

A CORRELATIONAL STUDY BETWEEN PRODUCT INNOVATION, PRICE, PURCHASE INTENTION, AND PURCHASING DECISIONS AT RANTO KAYU FURNITURE IN RANTAUPRAPAT

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ABSTRACT

This study examines the direct and indirect effects of product innovation and price on purchasing decisions, with purchase intention as a mediating variable among consumers of Ranto Kayu Furniture in Rantauprapat. A quantitative approach with an associative design was employed. Data were collected through questionnaires administered to 100 respondents selected using purposive sampling. The data were analyzed using path analysis and the Sobel test to assess the mediating role of purchase intention. The findings reveal that product innovation and price significantly influence purchase intention. In addition, both variables, along with purchase intention, have a significant effect on purchasing decisions. Among the examined variables, purchase intention demonstrates the strongest contribution to purchasing decisions. Furthermore, the Sobel test confirms that purchase intention significantly mediates the relationship between product innovation and price on purchasing decisions. These results suggest that enhancing product innovation and implementing appropriate pricing strategies are essential to strengthening consumers' purchase intention, which ultimately leads to higher purchasing decisions.

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INTRODUCTIONS

The development of the furniture industry in Indonesia has experienced significant growth in line with increasing consumer demand for household products. In the context of globalization, shifts in consumption patterns indicate that consumers are no longer solely focused on basic needs, but also on comfort, aesthetics, and functional value in supporting daily activities (Dewi et al., 2024). This phenomenon reflects the relevance of consumer behavior theory, which explains that purchasing decisions are the result of a structured process involving problem recognition, information search, evaluation of alternatives, and post-purchase evaluation. In the furniture sector, this process

becomes more complex due to the relatively high value of products, requiring consumers to carefully evaluate multiple attributes such as design, material quality, and price before making a decision (Ariani & Burhan, 2024).

From a theoretical perspective, consumer decisions are influenced by both internal and external factors, including marketing stimuli such as product innovation and price. The diffusion of innovation theory highlights that innovation plays a crucial role in shaping consumer acceptance, where products with higher relative advantage, compatibility, and observability are more likely to be adopted (Rogers) (Kesuma, 2023). In the furniture industry, innovation may take the form of new designs, improved materials, or additional features that enhance product value. At the same time, price and value theory emphasizes that consumers evaluate products based on perceived value, which is the balance between benefits and costs (Pujiati et al., 2023). Therefore, the alignment between innovation and pricing becomes a key determinant in influencing consumer responses.

Empirically, previous studies have identified product innovation and price as significant factors affecting purchase intention and purchasing decisions (Gufro et al., 2024). Product innovation increases attractiveness and differentiation, while competitive pricing enhances perceived value and affordability (Kotler & Armstrong, 2021). In addition, purchase intention is widely recognized as a psychological construct that bridges marketing stimuli and actual purchasing behavior (Schiffman & Kanuk, 2020). Consumers with strong purchase intention are more likely to proceed to the final stage of purchasing decisions, as explained in consumer behavior theory (Marnoto et al., 2022).

However, despite the established relationships among these variables, prior research tends to examine them in a partial and direct manner. Many studies focus on the direct influence of product innovation and price on purchasing decisions, while the mediating role of purchase intention is not consistently explored (Efendi et al., 2025). Even when purchase intention is included, the findings remain inconclusive, indicating variations across different contexts, industries, and consumer characteristics. This suggests that the theoretical linkage between innovation, price, and decision-making behavior has not been fully validated in all settings.

Furthermore, most existing studies are conducted in general retail or fast-moving consumer goods sectors, with limited attention given to the furniture industry, particularly at the local business level (Marnoto et al., 2022). This is important because furniture products involve higher financial commitment and longer usage periods, which may lead to different consumer decision-making patterns compared to other product categories (Schiffman & Kanuk, 2020). Additionally, local market conditions, such as consumer purchasing power and regional preferences, are rarely incorporated into previous analyses, creating a contextual gap in the literature.

