

KONDA

Barometer

THEMES

**Consumer Expectations
After the Referendum**
May 2017

KONDA
ARAŐTIRMA VE DANIŐMANLIK



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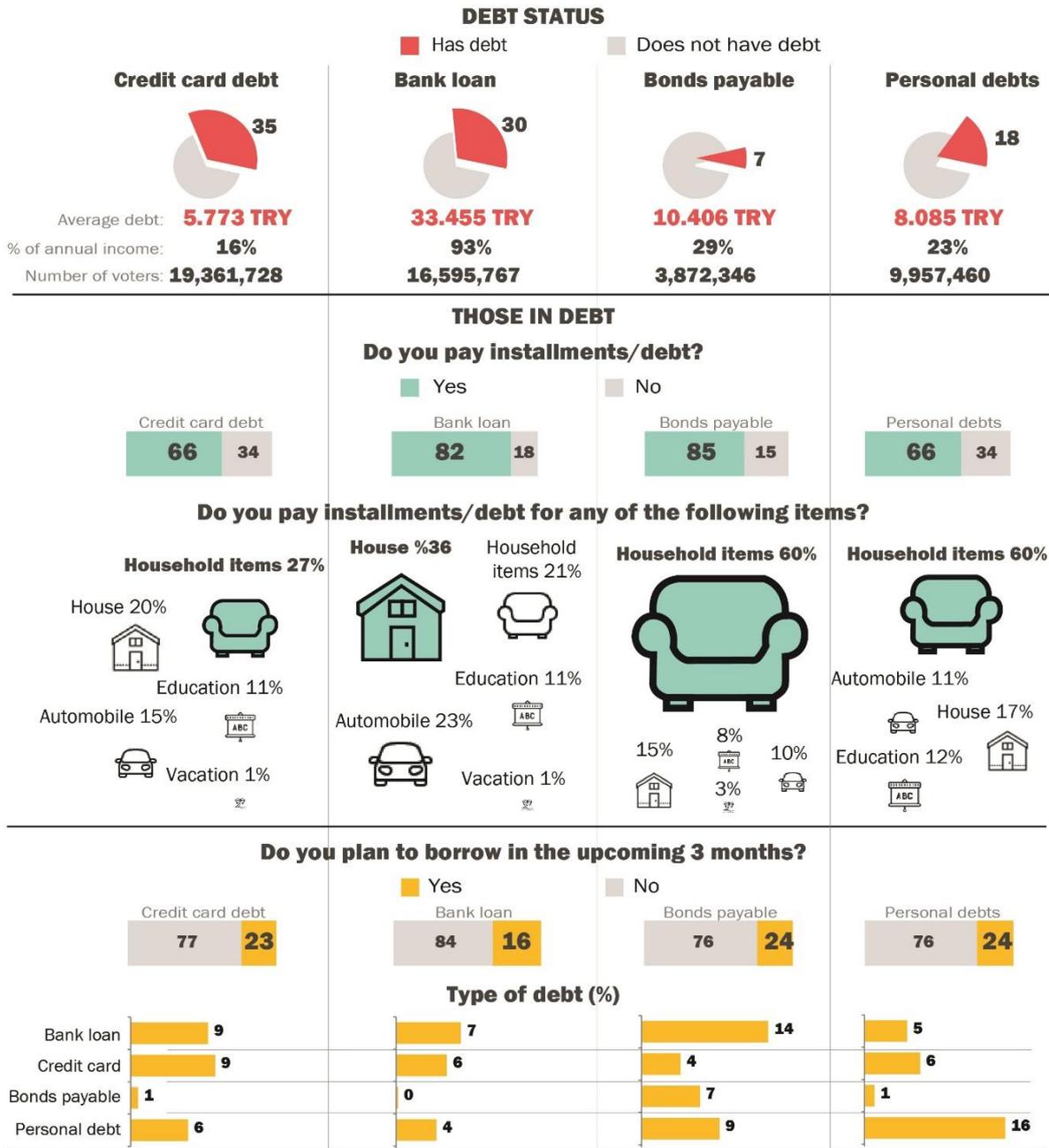
1. EXECUTIVE SUMMARY

The survey which forms the basis of this report was conducted on 6-7 May 2017 by face-to-face interviews with 2604 people in their homes in 151 neighborhoods and villages of 106 districts of 28 provinces including the central districts.

CONSUMER EXPECTATIONS AFTER THE REFERENDUM

In 60 percent of the households, only one person works in order to bring income to the household. The probability that the working family member is a man increases as religiousness, conservativeness and head-covering increase.

Currently, one in every three people in Turkey have credit card debts. When analyzed more extensively as credit card, bank loan, bonds payable and personal debts, the rate of those in debt increase to 45 percent. The groups with the highest rate of debt in comparison to income are the lowest income group, those who identify themselves as poor and unemployed people. It is noted that in the past year, the rate of those who have credit card debts has increased and family support in meeting household expenses has decreased.

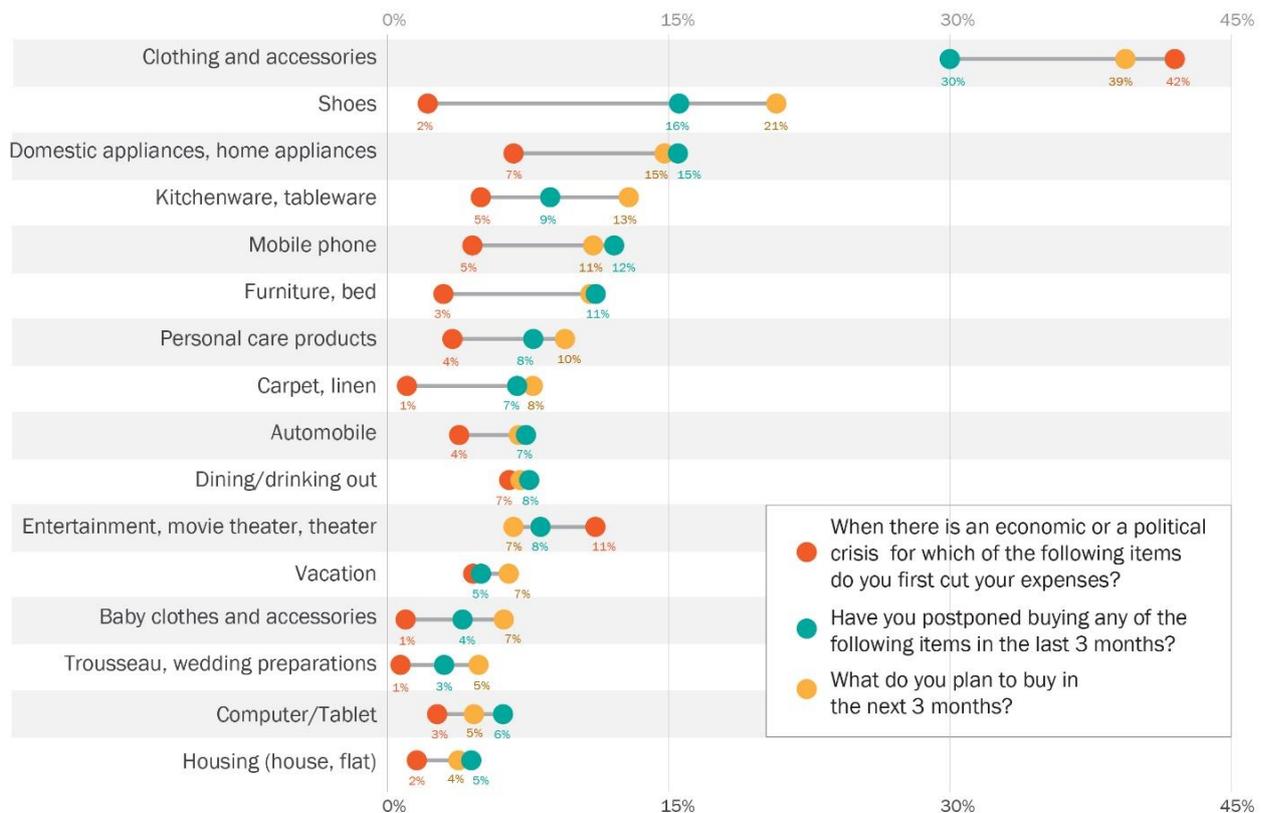


Shopping: Delaying, venues, preferences

One in every five people have delayed shopping in the past 3 months and anticipate an increase in their food expenses and general expenses in the coming term. Clothing and accessories is the shopping item that is delayed at the highest rate and it is also the most frequently delayed one in times of crisis, yet this item is also the most planned for item for the future. Mobile phones, furniture-beds, rugs-home textile and automobiles are those expense items that are indicated to be dismissed at the lowest rate in times of crisis and they are planned for the next 3 months. Further, “eating out” is the item that is first cut down on, delayed in the past 3 months and planned

