



The Influence of Market Segmentation on Customer Purchase Intention for Local Fruits at Bintang Supermarket Denpasar

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ABSTRACT

This research aims to examine the effect of market segmentation, comprising demographic, geographic, psychographic, and behavioral dimensions on consumers purchase intention of local fruits, with consumer satisfaction serving as a mediating variable. A quantitative approach was employed, involving 60 respondents selected through purposive sampling at Bintang Supermarket Denpasar during March to May 2025. Data were analyzed using Structural Equation Modeling with Partial Least Squares (SEM-PLS). The findings indicate that demographic and psychographic segmentation have both direct and indirect influences on purchase intention through satisfaction. Geographic segmentation affects purchase intention only indirectly via satisfaction, while behavioral has no significant effect. These results highlight the importance aligning marketing strategies with consumer characteristics and psychological values rather than relying solely on behavioral factors.

INTRODUCTION

The agricultural sector remains a vital contributor to Indonesia's economy, with local fruits as one of its key commodities. Despite an increase in local fruit production, domestic consumption remains below WHO standards, and fruit imports continue to rise. This mismatch reflects the underutilized potential of local fruits in meeting national needs. In response, initiatives like *Gelar Buah Nusantara* have been launched to promote local fruit consumption and support agribusiness growth.

Modern consumer preferences are shifting toward healthier lifestyles, positioning fruits as essential daily foods. However, consumer interest is shaped by complex behaviors influenced by demographic, geography, lifestyle and buying habits. Market segmentation thus becomes critical for businesses to identify and target relevant consumer groups effectively. In Bali, where fruit holds not only nutritional but also cultural significance, this becomes particularly important.

Bintang Supermarket Denpasar offers a unique context, serving both local and tourist consumers yet has not applied market segmentation strategies specifically for local fruits. This study addresses that gap by analyzing how demographic, geographic, psychographic, and behavioral segmentation influence purchase intention, with consumer satisfaction as a mediating variable. The findings are expected to contribute to consumer behavior literature and offer practical strategies for enhancing the competitiveness of local fruits in modern retail settings.

LITERATURE REVIEW

Market Segmentation

According to Kotler and Keller (2000), market segmentation is the process of dividing a market into groups of buyers with distinct characteristics or behaviors. Each market segment consists of customers who share similar needs and desires. Market segmentation is typically divided into four categories such as demographic, geographic, psychographic, and behavioral segmentation

Demographic Segmentation

Demographic Segmentation helps marketers determine who the product should be targeted toward, based on variables such as age, gender, income, and education.

H1 : Demographic segmentation has a significant and positive influence on the purchase intention of local fruits at Bintang Supermarket Denpasar.

Geographic Segmentation

Geographic Segmentation divides the overall market into groups based on physical location. Although location does not guarantee similar purchasing behavior among all consumers in that area, it can help identify shared needs and preferences.

H2 : Geographic segmentation has a significant and positive influence on the purchase intention of local fruits at Bintang Supermarket Denpasar.

Psychographic Segmentation

Psychographic Segmentation positions focus on customers' attitudes, lifestyles, personalities, and social class. It helps marketers align their product positioning with specific consumer profiles.

H3 : Psychographic segmentation has a significant and positive influence on the purchase intention of local fruits at Bintang Supermarket Denpasar.

Behavioral Segmentation

Behavioral Segmentation categorizes consumers based on their knowledge, usage patterns, attitudes, and response toward a product. Armstrong (1997) emphasizes that behavioral segmentation can be measured using indicators such as benefits sought, user status, usage rate, and brand loyalty.

H4 : Behavioral Segmentation has a significant and positive influence on the purchase intention of local fruits at Bintang Supermarket Denpasar.

Purchase Intention

Kotler and Keller (2006) define purchase intention as the consumer's tendency to choose or buy a product based on prior experience, evaluation, and interest. According to Ferdinand (2006), purchase intention is classified into four dimensions such as transactional intention, referential intention, preferential intention, and exploratory intention.

Local Fruits

Hidayat (2011) defines local fruits to fruits whose varieties originate from Indonesia and are cultivated by Indonesian farmers. In this context, local fruits are those grown across various regions of Indonesia, regardless of the original origin of the plant variety.

Modern Market

Modern markets refer to retail environments where transactions are structured and buyers do not directly negotiate with sellers. Prices are fixed and displayed using barcodes, and the market operates in enclosed facilities with self-service or assistance from store attendants (Kotler, 2001).

