

The Effects of Perceived Product Assortment Quality and Price Fairness on Repurchase Intention: The Mediating Role of Perceived Value among Indomilk Consumers in Surabaya

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ABSTRACT

This study seeks to identify the implications of perceived product assortment quality (PAQ) and price fairness (PF) on consumer's repurchase intention (RI) toward branded dairy products, with perceived value (PV) acting as a mediating variable. Using a value-based consumer behavior framework, the research focuses on Indomilk as a major player in Indonesia's competitive dairy market. A structured survey employing a five-point Likert scale was administered to 109 respondents, and the data were subsequently analyzed through structural equation modeling (SEM) using SmartPLS 3 software. The outcomes demonstrate that perceived PAQ and PF significantly enhance PV. However, PAQ does not directly influence RI, indicating a fully mediated effect through PV. In contrast, PF affects RI both directly and indirectly. The findings emphasize the central role of PV in sustaining repurchase behavior and offer strategic insights for value-oriented assortment and pricing decisions in the dairy industry

INTRODUCTION

The dairy industry constitutes a vital component of the fast-moving consumer goods (FMCG) sector, particularly in developing economies where nutritional awareness and urban consumption patterns continue to expand. Milk is widely recognized as a nutritionally essential product, providing high-quality protein, calcium, and micronutrients that support growth, immunity, and overall health (Kourkouta Lambrini et al., 2020). In Indonesia, increasing health consciousness, combined with improved access to modern retail channels, has led to sustained growth in packaged milk consumption, especially in metropolitan areas (Rizky et al., 2019).

As competition intensifies within the dairy market, firms are required to move beyond basic product availability and focus on how consumers perceive the relevance and usefulness of their offerings. Product assortment has long been regarded as a core marketing strategy; however, contemporary consumer behaviour research emphasizes that more product options do not necessarily lead to better consumer evaluations. Consumers tend to respond more positively when they perceive the product assortment as high in quality, particularly in terms of the relevance, organization, and alignment of available options with their preferences (Broniarczyk & Hoyer, 2010; Chernev, 2003). This perspective shifts the focus from the quantity of product variations to consumers' subjective assessment of assortment meaningfulness.

In dairy-related markets, the perceived quality of the product assortment (PAQ) is a key determinant. Milk products often serve routine and functional consumption purposes, making consumers particularly sensitive to whether available variants, such as flavours, packaging sizes, and nutritional formulations, which match their daily consumption patterns. A well-curated assortment that simplifies choice and fits consumer expectations can enhance product evaluation, reduce decision fatigue, and foster favourable post-purchase attitudes.

Alongside assortment considerations, price fairness (PF) represents another critical determinant of consumer responses in price-sensitive FMCG markets. PF captures how consumers interpret the appropriateness of a product's price by considering the value they receive and how the price stands relative to competing alternatives (Kotler & Armstrong, 2012). Consumers who regard prices as equitable are more inclined to form trust and positive brand evaluations; in contrast, perceived price unfairness can weaken perceived value (PV) and stimulate intentions to change brands.

Notably, PAQ and PF seldom exert a direct influence. Existing studies consistently indicate that these marketing-related cues shape behavioral outcomes indirectly by enhancing perceived value, which reflects consumers' holistic evaluation of a product's usefulness derived from balancing perceived benefits against perceived costs. (Zeithaml, 1988). In markets where functional product attributes are relatively comparable across brands, PV a central mechanism that translates assortment and pricing perceptions into long-term consumer behaviour (Shriedeh & Hanaysha, 2024).

One of the central strategic outcomes associated with PV is repurchase intention (RI), reflecting consumers' tendency to remain loyal by continuing to

purchase the same brand (Guo & Li, 2022; Lu et al., 2022; Lui, 2024; Moon & Ji, 2023). RI goes beyond initial purchase decisions by capturing the sustainability of consumer-brand relationships and the firm's ability to retain customers in competitive markets (Lin et al., 2022). For established brands, maintaining RI is essential for long-term market stability and profitability, particularly in industries characterized by high brand substitutability (Lui, 2024; Muthi & Utama, 2023).

