

# Business Opportunity for Wedding Photography in Bandung City using Porter's Five Forces Analysis: Case Study of The Lunar Story

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## ABSTRACT

The Lunar Story is a new entrant in the wedding photography industry, established in 2018 and located in Bandung, providing photo and videography services, specializing in wedding journalism by storytelling as their signature style. This research attempts to analyse factors that determine competitive advantage of companies which are widely used approaches to develop strategies in the wedding photography industry especially in Bandung City, using a qualitative research method, and the data according to personal experience of The Lunar Story's team. By using the Porter's Five Forces Analysis Model, all data will be interpreted, and for comparison Competitor Analysis and SWOT Analysis will also be used. This research will provide information for new entrants about business opportunities in the wedding photography industry. The results showed there are various factors that can affect and could be a challenge to maintain and develop a business to remain sustainable based on experience of The Lunar Story.

**Keywords:** *The Lunar Story, Wedding Photography, Porter's Five Forces Analysis, Bandung City*

## 1. INTRODUCTION

Bandung City is a Capital City from West Java Province, Indonesia and also known as "Kota Kembang" with 2 millions people living there. The number of populations in Bandung City based on marital status continue to grow from year to year.

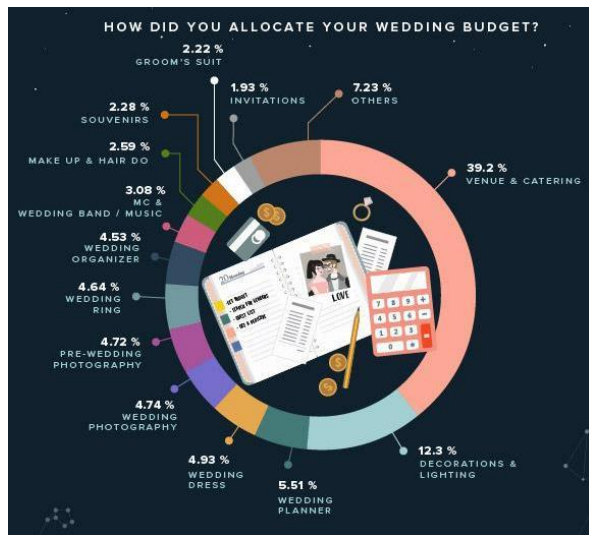
A wedding can be described as a formal union ceremony between two persons who are legally contracted in the law and religion of a country. A wedding is considered to be a traditional wedding and the most popular types of marriage cultural celebration [2]. In Indonesia, marriage becomes a ceremony and celebration of couples' happiness. With the diversity of tribes and cultures, wedding ceremonies and celebrations in Indonesia are very diverse. From a traditional to modern marriages, with a simple to a luxurious wedding celebrations. Marriage is a once in a lifetime ceremony that is really memorable for every bride and groom, therefore couples want to capture every happy moment that will last forever. Not only for couples, but the wedding industry also develops for entrepreneurs. Wedding celebrations need to become very diverse, from venue, catering, decoration, documentation, etc. Documentation or Wedding Photography is one of the important elements to capture moments from the celebrations. Some of the brides and grooms spent their money in large amounts only to get

photos and videos for memory investment in the future. Based on 2017 Indonesia Wedding Industry report by *Bridestory*, wedding photography is in the 3 biggest wedding budget allocations by 9.46% after venue & catering (39.2%), and decorations & lighting (12.3%), divided into prewedding (4.72%) and wedding photo (4.74%).

