

The Consumer, the Consumed, & the Devastated: A Longitudinal Study of Jordanian Consumers

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Abstract

Based on a longitudinal study of a 120 Jordanian housewives, this study examines the influence of the Arab spring events on the Jordanian consumers in the form of the changes in the demographic and consumption patterns of the Jordanian consumers during the years 2012-2017 (i.e. the Arab spring phase). The results of this study reveals significant implications of the events of the region and governmental policies on the Jordanian consumers and presents the first ever typology of Jordanian consumers. Generally, the findings of this study reveal a decrease in the middle class segment in favor of the upper class. A number of managerial implications and suggestions for solving these issues are also presented.

Keywords: Arab spring, consumer issues, Jordan, public policies

1. Introduction

The recent problems in the Middle East has caused a number of economic issues to the Jordanian customer (Ammonnews, 2012). The continuous bombing of the Egyptian gas line, the blockage of trade between Jordan, Iraq and Syria due to the ongoing war in these countries, and the increased pressure placed on Jordan water, health, and educational resources, all posed serious economic and social issues to Jordanians (Obeidat Obeidat, Obeidat, and Xiao, 2016). As a response, a continuous increase in the inflation rates, shortage of products, decrease in income levels, the diminishment of the middle class, the increase in the unemployment levels (i.e. 12%) were all witnessed in Jordan (Obeidat, 2015). The importance of this study stems from the economic, social and psychological effects that have negatively affected the Jordanian society as individuals and families as a result of the crushing wars which led to political and economic instability in the neighbouring countries. Consequently, the instability of various kinds in the neighbourhood led to negative economic and social effects to the Jordanian society (Obeidat et al, 2016).

In general, individuals, families and economic institutions of Jordan have been affected by a series of declines. From the decrease of monthly incomes and the inflation of the prices of goods and services due to the lack of proper supervision of the local markets, in addition to the imbalance in imposing taxes and fees, Which has often been in the interest of the stakeholders of the traders and manufacturers (Obeidat et al, 2016). All this has happened as a result of the change of some laws and laws for the benefit of stakeholders whose number has increased and their potential and potential. In short, what was happening in the local environment due to the lack of supervision and increased stakeholder control led to a number of changes in the structure and capabilities of different segments of Jordanian consumers compared to what it was before the Arab Spring. Despite these issues, most of the research attention has been given to examining the causes of these issues and not their influence on the Jordanian customers. Therefore, this study aims to answer the following research question; how did these issues influence the Jordanian customer economically? As a result, this study aims to (a) identify the general and demographic characteristics of consumers in Jordan (B). To identify the approximate percentage for each category or type of consumer, And (c) to provide a set of suggestions aimed at reducing the problems and difficulties that affect the lives of each category of consumers according to the results of this study.

2. Previous Studies

When looking at the studies examining the current economic conditions in Jordan, research themes tend to focus on investigating the issues faced by the economy of Jordan as a result of the political and economic events of its

surroundings. For example, three main themes appear to have caught the attention of researchers. The first main theme focused on examining Inflation issues in Jordan (e.g. Saymeh and Abu Orabi, 2013; Sweidan, 2004; Mousa, Al Safi, Hasonah, and Abo-Orabi, 2013; Obeidat, 2015). In this stream of studies, positive relationships were found between inflation and economic growth (Saymeh et al, 2013; Sweidan, 2004), the lack of governmental control (Obeidat et al, 2016), governmental monetary policy (Mousa et al, 2013), and unemployment (Obeidat, 2015).

Moreover, the second stream of research has focused on examining the influence of the refugee migration on the Jordanian infrastructure and resources such as water, health, and energy (Farishta, 2014; Hadadin, Qaqish, Akawwi, and Bdour, 2010; Abdel Khaleq, and Dziegielewski, 2006; Raddad, 2005; Abushams and Dahiyat, 2004; Buryan, 2012). And found a significant correlation between the number of immigrants and the increases in the energy bill (e.g. Farishta, 2014), the increased pressure placed on the health, education, and energy resources and infrastructure (e.g. Hadadin et al, 2010; Abdel Khaleq, and Dziegielewski, 2006). Whereby, the third main stream focused on examining the economic condition and monetary situation of the country after the Arab spring (World Bank, 2013; Jaradat, 2010; Nazzal, 2005; Mousa, 2010). This stream of research found that inflation, poverty, youth unemployment, and the slow growth rate in the economy were the main outcomes of the Arabic spring.

Consequently, as seen by the previous studies, limited research attention was given to examining the influence of the economic, political and governmental conditions and decisions in recent years on the Jordanian consumer, despite the Jordanian customer being the first victim of these conditions and decisions. As a result, this study will examine the influence of these issues on the Jordanian consumer during the last five years.

