

# The Effect of Rising Prices on the Consumption Pattern and Market Fluctuations (A Field Study in Irbid City – Jordan)

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## Abstract

This study discusses the negative effects of rising prices on the consumption pattern of the Jordanian citizen. The researcher recognized the significance of such phenomena on the consumption preferences of the individual, who tends to choose low-quality products, or content with some goods and services in favor of others. Certainly, this would have social and health effects on the long run. The change in the consumption pattern has negative effects on the entire marketing processes. It is noticed that there is dynamic market fluctuations with each price rise, so that the demand on specific market sectors declines in favor of others. This fluctuation requires studying factors that change the consumption pattern on the short run, such as income, prices, cultural dimensions and consumer perceptions, considering the absence of effective governmental financial policies. For example, the study showed that most individuals in Jordan avoid using heating (warming) fuel, despite of the governmental financial support. This behavior is due to the negative consumption culture related to facing cold weather, in addition to the high prices. These type of consumption patterns causes market fluctuations in favor of other market sectors as education, private means of transportation, and so on, as shown in the statistical analysis section of the study.

**Keywords:** prices rising, consumer behavior, consumption pattern, motivations, attitudes, market-fluctuations, hierarchy of human needs, pricing policy, consumer protection, market structure, inflation rates.

## I. The General Framework of the Study

### 1. Study Problem, Importance and Objectives

This study aims to determine the effects of prices rising particularly those responsible for changing the consumption patterns, and its impact on the market demand of main consuming and service sectors such as food, energy, health, education and tourism. Moreover, it will explore the negative effects on social welfare, and aspects concerned with of the Jordanian consumer protection.

Based on data derived from the Department of Statistics, the inflation rate in Jordan grew in year 2013 to (6.07 %) compared with (4.27 %) in 2012. Goods and services scoring increases are: transportation (13.3%), fuel and electricity (24.3%), rentals (4.0 %), vegetables (11.7%), and meat and poultry (5.1 %). The United Nations for Population Organization UNDP ranked Jordan in terms of social and economic development at 82 out of 174 countries according to human development indicators. Some reports indicated that (89.4%) of the population earn less than 500 JD, and (10.6%) earn more than 500 JD per month, which means that most Jordanian families cannot afford having basic needs (Department of Statistics). ([www.dos.gov.jo](http://www.dos.gov.jo))

This study also seeks to draw attention to the suffering citizens' face because of price rising on health and social aspects on the long run. Therefore, this study recommends finding practical solutions by adapting an economic policy that revives local markets, links income levels with inflation rates, and encourages the private sector to invest in preferable sectors favored by Jordanian consumers.

### 2. Hypotheses of the Study

The first hypothesis: There is no statistical significant relationship between price rising and changing the consumption pattern of the Jordanian citizens towards buying basic goods.

The second hypothesis: There is no statistical significant relationship between price rising and changing the consumption pattern of the Jordanian citizens towards using basic services.

Third hypothesis: There is no statistical significant relationship between the change in the consumption pattern of the Jordanian citizens and the problem of market fluctuations for various sectors.

### 3. Study Population

The study population consisted of Irbid city citizens, being a component of typical Jordanian community. As well as all organizations' managers working in Irbid (more details are given in the statistical analysis section)

### 4. Study Methodology

The researcher utilizes the descriptive approach and the use of secondary data available in the theoretical study

in the second part, while the third part depends on a field study through a questionnaire to gather preliminary data on the subject of the effects of the rising prices.

## 5. Data Sources

The researcher gets advantage of available relevant references from books to scientific specialized magazines in addition to electronic websites. However, the primary data was collected through applying a questionnaire on a representative sample.

## 6. Previous Studies

Many studies discussed the relationship between price rising, consumer behavior, and consumer protection from the risks of inflation in particular. The viewpoint of this study is a two-fold, considering both sides of the marketing equation; producers and consumers. The most important studies on this topic are:

**Saadoun Al-Hamoud, and others, (2009)** "*Measure Consumer Behavior towards medicine Prices*", discussed the problem of high prices of medication in Iraq, and its unsuitability to the level of consumer's income. The prices of most medications outweigh the purchasing power of the consumer, which drives most consumers to buy alternative medications and abandon the original despite knowing alternatives less efficiency treatment effect, as well as reducing patient's visits to physicians, especially in certain illnesses in which physicians visits may be delayed. The researchers recommend that the government should support the medications prices to accommodate purchasing power of the consumer.

