ANALYZING THE CUSTOMER PREFERENCES ON KARAOKE SERVICE IN MANADO (STUDY AT INUL VIZTA KTV AND DIVA KARAOKE)

ANALISA PREFERENSI KONSUMEN TERHADAP TEMPAT KAEAOKE DI MANADO (STUDI DI INUL VIZTA DAN DIVA KARAOKE)

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Abstract: Entertainment is become customer needs in these days. The number of customer of Karaoke Service has grown rapidly over the past years. This potential market growth resulted in increased competition. To compete, a company has to design strategies that match with the company resources and opportunities in the competition. The purpose of this research is to determine which criteria in karaoke service is mostly selected by user and to define the strengths for each karaoke service captured by user based on the criteria developed in Analytical Hierarchy Process. This research used Analytical Hierarchy Process (AHP) to compare each karaoke service based on service quality, social factor, facility and price. The samples of this research are Inul Vizta KTV and DIVA Karaoke. To ensure the accuracy of the analysis, this research use expert choice 11 to process the data from respondents. The result of this research discovered that price is the main consideration of customer in order to choose Karaoke with average value 0.340 followed by social factor 0.309 and service quality 0.230. This means each karaoke service has to focus on their price strategy to attract customer since price is the priority criteria as consideration for customer to choose karaoke service.

Keywords: service quality, social factor, facility, price

Abstrak: Saat ini hiburan merupakan kebutuhan bagi setiap konsumen. Angka pelanggan tempat hiburan karaoke telah meningkat dengan pesat selama beberapa tahun terakhir ini. Pasar yang berkembang pesat mengakibatkan begitu banyak persaingan. Untuk bersaing, sebuah perusahaan harus merancang strategi yang cocok dengan sumber daya perusahaan dan peluang dalam sebuah kompetisi. Tujuan penelitian ini adalah menentukan kriteria yang mana dalam pelayanan karaoke yang lebih disukai oleh para pengguna dan untuk menggambarkan kekuatan-kekuatan dan gambaran dari setiap pengguna tempat karaoke berdasarkan kriteria melalui Analytical Hierarchy Process (AHP). Penelitian ini menggunakan Analytical Hierarchy Process (AHP) untuk membandingkan setiap tempat karaoke berdasar pada kualitas layanan, faktor sosial, fasilitas dan harga. Sampel penelitian adalah Inul Vizta KTV dan DIVA Karaoke. Untuk memastikan akurasi dari analisa ini, penelitian ini menggunakan Expert Choice 11 untuk proses olah data dari responden. Hasil riset terungkap bahwa dari harga; perkiraan dari pelanggan untuk memilih tempat karaoke rata-rata 0.340 diikuti faktor sosial 0.309 dan kualitas pelayanan 0.230. Ini berarti setiap tempat karaoke harus fokus ke strategi harga umtuk menarik konsumen dan memprioritaskan kriteria sebagai pertimbangan terhadap konsumen untuk memilih tempat karaoke.

Kata kunci: kualitas pelayanan, faktor sosial, fasilitas, harga

INTRODUCTION

Research Background

In marketing concept, marketer has to know customer needs and wants in order to give them satisfaction. Entertainment is well known as one of human needs, in today's fast paced world. In order to fulfill the definite need, this industry creates something familiar to make customer satisfied. Many successful companies in the world not only focusing to fulfill customer needs but also have to focusing their quality and have become innovative by designing the entire organization to serve consumer and stay close to them. A company has to design strategies that match with the company resources and opportunities in the competition. Music is a kind of entertainment. Those companies realized that and to fulfill that needs they offer Karaoke Box service. It's a place where people can sing like a pro singer with the good sound system and spotlight. Karaoke Box also offers food and beverage to increase the satisfaction of customer. Almost all karaoke box that exist, already had mini bar.

Karaoke is a word formed from putting two Japanese words together. "Kara" that comes from Karappo and means empty and "Oke", shortened from Okesutura meaning "orchestra". So Karaoke means "empty orchestra", according to Xun Zhou and Francesca Tarocco in their book ; "Karaoke: The Global Phenomenon".Karaoke television-set (KTV) is a form of interactive musical entertainment service provides independent private room and interactive musical facilities for consumer to sing song with friends or family.