Within the Indonesian dairy industry, Indomilk produced by PT Indolakto, represents a long-established brand with extensive market penetration and a broad product portfolio. Despite strong brand recognition, Indomilk operates in an increasingly competitive environment marked by intense rivalry from both domestic and international dairy brands offering similar product categories and price ranges (Rizky et al., 2019). Ongoing shifts in the marketplace reveal that loyalty among consumers can no longer be taken for granted, thereby emphasizing the importance of understanding consumers' assessments of assortment quality (Hanaysha, 2022; Xhema et al., 2018) and PF (Bei & Chiao, 2006; Moon & Ji, 2023; Özkan et al., 2020), and how these evaluations shape PV and RI (Marakanon & Panjakajornsak, 2017).

Although previous studies have examined factors influencing dairy product purchasing behaviour, several research gaps remain. First, many studies focus on product variety in quantitative terms, overlooking consumers' qualitative perceptions of assortment relevance and structure. Second, research integrating PAQ and PF within a value-based framework remains limited, particularly in the dairy sector. Third, empirical investigations that link these variables to RI, rather than initial purchase decisions, are still scarce in the context of urban Indonesian markets such as Surabaya.

Addressing these gaps, the present study seeks to analyze the effects of PAQ and PF on consumers' RI for Indomilk milk in Surabaya by incorporating perceived value (PV) as an intervening variable. Specifically, this research seeks to analyze: (1) the effect of PAQ on PV, (2) the effect of PF on PV, (3) the influence of PV on RI, and (4) the mediating role of PV in linking assortment quality and PF to RI.

The outcomes demonstrate to contribute theoretically by refining consumer behaviour models through a value-based and perception-driven approach, and practically by offering strategic insights for dairy producers in designing product assortments and pricing strategies that foster sustained consumer loyalty in competitive urban markets.

LITERATURE REVIEW

Perceived Product Assortment Quality

Perceived product assortment quality (PAQ) refers to consumers' evaluation of how well a retailer's or manufacturer's offered assortment matches their needs, not merely the number of choices, but the *relevance, coherence and structure* of options (i.e., "well-curated" assortments) (Broniarczyk & Hoyer, 2010; Hanaysha et al., 2025; Shriedeh & Hanaysha, 2024). Recent empirical work emphasizes that assortment evaluations shape customers' cognitive appraisal of choice environments and influence downstream judgments such as perceived utility and satisfaction (Mujiyanto et al., 2023). Studies in retail and e-commerce contexts show that product assortment (when perceived as relevant and easy-to-navigate) increases PV and customer happiness, which in turn strengthens loyalty outcomes (Hanaysha et al., 2025). For packaged dairy (a routine, functional purchase), PAQ matters because consumers prefer assortments that reduce decision cost (clear flavor/size segments, child vs adult formulations) and signal functional fit, which conditions that promote stronger value perceptions and habitual re-buying (Allothman et al., 2019). Recent empirical studies find that well-structured and relevant assortments enhance customers' utilitarian and hedonic appraisals, increasing overall PV (Shriedeh & Hanaysha, 2024).

From that logic we derive the following testable hypotheses: PV is positively impacted by PAQ (H1), and PAQ directly improves RI (H2).

Price Fairness

Price fairness (PF) denotes consumers' subjective judgment that a price is reasonable, equitable, and justified relative to benefits, alternatives, and reference prices (Alderighi et al., 2022; Moon & Ji, 2023). Recent research (across hospitality, retail and e-commerce) demonstrates that perceived price unfairness erodes value perceptions and trust, while perceived PF supports satisfaction and repeat purchases. Pricing methods, including unpredictability and transparency, have a significant impact on fairness perceptions and subsequent loyalty behaviors, according to empirical analysis employing sizable observational and experimental datasets (Alderighi et al., 2022). In price-sensitive FMCG markets, consumers often evaluate whether the price "fits" nutritional benefits, packaging convenience, and competing offers (Mujiyanto et al., 2023). PF is therefore expected to be a salient antecedent of PV and repurchase behaviour for a mass brand like Indomilk.

From that logic we derive the following testable hypotheses: PV is positively impacted by PF (H3), and PF positively improves consumers' RI (H4).