**Amer, Lamia, (2005)** "*The impact of the price on purchasing decision for products in general and telecom service of Algerian in particular*", explained the consumer behavior by inserting the price variable as an influential marketing indicator. It revealed that the rapid changes at these levels are the result of globalization, openness of markets and intensive competition. This has given the consumers an opportunity to choose between the products offered by these organizations, so organizations are urged to acquire consumer's satisfaction. The variety of alternatives imposed the intervention of marketing managers to understand the interaction between purchase determinants and the tendency to influence purchasing decision through various marketing policies.

**Seym, Ahmed and Suliman, Jaqoub, (2008)** "*Economic and social consequences of Prices increase in Jordan*", explained that in spite of Jordan economic stability and local production growth rates, global changes and developments such as oil high prices cast its shadow on Jordanian economy. It has shown that habits and conducts of the community, which were not familiar in the past few years, have changed recently as a result of the price rise and living cost increase. Accordingly, the study proposed certain procedures to stop deterioration and reaching difficult situations.

**Samara, Ashraf, (2005)**, "*The impact of rising prices of food items on the index of consumer prices*", pointed out how to calculate the index following the equation for Laspeyres Index, known as distinctive quantities base year, then calculating the index for each commodity. Results revealed that the Palestinian citizen spends most of his income on basic goods; this is considered an indication of low level of welfare expenditure.

**Tahir, bin Jacob, (2004)** "*The role of consumer behavior in determining the marketing policy*", presents a theoretical framework for all marketing concepts related to the two variables of the research, where he attempted to identify consumer behavior in formulating each marketing policy separately, he explained the importance of marketing decision to satisfy the needs and desires of different groups of consumers.

**Zuhal, C & Cigdem B, (2014)**, "*The Impact of Consumer Ethnocentrism, Product Involvement, and Product Knowledge on Country of Origin Effects*", explore whether, in which ways, and to what extent country -of-origin (COO) information affects the product-evaluation process in Turkey as a less-developed country. Moderating effects of consumer ethnocentrism (CE), product involvement, and product knowledge were also explored. Findings showed that COO cues have a significant main effect on the product-evaluation process. Although moderator variables (CE, product involvement, and product knowledge) do not have a significant effect alone on the product-evaluation process, they negatively moderate the relationship between COO cues and product evaluation.

**Leonidas C. , Constantinos N. , Olga Kvasova, (2013)**, "*Cultural drivers and trust outcomes of consumer perceptions of organizational unethical marketing behavior*", investigates: the role of cultural orientation in forming consumer ethical ideology; the link between the consumer's ethical ideology and his/her perceptions regarding the unethical marketing behavior of firms; the effect of perceived unethical marketing behavior on trust in firms; and the moderating role of gender, age, and education of the consumer. The study confirmed that both power distance and uncertainty avoidance are important in forming idealistic attitudes, while both individualism and masculinity lead to an egoistic attitude. Idealism was observed to have a positive association with perceived marketing unethical, while egoism was found to negatively affect consumer perceptions of unethical marketing behavior by firms. It was also revealed that perceived unethical marketing behavior decreases consumer trust. The study also revealed that the link between idealism and perceived marketing unethical is stronger among male and older individuals, while consumer's level of education had no moderating

impact on this link. Finally, none of the consumer demographics examined moderated the association between egoism and perceived unethical marketing behavior.

## II. Theoretical Framework:

In this part, the researcher intends to discuss the concepts of consumer behavior and consumption pattern, and their relation with the psychological and sociological fields, intends to study the factors that has an effect on consumption decision making and the impact of this decision on market demand.