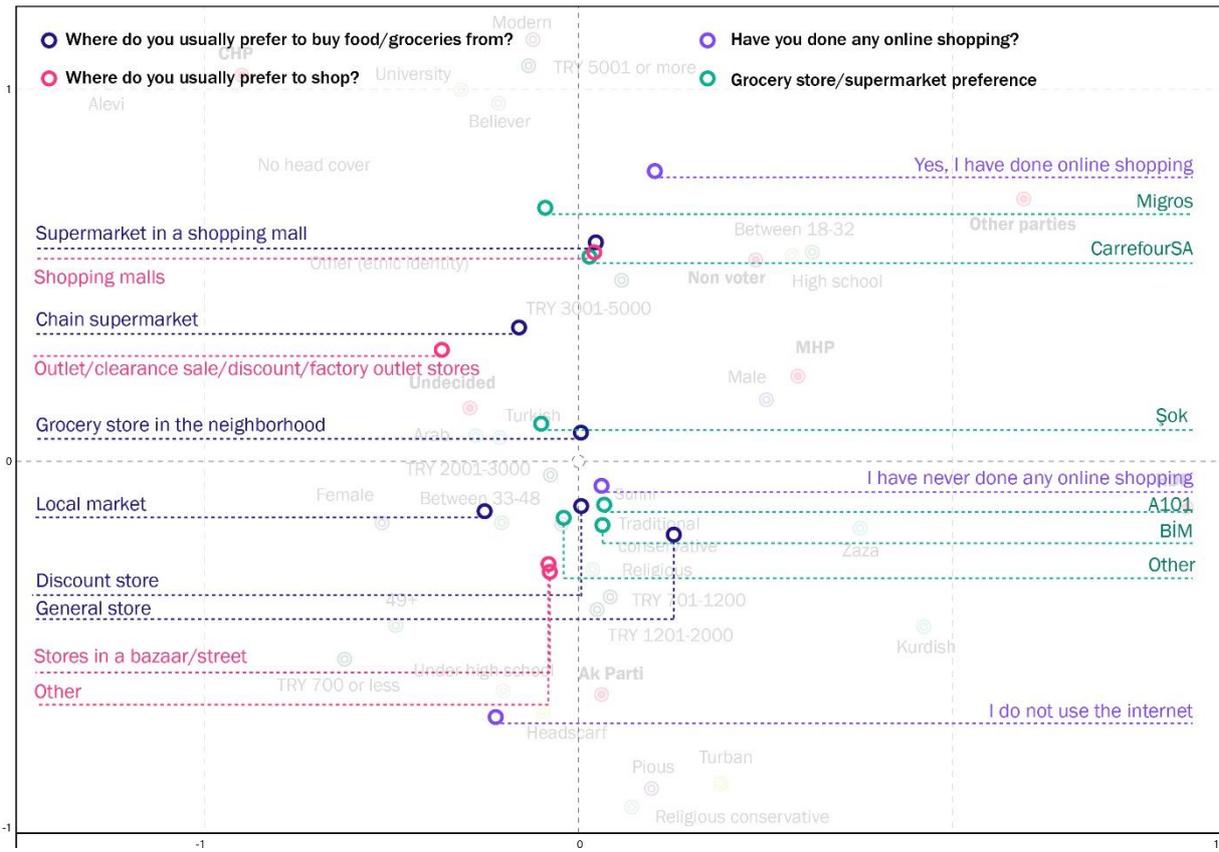


for the next 3 months at equal rates, hence it may be presumed that those who dine out make a very defined cluster compared to others.



Among the venue alternatives for food shopping such as neighborhood markets, local grocery stores, supermarkets and hipermarkets located in shopping malls, the most preferred option is the neighborhood market. However, the rate of those who prefer chain supermarkets and hipermarkets located in shopping malls visibly increases as the rates of feeling rich and easy subsistence increase, lifestyle gets more modern and the use of the internet and credit cards increase.

The most preferred venue for shopping in general are shopping streets among the options of shopping malls, shopping streets and outlet stores. However, the effect of welfare level and lifestyle is more apparent here than it is in food shopping. Almost the entirety of those who prefer shopping malls use the internet, half of them consider themselves affluent above average and again half of them have modern lifestyle and one third can make a living without difficulty.



As to how various family types delay shopping, the major difference is observed between households with or without children. In those households that reported to have adult children, live alone or live as a couple, shopping has been delayed at lower rates than other family/household types.

Online shopping has been increasingly becoming a major route of shopping. One in every four people shop online and even though the most frequently purchased items online are clothing and accessories, it is noteworthy that the rate of those who purchase tickets online for flights, sports games, concerts, etc. has been rapidly increasing. Among social media users, Twitter users are most likely to shop online followed by Instagram users.

Vacations, advertisements, boycott

Three in every five people have no plans for vacation this summer. The majority of those who will go for a vacation plan to visit either their hometown or a domestic holiday spot. About 4.5 million people indicated that they will only take daily excursions whereas the number of those who will go abroad is more than 1.1 million.

As for advertisements, the society wants to see prices and products at the highest rate and celebrities at the lowest rate. Those who use social media, those who shop online and the new middle class place higher importance on learning about prices and products in advertisements.



“There is a brand that I boycott (or have boycotted) due to political reasons.” Our findings with regard to this statement reveal that one in every four people in our society have experienced boycotting and those who voted “yes” in the referendum are slightly more tended to boycott brands.

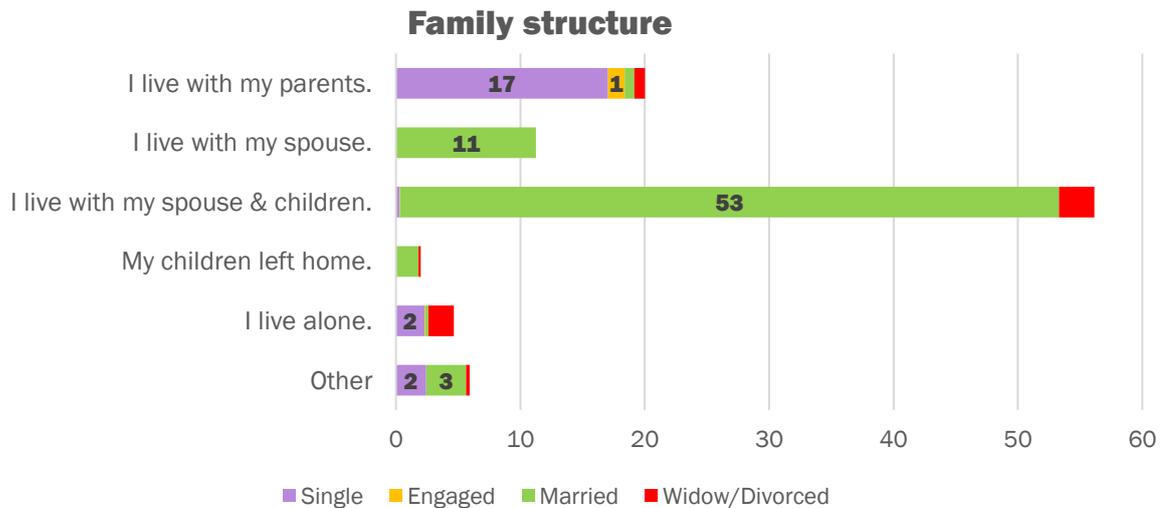


2. CONSUMER EXPECTATIONS AFTER THE REFERENDUM

In this month's research, we addressed the consumption plans and expectations of the public in general. With the aim to address this issue in further detail, we addressed the respondents questions designed to inquire about household and family demographics, the persons responsible for and the sources of household income; examined types and amounts of debt in detail, and endeavored to determine how household expenditures will change and what people are planning to buy in the near future after the referendum. We also touched upon topics such as vacation, advertisements and brand boycotting.

2.1. Family Structure

Our objective in concentrating on family demographics was to shed light on family structures, which form the basis of household expenditures and savings. As what we describe as the family or the household has a very heterogeneous overall structure, we will first attempt to understand how individuals who make up the population in Turkey are grouped, what types of families there are, and the impact of the number of children in households and the household size. We should first note that whether a household includes children or not appears to be the most decisive factor.



56 percent of the population state that they are married with children. Those who live only with their spouse in the form of a core family make up 11 percent of the population. Around 5 percent of the adult population state that they live alone.

The majority of those who live with their parents are single. We observe that women make up 35 percent of this group. On the other hand, 76 percent of unmarried women still live with their parents.



When we examine demographics by marital status, it is possible to provide a clear explanation to the 5 percent who live alone and to divide this group into two. Half of this group is composed of singles, and the other half of widows above middle age.

Only 10 percent of women who are not married state that they live alone. The conditions are not much different for men either. 77 percent of bachelor men live their family.

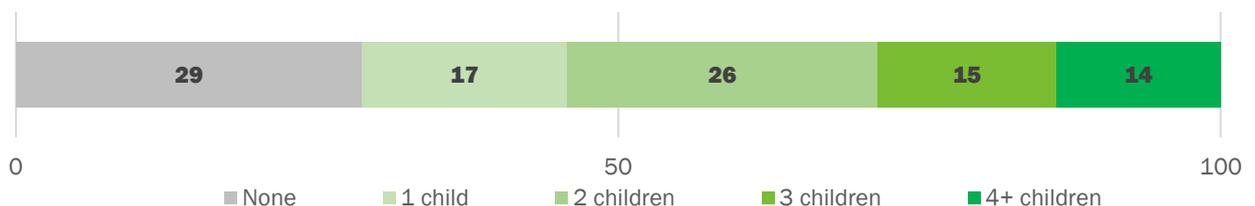
When we examine the two sets of data in conjunction with each other, we find out that the total of unmarried, divorced or widowed women correspond to 2 percent of the population. One out of every fifty women live alone, and this corresponds to 600 thousand households across the country.

More than 70 percent of the population is married. The same rate for those who are married without children declines to 53 percent.

We may claim that having children or not is the most significant factor that distinguishes the family typology. Indeed, if we take it into consideration that nearly three fourths of the public are married, being married comes out as a very wide category, and having children or not appears to be the most decisive demographic characteristic that differentiates married individuals from each other.

The distribution of having children is provided below. 71 percent of the respondents either have a child or children themselves, or there is a child in their households.

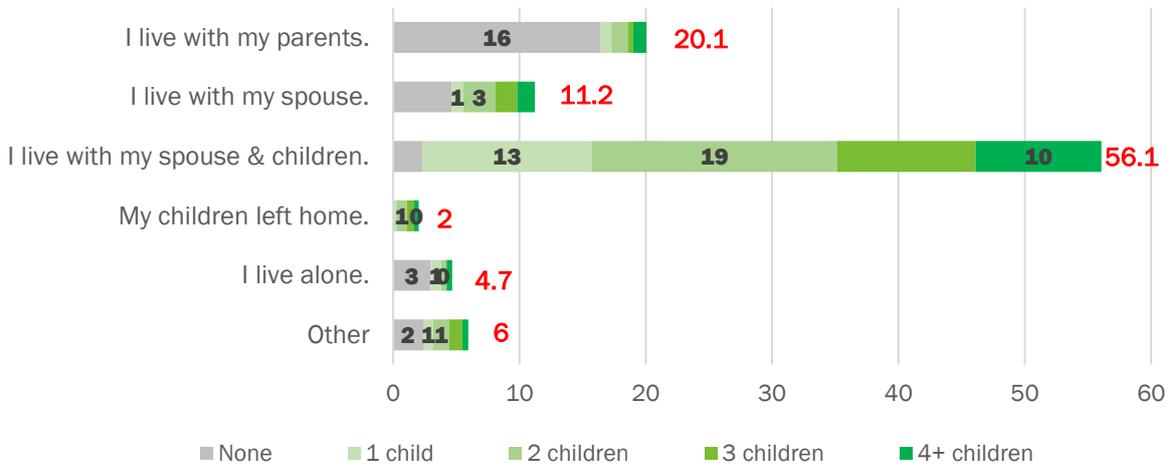
Distribution of the number of children



An examination of family types by number of children provides us with the table below. The distribution of the number of children among the cluster made up of those who live with their spouse and children, who make up more than half of the public, is in parallel with the rest of society. At this point, we may take one more step forward to group families with children into the categories below.