The Japanese are generous when they listen to other people sing, and can easily sing in front of others without feeling reluctance. This also seems to be one of the reasons that karaoke has been largely accepted in Japanese society. Karaoke was born in night amusement quarter at the end of the high economic growth period. Until then, customer used to listen to popular song via wire broadcasting, request favorite songs by telephone, and the wire broadcasting company put songs on the air. Karaoke also become one of an important recreation activity in Manado. However, the recreation activities are more and more diversified because of the arise of internet and handy smart phone and local government constructs many green and free public parks and places with holding many festival and activities to attract people to par-ticipate and consume. KTV service as a kind of recreation activities but is not free and face a keener competition.This place becomes a favorite place for those who love to sing, so they can explore their hobby through this place. Karaoke Box is growing fast in Manado. Based on Department of Tourism Manado's data, there are thirteen Karaoke Box or KTV located in Manado. This research focus on two Karaoke Box, first is Inul Vizta KTV and second is DIVA Karaoke.

Research Objective

This research objective is to find out the Karaoke Box that consumers do mostly choose.

THEORITICAL REVIEW

Theories

Marketing

The definition of marketing according to Kotler & Keller (2009): Marketing is a social process by which individuals and groups obtain what they need and want through creating, offering, and freely exchanging products and services of value with others. Most important part of marketing is not about selling products or services, but is to know and understand what customers need and wants, make a products or services that fits them and let it sells itself.

Consumer Behavior

Peter and Olson (2005) defined consumer behavior as: "The physical actions of consumers that can be directly observed and measured by others". The behavior of consumer is very important for marketing strategies because from consumer behavior marketer design strategies to affect and cognition the consumer, that is why the marketer has to be able to analyze, understand, and influence overt behavior. Kotler & Keller. (2009) defined consumer behavior is how individuals, groups, and organizations choose goods, services, ideas, even

experiences to fulfill their needs and wants. The way consumer choose product or service is influenced by culture, social, and personal factors.

Consumer Preference

Schaw (2007) found that a consumer preference is used primarily to mean an option that has the greatest anticipated value among a number of options. Preference in certain circumstances is useful to keep the distinction in mind with preference tending to indicate choices among neutral or more valued options with acceptance indicating a willingness to tolerate some less desirable option. The consumer rank of product or service according to the levels of utility they received. Preferences are independent of income and prices. Ability to purchase goods does not determine a consumer's likes or dislikes.

Service Quality

Berry (1988) in Thomas (2011) stated that service quality is the gap between what the customers want and what they actually get or perceive they are getting. High service quality motivates positive customer behavioral intention to repurchase, and in turn, promotes customer retention. Quality is indirectly linked to repurchase intention and customer loyalty through customer perceived value.

Cultural and Social Factors

Several definitions of customer loyalty found in the previous researches. Madaan (2009) in Kaapanda (2012) stated that consumer buying behavior is also influenced by other factors, such as, social, cultural, personal and psychological factors. Cultural and social factors exert the broadest and deepest influences on consumer buying behavior. Which include roles, family, reference group and opinion leaders, social class, and culture and subculture. Peter and Olson (2005) found that culture is a meaning that shared in social group like beliefs, attitudes, goals, and values held by most people in a society, as well as the meanings of characteristic behaviors, rules, customs, and norms that most people follow.

Price

Kotler & Keller, (2009) price is not just something that tag on an item. Traditionally, price can determine the choice of the buyer. In recent decades non-price factor become more important for buyer, although price still remain one of the most important element as a consideration of buyer.

Previous Research

Paulrajan and Rajkumar (2012) conducted Service Quality and Customers Preference of Cellular Mobile Service Providers. The study shows communication and price were most influential and most preferential factors in selecting telecommunication service provider. However, product quality and availability has a significant impact on consumer perception choice in selecting cellular mobile service provider. The outcome of this research shows a comprehensively integrated framework for us to understand the vibrant relationships among several dimensions of service quality, price, product quality and availability, and promotion to have handful ideas on the consumers' perception.