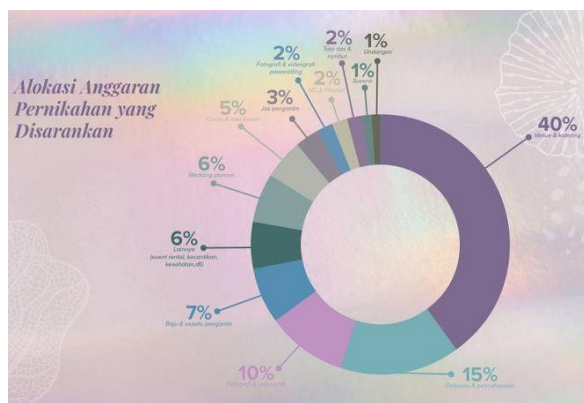
According to the development in this era of social media, there is a behavior from the user that increases the visual content needs for showing their social levels, also for the brides and grooms. In the Indonesia 2020



**Figure 1** Number of Populations in Bandung City Based on Marital Status [1]



**Figure 2** 2017 Indonesia Wedding Industry Report [7]



**Figure 3** 2020 Wedding Trend Forecast by Bridestory [8]

wedding forecast, the budget allocation for photography increased from 9.46% to 12%, divided into prewedding (2%) and wedding photo (10%). But still in the big three, despite venue & catering (40%), and decorations & lighting (15%).

The Lunar Story established in 2018 and located in Bandung, providing photography and videography services, specializing in wedding journalism with an inspiring, conceptual, creative storytelling to share precious moments, as well as presenting that warm, happiness, and every feelings of the moments into their works. The Lunar Story currently had six main services, for Engagement, Prewedding, Traditional Ceremony, Wedding Celebration, Maternity, and Family.

## 2. LITERATURE REVIEW

### 2.1. Porter Five Forces Analysis

The purpose of the Porter's Five Forces Analysis is to assess the competitive advantage of businesses.

Porter's Five Forces Competitive Analysis Model is a commonly used method in many industries to establish a strategy. According to Porter, a combination of the top five strengths could be seen in the competitive nature of the market, namely competition between existing competitors, threat of new entrants, threat of substitute products or services, supplier bargaining power, buyer bargaining power [5].

#### 2.1.1. Threat of New Entrants

New industry entrants bring new capacity and a desire to capture market share, putting pressure on prices, costs, and the investment levels required to succeed. They can leverage existing capabilities and cash flows, especially as new entrants diversify from other markets, to shake up the competition. [6].

#### 2.1.2. Bargaining Power of Suppliers

By charging higher prices, limiting quality or services, or transferring costs to market members, efficient suppliers gain more of the value for themselves. Powerful suppliers can squeeze profitability out of an industry that cannot pass on cost increases in its own costs, including labor suppliers [6].

#### 2.1.3. Threat of Substitutes

A substitute performs the same or a similar function as an industry's product by a different means [6].

#### 2.1.4. Bargaining Power of Buyers

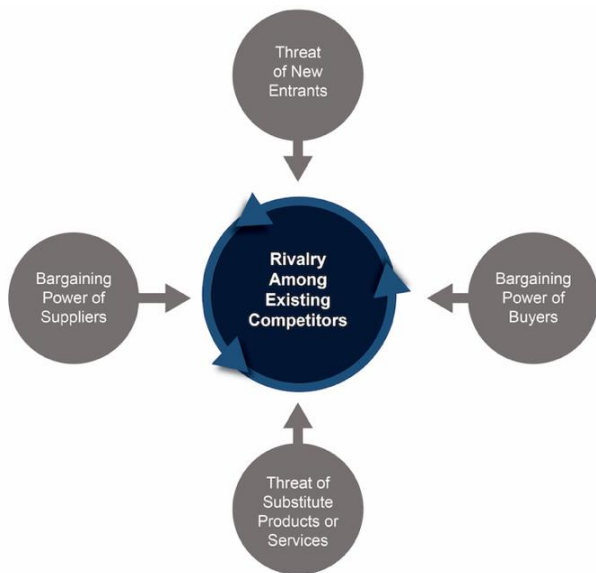
The flip side of powerful suppliers, powerful consumers can extract more value by pushing down prices, demanding better product or more service (driving up costs), and generally playing off-market participants against each other, all at the expense of profitability in the market. If they have negotiating leverage relative to industry participants, particularly if they are price sensitive, buyers are strong, using their clout primarily to lower pressure prices [6].

#### 2.1.5. Rivalry Among Existing Competitors

There are several familiar types of competition between established rivals, including price discounts, new product introductions, promotional campaigns, and service improvements. High rivalry limits an industry's profitability [6].