Consumer Satisfaction

Consumer satisfaction is influenced by the gap between perceived performance and expectations. If the perceived product or service fails to meet expectations, consumers will feel dissatisfied. According to Kotler (2000), consumer satisfaction includes loyalty, positive word-of-mouth, and the tendency to repurchase from the same provider.

H5 : Consumer satisfaction mediates the relationship between demographic segmentation and purchase intention of local fruits at Bintang Supermarket Denpasar

H6 : Consumer satisfaction mediates the relationship between geographic segmentation and purchase intention of local fruits at Bintang Supermarket Denpasar

H7 : Consumer satisfaction mediates the relationship between psychographic segmentation and purchase intention of local fruits at Bintang Supermarket Denpasar

H8 : Consumer satisfaction mediates the relationship between behavioral segmentation and purchase intention of local fruits at Bintang Supermarket Denpasar

Conceptual Framework

Sugiyono (2020) defines a conceptual framework refers to the relationship between one variable and another within a study. The conceptual framework in this research serves as a foundation for understanding the relationship between market segmentation, customer satisfaction, and purchase intention toward local fruits at Bintang Supermarket Denpasar.

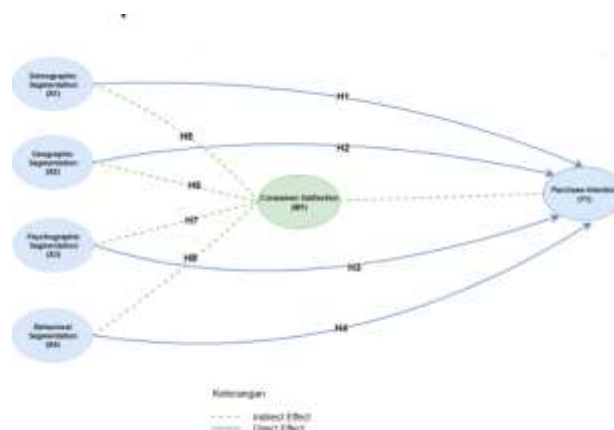


Figure 1. Conceptual Framework

METHODOLOGY

This study employed a casual comparative quantitative method following the guidelines set out by Sugiyono (2023), aiming to analyze the causal relationship between market segmentation, consumer satisfaction and purchase intention. The research was conducted at Bintang Supermarket Denpasar, which represents a strategic retail location with a diverse customer base, including local residents and tourists.

The population of the study consisted of all customers who purchased local fruits at Bintang Supermarket Denpasar. The sampling technique used was purposive sampling, in which respondents were selected based on specific criteria such as minimum 2 times purchasing local fruits from Bintang Supermarket Denpasar and being able to fill out the questionnaire. The number of samples was determined using the guideline proposed by Chin (1998) as cited in Latan and Ghozali (2013), which recommends a minimum of ten times the number of variables (including exogenous, endogenous, and mediating variables). As this study involved six variables, the total sample size was set at 60 respondents.

Data collection was conducted through a structured questionnaire that was distributed directly to consumers. The questionnaire employed a 5-point Likert scale based on Sugiyono (2013), with the following weightings: “Strongly Agree” (5), “Agree” (4), “Moderately Agree” (3), “Disagree” (2), and “Strongly Disagree” (1). Prior to the main analysis, validity testing was conducted through item-total correlation, and reliability testing was carried out using Cronbach’s Alpha to ensure the internal consistency and stability of the instrument.

The data were analyzed using Structural Equation Modeling with the Partial Least Squares (SEM-PLS) method, utilizing SmartPLS 4.1 software. This approach was selected due to its ability to estimate complex models involving multiple variables and to test the mediation effect simultaneously. Hypothesis testing was performed using bootstrapping to assess the significance of path coefficients, including both direct and indirect relationships within the model.

RESEARCH RESULT

Outer Model

The outer model evaluation in Partial Least Squares Structural Equation Modeling (PLS-SEM) aims to assess the measurement model by testing how well the indicators represent their respective latent constructs. This stage includes three main assessments as convergent validity, discriminant validity, and reliability.

In this study, convergent validity is tested using two indicators such as loading factors and average variance extracted (AVE). A loading factor above 0,70 indicates a strong correlation between an indicator and its construct, while an AVE value above 0,50 (Ghozali, 2016) confirms that the construct explains more than half of the variance in its indicators.

