

How to Boost Purchase Intention of Local Wisdom Products When the Application of Product Innovation is Lacking?

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ABSTRACT

Small, and Medium Enterprises (MSMEs) managed by communities with limited capabilities need to be assisted to continuously improve their performance. One of the products produced by MSMEs is handicrafts such as Tanggui. Tanggui is one off a product of local wisdom from Kalimantan Indonesia made from Nypa leaves. Nypa is growing in the environment of mangroves or tidal areas near the edge of the sea. Tanggui main use is as a hat or head protection. Local products will still exist if they can provide benefits for strengthening the community's economy, especially related MSMEs. The purpose of this study is to analyze the way to increase purchase intention when MSMEs is lacking application of product innovation. The completing data, we observed products, interviewed craftsmen, marketers, and tanggui lovers. The data obtained were analyzed by using Structural Equation Modeling (SEM) to test the hypothesis. The original findings of this study show tanggui MSMEs are still difficult to implement, even though product innovation is very needed to create purchase intention during in pandemic covid 19.

Keywords: Purchase Intention, Social Media Marketing, Product Innovation, Local Wisdom Product