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# The Effect of Price and Product Variants on Snack Purchase Decisions with Buying Interest as an Intervening Variable in Students of Gadingmangu Jombang Islamic Boarding School

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ABSTRACT

This study aims to analyze the effect of price and product variety on snack purchase decisions with buying interest as an intervening variable among students of Gadingmangu Islamic Boarding School, Jombang. This study employs an associative quantitative approach. The population consisted of 4,120 students, with a sample of 98 respondents selected using the Slovin formula and simple random sampling technique. Data were collected through Likert-scale questionnaires (1–5) and analyzed using Partial Least Square (PLS) with SmartPLS 3.0. The results show that: (1) price does not significantly affect purchase decisions ($\beta$=0.086; T=0.964; p=0.336); (2) product variety significantly affects purchase decisions ($\beta$=0.242; T=2.266; p=0.045); (3) price significantly affects buying interest ($\beta$=0.172; T=2.009; p=0.024); (4) product variety significantly affects buying interest ($\beta$=0.241; T=2.319; p=0.021); (5) buying interest significantly affects purchase decisions ($\beta$=0.541; T=6.803; p=0.000); (6) price significantly affects purchase decisions through buying interest ($\beta$=0.131; T=2.020; p=0.044); (7) product variety significantly affects purchase decisions through buying interest ($\beta$=0.130; T=2.358; p=0.019). These findings imply that entrepreneurs in the Islamic boarding school environment should diversify product varieties and stimulate consumer buying interest to enhance purchase decisions.



## INTRODUCTION

Islamic boarding schools are Islamic educational institutions that have a unique ecosystem as a consumer market share. The Gadingmangu Islamic Boarding School, which was established in 1952 in Gadingmangu Village, Perak District, Jombang Regency, is one of the largest Islamic education centers with the number of students reaching 4,120 people in the 2023-2024 school year. The high population of students creates a potential market for snack business actors around the pesantren environment.

Business competition in the pesantren environment is characterized by a gap in the aspect of prices and product variants. For small business actors, fierce price competition can reduce marketability and push sellers out of the market. On the other hand, the diversity of product variants is the key to success in retail competition to increase sales. Competitive pricing policies and diverse product variants are suspected to influence consumer buying interest and ultimately purchasing decisions.

Based on the marketing theory put forward by Rosyad, prices and product variants are factors that are able to influence consumer behavior in making purchases. Prices that suit consumers' abilities and various product variants can increase consumer interest in the products offered. This interest will form buying interest which ultimately encourages a purchase decision. Therefore, buying interest is suspected to play a role as an intervening variable that bridges the influence of prices and product variants on the purchase decision of snacks in students of the Gadingmangu Jombang Islamic Boarding School.

Some previous studies have shown mixed results. Yanti and Budiatmo (2020) found that price has an indirect and significant effect on purchasing decisions through buying interest. Faradila, Kusnadi, and Soeliha (2022) stated that product variants have a significant positive effect on purchasing decisions through buying interest. However, special research in the context of the Islamic boarding school environment is still very limited. Based on this background, this study aims to: (1) examine the influence of price on purchasing decisions; (2) test the influence of product variants on purchase decisions; (3) to test the influence of price on buying interest; (4) testing the influence of product variants on buying interest; (5) test the influence of buying interest on purchase decisions; and (6 & 7) testing the role of buying interest as an intervening variable.

## Literature Review and Problem Formulation

### Pricing

Price is the value of money needed as a medium of exchange to obtain a combination of products and services (Kotler & Armstrong, 2012). Price indicators include price affordability, price suitability with quality, price competitiveness, and price suitability with benefits. Price has a strategic role in influencing consumer purchasing behavior.

### Product variants

A product variant is a specific unit in a brand or product line that is differentiated according to size, price, appearance, or other features (Tjiptono, 2008). Product variant indicators include brand variation, product completeness variation, product size variation, and product quality variation (Kotler, 2015). The variety of products available provides flexibility for consumers to choose according to their needs and preferences.

### Purchase Decision

Purchasing decisions are a process that starts from the identification of needs, information search, evaluation of alternatives, to purchasing decisions (Tjiptono, 2014; Kotler & Keller, 2009). Indicators of purchasing decisions include stability in products, buying habits, giving recommendations to others, and repurchase (Kotler, 2007).