Alam, Jebran, and Hossain (2012) Analytical Hierarchy Process (AHP) Approach on Consumers Preferences for Selecting Telecom Operators in Bangladesh. This study explained that The results of the empirical analysis shows that the respondents preferred the network criterion as most important criterion for their preferences, and also preferred two telecom operators Grameen Phone and Airtel under different criteria.
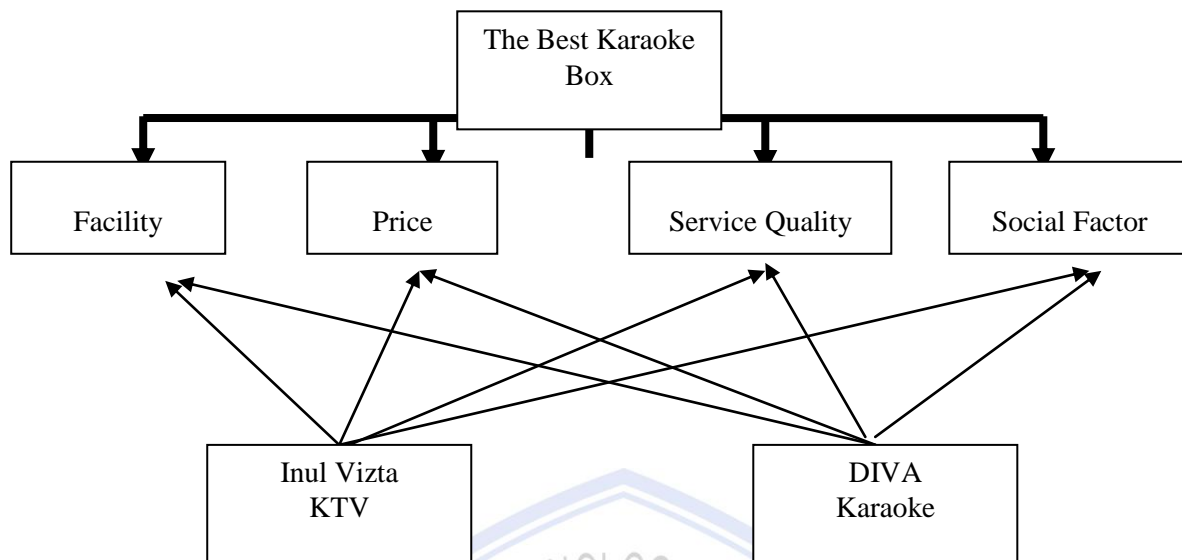
Conceptual Framework

Figure 1. Conceptual Framework

Source : Data Processed

RESEARCH METHOD

Type of Research

All of the data gathered in this research are primary data and secondary data. The primary data in this research derived from questionnaire. While the secondary data is all information that has been collected for some other purpose, such related book, internet, articles and necessary sources from library. Sekaran and Bougie (2010) defines primary data as data specially collected by the researcher to meet the particular needs of the project. In this research, a structured questionnaire was developed to collect the required primary data from customers. According to Sekaran and Bougie (2010) secondary data can be defined as information already compiled and readily accessible to the researcher who knows how to find and use it. The secondary data of this research collected from journals, related book, internet, articles and necessary sources from library

Place and Time of Research

This study was conducted in Manado between two months March - April 2014

Population and Sample

Population refers to the entire group of people, events, or things of interest that the researcher wishes to investigate (Sekaran and Bougie, 2010). The population of this research is those who have interest and spend their spare time or family time in Inul Vizta KTV and DIVA Karaoke. A sample is a subset of the population. It comprises some members selected from it. In the other word, some, but not all, elements of the population would from sample. A sample is thus a subgroup of subset of the population (Sekaran and Bougie, 2010). The sampling design of this research is random sampling, which means each unit of population, have an equal opportunity to be taken as samples. The sample of this research is limited to 50 respondents that who have interest and spend their spare time or family time in Inul Vizta KTV and DIVA Karaoke. The sample size is defined by theory of Isaac and Michael with standard error of 5%.

