

## **The impact of psychological pricing policy on consumer behavior**

### **((Field study on Asir region))**

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#### **Abstract:**

The pricing policy has a special importance in the marketing mix with its impacts on different consumer categories. This study aims to identify the impact of psychological pricing policies on consumer behavior in Asir region. The researcher used the analytical descriptive method, which is based on describing one of the phenomena in order to reach the causes of this phenomenon and the factors that control it, and draw conclusions for generalization them. The researcher selected an appropriate sample consisting of (178) members of the study community. By analyzing the results of this hypothesis, it was found that the fractional pricing policy impacts on consumer behavior, as the results indicated that there is a statistically significant impact of the fractional pricing policy on consumer behavior. The study recommended raising the awareness for consumers toward the fact that the price of the commodity is not sufficient evidence of its quality, and that there are other factors affecting the price of the commodity.

**Keywords:** psychological pricing, consumer behavior, Asir region.

## Chapter one

### The background and the importance of study

#### 1-1 Introduction

Pricing is considering among the main problems facing the management, especially when pricing the products or services for the first time that is when pitching new products or services in the market or developing current products or services, and also when general economic or operating conditions in the organization require permanent or temporary change in current prices, and finally when the organization is producing a large number of correlated products in terms of demand or cost.

The pricing policy has a special importance in the marketing mix with its impacts on different consumer categories, where the consumer concerns about the price which who reviews it constantly, and regards the commodities often in the term of how much money he pays in acquiring them. Pricing requires more than just technical expertise in producing and cost. Pricing requires continuous innovative, creative and perceptual thinking of what the buyers' motives will be and how they will make purchasing decisions in light of assumed marketing scenarios. Likewise, aspects of the difference and distinction of customers must be understood and based on the above, it seems to us the importance of psychological design of prices, where in our time no longer consumers buy without thinking, explaining and analyzing pricing policy deeply. Price is one of the centers of their concerns, as we find this tangible. The numbers that are placed on the products are not only for accounting, but for the customer they are for deep thinking and a long-term psychological stimulus, as psychological pricing policies are based on these principles.

We do not actually buy with the conscious mind, and that most of our purchasing decisions come from certain influences that the subconscious mind is exposed to, and our buying behavior moves towards certain products in a way that - sometimes - seems illogical.

#### 1-2 The problem of the study

Commercial organizations intend to set pricing policies for their products in a wide and varied way for those policies according to the strategy they aim for, and among those policies is the fractional pricing policy in which they attempt to influence consumer behavior by responding to that new price, which the consumer may see is less than what should be or the consumer rounding fractions to the nearest whole

number, so he feels that the price is not discounted and so he does not buy. Regarding the policy of high pricing (prestige pricing), where the commercial organizations here intend to set a very high price, believing that there is a social class that will be keen to buy their products or link this to the quality of the product as a result of its high price, and from here the idea of this study, which dealt with studying consumer behavior for pricing policies, emerged psychological research and its impact on consumer behavior, by research and analysis.

### 1-3 The questions of the study

1. Does the consumer think that purchasing the high-priced commodity (prestige pricing) will achieve a privileged social position for him?
2. Does the consumer think the fractional price is the lowest price set for the commodity?
3. Does consumer behavior differ for psychological pricing policies according to different demographic characteristics?

### 1-4 The importance of the study

The importance of the study stems from the importance of the variables covered by the study and can be summarized in the following points:

- The importance of studying consumer behavior, as studying consumer behavior contributes to creating knowledge among consumers about the right purchasing decision
- Assist the marketing manager with information that is useful when developing pricing strategies.
- Studies related to the impact of psychological pricing policy on consumer behavior have become the focus of high interest of writers and analysts, locally or even globally.

### 1-5 The variables of the study

This study includes two types of variables:

- **Independent variables**
  - **Prestige Pricing Policy (High Pricing)**

According to it, the price is set at a high and costly level to give an image of status and distinction.
  - **Fractional pricing policy**

Psychological pricing means changing prices in a way that leads to a psychological impact on the consumer, thus changing his behavior directly, or in other words, exploiting the psychological aspects and mental

trends of the customer in order to make him think that the price is less than it should be, or motivate him to pay more or to delivering a message about the product (Kotler, 1999).

- **Dependent variable**
  - **Consumer behavior**

It is those conducts that conducted by a person as a result of being exposed to an internal or external stimulus about what is offered to him in order to satisfy his needs and desires.

## 1-6 The goals of the study

**The main goal:** Identifying the impact of psychological pricing policies on consumer behavior in Asir region.

The following sub-goals stem from the main goal:

- Analyzing the impact of high pricing policies (prestige pricing) on consumers' behavior.
- Analyzing the impact of psychological pricing policies of fractional pricing strategy on consumer behavior.
- Analyzing the differences of demographic characteristics in which the policy of high pricing is used on consumer behavior.
- Analyzing the differences of demographic characteristics in which the fractional and whole pricing policy is used on consumer behavior.

## 1-7 The dimensions of the study

First: fractional pricing policy

- 1- What is the fractional pricing?
- 2- The impact of fractional pricing on consumer behavior.

Second: high pricing policy (prestige pricing).

- 1- What is high pricing policy (prestige pricing)
- 2- What is its impact on consumer behavior.

## 1-8 The model of the study

The study model consists of two main axes: The first includes the independent variables, which are divided into:

Fractional pricing policy and prestige pricing policy. As for the second main axis, it is represented by the dependent variables, which are consumer behavior. The following figure explains that:

### Psychological pricing policy



Figure (1) The model of the study

### 1-9 The hypotheses of the study

Based on the study problem and goals, the following hypotheses were prepared:

- There is a statistically significant impact of fractional pricing on consumer behavior.
- There is a statistically significant impact of high pricing policy (prestige pricing) on consumer behavior.
- There are statistically significant differences in consumer behavior towards psychological pricing policies according to the demographic characteristics (gender, age, income, marital status).

### 1-10 The limits of the study

The spatial limits of the study are in Asir region.

## Chapter two

### The theoretical framework and previous studies

#### 2-1 Theoretical framework

##### 2-2-1 Introduction:

The pricing process is considering among the important marketing functions in the organization as the pricing of goods and services has a direct effect on the volume of expected sales and the profits that can be achieved from them, and on the other hand the price impacts on the design of the rest of the elements of the marketing mix such as planning products policy, planning advertising and promotion policy, and on the company's relationship with distributors, if the iron or cement factories set high prices for their products, they will become obligated to provide high-quality products, develop a tight media plan to promote them, and find an appropriate distribution outlet that ensures easy flow to the final consumer (Al-Mohsen, 1997).

In general, pricing may aim in the organization at determining the price that leads to an increase in its competitive position or an increase in its profits or stay, especially in the case of strong competition or the presence of idle production capacity or change the desires of buyers (Bazara, 1990).

From this standpoint, pricing was the focus of attention of many writers and researchers, as the pricing decision is a vital matter for the project life. Providing a high price may lead to a reduction in profits through the deterioration of the company's share in the market, as well as presenting a product at a low-price lead to a decrease in the company's profits through a decrease Marginal profit as marginal profit is the difference between cost and price (Al-Mohsen, 1997).

This chapter will deal with the concept of pricing, factors affecting pricing and its policy, price range, psychological pricing policies, the concept of consumer behavior, fractional pricing and its effects, high pricing of ostentatious goods and its effects, price lining, the relationship between price and quality, previous studies.

##### 2-1-2 The concept of pricing

Price means the amount of money needed to exchange with a mixture of the physical and psychological characteristics of the good, and the services associated with it, i.e. the exchange value of the good or service in the market, and it is expressed in monetary form (Al-Adadi, 2016).

The pricing process is a complex process that faces the marketing department in determining many difficulties, due in particular to the difference and multiple aspects of influence in setting price policies. On the one hand, we find that the value is a variable thing that varies according to people, place and time.