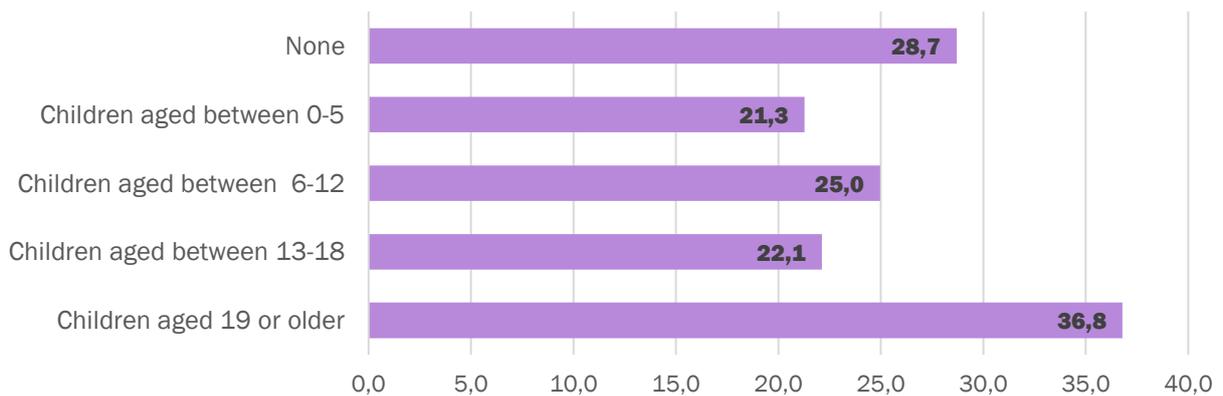
Number of children by family type



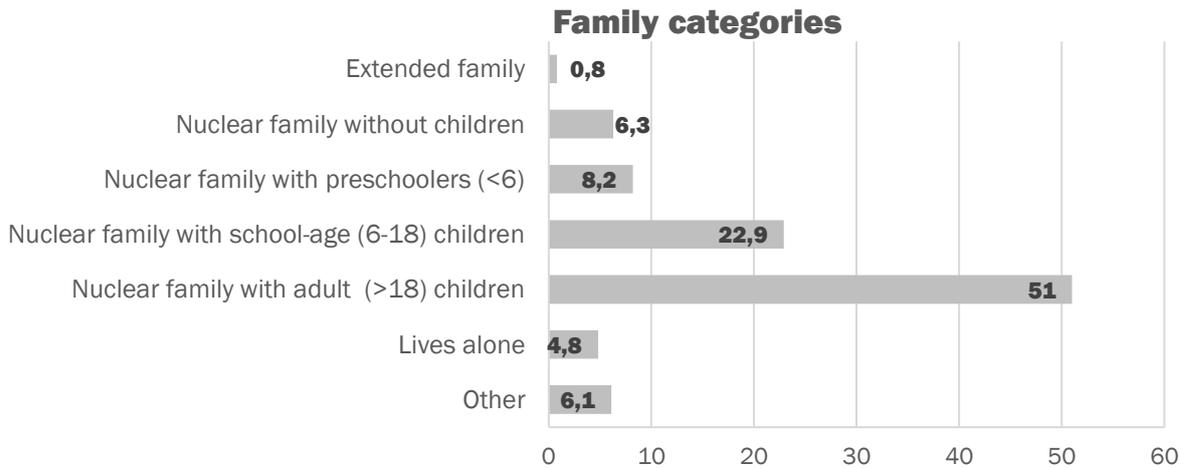
We observe that the rate of those who are married without children is above 6 percent. These people are couples who have never had children, regardless of whether they live together or not.

The distribution by the age of children people have or live together with is provided in the table below. The largest group is made up of those who have children who are at least 19 years old or above. One out of every three people have offspring who are above the age of 19.

Distribution of having children

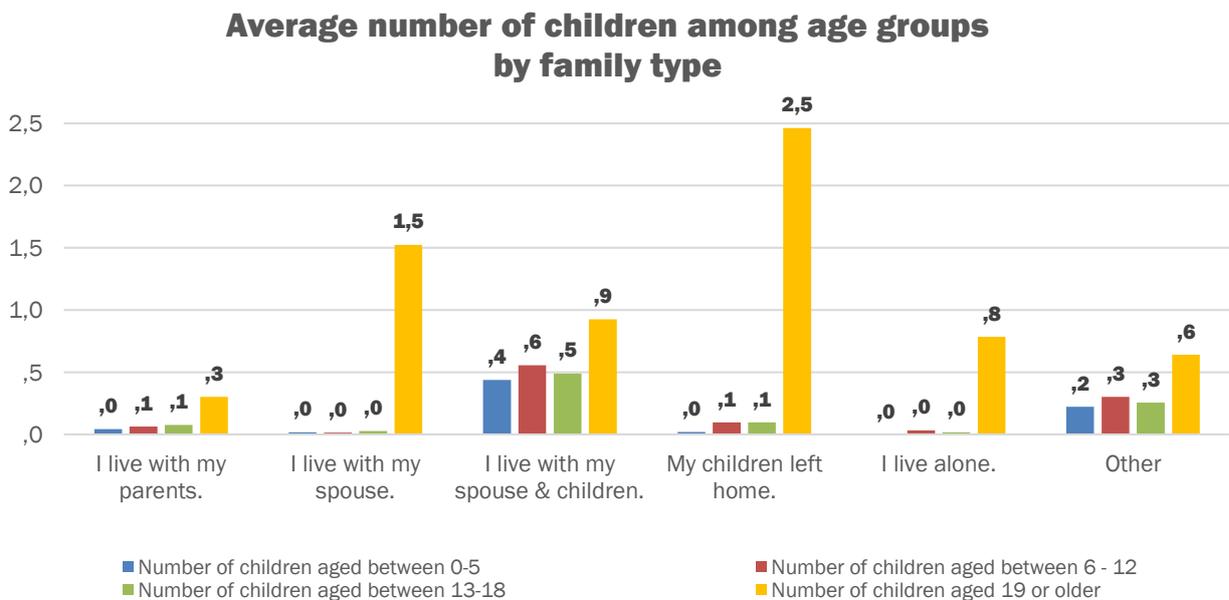


At first glance, we may interpret the high rate of having adult children as a sign that the rate of having children has been in decline in recent years. We will be looking at additional data supporting this argument in the following sections.



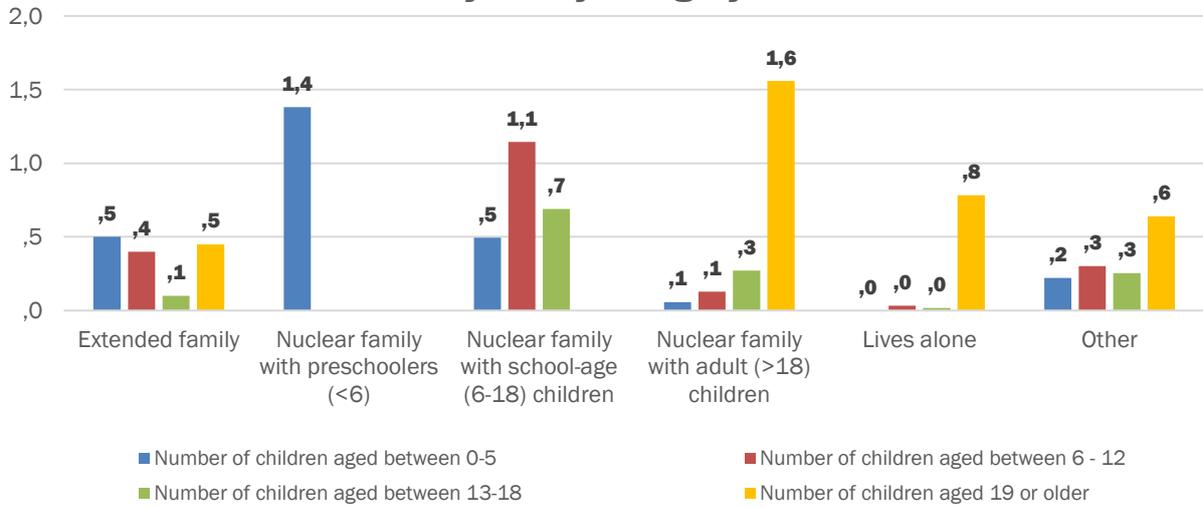
Now, let's look at the number of children of different ages among the two different family clusters provided above. The number of children in different age groups among the different clusters are provided as average figures in the graphs below. For example, those who state that they only live with their spouse have, on average, 1.5 children who are 19 years old or above. Those who expressly state that their children have left their homes appear to have more than 2 children on average.

When we carry out the same analysis for the other family category, it is striking that the average number of children who are 0-5 years old is 1.4. We may claim that the number of children is the most decisive and significant parameter in defining a family. In this perspective, we may examine how demographic breakdowns provided below vary by the number of children.