Operational Definition and Measurement of Research Criteria

Alternatives :

1. Inul Vizta KTV
2. DIVA Karaoke

The criteria to be used in this research are :
Criterion:
1. Service Quality
    This criterion means how the staff, and customer care treatment to the customer.
2. Social Factor
    Social factor is the suggestion/invitation from friend, family, and reference group.
3. Facility
    Facility is the sound system, karaoke room, food and beverages and parking.
4. Price
    This criterion means the room charge and price of food and beverages

Data Analysis Method

The AHP is a mathematical technique for multi criteria decision making (Saaty 2008). It enables people to make decisions involving many kinds of concerns including planning, selecting priorities, selecting the best among a number of alternatives, and allocating resources. AHP is powerful and flexible decision making process to help people set priorities and make the best decision when both qualitative and quantitative aspects of a decision need to be considered. By reducing complex decisions to a series of one-on-one comparisons, then synthesizing the results, AHP not only helps decision makers arrive at the best decision, but also provides a clear rationale that is the best. It converts individual preferences into ratio scale weights that can be combined into a linear additive weight for each alternative a. Given that the three basic steps are reasonable descriptors of how an individual comes naturally to resolving a multi criteria decision problem, then the AHP can be considered to be both a descriptive and prescriptive model of decision making. The AHP is perhaps, the most widely used decision making approach in the world today. Its validity is based on the many hundreds (now thousands) of actual applications in which the AHP results were accepted and used by the cognizant decision makers (DMs).

General steps in Analytical Hierarchy Process (AHP) are:

1. Develop pairwise comparison matrix for each decision alternative for each criterion. In a pairwise comparison, two alternatives are compared according to the criterion, and one is preferred. These comparisons are made by using a preference scale, which assigns numeric values to different levels of preference. Then a pairwise comparison matrix summarizes the pairwise comparisons for a criterion. The preference scale for pairwise comparisons are as follow:

Table 1. Preference Scale for Comparisons

Preference Level Numerical Value	
Equally preferred	1
Equally to moderately preferred	2
Moderately preferred	3
Moderately to strongly preferred	4
Strongly preferred	5
Strongly to very strongly preferred	6
Very strongly preferred	7
Very strongly to extremely preferred	8
Extremely preferred	9

Source : Data Processed

2.   Synthesization
    The next step in AHP is to prioritize the decision alternatives within each criterion. Steps in synthesization are:

    a. Sum the values in each column of the pairwise comparison matrices.

    b. Divide each value in each column of the pairwise comparison matrices by the corresponding column sum-these are normalized matrices.

    c. Average the values in each row of the normalized matrices-these are the preference vectors

    d. Combine the vectors of preference for each criterion into one preference matrix that show the preference for each criterion

3.   Develop a pairwise comparison matrix for the criteria.
4.   Compute the normalized matrix by dividing each value in each column of the matrix by the corresponding column sum.
5.   Develop the preference vector by computing the row averages for the normalized matrix.
6.   Compute an overall score for each decision alternative by multiplying the criteria preference vector by the criteria matrix.
7.   Rank the decision alternatives, based on the magnitude of their scores computed in step 6.

Making Consistency Index and Consistency Ratio

1.   Multiply the pairwise comparison for the each criterion by the preference vector for each criterion.
2.   Divide each of values by corresponding weights from the criteria preference vector.
3.   Averages the value by summing them and dividing by amount of criterion.

        If consistency index (CI) is 0, it means the company would be a perfectly consistent decision maker. However, if not, means that degree of inconsistency that is acceptable. An acceptable level of consistency is determined by comparing the consistency index (CI) to a random index, RI, which is the consistency index of a randomly generated pairwise comparison matrix. The random index has the values shown is table 2.