Price can be defined as what an individual must spend or give up in order to obtain a good or service and thus it becomes clear the importance of looking at any deal as an exchange process in which the individual gives something of value, usually money (the price) - obtaining a certain satisfaction (product), Sherif (Al-Assi, 1997).

### **2-1-3 The factors impact on pricing and its policy (Al-Sahn, 1998):**

#### **First: External factors:**

(Demand, competitors, government interference, economic conditions, suppliers and distributors).

#### **Second: Internal factors:**

(Degree of difference in commodities, commodity place in its life cycle, management philosophy, marketing mix).

### **2-1-4 Price range (Easter 1997):**

It means that consumers have a range to accept the price, and this range has upper and lower limits, so that if the price of the commodity is higher than the upper limit of the commodity that the consumer accepts, then this commodity will appear very expensive for the buyer and it is not worth this price so he will not accept to purchase it.

#### **Psychological Pricing (Kotler, 1999)**

Psychological pricing means changing prices in a way that leads to a psychological impact on the consumer, thus changing his behavior directly, or in other words, exploiting the psychological aspects and mental trends of the customer in order to make him think that the price is less than it should be, or motivate him to pay more or to convey a message about the product.

The psychological pricing strategy takes several forms, as follows:

#### **1- Odd- Even Pricing (fractional pricing)**

Fractional pricing is a distinctive feature of modern pricing and the fractional pricing policy is used in retail trade more than in wholesale trade, where prices are placed at fractional numbers or less than the correct numbers such as (4,95 - 7.99 riyals) or the use of ending prices with numbers less than ten such as 5, 6, 7, 8, 9, and when consumers see the numbers 5.95, 6.98, 7.99 they will not see them as normal retail

prices, but rather they look at 6.77 as a price discount, and that some prices are more attractive than price 5 Saudi riyals because the consumer may see it 4 riyals and a few (Boone & Kurtz1992).

Fractional prices can be divided into two groups (GZiKmund & Amicol 1998):

- An odd number; an example of odd fractional prices 97,33,119,99
- A decimal number; an example of the decimal prices 99.95, 299.99 and 4.98 both of which lead to an increase in the quantity purchased over it in the even or integer prices (Bennan, 1999).

## **2- Prestige Pricing:**

Pricing is one of the tools that can be used efficiently in determining the mental image of a particular commodity. We find some consumers consider the commodity as a set of tangible and intangible contributions and benefits, and there are many commodities that are bought because it indicates a specific symbol or social position (Evans & Berman, 1990).

## **3- Price Lining:**

This method is used by retailers more than by the producer or wholesaler, and the idea of this method is based on the fact that the retailers offer many alternative commodities within each commodity group and therefore has to specify a price for each commodity within the group, therefore the retailer divides the commodities into groups and uses an unified price for each group, that is, group pricing includes two decisions; the decision to determine the price range for what the company will offer, and the decision to determine specific price points within this range. The price range can be set at three levels, low, medium, high, and after determining the price range, specific numbers are set for pricing points. Pricing should be both clear and flexible, and when expanding in group pricing the organization should take care of these elements (Evans & Berman, 1990).

### **The advantages of Price Lining (Evans & Berman, 1990):**

#### **1. For sellers:**

They have the ability to offer a mix (variety) of products, the ability to attract sectors from the markets, deal with consumers within a price range and not a specific price, control the inventory through pricing points, reduce competition by producing many types within the price range and in general, increase the volume the sales.

#### **2. For consumers:**

It gives the consumer the opportunity to choose from the variety, reduces confusion, enables the consumer to make comparisons, provides him with alternatives for quality within the price range.

#### **4- Customary Pricing:**

When the unit price of a particular commodity stabilizes for a long period of time in the market of final consumer, it will be considered as usual price, so we find that the commodity is sold to the consumer at the same price at which it was sold long ago, regardless of the economic situation, the fluctuation of services prices and wages, and competition conditions (Kotler & Armstrong 1990).

Perhaps we can all remember when the Saudi Almarai Company raised the price of milk, it was unable to cope with the popular anger because society became accustomed to a certain price.

#### **5- Reference Prices:**

Another aspect of psychological pricing is reference prices which are the prices that buyers keep in their memory (their minds) and remember them when they want to buy a commodity, and the reference price is made by observing and recording current prices or remembering past prices or according to the buying situation (East 1997).

## **2-2 Consumer behavior**

### **2-2-1 Interpretation of consumer behavior**

The early researchers tried a lot to interpret or analyze consumer behavior and find out the reasons behind this behavior and why he behaves in specific way or direction. Three approaches have been formed over time to analyze and interpret consumer behavior and identify his motives, which are the economical, the psychological, and the social approach.

#### **First: Economical interpreting:**

The basis on which this approach is based is considering the consumer to be minded in his behavior (Rational), and that he is accurate in his calculations and has full knowledge about the market and thus he has superior ability to choose the best commodities from among the available alternatives, and for this he was called (Superman). The motives for this behavior are to maximize utility or gratification based on the equalization of marginal utility of the monetary unit disbursed, (Markin, 1982).

#### **Second: Psychological interpreting:**

This approach is based on psychologists' interpretation that this behavior stems from the impacts of psychological factors of the individual on determining needs, motives

and reactions. It has been called the (Medical) model because it is similar to a doctor in diagnosing diseases (Markin, 1982).

While economic theory measures behavior through utility maximization, psychological interpretation is measured by (Preference implementation), where the economist is concerned with analyzing the consumer preference process, while psychologists are concerned with the preference formation process (Baker, 1993).

### **Third: Social interpreting:**

This approach is based on sociologists' interpretation of consumer behavior based on the fact that individuals are social by nature, so the environment and society will have an impact on their behavior.

### **2-2-2 Approaches of studying consumer behavior**

The endeavor to develop or create a theory about consumer behavior has addressed many problems, as different theoretical approaches have been used, foremost of which are the three main approaches: the deductive or hypothetical approach, the empirical approach, and the eclectic approach described below (Lunn, 1978).

#### **First: Hypothetical Approach:**

In this approach, theories and concepts from multiple fields have been used, foremost of which is the behavioral sciences. This approach works to study consumer behavior as part of human behavior. On the applied side, it includes a number of restrictions, foremost of which is that it limited in studying marketing problems.

#### **Second: Empirical Approach:**

This approach is contrary of the previous approach, as it relies on deducing theories stemming from the actual behavior of the consumer, and it also depends on the data obtained.

#### **Third: Eclectic Approach:**

This approach benefitted from the two previous approaches, as it worked on exploiting the elements of strength in it and at the same time overcoming its weaknesses, it worked to achieve the integration of two efforts; The first is the theories and behavioral concepts that explain consumer behavior, and the second is the results shown in market studies and research, (Lunn1978).

### **2-2-3 Activate Psychological Process:**

### **Motivations:**

There are two types of motives: primary and secondary. The primary motives are needed by the individual in the case of hunger and thirst, the motives for avoiding pain and fear, and another type of impulse motives such as sex. This group of motives is often called instinctive tendencies and it is related to the individual from birth.

Secondary motivations such as the need for prestige, status, position, authority or self-realization are motives that are learned from the life. The behavior of the individual at a given time is not directed by any kind of impulse but rather through the relatively stronger motives (Heckhausen1980).

### **2-2-4 Cognitive Psychological Process:**

These processes represent the behavioral guiding mechanism, which is the processes for analyzing and dealing with information, which were newly developed by both Kroeber- Riel and (Batman), as it divided the analysis of information into three aspects: receiving or obtaining information, analyzing information and storing information.

#### **First: Obtaining information**

It must be said that the quality of the decision that the consumer makes is based on the information he obtained, or it reflects the quality of the information, and to interpreting the consumer's purchase decision, it is assumed that the information he used in the decision-making process has shown important results in the aspect of dealing with the information. (Silberer) has presented a theoretical framework in the ways and mechanics of consumer access to information in making his purchasing decision, including induction theory and complex feeling, risk theory, general memory model, aversion theory, and cost-benefit theory. (Silberer, 1979; Nieschlag, 1985).

