

Product Variety and Price on Purchase Decisions at a Retail Grocery Store in Indonesia

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ABSTRACT

Purpose: This study examines the partial and simultaneous effects of product variety and price on consumer purchase decisions at Toko Firantika, a rural grocery store in Mesuji District, Lampung Province, Indonesia, amid growing competition from modern retail and online commerce.

Methodology: This study employed a quantitative survey. Data were collected from 97 consumers selected through accidental non-probability sampling method. The sample size was determined using Cochran's formula at a 95% confidence level and a 10% margin of error. Data were gathered using a structured Likert-scale questionnaire (1–5) and analyzed through multiple linear regression with classical assumption tests using IBM SPSS Statistics version 25.

Results: Product variety positively and significantly influenced purchase decisions ($\beta= 0.242$; $t= 2.499$; $p= 0.014$). Price also positively and significantly affected purchase decisions ($\beta= 0.349$; $t= 4.324$; $p= 0.000$) and was the dominant predictor. Simultaneously, both variables significantly influenced purchase decisions ($F= 13.675$; $p= 0.000$), explaining 22.5% of the variance ($R^2= 0.225$). Product size variety and price affordability were the strongest indicators of their respective constructs.

Conclusions: Product variety and price are significant and complementary determinants of consumer purchase decisions in rural grocery retailing.

Limitations: The model explains only 22.5% of the purchase decision variance, indicating the influence of other factors.

Contribution: This study provides empirical evidence on the determinants of purchase decisions in rural MSME grocery retail and practical insights for enhancing competitiveness through product assortment and pricing strategies.

Keywords: *Grocery Retail, MSME, Price, Product Variety, Purchase Decision.*

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1. Introduction

Basic daily necessities, particularly food staples, represent a perennial and non-discretionary consumption category that sustains demand for retail grocery establishments across all income strata and geographic settings. In rural Indonesian districts, small-scale traditional stores (warung and toko kelontong) have historically served as the primary access points for household staple procurement, occupying a commercially central role in local food supply chains by bridging wholesale distribution networks and end consumers who lack convenient access to modern retail formats ([Armstrong, Adam, Denize, & Kotler, 2018](#); [Yusman & Yateno, 2021](#)). However, the accelerating expansion of minimarket chains (Indomaret, Alfamart) into rural and peri-urban areas, combined with the growth of online grocery platforms and ride-hailing-enabled quick-commerce services, has subjected traditional grocery stores to competitive pressures that are structurally unprecedented in their histories.

Toko Firantika is a family-owned grocery enterprise in Mesuji District, Lampung Province, that has served the local community for over a decade. Its sales data reveal a pattern of consecutive annual revenue decline, raising urgent questions about the adequacy of its current marketing mix. Revenue contracted from IDR 846,000,000 in 2020 to IDR 782,400,000 in 2021 (-7.52%), IDR 747,600,000 in 2022 (-4.48%), IDR 715,200,000 in 2023 (-4.33%), and IDR 620,400,000 in 2024 (-13.25%), a cumulative five-year decline of 26.7% and an acceleration in the rate of deterioration that is particularly concerning. The sharpening of the 2024 decline to 13.25% suggests that competitive and behavioral factors eroding purchase decisions are intensifying rather than self-correcting.

A pre-survey administered to 30 loyal Firantika customers provided diagnostic insight into the consumer-side drivers of this decline. The results indicate that 70% of respondents considered the prices too high, 63.3% found the product variety insufficient or monotonous, 63.3% perceived the store's offerings as outdated relative to contemporary product trends, and 56.7% considered Firantika's prices less competitive than those available through online platforms. Conversely, 73.3% of respondents appreciated the store's discount availability, and 56.7% rated its location as strategically convenient, suggesting that the location and promotional dimensions of the marketing mix are performing adequately, while product variety and pricing constitute the primary drivers of consumer dissatisfaction.

Product variety and price are among the most theoretically and empirically well-established determinants of consumer purchase decisions in retail contexts. Product variety the breadth, depth, and composition of items offered across product lines conditions purchase decisions by expanding the probability that a consumer finds an option congruent with their specific needs, preferences, and budget constraints ([Christopher, Sutiono, & Lesmana, 2021](#); [Imanulah, Andriyani, & Melvani, 2022](#)). Price, the monetary signal that communicates value, quality, and affordability, conditions purchase decisions through value perception mechanisms, competitive comparison processes, and budget feasibility assessments ([Darmawan & Arifin, 2021](#); [Monroe, 1990](#)). In combination, these two variables constitute the core value proposition of a retail grocery store: does the store offer what consumers want at a price they can afford?