Table 2. Index Ratio

N	2	3	4	5	6	7	8	9	10
RI	0	0.58	0.90	1.12	1.24	1.32	1.41	1.45	1.49

Source: Data Processed

    In general, the degree of consistency is satisfactory if CI/RI < 0.10. If CI/RI > 0.10, then there are probably serious inconsistencies and AHP results may not be meaningful.

RESULT AND DISCUSSION.

Result of Best Karaoke Service

Figure 2. Result of Best Karaoke Service

Sources: Data Processed, 2014

Inul Vizta KTV (0.576) measured is the best Karaoke service compare to DIVA Karaoke (0.424). Overall inconsistency is 0.02 mean that data are acceptable. The data are consistence because it's according to the rule it's below 0.1.

Discussion

This research aimed to find out which one is the best karaoke service between Inul Vizta and DIVA Karaoke by the method in use Analytical Hierarchy Process (AHP). By the method also useful to define the key strength of each firm in Manado market. Below are discussion and explanation from the result of this research.

Pair wise Comparison within Criteria Analysis

By Analytical Hierarchy Process (AHP), the criterion developed as the measurement of the karaoke service has been compared each other. AHP determine the relative importance or weight of the criteria, to rank the criteria from most important to least important. Criteria with the highest average weight indicate to the priority criteria among others.

For the overall criteria (service quality, social factor, facility, and price), price has been chosen to be the priority criteria toward others: social factor, service quality, and facility. Price is the criteria measured as the most sensitive for customers of karaoke service. Price criteria concerned to has value and service that can be reached and suitable with customer expectation. Customers expect the worth of money that have been spending for using the service. In this case, karaoke service must understand customers needs to determine the price to gain competitive advantage. Over while, customers think that the karaoke delivers more value than the competitors in order to win over which the same customer. The more value of the karaoke service gives the more attention from customer. The second important criterion is social factor advance of friend, family, or reference group. The customer of karaoke service usually choose karaoke because of invitation or suggestion from their friends, family, or reference group. The third is service quality. This criterion show what the customers want and what they actually get. At last facility represent all of the tangible equipment that provided by the karaoke.

Service Quality

For the pair-wise comparison within criteria of in the service quality there are two criteria compared which are Staff and Customer Care. The result show Customer Care Treatment is the priority that becomes the most important criteria with higher average value over Staff. Customer Care Treatment becomes the priority because the outcome of the customer satisfaction depends on how they treat the customer well and how they show their care to customer and always to give the best service to the customer. The customer expect the karaoke always stand by to check the facility going well or not, so customer can enjoy their time without complain. So it means, the Customer Care Treatment must be more effective to persuade customer buying decision rather than staff.

Social Factor

The result showed that the friend factor is the priority criteria over Family, and Reference Group. Most of the consumers have decided to choose a karaoke based on what their friend suggest or invite even move from their favorite karaoke to another karaoke that their friend suggest. Compare to family or reference group, friend have more effect to influence the consumers because most of the consumers love to go to karaoke with their friends and their friends is often visit or go to karaoke rather than their family or reference group. So, Friend Factor is more trustable than family or reference group.

Facility

Pairwise comparison within criteria of facility compared four factors which are karaoke room, parking, food beverages and sound system. Sound System measured are most important than karaoke room, food and beverages and parking area. Sound System is one of the most important factor to increase the customer satisfaction in karaoke box. The interior of the karaoke room, the remote, the song playlist, the microphone, the speaker and all instruments which are part of sound system. Just few of customer who order food beverages. They usually only buy two or even one item.

Price

For the pair-wise comparison within criteria of price there a three criteria measured: room charge and price of food and beverages. Room charge appears as the priority criteria between the two criteria. Customer of karaoke service seek for the karaoke that consider qualified in term of price by which bring the satisfaction value for them. The criterion that prioritized by karaoke customer, the next important criteria in order of priority is price of food and beverages.