Ranto Kayu Furniture, a wooden furniture business located in Rantauprapat, represents a relevant context to examine these issues. The company has implemented strategies such as product design innovation and competitive pricing to attract consumers. However, fluctuations in sales performance indicate that these strategies may not have consistently translated into purchasing decisions. This condition suggests that there may be an underlying mechanism, particularly related to consumer psychological factors, that has not been fully optimized.

Based on the theoretical and empirical gaps identified, this study addresses the lack of comprehensive understanding regarding the mediating role of purchase intention in the relationship between product innovation, price, and purchasing decisions within the furniture industry. The novelty of this research lies in integrating consumer behavior theory, diffusion of innovation theory, and price-value theory into a unified model tested in a local furniture business context. Therefore, this study aims to analyze the effect of product innovation and price on purchasing decisions, with purchase intention as an intervening variable among consumers of Ranto Kayu Furniture in Rantauprapat.

RESEARCH METHODS

This study employs a quantitative approach with an associative (correlational) research design aimed at analyzing the relationships among product innovation, price, purchase intention, and consumer purchasing decisions. A quantitative approach is used as this study measures relationships between variables using numerical data, which are analyzed through statistical techniques to test the proposed hypotheses (Sugiyono, 2018).

This research was conducted on consumers of Ranto Kayu Furniture, located at Jalan Perdamaian No. 22B, Labuhan Batu Regency, North Sumatra Province, Indonesia. The study was carried out in 2025 (October-February). The population in this study includes all consumers who have purchased products from Ranto Kayu Furniture. Since the exact population size is unknown due to the absence of a comprehensive customer database, this study applies non-probability sampling using a purposive sampling technique. This approach was chosen to ensure that respondents have relevant experience with the research object. The criteria for respondents are: (1) at least 17 years old, and (2) having purchased Ranto Kayu Furniture products at least once.

The sample size was determined using the Lemeshow formula, which is appropriate for studies with unknown populations. Using a 95% confidence level, proportion of 0.5, and margin of error of 10%, the minimum sample size was 96 respondents. This study used 100 respondents to improve data reliability. This study uses quantitative data derived from primary and secondary sources. Primary data were collected through questionnaires, while secondary data were obtained from books, scientific journals, and relevant documents.

Data were collected using a structured questionnaire measured on a five-point Likert scale (1 = strongly disagree to 5 = strongly agree). Each item was developed based on variable indicators and presented as statements reflecting respondents' perceptions and experiences. The study consists of independent variables (product innovation and price), an intervening variable (purchase intention), and a dependent variable (purchasing decision). Each variable was operationalized into measurable indicators and translated into questionnaire items.

Product innovation was measured through design novelty, quality improvement, and additional features. Price was measured through affordability, price-quality suitability, and competitiveness. Purchase intention included transactional, referential, exploratory, and preferential intentions. Purchasing decision was measured through product choice stability, main product selection, purchase location, and timing. Each indicator was represented by several statement items.

Data analysis included descriptive analysis, validity testing using Product Moment correlation, and reliability testing using Cronbach's Alpha. Classical assumption tests (normality, multicollinearity, and heteroscedasticity) were conducted prior to hypothesis testing. Hypotheses were tested using path analysis to examine direct and indirect effects. The structural equations are:

$$Z = \beta_1 X_1 + \beta_2 X_2 + \varepsilon_1$$

$$Y = \beta_3 X_1 + \beta_4 X_2 + \beta_5 Z + \varepsilon_2$$

The mediating effect of purchase intention was tested using the Sobel test to determine the significance of indirect relationships.

RESULTS AND DISCUSSION

Results

Descriptive Analysis

Table 1 presents the results of the descriptive analysis.

Table 1. Descriptive Analysis Results

No	Variable	Number of Items	Mean	Standard Deviation	Category
1	Product Innovation (X1)	5	4.12	0.56	High
2	Price (X2)	5	3.98	0.61	High
3	Purchase Intention (Z)	5	4.05	0.58	High
4	Purchasing Decision (Y)	5	4.10	0.54	High

Based on Table 1, all research variables fall into the high category. Product innovation has the highest mean score, indicating that consumers perceive Ranto Kayu Furniture products as having strong novelty and quality. The variables of price, purchase intention, and purchasing decision also show positive evaluations, suggesting that consumers have favorable perceptions of product value and confidence in making purchasing decisions.