### 1. The Concept of Consumer Behavior

Consumer behavior has many definitions, many researchers describe it as "individual or collective behavior associated with purchase planning and decision making to buy goods and use services, as a result of inner motivations controlled by external factors toward things and attitudes that fulfill their needs and desires" (Mansour, K, 2006, p.58) Or it is "the individuals behavior in searching, purchasing goods, or using services or the ideas or experiences expected to satisfy his desires and needs, according to the purchasing potentials" (Obeidat, M, 2004, p.13) Or it is the study of individuals, groups, or organizations and the processes they use to select, secure, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society (Kuester, S, 2012, p. 110) While the concept of consumer behavior deals with purchase decision making in all market situations, and on the long run, the concept of consumption pattern is limited to the way and form of consumer purchasing decision based on the sudden or short-run pricing variables.

### Subjective Factors (Human Motivations)

Motivations may be defined as (Kinicki, 2006, p.376) the set of underlying powers of the human being that drives him toward a particular behavior, to cover neediness feelings and fulfill self-desires that meets human needs through the market demand. This definition shows the series of human motivations as following:

**Fulfilling neediness feelings**  $\longrightarrow$  **Achieving desire**  $\longrightarrow$  **Meeting needs**  $\longrightarrow$  **Demand for needs**

- a. The series of human motivations is formulated according to Maslow's hierarchy of needs; humans fulfilled their needs, and then seek the higher in the hierarchy.
- b. The series of human motivations formulate differently among individuals.
- c. There is a positive relationship between the individuals' financial status and neediness feelings; when financial abilities grow the feeling of neediness increase and the consumption motives deepen, such as the amount of demands. For example, when people get richer, their feelings of fear over money theft grows, so they search for banking services, security, body guards, electronic monitoring in order to save the wealth.
- d. Other matters determine human motivations, such as inherited culture, values, as well as customs and traditions, which varies from one place to another, and changes from time to time in the same place. For example, the short hair cut is a trend these days, although it was sometimes rejected in the past.
- e. Traditional Consumption moods, lifestyle and self-authority formulate subjective motivations. Reference groups and opinion leaders formulate new consumer perceptions among people, like practicing sports, watching political programs and enjoying walking by the sea, using a certain car type.
- f. Human motivations lead people in two directions in Maslow's needs hierarchy; horizontally through growing the amount of needs after satisfying a particular need, and vertically through moving from basic to security and social needs, then to respect and self-actualization such as participation in parliamentary elections.
- g. Factors affecting consumption motivations are divided into two parts; one is concerned with the formulation of self- motivation and the second with moving human motivations. The first is the set of cultural factors, like religious, ideological, and patriot, they are characterized by persistence convictions and long-term impact. For example, Muslims tend to purchase meat slaughtered according to Islamic laws, but to choose imported or local is subjected to other factors that can move human motivations and change the consumption pattern, such as promotion and price policy.

There are a set of external factors which affect the consumer behavior, without being able to control or refuse them. The most important external factors are: the purchasing ability, the economic situation, the fair distribution of national income represented by Lorenz curve (cited in Woll, A, 1992, p.453), inflation rate, financial policy, political stability, the technological changes, legislative variables, and finally natural changes. (Pride & Ferrel, 2005 p.55-65). For example, if the touristic prices in a foreign country changed, consumers will change the destination to other countries, the reason here is not pure self-motivation but it is external resulting from the purchasing ability.

Many theories interpreted consumer behavior (Schiffman, G, 1994, p.13-84) it also acquired interest from economic, psychological, and social researchers, some focused on the rational motivations and considered

them the basis of purchasing decision, others focused on education because of its role in modifying individuals behavior, others focused on the situational theory which is affected by the dynamic environmental external factors. The most important factors that affect consumer behavior are:

a. Economic factors are based on rationality and considered as basis for studying consumer behavior, the theory is based on individuals' limited income, which must be spent to get the greatest satisfaction, so that the individual orders his needs according to their importance. These bases are attributed to Smith and Bentham (1780), and Marshall (1890) in his book "Supply and Demand", followed by Lancaster Model 1970 (Lancaster, Kelvin J. ,1966, p.132–157) and (Amer, Lamia, 2005, p. 19-20) and (Alsumedaey, M, 2001, p 21-26) According to this model the consumer follows these points:

- Classifying products according to the expected benefits.
- Estimating the level of the benefits according to resulted satisfaction.