Prior research in Indonesian grocery retail contexts has confirmed the significance of both variables. [Firdiansyah and Prawoto \(2021\)](#) documented significant positive product variety effects on purchase decisions, whereas [Haque \(2020\)](#) and [Arianto, Asmalah, and Rahmat \(2022\)](#) confirmed comparable price effects. [Christopher et al. \(2021\)](#) examined the joint effect of both variables at a Singkawang-based store, providing a directly analogous precedent for the present study. However, empirical evidence from Lampung Province's rural district retail context where competitive dynamics, consumer income profiles, and product preference patterns may differ substantially from Kalimantan or metropolitan settings remains limited, justifying the present study's geographical scope.

This study was guided by three research questions: (RQ_1) Does product variety significantly affect purchase decisions at Toko Firantika? (RQ_2) Does price significantly affect purchase decisions? (RQ_3) Do product variety and price jointly and significantly predict purchase decisions? This study contributes empirically by providing the first quantitative analysis of purchase decision determinants specifically for a Mesuji District grocery store; theoretically, by testing product variety and pricing theories in a

rural South Sumatran retail context; and practically, by generating evidence-based marketing mix recommendations for Toko Firantika's revenue recovery strategy.

2. Literature Review and Hypothesis/es Development

2.1 Consumer Purchase Decisions: Theory and Measurement

Consumer purchase decisions are defined as the behavioral outcomes of a cognitive process through which consumers evaluate available product alternatives, select a preferred option, and commit to purchasing ([Kotler & Keller, 2016](#)). [Sisman and Muskita \(2021\)](#) characterized purchase decisions as a process of selecting among multiple alternatives with a concrete follow-through action, emphasizing the behavioral rather than merely attitudinal nature of the construct. [Setyaningsih, Avira, and Utami \(2025\)](#) operationalize purchase decisions as consumer behavior that emerges after evaluating product design, quality, brand image, and promotion. [Riski and Darmawan \(2025\)](#) frame the purchase decision as the final commitment determining the product that best aligns with consumer needs and satisfaction criteria.

The classical consumer decision-making model [Engel, Blackwell, and Miniard \(1986\)](#) delineates five stages: need recognition, information search, alternative evaluation, purchase decision, and post-purchase behavior. For grocery staples, which are purchased with high frequency and relatively low deliberation, the decision process is largely habitual: consumers rely on prior experience, established brand familiarity, and routinely evaluated price-quality benchmarks rather than extensive information search. However, when competitive alternatives emerge, such as new minimarket branches offering a broader product variety at competitive prices, habitual purchase patterns are disrupted, and consumers re-enter the deliberative evaluation phase, making the store's product variety and pricing strategy critical competitive differentiators ([Saragih, Syahputra, Balqis, & Sinaga, 2025](#)).

[Tumangger, Daulay, and Surbakti \(2022\)](#) operationalized purchase decisions through five indicators particularly relevant to retail contexts: product purchase behavior (the actual act of purchasing), brand selection (choosing among available brand alternatives), channel selection (choosing where to purchase), purchase timing, and quantity purchased. For Toko Firantika, the most diagnostic indicators are product purchase behavior (whether customers visit and buy) and quantity purchased (average basket size), both of which are directly affected by the store's product variety breadth and price competitiveness.

2.2 Product Variety and Purchase Decisions

Product variety is conceptualized as the diversity of product offerings within a store or brand portfolio, differentiated by size, price tier, formulation, flavor, and presentation the combined set of choices that a retailer makes available to consumers seeking to fulfill a specific need ([Christopher et al., 2021](#); [Fadhila, Munte, & Polewangi, 2022](#)). [Kojongian, Tumbel, and Walangitan \(2022\)](#) emphasized the visual distinctiveness dimension of product variety: variants are tangible, directly observable differences that consumers can evaluate at the point of sale without requiring prior product knowledge. [Sukotjo and Suleman \(2025\)](#) position product variety as a direct driver of purchase decisions by creating consumer choice flexibility that accommodates diverse preferences and budgetary constraints within a single shopping trip.