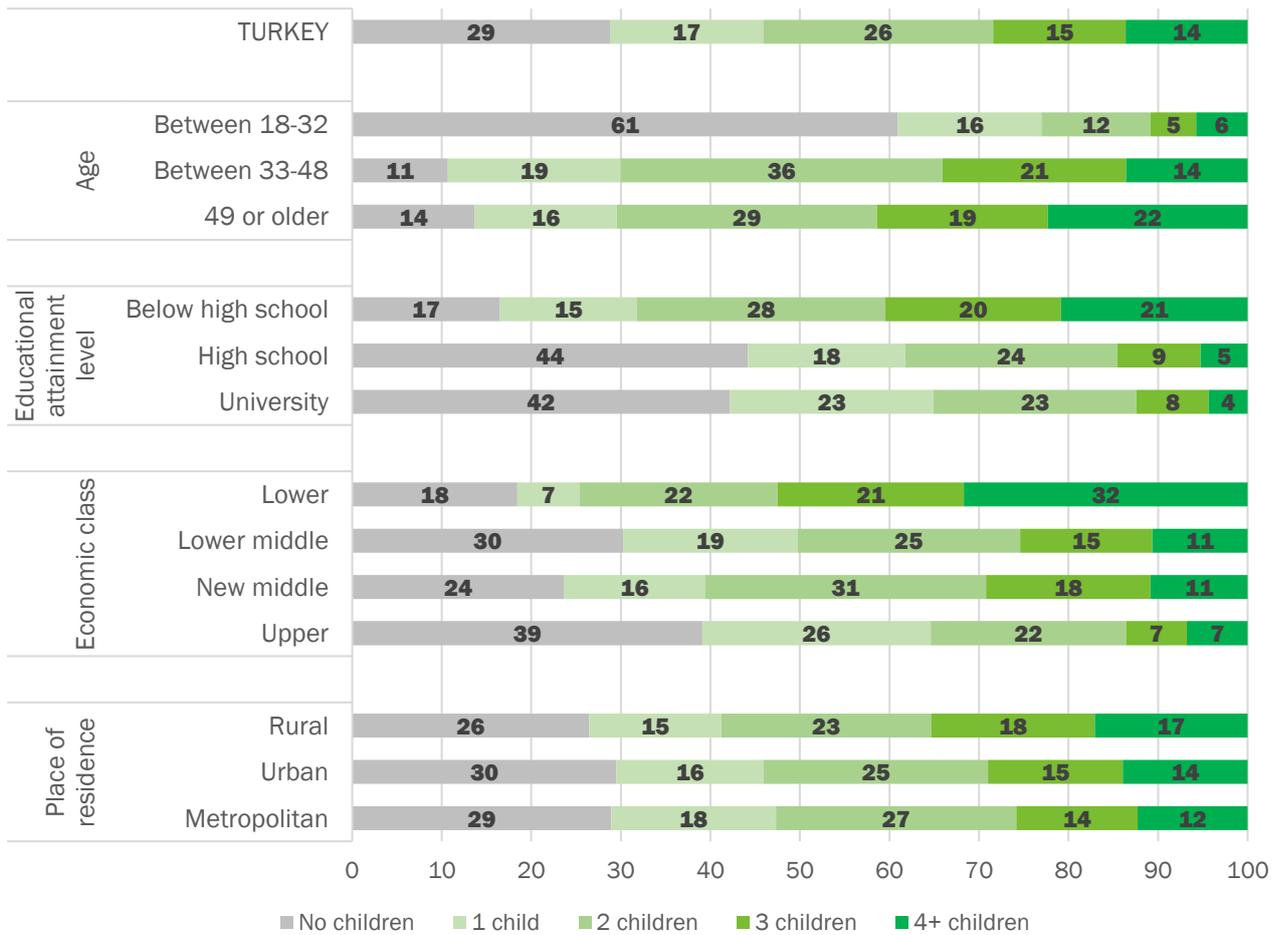




Average number of children among age groups by family category



Number of children among demographic clusters



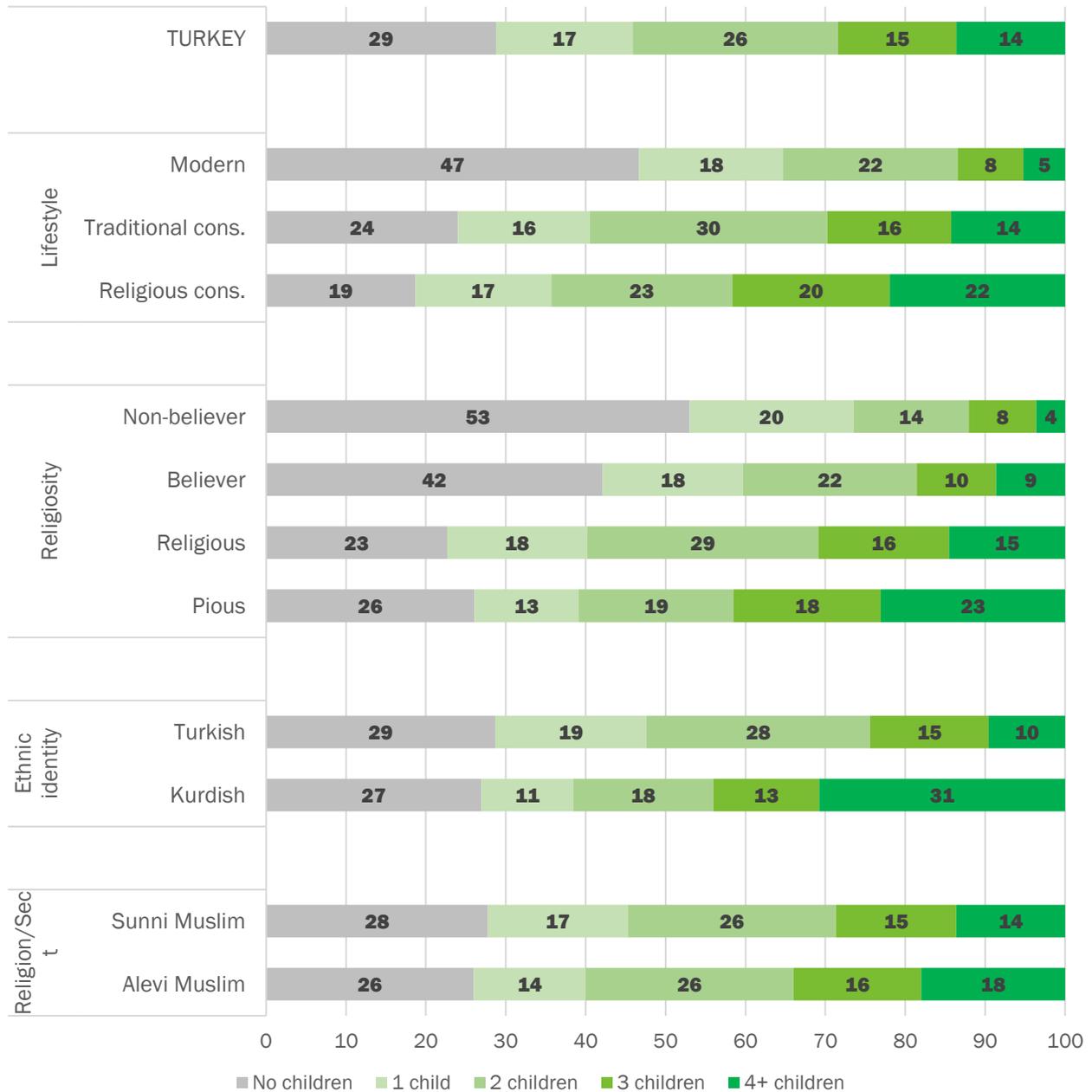


Factors that appear to be related to the number of children in a family:

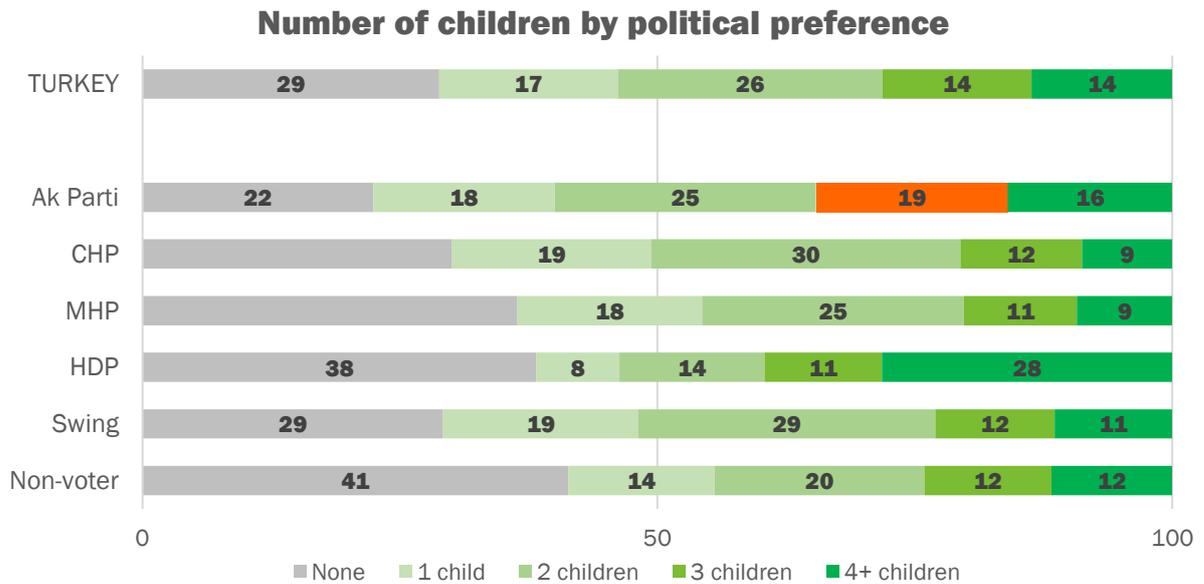
- ✓ First, we may predict that those living in rural areas have more children; however, we do not observe a critical difference.
- ✓ The lower educational attainment group has the highest number of children, with three or more children.
- ✓ In addition to age and place of settlement, we observe that the number of children in a family varies significantly by level of religiosity and by lifestyle.
- ✓ We may state clearly that there is a significant relation between level of religiosity and number of children.
- ✓ Those with a Modern lifestyle are more likely to have families without children, live alone, be single, and in parallel with this, Moderns are more likely to not to have any children.
- ✓ The number of children among the Kurdish presents also another significant finding. The Kurdish comes across as the demographic group with the highest number of children, with 4 or more children per household.
- ✓ When we carry out a more in-depth analysis considering the findings above, we find out clues showing that the number of children is an important characteristic. Those with only one child come across as a group with a slightly higher educational attainment level and a higher socioeconomic status than others, independent of age and other parameters. Furthermore, we observe that senior employees are more likely to have more than one child, in comparison to the other groups. We also find out that having three children is their characteristic in comparison to the other political preference groups.