Pairwise Comparison Criteria within Karaoke Service Analysis

Pairwise comparison criteria within Karaoke Service show Inul Vizta KTV and DIVA Karaoke performance on each criteria developed on Analytical hierarchy Process (AHP). On the service quality criteria, which measure the customer care treatment, Inul Vizta KTV get the higher average value rather than DIVA Karaoke. It means Inul Vizta takes a good care to their customer needs well. Customer measured the staff of Inul Vizta KTV is better than Diva Karaoke. The ability of Inul Vizta KTV to hire good staff that appropriate with good standard quality make this Inul Vizta KTV chosen in term of staff.

Inul Vizta KTV gets the higher average value for friend criteria. Customer measured the staff of Inul Vizta KTV is better than Diva Karaoke. It means Inul Vizta KTV have customer that have more influence to effect their friend to choose karaoke. On the social factor criteria, which measure by family factor, Inul Vizta KTV gets the highest average value compare than Diva Karaoke. The customer of Inul Vizta KTV can influence their family member better than Diva Karaoke to choose karaoke. The last factor that influence the customer in social factor criteria is reference group. Inul Vizta KTV has the higher average value compare to Diva Karaoke. It means the group that made in Inul Vizta KTV can influence the customer better to choose karaoke. Inul Vizta KTV and Diva Karaoke performance in facility criteria are compared in four determinant criteria such as: sound system, karaoke room food and beverages, and parking. Inul Vizta KTV has complete and good quality of sound system to satisfy their customer. Inul Vizta KTV performance in sound system is mostly recognized by customer by average value 0.667. It shows that the sound system of Inul Vizta KTV is more complete and qualified compare to Inul Vizta KTV. Sound system is one of the most important parts for customer who want to enjoy their singing with clear sounds. Inul Vizta KTV seems have to have more sound system to complete it, since it appeared has the lower average value. For karaoke room, Inul Vizta KTV also has the higher average value. Inul Vizta KTV offer good interior, clean room that make the customer more comfort and encourage customer to choose them. The next factor is food and beverages. Inul Vizta KTV has good and tasty food that influence the customer to choose them. In parking factor, Inul Vizta KTV has larger parking are compare to DIVA Karaoke.

DIVA Karaoke dominates the higher average value in price that compares karaoke service for room charge. In room charge, DIVA Karaoke ranked 0.800 that means the price for registration is cheaper than Inul Vizta KTV. For food and beverages, DIVA Karaoke also has lower price rather than Inul Vizta KTV. From the result, it can be seem that DIVA Karaoke has lower price in overall factor in price criteria.

Key Strengths of Inul Vizta KTV and DIVA Karaoke

Analytical Hierarchy Process (AHP) also measured factors performance on each criterion developed. In this research AHP used to measure two karaoke service in Manado on each criterion developed based on service quality, social factor, facility, and price. Karaoke service that gets the highest rank within each criterion measured has the best performance and it indicates to be the strength as a key in competition with other.

The AHP result described the key strength of Inul Vizta KTV are their service quality: staff, and customer care and for social factor: friend, family, and reference group. The key strength of Inul Vizta KTV also their facility: sound system, karaoke room, food and beverages and parking area. The key strength of DIVA Karaoke are their price: room charge and price of food and beverages. There may be advantages in others but does not appear in this study.

CONCLUSION AND RECOMMENDATION

Conclusion

The conclusion of this study are:

1. Inul Vizta KTV is the Karaoke box that consumers mostly choose rather than DIVA Karaoke box
2. The key strengths of Inul Vizta KTV are their service quality, facility and social factor while the key strengths of DIVA Karaoke are Their Price.
3. Price is the main consideration of customer in order to choose Karaoke followed by social factor and facility.

Recommendation

The recommendation on this research

1. Karaoke Service has to pay more attention to Room Charge and Karaoke Room. These features become the priority consideration for customer to choose Karaoke.
2. Inul Vizta KTV has to maintain its key strength and develop its low weaknesses, namely: room charge and price of food and beverages.
3. DIVA Karaoke has to maintain its key strengths and improve its key weaknesses, namely: staff, customer care, sound system, karaoke room, food and beverages and parking area.
4. For future research this research can be lead to analyzing competitor's strengths and weaknesses.

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