#### **Second: Analyze information which includes the perception and psychological selection processes:**

##### **A: Perception:**

It is the cognitive representation of the motive or emitter (information) in the state of consciousness. The perception process here is divided into the two processes; receiving information and analyzing information (Nieschlag, 1985).

##### **B: Product attribute dominance:**

Where the consumer takes a specific characteristic of the product to judge the quality of the commodity.

- 1- **Irradiation:**
- 2- **Halo-Effect:**
- 3- **Psychological selection processes (consumer buying decisions):**

**First: According to the importance degree of the purchases (Buell, 1985)**

1- **Low- Involvement Purchases**

2- **High- Involvement Purchases**

**Second: According to the importance degree of purchasing decision:**

This division views the decision itself as being of high or little importance and not to the purchases themselves, despite their implication, as follows (Markin1982).

- 1- **High Involvement Decisions**
- 2- **Low Involvement Decisions**

**Third: According to the degree of decisions complexity:**

This type of decision considers the consumer's purchasing behavior as a solution to an existing problem to obtain a commodity that satisfies his desires and needs. It is divided into three decisions: a comprehensive solution, a limited solution, and a routine response (Carthy, 1989 and Duncans, 1973).

- 1- **Extensive Problem Solving.**
- 2- **Limited Problem Solving.**
- 3- **Routinized Response Behavior.**

**Fourth: According to knowledge level (information):**

It relies on the (Cognitive Theory) in determining the level of need for information (large or little). It is divided into the following purchasing decisions (Nieschlag, 1985, p. 177).

- 1- **Extensive Buying Decisions**
- 2- **Limited Buying Decisions**
- 3- **Habitual Buying Behavior**
- 4- **Impulse Buying Decisions**

**Fifth: According to decision type and procurement importance:**

This division that (Assael) dealt with is based on differentiating between the (Decision Making) process and the (Habit) of buying.

**A- Complex Decision:**

It occurs when goods are of high importance to the consumer and he needs information to distinguish between existing alternatives (evaluating).

#### **B- Brand Loyalty:**

This behavior occurs when purchasing relatively important commodities, although they are not expensive, but they are related to consumer preference for them over other items, and their purchase is repeated on a regular basis and does not require a complex purchase decision.

#### **C- Impulse Purchasing:**

And it takes place when buying items of little importance and of multiple varieties, in which the consumer does not need extensive information and he takes a preliminary judgment about it, and its purchase occurs urgently when the consumer is inside the store.

#### **D- Inertia:**

This type of decision occurs in the case of buying goods of little importance, but because of his laziness and unwillingness to search for information, he uses buying the same brand (not because of loyalty), but it is the choice that achieves requirements and is not necessarily the best choice.

### **2-2-6 Social environment of the consumer**

## **2-3 Previous studies**

### **2-3-1 Introduction:**

By reviewing previous studies about the field of the study, we find the following:

Many studies have focused on consumer behavior towards the tendency to considering the price as an indicator of quality and to believe that there is a relationship between price and quality and consider that the higher-priced commodity is of higher quality and the low price represents low quality, as well as studies that focused on fractional prices that aim to attract the consumer and try to design prices attractively suggesting that the price is too low.

The following is a review of those studies:

- **Arabic studies**

- 1. A study of the impact of price on the decision of purchasing shopping commodities (2014)**

This study deals with, through its objectives, identifying the extent to which the price may affect the decision to buy shopping commodities, and to present the most important factors affecting the purchasing decision of the final consumer.

## **2. A study of analyzing the relationship between quality and price of the product and its impact (2010)**

This study deals with an attempt to understand the relationship between quality and price and the impact of each on the other.

## **3. A case study on consumer purchasing decisions (2010)**

Which deals with a study of consumer purchasing decisions case.

## **4. Studying the role of sales promotion programs in influencing negative consumer behavior (Al-Hurch, 2010)**

This study aimed to study the impact of sales promotion programs.

## **5. Study of the impact of price on purchasing decision; Study of the sector of mobile service (2006):**

Which addresses the problem of the impact of price on the basis of perceived value on the purchasing decision of the final consumer.

- **Foreign studies**

### **1. Kalyanam and Shively (1996)**

This study dealt with two types of psychological pricing, which are fractional pricing and lining pricing, and adopted a mathematical approach in studying the impact of psychological pricing on the consumer. They concluded that the use of fractional pricing in product pricing led to an increase in consumer purchase by 12% to 76%.

### **2. John & Nipoli (1996)**

This study dealt with the wrong use of prices ending in the number nine, which is called fractional prices or psychological pricing, and the study concluded that if the producer wants to maximize his profits when setting prices, he must use fractional prices ending by the number 9.

### **3. Liechtenstein, Ridgway & Netemeyer (1993)**

This study deals with positive and negative role of price, focusing on the positive role of price, represented in the consumer perception of the existence of a relationship between price and quality.

#### **4. Rao & Bergen (1992)**

This research is an attempt to understand whether the buyer pays higher prices justified by the quality of the purchased commodities. The study concluded that buyers who do not have the ability to judge quality will prefer to pay a higher price for commodities than the first type.

#### **5. Rao & Monaroe (1989)**

In this study, the two researchers argue that since Leavitt's 1954 study, which deals with buyers' trends, has used price as an indicator of status.

#### **6. Seindler & Wiman (1989)**

The aim of this study is to review previous studies in the field of fractional pricing in addition to studying the effect of fractional prices on price remembering.

#### **7. Curry & Riesz (1988)**

This study deals with the relationship between price and quality during the product life cycle. The main objective of this study is to provide experimental guidelines for many assumptions regarding the prices of durable commodities during the life cycle.

#### **8. Zeithmal (1988)**

The aim of this study is to study consumer perception of price, quality and value. The study presented a model that presents the relationships between the concepts of price, perceived quality and value.

#### **9. Lichtenstein, Bloch & Black (1988)**

This study deals with the consumer's perception of price and how the consumer translates prices into perceptual concepts.

#### **10. Rao & Monroe (1988)**

This study deals with the role played by the use of previous information about the commodity in evaluating the commodity, especially when using price as an indicator of the commodity quality.

#### **11. Monroe & Dodds (1988)**

This study shows that many experimental researches has been carried out over 30 years, to research these topics, and that despite the abundance of studies, little of what these studies have found is consistent with what we know.

The two researchers believe that the science of marketing is ready to accept more similar studies to increase confidence in special studies and other studies as well for interpretation:

- 1- Whether the buyer believes in a positive relationship between price and quality of the good.
- 2- Whether there is a really positive relationship between the price and the quality of the commodity.

#### **12. Liechtenstein & Burton (1988)**

This study view that many studies have been interested in pricing and the impact of price on the perception of quality, and that the consumer using price as an indicator of quality is widely spread. This study presented four studies to determine the extent of the accuracy of the consumer's perception of the relationship between price and quality.

#### **13. Tellis (1987)**

This study examines whether retail prices refer to specific information about product quality. This study is considering to be driven by several previous studies, which indicate that consumers infer quality through price.

#### **14. Scott & Bettman & John (1986)**

This study examines how prior knowledge has an important impact on both the consumer's ability to distinguish between product characteristics and his purchase of the commodity.

#### **15. Erickson & Johansson (1985)**

This study was based on the experimental method with the aim of studying the different roles that price can play in evaluating the commodity.

#### **16. Toh & Berad (1984)**

This study examines the impacts of price on the perceived quality of three classes of consumer goods for three diverse population types.

#### **17. Venkataraman (1981)**

It examines the relationship between price and quality, and does the consumer realize that a high-priced good is of higher quality and that a lower-priced good is of lower quality.

