

Consumer Decision to Organize Weddings in Pandemic Period Based on Price, Service Quality, and Public Relations Offered by Wedding Organizer

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ABSTRACT

The wedding services industry has experienced a very drastic decline, which has resulted in many parties involved in organizing weddings experiencing considerable losses. The limitation of the current pandemic is one of the causes of decreased income because the wedding service industry is reducing market prices and improving service quality by adding protection through the application of health protocols and improving public relations by fostering good relationships with prospective clients who have already been offered offers. It is done independently to strengthen the decisions of people who have wedding plans to continue carrying out their marriages in the pandemic season following applicable regulations. This research was conducted on prospective clients who have received a wedding package offer from the wedding organizer community in Bandung, with a sample of 72 people. It is then calculated using Path Analysis to see the effect of the three independent variables above on the predetermined dependent variable. Then suggestions will be given, which can later be applied to the wedding services industry.

Keywords

Wedding industry, price, quality of service, promotion and customer decisions

Introduction

The wedding industry business in Indonesia is predicted to continue to grow. In 2020, it was expected to increase by 20-30%. This is in line with the high public interest in holding wedding receptions in Indonesia. General Chairman of the Association of Wedding Organizing Companies (Hastana), Gandi Priapratama, said that currently, to hold a wedding reception, at least spend more than hundreds of millions of rupiah per one event. In fact, for the upper class, it could reach billions of rupiah. Most of as much as 70-80 percent of the reception funds are allocated for food or catering.

The COVID-19 virus, which is currently spreading rapidly, has affected economies around the world. Businesses in the marriage industry have been affected by government policies to minimize the number of infected citizens and reduce the number of deaths caused by this virus. Strong consideration reject or cancel event instead of continuing it. There is a risk of being penalized, both on the vendor and the client.

During a pandemic situation like this, all clients who already have a Cooperation contract with the Wedding Organizer are disappointed, but they cannot get any taxes. The marriage services industry is sluggish in the current pandemic situation. Including the entry into force of the

PSBB (Large-Scale Social Restrictions) starting from the beginning of March 2020, according to the applicable regulations, it is prohibited to hold a wedding party (reception). Even though they will still hold weddings, they can only contract with the closest family with a maximum guest capacity of 50 people. With these conditions, many clients who are already under contract with the wedding planner eventually cancel their wedding arrangements, even though they have paid off almost all the wedding vendors.

Things like this are ultimately detrimental to all parties who work in the wedding services industry. Besides, they have to return 2/3 of the repayment money that has been paid. Many prospective clients cancel their marriages, and consumers' desire to get married throughout 2020 is almost not. This is known from the shortcomings of prospective clients who are looking for information about wedding packages.

The following is a prediction graph for the Wedding Services business from 2018 - 2024. This graph estimate reflects the income of each business actor in the wedding industry for 1 year.

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Figure 1. Number of wedding 2018-2024

Based on survey results from both couples getting married and businesses, the market looks like 8/3/2020 for 2020 and into 2021 and 2022. This is based on 709 (3/2020) and 870 (6/2020) survey results from couples and 421 (3/2020) and 693 (6/2020) survey results from wedding vendors. These results were collected from 3/28/2020 to 4/7/2020 and 6/16/2020 to 6/30/2020

- 21% of couples are or have postponed to later in 2020.
- 41.5% are or have moved to 2021
- 7.0% are or have canceled altogether (some likely married but canceled the full event)
- 30.5% are trying to hold their current 2020 wedding date
- 46% of couples are cutting their budget by an average of 31%
- 58% of couples are cutting their guest count by an average of 41%
- Even more alarming, 58% of wedding vendors surveyed (6/2020) said they are expecting to lose more 2020 weddings.

Based on the explanation above, it can be concluded that the price of a wedding package that was organized and organized by the wedding planner was at a minimum cost, considering that consumers have to give up the concept of luxury events to be very simple. However, the WO's quality of service is increasing because holding a wedding party during a pandemic has to use a strict health protocol. One more thing that must be done by the wedding services industry is how to educate the public, especially potential clients who are still hesitant to hold their weddings during a pandemic. WOs must always maintain good relationships and good communication with potential clients.

Literature Review

Price

Price is the nominal value of money determined for a good or service for the amount of money exchanged by consumers to get the benefits they will receive after making a payment. Price is one of the main factors influencing a consumer who will buy a product or service. Therefore, before a company sets a price, it is a good idea for the company to look for some price references for a

product or service set by competitors who sell similar products or services (Suparyanto & Rosad, 2015). According to Kotler and Armstrong (2018), four dimensions can measure pricing: price affordability, price compatibility with product quality, price compatibility with benefits, and price compatibility with price capabilities or competitiveness.

