Chapter 3
An Analysis of the Studies in Turkey into Consumer Behavior During Periods of Economic Crisis

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ABSTRACT
The fact that those countries going through tough times like economic crises can predict the change consumers experience so that they could take the necessary precautions brings them competitive advantage and helps them provide solutions accordingly. With this in mind, the present qualitative study paints a picture of a general overview of consumer behaviors in times of crises. The studies in Turkey into consumer behavior during periods of economic crises have shown that buying behavior of consumers change, that consumers resort to cheap goods and services, and that they limit their spending on food the least. The Turkish consumers have started to cut back on their spending and postpone their needs in times of economic crisis. It could be stated that Turkish consumers now avoid hasty decisions when buying.

INTRODUCTION
Consumer behavior refers to a dynamic and very complicated process which is affected by external factors such as economic crisis, and which varies from person to person (Odabaşı & Bağış, 2002, p. 30). Estimation of consumer behavior in times of economic crises is especially extremely difficult. Despite the fact that economic crisis is a popular agenda, studies looking at the process in terms of consumers, families and household are not common. However, previous and prospective research is thought to contribute to the effort to figure out consumer behavior, giving both manufacturers and marketers competitive advantages, as well as giving clues to the policy-makers.

The change which consumers, backbones of economic activities, have been going through needs to be thoroughly identified. Early anticipation of change that consumers go through on the part of those countries undergoing crucial periods like economic crises in order to take the
necessary measures in advance not only puts them in an advantageous position but also helps them create effective solutions. With this in mind, this study summarizes the studies examining consumer behavior during economic crises. Analyzing the examples from Turkey, the study is going to help the identification of the shortcomings and hint the necessary precautions.

BACKGROUND

Economic Crisis

Crisis as a term is defined differently in different disciplines. In medicine, it refers to the unexpected physiological disorder in an organ; in psychology, it is defined as a critical turning point resulting from change throughout the life of the individual; and in economics, the focus on this study, crisis is defined as certain developments that cannot be predicted beforehand (Türk Dil Kurumu, 2013; Karabıçak, 2010, p. 252). Economic crisis can be defined as the wild fluctuations, outside the acceptable limits of change, in the prices or supplies in any markets of commodity or services, or factors of production (Kibritçioğlu, 2001, p. 175).

A review of the literature on economic crisis yields globalization as a phenomenon. Globalization can have two basic meanings. In a wider sense, it refers to a process in which a culture of conscious responsiveness or reaction to both positive and negative developments has emerged. In such a process, as the awareness of the international, national and regional political, social, ecological, cultural and even geographical systems of each other has increased, their power of influencing one other has intensified (Zengingönül, 2005, p. 92). In the narrow sense, globalization can be defined as international economic exchange (Albayrak, 2012, p. 166).

Even though there is no commonly agreed definition of globalization, it could be stated that globalization has substantially influenced the economic realm (Öznacar, 2011, p. 16883). With globalization, the area of influence of the monetary markets has widened, which has boosted international trade in particular. This has caused market economies based upon free competition to come into prominence. Such a change in international trade and similar developments has necessarily compelled the countries to turn to privatization. Those countries which have not been able to adapt to this change and been trying to maintain their traditional structures with their inability to manage timely privatization have eventually encountered the problem of economic crisis (Karabıçak, 2002, p. 122). Economic crises can be classified as financial crises and crises in real sector. While the former comes out because of either the wild fluctuations in financial markets or the dramatic increase in the unpaid loans in the banking sector, the latter appears as a result of the decline in employment and production in goods and services (Kibritçioğlu, 2001, p. 175).

During periods of economic crises, businesses experience difficulties on account of such problems as decrease in domestic and external demand, decline in sales, increase in stocks, restricted production, not receiving the debts and hardship in taking loans. The businesses making an effort to save the day struggle to boost consumption through such practices as sales, promotions, and installments. Negatively affected just as the businesses are, consumers develop new behaviors in the way they consider to be for their benefit (Odabaşı, 2009, p. 68).

According to Mishkin (2004, p. 624), if consumers feel they are in financial difficulty, they prefer to hold liquid financial assets. Since durable goods and real estate are not liquid enough, they are likely to be sold off. For instance, when the fall in the price of equities causes a decrease in the value of financial assets, economic units start to worry about financial problems. In such a case, consumer spending on durable goods and real estate goes down. Financial uncertainty leads to decline in the level of consumer expectation and