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The Effect of Price Policy on Market Share for Retail Stores in Jordan

Abdel Karim Fawwaz Al Bataineh[1], Khalaf Suhail Bqain[2]

Abstract

A retailer's success depends largely on how well it manages the process of pricing its products. Pricing decisions, however, are often subject to large uncertainties. The impact of a pricing strategy on retailers is difficult to assess because of the interdependence of customer and store behavior. It becomes even more complex when competitors' pricing strategies can influence customers' purchasing decisions. The impact of retail pricing strategies on market share in Jordan is the focus of this research project. Out of 500 self-administered questionnaires distributed to retailers, only 342 were valid for analysis. In addition, the data was analyzed using Partial Least Square Structural Equation AL Modeling (PLS-SEM) to test the research objective of this study. The results of the study indicate that all three types of pricing policies (price evaluation (both fixed and variable policies), competitive pricing (three different approaches: low, medium and high) and structured assortment pricing (uniform pricing policy, brand level pricing policy and product level pricing policy) have a significant impact on market share in Jordan. This study adds to the literature by providing a new perspective on the impact of different pricing strategies on retail store market share.

Keywords: *Jordan, Market Share, Price, Pricing Policy, PLS-SEM, Retailers*

Introduction

Many global retail markets have undergone extensive restructuring over the past two decades as small independent stores have closed and large chains have expanded (Cho et al., 2022). As technological advances lowered the marginal cost of supplying customers, companies have had to adjust to rising fixed costs. Parallels to Walmart's success exist in other industries and sectors. Retailers play a critical role in the supply chain. They act as middlemen, passing information from manufacturers to buyers (Das Nair, 2019). They are in direct contact with the end users of the supply chain, and their actions have an impact on customer satisfaction. Because of this position, retailers' decisions can affect the profitability of the supply chain. Pricing is an important strategic decision for retailers. Through pricing, companies determine the value of their products and services in the marketplace. A retailer's ability to increase sales and gain market share is directly related to the effectiveness of its pricing strategy (Bhavsar et al., 2021).

While the choice of price can have a significant impact on a company's bottom line, there are a number of factors that must be considered. Both retail buyer decisions and quantities purchased are influenced by consumer preferences (Hecht et al., 2020). The term "consumer

[1] Assistant Professor of University of Petra College of Administrative and Financial Sciences Department of Banking & Finance – University of Petra - Box 961343 Amman 11196 – Jordan. Email: aalbataineh@uop.edu.jo
[2] Assistant Professor of University of Petra College of Administrative and Financial Sciences Department of Banking & Finance – University of Petra - Box 961343 Amman 11196 – Jordan. Email: kbqain@uop.edu.jo

preference" refers to the relative ranking of various needs and wants among shoppers. It is possible that preferences come from a variety of sources, including demographic characteristics, character traits, and social interactions (Wali et al., 2021). Age and household income are two examples of sociodemographic characteristics. Personality traits include, for example, awareness that distance, cost, and quality play a role in the purchase decision. The exchange of information between the customer and the retailer is referred to as "interaction" Retailers often try to attract more customers through price promotions (Chen et al., 2020). Although this tactic is short-lived, it has been shown to be effective in influencing consumer choice (Hamilton et al., 2019; Mensah & Amenuvor, 2022). It is also considered a method for achieving marketing success (Tariq et al., 2022).

There is a lack of research that examines how the frequency and amount of price discounts affect retailers' performance, although these two factors drive the price promotion approach. Because pricing is one of the most effective marketing tools for persuading customers to buy a product, it is inextricably linked to the totality of benefits that shoppers can expect from using the product in question. Underneath price, however, lie many responsibilities, as pricing is an integral part of marketing and is inextricably linked to a company's philosophy, direction, and goals. This is because pricing strongly influences the preferences and buying habits of consumers in that market on the one hand, and the actions of competitors on the other. Seventy-one percent of companies place price at the top of the marketing mix because it is the most liquid and financially influential factor in their operations (Li et al., 2022).

Numerous studies suggest that high price has a direct effect on customer loyalty, although the results of the studies are still contradictory and the mechanism by which product prices influence this behavior has not yet been discovered (Zhang et al., 2022). with consumers and the ability to compete, while other research treats pricing as a mundane task whose importance is derived from the monetary value that consumers are willing to accept in exchange for goods and services. Firms have used a variety of pricing policies in an attempt to influence consumer behavior locally in hopes of gaining and maintaining a large market share. This assumption is supported by the correlation between a firm's market share in a given area and its pricing strategy there. In a small market with limited resources, price is an important factor driving consumer behavior, but the market also includes members of a more affluent socioeconomic group who are less price sensitive to these retailers. Customers may become more price sensitive as retail competition intensifies, and we may finally be able to quantify the impact of different retailers' pricing strategies on the aggregate demand they generate. Therefore, this study examined the effect of pricing policies on the market share of stores in Jordan. The following sections of this paper are organized as follows: Section 2 contains the literature review, which discusses the existing body of knowledge. Section 3 details the research methodology adopted for this study. Section 4 provides an in-depth analysis of the results obtained. Finally, Section 5 summarizes the main findings and their implications.