Service Quality

Service quality differs from product quality, mainly because it is not tangible. Besides, its use is simultaneous. Assessment of service quality is usually consumers directly involved in the service process to respond after the service is consumed and felt. Service quality must start with customer needs and end with consumer decisions. The consumer's decision on valuing a service is a comprehensive assessment of the advantages of service from the consumer's point of view. The five dimensions of service quality include:

- Reliability, namely the ability to provide the promised service appropriately and the ability to be trusted.
- Responsiveness, namely the willingness and desire of employees to help and provide consumers' services.
- Assurance (guarantee), namely the knowledge/abilities provided by employees to consumers.
- Empathy, namely the attitude of contact between personnel and companies to understand consumer needs
- Tangible (physical evidence), namely the facilities/infrastructure in the company.

Public Relations (Public Relations)

Promotion is one way to market a product/service to consumers, in which there are five indicators including Advertising, Personal Selling, Direct Marketing, Sales Promotion, and Public Relations.



Figure 2. Promotional mix

Public relations (public relations) include various programs to promote or protect the image or products or individual companies. According to Budiarto (2011), it is a typical management function. It supports coaching, maintenance of a common path between the organization and the public, regarding communication activities, understanding, and acceptance of cooperation, involving management in dealing with problems and problems, helping management in following and utilizing change effectively, act as an early warning system in anticipating the trend of using research and sound and ethical communication techniques as the primary means. According to Peter and Olson, publicity is any form of communication regarding the company, product, or marketer's brand.

In the journal Kevin Dillon, marketing through public relations helps companies or products promote and image formation. Public Relations has five indicators, including:

1. Press relations, presenting the most positive news and information about the organization.
2. Product publicity, sponsoring efforts to publish certain products.
3. Corporate communication promotes organizational understanding through internal and external communication—lobbying, dealing with legislators and government officials to promote or defeat laws and regulations.
4. Counselling, advising management on public issues, the company's position and image in good and bad times.

The Decision to Use Wedding Organizer Services

According to Setiadi, the specific decision-making process consists of the following events: identifying needs, seeking information, evaluating alternatives, purchasing decisions, post-purchase treatment. The marketer's job is to understand the buyer's behavior at each stage and what influences are at work. Setiadi (2008) suggests that a satisfied customer will continue to make purchases, while a dissatisfied customer will stop purchasing the product in question and spread the

news to others. Therefore, companies must always try to ensure the level of satisfaction in purchasing and using the products they use.

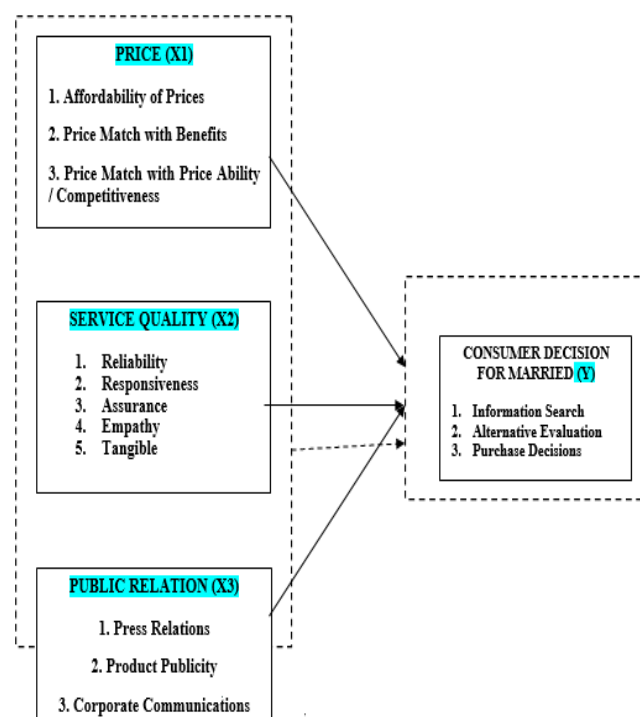


Figure 3. Research Paradigm

Hypothesis

- Ha1: Price affects the consumer's decision to get married during a pandemic
Ha2: Service quality affects consumer decisions to get married during a pandemic
Ha3: Public Relations affects the consumer's decision to get married at the time pandemic
Ha4: Price, Service Quality, Public Relations affect consumer decisions to get married in a pandemic

Methodology

This study uses descriptive analysis and is tested using path analysis to see how much price, service quality, and public relations affect consumer decisions to continue to hold marriages during the pandemic. Respondents in this study were clients of one of the wedding organizers in Bandung. As many as 72 respondents were asked to fill out a questionnaire via a google form. A brief interview was also conducted regarding the client's data to complete this study's respondent profile.