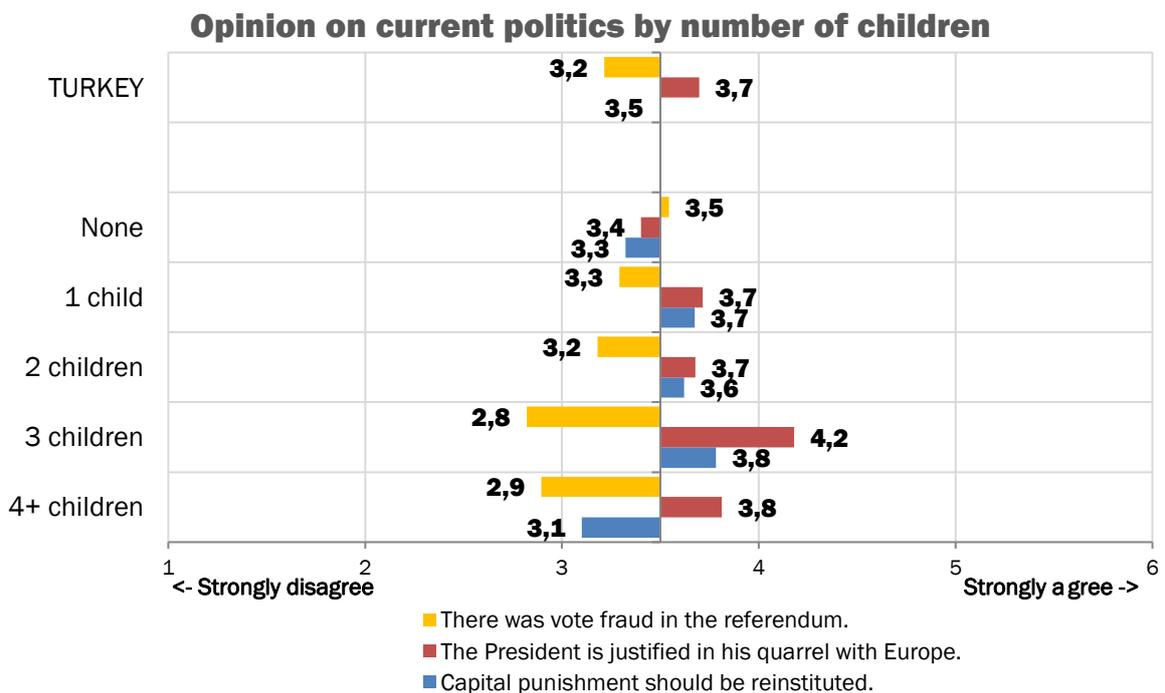
Number of children among demographic clusters



We may expect Ak Parti voters to be closer to the cluster with more children, due to their similarity in terms of socioeconomic status. However, we can determine that people with 3 children are more likely to be Ak Parti voters. It may be considered that the discourse of, mainly Recep Tayyip Erdoğan, and of the government during its 15-year long political rule, on having 3 children may have been reflected in this finding. We come across another finding that supports this assumption when we evaluate the number of children by opinion on current developments.



The graph that shows opinions among clusters with different numbers of children on the 3 statements about current developments, clearly reveals that particularly those with 3 children are much more likely to be in approval of the government's discourse on these issues.



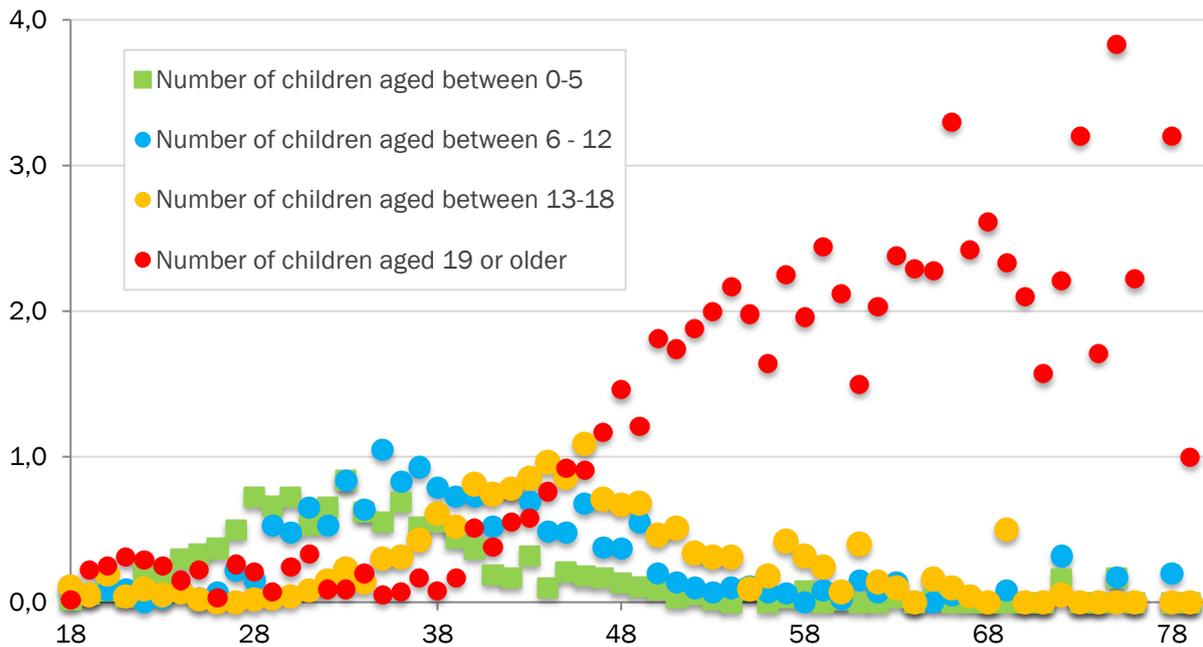
2.1.1. Relation between age and number of children

We have noted that there is a special relation between people's age and the number of children they have. The graphs below show the average number of children in different age groups by the age of people. For example, the number of children between the ages of 0-5 of those who are 28 years old is 0.7. According to this graph,



those with a child or children between the ages of 0-5 are more likely to be located within the 20-40-year-old age group.

Children below the age of 18 move in parallel with the age group of their parents (green, blue and orange dots). When we look at the ages of those with adult offspring, we encounter a radical increase. At this point, the average for other age groups comes out as 1.2, while the average for those with offspring who are 19 years old or more is as high as 4.0.



2.2. Number of Employees in the Household

You may see the distribution of the responses to the question, “How many people contribute to your household income, including all types of income?” shown below. In our evaluation of the number of people working in a household among different demographic groups, we grouped the number of people employed as 1 person, 2 people and 3 or more people, not only because this makes the outlook more comprehensible, but also because it does not lead to statistical differences.

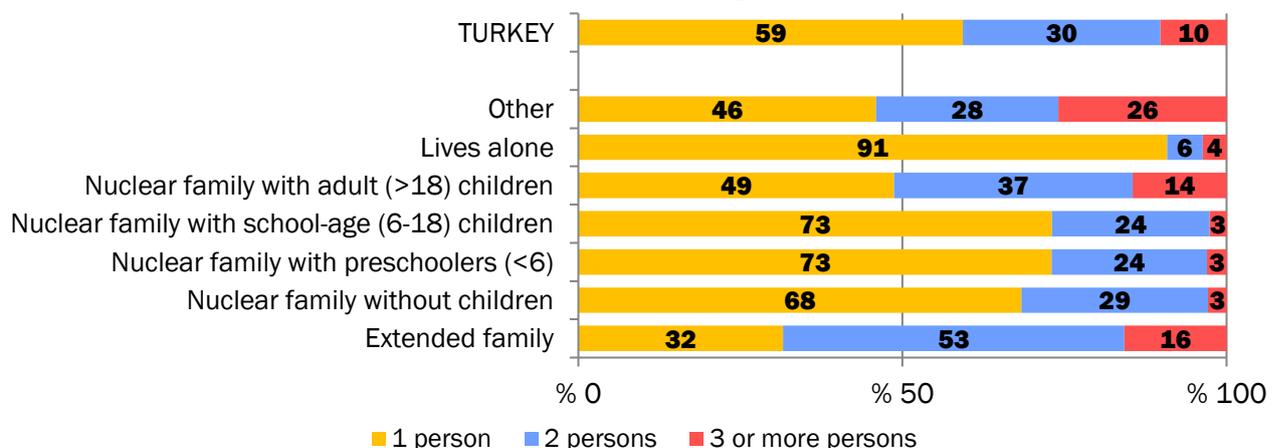


Including all types of income, how many people contribute your household income?	Number	Percent
1	1408	59.4
2	717	30.3
3	189	8.0
4	43	1.8
5	6	0.3
7	1	0.0
Total	2370	100.0

According to the TUIK Statistics for Women 2016 published on March 7th, 2017, the employment rate among men above the age of 15 is 71.6 percent, while the corresponding rate for women is 31.5 percent. The participation of women in employment is less than half of men.

When we examine the research findings in more detail, we observe that higher level of religiosity, conservatism and a head cover status of headscarf, turban and chador leads to a higher likelihood for the 1 person employed in a household to be a man.

Number of person(s) employed in a household / Household type



The participation of women in both social life and employment is not only related to facts such as having children or not, but also other variables such as lifestyle, religiosity and head cover status. Positive discrimination towards women by institutions in Turkey is insufficient, and even if these practices become more widespread, the problem of women's participation in employment remains unsolvable unless there is a change in the outlook on women by the more traditional segments of society.



KONDA's **"Family Demographics of Turkey"** is a very important analysis for marketing and communication strategists. The types and structure of family is the most significant variable while designing the market size, segmentation and targeting of these types.

In current marketing studies in Turkey, the sizes of various family types are usually obtained through quoted usage & attitude studies with small number of samples, or completely disregarded as they are not considered strategically important. Yet, it is vital for a marketing/advertising strategy to get hold of such sizes through surveys employing large number of samples so that the margin of error can be calculated. If you plan to fish in the sea, you first have to correctly estimate the number of fish, their types and the depth of the types so that you can decide whether to sail or not and if so, you can use the right fishhook. Otherwise, your fishing spree might end in frustration or the fish you catch will not justify your efforts.

KONDA's findings show that "family" as a concept is not as simple as it sounds or is not a simple pattern. When using it in multivariate marketing/advertising decisions, it is necessary to consider not only the percentages but also the absolute numbers. For example, the rate of women who live alone (unmarried, divorced or widower) is 2%. The sociological interpretation of this rate may be different since it is quite low. However, in absolute numbers, it makes 600,000 households which may make it a significant market for security services. In marketing, we call them "dwarf" target markets with no growth potential in the short term. They should be carefully analyzed in terms of profit and then formed into target markets.