$u = u(x)$ : where  $u$ : benefit, and  $(x_1 \dots x_n)$  is the amount consumed of each product, the benefit is associated with the availability of the product that satisfies consumers' needs as follows:

$u = u(z)$ , where  $(z_1 \dots z_n)$  is the amount of benefits received through consuming the product. Lancaster Model includes three hypotheses:

1. Levels of benefits gained by the consumer are associated with the amount of product consumption, represented by a linear equation  $Z_i = a_i x_j$ , where  $Z_i$ : levels of individuals benefits.  $a_i$ : the amount of services found in one unit of the product.

2. the amount of benefits obtained from various products consumed simultaneously representing a growing trend  $Z = \sum a_i x_j$

From the previous two hypotheses, consumption is represented by:

$Z = AX$ , which represents a matrix consisting of  $n$  and  $m$  of the factors where

$a_i$ :  $(i_1, i_2, \dots, i_n)$  and  $x_j$ :  $(j_1, j_2, \dots, j_m)$   $Z = \sum a_i x_j$

3. Consumption decision is associated with recognizing the product benefits, this varies from one consumer to another according to the obtained information and the ability to interpret it.

Lancaster determines consumer balance by the distribution of the budget between different products that are subjected to two complementary procedures: Effective substitution which means the exclusion of products where the price-quality relationship is not sufficient. Special substitution means the exclusion of products that are not subject to the consumer preference.

Although this model is important in interpreting consumer behavior, but it is criticized for neglecting the psychological and social aspects, and for the less interest in measuring the degree of preference among consumers. The current study tries to investigate the causes of changing the individuals consumption pattern in Jordan.

b. Social and psychological factors, which are based on a set of sociological and anthropological concepts; such as reference group, social class, and individuals needs of belonging to a group such as families or friends. Consequently, the individual depends on the consuming perceptions of these groups, which affects him, and is affected by him.

## 2. Marketing Management and Consumer Behavior

One of the marketing manager's priorities is confronting future variables with secured plans to avoid sudden market fluctuations by collecting information about competitors, consumers and other environmental variables. The most important and difficult type of these is the consumer. This requires deep psychological and sociological search through smart questionnaires to investigate the information that predicts consumers' needs today and in the future to better recognize consumption pattern and to modify the best marketing mix for each market case. There are two strategies (Mualla, N, 2001, p. 48) in confronting market fluctuations and consumer's selectivity of alternative products. These strategies are integration strategy and challenge strategy; they may be applied on consumer behavior (in the researcher's point of view) in the following ways:

a. Market-integration-Strategy, is to cope with the change of consumption pattern if this pattern is associated with subjective motivations reflecting a set of ideological and religious references which the consumer cannot turn away from, such as drinking alcohol by Muslims, or even the courage to raise bread prices in the Middle East, because bread is culturally associated with poor people, even if there are financial policies compensating such a rise.

b. Challenge and Change-Strategy, if the organization has confidence in its marketing and financial capabilities to change the consumption pattern by offering promotion programs or indirect television programs like reports that highlight the benefits of coffee, dates, and green tea, or to draw the attention to health services by regularly visiting physicians, or promoting for property insurance as proactive procedure to avoid long-term financial risks, or even buying carpets to save energy, and so on.

### 3. Prices Rising and Market Fluctuations

Market fluctuation is the change in the amount of demand for certain market sectors in favor of others due to prices rises. It is necessary to distinguish between inflation and the sudden prices rising phenomena. Inflation is the general price rise on the long-term compared with a standard year, or it is a sustained increase in the general price level of goods and service in an economy over a period of time (Hall, R, 1993, p. 637) The sudden price rise is the most dangerous aspect on the market situation because it is sudden and lasts for a short period and leads to social and psychological risks that affect limited income individuals.

The consumption patterns change surprises producers and traders with the demand size, this surprise is accompanied by failure in the marketing strategies. For example, managers of central heating did not expect demand decrease due to diesel high prices in Jordan, as a result citizens stopped buying diesel for central heating in favor of kerosene or gas (for warming), this means to be content with non-healthy non costly heating. On the other side the demand decline for all kinds of heating and warming fuel despite the governmental financial support policy due to the consumption pattern of the Jordanian citizen, preferring to benefit from financial support in education, building, food and private transportation means instead of fuel for heating. The perceived cultural image of the individual who lacks positive culture facing cold weather plays a vital role in consumption patterns.