Results and Discussion

From the results of interviews and questionnaires, the profiles of the majority of respondents were obtained as follows:

Table 1. Respondent profile

Gender	Female
Age	25 – 30 years
Education	S1
Income	5.000.001 – 10.000.000
Taken wedding packages	Full Package

From the respondents' profile above, we can conclude that the majority of clients who have signed a cooperation contract with the wedding organizer are female with an age range of 25 years to 30 years. Then, it is seen in terms of income which ranges from Rp. 5,000,000 to Rp. 10,000,000, majority have a Bachelor's (S1) educational background. Moreover, most clients above take the wedding package "Full Package," which asks the Wedding Organizer to take care of all the wedding preparations until D-Day.

Path Coefficient Testing

Table 2. Structural equations

Structural Equations

$CD = 0.29 * P + 0.33 * SQ + 0.50 * PR$, Errorvar.= 0.18 , $R^2 = 0.65$

(0.091)	(0.11)	(0.12)	(0.030)
3.20	3.11	3.97	5.83

From the results of calculations using LISREL version 8.8 software, hypothesis testing is done by comparing the value of t count with t table. The criterion for determining rejection is H_0 if t is greater than t table. The following are the results of partial hypoethical testing:

t-count = $pyx_1 = 3.20$; t-table = 1.99; then t-count > t-table; H_0 is rejected

t-count = $pyx_2 = 3.11$; t-table = 1.99; then t-count > t-table; H_0 is rejected

t-count = $pyx_3 = 3.97$; t-table = 1.99; then t-count > t-table; H_0 is rejected

From the path test results, it is objective information obtained that the path X_1 to Y statistically affects (reject H_0). This indicates that the price variable affects consumer decisions,

while the coefficient of path X_2 to Y statistically affects (reject H_0). This indicates that the Service Quality variable affects Consumer Decisions and Public Relations variables affect Consumer Decisions.

Table 3. Correlation between variables
Correlation Matrix of Y and X

	CD	P	SQ	PR
CD	1.00			
P	0.63	1.00		
SQ	0.64	0.42	1.00	
PR	0.73	0.57	0.61	1.00

Based on the table above shows that:

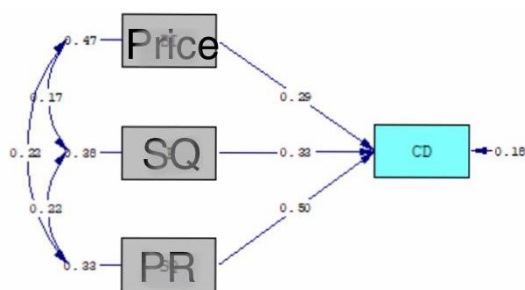
1. Strong relationship between Price (X_1) and Consumer Decisions (Y) is 0.63. This shows that the reciprocal relationship between Price and Consumer Decision reaches the level of 63% or in other words, the relationship between the two variables is included in the healthy relationship level because it is in the interval 0.60 - 0.799.
2. Strong relationship between Service Quality (X_2) and Consumer Decisions (Y) is 0.64. This shows that the reciprocal relationship between Service Quality and Consumer Decisions reaches the level of 64% or in other words, the relationship between the two variables is strong because it is in the interval 0.60 - 0.799.
3. Strong relationship between Public Relations (X_3) and Consumer Decisions (Y) is 0.73. This shows that the reciprocal relationship between Public Relations and Consumer Decisions reaches the level of 73% or in other words, the relationship between the two variables is strong because it is in the interval 0.60 - 0.799.
4. The strong relationship between price (X_1), price (X_2), and service quality (X_3) are 0.57. This shows that the reciprocal relationship between Price, Service Quality, and Public Relations reaches the level of 57% or in other words, the relationship between the three variables is a relatively strong level of relationship because it is in the interval 0.40 - 0.599.

Hypothesis Test

Table 4. Path coefficient

Partial Influence		$\rho_{yx1} = 0,29$ $\rho_{yx2} = 0,33$ $\rho_{yx3} = 0,50$
Simultaneously Influence		$R^2Y(X_1X_2) = 0,65$
Residual Effect	Coefficient	$\rho_{y\epsilon} = 0,18$

By using the equation and table of the path coefficients above, we can describe the structural model equation between the four variables. The figure below is an overview of the relationship structure and path coefficients of each variable, as follows:



Chi-Square=0.00, df=0, P-value=1.00000, RMSEA=0.000

Figure 4. Structural relation between X_1 , X_2 , X_3 and Y

Based on the table and path diagram above, it shows that:

1. The direct effect of the price variable (X_1) on consumer decisions (Y) is 0.29 (squared = 0.292). This means that price affects consumer decisions by 8.41%. In other words, the price has a low influence on consumer decisions because it is on an interval scale of 5% - 16%.
2. The direct effect of Service Quality (X_2) on Consumer Decisions (Y) is 0.33 (squared = 0.332). This means that service quality affects consumer decisions by 10.89%. In other words, Service Quality has a low influence on Consumer Decisions because it is on an interval scale of 5% - 16%.
3. The direct effect of the Public Relations variable (X_3) on consumer decisions (Y) is 0.50 (squared = 0.502). This means that Public Relations affects consumer decisions by 25%. In other words, Public Relations has a strong enough influence on consumer decisions because it is on an interval scale of 17% - 48%.