Perceived Value

Perceived value (PV) is the consumer's overall trade-off evaluation between what's acquired (benefits: quality, convenience, assortment relevance) and what is provided (costs: price, effort) (Kim et al., 2023; Lou et al., 2022; Supraptiningsih, 2025; Zang et al., 2022). Contemporary empirical studies treat PV as a multidimensional construct (utilitarian, hedonic, social, quality/price dimensions) and show its central mediating role between marketing inputs (assortment, service quality, PF) and loyalty outcomes (RI, word-of-mouth). Recent cross-sector studies confirm PV's mediating position: product assortment and website/store cues increase PV, which then drives loyalty/repurchase (Lou

et al., 2022). Because many dairy brands deliver similar functional benefits, consumers' *PV* (how they appraise trade-offs among variety, nutrition, and PF) is the cognitive mechanism most likely to connect PAQ and pricing judgments with sustained RIs.

From that logic we derive the following testable hypotheses:

H5. *PV* has a positive effect on consumer's RI.

Repurchase Intention

Customers' propensity to repurchase the same brand or product is determined by Repurchase Intention (RI), which is a more accurate gauge of relationship durability than one-time purchases and a forward-looking sign of loyalty. Empirical work across retail and FMCG contexts consistently finds that *PV* (and fairness perceptions) are robust predictors of RI often via satisfaction and trust as additional mediators (Lou et al., 2022). Measuring RI (rather than single purchase) aligns the research with strategic goals for established mass brands such as Indomilk, where repeat buying is the core business objective.

The conceptual argument of this study is straightforward: PAQ and PF are antecedent marketing perceptions; they shape *PV*, and *PV* explains consumers' RI. This corresponds to consumer value theory and recent empirical findings that treat *PV* as the mediating mechanism between marketing stimuli and loyalty outcomes (Lou et al., 2022).

From that logic we derive the following testable hypotheses: *PV* serves as a mediating mechanism linking PAQ to RI (H6), and PF to RI (H7).

Conceptual Framework

The structure of concepts of this study is grounded in a value-based perspective of consumer behaviour, which assumes that consumers' behavioural intentions are shaped by their subjective evaluations of marketing stimuli. In this model, PAQ and PF are positioned as key antecedent variables that reflect consumers' evaluations of product availability and pricing practices. Such perceptions are anticipated to shape *PV*, defined as consumers' comprehensive evaluation of the benefits obtained in comparison to the costs they bear.

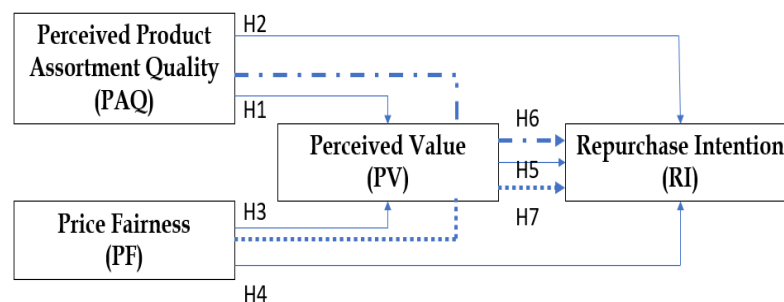


Figure 1. Conceptual Framework

PV is conceptualized as a mediating variable that explains how assortment-related and pricing-related perceptions are translated into RI. Rather than responding directly to PAQ or PF, consumers are assumed to form RI after evaluating the overall value offered by the product. Pertaining to this viewpoint, the framework proposes that favorable evaluations of PAQ and PF increase *PV*, thereby fostering stronger RI. The model promotes a more thorough knowledge

of repurchase behavior and its connection to long-term loyalty by focusing on PV.

METHODOLOGY

Proposed Method

This study applied a quantitative framework to systematically examine the antecedents of RI of Indomilk's buyer on PAQ and PP mediated by PV. By employing a structured questionnaire to measure all research constructs. The instrument was developed based on validated scales from recent empirical studies and adapted to the context of branded dairy products. Each item was evaluated on a five-point Likert scale anchored by 1 (strongly disagree) and 5 (strongly agree), which is widely accepted in consumer behaviour research for capturing perceptual and attitudinal responses.

All scale items underwent careful modification prior to data collection to improve comprehensibility and contextual fit while retaining their original theoretical meaning and content validity..