The theoretical mechanism linking product variety to purchase decisions operates via multiple pathways. First, variety expansion increases the probability that any given consumer encounters an option congruent with their specific needs, reducing the frequency of 'stockout dissatisfaction, which occurs when limited variety forces purchase deferral or competitor switching ([Imanulah et al., 2022](#)). Second, variety signals retail competence and assortment quality to consumers: stores with comprehensive, up-to-date product selections are perceived as better managed and more trustworthy than those with sparse or outdated offerings, a quality signaling effect that reinforces purchase preference ([Armstrong et al., 2018](#)). Third, variety enables consumer self-expression through product choice: consumers who find products that match their specific preferences in terms of size, formulation, or brand experience greater satisfaction and develop stronger store loyalty than those who are forced to accept suboptimal options.

The indicators used to operationalize product variety in this study size variants, price tier variants, presentation variants, and product range breadth are derived from [Imanulah et al. \(2022\)](#) and align with the dimensions most relevant to staple grocery shopping. Size variants are particularly salient because they enable quantity-purchase flexibility in consumers. Consumers with different household sizes, income levels, and storage capacities have distinct optimal purchase quantities, and stores that accommodate this diversity through multi-size offerings are better positioned to serve a broader consumer base ([Annisa & Hamzah, 2025](#)).

Empirically, the effects of product variety on purchase decisions have been confirmed across multiple Indonesian retail contexts. [Firdiansyah and Prawoto \(2021\)](#) documented significant positive product variety effects on purchase decisions at food and beverage establishments, with variety breadth emerging as the most influential dimension. [Christopher et al. \(2021\)](#) confirmed the relationship at a Singkawang gold jewelry and general merchandise store, noting that variety expansion directly translated into consumer visit frequency and basket size increases. [Imanulah et al. \(2022\)](#) demonstrated comparable effects in a Palembang restaurant chain, with the store image enhanced by variety depth. [Kridaningsih \(2020\)](#) documented significant product variety effects in the nutritional supplement category, providing evidence that the relationship holds across diverse product categories.

H₁: Product variety has a significant positive effect on consumer purchase decisions at Toko Firantika, Mesuji, Lampung Province.

2.3 Price and Purchase Decisions

Price is defined as the monetary value assigned to a product or service, representing the intersection of seller cost recovery, market competitive positioning, and consumer value perception ([Monroe, 1990](#); [Wardoyono, Phoary, Setiawan, & Poernomo, 2025](#)). [Wijayanthi and Dewi \(2022\)](#) conceptualized price as the primary exchange benchmark that consumers use to evaluate product worth. [Hermawan, Permatasari, and Almunir \(2025\)](#) frame the price as a value-exchange mechanism through which goods and services are transacted at specific times and places. [Nasution and Sari \(2025\)](#) identify price as a core component of the marketing mix, whose competitive calibration directly affects profitability and consumer attraction. These complementary definitions collectively position price as both an objective transaction metric and a subjective value signal through which consumers evaluate purchases.

Price influences purchase decisions through several well-documented behavioral mechanisms. In traditional economic terms, lower prices reduce the financial barrier to purchase, increasing demand volume by enabling consumers with price constraints to access products ([Setiawan, Wardhani, & Yanto, 2025](#); [Yustianto & Syarif, 2024](#)). In behavioral economic terms, price perception operates through reference price effects: consumers compare observed prices against stored reference points (prior purchase prices, competitor prices, online prices) to determine whether a price represents a good value, and purchase probability increases when the perceived value relative to the reference price is favorable ([Monroe, 1990](#)). For rural grocery consumers, who typically have constrained and irregular incomes, price affordability constitutes a primary purchase enabler or disabler, making price the most immediately consequential marketing mix variable for store revenue.

The pre-survey finding that 70% of Firantika's customers considered its prices too high, combined with 56.7% finding online prices more competitive, establishes price as the most widely perceived consumer dissatisfaction driver in this study. This pattern is consistent with the broader competitive context: minimarket chains leverage centralized purchasing power and logistics optimization to offer prices that are difficult for independent small-scale retailers to match, whereas online platforms bypass physical overhead costs entirely. To compete effectively on price without sacrificing margin viability, Toko Firantika must either develop supplier negotiation capabilities that reduce input costs or reframe its price-value proposition to emphasize non-price advantages freshness, personalized service, and immediate availability that digital and large-format competitors cannot readily replicate.

