

CHAPTER I

INTRODUCTION

1.1 Background

Indonesia is ranked 25 with all the countries in the world as the world's most stressful country (Kia, 2016). In that case, in some cities in Indonesia, they don't have much entertainment for the people there. Now that is where the bazaar market is created so that there will be places for families, friends and people in Indonesia to have fun. McKinsey Institute predicted that in 2025 there will be around 135 million consumers in Indonesia that will spend more than Rp 100.000 per day. If it does then the total consumers in Indonesia will outnumber Singapore, Malaysia, Australia both three combined (Welle, 2013). With this is promising that Indonesia having a big potential market for people to spend even more and for sellers to sell their product. The consumption of Indonesian people to fashion is quite high in 2012 it reached the point of Rp 383.000 with the volume of transactions and with the total 90 trillion rupiah (www.indotextiles.com, 2012).

Events that are held short-term and also in other word it is called festivals, these events are important to the feature of the world of the tourism (Chang, 2006). Lately bazaar have been a trending event and starting to attract attentions. We also know that markets like these they bring people which stands from buyers and sellers (Doyle, 2015). In the country of Indonesia, based on INIJIE there are 3 things that may have been the "founder" of the bazaar markets in Indonesia.

First, it may have been the influence of the capital city of Indonesia which is Jakarta, which influences city like Surabaya which is the city that usually follows what is happening around in the capital city (Kenny, 2015). The trend in Indonesia started in Jakarta, Brightspot which was made as a curated market for indie brands which stands mostly fashion and lifestyle, but then Themed pops up with the wider range of product which they add culinary in the bazaar market (Kenny, 2015).

Second, is the hype and the fun to hang out with friends is becoming as a social phenomenon (Kenny, 2015). Shopping is not just for self-entertainment, shopping has become a part of a lifestyle and to increase your existence (Kenny, 2015). Since also there will be a lot of endorsers and celebgrams that will be attending the market so that it will make for the people who like to see social media

will feel peer pressure (Kenny, 2015). The last is that bazaar markets are the “heaven” for EOs and for the tenants which are the sellers for them to look for some extra money (Kenny, 2015). In bazaar markets in Indonesia, some of them are having the revenue of millions and billions which will attract more sellers to the market (Kenny, 2015). They can be seen as a strategy to achieve economic development, a way to create positive image, also a stimulator of the demand, an expander for consumers, also a means to enhance the life and the pride of local people, and a way to reinforce social cohesion within the communities (Geiz, 208; Grappi & Montanari, 2011; Lee, 2014; Lee, Lee & Yoon, 2009; Saleh & Ryan 1993; Weber & Ali-Knight, 2012). Usually most of the tenants are coming from online stores that is shaped for the *millennials* which have been interacting with their consumers because they don’t have any offline platform (Herlinda, 2016). “The character of the Indonesian consumer is that they want to see the product that they are about to buy, so that’s why we try to gather up and set their *offline* store and so that the seller can meet their consumer directly.” (Herlinda, 2016).



Picture 1.1 Bazaar in Basha Market

That means in market such as Basha Market, Marketworld.id in Surabaya is a great potential for people to sell and buy their products. Also shopping is also

believed to become a great stress-reliever for a people that is stressed out (Kafeel, 2017). Some people even believe that gathering materialistic goods will make them feel better in a way and also when they shop it will strain themselves from depression and anxiousness (Kafeel, 2017). A research shows that 10 % of the consumers usually never plan to buy anything (Nielsen,2013).

Usually in a bazaar market there will be a lot of stands that sells foods, beverages, clothes also maybe some makeups and toys too. There are wide variety of products that people can buy in the market. In this research, Marketworld.id is going to be the object. Marketworld.id, based on an interview with one of the owner, Christopher Stephanus Budianto and also their social media account Marketworld.id counted that their visitors approximately reached 70,000 ++ visitors in their bazaar market for just 3 days. This is a big opportunity for the small entrepreneurs and shops to do their business here. With the bazar market Andi Sadha, Co-Chairman ideafest 2017 said that “With bazaar we can bring new vibes to the people who area placed in the creative industry so that markets can come up with new and creative idea.” And also he said that “We believe with this we can develop our creative economy and encourage the revolution of people who worked in the creative industry.” (Yasa, 2017).

In bazar markets, the tenants are not selling just food and beverages, there are a lot of types of bazaar that is held here in Indonesia especially in the big cities such as Jakarta and Surabaya. They held events such as Sneaker Day in Jakarta these are bazaar that is held for the sneaker lovers out there in Indonesia.



Picture 1.2 Sneakers Day that is held in Jakarta via www.jakartapost.com

These bazaar have brought people from different cities that is considered as a “*sneakerhead*” to come to the event as one (Ngantung, 2017). “We don’t expect this much people. But the people here are really enthusiast about the shoes and some of them told me that they are from different cities and they come here just for the event” one of the initiators of the Jakarta Sneaker Day said that.