Table 1. Loading Factor

Indicator	Outer Loading	Description
M1.1	0,919	Valid
M1.2	0,870	Valid
M1.3	0,915	Valid
X1.1	0,837	Valid
X1.2	0,863	Valid
X1.3	0,850	Valid
X1.4	0,901	Valid
X1.5	0,811	Valid
X2.1	0,912	Valid
X2.2	0,931	Valid
X2.3	0,861	Valid
X3.1	0,821	Valid
X3.2	0,791	Valid
X3.3	0,805	Valid
X3.4	0,818	Valid
X4.1	0,865	Valid
X4.2	0,884	Valid
X4.3	0,867	Valid

Indicator	Outer Loading	Description
Y1.1	0,840	Valid
Y1.2	0,877	Valid
Y1.3	0,939	Valid
Y1.4	0,840	Valid

Table 2. AVE

Variabel	AVE Score
M1	0,813
X1	0,727
X2	0,814
X3	0,654
X4	0,760
Y1	0,765

Discriminant validity is evaluated to ensure that each construct model is truly distinct from the others. In this study, discriminant validity is assessed using two approaches which are the Fornell-Larcker Criterion and the Heterotrait-Monotrait Ratio (HTMT). The Fornell-Larcker criterion requires that the square root of each construct's AVE is greater than its correlation with other constructs. meanwhile, the HTMT value should be below 0,90 (Hair, 2022), indicating adequate discriminant validity between constructs.

Table 3. HTMT

	M1	X1	X2	X3	X4	Y1
M1						
X1	0,851					
X2	0,796	0,744				
X3	0,831	0,854	0,641			
X4	0,595	0,66	0,392	0,529		
Y1	0,883	0,89	0,729	0,895	0,489	

Table 4. Fornell Larcker

	M1	X1	X2	X3	X4	Y1
M1	0,901					
X1	0,776	0,853				
X2	0,713	0,683	0,902			
X3	0,730	0,763	0,570	0,809		
X4	0,532	0,604	0,348	0,466	0,872	
Y1	0,797	0,807	0,662	0,781	0,451	0,875

Reliability is used to assess the internal consistency of indicators in measuring a latent variable. In this study, reliability is evaluated using two measures as Composite Reliability (CR) and Cronbach's Alpha. Composite reliability considers the actual loading of each indicator and is deemed acceptable when the value exceeds 0,70 (Hair et.,al, 2022). Meanwhile, Cronbach's Alpha provides a more conservative estimate of reliability, and values above 0,70 also indicate satisfactory internal consistency. When both criteria are met, the construct is considered to have good reliability.

Table 5. Composite Reliability and Cronbach's Alpha

Variable	Cronbach's Alpha	Composite Reliability (rho-a)	Composite Reliability (rho-c)
M1	0,885	0,900	0,929
X1	0,906	0,909	0,930
X2	0,886	0,906	0,929
X3	0,825	0,833	0,883
X4	0,847	0,890	0,905
Y1	0,897	0,903	0,929

Inner Model

The inner model evaluation aims to assess the structural relationships between latent variables in the research model. This evaluation includes testing the path coefficients and R-square (R^2) values to determine the strength and significance of the hypothesized relationships.

Table 6. Path Coefficients

Construct	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T-statistics (O/STDEV)	P-values
Consumer Satisfaction → Purchase Intention	0,314	0,292	0,131	2,399	0,008
Demographic Segmentation → Purchase Intention	0,354	0,363	0,167	2,117	0,017
Geographic Segmentation → Purchase Intention	0,063	0,083	0,118	0,533	0,297
Psychographic Segmentation → Purchase Intention	0,286	0,300	0,121	2,368	0,009
Behavioral Segmentation → Purchase Intention	-0,085	-0,096	0,108	0,785	0,216
Demographic Segmentation → Consumer Satisfaction → Purchase Intention	0,078	0,062	0,044	1,792	0,037
Geographic Segmentation → Consumer Satisfaction → Purchase Intention	0,104	0,102	0,061	1,712	0,044
Psychographic Segmentation → Consumer Satisfaction → Purchase Intention	0,091	0,083	0,050	1,814	0,035
Behavioral Segmentation → Consumer Satisfaction → Purchase Intention	0,041	0,047	0,038	1,096	0,137

Table 7. R^2 Square

	R-square	R-square adjusted
M1	0,711	0,690
Y1	0,762	0,740

The path coefficients show the direction and magnitude of the relationships between constructs, and their significance is tested using the

bootstrapping method. The R^2 value indicates the proportion of variance in the endogenous variable explained by the exogenous variables, with values of $R^2 > 0,67$ considered substantial.