Reliability Test

Table 2. Reliability Test Results

No	Variable	Number of Items	Cronbach's Alpha	Description
1	Product Innovation (X1)	5	0.812	Reliable
2	Price (X2)	5	0.784	Reliable
3	Purchase Intention (Z)	5	0.826	Reliable
4	Purchasing Decision (Y)	5	0.801	Reliable

All variables have Cronbach's Alpha values greater than 0.70, indicating that the research instruments have good internal consistency and are reliable for use.

Normality Test

Table 3. Normality Test Results

Variable	Asymp. Sig. (2-tailed)	Description
Product Innovation (X1)	0.200	Normal
Price (X2)	0.176	Normal
Purchase Intention (Z)	0.200	Normal
Purchasing Decision (Y)	0.189	Normal

The results show that all variables have significance values greater than 0.05, indicating that the data are normally distributed.

Multicollinearity Test

Table 4. Multicollinearity Test Results

Variable	Tolerance	VIF	Description
Product Innovation (X1)	0.624	1.603	No multicollinearity
Price (X2)	0.624	1.603	No multicollinearity
Purchase Intention (Z)	0.587	1.703	No multicollinearity

The results indicate no multicollinearity issues, as tolerance values are greater than 0.10 and VIF values are below 10.

Heteroscedasticity Test

Table 5. Heteroscedasticity Test Results

Variable	Sig.	Description
Product Innovation (X1)	0.284	No heteroscedasticity
Price (X2)	0.317	No heteroscedasticity
Purchase Intention (Z)	0.261	No heteroscedasticity

The regression model is free from heteroscedasticity, as all significance values exceed 0.05.

Path Analysis

Substructure I

$$Z = 0.412X1 + 0.365X2 + \epsilon_1$$

Table 6. Substructure I Results

Variable	Coefficient (β)	Sig.	Description
Product Innovation (X1)	0.412	0.000	Significant
Price (X2)	0.365	0.001	Significant

$$R^2 = 0.521$$

This indicates that product innovation and price have a positive and significant effect on purchase intention.

Substructure II

$$Y = 0.248X_1 + 0.231X_2 + 0.421Z + \varepsilon_2$$

Table 7. Substructure II Results

Variable	Coefficient (β)	Sig.	Description
Product Innovation (X1)	0.248	0.000	Significant
Price (X2)	0.231	0.001	Significant
Purchase Intention (Z)	0.421	0.000	Significant

$$R^2 = 0.604$$

This result shows that the independent variables explain 60.4% of the variance in purchasing decisions.

Sobel Test (Mediation Test)

Table 8. Sobel Test Results

Relationship	Sobel Z	Sig.	Description
X1 → Z → Y	3.87	0.000	Significant
X2 → Z → Y	3.42	0.001	Significant

These results indicate that purchase intention significantly mediates the relationship between product innovation and price on purchasing decisions.

Discussion

The Effect of Product Innovation on Purchase Intention

The finding that product innovation significantly influences purchase intention can be understood in the context of Ranto Kayu Furniture's market characteristics. As a furniture business that operates in a highly competitive and design-sensitive industry, consumers tend to evaluate products not only based on functionality but also on aesthetic value and uniqueness (Saputra & Bahrun, 2023). Product innovation, particularly in terms of design novelty and additional features, provides differentiation that attracts consumer attention and stimulates curiosity. In this context, innovation reduces consumer uncertainty and enhances perceived product attractiveness, thereby encouraging a stronger intention to purchase (Fajriati & Megawati, 2021). Moreover, consumers of furniture products often seek items that reflect personal identity and lifestyle preferences, making innovative designs more appealing. Therefore, the positive effect of product innovation on purchase intention reflects the role of innovation as a key driver of perceived value and emotional engagement in the furniture market.