### Buying Interest

Buying interest is a consumer response that arises as a reaction to an object, which reflects the desire to make a purchase (Kotler & Keller, 2009). The AIDA (Attention, Interest, Desire, Action) model describes the process of forming buying interest to purchase decisions. Indicators of buying interest include transactional interest, referential interest, preferential interest, and exploratory interest (Kotler & Keller, 2010).

**Conceptual Framework and Hypothesis**

Based on theoretical studies and previous research, the conceptual framework of this study describes the influence of price (X1) and product variant (X2) on purchasing decisions (Y) either directly or through buying interest (Z) as an intervening variable. The hypotheses proposed are:

H1: Price has a significant effect on the purchase decision.
H2: Product variants have a significant impact on purchasing decisions.
H3: Price has a significant effect on buying interest.
H4: Product variants have a significant effect on buying interest.
H5: Buying interest has a significant effect on the purchase decision.
H6: Price has a significant effect on purchasing decisions through buying interest.
H7: Product variants have a significant effect on purchasing decisions through buying interest.

## METHOD

This research is an associative research with a quantitative approach. The population is all students of the Gadingmangu Jombang Islamic Boarding School which totals 4,120 people. Sampling was done using the Slovin formula with a margin of error of 10% so that a sample of 98 respondents was obtained through a simple random sampling technique. Primary data were collected using a questionnaire with a Likert scale of 1–5 which included price variables (4 indicators), product variants (4 indicators), purchase decisions (4 indicators), and buying interest (4 indicators). The research was carried out in June–July 2023.

Data analysis was conducted using Partial Least Square Structural Equation Modeling (PLS-SEM) with SmartPLS 3.0. Model evaluation includes: (1) outer model—convergent validity test (outer loading > 0.6; AVE > 0.5), discriminant validity (AVE root > correlation between constructs), and multicollinearity test (VIF < 5); (2) reliability tests (Cronbach's Alpha and Composite Reliability > 0.7); (3) inner models—R-square and F-square; and (4) hypothesis test through bootstrapping (T-statistic > 1.96 and P-value < 0.05).

## RESULTS AND DISCUSSION

**Respondent Profiles and Descriptive Statistics**

Of the 98 respondents, 78.5% were female and 21.5% were male. Based on age, the majority were 17 years old (45.9%), followed by 16 years old (29.6%), and 18 years old (15.3%). The results of descriptive statistics showed that the mean value of all indicators ranged from 3.969–4.582 with a standard deviation of 0.493–0.754, indicating that the mean value was greater than the standard deviation so that the data deviation was low and the value distribution was evenly distributed.

**Test Measurement Model (Outer Model)**

The results of the convergent validity test showed that all indicators had an outer loading > 0.5 so that they were declared valid. AVE value on all variables > 0.5 (Price=0.590; Product Variants=0.645; Purchase Decision=0.583; Buying Interest = 0.617), meets the criteria of discriminant validity. The multicollinearity test shows the VIF value of all indicators < 5, so there are no multicollinearity problems. The results of the reliability test are presented in Table 1 below.

**Table 1.** Construct Reliability and Validity Test Results

| Variable | Cronbach's Alpha | rho_A | Composite Reliability | AVE |
|---|---|---|---|---|
| Price (X1) | 0,779 | 0,832 | 0,851 | 0,590 |
| Product Variants (X2) | 0,820 | 0,853 | 0,879 | 0,645 |
| Purchase Decision (Y) | 0,761 | 0,773 | 0,848 | 0,583 |
| Buying Interest (Z) | 0,794 | 0,806 | 0,865 | 0,617 |

Source: SmartPLS 3.0 processed data (2023)

Cronbach's Alpha, rho_A, and Composite Reliability values > 0.7 so that all variables are declared reliable.

**Structural Model Test (Inner Model)**

The results of the R-square test showed an $R^2$ value of the purchase decision (Y) of 0.443 (moderate), meaning that the variables X1 and X2 were able to explain 44.3% of the variation of Y. The $R^2$ value of buying interest (Z) was 0.171 (weak), meaning that X1 and X2 explained 17.1% of the variation Z. The F-square result showed that the influence of Z on Y was 0.436 (large), while the influence of X1 and X2 on Y and Z was relatively small (0.010–0.056).

**Hypothesis testing**

Hypothesis testing was carried out through bootstrapping resampling. The results of direct effects are presented in Table 2 and indirect effects in Table 3.