Operational Definition

Perceived Product Assortment Quality

In this study, PAQ is operationalized as consumers' perceptions of the relevance, completeness, clarity, and usefulness of Indomilk's product assortment in meeting their consumption preferences. Adapted from recent retail and assortment evaluation studies (e.g., Broniarczyk & Hoyer-inspired extensions; Shriedeh et al., 2024):

1. **PAQ1:** Indomilk offers product variants that match my consumption needs.
2. **PAQ2:** The available Indomilk product options are well-organized and easy to choose from.
3. **PAQ3:** The variety of Indomilk products feels relevant rather than excessive.
4. **PAQ4:** Indomilk's product assortment makes it easy for me to find the product I want.

Price Fairness

In this research, PF is measured as consumers' assessment of whether Indomilk's prices are appropriate relative to product quality, nutritional value, and market competition. Adapted from recent PF and consumer evaluation research (Alderighi et al., 2022; Moon, 2023):

1. **PF1:** The price of Indomilk products is reasonable considering their quality.
2. **PF2:** Indomilk's prices are fair compared to similar milk brands.
3. **PF3:** I feel that what I pay for Indomilk is justified by the benefits I receive.
4. **PF4:** Indomilk does not charge prices that feel excessive or unfair.

Perceived Value

In this study, PV represents consumers' holistic assessment of Indomilk products, considering functional benefits, quality, assortment relevance, and PF. Adapted from recent multidimensional value studies (Lou et al., 2022; Yum, 2024):

1. **PV1:** Overall, Indomilk provides good value for the money.
2. **PV2:** Considering what I get and what I pay, Indomilk is a worthwhile choice.
3. **PV3:** Indomilk products offer benefits that justify their price.

4. **PV4:** Compared to other brands, Indomilk delivers strong overall value.

Repurchase Intention

In this research, RI reflects consumers' intention to continue purchasing Indomilk products rather than switching to alternative milk brands. Adapted from recent loyalty and RI studies (Shriedeh et al., 2024; Moon, 2023):

1. **RI1:** I intend to continue buying Indomilk products in the future.
2. **RI2:** Indomilk would be my first choice when purchasing milk again.
3. **RI3:** I am likely to repurchase Indomilk rather than switch to another brand.
4. **RI4:** I would consider Indomilk for my regular milk consumption.

Instrument Validation and Reviewer Alignment Rationale

To strengthen methodological rigor and ensure consistency with current international journal standards, the measurement instruments employed in this study were adapted from recent peer-reviewed empirical research. This decision reflects the dynamic nature of consumer behaviour in today's FMCG markets, especially Indomilk products, where expanded digital exposure, intensifying brand competition, and greater price sensitivity have substantially influenced the ways consumers perceive product assortments, pricing practices, and overall value.

Using purposive sampling, the study collected data from 109 respondents through a structured questionnaire measured on a five-point Likert scale ranging from strong disagreement (1) to strong agreement (5). Hypothesis testing was performed using Structural Equation Modelling (SEM), which combines regression and factor analysis to evaluate interrelationships among variables in a single analytical framework (Solaiman & Pangaribuan, 2024).

The data analysis was conducted in two stages. The first stage involved the evaluation of the measurement model (outer model) by assessing convergent validity, discriminant validity, and composite reliability. The second stage focused on evaluating the structural model (inner model) using the Standardized Root Mean Square Residual (SRMR) and the Normed Fit Index (NFI). Hypothesis testing was performed based on p-values and Critical Ratio (CR) at a 95 percent confidence level, with acceptance criteria of $p \leq 0.05$ and $CR \geq 1.967$ (Hair et al., 2020).

RESULTS AND DISCUSSION

This study involved consumers residing in Surabaya who had previously purchased Indomilk dairy products in various variants. The demographic profile of the respondents indicates a diverse sample in terms of gender, age, and occupational status.

In terms of gender distribution, the respondents consisted of 25 male and 83 female participants, indicating a higher representation of female consumers in the sample. With respect to age, the largest proportion of respondents fell within the 15–25 years age group (49 respondents), followed by those aged 25–35 years (39 respondents). Respondents aged above 35 years accounted for 20 individuals, representing the smallest age category. Regarding occupational status, the majority of respondents were students, totaling 48 individuals, followed by private-sector employees with 38 respondents. Civil servants accounted for 14 respondents, while 8 respondents reported other occupational backgrounds. This distribution encompasses a broad range of consumer segments, enabling a comprehensive assessment of purchasing behaviour across various socio-demographic groups.

Measurement Model

As shown in Figure 2, the evaluation of the outer measurement model shows that all of the construct indicators demonstrate factor loadings exceeding 0.7, which signifies good measurement quality.