3. Methodology

In order to examine the influence of the economic issues and the events of the Arab spring on Jordanian customers, an exploratory Qualitative longitudinal Research methodology was chosen from a purposive sample of (N=120) Jordanian housewives. In qualitative research, this sample size is more than appropriate considering the most qualitative studies employ a sample size between 50-70 (Saunders, Lewis, and Thornhill, 2007; Bryman, and Bell, 2011)) Considering that not much is known about these types of customer, the qualitative approach seemed more suitable (Hennink, Hutter, and Bailey, 2010). Furthermore, longitudinal qualitative designs are very suitable in the context of social sciences and where the aim is to evaluate changes in behavioral patterns over duration of time (Holland, Thomson, & Henderson, 2006). In addition, qualitative longitudinal designs were found to contribute heavily for studies aiming to evaluate governmental policies (Holland et al, 2006). Additionally, to ensure a certain degree of accuracy and representation of the situation of consumers in Jordan, the data was collected from all the main neighborhoods in Amman. Only female housewives in the city of Amman were dealt with due to them being the decision makers in the matters of consumption in most Jordanian families (Obeidat, Xiao, Iyer, and Nicholson, 2017). The data was collected first from the housewives in 2012 and then in 2017. When the participants were first contacted all of them were informed about the aims of the study and their contact information was taken to allow the researcher to contact them later. Moreover, due to the lack of research identifying the Jordanian consumer, to collect the data, semi structured in-depth interviews were used with each interview lasting between 20-25 minutes. Using interviews in this study will help generate rich amounts of data that will help uncover the main patterns in each group (Sekaran, 2003). Each interview included a series of demographic questions (such as monthly income, monthly expenditure, type of housing, area of residence, family size, household status, number of family workers, educational level, price stability of goods and services. Moreover, as recommended, the author provided the participants with an explanation of the objectives of the research in addition to assurances that their information will remain confidential (Saunders et al, 2007). Furthermore, the collection of the data lasted for three months after which the author began the data analysis. The main types of customers were identified according to their demographic answers they provided in addition to their answers to the interviewers questions. Additionally, to ensure the validity and reliability of the main themes analyzed, two independent researchers were also asked to view and analyze the main findings and reached similar conclusions. Finally, with regards to the process of translation the interview manuscripts, a back translation was used as recommended by Saunders et al, (2007) to ensure the best match between the original and the translated manuscripts.

4. Results

4.1 Sample Description

With regards to the age of the participants at the beginning of the data collection as seen in table (1), 67% of the housewives were over 40 years old which indicates a good consumption experience, 13.3% were less than 30, and 19.7% were between 30-39 years old.

Table 1. Age of the sample

Age	Percentage
Less than 30	13.3%
30-39	19.7%
40 and above	67%
Total	100%

Moreover, with regards to the educational level of the sample in the year (2012) and (2017), 60% of the sample members had bachelor's degrees while 25% held a high school degree, 8.3% hold a mba degree, 1.7% a phd, and 5% held a diploma. In the second data collection phase, the only changes in the sample educational level occurred in the MBA category with a 1% increase in MBA degree holders.

Table 2. Educational level of the sample

Education level (2012)	Percentage	Education level (2017)
High school degree	25%	25%
Bachelor	60%	60%
MBA	1.7%	2.7%
PHD	1.7%	1.7%
Diploma	5%	4%
Total	100%	

Furthermore, with regards to the participants income level and monthly spending level as seen in table (3), their purchasing power for 50% of the sample was not enough and therefore the situation of households deteriorate from time to time as a result of government decisions and the private sector related to the imposition or increase of fees and raise some tax rates and raise prices for some goods and services, which exhausts or exhausts these families. The same table shows that 36.6% of the sample items suffer daily as a result of the continuous decline in their purchasing capacity. Households with a monthly income of more than 2250 dinars were apparently in the category of traders, manufacturers or popular professions and senior government officials (ie, stakeholders).

Table 3. Monthly income & spending level

Monthly income	2012	2017	Average Monthly spending level (2012)	Average Monthly spending level (2017)
Less than 750	50%	50%	1000	1000
750-1500	40%	36.6%	1800	1800
1500-2250	4%	6.7%	1750	1750
2250 & more	6%	6.7%	2000	2000
Total	100%	100%	-	-

Furthermore, with regards to the place of residence type in (2012), 60% of the sample were renting and didn't actually own a place of their own, 33% were living in a place of their own, and 7% were living with their parents as seen in table (4). As can be seen, the percentage of the owned houses increased for about 2% with percentage of people renting decreased for 2%.