**Table 2.** Direct Effect Test Results

| Pathway | β (O) | T-Statistic | P-Value | Verdict |
|---|---|---|---|---|
| Price (X1) → Purchase Decision (Y) | 0,086 | 0,964 | 0,336 | Rejected |
| Product Variant (X2) → Purchase Decision (Y) | 0,242 | 2,266 | 0,045* | Accepted |
| Price (X1) → Buying Interest (Z) | 0,172 | 2,009 | 0,024* | Accepted |
| Product Variants (X2) → Buying Interest (Z) | 0,241 | 2,319 | 0,021* | Accepted |
| Buying Interest (Z) → Purchase Decision (Y) | 0,541 | 6,803 | 0,000* | Accepted |

**significant at p < 0.05 | Source: SmartPLS 3.0 processed data (2023)*

**Table 3.** Indirect Effect Test Results

| Pathway | β (O) | T-Statistic | P-Value | Verdict |
|---|---|---|---|---|
| Price (X1) → Buying Interest (Z) → | 0,131 | 2,020 | 0,044* | Accepted |

| Pathway | β (O) | T-Statistic | P-Value | Verdict |
|---|---|---|---|---|
| Purchase Decision (Y) | | | | |
| Product Variant (X2) → Buying Interest (Z) → Purchase Decision (Y) | 0,130 | 2,358 | 0,019* | Accepted |

**significant at p < 0.05 | Source: SmartPLS 3.0 processed data (2023)*

## Discussion

### Price and Purchase Decision (H1 Declined)

Price had no significant effect on the purchase decision (β=0.086; p=0.336). This finding is due to market conditions in the Gadingmangu Islamic Boarding School environment which resembles a perfect competition market, where many sellers offer snacks at relatively cheap prices. As a result, price is no longer the main determining factor of a purchase decision. These results are in line with Mandey (2013) and Rosdiana et al. (2018) who found that price has no significant effect on purchasing decisions.

### Product Variants and Purchase Decisions (H2 Accepted)

Product variants had a positive and significant effect on purchase decisions (β=0.242; p=0.045). The more diverse the product variants available, the higher the purchasing decision for students. These results are consistent with Tobing and Setiawan (2020) and Kridaningsih (2020) who emphasized that product variants have a significant effect on purchasing decisions.

### Price and Purchase Interest (H3 Accepted)

Price has a positive and significant effect on buying interest (β=0.172; p=0.024). Although it does not directly affect purchase decisions, competitive prices have proven to be able to arouse consumer buying interest. These results are in accordance with Irawan (2020) and Yanti and Budiatmo (2020).

### Product Variants and Purchase Interest (H4 Accepted)

Product variants had a positive and significant effect on buying interest (β=0.241; p=0.021). The diversity of products encourages consumers to be interested and interested in buying. These findings are consistent with Afriyanti and Rahmidani (2019) and Wijayasari and Mahfudz (2018).

### Buying Interest and Purchase Decision (H5 Received)

Buying interest has a positive and significant effect on purchase decisions (β=0.541; p=0.000) with an F-square value of 0.436 (large). The buying interest variable was the strongest predictor in this model, confirming that students' purchasing decisions were strongly driven by previously formed interests. These results are in line with Putra et al. (2022) and Alfatiha and Budiatmo (2020).

### The Role of Buying Interest Mediation (H6 and H7 Accepted)

Price had a significant effect on purchasing decisions through buying interest (β=0.131; p=0.044), as well as product variants (β=0.130; p=0.019). These findings indicate that buying interest partially mediates the influence of price and product variants on purchasing decisions. This means that even though the price does not directly affect the purchase decision, the price can still drive the purchase decision indirectly through the formation of buying interest. These results are consistent with Sakinah and Firmansyah (2021) and Masga et al. (2022).

## CONCLUSION

This study concludes that: (1) price does not have a direct effect on the decision to purchase snacks for students; (2) product variants have a positive and significant effect on purchase decisions; (3) price has a positive and significant effect on buying interest; (4) product variants have a positive and significant effect on buying interest; (5) buying interest has a positive and significant effect on the purchase decision; (6) price affects the purchase decision indirectly through buying interest; and (7) product variants affect purchase decisions indirectly through buying interest.

Managerial implications of this study: business actors in the Islamic boarding school environment are advised to (1) implement competitive but still profitable pricing because prices affect buying interest even though they are not directly on purchase decisions; and (2) differentiating products by multiplying variants—taste, size, brand, and quality—because product variants are key factors in increasing both buying interest and purchase decisions. Further research is suggested to explore other factors such as promotion, quality of service, and brand image in similar contexts.

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