DISCUSSION

The findings of the study indicate that market segmentation plays a significant role in influencing consumer purchase intention toward local fruits at Bintang Supermarket Denpasar. Each dimension of segmentation is demographic, geographic, psychographic, and behavioral, was found to contribute positively to shaping consumer interest, supporting the notion that targeted marketing strategies aligned with consumer characteristics are more effective than general approaches.

Demographic segmentation, which includes age, income, and education level, proved to be particularly relevant. Consumers from different age groups and income levels demonstrated varying preferences and sensitivities in purchasing decisions, consistent with Priansa (2017) who emphasized that demographic factors strongly influence consumer needs and preferences. For instance, younger consumers may prioritize fruit appearance and price, while older consumers may place greater importance on health benefits and quality. This aligns with the broader shift in consumer behavior toward healthy living, as also highlighted by Rahman (2020).

Geographic segmentation also emerged as a meaningful predictor of purchase intention. The location of consumers, both in terms of residence and shopping environment are impacts their access and inclination to purchase local fruits. This supports the idea that regional accessibility and market proximity shape purchasing behavior, especially in areas like Denpasar where modern retail coexists with traditional consumer habits and ceremonial needs.

Psychographic segmentation added further insight by revealing how lifestyle and health awareness influence consumer decisions. Consumers with a strong orientation toward wellness and environmental consciousness showed a higher interest in purchasing local fruits, reinforcing previous studies that connect lifestyle patterns to food choices. This finding supports the strategic importance of aligning brand positioning and promotional messages with consumer values.

Behavioral segmentation, including frequency of purchase and loyalty patterns, was also positively linked to purchase intention. Regular buyers tend to have a higher level of familiarity and trust in the product, which in turn increases their purchase intention. This supports the argument made by Tjiptono (2019) that repeated exposure and perceived product value contribute to long-term consumer commitment.

Furthermore, the mediating role of consumer satisfaction was confirmed in this study. When consumers feel satisfied with the quality, freshness, and availability of local fruits, they are more likely to continue purchasing them. This supports the findings of Handayani and Irianto (2011), who noted that satisfaction is a key driver of consumer loyalty and future purchase behavior. In

the context of Bintang Supermarket, satisfaction serves as a bridge that connects segmentation strategies to a real consumer action.

Overall, the results of this study affirm the relevance of market segmentation as a strategic tool in understanding and influencing consumer behavior. The inclusion of consumer satisfaction as a mediating variable further enriches this framework by highlighting the experiential aspect of consumer decision-making. These findings suggest that modern retailers should adopt more refined segmentation strategies and prioritize consumer experience to increase the competitiveness of local fruits amid growing market challenges and competition from imported alternatives.

CONCLUSIONS AND RECOMMENDATIONS

This study concludes that market segmentation significantly influences consumer purchase intention toward local fruits at Bintang Supermarket Denpasar, with consumer satisfaction acting as a mediating variable. Each segmentation dimension are demographic, geographic, psychographic, and behavioral, positively contributes to shaping purchase interest. Among these, demographic and behavioral segmentation were particularly influential in identifying consumer preferences, while psychographic and geographic aspects added contextual relevance to local market behavior. Consumer satisfaction was found to strengthen the relationship between segmentation and purchase intention, emphasizing the importance of positive consumer experiences in driving continued engagement.

The result of this research suggests several practical implications. First, Bintang Supermarket should adopt targeted marketing strategies based on segmentation analysis to better match the needs of different consumer groups. For example, offering health-focused promotions for psychographic segments or loyalty programs for behaviorally driven customers can enhance engagement. Second, maintaining product quality, freshness, and availability is essential to sustaining consumer satisfaction, which in turn boosts repurchase intention. Lastly, as the competition with imported fruits intensifies, promoting the unique value and cultural relevance of local fruits may increase their competitiveness in the modern retail sector.

FURTHER STUDY

This study has several limitations that should be acknowledged. First, the sample size was limited to 60 respondents from a single retail location, which may not fully capture the diversity of consumer behavior in other regions or types of retail settings. Second, the use of purposive sampling may limit the generalizability of the findings to a broader population. Additionally, the scope of variables was restricted, excluding other potential factors that may influence purchase intention.

Future research is recommended to re-evaluate and refine the behavioral segmentations indicator to better reflect actual consumer patterns and encouraged to include larger and more diverse samples across multiple retail outlets or geographic areas to improve external validity. Additionally,

incorporating other mediating variables such as product quality perception, marketing communication effectiveness or environmental concern may offer deeper insights into consumer decision making.

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