Again, the findings show that 70% of the society in Turkey are married. 53% are married with children. 87% somewhat live in a "family" environment. This finding shows the continuing and even increasing value of family in Turkey and that even though modern people have fewer children, the value on "family" does not differentiate among the different areas of polarization.

The rate of families with at least one child at age 0-12 is 46.2%, i.e. in more than 12 million households, there are babies or small children, hence these families experience the happiness and problems (indebted families with children) of being married with children. Obviously, they do not form a uniform household type nor do they share the same world view. Any fact that can make them happier is called a marketing opportunity.

It is true that difference in number of children and the elements of cohabiting affect the type and amount of consumption. It is also true that in Turkey, digital advertising media investments have reached a significant rate of 24% within the total advertising investments, and in the current age of divided media and divided social communities, "wholesale" marketing and communication have come to an end.

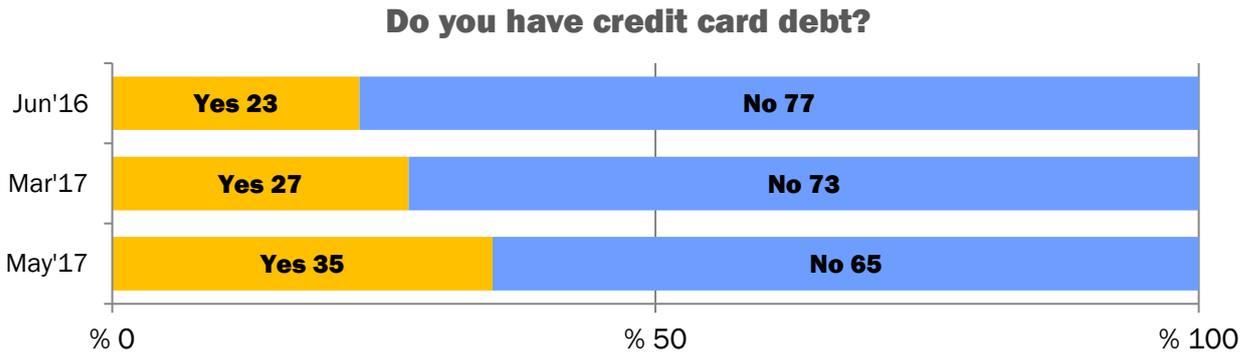
Therefore, even when choosing the family type to be used in advertisements which is the façade of marketing, the findings of the "Family Demographics of Turkey" must be constantly kept in mind. Otherwise, it will be difficult to achieve the resonance you desire (or require) between you and your target group. If nothing, please compare the U&A "family sizes and types" you obtained from surveys based on unprobabilistically chosen samples with the findings here. And while choosing quota samples or conducting qualitative surveys, please take the information here as reference.

Prof. Ali Atif Bir



2.3. Debt

As part of the themes of June'16 and March'17 Barometers, we had asked the respondents whether they had credit card debt and the amount of debt they had, if they had any. In repeating this question in this month's field survey, we included bank loans, as well as debt promissory note debts and cash debts, in addition to credit card debt. A comparison of the findings for these three months shows that the upward trend in the number of people in debt continues, with 35 percent of the public having credit card debt. In other words, one out of every three adults in Turkey has credit card debt.



When we take all debts into account, we encounter the fact that nearly half of the public (45 percent) is in debt, in one of the forms of debt listed above. One fifth of those who are in debt are considering of going into debt again, while 7 out of every 10 people in debt have postponed shopping for something in the last 3 months, and similarly, 7 out of every 10 people state that they have struggled to pay back their debts.

In the more detailed table presented in the next page, we provide people's payment plans and plans for going into debt again.

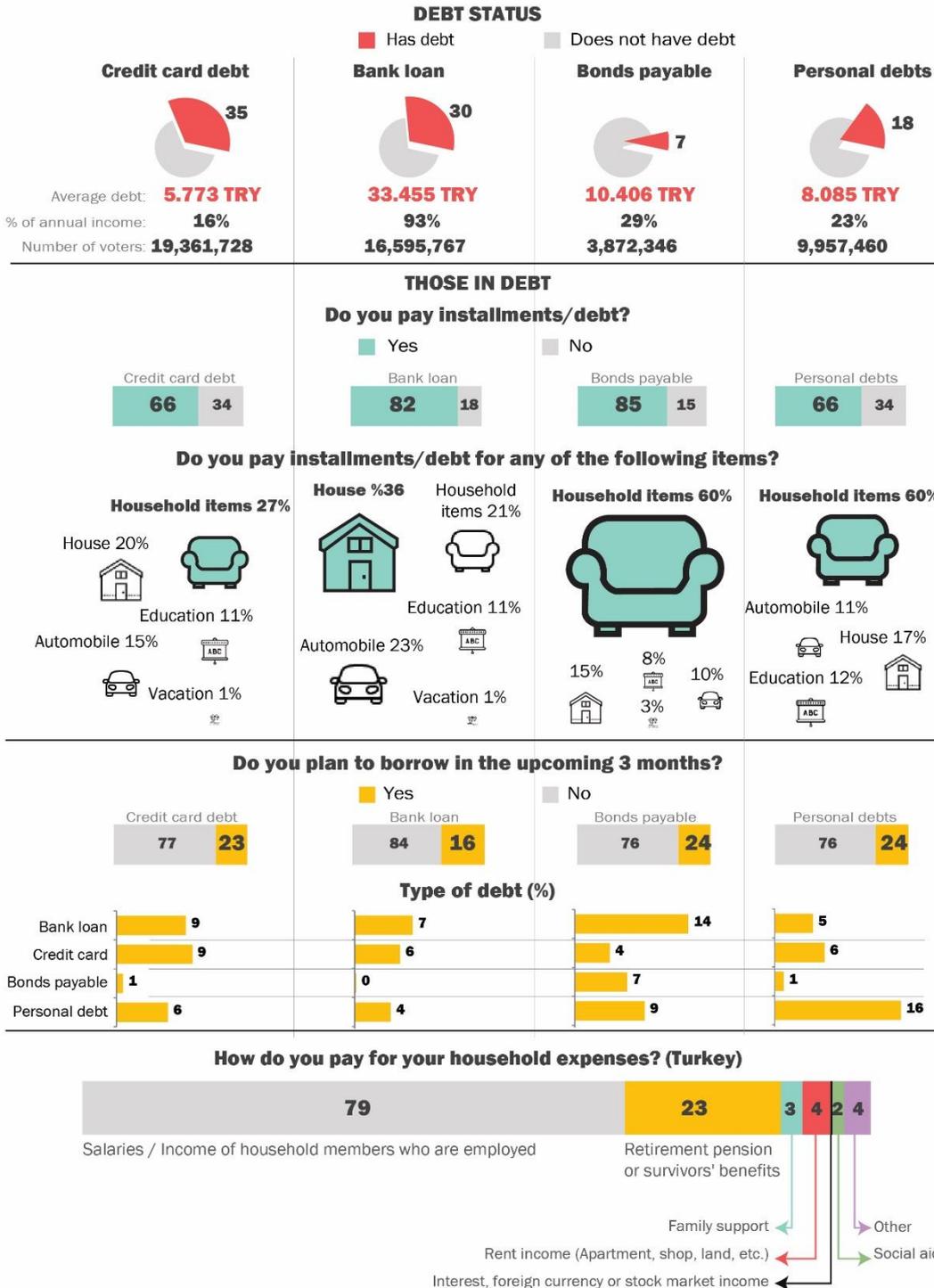
Accordingly, those with credit card debt make up the largest group among those in debt, at 35 percent, followed by people with bank loans (30 percent) and people with cash debts (18 percent). Although people with promissory note debts may appear to be a small group at 7 percent, it should not be forgotten than they correspond to approximately 4 million people.

When we review the amount of debt people have, bank loans take the lead with an average debt amount of TRY 33.455. Consequently, the most common forms of debt paid are mortgage and car loans. One out of every 3 people with credit card debt or cash debts state that they are not currently not making any installment/debt payments.

The responses to the question, "What do you pay installments for?" reveals a great divergence by type of debt concerned. Those with credit card debt are most likely to be paying installments for home furniture, those with bank loans are making installment payments for mortgage or car loans. 60 percent of those with promissory note debt are paying installments for home furniture. Those with cash debts are most likely to be paying for home furniture installments, followed by housing and educational expenses.

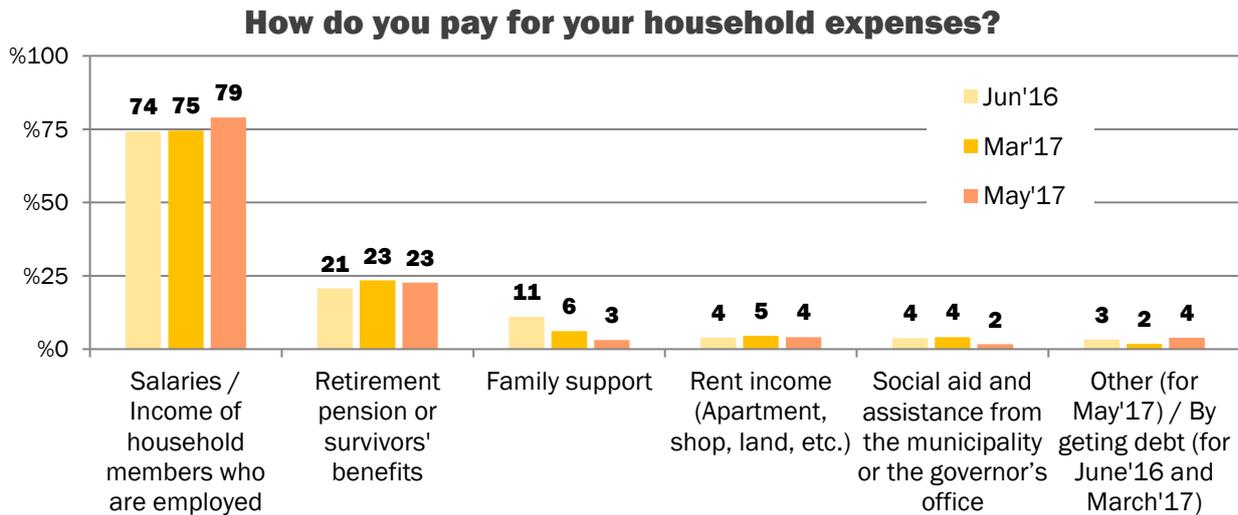


People with bank loans are less likely to reapply for loans, in comparison to the other groups, while one out of every 4 people in the other groups state that they may go into debt again. Those with promissory note debt are considering of taking out bank loans, and a high rate of those with cash debts (16 percent) state that they will be going into cash debt again.