Not only shoes there are culture event bazaar that is held here too in Indonesia, one of them is Dhewa Fest 2017 that is held by the Indonesian Minister of Finance, Sri Mulyani, with the purpose of selling the local products and foods (Afrianto, 2017). Sri Mulyani thinks with this bazaar, this event is held with the hope of giving positive impact to the employees of the Ministry of Finance (Afrianto, 2017).



Picture 1.3 JAZ singing in Marketworld.id / picture via : instadoor.online/tag/marketworld



Picture 1.4 Picture for the latest event that is held by Marketworld.id | picture via twitter @EventSurabaya

Based on the interview with one of the owner, Marketworld.id was established in 2017 with their first event called “World Hunt”. In this event Marketworld.id wanted people in Surabaya usually the youth to families to come and gather around in the bazaar market to have some entertainment and also to eat and enjoy the shows that is offered in this event. As time goes by, Marketworld.id decided to make another event, but with the different theme so that people in Surabaya that is coming to the event won’t feel bored coming to the event. To make it more interesting, for their second event with the theme called “Humanoids”, Marketworld.id also collaborate with one of the biggest private university in Surabaya, which is Universitas Pelita Harapan Surabaya. They make their events as

fun and interesting as possible, Marketworld.id create shows such as Robotic Dance also we invite singers that is currently trending in Indonesia to entertain the visitors. Marketworld.id's latest event with the theme called "Amorlogy" with the purpose of celebrating Valentine's day so Marketworld.id are making this event with the purpose of spreading love and inviting big time movie actors and bloggers to entertain the customers. Also Marketworld.id this time is collaborating with one of the biggest TV station in Indonesia called SCTV. With the help of SCTV, Marketworld.id can publish their market even larger.

In this research, the journal that will be used as the base of the research is by Arman Akhoondnejad with the title Tourist Management made in 2015. The purpose of this research is to do a research on a loyalty of the customers in the events to Marketworld.id. The variables that is used in this research will be festival authenticity, festival quality, festival value, satisfaction with festival and trust in festival.

In a festival, the authenticity symbolizes the genuineness, truth and reality as three qualities and perhaps be related with a region's tradition and culture (Brida, Disegna, & Osti, 2013; Casteran & Roderer, 2013; Chhabra, Healy, Sills, 2003; Kim & Jamal, 2007; Robinson & Clifford, 2012). In Marketworld.id we have a unique atmosphere which is we have the themes that other markets in Surabaya don't have.

Next variable is the festival quality, the quality usually is symbolized by the superiority or excellence from a product or service as anticipated by the customers (Lee et al., 2009; Rigatti-Luchini & Mason, 2010; Song Lee, Kim, Bendle & Shin 2014a; Wu et al., 2014). In different words, the quality of a festival usually shows the performance of a product or service (Wu et al., 2014; Yoon et al, 2010). Marketworld.id's have their own special tenants in which other markets don't have so that we can show our own quality.

Festival value, the next variable, is anticipated their value is defined as an individual's viewpoint disparity between the advantages and the drawbacks (Kim, Kim, & Goh, 2011; Lee & Back, 2008; Lee et al., 2009; Yang et al., 2011). Shows that value can be divided into four things which are (1) value is low price (2) value is whatever one wants in a product (3) value is the quality that the

consumer receives for the price paid, and (4) value is what the consumer gets for what he/she gives. In Marketworld.id their value is that Marketworld.id gives their customer with the best service and entertainment in their market while offering wide range of tenants from fashion to food and beverages which for the consumers to buy and enjoy in the bazaar market.

The next variable is the satisfaction with festival, usually satisfaction on a certain thing is referring from the customer's overall critiques and opinion about their experience (Kim et al., 2011; Lee & Back, 2008; Mason & Paggiaro, 2012). Based on Mason and Paggiaro (2012), "satisfaction is a partly affective and partly cognitive evaluation of the consumption experience" (p. 1331). Marketworld.id customer and tenants satisfaction is that first, Marketworld.id's team has done a research that most of the customers that comes in the first day will come again in either the second day or the third day or maybe both of the day, besides that they attend in every festival that Marketworld.id held. Also not only just customers but the sellers, the tenants that opened up their booth in Marketworld.id's market are willing to come back and sell their products and also service in their market. This shows that most of our customers and tenants are satisfied.

The next variable is trust in festival, based on Song et al. (2014a), trust can be explained by the "willingness to rely on an exchange partner in whom one has confidence in" (p. 215). Trust also can be explained in other words as "generalized expectancy of how an exchange partner will perform in the future time" (Lee & Back, 2008, p. 336). Marketworld.id have owned their tenants trusts so that most of the tenants that participated in the previous events, to come again and participate to sell their product because they believe Marketworld.id is a great host and place for them to sell their product.