4. The direct effect of the three variables simultaneously is Price (X_1), Service Quality (X_2), and Public Relations (X_3) on Consumer Decisions (Y) is 0.65 or 65%. This means that the three variables, namely Price, Service Quality and Public Relations, affect consumer decisions by 65%. In other words, Price, Service Quality, and Public Relations have a strong influence on consumer decisions because they are in the 49% - 68% interval.
5. The residual variable (e) on consumer decisions (Y) is 0.18 or 18%. This means that Consumer Decisions are also strongly influenced by other factors such as Promotion, Trust, Brand Equity, or other variables, namely 18%.

After calculating the path coefficient, the path coefficient is tested, both as a whole and individually. To test the overall path coefficient, first, the testing hypothesis is made, namely:

$H_0: \rho_{yx1} = \rho_{yx2} = 0$

$H_a: \rho_{yx1} = \rho_{yx2} \neq 0$

From the calculations to find the F value, the formula is used:

$$F_{hitung} = \frac{(n - k - 1)R^2Y(X_1, X_2)}{k(1 - R^2Y(X_1, X_2))}$$

$$= \frac{(72 - 3 - 1) \times (0,65)}{3(1 - 0,42)}$$

$$= 25,40$$

Information:

R = coefficient of multiple determination

k = number of independent variables

n = number of samples

Following are the results of simultaneous hypothetical testing: $F_{count} = 25.40$; $F_{table} = 2.74$; then $F_{count} > F_{table}$; H_0 is rejected. The simultaneous test results show that H_0 is rejected. It can be interpreted that together or simultaneously, the two variables, namely Price (X_1), Service Quality (X_2), and Public Relations (X_3), affect Consumer Decisions (Y).

Conclusion

Conclusion

1. The price of the wedding packages offered by the wedding planner is quite good. The price offered is following consumers' benefits is the highest statement of this variable. The quality of service can be said to be fair, with the highest statement being that the wedding organizer has a high sense of responsibility with the services that have been agreed upon in the cooperation contract with consumers. This makes consumers have high confidence in wedding planners to keep their weddings organized during the pandemic. Then from the third independent variable Public Relations applied by the wedding planner, the highest statement is the counseling carried out by consumers to the wedding organizer which is carried out continuously. An excellent relationship fostered by both parties between the consumer and the wedding organizer will create a trust to benefit both parties. We can see in the last variable, namely Customer Decision with the highest statement, that consumers will immediately decide about the holding of their wedding party if all the independent variables above have been connected between scores that are good enough to good so that the relationship between the variables is sustainable.
2. Price affects Customer Decision because $t_{count} 3.20 > t_{table} 1.99$. This shows that Price (X1) partially influences Customer Decision to hold a Wedding Ceremony.
3. Service Quality affects Customer Decision because $count 3.11 > table 1.99$. This shows that Service Quality (X2) partially influences Customer Decision to hold a Wedding Ceremony.
4. Public Relations affects Customer Decision because $count 3.97 > table 1.99$. This shows that Public Relations (X3) partially influences Customer Decision to hold a Wedding Ceremony.
5. Price, Service Quality and Public Relations influence Customer Decision to held a Wedding Ceremony because $F_{count} 25.40 > F_{table} 2.74$, this indicates that Price (X1), Service Quality (X2), and Public Relations (X3) simultaneously affect Customer Decision to be held a Wedding Ceremony (Y).

Suggestions

1. Advice for wedding planners to always encourage clients to delay rather than cancel. Try to explain to the client the impact of canceling their wedding rather than delaying it. If they cancel, not only will they suffer losses, but also the vendors involved. This can cause many local businesses to go out of business. Ensure that tells the client that the team will continue to support the changes they have to make in their postponement event.
2. Be more flexible in receiving information related to COVID-19.
3. Of course, there is much information that must change due to the COVID-19 pandemic. Consumers should keep up to date with the government's latest regulations, in this case, through the wedding planner so that the wedding ceremony will still be held by following the prevailing health protocol.
4. Hold meetings with clients without having to meet.
5. One of the things that must do immediately is to discuss the current situation with clients and schedule a meeting via telephone or online. This aims to reduce the risk of being infected with the COVID-19 virus.
6. Furthermore, suggestions for researchers who will research in the wedding services industry can continue their research using other variables, such as other indicators of the promotional mix or consumer behavior during a pandemic.

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