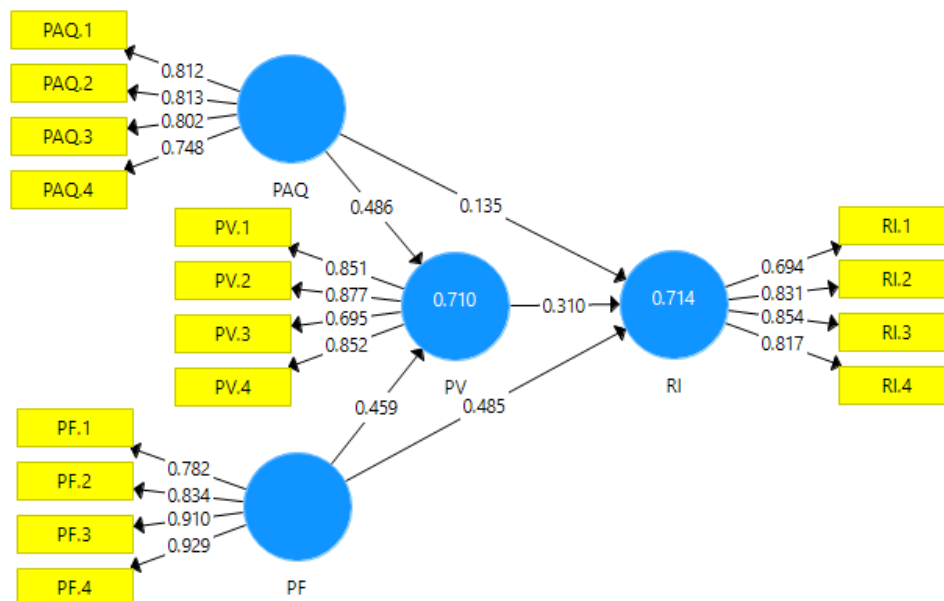


Figure 2. Path Coefficients and Loading Factors
Data processed by the Authors

Findings from the outer model evaluation confirms that the constructs exhibit satisfactory reliability along with well-established convergent validity, as the coefficients of CA, CR, and AVE for each variable surpass the commonly accepted benchmarks ($\alpha > 0.7$; $CR > 0.7$; $AVE > 0.5$).

Potential multicollinearity among the independent constructs was evaluated using the Variance Inflation Factor (VIF). Excessive collinearity can compromise the stability of the model by inflating standard errors and distorting estimated coefficients.

Table 1. Construct Reliability and Validity

	Cronbach's Alpha	Rho A	Composite Reliability	Average Variance Extracted (AVE)
PAQ	0.805	0.808	0.872	0.631
PF	0.887	0.894	0.923	0.750
PV	0.836	0.843	0.892	0.676
RI	0.813	0.828	0.877	0.643

Data processed by the Authors

According to Hair et al. (2020), a VIF value greater than 5 indicates a serious concern. The result shows that all items calculated VIF scores remain below this benchmark, suggesting that multicollinearity is not problematic in the present analysis. This outcome confirms that the independent constructs are sufficiently distinct, thereby reinforcing the reliability and validity of the overall model.

Table 2. Discriminant Validity

	Fornell Lacker Criteria				Heterotrait-Monotrait Ratio (HTMT)			
	PAQ	PF	PV	RI	PAQ	PF	PV	RI
PAQ	0.794							
PF	0.592	0.866			0.704			
PV	0.758	0.746	0.822		0.822	0.864		
RI	0.657	0.796	0.774	0.802	0.803	0.833	0.830	

Data processed by the Authors

Based on the results presented in Table 2, discriminant validity is confirmed, as the square root of the AVE values for each construct exceeds the corresponding inter-construct correlations, and the HTMT ratios remain within acceptable thresholds (Ab Hamid et al., 2017). For example, the square root of the AVE for PAQ (0.794) is higher than its correlations with PF (0.592), PV (0.758), and RI (0.657). All results indicate that all constructs in this study demonstrate good discriminant validity, as each construct is better able to explain its own indicators than the relationships with other constructs. The HTMT test results show that the ratios for PAQ-PF (0.704), PF-PV (0.864), and PV-RI (0.830) are all below 0.90. These findings meet the HTMT criteria for discriminant validity, confirming that the constructs in the model do not exhibit excessive multicollinearity and effectively measure distinct concepts.