The last variable is loyalty to festival, loyalty is explained as "deeply held commitment to rebuy or repatronize a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behavior" (Lee & Back, 2008). Yang et al. (2011) thinks that consumers usually create an approach to a product or service, which is often based on the evaluations of prior experiences. So if consumer that is coming back to Marketworld.id are the consumers that is satisfied with the market and tend to come

back again to the market and again not only just customers even sellers, the tenants will come back and open their booth to sell at Marketworld.id again.

1.2 Research problems

Based on the research problem, this concludes as follows :

1. Does Festival Authenticity have significant effect towards Festival Quality on Marketworld.id in Surabaya ?
2. Does Festival Authenticity have significant effect towards Festival Value on Marketworld.id in Surabaya?
3. Does Festival Authenticity have significant effect towards Loyalty to Festival on Marketworld.id in Surabaya?
4. Does Festival Authenticity have significant effect towards Satisfaction with festival on Marketworld.id in Surabaya?
5. Does Festival Quality have significant effect towards Festival Value on Marketworld.id in Surabaya?
6. Does Festival Quality have significant effect towards Loyalty to Festival on Marketworld.id in Surabaya?
7. Does Satisfaction with Festival Quality have significant effect towards Satisfaction with Festival on Marketworld.id in Surabaya ?
8. Does Festival Quality have significant effect towards Loyalty to Festival on Makretworld.id in Surabaya?
9. Does Festival Value have significant effect towards Loyalty to Festival on Marketworld.id in Surabaya?
10. Does Satisfaction with Festival have significant effect towards Loyalty to Festival on Marketworld.id in Surabaya?

1.3 Research Purpose

Based on the Research Problems above then the purpose of this research is as follows :

1. To examine and analyze the significant effect on Festival Authenticity towards Festival Quality on Marketworld.id in Surabaya.

2. To examine and analyze the significant effect on Festival Authenticity towards Festival Value on Marketworld.id in Surabaya.
3. To examine and analyze the significant effect on Festival Authenticity towards Loyalty to Festival on Marketworld.id in Surabaya.
4. To examine and analyze the significant effect on Festival Authenticity towards Satisfaction with Festival on Marketworld.id in Surabaya.
5. To examine and analyze the significant effect on Festival Quality towards Festival Value on Marketworld.id in Surabaya.
6. To examine and analyze the significant effect on Festival Quality towards Loyalty to Festival on Marketworld.id in Surabaya.
7. To examine and analyze the significant effect on Festival Quality towards Satisfaction with Festival on Marketworld.id in Surabaya.
8. To examine and analyze the significant effect on Festival Value towards Satisfaction with Festival on Marketworld.id in Surabaya.
9. To examine and analyze the significant effect on Festival Value towards Loyalty to Festival on Marketworld.id in Surabaya.
10. To examine and analyze the significant effect on Satisfaction with Festival towards Loyalty to Festival on Marketworld.id in Surabaya.

1.4 Research Benefits

1.4.1 Theoretical Benefits

This research is done with the hope of being used as study comparison by other researchers that wanted to research and analyze the same problem, and also the development either from the object that is being researched or the variables that is going to be used in the future. This research can be used as a reference or study that can enrich the next researcher for the next research or development or even studies.

1.4.2 Practical Benefits

This research is done with the hope of being used by Marketworld.id to improve their sales and grow even bigger, by creating new threats to other

competitors, which are the markets in Surabaya. Through the driving factors that affecting the *Loyalty to Festival* towards Marketworld.id. Also with the affecting variable which is *Festival Authenticity* through *Festival Quality*, *Festival Value*, and *Satisfaction with Festival*. So Marketworld.id can use this research to maximize their resources by using these factors that is proved to be significantly affecting the next research.

1.5 Writing System

To ease up the discussion, the proposal for the final paper is arranged with the following system :

CHAPTER I. Background

This chapter will be filled with the background of the problem, research problems, research purpose, research benefits and the writing system.

CHAPTER II. Literature Review and Hypothesis Development

This chapter will be filled with theoretical basis, supporting research, previous similar research, framework of thinking, and the hypothesis that is being used in the research.

CHAPTER III. Research Methodology

This chapter will be filled with research variables that is being used, operational definition, sample determination, type and sources of data, methods of collecting data, and analysis method that is used in the research.

CHAPTER IV. Data Analysis and Discussion

This chapter will be filled with the general information about the research object, which is Marketworld.id, also data analysis that is analyzing the statistic descriptive result, data quality testing results, result of hypothesis testing, and the discussion about the following results of the analysis of the data.

CHAPTER V. Conclusion

This chapter will be filled with the conclusion of the research results, implications from the research and the recommendation to resolve the problems that occurs in this research.