The price indicators employed in this study price affordability, price competitiveness, price-quality congruence, and price-benefit alignment were derived from [Darmawan and Arifin \(2021\)](#) and capture the multiple dimensions through which price shapes consumer purchase evaluations in the grocery retail

context. Price affordability is theoretically the most critical indicator for Firantika's predominantly middle-to lower-income consumer base, as it directly determines purchase feasibility. Price competitiveness captures relative value perceptions that emerge from market-level price comparisons, which is the primary driver of customer dissatisfaction documented in the pre-survey.

Empirical support for the price-purchase decision effects in Indonesian retail contexts is extensive and consistent. [Haque \(2020\)](#) documented significant positive price effects on purchase decisions in a product quality and price study on the topic. [Arianto et al. \(2022\)](#) confirmed comparable results for cleaning product brands. [Christopher et al. \(2021\)](#) found both price and product variety jointly significant in a Singkawang retail study. [Wijayanthi and Dewi \(2022\)](#) documented significant price effects in the specialty coffee retail context in Bali. These converging findings across diverse product categories and geographic settings establish price as a robustly significant predictor of purchase decisions in Indonesian consumer markets.

H₂: Price has a significant positive effect on consumer purchase decisions at Toko Firantika, Mesuji, Lampung Province.

2.4 Simultaneous Effects of Product Variety and Price on Purchase Decisions

Marketing mix theory [Armstrong et al. \(2018\)](#), establishes that product and price variables rarely operate independently in consumer decision-making processes. Consumers evaluate retail store attractiveness by simultaneously assessing whether the store offers the products they seek at prices they can afford ([Damanik, Prasetyo, Alie, & Oktaria, 2025](#)). This joint assessment determines whether the store enters the purchase consideration set. A store with an excellent product variety at uncompetitive prices will lose price-sensitive consumers to discount competitors, while a store with competitive pricing but poor product variety will lose consumers whose specific product needs are not met. Optimal purchase decision generation requires adequate calibration of both dimensions.

[Christopher et al. \(2021\)](#) provided direct empirical support for the simultaneous product variety-price effect on purchase decisions in an Indonesian retail context, finding that both variables jointly and significantly predicted purchase decisions with higher explanatory power than either variable alone. [Kridaningsih \(2020\)](#) confirmed the joint effect in a nutritional product retail context in Mojokerto, demonstrating that consumers integrate variety and price signals holistically when evaluating purchase worthiness. [Fadhila et al. \(2022\)](#) documented comparable simultaneous effects in a food retail context, establishing that product variety and price co-determine consumer purchase behavior across diverse Indonesian food and retail market.

H₃: Product variety and price jointly and significantly predict consumer purchase decisions at Toko Firantika, Mesuji, Lampung Province.

2.5 Conceptual Framework

The conceptual framework posits that consumer purchase decisions (Y) at Toko Firantika are a function of product variety (X_1) and price (X_2), both independently and in combination with each other. Product variety influences purchase decisions through consumer choice expansion, stockout reduction, and quality signaling. Price influences purchase decisions through affordability, value perception formation, and competitive comparison outcomes. Together, these two variables define the core value proposition that determines whether consumers commit to purchasing at Firantika or redirect their purchases to competing retail channels. The framework is grounded in consumer behavior theory [Kotler and Keller \(2016\)](#), marketing mix theory [Armstrong et al. \(2018\)](#), and the product variety and pricing literature reviewed above.

3. Methodology

3.1 Research Design and Setting

This study employs a quantitative survey research design to examine the direction, magnitude, and statistical significance of the relationships between product variety, price, and consumer purchase decisions ([Imantoro & Septian, 2024](#); [Sugiyono, 2017](#)). This research was conducted at Toko Firantika, located in the Mesuji District of Lampung Province, Indonesia. This enterprise was selected because of

its documented revenue decline problem that requires evidence-based marketing diagnosis and because its consumer base provides sufficient size for meaningful regression analysis.