### 4. Pricing policies and consumer protection

Price is the tool of market exchanging, and is the value which covers the cost of each product in addition to the profit margin, as the following equation shows:

product price = production cost /unit + promotion cost /unit + distribution cost /unit + Profit margin/ unit.

Or it is "the value which the consumer is able to pay in change for a set of benefits correlated with using the product" (Abu Farah, Y, 2010, p.37). Price is also characterized as the easiest element of the marketing mix to change compared with formulation of the product or modification of the promotional or distributional policies.

The cost of promotion or distribution plays positive or negative role in the pricing process, and this is known as the double effect, where the cost of promotion and distribution act to increase the total cost of the production process, forcing marketing manager to raise the price accordingly, which impacts the amount of the demand negatively. Promotional and distributional costs have a positive impact on marketing process, especially when choosing the best marketing policies that increases demand levels in spite of the determined price is higher than competitors' prices. (Abu Farah, Y, 2010, p.88)

The market mechanism limits the ability of the marketing manager in proposing the desired price, especially with the availability of electronic information networks, as factors helping the consumer to choose the best choice, and to ensure achieving the desired benefit in return for the price that is paid. The consumer is the one concerned with the pricing process in the midst of various pricing policies, most of exploitation cases are not an exclusion of that, and this is what consumer protection Associations tries to prevent.

The most important aspects of consumer protection lies in protecting him from himself and by familiarizing him with his rights, such as the right to know all information related with products, the origin country, the right of choice in clear competitive conditions, the right to express opinions, the right to boycott organizations that cause environmental, health and social damage. Individuals confront exploitation through forms such as (Abu Farah, 2010, p.58):

1. Labeling: missing data and instructions on the cover of the products.
2. Advertising: deception and misleading advertising.
3. Guaranty: failure to provide adequate guaranties from the organization.
4. Using unhealthy and inappropriate packaging.
5. Inventory: inappropriate products storage.
6. Transportation: using inappropriate transport means and in inappropriate times.
7. Weights and Measures: deception in the weight of the product or in its standards.
8. Price: offering high profit products, price not matching the purchasing capacity of citizens, faked price discounts, unfair installments that have high prices differences.

### III. Statistical Analysis:

To deepen the theoretical aspects, the researcher has gotten benefits from statistical analyses of the study elements, the citizens and companies managers, as follows :

**1. Modifying the Scale:** Likert scale is adopted to measure "the effect of rising prices on the consumption patterns and market fluctuations". Answers range from "strongly agree" (5) to "agree" (4) "undecided" (3) "disagree" (2) and "strongly disagree" (1) The following scale is used to determine averages: from 0.1 to less than 2.33: low degree, 2.33 to less than 3.66: medium degree and from 3.66-5.00: high degree.

**2. The Study Population and the Sample:** The study population consists of all Jordanian citizens in Irbid, and all companies managers. The questionnaire was applied on a representative sample of (100) citizens and (20) managers, citizens standard deviation scored (1.10), while managers sample scored (0.25), and then the following equation was applied in order to determine the appropriate sample depending on varying answers on the questionnaire.

$$n = \frac{z^2 \sigma^2}{e^2}$$

Where :

- n: the sample to be calculated. Z: confined range under the value  $(1-\alpha / 2)$  and it equals (1.96)
- $\sigma$ : standard deviation and valued (1.10) for the citizens sample,(0.25) for the managers sample
- e: the error range and it equals (0.05)

After applying the previous equation, it was found that the required representative sample of citizens consists of (1860) citizens, and (96) managers, which is considered a good representation for the study sample. Two thousand fifty copy of the questionnaires were distributed of which (2000) were appropriate for the statistical analysis of the citizens sample, and (125) copy was distributed among managers of which (100) were appropriate for the statistical analysis.

### 3. Methods of Analysis

The following statistical methods is used:

1. Averages and standard deviations: to get familiar with the answers of the sample elements to the study tool (questionnaire)
2. Test (One Sample T-test): to check the hypotheses of the study.