Table 4. Place of residence type

Type of residence	Percentage (2012)	Percentage (2017)
Rent	60%	58%
Owned	33%	35%
Other	7%	7%

With regards to the employment status, as seen in table (5), 31.7% of respondents suffer from the fact that they do not work in principal. In addition, 30% of the items of the study are employed in permanent government jobs. Despite no measures or decisions were taken to raise the monthly salaries of workers and retirees / retirees for more than five years despite the continuous price increases for goods and services. In the second data collection stage, the only differences were the increased unemployment rate by 3%. This appeared to them losing their jobs in the private sector.

Table 5. Employment status

Employment status	Percentage (2012)	Percentage (2017)
Full time in the governmental sector	30%	30%
Full time in the private sector	15%	12%
Business owner	10%	10%
Unemployed	31.7%	34.7%
Retired	13.3%	13.3%
Total	100%	100%

In addition, as seen in table (6) below, 50% of the sample had a big family size in which the wife and husband have at least five children, which means that this type of households or consumers are exhausted and suffer continuously due to the low purchasing power of these families. Nevertheless, there was an increase in the husband and wife and two kids category by 8.3%.

Table 6. Family size

Family size	Percentage (2012)	Percentage (2017)
Newly weds	8.3%	-
Husband & wife & 2 kids	5%	13.3%
Husband & wife & 3 kids	16.7%	21%
Husband & wife & 4 kids	20%	20%
Husband & wife & at least 5 kids	50%	50%
Total	100%	100%

Finally, with regards to the housewives husbands employment type, as seen in table (7), 60% of the sample of the study had their husbands working as governmental employees in the lower and middle administrative levels, while 18.3% of housewives husbands were employed in the private sector. (13.4%) and (8.4% + 5%) had their husbands either as business owners or manufacturers. Consequently, no changes were noticed regarding the employment type of the housewives husbands.

Table 7. Husband's employment status

Husband employment type	Percentage (2012)	Percentage (2017)
Merchant	8.4%	8.4%
Manufacturer	5%	5%
Governmental employee	60%	60%
Private sector employee	18.3%	18.3%
Retired	8.3%	8.3%
Total	100%	100%

4.2 Types of Jordanian Consumers

based on the analysis of data, 3 main types of customers appeared to exist in Jordan according to the main demographics themes of the sample, as seen in table (6), 13.4% of the households studied can be classified and labeled the "actual consumers" because their members were financially and physically satisfied. Moreover, the main age group of this type of customers was between 40 and 60 years old, and the monthly income of the family was more than 3000 dinars, and they owned real estate (land and housing) and an owned house. Furthermore, most of them had a high school diploma and the other had bachelor's degrees. The profession of the husband was either a trader or a manufacturer or a senior government employee or retired. The size of the families was four persons, including the wife and husband. This type of household does not appear to be affected by any governmental or private decisions aimed at raising prices for goods and services or raising fees or tax rates.

The second category of customers in Jordan with 36.6% was labeled the "consumed consumers" due to them being constantly affected by government and private sector decisions related to raising fees, taxes and prices. Moreover, the main age group was between 30 and less than 60 years, and the monthly income was between 750 and less than 1500 dinars. While some families of this category have a house, most of them rented. The academic qualification was the bachelor's degree for most of its members, between a teacher and a government employee. Most of the family members are employed. The size of the family ranges from six to seven, including the husband and wife. The monthly income of the family is not enough or meets the needs of the family, forcing them to borrow because of the increase in prices of goods and services.

Finally, the last category was labeled "the destroyed consumers" with 50% of the households surveyed due to them being the most affected by governmental decision and the economic conditions which led to a huge reduction in their purchasing power. Furthermore, the age group for this category was inclusive of all age groups in the community. The monthly income was less than 750 dinars. The vast majority of the households lived in rented old houses. The scientific qualification of the housewife was between less than a public secondary school and the first degree. The occupations practiced by this category of households range from cheap labor to teachers or unemployed. Some families also receive some assistance from the Ministry of Social Development. The average size of families ranges from (6) - (9) individuals, including the wife and husband. Consequently, the monthly income of these customers is not sufficient and it is used to obtain loans and aid because its income is constantly affected by the continuous rise in prices of goods and services.

Table 8. Segments of Jordanian customers

Category	(2012)	(2017)
The actual consumer	10%	13.4%
The consumed consumer	40%	36.6%
The destroyed consumer	50%	50%
Total	100%	100%

6. Discussion and Conclusion

To sum up, by adopting a qualitative longitudinal approach this research examined the influence of the current economic climate and governmental policies on the Jordanian consumers. Subsequently, semi structured interviews were used to collect the data of the study from a purposive sample of Jordanian housewives (N=120). In this study, the demographic information of the sample pointed toward three main types of consumers, the actual consumer, the consumed consumer, and the devastated consumer. As a result, this study present the first ever typology of Jordanian consumers.