Literature Review

Theory development

The impact of pricing policy on retailer market share in out-of-stock situations has been the focus of this research. There are two possible causes of stockouts. In the first, the store faces the risk that a particular product is out of stock, which means that any demand for that item will go unsatisfied during the time it is out of stock (Zhen et al., 2022). The buyer has the option to postpone the purchase, shop elsewhere, or choose a different product. The second scenario

is an out-of-stock situation at the retail shelf because all of the store's merchandise is in the storage area (backroom) rather than on the shelves. Intuitively, one situation is more likely than the other because it is more unreliable to stock the shelves from inventory than from a fresh supply. Many accountants and economists have offered their own interpretations of the concept of "value of money." In the eyes of some, value is simply the ratio of one country's currency to others. Yet, many people associate the concept of value with a country's purchasing power. When we talk about how many things a dollar can buy, we are talking about its purchasing power (Hendriks & Bonga-Bonga, 2022). Every piece of culture has multiple levels of value, including technical, emotional, social, situational, appreciative, and practical (Friedman, 2017). The exchange rate and the price level in a country are negatively correlated. To illustrate, when the price level rises, the value of the currency falls and vice versa (Garg & Mahipalan, 2022). One uses money to buy something, another to sell something, and yet another to keep track of prices and values (Garg & Mahipalan, 2022). Economists have disagreed on whether or not cost of goods sold or customer value plays a larger role in setting retail prices. It is more reasonable to assume that the price of a good or service is identical to the cost of production and the value it provides to the customer (Martini et al., 2022).

Price Controls in Jordan

Price liberalization in Jordan began in 1991, when the price of dry milk was allowed to fluctuate freely. The Ministry of Supply was responsible for the sale and pricing of a variety of staple foods in the local market until 1997. (Neugebauer, 2022). In 1997, even more products were allowed to be priced freely in the market. Fruits, vegetables, rice, sugar, frozen meat, fish, vegetable oil, salt, cheese, corn, eggs, and fresh chicken are examples of such products. However, the Minister and the Ministry of Supply were abolished after the passage of the Industry and Commerce Law in 1998. The legal framework provided that the functions of the former Ministry of Supply were taken over by the Ministry of Industry and Trade. All prices were gradually deregulated, and the Ministry of Industry and Trade was given the right to submit a list of major commodities to the Council of Ministers for pricing approval at any time (Curran et al., 2021). This led to further deregulation of prices for products such as lentil seeds, chickpeas, cement, fuel extracts, fresh milk, "homus, fools, and falafel" in 1999, and deregulation of the cost of transporting goods by road in 2005. Although the government is pursuing a policy of price liberalization, the pricing of goods and services in the various sectors of the economy continues to be determined by existing laws, rules, and regulations. However, the costs of price controls can be demonstrated through the fundamental paradigm of supply and demand (Reynolds et al., 2019). Consumers are more willing and able to make larger purchases at lower prices, as seen in the negative slope of the demand curve. When the price of a good increases, more suppliers generally enter the market, causing the supply curve to steepen. In most cases, the government sets a price (PC) that is lower than the market price because it considers it too expensive. As a result, consumers at the point of sale are ready, willing, and able to buy more of the product, while suppliers can supply less. Consequently, only Qc is on the market, which is less than Qo, indicating a shortage. To get something for Qc, one must pay Cc (the equivalent of the black-market price or the additional cost of waiting in line or searching). Lower production and consumption result in a negative surplus in area B. If there is no rationing, the non-financial cost is A.

Evading Price Controls in Jordan

There are numerous ways in which manufacturers and customers can avoid paying the set prices. A variety of actions can be taken to circumvent price regulations. The specific method of circumvention may be influenced by the following factors: - The necessity or luxury status of the item being sold may influence the seller's approach to pricing. The more perishable and

necessary a product is, the more the seller will try to drive up the price. If the buyer is unable to assess the quality of the product before purchase or immediately before consumption, the seller may choose to reduce the quality of the good or service in order to maintain a profit margin despite price control (Ghazo et al., 2021). The government must become larger, more influential, and more costly to the economy as a whole if it is to do anything about the decline in quality (Afifa et al., 2020).