### 4. The Reliability of the Tool:

Reliability of the study is insured using Cronbach alpha on all the items, Table 1 shows the reliability coefficients for the fields of study and the tool as a whole.

Table ( 1): Reliability coefficients for the study focus and the tool as a whole .

field	Number of points	The reliability coefficient
The effect of rising prices on changing the consumption patterns of the Jordanian citizen towards the purchase of goods	5	,78
The effect of rising prices on changing the consumption patterns of the Jordanian citizen towards the using of basic services	5	,79
The relationship between rising prices and market fluctuations as a result of consumption preferences resulting from a rising prices in general	10	,78

\* Statistically significance at the significance level  $(0.05 = \alpha)$ .

Table (1) shows that all the values of reliability coefficients according to (Cronbach alpha) were acceptable for the purposes of application, where it ranged between (0.78-0.79). Studies indicated acceptance of reliability coefficients and all counting values are acceptable for the purposes of the application; most studies indicate that the proportion of acceptable reliability coefficient (0.60)

**5. The Field Study:** This section contains the results of the research which aimed to identify "the effect of rising prices on consumption patterns and market fluctuations" with the following results:

**First:** the results related to the first hypothesis: there is no statistical significance effect at the level of significance  $(\alpha = 0.05)$  for rising prices on changing the consumption patterns of the Jordanian citizens towards purchasing the basic goods in general. Means and standard deviations are calculated for the citizens sample for all items of the focus "the effect of rising prices on changing the consumption patterns of the Jordanian citizen towards purchasing the basic goods" Moreover, the (One Sample T-test) was applied on the whole focus, tables (3-4) illustrate that:

Table ( 3) The arithmetic means and standard deviations for the items of the focus "the effect of rising prices on

changing the consumption patterns of the Jordanian citizen towards purchasing the basic goods in general" in a descending order (n = 2000)

Rank	Number	Points	Arithmetic mean	Standard deviation	Degree of assessment
1	2	I had to reduce shopping of clothes, furniture and carpets because of price rising in general	4.42	0.82	high
2	3	I had to reduce shopping of heating fuel because of price rising in general.	4.40	0.80	high
3	4	I had to reduce shopping of private vehicles because of price rising in general	2.40	1.02	medium
4	1	I had to reduce shopping of food items because of price rising in general.	2.20	1.17	low
5	5	I had to reduce shopping of constructions and properties because of price rising in general.	1.80	0.75	low
		The focus of the effect of rising prices on the consumption patterns of the Jordanian citizen towards purchasing the basic goods in general.	3.04	0.32	medium

Looking at table (3) it is clear that the arithmetic means of the answers to the focus "the effect of rising prices on the consumption patterns of the Jordanian citizen towards purchasing the basic goods in general" ranged between (1.8- 4.42) where the highest was for item (1) "I had to reduce shopping of clothes, furniture and carpets because of price rising in general" with a high degree of assessment, and the lowest was for item (5) "I had to reduce shopping of constructions and properties because of price rising in general".

Table (4) The results of applying One Sample T-test on the focus "the effect of rising prices on changing the consumption patterns of Jordanian citizen towards purchasing the basic goods in general" ( n = 2000 )

Focus	Arithmetic mean	Standard deviation	Degree of assessment	T	Statistical significance
The effect of rising prices on changing the consumption patterns of the Jordanian citizen towards purchasing the basic goods in general	3.04	0.32	medium	5.58	0.000

From table (4), it is clear that there is a statistically significant effect at ( $\alpha = 0.05$ ) the effect of rising prices on changing the consumption patterns of the Jordanian citizen towards purchasing the basic goods in general, where the value of (T) is (5.58) and it is a positive and statistically significant value at ( $\alpha = 0.05$ ) and the standard value for the quintet is (3), where the value of the average focus is (3.04) and this value is bigger than the standard one, therefore first hypothesis is rejected and the alternative hypotheses are accepted.