## Chapter three

### Methodical procedures

#### Introduction:

This chapter explains the methodology followed by the researcher, as well as identifying the study community and describing the characteristics of the study sample individuals, then it presents how to construct the study tool, and ensuring the validity and stability of the study tool (the questionnaire), how the field study was applied, and the statistical treatment methods that were used in Statistical data analysis.

#### 3-1 The methodology of the study:

In this study, the researcher used the analytical descriptive method, which is based on describing one of the phenomena in order to reach the causes of this phenomenon and the factors that control it, and draw conclusions for generalization them.

#### 3-2 Study community:

All consumers in Abha.

#### 3-3 Study sample:

Due to the large size of the study community and the variation of its characteristics, and the inability to obtain accurate data about it, therefore, the researcher selected an appropriate sample consisting of (178) members of the study community.

#### 3-4 Data collection method:

The data and information needed for the current study were collected through two methods:

##### 3-4-1 Office method:

Which is represented in the various library references and acquisitions, including books, scientific articles, publications and official documents, scientific research and dissertations, conferences and seminars in addition to websites to create a scientific background on the subject under study.

#### **3-4-2 Field method:**

Through which data were collected from the individuals of the study sample by means of the questionnaire that was distributed to the study sample.

#### **3-5 Study tool:**

In order to obtain the primary data for the study, the researcher used the questionnaire as a tool to collect the necessary data, which consisted of two parts, the first one includes the functional variables of the study sample members represented in (gender, marital status, job, age, income level), and the second part consists of (25) phrases of the study axes, divided into three axes as follows:

**First axis: measures the consumer's opinions about fractional pricing policy, includes (9) phrases.**

**Second axis: measures the consumer's opinion about high pricing policy (prestige pricing), includes (10) phrases.**

**Third axis: measures consumer's behavior, includes (6) phrases.**

The researcher used a 5-points Likert scale to measure the degree of the study sample individuals' agreement with the phrases of the questionnaire.

Each of questionnaire phrases was given scores to be treated statistically as follows: (Strongly agree (5) scores - Agree (4) degrees - Neutral (3) degrees - Disagree (two scores) - Strongly disagree (one score).

In preparing the questionnaire, the researcher adopted the (Closed Questionnaire) that defines the possible responses to each question.

#### **3-6 Stability of the tool:**

To ensure the stability of the study axis phrases, Cronbach alpha was used and the results were as following:

**Table (2) Cronbach alpha coefficients of study axes**

Axis	Items	Alpha Cronbach
<b>First axis: The consumer's opinions about fractional pricing policy.</b>	<b>9</b>	<b>0.720</b>
<b>Second axis: The consumer's opinion about high pricing policy (prestige pricing).</b>	<b>9</b>	<b>0.855</b>
<b>Third axis: Consumer's behavior</b>	<b>6</b>	<b>0.626</b>
<b>The overall stability coefficient for all study axes</b>	<b>24</b>	<b>0.853</b>

Through the results above, it becomes clear that the stability of all study axes is acceptable, as the stability coefficient values for the study axes reached (0.720, 0.855, and 0.626), respectively, and the overall stability coefficient for all study axes reached (0.853), which are high stability coefficients that indicate the validity of the study tool for field applying.

**Method of calculating response medians on the study tool:**

The answers are weighted as follows:

Strongly disagree= (1) one score.

Disagree= (2) (two marks).

Neutral= (3) degrees.

Agree= (4) degrees.

Strongly agree = (5) scores.

Then those answers were classified into five levels of equal range through the following equation:

Level length = (highest value - lowest value) ÷ number of tool points= (5-1) ÷ 5 = 0.80 to get the following classification:

**Table (3) Classification of categories according to the hierarchy used in the research tool**

Description	Medians range
Strongly agree	4.21 – 5.00
Agree	3.41 – 4.20
Neutral	2.61 – 3.40
Disagree	1.81 – 2.60
Strongly disagree	1.00 – 1.80

### 3-8 Statistical processing methods:

To achieve study objectives and analyze the collected data, many appropriate statistical methods have been used by using (SPSS), and the following statistical measures were used:

- Frequencies and percentages to identify the personal and functional characteristics of the study sample.
- Arithmetical mean, in order to know the extent to which the responses of the study members up or down about the main axes, noting that it is useful for arranging the axes according to the highest mean.
- Standard deviation, to identify the extent of deviation in the responses of the study individuals to each of the statements of the study variables, and for each of the main axes, from their arithmetic mean.
- Mann-Whitney test, which is non-parametric test that was used as an alternative to the T-test due to the variation in the sample distribution according to the gender variable. (163 males, 15 females).
- One-way Anova test was used to find out whether there are statistically significant differences between the attitudes of the study individuals towards the study axes according to their different personal and functional variables, which are divided into more than two categories.
- Least Significant difference (LSD) test was used to find out the validity of the differences in the responses of the study population according to their different personal and functional variables, which are divided into more than two categories, in the event that the existence of differences is found through the one-way anova test.
- Multiple progressive regression of the significance of the variables (fractional and high pricing policy).
- Multiple regression coefficient was used to investigate the impact of fractional and high pricing policies on consumer behavior.
- Pearson correlation coefficient was used to measure the validity of the study instrument.
- Cronbach alpha coefficient was used to measure the stability of the study instrument.

## Chapter four

### Analyzing and presenting of study results

#### 4-1: Results related to the characteristics of the study sample:

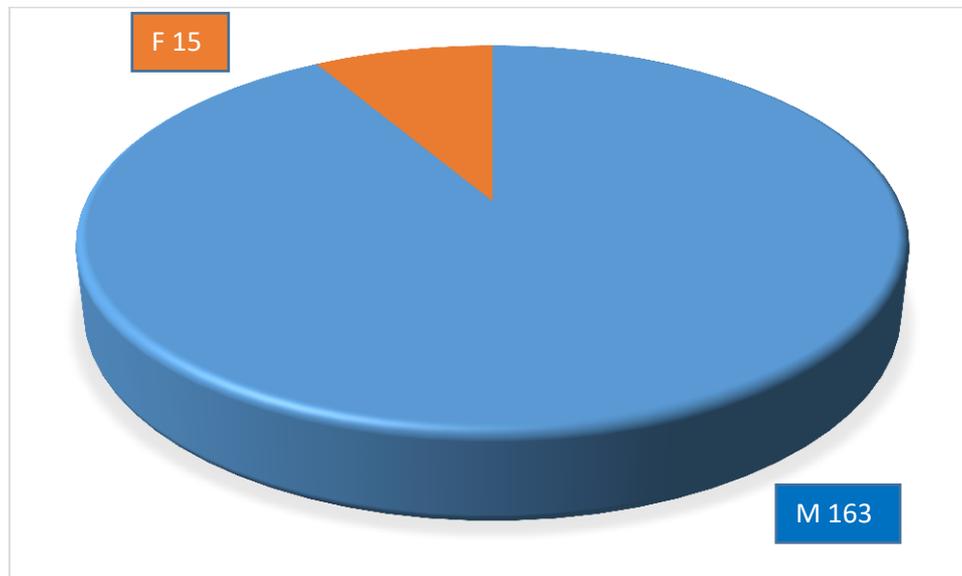
First: According to gender variable:

Table (4) Distribution of the study sample according to the gender variable:

Gender	Frequency	Percentage
Male	163	91.6
Female	15	8.4
Total	178	100%

It is evident from the previous table that (163) of the study sample represent (91.6%) males, and they are the largest group in the study sample, while (15) of the sample members represent (8.4%) females, and they are the smallest category in the study sample, as shown in the following chart:

Figure (5) Chart about distribution of the study sample according to the gender variable:



Second: According to age variable:

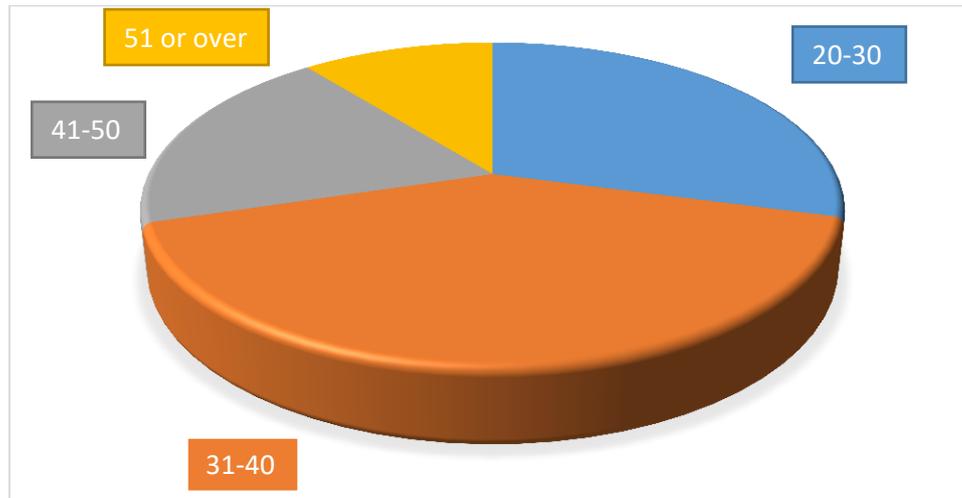
Table (5) Distribution of the study sample according to the age variable

Age	Frequency	Percentage
20 – 30	52	29.2
31 – 40	73	41.0

<b>41 – 50</b>	34	19.1
<b>51 or over</b>	19	10.7
<b>Total</b>	178	100%

It is evident from the previous table that (73) of the study sample represent (41%) of those aged 31-40 years, and they are the largest group in the study sample, while (19) of the sample represent (10.7%), of those aged 51 years and over, who are the lowest in the study sample, as shown in the following chart:

**Figure (6) Chart about distribution of the study sample according to the age variable:**



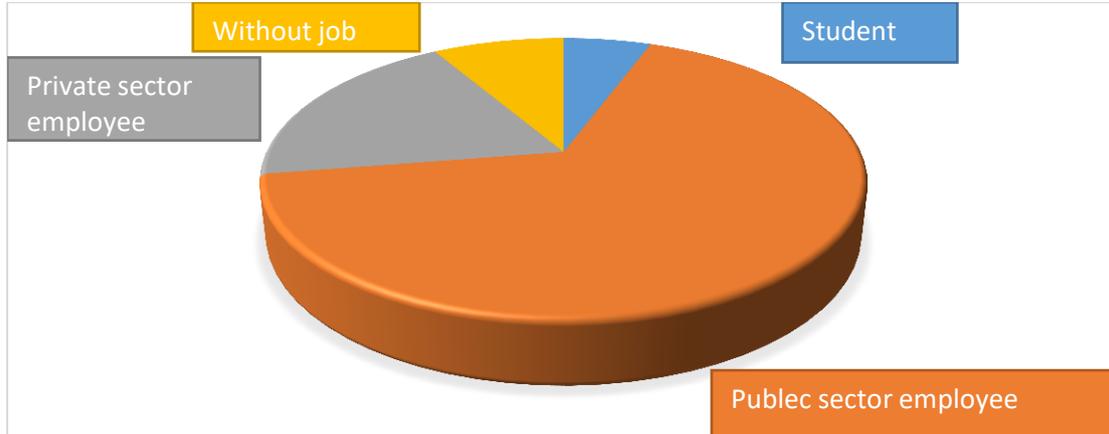
**Third: According to job variable:**

**Table (7) Distribution of the study sample according to job variable**

Age	Frequency	Percentage
<b>Student</b>	10	5.6
<b>Public sector employee</b>	119	66.9
<b>private sector employee</b>	34	19.1
<b>Without job</b>	15	8.4
<b>Total</b>	178	100%

It is evident from the previous table that (119) of the study sample represent (66.9%) of the public sector employees, and they are the largest group in the study sample, while (10) of the sample members represent (5.6%) of students and they are the lowest in the study sample, which is shown in the following chart:

**Figure (7) Chart about distribution of the study sample according to the job variable:**



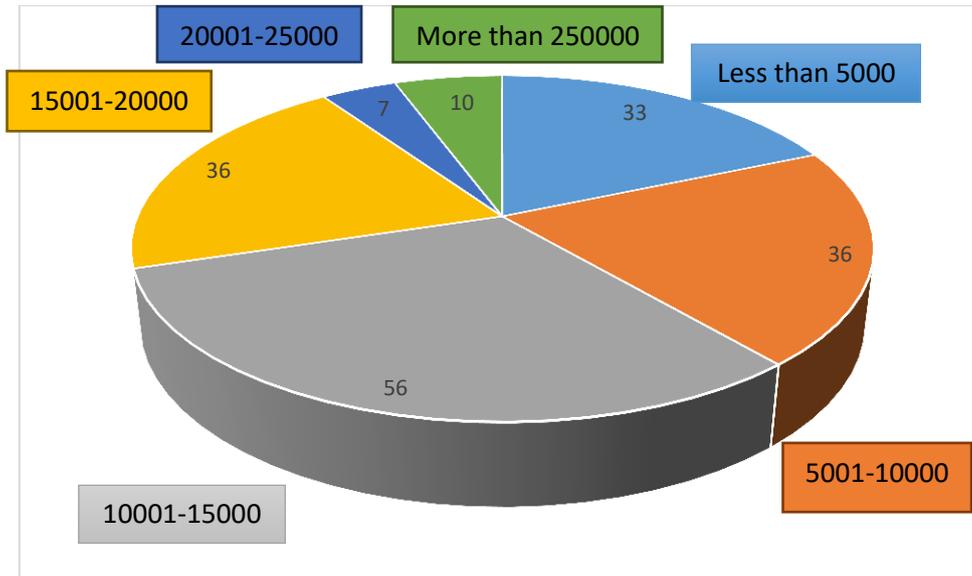
Fourth: According to income variable:

**Table (8) Distribution of the study sample according to income variable**

Income level	Frequency	Percentage
Less than 5000 riyals	33	18.5
5001 – 10000 riyals	36	20.2
10001 – 15000 riyals	56	31.6
15001 – 20000 riyals	36	20.2
20001 – 25000 riyals	7	3.9
More than 25000 riyals	10	5.6
<b>Total</b>	<b>178</b>	<b>100%</b>

It is evident from the previous table that (56) of the study sample represent (31.6%), their monthly income from 10001 to 15,000 riyals, and they are the largest group in the study sample, while (10) of the sample individuals represent (5.6%), their monthly income is more than 25,000 riyals, and they are the lowest group in the study sample, which is shown in the following chart:

**Figure (8) Chart about distribution of the study sample according to the income variable:**



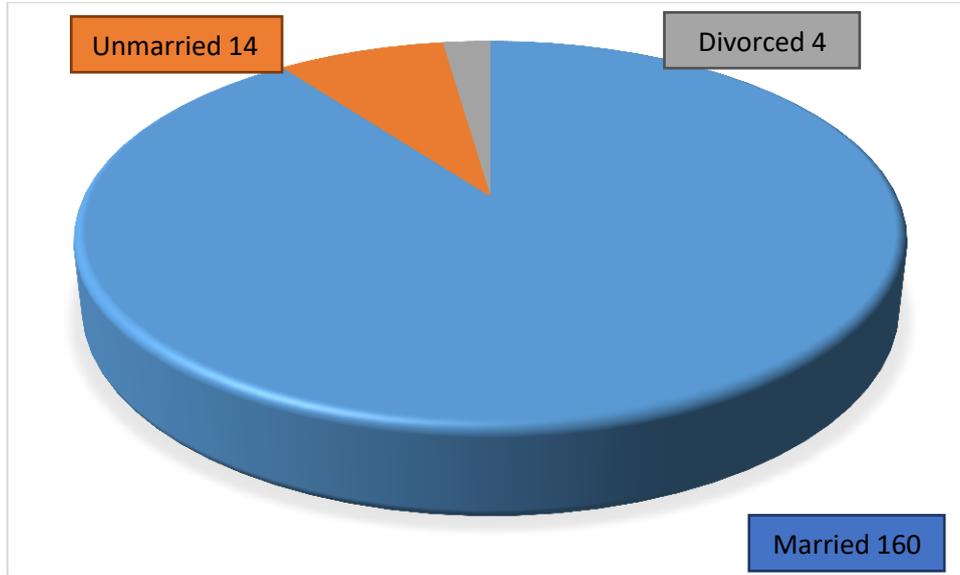
**Fifth: According to marital status variable:**