Under competitive market conditions, retailers in a given country are less likely to raise their prices. However, the actual price paid by consumers may be much higher than indicated due to the existence of cartels and monopolies among traders. The extent to which the government enforces its laws depends on the honesty and integrity of its personnel. Public sector employees who do not make much money can be made to look the other way when the criminal offers a bribe. Difference between the current market price and the ceiling price: the greater the potential profit if the ceiling is exceeded, the greater the temptation to cheat. The lower prices are allowed to be under this system, the more sellers are encouraged to try to make a profit on restricted goods. The stricter the price regulations, the more likely sellers are to cheat, illustrating the moral hazard phenomenon in which individual misbehaviour is encouraged by government economic policy.

There are numerous strategies to circumvent price restrictions. Some of these strategies are presented below, although this list is by no means exhaustive, as there is no limit to the ingenuity of market participants in circumventing such controls. Underground market: some buyers may be willing to pay more to avoid waiting in long lines or experiencing a disruption in their supply. As a result, traders may demand a cut of the profits, or the situation may escalate into a full-blown black market where goods are bought and sold under the table. Because of the desperation of buyers and the risk of punishment for both parties if their transactions are uncovered, prices in black markets can be far higher than the official price and the price that would apply in a free market (Nacoulma et al., 2020). A 2002 ILO report estimated that the informal sector in Jordan accounts for more than 20% of GDP. The problem of the unofficial economy will only worsen if measures are taken to encourage the growth of underground markets. In a tying transaction, the seller of the product with the fixed price requires that the buyer also purchase a certain minimum quantity of another product.

During World War I, for example, people who wanted to buy wheat flour at the rationed price usually had to buy large quantities of rye or potato flour instead. Producers engage in forced upward trading when they sell only the higher-value type of commodity at a premium and refuse to lower the price. Suppose a producer offers two product lines: one of lower quality and lower prices, sold in large quantities at a low markup, and another of higher quality and higher prices, sold in small quantities at a high markup. If the government sets price controls that result in shortages of both product lines, the manufacturer can stop producing the lower-priced line, forcing consumers to switch to the higher-priced option. The United States government repeatedly tried (II) to force textile mills to offer lower-priced products during the World War. In the early 1970s, President Nixon introduced regulations that caused steel manufacturers to eliminate an intermediate grade of steel plate in hopes of getting customers to switch to a more expensive product.

Pricing Policy

An organization's pricing strategy is the method by which it sets the prices at which it sells its goods and services. The total revenue derived from the set price multiplied by the number of units sold must cover operating costs and provide a reasonable profit margin that ensures an

acceptable return on investment regardless of the pricing strategy chosen. The methods used to achieve this goal vary depending on factors such as industry, market, strength of underlying competitive advantage, and even regulatory constraints. A company's ability to generate revenue, turn a profit, and reinvest those funds in its growth is highly dependent on its pricing strategy and is therefore a critical element in financial forecasts. In countries that are struggling to meet their needs due to scarcity of natural resources, the government has chosen to raise prices rather than relying solely on taxes. In London, for example, motorists must pay a surcharge if they want to drive on the city's highways and other major roads during rush hour (LaMonaca & Ryan, 2022).

Administrators need to be instructed in creative pricing techniques. Prediction is more important than reaction when setting a price. But unfortunately, the vast majority of companies still do not operate with this strategy in mind. Therefore, market strategies need to be adapted quickly (Shaffril et al., 2019). Increasing competition and the emergence of novel customer value propositions are two side effects of globalization and technological advances in marketing that do not necessarily translate into higher profits for manufacturers (Wood et al., 2021). According to a study by Rashid (2019), the success or failure of price can only be determined by performance. Therefore, executives in multinational companies did not have clear objectives in their pricing decisions. Cunha and Rocha (2015) studied twenty-four companies in Austria, Norway, and the United States regarding their export activities, focusing on the role of information, strategic approach, and management control behavior. They found that foreign companies had access to a greater variety of high-quality information sources and had better price control mechanisms. Thus, they showed that problems with pricing are not limited to a particular culture. Unfortunately, they were unable to provide insight into consumer behavior regarding pricing.

Burkert et al. (2017) examined the dynamics of a company's internal politics and the cooperation and rivalry between different departments in 125 Fortune 1000 companies and found that some departments are notoriously difficult in implementing new and better pricing strategies. For example, if the accounting department has to wait for cost data, it can cause a number of problems. The general tendency to control pricing will cause problems in the finance department. The sales department will have difficulties because of its independence. When planning time-limited promotions, the production department must keep a substantial inventory of products in stock. From this they deduce that pricing must be treated as a strategic activity and that full cost recovery must be achieved in the long term if any of these obstacles are to be overcome. A customer's opinion of a product's price has a major impact on their overall satisfaction, which in turn affects the company's bottom line and the likelihood that they will return as a buyer (Khairawati, 2020).