We had asked how people paid for their household expenses in June and March. In this question, which allowed selecting more than one response option, the most significant difference over the last year is observed in the decline in family assistance. The option of “interest, foreign currency, stock market” was not included in the comparison table since it was around 0.003 percent.



Finally, we present a table that shows average amounts of debt by demographic breakdown. Average values for Turkey are provided on the top row, and any amount above these values is provided in bold. The right-hand side of the table displays average annual income and the ratio of debt to this income.

Accordingly;

- ✓ Promissory note debts and cash debts of women, housewives and less than high school graduates are higher than the Turkey average.
- ✓ We do not observe a significant difference by age group.
- ✓ Marital status and the number of children are the most significant factors affecting amount of debt: married people and people with children have a higher amount of debt than on average. Particularly, the amount of debt among people with 3 or more children is very high in comparison to their annual income.
- ✓ While Moderns and Traditional Conservatives have a higher amount of credit card debt, Religious Conservatives have more cash debt.
- ✓ Loans among senior level employees, credit card debt among workers, small retailers and farmers, and promissory note debt among the retired are above the average, while the unemployed have the most debt in comparison their income.
- ✓ The higher income class and those who identify themselves as above median in terms of their income have elevated levels of credit card debt, the amount of promissory note debt and cash debt increases among the lower income group and the below median welfare group.
- ✓ In addition to the unemployed, people in the lower income group and those who identify themselves as poor have the most debt compared to their income.



		Average credit card debt (TRY)	Average bank loan debt (TRY)	Average promissory note debt (TRY)	Average cash debt (TRY)	Mean annual household income (TRY)	Ratio of credit card debt to annual income (%)	Ratio of bank loan debt to annual income (%)	Ratio of promissory note debt to annual income (%)	Ratio of cash debt to annual income (%)
	Turkey	5773	33455	10406	8085	35865	16	93	29	23
Gender	Women	5303	32158	11977	8999	33122	16	97	36	27
	Men	6039	34444	8653	7386	38455	16	90	23	19
Age	Between 18-32	4031	29895	8354	6619	40342	10	74	21	16
	Between 33-48	6757	35660	15337	7784	35306	19	101	43	22
	49 or above	6288	33103	8438	9611	31159	20	106	27	31
Educational attainment	Less than high school	6096	33207	11127	9174	28194	22	118	39	33
	High school	6134	33113	8526	5075	38216	16	87	22	13
	University	4850	34095	9344	7296	56314	9	61	17	13
Marital status	Single	3869	30192	13829	5194	42859	9	70	32	12
	Engaged	2932	23000	3717	600	47595	6	48	8	1
	Married	6302	34487	10759	9219	33764	19	102	32	27
	Widow/Divorced	4903	16056	4578	2558	28912	17	56	16	9
Do you have a child/children ?	Has child	6383	34827	10877	8657	33887	19	103	32	26
	Does not have child/children	3989	27386	8073	5741	40701	10	67	20	14
How many children do you have?	1 child	5213	38496	7185	5160	37357	14	103	19	14
	2 children	5279	33636	9247	8898	36101	15	93	26	25
	3 children	7694	34921	7856	8250	30421	25	115	26	27
	4+ children	10475	31326	21369	11379	29204	36	107	73	39
Lifestyle cluster	Modern	4861	36179	8211	5236	47335	10	76	17	11
	Traditional Conservative	5859	35155	12216	8211	32816	18	107	37	25
	Religious Conservative	7097	24312	8194	9216	29751	24	82	28	31
Employment status	Senior level	5777	35986	8441	4172	57240	10	63	15	7
	Worker, small retailer, farmer	6156	33491	5926	7682	34911	18	96	17	22
	Retired	6739	31002	11562	7191	31774	21	98	36	23
	Housewife	5491	31843	13309	10553	26930	20	118	49	39
	Student	2922	10230	7000	2335	38354	8	27	18	6
	Unemployed	5744	48015	15875	8557	29598	19	162	54	29
Political preference	Ak Parti	5981	30507	12200	9815	32609	18	94	37	30
	CHP	4608	37593	3615	6406	43623	11	86	8	15
	MHP	9593	29689	8700	3856	37229	26	80	23	10
	HDP	5177	35740	13941	10583	29893	17	120	47	35
	Other parties	4962	30200	5000	11070	39767	12	76	13	28
	Swing voter	4446	36058	11480	7249	37962	12	95	30	19
	Non-voter	8784	32265	3525	4550	37163	24	87	9	12



Ethnic identity	Turkish	5622	33665	6814	6297	37520	15	90	18	17
	Kurdish	6325	31926	18931	10670	28502	22	112	66	37
Religion/sect	Sunni Muslim	5752	32580	10072	8365	35604	16	92	28	23
	Alevi Muslim	4045	38686	6467	5384	34524	12	112	19	16
Religiosity	Non-believer	4752	36683	4000	3260	49722	10	74	8	7
	Believer	6170	37764	11889	4900	43012	14	88	28	11
	Religious	4931	31657	10660	6241	33641	15	94	32	19
	Pious	9632	32432	7011	20005	29008	33	112	24	69
Economic class	Lower income class	6746	28830	11478	11607	15750	43	183	73	74
	Lower middle class	4211	28066	4548	4819	27649	15	102	16	17
	New middle class	5029	32905	8578	6842	33749	15	97	25	20
	High income class	6881	38638	8578	9023	68831	10	56	12	13
Which welfare group do you see yourself in?	Poor	8032	30314	7271	6105	24487	33	124	30	25
	Below median	5169	31775	13048	8352	30732	17	103	42	27
	Above median	5868	38304	5703	9817	47893	12	80	12	20



“Mode of payment” i.e. whether a sale transaction is a sale on credit or a cash sale is vital in terms of finance, sales and also communication. In Turkey, the majority maintain their families on wages therefore for the past 40 years, sales on credit or sales in installments have been among the most important means for increasing sales. This is also apparent in KONDA findings. 19.3 million people have credit card debts whereas 16.5 million people have bank loans. On the other hand, 3.8 million people have bonded debts and 9.9 million have personal debts.

According to the findings, high-income groups prefer to incur debts through credit cards whereas low-income groups, due to limited credit card opportunities, prefer to incur bonded debts or personal debts. In this segment of the market, religious lifestyle is prominent, therefore the preference for bonded debts or personal debts may result from the need to do shopping in a way eliminating bank interests.

Household goods are the most commonly purchased items on credit followed by automobiles, houses and education. Among those who incur bonded debts or personal debts, the rate of household goods reach 60%. Thus, the popularity of stores such as Evkur, Evve and Evshop which recently have also started running TV ads is triggered mainly by people with payment difficulties. People who endure installments for the sake of buying goods from these stores pay interests higher than the usual monthly interest rates but they are unaware of this, since the interest rate is included in the product price and divided into the number of installments. We do not have sufficient data to form a cause and effect relationship, but these people despite being in the low-income group, pay more for goods, so it is pretty normal that they feel financial difficulty at the highest rate and also anticipate a future economic crisis at the highest rate. (see Morale Index)

According to KONDA findings, it seems that campaigns promoting “omission of downpayment, skipping installments or non-payment in certain months” in a way pushing the limits of sales in installments, will continue to be the most important factor in triggering sales. The struggle against the “bonded debt or personal debt” category requires another kind of courage in taking risks and another mindset. There is absolutely further marketing opportunity there.

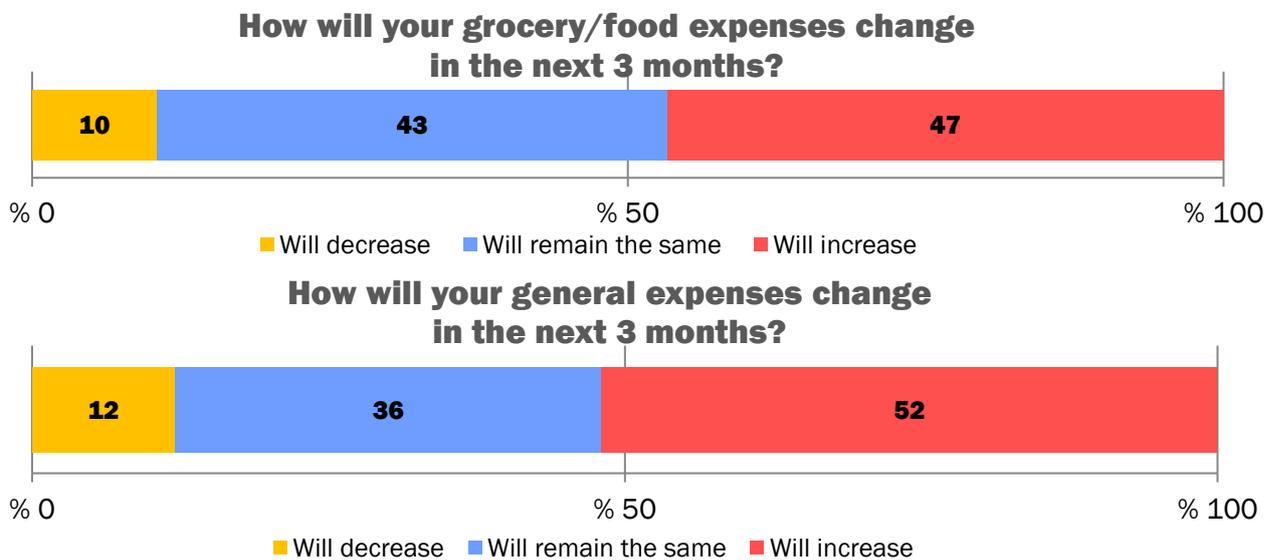
Prof. Ali Atif Bir



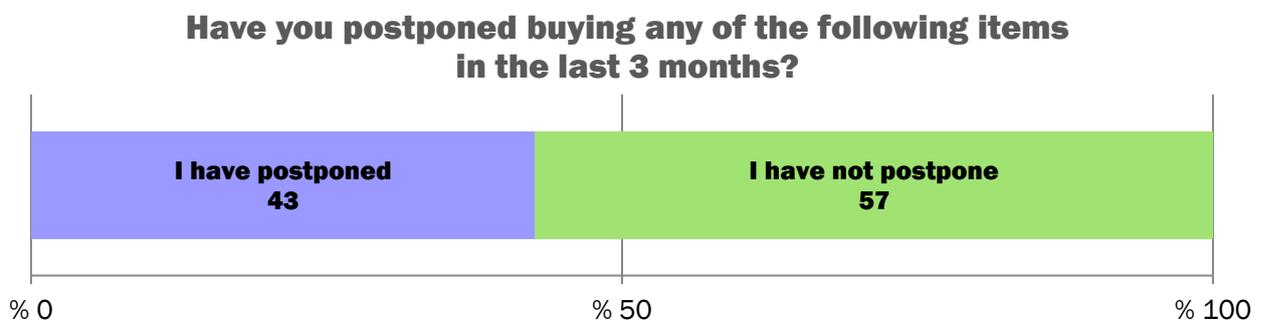
2.4. Food and General Shopping Preferences

In this section, we will provide an overview of shopping habits, and then in the next sections, we will examine shopping habits in more detail by examining the various places preferred for shopping and family structure.

