

CHAPTER I

INTRODUCTION

1.1 Background

Indonesia is a country that has various potentials, both natural and human resources. Many people in Indonesia have innovations and imaginative ideas to develop new products based on local culture or wisdom.

According to Yusuf (2020) local wisdom is part of the culture of a community that cannot be separated from the language of the community itself. Local wisdom is usually passed down from generation to generation through word of mouth. Local wisdom exists in folklore, proverbs, songs and folk games. Local wisdom as a knowledge discovered by certain local communities through a collection of experiences in trying and integrated with an understanding of the culture and natural conditions of a place. The form of local wisdom objects can be made into the design of a product.

Bengkalis regency located in Riau Province, Indonesia, is an area rich in local wisdom and has a distinctive cultural heritage. One of the most valuable and nationally and internationally recognized cultural aspects is the art of Batik. Batik has become an inseparable part of the life of the local community and has been recognized as one of the traditional art forms that has its own uniqueness and specialty.

One of the famous woven batik crafts in Bengkalis is at BUMDes Langgam Sako. BUMDes owned by Teluk Latak Village, Bengkalis. Bengkalis Regency is intended to accommodate community economic businesses, to be able to provide services to the community drive the village economy and contribute to village income.

According to Efendy (2019) Village Owned Enterprises (BUMDes) is a Village-owned business entity derived from Village assets that manages assets, services, and other businesses for the greatest welfare of the Village community.

The establishment of BUMDes aims to drive local economic development at the village level. This village local economic development is based on the needs, potential, capacity of the village, and capital participation from the village government in the form of financing and village assets with the ultimate goal of improving the economic standard of the village community.

This research conducted at BUMDes Langgam Sako in Teluk Latak Village, BUMDes Langgam Sako Batik Weaving Business in Teluk Latak Village is a community business unit facilitated by the village to advance the community in developing its business in the production sector. Woven batik is very famous because the design of local wisdom products and the patterns of woven batik are very distinctive and reflect the cultural values of local wisdom, such as plant motifs, geometrics, or traditional symbols. This uniqueness makes Bengkalis woven batik a unique product and different from woven batik in other regions. In addition, woven batik is also an important part of social activities and traditional ceremonies. At certain events, such as weddings, circumcisions, or other traditional ceremonies, woven batik is often used as distinctive clothing and has a high symbolic value.

Despite its uniqueness and extraordinary cultural wealth, woven Batik products still face challenges in improving their competitiveness. Competition in the woven batik market is getting tougher, both from local producers and from other regions that also have distinctive batik art. Therefore, it is important to maintain the authenticity and uniqueness of Bengkalis woven batik, as well as develop appropriate strategies to improve the competitiveness of this product in local and international markets.

This research focuses on consumers of BUMDes Langgam Sako Teluk Latak. The author considers it important to examine the effect of local wisdom product design and product quality on increasing the competitiveness of batik weaving products. The reason for choosing the object of this research is because the number of Batik Weaving consumers is starting to increase.

Based on the above background, the author is interested in conducting a study entitled **“The Effect of Local Wisdom Product Design and Product**

Quality on increasing Product Competitiveness of Bengkalis Batik Weaving (Case Study on Customers of BUMDes Langgam Sako)”.

1.2 Formulation of the Problem

Based on the background of the Problems that have been stated previously, the Problems in this study are: At BUMDes Langgam Sako, how do local wisdom product design and product quality effect on increasing product competitiveness Batik Weaving?

1.3 Purpose of the Study

Based on the formulation of the problem above, the objectives to be achieved in this study are:

1. To determine the influence and how much the effect of local wisdom product design to increase product competitiveness of bengkalis batik weaving.
2. To determine the influence and how much the effect of product quality to increase product competitiveness of bengkalis batik weaving.
3. To determine the influence and how much the effect of local wisdom product design and product quality to increase product competitiveness of bengkalis batik weaving.

1.4 Significance of the Study

The benefits to be achieved in the study entitled “The Effect of Local Wisdom Product Design and Product Quality on increasing Product Competitiveness of Bengkalis Batik Weaving (Case Study on Customers of BUMDes Langgam Sako)” are as follows:

1. For Writers

This research can be used as material for experience, knowledge, and as a guide for completing the Final Project which is one of the requirements for completing Diploma IV in the International Business Administration study program, Department of Business Administration. It is hoped that this final

research can be used as a means to increase the development of creativity in conducting research and author innovation.

2. For Bengkalis State Polytechnic

For the Bengkalis State Polytechnic, it is hoped that it can be a reference for other research in the future.

3. For BUMDes Langgam Sako

The results of this study are expected to add insight for Batik Weaving in making product designs in order on increasing competitiveness.

1.5 Scope and Limitation of the Problem

Based on the background on the problem that has been described, this research was conducted only to find out the effect of Local Wisdom Product Design and Product Quality on increasing Product Competitiveness of Bengkalis Batik Weaving at BUMDes Langgam Sako. This research was only conducted at the customers BUMDes Langgam Sako, Teluk Latak.

1.6 Writing System

The systematics of research writing carried out for research on The Effect of Local Wisdom Product Design and Product Quality on increasing Product Competitiveness of Bengkalis Batik Weaving are as follows:

CHAPTER I : INTRODUCTION

This is an introductory chapter that describes the title, research background, problem formulation, reseassrch objectives, research benefits, scope and limitations of the problem and research systematics.

CHAPTER II : LITERATURE REVIEW

Propose a theoretical basis and theoretical base which will be used in both its study completion sec theory are general or special consisting of previous research and theoretical basis.

CHAPTER III : RESEARCH METHODOLOGY

This chapter describes the research implementation method, which consists location, time and object of the study, types and

sources of data, population and sample, sampling techniques, data collection techniques, data processing techniques, measurement scale, test validity and reliability, data analysis methods. data, research hypotheses, research models, types of the study, concept definitions and operational variable, and schedule and budget of the study.

CHAPTER IV: RESULTS AND DISCUSSION

In this chapter describes the research results, discussion and limitations of the research results. The results of the thesis are made in the form of data or in other forms to make it easier to follow the description of the discussion. The discussion of the results obtained is made in the form of a qualitative theoretical explanation.

CHAPTER V : CONCLUSIONS AND SUGGESTIONS

In this chapter the author explains the conclusions and suggestions from the research conducted.