In addition to pure product cost, there are a variety of aspects of price perception that can contribute to satisfied customers. Additional features include things like value for money and price fairness in a retail store, as well as ease of access and the ability to mentally process price. The opponent process theory assumes that some aspects of price perception, such as price fairness, are required. If these requirements are not met, customer dissatisfaction will increase dramatically, but meeting these requirements will not increase satisfaction. On the other hand, success in these other areas may not occur on its own. Dissatisfaction could result from inadequate performance in several areas, while high results would significantly increase satisfaction (Lai-Bennejean & Beitelspacher, 2020). Even if poor performance would not lead to dissatisfaction, exceptional results would significantly increase happiness levels. It is critical for retail managers to be aware of these disparate impacts, as this will allow them to better allocate resources across multiple performance metrics.

Retailers should be aware of the fact that minimum price and value standards must be met. A new pricing strategy is necessary to maintain the public's belief that they are getting the best deals for their families wherever they shop. When consumers are faced with inflated prices, they usually look elsewhere. Many customers are baffled by the pricing structure because they have little background knowledge and respond based only on perceived value, price, or their ability to meet marginal goals (Sanchez-Cartas & Sancristobal, 2022). Several factors beyond a business's control can dramatically impact its ability to make money and even stay open. Achieving and maximizing profits, as well as securing customer loyalty and repeat purchases, depend on effective pricing (Setiawan et al., 2020). There are a variety of pricing methods, and each is designed to maximize profits under certain conditions. Some common pricing approaches are listed here. Retailer policies in response to fluctuating prices: Long-term price stability is the premise of a pricing strategy called "fixed pricing," which involves maintaining prices for an extended period of time. This approach relies on savings made possible by streamlined product management and strong customer loyalty.

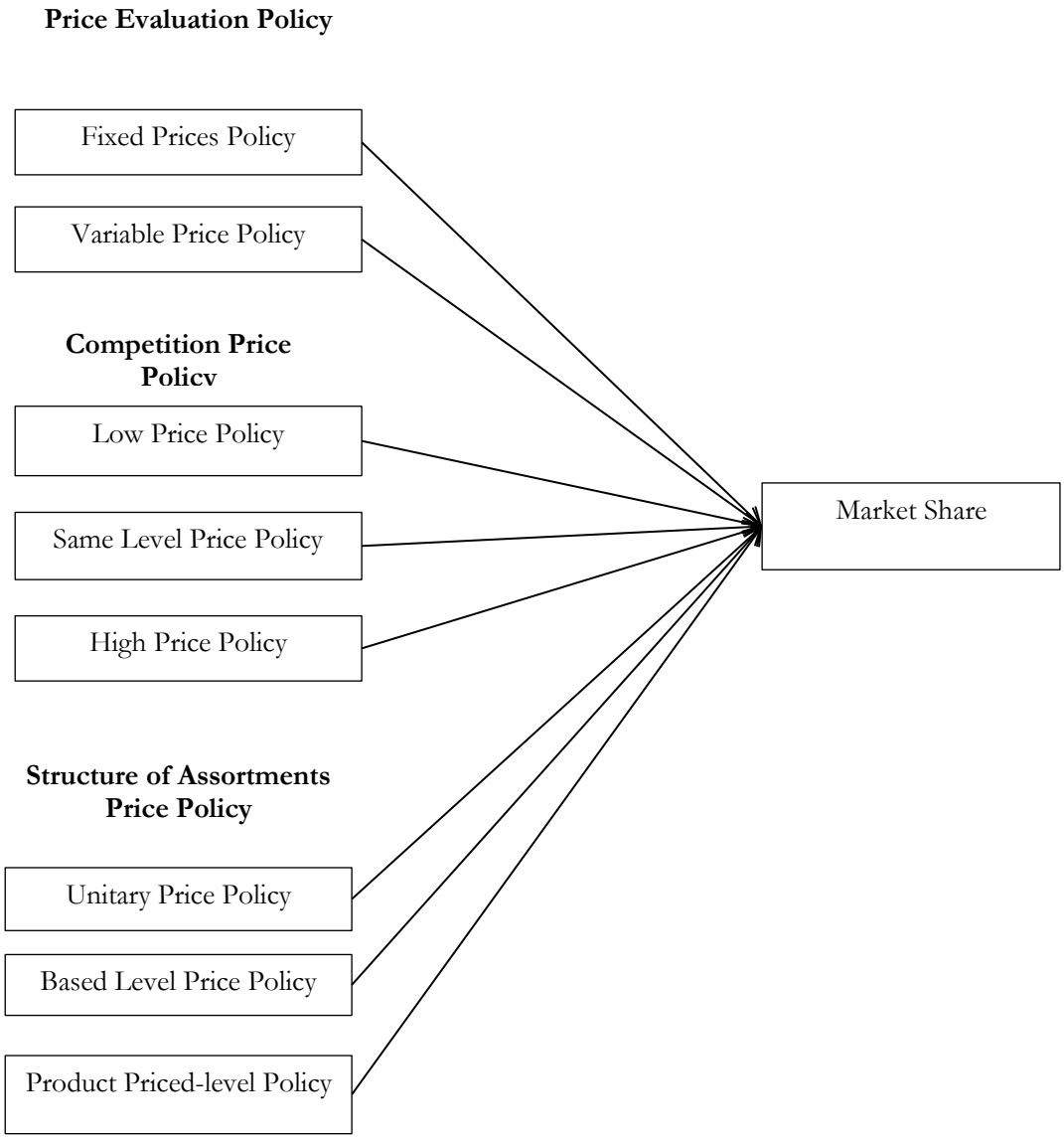
However, in the face of intense competition, this tactic may be difficult to sustain and may require the retailer to forgo some of the services typical of an outlet, reduce staff, or negotiate stricter terms with its suppliers. b) Under a dynamic pricing plan, prices are adjusted frequently and for limited periods of time as part of a sales promotion campaign. Before the discount is applied, prices are higher than under a long-term fixed price policy, but final prices are lower. This strategy leads to more customer traffic in stores and greater customer loyalty. It also has the potential to attract customers from different demographic groups and appeal to their increasing price sensitivity. Options for pricing depending on the market situation: a) Stores that do not offer post-sale services, have a limited variety of moods, and have a strong focus on high-turnover products are more likely to use a low-price strategy to compete with the market. When a company adopts a "price parity with competitors" strategy," it means that it sets its prices at the same level as its competitors. Online and brick-and-mortar stores that use this tactic differentiate themselves from their competitors by providing superior service before, during, and after the purchase. Retailers use the high-price strategy when there is little or no competition or when they have significant advantages over their competitors, such as a privileged location, a broad range of customer opinions, exceptional pre- and post-purchase support, or a superior product image. Retailers use this tactic to appeal to the wealthiest members of society, who are less interested in cost and more interested in things like status symbols and bragging rights.