### 2.2 Competitor Analysis

Competitor Analysis provides advantages in analyzing rivalry; it is defined as an intelligent knowledge, like the extent of threat, facilities for production, and techniques, rivals size and quantity,



**Figure 4** Porter's Five Forces

strategies in marketing, capabilities in research and development, and others [4].

### 2.3 SWOT Analysis

An organization's internal environment is explained by its strengths and weaknesses. These are two components that organization can control where strength are things that excels organization from its competitor, while weakness are things that can put organization at comparative disadvantage. Meanwhile, an external environment explained by opportunities and threats means that organization has less control upon those components [3].

## 3. RESEARCH METHODOLOGY

This research employed the Porter Five Forces Analysis. There are scales that determine the value of each factor. The research design used is a qualitative approach that builds on a set of assumptions and concepts that developed from relevant theories that exist.

If the answer is "yes", it would get a zero (0) score, and if the answer is "No", it would get a 1 score. Factors with an average score under 33% is a low intensity, an average score 33% to 66% is a moderate intensity, and if the score above 66% is a high intensity.

The total number of respondents in this research is 8 respondents. The outcomes are based on observation and conversation with the team of The Lunar Story that consist of six crews or respondents starting from the founder, co-founder, photographer, videographer, graphic designer, and photographer assistant to get their views on the five elements to be evaluated based on the

experience of each crew while servicing customers, then to find out the score of each element's strength, which will be discussed with SWOT Analysis. Furthermore, two respondents as the most popular wedding photographer supplier in Bandung City were chosen to be interviewed, they are Nesnumoto's founder and Polar Photography's founder, which will be discussed using Competitor Analysis.

## 4. RESULTS

According to the observation and discussion with The Lunar Story's team, and applied in the scoring scale based on summary from relevant theories about Porter Five Forces Analysis, there are explanations and tables for the intensity scoring of each element from the Porter Five Forces Analysis.

### 4.1. Threat of New Entrants

In the wedding photography business, the initial challenges are low, because they did not require large investments, and the owners can get tools with low prices since there are many equipment rental vendors, such as *Pondok Lensa* and *Zenon* which are really helpful, not only for the new entrants, but also for the photography industry. With this opportunity, anyone can become a professional photographer without having a single tool. The intensity score for this element is High.

### 4.2. Bargaining Power of Suppliers

One supporting factor for the conversion rate of clients is physical output, such as photo frames and albums that are produced by photographers. The output is supported by several photography suppliers, such as

**Table 1.** Threat of New Entrants

Threat of New Entrants	Yes	No	Score
To join this industry, does it need high capital?		X	1
If you have a distinction in product/service?		X	1
Will it be hard for new entrants to find suppliers?		X	1
To enter this sector, is there any relevant government regulation?		X	1
Will it be difficult for a potential entrant to gain clients?	X		0
Are the buyers of your brand loyal?		X	1
Is your business low barriers to exit?	X		0
<b>Average</b>			<b>71%</b>

**Table 2.** Bargaining Power of Suppliers

Bargaining Power of Suppliers	Yes	No	Score
Are there a large number of possible suppliers of input?	X		0
Can you readily turn from one supplier to another?	X		0
Do you think changing suppliers would have a big impact on your business?		X	1
Do your supplier's sales reflect a large portion of their business?		X	1
Are you well informed about the brand and market of your supplier?	X		0
<b>Average</b>			<b>40%</b>

**Table 3.** Threat of Substitutes

Threat of Substitutes	Yes	No	Score
Is the quality of your product or service better than that of your replacement?	X		0
It's expensive for consumers to switch to a replacement	X		0
Does your replacement have performance limits?	X		0
Is your price higher than your replacement?		X	1
<b>Average</b>			<b>25%</b>

**Table 4.** Bargaining Power of Buyers

Bargaining Power of Buyers	Yes	No	Score
Is your product unique?	X		0
Is your customer highly responsive to the service or product you are offering?	X		0
Is it hard for clients to turn from your product to the product of your competitor?		X	0
Are the services and businesses uninformed by clients?		X	1
Do you think losing one of your clients is going to have a crucial impact?	X		1
In your business, is there a replacement product or service?		X	0
<b>Average</b>			<b>50%</b>

digital printing and equipment rental vendors. In Bandung City, there are a lot of options for digital printing providers with newer technologies that can provide photos or albums output in accordance with the work of the photographers, so that photographers can adjust to their services budget. The intensity score for this element is Moderate.