3.2 Population and Sampling

The target population comprised all consumers who purchased goods at Toko Firantika. Because the population size was not precisely known, the sample size was determined using Cochran's formula at a 95% confidence level and 10% margin of error:

$$n = Z^2pq / e^2 = (1.96)^2(0.5)(0.5) / (0.10)^2 = 3.8416 \times 0.25 / 0.01 = 96.04 \approx 97 \text{ respondents}$$

The resulting sample of 97 respondents was selected through accidental non-probability sampling; respondents were selected based on their availability at the store during data collection visits and their willingness to participate ([Sugiyono, 2017](#)). All 97 completed questionnaires yielded a 100% response rate.

3.3 Measurement Instruments and Operationalization

Primary data were collected using a structured five-point Likert questionnaire (1 = Strongly Disagree; 5 = Strongly Agree). Table 1 presents the construct operationalization.

Table 1. Variable operationalization

Variables	Construct Definition	Indicators	Source
Product Variety (X_1)	Diversity of product offerings differentiated by size, price tier, presentation, and range	Size variants (small, medium, large); Price-tier variants (budget, standard, premium); Presentation variants (packaging, format, appearance); Product range breadth (number of distinct product categories)	Imanulah et al. (2022) , Christopher et al. (2021) , and Sukotjo and Suleman (2025)
Price (X_2)	Monetary value assigned to products relative to consumer value and competitive benchmarks	Price affordability; Price competitiveness relative to alternatives; Price-quality congruence; Price-benefit alignment (value-for-money)	Monroe (1990) , Darmawan and Arifin (2021) , and Wardoyono et al. (2025)
Purchase Decision (Y)	Consumer's final commitment to purchasing a specific product at Toko Firantika	Product purchase behavior; Brand selection; Channel selection (choosing Firantika over alternatives); Purchase timing; Purchase quantity	Kotler and Keller (2016) , Tumangger et al. (2022) , and Sisman and Muskita (2021)

Validity was confirmed using Pearson's product-moment correlation: all items exceeded the critical r-value threshold ($r > 0.165$ at $n = 100$, $\alpha = 5\%$), confirming construct validity across all indicators. Reliability was confirmed using Cronbach's alpha, with all constructs exceeding the 0.60 threshold.

3.4 Data Analysis Procedure

The analysis was conducted in two stages. In the first stage, three classical assumption diagnostics were conducted: (1) Normality Kolmogorov-Smirnov test on unstandardized residuals; Asymp. Sig. > 0.05 , which confirms normality. (2) Multicollinearity: Variance Inflation Factor (VIF); $VIF < 10$ confirms the absence of multicollinearity. (3) Heteroscedasticity Glejser test regressing absolute residuals on each predictor. > 0.05 indicates homoscedasticity. In the second stage, multiple linear regression was estimated:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \varepsilon \quad (1)$$

Partial t-tests ($\alpha = 0.05$) were used to test H_1 and H_2 . The F-test was used to assess H_3 . R^2 quantifies the explanatory power. All analyses were performed using IBM SPSS Statistics 25.

4. Results and Discussion

4.1 Empirical Context: Sales Revenue Decline

Table 2 documents Toko Firantika's annual sales revenue from 2020 to 2024, establishing the study's empirical motivation. The data show an uninterrupted year-on-year revenue decline, with the rate of deterioration accelerating significantly in 2024 (-13.25% versus -4.33% in 2023). The cumulative revenue loss over the five-year period totaled IDR 225,600,000, a 26.7% reduction from the 2020 base. This revenue trajectory is consistent with a store experiencing structural competitive erosion rather than temporary cyclical disruption, necessitating the diagnosis of the specific marketing mix variables driving customer attrition.

Table 2. Annual sales revenue – Toko Firantika (2020 –2024)

No.	Year	Sales Revenue (IDR)	YoY Change (IDR)	YoY %
1	2020	846,000,000	—	—
2	2021	782,400,000	-63,600,000	-7.52
3	2022	747,600,000	-34,800,000	-4.45
4	2023	715,200,000	-32,400,000	-4.33
5	2024	620,400,000	-94,800,000	-13.25

4.2 Pre-Survey Consumer Satisfaction Assessment

Table 3. Pre-survey results: consumer satisfaction assessment (n = 30 loyal customers)

