleanliness, and food quality are among the most important factor in venue selection among Hong Kong wedding couple

Another point to be discussed is what information channel best to use for each segment. By knowing which channel to use, it will be easier for wedding organizer players to communicate promotional materials in wedding packages to be offered to brides and grooms.

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