The results of this qualitative study indicate a clear picture of the characteristics of Jordanian consumers according to the views of the housewives studied. In short, consumers in Jordan can be classified into three categories. The first is the "actual consumer" category, which is characterized by several characteristics, the most important of which are a high purchasing power that is constantly increasing, Economic profitability, and they are mostly business owners or currently holding high governmental positions. It should be noted here that the proportion of those who applied to be in the actual consumers was only 10% at the time this study was first conducted (i.e. 2012) specifically. Consequently, when the data was collected again at the beginning of this year, this segment appeared to increase by 2%. This finding is supported by previous findings and reports which tend to imply that the middle class in Jordan is beginning to fade away in favour of the upper class and the lower class (Ammonnews, 2012).

The percentage of the second category (the consumed consumer) was 36.6% this year. This group seems to be the most affected by the events of the last five years. Moreover, this type of consumer has been exposed during the last five years to all the waves of absorption of purchasing capacity by some government agencies and the private sector in the form of raising current fees or imposing new taxes on goods and services. In addition to the unregulated price increases of what is sold from Goods and Services. In fact, this result is a natural reflection of the series of government decisions and the private sector related to raising prices for goods and services as the percentage of the middle class decreased from 40% to 36.6%. Similarly, this finding is also supported by previous findings which state that the middle class in Jordan is continually being diminished (Obeidat et al, 2017). Consequently, this group seems to have psychological and social structures built with a sense of depression and a sense of injustice as a result of their continuous living in suffering due to the lack of government planning and control, in addition to the planned and programmed crawling of the private sector and monopoly leaders of all kinds in order to collect more money at the expense of consumers of this type and the third final type.

Moreover, the third type of consumers in Jordan which was labelled "Devastated/destroyed consumer". According to the results of this qualitative study, the percentage of this group of consumers is about 50%. It should be noted here that the vast majority of consumers in this category suffer from a constant decrease in their purchasing power, which requires the involvement of non-profit organizations in the formulation of economic and social policies of the state. Nevertheless, no changes were noticed in this category during the last five years. Generally, the findings of this study are supported by a number of previous findings in the literature. For example, Mirkin, (2013) found that the events of the Arab spring affected the demographic trends in the region leading to an increase in youth unemployment and energy and food shortages. Similarly, the study of Fargues and Fandrich, (2012) found that the events of the Arab and the issues of immigration caused a grim pressure on Arabic countries and Jordan.

Consequently, based on the results of this study, decision makers in the Jordanian state should consider very carefully a number of important implications. First, it is clear that the economic approach applied in Jordan, which is based on the principle of bilateral partnership between the public and private sectors, is not valid or useful, but contradicts with His Majesty King Abdullah II in the sixth discussion paper which focused on the importance of adopting the socio-economic approach (Jordantimes, 2016). Moreover, the experiences of developed countries (e.g.India, China, Singapore, South Europe, Australia, Canada and most Latin American countries) combined the efforts of all three economies (government economy, private economy and informal economy) when developing their plans for economic growth (Obeidat, 2017).

Second, the amendment of the Jordanian economic approach, according to His Majesty King Abdullah II,

requires the State and all its institutions to take practical care of the activities of all three economies and the benefits and benefits they represent for all social sectors, especially the rural and desert areas. Consequently, the amendment of this approach, as noted above, requires the existence of a socio-economic team that believes in the benefits of this approach in order to develop plans, policies and programs to achieve the objectives of this approach aimed at the economic advancement of the rights of all segments of society. In addition, to complete the march of the national economy with its three pillars, it is necessary to establish an independent government authority for the economy in the form of a ministry affiliated to the Council of Ministers with notable amendments to laws such as agriculture, municipalities, industry and trade, and perhaps tourism, in order to remove obstacles facing the activities of the informal civil economy.

Third, if the establishment of an independent government authority is established by a law to achieve the objectives of the social economy, as noted earlier, calculated financial systems and procedures must be developed to provide full opportunity to assist the borrowers of small or medium-sized enterprises to receive or receive soft loans for long periods of time, It is proposed to commence these activities in the countryside and the rural areas first. Moreover, as apparent by the findings of this study, the middle class in Jordan is being diminished. Consequently, future economic activities should be aimed at enhancing the productivity and purchasing abilities of the middle class. In doing so, the growth rate of the economy will certainly increase.

Finally, a number of limitations exist concerning the methodology of this study. Nevertheless, future research could use a more quantitative design with a larger sample. By doing so, examining the influence of the numerous economic issues facing the Jordanian customers could identify the most influential issue facing each segment of customers in Jordan. Additionally, future research could use the findings of this study as basis for future studies that compares the influence of the economic situation in Jordan on the Jordanian customers in addition to examining the changing patterns in consumer segments in Jordan. Moreover, although this study examines three main segments of consumers in Jordan, future research could focus specifically on examining each single consumer segment, this approach would allow for a better examination and could help identify more problems facing each one of these segments.

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