No.	Statement	Yes (%)	No (%)	Implication
1	Prices set are affordable	30.0	70.0	Critical issue
2	Service quality is satisfactory	53.3	46.7	Moderate
3	Store location is strategic	56.7	43.3	Positive
4	Product variety is diverse	36.7	63.3	Critical issue
5	Many discounts offer available	73.3	26.7	Positive
6	Products reflect current trends	36.7	63.3	Critical issue
7	Prices competitive with online shops	43.3	56.7	Issue

The pre-survey diagnostic revealed two dominant consumer concern categories: price dissatisfaction (70% rated prices as unaffordable; 56.7% found online prices more competitive) and product variety limitations (63.3% found variety insufficient; 63.3% perceived products as outdated). These two dimensions map precisely to the independent variables examined in this study and provide consumer-level validation of the research focus.

4.3 Classical Assumption Test Results

Table 4. Classical assumption diagnostic summary (n= 97)

Test	Method/Statistic	Result	Decision Rule	Conclusion
Normality	Kolmogorov-Smirnov (residuals)	Asymp. Sig. = 0.522	$p > 0.05$	Normal ✓
Multicollinearity (X_1)	VIF	1.010	$VIF < 10$	No MCL ✓
Multicollinearity (X_2)	VIF	1.010	$VIF < 10$	No MCL ✓
Heteroscedasticity (X_1)	Glejser Test (Sig.)	0.182	$p > 0.05$	Homoscedastic ✓
Heteroscedasticity (X_2)	Glejser Test (Sig.)	0.965	$p > 0.05$	Homoscedastic ✓

The normality test returned Asymp. Sig. = 0.522 > 0.05, confirming normally distributed residuals and validating the use of parametric regression analysis. The P-P Plot corroborated this result, with data points consistently tracking the diagonal reference line. The VIF values of 1.010 for both predictors were substantially below the threshold of 10, confirming the absence of multicollinearity; the two predictors were sufficiently independent to generate unbiased partial regression coefficient estimates. Glejser heteroscedasticity test returns significance values of 0.182 (product variety) and 0.965 (price), both above 0.05, confirming homoscedastic error variance and validating standard error reliability for hypothesis testing.

4.4 Multiple Linear Regression Results

Table 5 presents the regression coefficients. The estimated equation is:

$$Y = 45.651 + 0.242X_1 + 0.349X_2 \quad (2)$$

Table 5. Multiple linear regression coefficients (n = 97)

Variables	B	Std. Error	β (Std.)	t	Sig.
Constant	45.651	5.514	—	8.280	0.000
Product Variety	0.242	0.097	0.228	2.499	0.014*
Price	0.349	0.081	0.394	4.324	0.000***

Dependent variable: Purchase Decision (Y). n= 97. $R^2= 0.225$; Adjusted $R^2= 0.209$; $F= 13.675$; $p= 0.000$. * $p < 0.05$; *** $p < 0.001$. VIF: Product Variety = 1.010; Price = 1.010.

Table 6. F-test and coefficient of determination

Source	Sum of Squares	df	Mean Square	F	Sig.
Regression	1,134.156	2	567.078	13.675	0.000***
Residual	3,897.926	94	41.467	—	—
Total	5,032.082	96	—	—	—

$R= 0.475$; $R^2= 0.225$; Adjusted $R^2= 0.209$. *** $p < 0.001$. Predictors: Product Variety, Price.

4.5 Hypothesis Testing and Discussion

4.5.1 H_1 : Effect of Product Variety on Purchase Decisions

The partial t-test for product variety yields $t = 2.499$ (t -table = 1.984; $p = 0.014 < 0.05$), supporting H_1 : product variety significantly and positively affects purchase decisions ($B= 0.242$, $\beta_{std}= 0.228$). A one-unit improvement in product variety perception was associated with a 0.242-unit increase in purchase decision propensity. H_1 is accepted.

The size variant indicator emerged as the most dominant product variety dimension in the present sample, consistent with the grocery staple retail context, where consumers across different household sizes, income levels, and consumption patterns seek specific quantity options. Product size variety creates purchase accessibility by accommodating consumers who cannot afford bulk quantities alongside those who prefer economical packaging a critical inclusivity function for a store serving a predominantly middle-to-lower-income consumer base, as documented in the study context. A consumer who requires only 250 g of chili sauce but finds only 1 kg packaging available faces a practical purchase barrier that product size variety would eliminate.