Different approaches are used depending on the assortment structure. a) Using a single, uniform price point, the retailer sets the price for each item, and the standard unit price is displayed next to it. Standardized units of measurement are required for this method to work, so it is only applicable to a subset of products. Brand-level strategy (b) In this approach, pricing is set at the individual brand level, with profit margins based on the perceived value of those brands. (c) This tactic requires setting a small price range for items in the same category and ranking items priced below that range. Depending on the quality and marginal cost of the products in that category, a price can be set that takes into account the profit margin for all, two or three price levels.

The Model

The research model for this research is described schematically based on the relationships between the research structures and their sequence of effects. (Figure 1). Specifically, the first control flow is triggered by the causal relationship between pricing strategy and market share.

Figure 1: Research Framework



Research Method

Data

A quantitative descriptive research approach was used to analyze the data. The 733,536 retailers constitute the population for this analysis. The term "population" is used to refer to the larger group to which the results of the study will be applied, while "sample" refers to the subset of the population on which the study is conducted (Lakens, 2022). Osuagwu (2020) suggested that a representative sample helps researchers to generalize their findings to the whole population. Therefore, using Krejcie and Morgan (1970), the sample size of this study is 384 retailers. Subsequently, the sample size was increased to 500 in order to obtain more accurate

and consistent results by minimizing sampling error and other potential sources of error in data collection (Hair et al., 2020). As a result, a self-administered questionnaire was used to collect information from respondents. The goal of this survey is to save costs by eliminating the need for the respondent to keep certain equipment and items, such as computer software (Abdulla et al., 2014). The data were collected from April 2022 to October 2022. This revised survey is an integration of several different approaches used in previous research on this study.

Method

In this study, the questionnaire data will be analyzed using Partial Least Structural Equation Modeling (PLS-SEM). The researcher will use a data mining technique before the actual data analysis to ensure a complete and accurate representation of the data. In addition, SmartPLS 4.0 was used to analyze the data and determine if the model is appropriate. There are several reasons for using PLS-SEM. The purpose of this study is to examine the causal relationships found between different constructs. In contrast, PLS-SEM is the method used to examine the survey results in this research. To test and analyze such causal relationships in light of empirical evidence and subjective causal assumptions, PLS-SEM is a quantitative tool. SEM combines elements of traditional empirical research as well as novel degeneracies. The SEM website can be divided into two parts for more specific use. The estimation model is the part that determines causality from data collected for passive variables. Let us first consider the basic model, which consists of a set of interrelated passive variables.

Results

There were 342 valid responses to the survey conducted. All data obtained, including the results of the structural equation model, were derived from the stated objectives of the study. Missing data occur when one or more items in the survey were not answered by respondents. "Each item in this study was subjected to frequency and missing value analysis to eliminate the possibility of missing data" According to the results of the data screening, median variable responses were used to fill in the gaps for each item when necessary due to a small number of missing values. A single-variable outlier is an observation with a value that is significantly different from the rest of the sample (Hair et al., 2020). In calculating the disclosure of the unit variable, we analyzed histograms and boxplots for each variable and also looked for a standard deviation value (z). If the standard value of a case is > = 4.0 in Hair et al. (2016), it is considered an outlier. Therefore, we call attention to any z value that is either above or below 4.