Table 3. R Square and f Square

	R Square		f Square			
	R Square	R Square Adjusted	PAQ	PF	PV	RI
PAQ					0.530	0.027
PF					0.472	0.363
PV	0.710	0.705				0.097
RI	0.714	0.706				

Data processed by the Authors

The coefficient of determination (R-squared) values indicates the explanatory power of the structural model in predicting the endogenous constructs. As presented in Table 3, the PV model shows an R-squared value of 0.710, with an adjusted R-squared value of 0.705. This result suggests that approximately 71.0% of the variance in PV is jointly explained by PAQ and PF. The adjusted value further confirms the robustness of the model, indicating a strong explanatory capability.

Similarly, RI demonstrates an R-Square value of 0.714 and an adjusted R Square of 0.706, implying that 71.4% of the variance in RI is explained by its predictor variable, PV. This level of explanatory power can be categorized as substantial, suggesting that PV plays a central role in shaping consumers' intention to repurchase Indomilk products.

In addition to R Square, the effect size (f-Square) analysis provides insight into the relative contribution of each exogenous construct to the endogenous variables. The results show that PAQ has a large effect on PV, with an f-Square value of 0.530, indicating that PAQ is a dominant factor in enhancing consumers' PV. In contrast, PAQ exhibits a very small effect on RI, as reflected by an f-Square value of 0.027, suggesting that its influence on RI is largely indirect rather than direct.

Furthermore, PF demonstrates a moderate to strong effect on PV, with an f-Square value of 0.472, highlighting the importance of fair pricing perceptions in shaping consumers' value assessments. The effect of PV on RI is reflected by an f-Square value of 0.097, which can be classified as a small to moderate effect. Despite its size, this effect remains meaningful, given the high R-squared value of the RI construct.

Overall, the R-Square and f-Square results confirm that the proposed model possesses strong explanatory power and that PAQ and PF are critical drivers of PV, which in turn substantially explains consumers' RI. These findings support the value-based structure of the model and reinforce the mediating role of PV in translating marketing perceptions into long-term behavioural intentions.

Structural Model and Hypothesis Testing

The evaluation of the structural model was carried out to examine the proposed relationships among constructs by analyzing path coefficients along with their corresponding t-values and p-values derived from the bootstrapping procedure in SmartPLS 3. As summarized in Table 4, the findings indicate that PAQ exerts a positive and substantial influence on PV, evidenced by a path coefficient of 0.486, a t-statistic of 7.045, and a significance level of $p < 0.001$. These results empirically support H1, suggesting that when consumers view a product

assortment as relevant and systematically organized, they are more likely to perceive greater value in the product.

Conversely, the direct effect of PAQ on RI is found to be statistically insignificant. While the estimated path coefficient remains positive ($\beta = 0.135$), the corresponding t-value of 1.780 fails to reach the required critical level, and the p-value of 0.075 exceeds the 0.05 significance criterion. As a result, H2 is not supported, indicating that PAQ alone is insufficient to directly drive RI in the absence of a mediating mechanism.

Table 4. Structural Model and Hypothesis Testing

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
PAQ→PRIV	0.486	0.489	0.069	7.045	0.000
PAQ→RI	0.135	0.143	0.076	1.780	0.075
PF→PV	0.459	0.456	0.076	6.026	0.000
PF→RI	0.485	0.482	0.089	5.466	0.000
PV→	0.310	0.305	0.107	2.888	0.000

Data processed by the Authors

In terms of pricing-related perceptions, the findings demonstrate that PF significantly and positively influences PV, as indicated by a path coefficient of 0.459, a t-value of 6.026, and a p-value below 0.001. This result provides empirical support for H3, suggesting that prices perceived as fair and reasonable contribute to stronger consumer value assessments. In addition, PF is shown to have a direct and significant effect on RI, with a coefficient of 0.485, a t-statistic of 5.466, and a p-value of 0.000, thereby supporting H4 and underscoring the importance of fair pricing in fostering repeat purchasing behavior. Furthermore, PV also exhibits a positive and statistically significant impact on RI, as reflected by a path coefficient of 0.310, a t-value of 2.888, and a p-value below 0.001, confirming H5 and indicating that higher PV increases consumers' intention to repurchase Indomilk products.