**Table (9) Distribution of the study sample according to marital status variable**

Income level	Frequency	Percentage
Married	160	89.9
Unmarried	14	7.9
Divorced	4	2.2
<b>Total</b>	<b>178</b>	<b>100%</b>

It is evident from the previous table that (160) of the study sample represent (89.9%) of married people, and they are the largest group in the study sample, while (4) of the sample members represent (2.2%) of the divorced, and they are the lowest category in the study sample, as shown in the following chart:

**Figure (9) Chart about distribution of the study sample according to marital status**



#### 4-2 Examine study hypotheses

**The first and second hypothesis: There is a statistically significant impact of the fractional and high pricing policy on consumer behavior.**

To identify the impact of fractional pricing policy and high pricing on consumer behavior, the researcher used multiple regression analysis, by identifying the explained variance ratio (R-Square) in order to find out the impact of fractional pricing and high pricing policy on consumer behavior. The results were as follows:

**Table (10) Regression model summary**

Model	Correlation coefficient (R)	Correlation coefficient square (determination coefficient)(R <sup>2</sup> )	Corrected determination coefficient	Standard error
1	0.91	0.402	0.634	0.56

**Table (11) Regression variance analysis**

	Sum of squares	Degrees of free	Squares means	(F) Values	Significance level
Regression	37.355	2	18.678	58.85	0.00
Other	55.540	175	0.317		
Total	92.896	177			

From the previous two tables, it is clear that the model is valid for testing hypotheses, and that the independent variables explain 40% of the variance in the dependent variable.

**Table (12) Multiple regression statistics for the significance of the independent variables (Fractional and High Pricing Policy)**

Fractional and high pricing policy	B	Standard error	Beta	T	Significance level	Result
Fractional pricing policy	0.144	0.118	0.059	2.439	0.016	Significant
High pricing policy	0.551	0.118	0.059	9.338	0.000	Significant

It is evident from the previous table that there is significant in the regression model for the independent variables, which is represented in the fractional pricing policy  $0.016 < 0.05$ , the high pricing policy  $0.000 < 0.05$ .

**Table (13) Results of a progressive multiple regression**

No.	Order of independent variables	The change in R <sup>2</sup> value	The change in F value	The change in F significance
1	Fractional pricing policy	0.104	20.482	0.000
2	High pricing policy	0.382	108.697	0.000

The previous table clarifies the order of importance for the independent variables related to the fractional and high pricing policies most impacting consumer behavior according to the statistical results of the progressive multiple regression, where the high pricing policy variable came in the first, which explains (38%), then comes in the second place the fractional pricing policy variable which explains (10%).

**Third hypothesis and third question: There are statistically significant differences in consumer behavior towards psychological pricing policies that are attributed to demographic characteristics (gender, age, income, marital status).**

**First: Differences according to gender:**

To find out whether there are statistically significant differences in consumer behavior towards psychological pricing policies attributable to the gender variable, the researcher used the Mann-Whitney test, which is a non-parametric test that was used as an alternative to the (T) test due to the variation in the sample distribution according to the gender variable. The results are as shown in the following table:

**Table (14) (Mann-Whitney) test for differences of study sample responses according to gender variable**

Study axes	Gender	Number	Ranks medians	Sum of ranks	Z value	Significance level
Fractional pricing policy	M	163	89.9	14655.0	-0.349	0.727
	F	15	85.0	1276.00		
High pricing policy	M	163	90.5	14759.5	-0.896	0.370
	F	15	78.1	1171.50		
Consumer behavior	M	163	91.1	14857.5	-1.414	0.157
	F	15	71.5	1073.50		

\*Significant differences at the level of significance (0.05) or less.

From the previous table, it is clear that there are no statistically significant differences in the medians of the study sample responses about consumer behavior towards psychological pricing policies due to the gender variable.

**Second: The differences according to age variables:**

To find out whether there are statistically significant differences in consumer behavior towards psychological pricing policies due to the age variable, the researcher used the One-Way ANOVA test to clarify the significance of the differences in the responses of the study sample individuals according to the difference of age variable, the results were as following:

**Table (15) The results of the (One-Way ANOVA) analysis of the differences in the answers of the study sample individuals according to the difference in the age variable**

Study variable	Source of variances	Sum of squares	Degrees of free	Squares median	F value	Significance
<b>Fractional pricing policy</b>	Between groups	4.189	3	1.396	2.541	0.058
	Within groups	95.605	174	0.549		
	Total	99.793	177			
<b>High pricing policy</b>	Between groups	6.047	3	2.016	3.713	0.013
	Within groups	94.448	174	0.543		
	Total	100.495	177			
<b>Consumer's behavior</b>	Between groups	2.658	3	0.886	1.708	0.167
	Within groups	90.238	174	0.519		
	Total	92.896	177			

\*Significant differences at the level of significance (0.05) or less.

It is evident through the results shown above that there are no statistically significant differences in the attitudes of the study sample towards fractional pricing policy, and consumer behavior according to the age variable.

It was also found that there are statistically significant differences at the level of significance (0.05) in the means of study sample responses towards the policy of high pricing according to the difference in age variable, and to identify the benefit of the differences between each category of the age variable towards the policy of high pricing, the researcher used the (LSD) test and the results are as follows:

**Table (16) (LSD) test results for differences in the means of study sample responses according to the age variable**

Study Axes	Age	Number	Mean	20-30	31-40	41-50	51 or
------------	-----	--------	------	-------	-------	-------	-------

							more
<b>High pricing policy</b>	20-30	52	3.3442	-	*	*	*
	31-40	73	3.0397		-		
	41-50	34	2.9206			-	
	51 or more	19	2.8053				-

\*Significant differences at the level of significance (0.05) or less.

It is evident through the results shown above that there are statistically significant differences at the level of significance (0.05) between the individuals of the study sample from 20-30 years old, and the rest of the other age groups, in favor of the study sample 20-30 years old.

### Third: The differences according to job variable:

To identify whether there are statistically significant differences in consumer behavior towards psychological pricing policies attributable to the job variable, the researcher used the One-Way ANOVA test to explain the significance of the differences in the responses of the study sample individuals according to difference in job variable. The results were as in the following table

**Table (17) Results of One-Way Anova test for differences in study sample individuals' responses according to differences in job variables**

Study Axes	Variance source	Sum of squares	Degrees of free	Squares mean	F value	Significance
<b>Fractional pricing policy</b>	Between groups	4.167	3	1.389	2.528	0.059
	Within groups	95.626	174	0.550		
	Total	99.793	177			
<b>High pricing policy</b>	Between groups	0.161	3	0.054	0.093	0.964
	Within groups	100.334	174	0.577		
	Total	100.495	177			
<b>Consumer</b>	Between groups	0.397	3	0.132	0.249	0.862

<b>behavior</b>	Within groups	92.499	174	0.532		
	Total	92.896	177			

It is evident through the results shown above that there are no statistically significant differences in the opinions of the study sample towards all study axes according to the difference in the job variable.