Measurements Model

The internal consistency procedure was used to assess reliability by evaluating the composite reliability scores. As can be seen in Table 1, all variables have shown reliability for composites (values greater than 0.7) (Hair et al., 2020). Convergent validity was established by determining if the values of AVE were greater than 0.5 (Table 1), and discriminant validity was established using the Fornell-Larcker test and HTMT (Table 2). For each latent variable, the square root of AVE must be greater than the correlation between the latent variables to meet the discriminant validity requirement. As can be seen in Table 2, the variables meet the discriminant validity requirement. In general, there may be problems with discriminant validity if the HTMT value is above 0.90. (Hair et al., 2017). Compared to the cutoff value of 0.90, all HTMT scores in this set were much lower (see Table 3).

Table 1: Loading and Internal Consistency Reliability of the Measurement Model

Variables	Loading	CA	CR	AVE
Fixed Prices Policy		0.867	0.903	0.653
FPP1	0.823			
FPP2	0.847			
FPP3	0.863			
FPP4	0.765			
FPP5	0.734			
Variable Price Policy		0.863	0.899	0.641
VPP1	0.771			
VPP2	0.814			
VPP3	0.850			
VPP4	0.83			
VPP5	0.732			
Low Price Policy		0.723	0.828	0.546
LPP1	0.718			
LPP2	0.750			
LPP3	0.710			
LPP4	0.777			
High Price Policy		0.780	0.858	0.602
HPP1	0.795			
HPP2	0.798			
HPP3	0.766			
HPP4	0.743			
Same Level Price Policy		0.871	0.911	0.720
SLPP1	0.837			
SLPP2	0.874			
SLPP3	0.836			
SLPP4	0.847			
Unitary Prices Policy		0.834	0.889	0.668
UPP1	0.839			
UPP2	0.805			
UPP3	0.844			
UPP4	0.779			
Brand Level Price Policy		0.851	0.910	0.770
BLPP1	0.859			
BLPP2	0.897			
BLPP3	0.877			
Product Priced Level Policy		0.890	0.919	0.696
PPLP1	0.888			
PPLP2	0.890			
PPLP3	0.901			
Market Share		0.925	0.938	0.655
MS1	0.831			
MS2	0.784			
MS3	0.836			
MS4	0.866			
MS5	0.785			
MS6	0.797			
MS7	0.786			
MS8	0.785			

Table 2: Fornell-Larcker criterion analysis to check discriminant validity

	Brand Level Price Policy	Fixed Price Policy	High Price Policy	Low Price Policy	Market Share	Product Price Policy	Same Level Price Policy	Unitary Price Policy	Variable Price Policy
Brand Level Price Policy	0.878								
Fixed Price Policy	0.665	0.808							
High Price Policy	0.477	0.630	0.776						
Low Price Policy	0.687	0.667	0.609	0.739					
Market Share	0.741	0.750	0.513	0.643	0.809				
Product Price Policy	0.724	0.590	0.450	0.611	0.702	0.893			
Same Level Price Policy	0.618	0.671	0.538	0.636	0.638	0.764	0.849		
Unitary Price Policy	0.515	0.706	0.468	0.679	0.642	0.789	0.653	0.817	
Variable Price Policy	0.694	0.796	0.696	0.707	0.740	0.618	0.718	0.697	0.800

Table 3: Hetromonotrait Analysis Discriminant Validity

	Brand Level Price Policy	Fixed Price Policy	High Price Policy	Low Price Policy	Market Share	Product Price Policy	Same Level Price Policy	Unitary Price Policy
Brand Level Price Policy								
Fixed Price Policy	0.765							
High Price Policy	0.582	0.763						
Low Price Policy	0.768	0.729	0.806					
Market Share	0.737	0.724	0.597	0.702				
Product Price Policy	0.754	0.663	0.541	0.797	0.785			
Same Level Price Policy	0.740	0.759	0.645	0.723	0.712	0.771		
Unitary Price Policy	0.767	0.710	0.574	0.769	0.752	0.725	0.652	
Variable Price Policy	0.770	0.712	0.783	0.774	0.779	0.676	0.790	0.781

Common Method Bias

Both Harman's single factor analysis and common latent factor (CLF) analysis were used to determine the efficacy of CMB in this study (Jordan & Troth, 2020). The results of Harman's single-factor test did not indicate a CMV problem because the first variable accounted for less than 50% of the total variation (see Table 4).