The 63.3% of pre-survey respondents who rated product variety as insufficient, combined with the 63.3% who found products outdated, suggests two distinct variety inadequacy dimensions at Toko Firantika: breadth inadequacy (insufficient number of product categories or brands) and currency inadequacy (stock not updated to include new product introductions or trend-aligned items). Both dimensions suppress purchase decisions by forcing consumers to seek specific items from competing retailers and, over time, shift their primary shopping destination to stores with more complete and current assortments.

This finding aligns with those of [Firdiansyah and Prawoto \(2021\)](#) and [Christopher et al. \(2021\)](#), who documented positive and significant product variety effects on purchase decisions. The practical implication for Toko Firantika is clear: systematic expansion of product variety, particularly in high-demand staple categories where size options are currently limited, combined with regular stock refreshment to include new product formats, is likely to generate measurable purchase decision improvements and contribute to revenue recovery.

4.5.2 H_2 : Effect of Price on Purchase Decisions

The partial t-test for price yields $t = 4.324$ ($t\text{-table} = 1.984$; $p = 0.000 < 0.001$), providing the strongest individual predictor significance of the two hypotheses: price significantly and positively affects purchase decisions ($B = 0.349$; $\beta = 0.394$). Price is the dominant predictor, both by unstandardized coefficient magnitude (0.349 vs. 0.242) and standardized coefficient ($\beta_{\text{std}} = 0.394$ vs. 0.228), establishing price management as the most critical single lever for improving purchase decisions at Toko Firantika. H_2 is accepted.

Price affordability emerged as the most influential price indicator, consistent with the consumer demographic profile of Mesuji District, where household income constraints make price the primary determinant of purchase feasibility. The positive coefficient direction indicates that higher perceived price favorability whether through lower absolute prices, visible discount offers, or a stronger perceived value for money generates a higher purchase decision propensity. This is theoretically consistent with [Monroe \(1990\)](#) value-based pricing framework: consumers evaluate purchase decisions not merely on the absolute price level but on the perceived ratio of quality received to money paid, and improvements in this ratio increase purchase probability.

The price dominance finding, combined with the pre-survey data showing that 70% of consumers consider Firantika's prices too high and 56.7% find online prices more competitive, creates a clear and urgent management implication: Toko Firantika's pricing strategy requires recalibration. The challenge is that independent small retailers face structural cost disadvantages relative to minimarket chains and online platforms; they cannot achieve the procurement scale economies that enable larger competitors to offer lower prices while maintaining margins. Therefore, the strategic response must focus on (1) identifying specific high-turnover product categories where price competitiveness is most directly compared with online competitors and prioritizing cost reduction or price matching in those categories; (2) expanding and formalizing discount programs that create value perception improvements without requiring across-the-board price reductions; and (3) communicating price-quality value propositions that differentiate Firantika's fresh and locally sourced items from online alternatives.

This finding is consistent with [Haque \(2020\)](#), [Arianto et al. \(2022\)](#), and [Christopher et al. \(2021\)](#), all of whom documented significant positive price effects on purchase decisions in Indonesian retail contexts. Price's consistently significant and often dominant role across studies conducted in different product categories and regions underscores its universal importance as a purchase decision driver in Indonesian consumer markets, particularly in contexts where consumer price sensitivity is elevated by income constraints and competitive pricing from modern retail formats.

4.5.3 H_3 : Joint Effect on Purchase Decisions

The F-test yields $F = 13.675$ ($F\text{-table} = 3.09$; $p = 0.000 < 0.001$), providing statistical support for H_3 : product variety and price jointly and significantly predict purchase decision. The model's $R^2 = 0.225$ indicates that the two predictors collectively explain 22.5% of the variance in purchase decisions, with the remaining 77.5% attributable to factors outside the model.

The relatively modest R^2 (22.5%) is practically significant and theoretically interpretable. In the grocery retail context, purchase decisions are influenced by a wide array of variables beyond product variety and price, including service quality and personal interaction with store staff, physical store environment (cleanliness, organization, lighting), product freshness and quality, location convenience, store reputation and trust accumulated over prior purchase experiences, and promotional communication effectiveness. The pre-survey data suggest that service quality (53.3% satisfaction) and location (56.7%

satisfaction) are performing adequately, meaning their variance contribution to purchase decisions may be positive but relatively uniform across respondents, leaving little discriminating variance for regression attribution. Future research incorporating service quality, location, and promotional variables, alongside product variety and price, would generate a more complete explanatory model.