#### **Fourth: Differences according to income variable:**

To identify whether there are statistically significant differences in consumer behavior towards psychological pricing policies attributable to the income variable, the researcher used the One-Way ANOVA test to clarify the significance of the differences in the responses of the study sample according to the difference in the income variable and the results came as they are explained in the following table

**Table (18) Results of One-Way Anova test for differences in study sample individuals' responses according to differences in income variables**

<b>Study Axes</b>	<b>Variance source</b>	<b>Sum of squares</b>	<b>Degrees of free</b>	<b>Squares mean</b>	<b>F value</b>	<b>Significance</b>
<b>Fractional pricing policy</b>	Between groups	7.670	5	1.534	2.864	0.016*
	Within groups	92.124	172	0.536		
	Total	99.793	177			
<b>High pricing policy</b>	Between groups	3.581	5	0.716	1.271	0.279
	Within groups	96.914	172	0.563		
	Total	100.495	177			
<b>Consumer behavior</b>	Between groups	1.055	5	0.211	0.395	0.852
	Within groups	91.840	172	0.534		
	Total	92.896	177			

\*Significant differences at the level of significance (0.05) or less.

It is evident through the results shown above that there are no statistically significant differences in the opinions of the study sample towards the policy of high pricing, and consumer behavior according to the difference in the income variable.

It was also evident that there are statistically significant differences at a significant level (0.05) in the average responses of the study sample individuals towards the fractional pricing policy according to the difference in the income variable.

To identify the validity of the differences between each category of the income variable towards the policy of fractional pricing, the researcher used the (LSD) test and the results were as follows:

**Table (19) The results of (LSD) test for the differences in study sample individuals' responses according to differences in income variable**

Study axes	Income	Number	Mean	<5000	5000-10000	10001-15000	15001-20000	20001-25000	>25000
Fractional pricing policy	<5000	33	3.2121	-					*
	5001-10000	36	3.3117		-				*
	10001-15000	56	3.0278			-			*
	15001-20000	36	2.9784				-		*
	20001-25000	7	2.9206					-	
	>25000	10	2.4111						-

\*Significant differences at the level of significance (0.05) or less.

It is evident through the results shown above that there are statistically significant differences at a significant level of (0.05) between individuals of the study sample with income less than 5,000 riyals and individuals of the study sample with income of more than 25,000 riyals in favor of the study sample individuals with income less than 5,000 riyals.

It is also evident that there are statistically significant differences at the level of significance (0.05) between the individuals of the study sample with income from 5,001 to 10,000 riyals and the individuals of the study sample with income of more than 25,000 riyals in favor of the individuals of the study sample with income from 5,001 to 10,000 riyals.

It is also evident that there are statistically significant differences at the level of significance (0.05) between individuals of the study sample with income from 10,001 to 15,000 riyals and the study sample individuals with income of more than 25,000 riyals in favor of the study sample individuals with income from 10,001 to 15,000 riyals.

It is also evident that there are statistically significant differences at the level of significance (0.05) between the individuals of the study sample with income from 15,001 to 20,000 riyals and the individuals of the study sample with income of more than 25,000 riyals in favor of the individuals of the study sample with income from 15,001 to 20,000 riyals.

#### **Fifth: The differences according to the marital status variable:**

To identify whether there are statistically significant differences in consumer behavior towards psychological pricing policies due to the marital status variable, the researcher used the One-Way ANOVA test to clarify the significance of the differences in the responses of the study sample according to the difference in the marital status variable. The results came as shown in the following table:

**Table (20) The results of (LSD) test for the differences in study sample individuals' responses according to differences in marital status variable**

Study Axes	Variance source	Sum of squares	Degrees of free	Squares mean	F value	Significance
<b>Fractional pricing policy</b>	Between groups	0.545	2	0.272	0.480	0.619
	Within groups	99.249	175	0.567		
	Total	99.793	177			
<b>High pricing policy</b>	Between groups	0.842	2	0.421	0.479	0.479
	Within groups	99.653	175	0.569		

	Total	100.495	177			
Consumer behavior	Between groups	0.812	2	0.406	0.771	0.464
	Within groups	92.084	175	0.526		
	Total	92.896	177			

It is evident through the results shown above that there are no statistically significant differences in the opinions of the study sample towards all study axes according to the difference in the marital status variable.

Through the previous tables related to the third hypothesis, the researcher has verified the validity of the third hypothesis and has shown the error in some of aspects of the third hypothesis, and the alternative hypothesis is accepted, which is: **There are statistically significant differences in consumer behavior towards the high pricing policy according to the differences in age variable, and towards the fractional pricing policy according to the differences in income variables, and there are no statistically significant differences for consumer behavior towards psychological pricing policies according to difference in variables of (gender, marital status).**

And on that, the researcher has answered the third question.

### Third: Answering study questions:

**Answering first question: Does the consumer think that purchasing the high-priced commodity (prestige pricing) will achieve a privileged social position for him?**

To identify whether buying the high-priced commodity achieves a distinct social position for the consumer from the viewpoint of the study sample individuals, the researcher calculated the arithmetic means and standard deviations of the phrases of this axis, and the results were as follows:

**Table (21) The responses of the study sample individuals to the phrases of the axis of high pricing policy (prestige pricing) arranged in descending order according to the approval means.**

Sequence	Phrase No.	Phrase	Arithmetic mean	Standard deviation	Approval degree
----------	------------	--------	-----------------	--------------------	-----------------

1	21	I agree with the famous saying (the price is a sign) or (the high price commodity is great).	3.54	1.194	Agree
2	23	The consumer believes that higher prices represent high quality.	3.51	2.50	Agree
3	24	The price makes it easier for me to choose between different brands.	3.49	1.116	Agree
4	25	I think the price of the commodity reflects the reputation of the organization.	3.40	1.219	Neutral
5	16	The expensive brand gives an outstanding social position.	3.22	1.362	Neutral
6	20	Often the marital status of people is judged by the goods and brands they buy.	3.09	1.395	Neutral
7	18	I feel comfortable buying a high-priced brand of goods.	2.46	1.302	Disagree
8	19	I'm afraid my friends will see me differently when buying cheaper brands.	2.35	1.185	Disagree
9	17	I buy the most expensive brands just because my friends will notice.	2.27	1.214	Disagree
<b>Overall mean</b>			3.08	0.754	Neutral

\*Degree of arithmetic mean is (5.00)

It appears from the previous table that the study sample individuals are neutral in their agreement that buying a high-priced commodity achieves a distinct social position for the consumer, as the overall mean for their approval of the axis of high pricing policy was (3.08 out of 5.00), which is the mean that is in the third category of the five-point scale categories of (2.61-3.40), which indicates an (neutral) option in the study tool.

It was also found that there is a difference in the opinions of the study sample members towards the policy of high pricing, as the means of approval of the study sample towards the policy of high pricing ranged between (2.27 to 3.54), which located in the second, third and fourth categories of the five-scale scale categories, which refers to the option of (Disagree / Neutral / Agree) in the study tool.

It was also found that the study sample members agree with the phrase (I agree with the famous saying (the price is a sign) or (the high price commodity is great), which came first, with an average agreement of (3.54 out of 5.00).

But they disagreed with the phrase (I buy the most expensive brands just because my friends will notice.), as it came last, with an average approval of (2.27 out of 5.00).