Table 4: The Assessment for CMV in Dataset – Harman's One Factor Solution

Total Variance Explained						
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	13.233	45.631	45.631	13.233	45.631	45.631

Goodness of Fit (GoF)

Since PLS-SEM does not provide global GoF indices, the R2 value is commonly used to assess the model's ability to explain the data (Liu et al., 2019). The goodness-of-fit index (GoF) for partial least-squares structural equation modeling was used to assess the fit of the model. This diagnostic tool was developed by Mahmoud et al. (2021). The geometric mean of the average communality score (AVE values) and the average R2 values (for endogenous constructs) are used to determine the goodness of fit (GoF). The GOF value is 0.740, which shows that the theoretical model proposed in the study has significant predictive and explanatory potential.

The Results

Table 5 summarises the results of the study using the SmartPLS structural equation model (SmartPLS SEM). This study shows that the path coefficients, STDEV, and probability value can all be understood based on the analysis construct used (P value). In addition, a significant positive relationship was found between the fixed price policy and Jordan's market share. The results showed that a 1 percent increase in fixed price policy would lead to a 0.91 increase in Jordan's market share. In addition, the results showed a significant positive effect of variable pricing policy on market share. The results showed that a 1 percent increase in variable pricing would lead to a 0.12 increase in market share in Jordan.

In addition, a significant positive relationship was found between low price policy and market share. The results showed that a 1 percent increase in low price policy would lead to a 0.1 percent increase in market share in Jordan. In addition, the results of the study revealed that the price policy at the same level and the market share have a positive and significant relationship. This means that a 1 percent increase in the price level would lead to a 0.188 increase in the market share in Jordan. However, the result showed that high price policy has significant negative impact on market share in Jordan. This showed that 1 percent increase in high price policy would lead to 0.105 decrease in market share in Jordan. The result showed that unit price policy and market share have a significant positive relationship. This means that a 1 percent increase in unit prices would lead to a 0.156 increase in market share.

Moreover, the result showed that brand level pricing policy has significant and positive impact on market share in Jordan. The result showed that 1% increase in brand level pricing policy would lead to 0.199 increase in market share. Finally, the result showed that product level pricing policy and market share have a significant positive effect. This result implies that a 1% increase in product-level pricing policy would lead to a 0.16 increase in market share. By calculating the R2 value, we were able to determine how much of the variance in the dependent

variable was due to the independent variables. Table 7 shows the estimated R2 values for the model. It showed how much the independent factors contribute to the total variance of the dependent variable. Table 7 shows that the predictors of market share account for 83.7% of the variance in market share. Simply put, the market share error variance accounts for about 16.3 percentage points of the total market share variance. All exogenous latent constructs in the current study also have low predictive relevance (Q2). According to Hair et al. (2014), the predictive relevance of an exogenous construct for a given endogenous construct can be classified as low, medium, or high, with values of 0.02, 0.15, and 0.35, respectively.