The Effect of Price on Purchase Intention

The positive influence of price on purchase intention indicates that consumers of Ranto Kayu Furniture perceive the pricing strategy as reasonable and aligned with the value offered. In the furniture industry, price is not merely interpreted as a cost but also as a signal of quality and durability (Haloho et al., 2024; Silalahi et al., 2021). When prices are perceived as fair and consistent with product quality, consumers are more confident in their evaluation, which increases their intention to purchase. In the case of Ranto Kayu Furniture, the alignment between price and perceived product benefits such as material quality, craftsmanship, and design likely strengthens consumer trust. Additionally, consumers may compare prices with competing furniture providers, and when Ranto Kayu Furniture is perceived as competitively priced, it further enhances purchase intention. Thus, price functions not only as an economic consideration but also as a psychological cue influencing consumer perception (Murdani & BR, 2023).

The Effect of Product Innovation and Price on Purchasing Decisions

The significant effects of product innovation and price on purchasing decisions suggest that consumers integrate both functional and economic considerations when making final purchase choices. In the context of Ranto Kayu Furniture, consumers are likely to conduct a comprehensive evaluation process before deciding to buy, especially because furniture is categorized as a relatively high-involvement product. Product innovation contributes

to the perceived uniqueness and desirability of the product, while price determines whether the product is financially justifiable. The interaction between these two factors creates a value assessment framework in the minds of consumers (Pratama & Sari, 2023). When innovative products are offered at prices perceived as reasonable, consumers are more likely to proceed from evaluation to actual purchase (Rahman, 2022). This finding indicates that purchasing decisions are not driven by a single factor but by the alignment between product attributes and pricing strategy.

The Effect of Purchase Intention on Purchasing Decisions

The finding that purchase intention is the most dominant factor influencing purchasing decisions highlights the critical role of psychological readiness in consumer behavior. In the case of Ranto Kayu Furniture, purchase intention reflects the culmination of consumers' evaluations of product innovation and price. When consumers develop a strong intention to purchase, they are more likely to translate that intention into actual buying behavior (Suharyadi et al., 2022). This is particularly relevant for furniture products, where the decision-making process often involves careful consideration and planning (Febriansyah & Maswardi, 2025). A high level of purchase intention indicates that consumers have reached a level of confidence and preference toward the product, reducing hesitation and increasing the likelihood of purchase realization (Dewi et al., 2024). Therefore, purchase intention acts as a proximal determinant that directly drives purchasing decisions.

The Role of Purchase Intention as an Intervening Variable

The mediating role of purchase intention demonstrates that the effects of product innovation and price on purchasing decisions are not entirely direct but are transmitted through consumers' internal evaluation processes. In the context of Ranto Kayu Furniture, product innovation and price first shape consumers' perceptions and attitudes, which are then reflected in their level of purchase intention (Nabawi & Abdillah, 2025). This intention subsequently influences the final purchasing decision. This finding suggests that even if a product is innovative and priced appropriately, it will not necessarily lead to a purchase unless it successfully generates consumer interest and intention. Therefore, purchase intention serves as a critical psychological bridge linking marketing stimuli to actual consumer behavior. This highlights the importance for Ranto Kayu Furniture not only to focus on product and pricing strategies but also to ensure that these strategies effectively stimulate consumer interest and engagement

CONCLUSION

This study confirms that product innovation and price play a crucial role in shaping purchasing decisions, both directly and indirectly through purchase intention. Among these variables, purchase intention emerges as the most decisive factor in translating consumer evaluations into actual buying behavior. This indicates that consumers of Ranto Kayu Furniture do not only rely on product attributes and pricing considerations but also on their level of interest and readiness to purchase.

The practical implication of this study is that Ranto Kayu Furniture should prioritize continuous product innovation and maintain pricing strategies that are aligned with perceived value. More importantly, these efforts must be directed toward strengthening consumers' purchase intention, as it serves as the key mechanism driving purchasing decisions.

Recommendations

Based on the findings of this study, several recommendations can be proposed. First, for Ranto Kayu Furniture, it is recommended to continuously improve product innovation in terms of design, material quality, and product functionality in order to enhance product attractiveness and consumer purchase intention. In addition, the company should implement competitive pricing strategies that align with product quality to strengthen perceived value among consumers.

Second, for future researchers, it is recommended to extend this study by incorporating additional variables that may influence purchasing decisions, such as service quality, promotion, and brand image, as well as employing more advanced analytical methods. Future studies may also be conducted in different objects and locations to obtain more generalizable and comprehensive findings.

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