**Second:** The results related to the second hypothesis: There is no statistically significant effect at ( $\alpha = 0.05$ ) for rising prices on changing the consumption patterns of Jordanian citizens towards using the basic services. Means and the standard deviations of the citizens answers on the focus "the effect of rising prices on changing the consumption patterns of the Jordanian citizen towards using the basic services", and One Sample T-test are illustrated in tables (5-6):

Table (5): The means and the standard deviations for the items of focus "the effect of rising prices on changing the consumption patterns of the Jordanian citizen towards using the basic services" in a descending order (n = 2000)

Rank	Number	Points	Arithmetic mean	Standard deviation	Assessment degree
1	5	I had to dispense with getting certain tourist services and social events as a result of rising prices.	4.40	0.80	high
2	1	I had to dispense with getting certain health services or getting low-quality ones as a result of rising prices.	4.25	0.75	high
3	2	I had to dispense with getting certain primary educational services (schools) or getting low-quality ones as a result of rising prices.	3.83	1.17	high
4	4	I had to dispense with getting certain electronic communication and Internet networks as a result of rising prices.	1.81	0.75	low
5	3	I had to dispense with getting certain higher educational services (universities) or getting low-quality ones as a result of rising prices.	1.62	0.80	low
The focus "the effect of rising prices on changing the consumption patterns of the Jordanian citizen towards using the basic services.			3.16	0.20	medium

From table (5), it is clear that means of the answers on the items of the focus "the effect of rising prices on changing the consumption patterns of the Jordanian citizen towards using the basic services" ranged between (1.62-4.40), the highest is for item (5) "I had to dispense with getting certain tourist services and social events as a result of rising prices in general" with a high assessment degree, while the lowest is for item (3) "I had to dispense with getting certain higher educational services (universities) or getting low-quality ones as a result of rising prices in general," with a medium assessment degree, and mean for the whole focus is (3.16).

Table (6): The results of applying One Sample T-test on the focus "the effect of rising prices on changing the consumption patterns of the Jordanian citizen towards using the basic services in general" (n = 2000):

Focus	Arithmetic mean	Standard deviation	Assessment degree	T	Statistical significance
The effect of rising prices on changing the consumption patterns of the Jordanian citizen towards using the basic services.	3.16	0.20	medium	36.50	0.000

Table (6) shows that there is a statistically significant effect at  $(0.05=\alpha)$  for raising the prices on changing the consumption patterns of the Jordanian citizen towards using the basic services. (T) value of the whole focus is (36.50), it is positive and statistically significant at  $(0.05=\alpha)$ . Deviation for quintet (3), mean for the whole focus is (3.16), it is larger than the deviation value, therefore the second hypothesis is rejected and the alternative is accepted.

**Third:** The results related to the third hypothesis: No statistically significant relationship at  $(\alpha = 0.05)$  between changing the consumption patterns of the Jordanian citizen and the phenomenon of market fluctuations for the various sectors from the point of view of the managers in Irbid. The means and standard deviations for the answers of the managers sample were calculated for all items of the focus "rising prices and market fluctuations as a result of consumption preferences because of rising prices in general," One Sample T-test was also applied on the whole focus, Tables (7-8) illustrate that:



Table (7): Means and standard deviations for the items of the focus "rising prices and market fluctuations as a result of consumption preferences because of rising prices in general" in a descending order ( n = 10 )

Rank	Number	Point	Arithmetic mean	Standard deviation	Assessment degree
1	2	There is a reduction in demand for clothes and carpets because of the overall price rising .	4.22	0.77	high
2	3	There is a reduction in demand for heating fuels despite the government support because of the overall price rising.	4.21	0.75	high
3	6	There is a reduction in demand for health services and getting low-quality services because of the overall price rising.	4.20	0.74	high
4	7	There is a reduction in demand for the primary educational services or getting low-quality services as a result of the overall price rising.	4.19	0.70	high
5	10	There is a reduction in demand for recreational services and social occasions as a result of the overall price rising.	4.18	0.75	high
6	4	There is a reduction in demand for getting private vehicles as a result of the overall price rising.	2.20	0.76	low
7	5	There is a reduction in demand for construction materials and properties as a result of the overall price rising.	1.85	0.85	low
8	8	There is a reduction in demand for the higher education services as a result of the overall price rising.	1.82	0.65	low
9	9	There is a reduction in demand for the communication services and Internet networks as a result of the overall price rising.	1.80	0.75	low
10	10	There is a reduction in demand for the food items as a result of the overall price rising.	1.60	0.80	low