Figure 2: Graphical Result

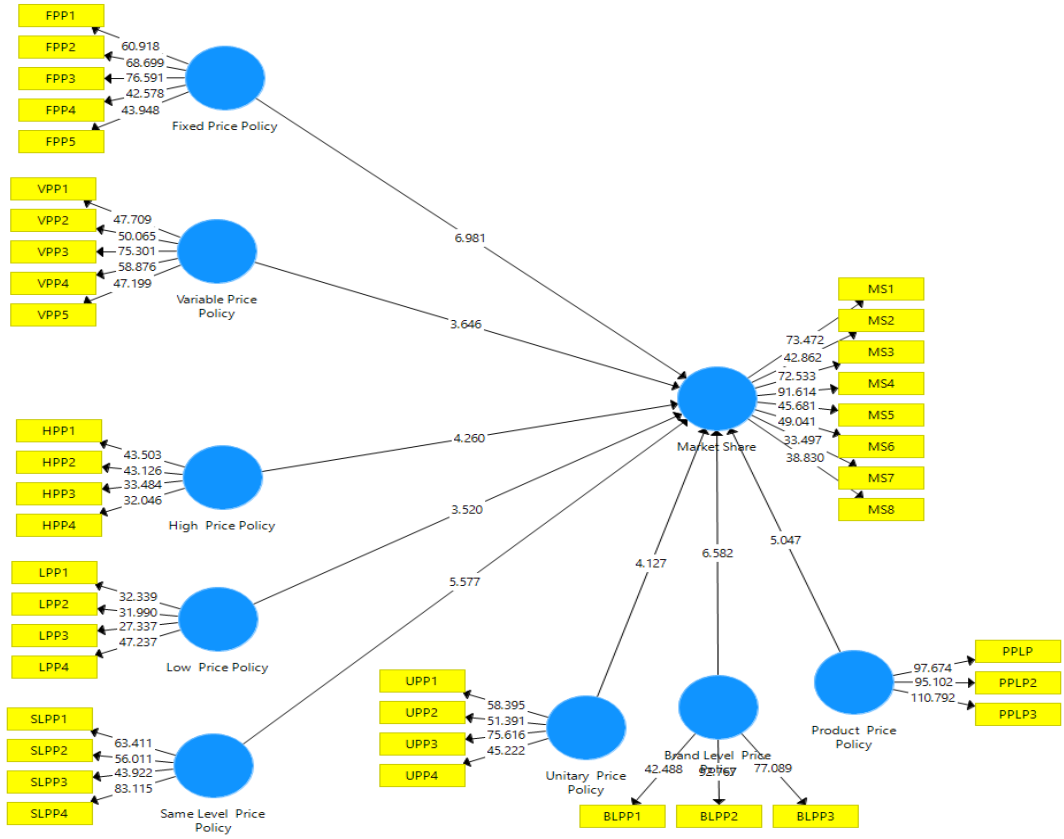


Table 5 Summary of Path Coefficients

	Estimates	STDEV	T Statistics	P Values
Fixed Price Policy -> Market Share	0.191	0.027	6.981	0.000
Variable Price Policy -> Market Share	0.120	0.033	3.646	0.000
Low Price Policy -> Market Share	0.100	0.028	3.52	0.000
Same Level Price Policy -> Market Share	0.188	0.034	5.577	0.000
High Price Policy -> Market Share	-0.105	0.025	4.26	0.000
Unitary Price Policy -> Market Share	0.156	0.038	4.127	0.000
Brand Level Price Policy -> Market Share	0.199	0.03	6.582	0.000
Product Price Policy -> Market Share	0.16	0.032	5.047	0.000

Table 6 Summary of the R^2

	R^2	R^2 Adjusted	Q^2
Market Share	0.837	0.836	0.508

Conclusion

This paper presents the impact of pricing strategy on retail share in Jordan. Different pricing strategies are analyzed in this paper, focusing on the issue of pricing. Price evaluation (both fixed and variable policies), competitive pricing (three different approaches: low, medium and high) and structured assortment pricing (unit pricing, brand level pricing and product level pricing) are evaluated. A number of economic theories were considered in the development of the model, such as consumer price reference theory to determine the profit or loss that each consumer can expect, consumer behavior theory, which considers consumer preferences in terms of travel time, cost, profit, and loss, and price promotion theory. It has been shown that these theories can be used to create a model that provides retailers with data to analyze their pricing strategies. Initial results showed that not all pricing strategies are successful under most conditions. Retailers' profits, sales, and market share suffered under the high price strategy. However, this is only the case when the competing store adopts a low-price depth approach. The bounded rationality of the agents allows us to observe this emergent behavior. The proposed model takes into account the complexity of the market, which leaves room for many types of agents. It unifies different aspects of buyers and provides a novel perspective on how pricing affects the profit of trades. However, the heterogeneity of agents makes it difficult to analyze which shoppers' preferences respond to which of these price promotions. The low availability of retailers is another factor that needs to be considered in future studies. The presence of additional stores increases the likelihood that new patterns will emerge.

Limitation of the Study and Future Recommendation

The study of how different pricing strategies affect the market share of retail firms in Jordan has certain limitations. Although efforts were made to expand the sample size beyond the recommended minimum, it's possible that the results of the study cannot be fully generalized to the entire retail population of Jordan. The selected sample of 500 retailers may not reflect the broad spectrum of retail businesses across the country. Despite the intention to reduce sampling error, the non-random sampling technique may introduce bias into the sample. This may limit the out-of-sample applicability of the study and affect the external validity of the conclusions. The fact that the study relies on cross-sectional data collection limits our ability to draw conclusions about the causes of pricing policy and market share. The possible evolution of market dynamics isn't taken into account. Data collected through questionnaires could be affected by self-report bias. The reliability of the results may be affected by respondents' interpretations and perceptions, which may affect the accuracy of their answers. The study only addresses pricing strategies and their impact on market share. It doesn't consider the potential impact of additional elements such as consumer preferences, macroeconomic circumstances, or competitive strategies. A number of suggestions for future studies may be considered to increase the validity and relevance of the study's conclusions. To improve the representativeness of the sample and the generalizability of the results to the overall population of traders in Jordan, random sampling should be used in future studies. Greater knowledge of causality and trends in the retail industry can be gained by conducting longitudinal studies that observe changes in pricing and market share over time. The use of

multivariate research tools can help examine how various aspects of pricing policy, such as customer behavior, the competitive environment, and economic conditions, interact to influence market share. By combining quantitative analyzes with qualitative retail observations, the complexity and nuances of pricing policy effects can be better captured. The validity of the findings can be confirmed by comparing the study results with official market share data from government or industry publications. Comparing the impact of different pricing strategies in different retail segments (e.g., large chains and small firms) could shed light on potential differences in effectiveness. The relationship between pricing strategies and market shares can be examined from a broader perspective by replicating the study in multiple locations or in different countries with different market conditions.

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