

Promoting Local Products through One Village One Product and Customer Satisfaction

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Abstract : In global competition nowadays, the world economy heavily depends upon high technology and capital intensive industries that are mainly owned by well-established economic and developed countries, such as United States of America, United Kingdom, Japan, and South Korea. Indonesia as a developing country is building its economic activities towards industrial country as well, although a slightly different approach was implemented. For example, similar to the concept of one village one product (OVOP) implemented in Japan, Indonesia also adopted this concept by promoting local traditional products to improve incomes of village people and to enhance local economic activities. Analysis on how OVOP program increase local people's income and influence customer satisfaction were the objective of this paper. Behavioral intention to purchase and re-purchase, customer satisfaction and promotion are key factors for local products to play significant roles in improving local income and economy of the region. The concepts of OVOP and key factors that influence economic activities of local people and the region will be described and explained in the paper. Results of research, in a case study based on 300 respondents, customers of a local restaurant at Tangerang City, Banten Province of Indonesia, indicated that local product, service quality and behavioral intention individually have significant influence to customer satisfaction; whereas simultaneous tests to the variables indicated positive and significant influence to the behavioral intention through customer satisfaction as the intervening variable.

Keywords : behavioral intention, customer satisfaction, local products, one village one product (OVOP)

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