**Table 5.** Rivalry Among Existing Competitors

Rivalry Among Existing Competitors	Yes	No	Score
Is there any clear market leader in your industry?		X	1
Does each competitor in your industry have a similar product or service?	X		0
Is there a small number of competitors?		X	1
Are your competitors pursuing a low growth strategy?		X	1
Is it difficult for customers to switch between your product and your competitors?		X	1
<b>Average</b>			<b>80%</b>

### 4.3. Threat of Substitutes

Wedding photographers are often confronted with "run and shoot" situations by pursuing a dense moment so as not to miss a thing and other elements of surprise factors such as invited guests that sometimes block the photographer's movements. In the 4.0 era, with the presence of Artificial Intelligence and robots in the photography and videography industry, it would certainly take a very high cost of production compared to Man Power, which indeed has an artistic spirit and can adjust to the state of the photoshoot situation. Therefore, there is no substitute for the wedding photography industry. The intensity score for this element is Low.

### 4.4. Bargaining Power of Buyers

Wedding photography industry is progressing positively with more and more people appreciating photography services. However, there are several factors that influence the client's decision in choosing a photographer, such as price, style of photography, style of editing, output obtained, to the several services that are provided by the photographer. The intensity score for this element is Moderate.

### 4.5. Rivalry Among Existing Competitors

Rivalry in the wedding photography industry is high because of the many similar services and outputs, so photographers must have their own uniqueness and strengths. It cannot be stated clearly who is the best, but the number of projects every week and the fame that is owned in the public gives a picture of who is the leading photographer in the wedding photography market. The intensity score for this element is High.

## 5. DISCUSSION

### 5.1. Competitor Analysis

In Bandung city, there are a lot of wedding photographers, but in the past five years, there have been a number of photography vendors that are quite popular, such as Nesnumoto and Polar Photography.

#### 5.1.1. Nesnumoto

Nesnumoto is a wedding photography vendor based in Bandung, established in 2008. Currently their location is in Jalan Mengger Hilir number 31, Bandung. With 12 years of experience, they have many portfolio and specialize in every condition for pre-wedding, engagement, and wedding. Nesnumoto offer prices start from IDR 3,000,000 until 18,000,000. Nesnumoto often collaborates on making a bundle package with wedding organizers, make-up artists, and wedding venues. With this strategy, Nesnumoto can maximize the distribution channels to get clients. As the number of clients increases, Nesnumoto is able to serve up to eight wedding clients in one day, because of this, they have a very large organizational structure. Nesnumoto has 54 people in the crew, consisting of several sections such as; CEO, account executive, admin, finance, operations, production, editor, social media, graphic designer, photographer, videographer, and crew.

#### 5.1.2. Polar Photography

Polar Photography is a wedding photography vendor based in Bandung, established in 2013. Polar also specializes in prewedding, engagement, and wedding occasions. The price offered by Polar is quite high compared to the other photography vendors in Bandung city. Polar offer prices starting from IDR 3,750,000 until 37,250,000. Polar Photography expanded their branches in Jakarta, thus making Polar increasingly popular among the people. Polar also collaborates with other wedding vendors like what Nesnumoto does. In one day, Polar is able to serve up to three wedding clients. Polar has approximately 30 crews, consisting of CEO, general manager, finance, admin, production, editor, graphic designer, security, and crew.

### 5.2. SWOT Analysis

The new entrants for every industry should determine and analyze their company using SWOT Analysis. Furthermore, they can build the right strategies to get into the industry.