**Answering second question: Does the consumer think the fractional price is the lowest price set for the commodity?**

To find out whether the fractional price is the lowest price set for the commodity from the point of view of the study sample members, the researcher calculated the arithmetic means and standard deviations of the phrases of this axis, and the results were as follows:

**Table (22) The responses of the study sample individuals to the phrases of the axis of fractional pricing policy arranged in descending order according to the approval means.**

Sequence	Phrase No.	Phrase	Arithmetic mean	Standard deviation	Approval degree
1	9	I concern about the price differences, no matter how they are simple.	3.60	1.308	Agree
2	10	I often round the fractional price to the nearest whole number.	3.49	1.346	Agree

3	11	Pricing a commodity at 1999 riyals is better than pricing it at 2000 riyals.	3.40	1.383	Neutral
4	7	When it is offered me a commodity with price 59.90 riyals and another 60 riyals, then I concern about this difference and tend to buy the first one.	3.35	1.359	Neutral
5	12	I feel the fractional price as a low price.	3.14	1.373	Neutral
6	8	When a commodity is offered to me for 999.65 riyals, then I remember that the closest correct number is 999 riyals, not 1000.	2.87	1.503	Neutral
7	13	I don't care about getting the rest of the payout in case of fractional price.	2.83	1.380	Neutral
8	15	I like to buy a fractional priced product.	2.62	1.262	Neutral
9	14	I feel that a seller is not making a big profit when his product is fractional priced.	2.33	1.229	Disagree
<b>Overall mean</b>			3.07	0.751	Neutral

\*Degree of arithmetic mean is (5.00)

From the previous table, we find that the study sample individuals are neutral in their agreement that the fractional price is the lowest price set for the commodity, as the general average for their approval of the fractional pricing policy axis is (3.07 out of 5.00), which is the mean that is in the third category of the five-points scale categories (2.61-3.40), which indicates the (neutral) option in the study tool.

It was also found that there is a variation in the attitudes of the study sample towards the policy of fractional pricing, as the means of approval of the study sample towards the policy of fractional pricing ranged between (2.33 to 3.60), which located in the second, third and fourth categories of the five-points scale categories, which refers to the option of (Disagree / Neutral / Agree) in the study tool.

It was also found that the study sample individuals agree with the phrase (I concern about price differences, however simple they are), as it came first, with an approval mean of (3.60 out of 5.00).

While they disagree with the phrase (I feel that a seller is not making a big profit when his product is fractional priced), it came last, with an approval mean of (2.33 out of 5.00).

## Chapter five

### Discuss the results of the study and its recommendations

#### 5-1: Discuss the results of the study:

**The first hypothesis: There is a statistically significant impact of fractional pricing on consumer behavior.**

By analyzing the results of this hypothesis, it was found that the fractional pricing policy impacts on consumer behavior, as the results indicated that there is a statistically significant impact of the fractional pricing policy on consumer behavior, and the explained variance ratio (R-Square) was 10.4% meaning that the fractional pricing policy explains approximately 0.10 of consumer behavior, and the researcher explains this result that fractional pricing policies greatly impacts on consumer's decision to buy the commodity, as some may see that these prices are the real value of the commodity, and therefore the offered price is the real price without exaggerating its value, which may drive some consumers to buy commodities with fractional prices.

This result agreed with the Kalyanam and Shively study, which concluded that using fractional price in product pricing led to an increase in consumer purchase by 12% to 76%.

And it disagreed with the study of Sehindler & Wiman which concluded that the incorrect remembering of fractional prices to the point of underestimating them was more than for the integer prices.

**The second hypothesis: There is a statistically significant impact of high pricing policy (prestige pricing) on consumer behavior.**

By analyzing the results of the second hypothesis, it was found that the policy of high pricing (prestige pricing) affects consumer behavior, as the results related to this hypothesis indicated that there is a statistically significant impact of high pricing policy (prestige pricing) on consumer behavior, and the explained variance ratio (R-Square) which was 38.2%, meaning that the policy of high pricing (prestige pricing) explains approximately 0.38 of consumer behavior.

**The third hypothesis: There are statistically significant differences in consumer behavior towards psychological pricing policies according to the demographic characteristics (gender, age, income, marital status).**

**First: Differences according to gender variable:**

By analyzing the results of the study, it was found that there are statistically significant differences in the means of the study sample responses about consumer behavior towards psychological pricing policies due to the gender variable, which indicates that the psychological pricing policy (fractional pricing, high pricing) is directed to all consumers, whether men or women, and thus there is no significant impact of the gender variable on consumers' behavior towards psychological pricing policies of all types.

**Second: Differences according to age variable:**

It was found that there were no statistically significant differences in the opinions of the study sample towards the fractional pricing policy, and consumer behavior according to the age variable.

It was also found that there are statistically significant differences at a significant level (0.05) in the means of the study sample responses towards the high pricing policy according to the difference in the age variable in the favor of age group 20-30 years old, and the researcher explains that result as the age group of 20-30 years old is the age group of young people, who usually have a desire to acquire certain commodities in order to show off among their friends, and they are less experienced in judging commodities, and more hasty in making a purchase decision, and therefore this age group is more affected by the high pricing policy compared to the other older ones.

**Third: Differences according to job variable:**

By analyzing the results of the study, it was found that there are no statistically significant differences in the study sample attitudes towards all of the study axes according to the difference in the job variable, which shows that there is no significant impact of the job variable on consumer behavior towards psychological pricing policies, given that the decision to purchase a commodity depends on factors other than the type of consumer job.

#### **Fourth: Differences according to income variable:**

By analyzing the results of this part, it was revealed that there are no statistically significant differences in the opinions of the study sample towards high pricing policy, and consumer behavior according to the income variable differences.

It was also found that there are statistically significant differences at the level of (0.05) in the means of study sample responses towards the fractional pricing policy according to the difference in the income variable in favor of the low-income group. This may be due to the fact that the study sample members from the lower income group are greatly concerned with the price of the commodity, without looking at its brand or where it is sold, they do not care much about boasting about these commodities, unlike the members of the study sample with high incomes, who usually do not think about the price of the commodity as much as they think about the marital status that the high price commodity achieves for them among their friends.

This finding was in agreement with the Wheatley & Chiu study, which concluded that the side effect of income was positive as expected for the group of individuals with higher incomes.

#### **Fifth: Differences according to marital status variable:**

By analyzing the results of this part of the third hypothesis, it was revealed that there are no statistically significant differences in the attitudes of the study sample towards all the study axes according to the difference in the marital status variable, and this clarifies that there is no significant impact of the marital status variable on consumer behavior towards psychological pricing policies.

#### **Discussing the answer of the first question: Does the consumer think that purchasing the high-priced commodity (prestige pricing) will achieve a privileged social position for him?**

By analyzing the results of the first question, it was found that the study sample members agree with the phrase (I agree with the famous saying (the price is a sign) or (the high price commodity is great)), which indicates that there is a strong belief that the quality of the commodity is linked to its high price.

This result is consistent with Lambert's study, which concluded that individuals who choose the higher priced commodity are aware of the high-quality differences within the commodity group and are confident that the quality is related to the price.

This result is consistent with the Cox study, which found that individuals tended to evaluate products more favorably when they knew that the price was higher, and the study also showed that the quality of products whose prominent characteristics can be easily challenged is also subject to the relationship of price to quality.

This result is consistent with John Scott & Bettman's study, which indicated that respondents who have a prior belief in the existence of a positive relationship between price and quality choose higher price goods than consumers who believe in a weak relationship between price and quality.

It disagreed with the Wheatley & Chiu study, which concluded that the effects of the three basic factors (price, store, color) on perception of quality are small.

#### **Discussing the answer of the second question: Does the consumer think the fractional price is the lowest price set for the commodity?**

By analyzing the results of the second question, it was found that the study sample individuals are neutral in their agreement that the fractional price is the lowest price set for the commodity, and they also agree with the phrase (I concern about the price differences, no matter how they are simple), and this result indicates the study sample's sensitiveness about price differences, Because it is related in their minds to its importance in measuring the true value of the commodity.

#### **5-2 Recommendations:**

1. Seek to intensify awareness programs that clarify the objectives of psychological pricing policies for consumers.
2. Awareness-raising for consumers that the price of the commodity is not sufficient evidence of its quality, and that there are other factors affecting the price of the commodity.
3. Awareness-raising for low-income consumers about the deception of the shops that design their products at fractional prices.
4. The necessity of adopting targeted media programs that examine the factors through which to judge the quality of commodities and products.
5. Awareness-raising for consumers of the age group of 20-30 years (youth) about the deceptions of the shops that work on pricing their products at the high price.

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