Mediation analysis reveals that PV plays a central role in the proposed model. The absence of a significant direct effect from PAQ to RI, combined with significant indirect paths through PV, indicates full mediation and supports H6, suggesting that PAQ influences repurchase behavior solely via consumers' value evaluations. In contrast, PV partially mediates the relationship between PF and RI, as PF affects RI both directly and indirectly through PV, thereby supporting H7. Overall, the findings highlight PV as the key mechanism linking assortment quality and pricing perceptions to RI, with fair pricing capable of directly stimulating repeat purchases, while the effect of PAQ operates primarily through enhanced PV.

This study offers empirical evidence on the ways in which consumers' perceptions of PAQ and PF shape RI through PV within the Indonesian dairy market. The discussion is structured by first situating the findings within the characteristics of the respondent sample, then interpreting the hypothesis testing results in relation to existing literature, and finally outlining their implications for the competitive environment encountered by the focal brand.

The demographic profile of the respondents, which are largely composed of female participants, young adults, and individuals who are students or at an early stage of their careers, provides an essential context for understanding the results. Prior research suggests that these consumer segments are generally more sensitive to value considerations and pricing issues, while simultaneously placing greater emphasis on convenience, health-related attributes, and products that fit their lifestyle orientations (Lin et al., 2022; Lou et al., 2022). This profile is particularly relevant for dairy products, which are purchased frequently and evaluated repeatedly over time.

In line with the market conditions described in the introduction characterized by increasing competition, high brand substitutability, and heightened consumer awareness (Rizky et al., 2019), this respondent profile suggests that repurchase behaviour is unlikely to be driven by brand familiarity alone. Instead, repeat purchasing decisions are more likely to be shaped by continuous evaluations of value, reinforcing the relevance of the value-based framework adopted in this study.

The results demonstrate that PAQ has a strong and significant positive effect on PV, supporting H1. This finding is consistent with prior research emphasizing that consumers respond more favorably to assortments that are perceived as relevant, coherent, and easy to navigate, rather than merely extensive in number (Broniarczyk & Hoyer, 2010; Shriedeh & Hanaysha, 2024). Recent studies further confirm that well-curated assortments enhance consumers' cognitive evaluations and perceived utility, particularly in routine consumption categories such as food and beverages (Hanaysha et al., 2025; Mujianto et al., 2023).

This result aligns closely with the conditions faced by Indomilk, which offers a broad range of dairy products targeting different age groups and consumption contexts. The finding suggests that consumers do not automatically assign higher value simply because many variants are available; rather, they assess whether those variants meaningfully address their needs. This supports the shift in recent literature from a quantity-based to a quality-based interpretation of product assortment.

In contrast to some earlier studies that reported a direct link between assortment attributes and loyalty outcomes (Xhema et al., 2018), this study finds no significant direct effect of PAQ on RI, leading to the rejection of H2. This divergence highlights an important nuance: while assortment quality enhances PV, it does not independently motivate consumers to repurchase without a favorable value evaluation.

This result is consistent with more recent value-oriented studies suggesting that assortment-related perceptions influence behavioral intentions primarily through mediating variables such as PV or satisfaction (Lou et al., 2022; Shriedeh & Hanaysha, 2024). In highly competitive dairy markets, where functional differences across brands are relatively small, consumers appear to rely on value judgments rather than assortment characteristics alone when deciding whether to repurchase.

The findings confirm that PF positively influences PV and RI, supporting H3 and H4. This result is consistent with recent empirical evidence showing that

fair pricing perceptions enhance trust, satisfaction, and loyalty across FMCG and service contexts (Alderighi et al., 2022; Moon & Ji, 2023). In price-sensitive markets, consumers tend to evaluate whether prices are justified relative to quality, benefits, and competing alternatives.

The significant direct effect of PF on RI observed in this study reinforces prior findings that pricing perceptions can independently shape repeat purchasing behaviour (Muthi & Utama, 2023; Lin et al., 2022). This is particularly relevant for Indomilk, which operates in a market where consumers frequently compare prices across brands offering similar nutritional benefits. The result suggests that even established brands remain vulnerable to perceived pricing unfairness.