The focus "rising prices and market fluctuations as a result of consumption preferences because of rising prices in general."	3.02	0.12	medium
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Table (7) shows that means for the answers of the sample to the items of the focus rising prices and market fluctuations as a result of consumption preferences because of rising prices in general ranged between (1.60–4.22), the highest is for item (2) "there is a reduction in demand for clothes and carpets because of the overall price rising, "with a high assessment degree, the lowest is for item (1) "there is a reduction in demand for the food items as a result of the overall price rising, "with a low assessment degree, and mean for the whole focus is (3.02) with a medium assessment degree.

Table (8): The results of applying One Sample T-test on the focus rising prices and market fluctuations as a result of consumption preferences because of rising prices in general (n = 2000 ):

Focus	Arithmetic mean	Standard deviation	Assessment degree	T	Statistical significance
The effect of rising prices and market fluctuations as a result of consumption preferences because of rising prices in general.	3.02	0.12	medium	1.70	0.06

It is clear from table (8) that there is a relationship between changing the consumption patterns of the Jordanian citizen (the consumption preference resulted from rising prices) and the phenomena of market fluctuations for different sectors from the viewpoint of the managers in Irbid city, but it doesn't reach a statistical significance level, where the value of (T) for the whole focus is (1.70) and it is a positive value but it is not statistically significant at ( $\alpha = 0.05$ ); deviation of quintet (3), where the value of the standard deviation for the whole focus is (3.02) is larger than the deviation value, but it is not statistically significant, therefore the third hypothesis is rejected and the alternative hypothesis is accepted.

#### IV. Conclusions

The study, in general, concluded that there is a statistically significant relationship between the price rising and changing the consumption pattern of the Jordanian citizens towards buying basic goods and using basic services, and there is a statistically significant relationship between the change in the consumption pattern of the Jordanian citizens and the problem of market fluctuations for various sectors. The researcher realized the scientific aspects and results of the study, in details:

1. Determine the difference between the consumption pattern which is subject to short-term price rising, and the concept of consumer behavior, which is generally affected by long-term inflation rate.
2. The researcher realized the seriousness of short-term price rising on the consumption preferences of Individual, who tends to choose low-quality products, surely this would leave social and healthy repercussions in the long-term.
3. The change in consumption pattern leaves negative impacts on the whole marketing process, so that the demand on specific market sectors declines for the benefit of others. It has been noticed that there is a dynamic market-fluctuations with each case of rising prices.
4. The study indicates that the demand size of certain products is semi-fixed -after price raising in Jordan - such as food, while the demand of others such as furniture, clothes and carpets is low.
5. The study reveals that there is insistence on the consumption of certain high price goods, such as cars, and constructing new houses, and use high-education services despite the high prices in general.
6. The study shows that individuals unwillingness to use heating and warming fuel, despite the financial support granted by the government to most of citizens, because of the negative culture in facing cold weather.
7. The study reveals the lack of consumption awareness of the Jordanian citizen, such as the effective activities of consumer protection, and there is inactive official responsibility to encounter the alternative effective policies, such as cumulative tax and financial distribution equity as in the Western countries.

#### V. Recommendations

Based on the results of the study, several recommendations were proposed. The most important recommendations are:

1. Adopting effective government financial and monetary policies to protect the Jordanian citizen from the negative effects of prices rising, most important is linking the salaries and income with inflation rates.
2. Adopting media policy awareness to protect certain sectors from prices rising and activation of the role of consumer protection societies.
3. Marketing managers and government have to be careful about the market fluctuations resulting from the short-term rising prices and all form of long-term inflation.
4. Find practical solutions by adapting an economic policy that refreshes the local markets and encourages the private sector to use reasonable investments in preferable sectors by Jordanians.
5. Supporting important consumer needs, such as health service through public hospitals, warming fuel by limiting gas (for heating) prices.
6. Investigating the reasons of prices rising and its correlation with international financial crisis and Bank system.
7. Conduct similar studies and apply them in different countries to observe the change in peoples consumption patterns.

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