#### 5.2.1. Strength

The Lunar Story chose love storytelling photographers as a core value. Starting from how to

make a concept, how to speak, and how to capture moments that define a feeling. Price could be a very sensitive indicator for hiring photographers since the price would be equal to the products or services. However, for the wedding photography industry, the output package that offers seems to be the same as the other competitor brands. The price indicator is based on the equipment that is used, experience, popularity, services obtained, until the output product. Currently, The Lunar Story is using fixed calculation-based pricing because the owner already made the packages for each photoshoot type. Every package has different output, digital output and physical output depends on the needs of the clients itself. The Lunar Story puts a relatively lower price than the other famous photographers in the range of IDR 2,750,000 - 18,000,000 but giving more exclusive output compared to the famous competitors. This is also one of the strategies to gain awareness. The founder of The Lunar Story has a good relationship with supplier vendors, so they can easily collaborate with them and can get a good price.

#### 5.2.2 Weaknesses

As a new entrant, The Lunar Story has a weakness factors such as low brand awareness due to low marketing activity. On the other hand, limited human resources also affects sales capacity.

#### 5.2.3 Opportunity

The opportunity in the wedding photography industry is very high, due to advances in social media and the high market for documentation needs. Besides that, as already discussed using Porter Five Forces Analysis, the analysis of the five strengths that enter the wedding photography industry does not require large capital and there is no substitution from photography vendors. Especially in Bandung City, various suppliers are very easy to reach with various prices according to the new entrants budget.

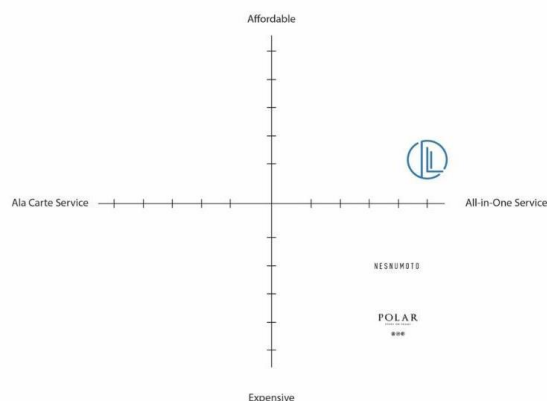
#### 5.2.4 Threats

The threat for The Lunar Story is known as existing competitors such as Nesnumoto and Polar Photography. With the advancement of social media as a marketing tool, the concept that is owned by photographers is very easy to imitate by other competitors which offer lower prices.

### 5.3. Competitive Analysis

Competitive analysis is to understand where the brand position in the market. The advantages and drawbacks of other market participants can also be evaluated by competitive analysis. To understand the positioning of each brand, the complete XY axis will be





**Figure 5** The Lunar Story Positioning Among Existing Competitor

used to compare each corporation. In this case, whether the brand has *a la carte* or all in one operation, will be determined by the X-axis. Whereas the Y-axis will decide whether the brand's product is costly or inexpensive.

Based on the diagram above, it can be seen that market leaders have high prices and only provide photo services and are stylish but they often collaborate. Meanwhile, The Lunar Story provides services in the form of photos, style, makeup, and decorations at a more affordable price. At this point, The Lunar Story is running a low-cost strategy to increase brand awareness and sales capacity.

## 6. CONCLUSION

The photography industry is a promising industry and actually easy for the new entrants, since it does not require a large initial investment and can be done by anyone. The real challenge is maintaining and developing the business to remain sustainable. Therefore, every new entrant photographer should know how to survive when the competitors are very diverse. New entrants can use the Porter Five Forces Analysis to analyse the intensity scoring of each element from the business, and use Competitor Analysis to compare with existing competitors, in order to understand where the brand position is in the market, also learn about what and how competitors are doing for the industry. Before getting into the industry, every business should determine SWOT analysis to build a right movement for the company.

The photography industry, especially the wedding photography industry has a moderate intensity and it is

very subjective, based on price, style of photography and editing, output obtained, and several services that are provided by photographers according to prospective customers' needs and wants. To maintain the profit, a photographer should have to ensure client's satisfaction, which can increase the number of customers by word of mouth or repurchase another kind of services by the photographers. Uniqueness and signature style are required to be a differentiator between the same service and output obtained by another competitor in Bandung City.

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