

Understanding The Impact Of Social Empowerment Perception Toward Purchase Intention Of Social Enterprise Craft Products

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ABSTRACT

Social entrepreneurship is an arising trend that exists as an alternative to the economy and helps fulfilling social needs that commercial entrepreneurs can't fulfill. The research attempted to investigate the impact of social empowerment perception toward the purchase intention of craft products from social enterprise. There is an interesting finding that shows social empowerment perception has no significant influence on purchase intention in craft products of social enterprise. Rather, the labeling that explains the social cause and how products were made has strongest influence, followed by customer's attitude on social enterprise and ecological perception on the product. Therefore, social entrepreneurs in Indonesia may be recommended to optimize products in those three aspects in order to influence purchase intention of customers

Keywords: consumer behavior, social empowerment, social enterprise, purchase intention

INTRODUCTION

This research is focused on finding out significant factors that affect the purchase intention of craft products in social enterprise. Moreover, it is limited to social enterprise in Java island only. The definition of social enterprise in this research is financially sustainable businesses that: (a) are intentionally missioning to solve a pressing social or environmental problem, (b) are aiming to generate profitability to sustain their business, (c) and have a commercial entrepreneurial mindset to grow their business and impact. The social enterprise field is also limited in craft industry only. The research has two objectives, they are: to determine the significant factors associated with purchase intention on social enterprise products and to develop an explanatory theory that associates social empowerment perception with the purchase intention.

LITERATURE REVIEW

According to Miesing (2014), social enterprise is a business with social mission whose surpluses are principally reinvested in the business or in the community for that purpose rather than being driven by the need to maximize profits for shareholders and owners: Profitability – financially self-sufficient; mission-driven – social impact; sustainability – environmental impact; social enterprise is a business designed to meet a social goal. According to Ferdousi (2017), the market for social enterprises is intersectional of three segments, they are ethical consumer, ecological consumer, and rational consumer. Thus, the research divides the variables of purchase intention in social enterprise products that includes three segments. The variables divided into six, they are social empowerment perception, ecological perception, stimulation, attitude, knowledge, and labeling/logo. According to Blomkvist (2003), social empowerment is the process of developing a sense of autonomy and self-confidence, and acting individually and collectively to change social relationships and the institutions and discourses that exclude poor people and keep them in poverty. The research narrowing the meaning into influence that reflects a sense of autonomy in financial independence of marginalized communities that made certain products, in this case involvement of disabled people in producing goods. Ecological perception is environmental performance included on the product, for example made by recyclable material. Stimulation can be defined as an action to arouse one's interest to do something. In this case, it consists of product utility and perceived benefit that can trigger customers to purchase the product. Labeling/logo can be defined as display of information about product on its container, packaging, or the product itself. Knowledge is information obtained by customers regarding social enterprise and the value of product. Attitude is perception of customers toward the company that makes the product, in this case is the social entrepreneur itself. The research attempted to investigate the impact of

social empowerment perception toward purchase intention of social enterprise craft products. Understanding purchase intention will help business actors decide what strategy the products should be marketed. The research is expected to generate recommendations that social enterprise can implement regarding sales and marketing strategy by understanding the motivation behind consumers' purchase intention in social enterprise products so that the social objectives arise by the enterprise can be achieved.

METHODOLOGY

The problem initiated from the idea of building a social enterprise that helps marginalized communities to be financially independent by making products that can be sold. Since the social objectives that are defined by the enterprise can only be achieved if the business has ability to make sales and be sustainable, the researcher is looking for factors that influence the purchase intention of social enterprise products, particularly in craft. The research collected the data through questionnaire and analyzed with multiple linear regression method using SPSS version 19.

FINDINGS AND ARGUMENT

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.767	.525		1.461	.146
SEP	.024	.048	.026	.492	.623
ECP	.190	.043	.235	4.463	.000
ST	.134	.070	.094	1.926	.055
KN	.073	.034	.113	2.164	.032
AT	.195	.052	.241	3.776	.000
LA	.289	.045	.342	6.459	.000

a. Dependent Variable: PI

Multiple Linear Regression Result

The table above stated that the highest standardized coefficients beta belongs to Labeling/Logo with the value of .342, followed by Attitude at .241, Ecological perception at .235, Knowledge at .113, stimulation at .094, and social empowerment perception .026. Therefore, it can be concluded that the most significant influence of purchase intention in craft products of social enterprise is labeling/logo, the second is attitude, the third is ecological perception, followed by knowledge, stimulation, and social empowerment perception.

CONCLUSIONS

The findings of this research show that the impact of social empowerment perception towards purchase intention in craft products of social enterprise is not significant. However, there are variables that have stronger influence that contributes to purchase intention, they are first labeling/logo, the second is attitude, the third is ecological perception, followed by knowledge, stimulation.

The explanation of the labeling/logo aspect in purchase intention meaning that intent to buy a product is influenced by labels that describe the brand and product descriptions. The attitude in purchase intention meaning that intent to buy a product is influenced by perception of social enterprise profile that makes the product. Ecological perception means that intent to buy a product is influenced by the environmentally friendly aspects of the product. From these three highest

significant contributors to purchase intention, company can be advantaged by putting ecological value on the product. For example using reusable canvas bag for the packaging instead of disposable plastic bag. Then, the value and social enterprise company need to be socialized massively through campaign so that awareness can be increased and customers' attitude on social enterprise can be positive. The presence of responsive and high-performance customer service should also be maintained as it will encourage positive experience to customers. In order to help increase the awareness, the presence of label and logo that indicates the support of environmental sustainability need to be put as it is the strongest influence of purchase intention according to the study. The labeling/logo can be a sticker or cards on the product that states it uses a reusable canvas bag on the packaging or the product is made of patchwork from textile waste so that by buying the product it is just the same as saving the environment.

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