The positive and significant relationship between PV and RI supports H5 and aligns strongly with recent consumer behaviour literature. Studies across various retail and FMCG settings consistently identify PV as a central predictor of RI and long-term loyalty (Guo & Li, 2022; Lu et al., 2022; Lui, 2024). This finding reinforces the argument presented in the introduction that PV serves as a critical mechanism translating marketing perceptions into sustained consumer behaviour.

The mediation analysis offers deeper insight into the structure of consumer decision-making. The full mediation of PV in the relationship between PAQ and RI supports H6 and confirms findings from recent studies that emphasize the indirect nature of assortment effects (Lou et al., 2022; Shriedeh & Hanaysha, 2024). This result suggests that improvements in assortment quality enhance RI only when consumers perceive those improvements as valuable.

Conversely, the partial mediation observed in the relationship between PF and RI supports H7 and aligns with prior research indicating that pricing perceptions exert both cognitive and behavioral influences (Alderighi et al., 2022; Moon & Ji, 2023). This distinction underscores a key theoretical insight: while assortment quality primarily influences repurchase behavior through value evaluation, PF can simultaneously function as a direct motivational cue.

Taken together, these findings provide important insights into the competitive challenges outlined in the introduction. In an environment characterized by intense rivalry and fluctuating market shares (Rizky et al., 2019), Indomilk cannot rely solely on offering numerous product variants or maintaining brand recognition. Instead, the results suggest that sustained consumer loyalty depends on how effectively product assortments and pricing strategies enhance PV.

Consistent with recent literature emphasizing value-driven competition (Hanaysha, 2022; Lou et al., 2022), this study demonstrates that PV functions as the strategic link between marketing decisions and repurchase behavior. For Indomilk and similar dairy brands, focusing on assortment relevance and pricing fairness, rather than assortment breadth alone, may be more effective in retaining consumers in increasingly competitive urban markets.

CONCLUSION AND RECOMMENDATION

This study examined the effects of PAQ and price fairness on consumers' RI toward Indomilk dairy products, with perceived value serving as a mediating variable. Drawing on a value-based consumer behavior framework and empirical evidence from urban Indonesian consumers, the findings provide several important conclusions.

First, the results confirm that PAQ significantly enhances consumers' perceived value, but does not directly influence RI. This suggests that consumers do not respond to assortment quality in isolation; instead, they translate their evaluations of assortment relevance and structure into RIs only after forming a favorable value judgment. Second, price fairness was found to exert both a direct and an indirect influence on RI, highlighting its dual role as a cognitive evaluation factor and a direct behavioral trigger. Third, perceived value emerged as a central determinant of RI and functioned as a key mediating mechanism linking marketing perceptions to long-term consumer behavior.

Taken together, these findings reinforce the importance of perceived value as a strategic construct in highly competitive FMCG markets. For established dairy brands such as Indomilk, sustaining consumer loyalty depends not merely on offering a wide range of products or maintaining competitive prices, but on ensuring that consumers consistently perceive the overall value of the brand as superior and justified. By integrating assortment quality and price fairness within a unified value-based framework, this study contributes to a more nuanced understanding of repurchase behavior in routine consumption contexts.

From a theoretical perspective, the study extends prior research by distinguishing PAQ from simple product variety and by empirically demonstrating the mediating role of perceived value in the dairy industry context. From a managerial perspective, these results provide concrete guidance for brand decision-makers aiming to strengthen repurchase intention by optimizing assortment structures around perceived value and implementing pricing policies that are viewed as fair.

Limitations and Future Research

Although this study offers meaningful contributions, several limitations should be noted. The cross-sectional design limits the ability to capture temporal changes in perceived value and repurchase intention, indicating that future research may benefit from longitudinal approaches. The focus on Indomilk consumers within a single geographic context may also restrict generalizability, suggesting opportunities for comparative studies across brands, regions, or cultural settings. Additionally, while perceived value served as the main mediating construct, future research could incorporate other psychological mechanisms and contextual moderators, as well as objective measures such as actual purchase data or experimental designs, to strengthen causal inference and extend value-based consumer behavior models in competitive FMCG markets.

FUTHER STUDY

This research still has delays, so it is necessary to conduct further research related to the topic The Effects of Perceived Product Assortment Quality and Price Fairness on Repurchase Intention: The Mediating Role of Perceived Value among Indomilk Consumers in Surabaya in order to improve this research and add insight for readers.

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