Despite the modest R^2 , the joint model's statistical significance ($F= 13.675$, $p= 0.000$) confirms that product variety and price are genuine and consequential purchase decision predictors, rather than noise-level associations. The results are consistent with [Christopher et al. \(2021\)](#) and [Kridaningsih \(2020\)](#), both of whom documented significant simultaneous product variety-price effects on purchase decisions in comparable Indonesian retail contexts, confirming that the demand-side dynamics observed at Firantika reflect broader Indonesian retail purchasing patterns rather than idiosyncratic local characteristics.

5. Conclusions

5.1 Conclusion

This study examined the partial and simultaneous effects of product variety and price on consumer purchase decisions at Toko Firantika in Mesuji District, Lampung Province, Indonesia. Data from 97 consumers were analyzed using multiple linear regression, yielding three principal findings. First, product variety significantly and positively affected purchase decisions ($t= 2.499$, $p= 0.014 < 0.05$; $B= 0.242$; $\beta_{std}= 0.228$), supporting H_1 . Product size variety was the most influential indicator, confirming that assortment flexibility, which enables consumers across different household sizes and income levels to find suitable purchase options, is the primary variety-related purchase decision driver. Second, price significantly and positively affects purchase decisions ($t= 4.324$, $p= 0.000$; $B= 0.349$; $\beta_{std}= 0.394$), supporting H_2 . Price is the dominant individual predictor, with affordability being the most salient indicator. The 70% consumer dissatisfaction rate with current pricing documented in the pre-survey underscores the urgency of recalibrating the pricing strategy. Third, product variety and price jointly and significantly explain 22.5% of the purchase decision variance ($R^2= 0.225$; $F= 13.675$, $p= 0.000$), supporting H_3 . The remaining 77.5% reflects additional unmeasured factors, including service quality, physical store environment, location, product freshness, and promotional effectiveness.

5.2 Research Limitations

This study has several limitations that should be acknowledged. First, the sample was selected using an accidental non-probability sampling method, which limits the generalizability of the findings to the broader consumer population in Mesuji District. The respondents' characteristics may not fully represent all demographic segments, and the results may be influenced by situational or temporal factors specific to the data collection period.

Second, the explanatory power of the model is modest, with an R^2 of 0.225, indicating that product variety and price jointly account for only 22.5% of the variance in purchase decisions. Other influential factors such as service quality, store environment, product freshness, promotional strategies, and competitor proximity were not included in the model and may significantly affect consumer behavior.

Third, the study design is cross-sectional, which captures consumer perceptions at a single point in time. This limits the ability to draw causal inferences or assess changes in purchase decisions over time. Longitudinal research would provide more robust insights into how variations in product assortment and pricing strategies influence consumer behavior and revenue outcomes.

Finally, the study focuses on a single retail grocery store, Toko Firantika, in Mesuji District. While the findings provide valuable insights into rural grocery retail in Lampung Province, caution is needed in generalizing results to other stores, regions, or retail formats. Future studies should include multiple outlets across different districts to examine whether the observed effects are consistent and sector-wide.

5.3 Limitations and Future Research Directions

The accidental sampling approach limits the representativeness of the findings and precludes probabilistic inference. Future research should employ systematic random sampling from a consumer

registry to enable broader inferences to the Mesuji District consumer population. The limited R^2 (22.5%) indicates that product variety and price explain only a minority of the purchase decision variance. Future models should incorporate service quality (using SERVQUAL-derived measures), store environment quality, promotional communication effectiveness, and competitor proximity as additional predictors to achieve a more complete explanatory power.

Longitudinal research comparing consumer purchase decisions and revenue outcomes before and after specific product variety expansion or pricing interventions would enable stronger causal inferences and direct cost-benefit assessments of individual marketing mix investments at Toko Firantika. Finally, comparative research across multiple traditional grocery stores in Mesuji and neighboring Lampung districts would enable the identification of whether Firantika's product variety and price challenges are idiosyncratic or representative of a broader sector-level marketing mix misalignment, requiring district-level policy intervention through small retailer support programs.

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