We asked the respondents different questions about their grocery/food expenses and general shopping habits. In this way, we have endeavored to evaluate food shopping, which makes up a significant part of people's shopping basket, separately from the purchasing of clothes, electronic goods, entertainment and cars. In certain contexts, we obtained comparable results, and in others we arrived at very different results. In the first two graphs, we come across a public perception that both grocery/food and general expenses will increase in the next three months.



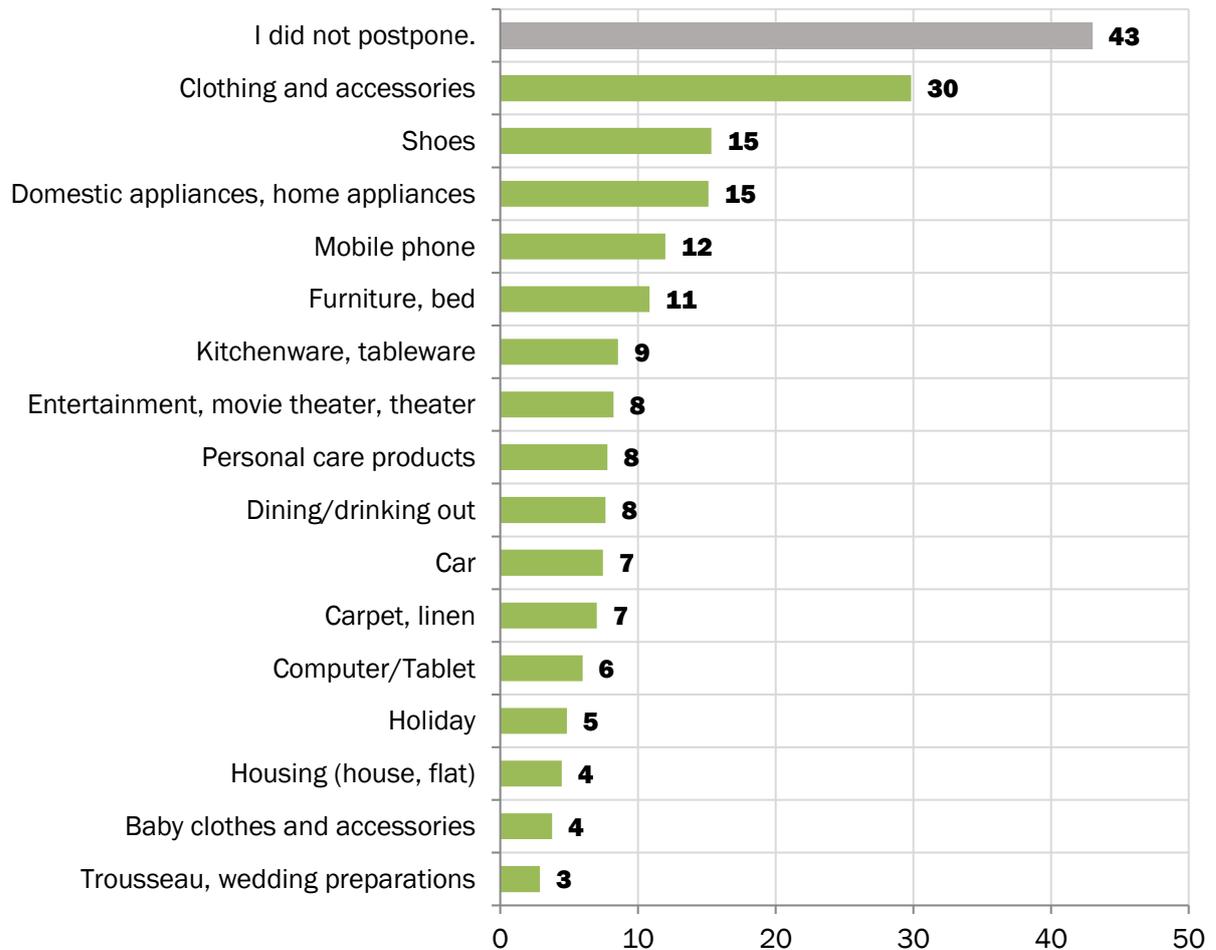
We asked the respondents (retrospectively) whether they have postponed shopping for any items in the last 3 months, and we found out that approximately 6 out of every 10 people have postponed some of their shopping needs. Among the reasons for postponement, high cost of living ranks first at 35 percent, followed by being unable to save money at 25 percent.





When we asked the respondents what they have postponed shopping for, we came up with the following table. According to the responses, 30 percent of the public has postponed shopping for clothes and accessories. This is followed by shopping for shoes at 15 percent, and domestic appliances (home appliances) at similar rates. Other items people have postponed shopping for are mobile phones and furniture-bed, in respective order, at around 10 percent, which corresponds to 5.5 people among the adult population.

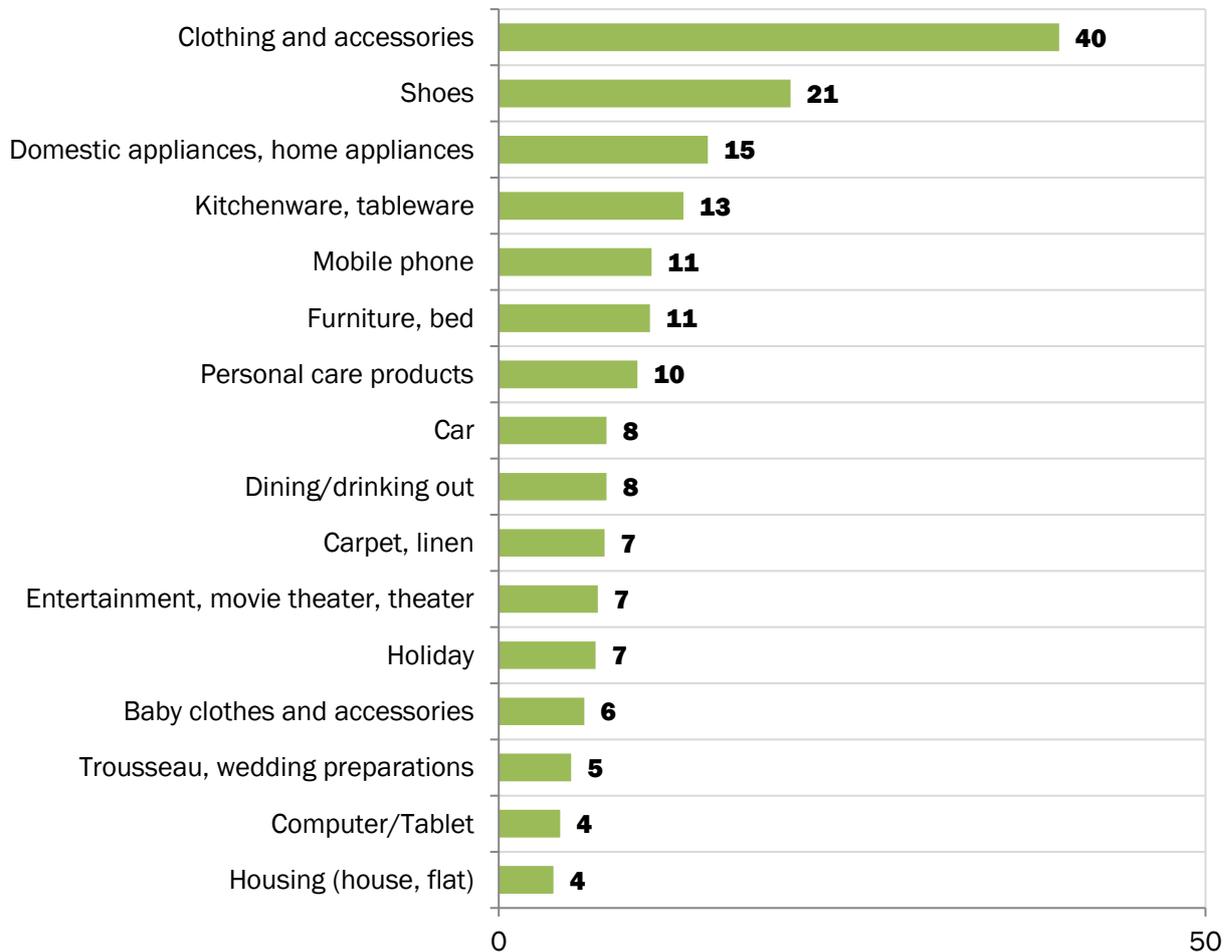
Have you postponed buying any of the following items in the last 3 months?



When we asked the respondents “What do you plan buy in the next 3 months?” we found out that they plan to purchase the items that they have postponed buying in the last 3 months. In response to this question, 40 percent stated that they would be buying clothes, followed again by shoes, which 21 percent stated that they would be buying. Domestic appliances and home appliances rank third at 15 percent. These are followed by kitchenware- tableware, mobile phone, bed and personal development products, corresponding to again approximately 5.5 million people.



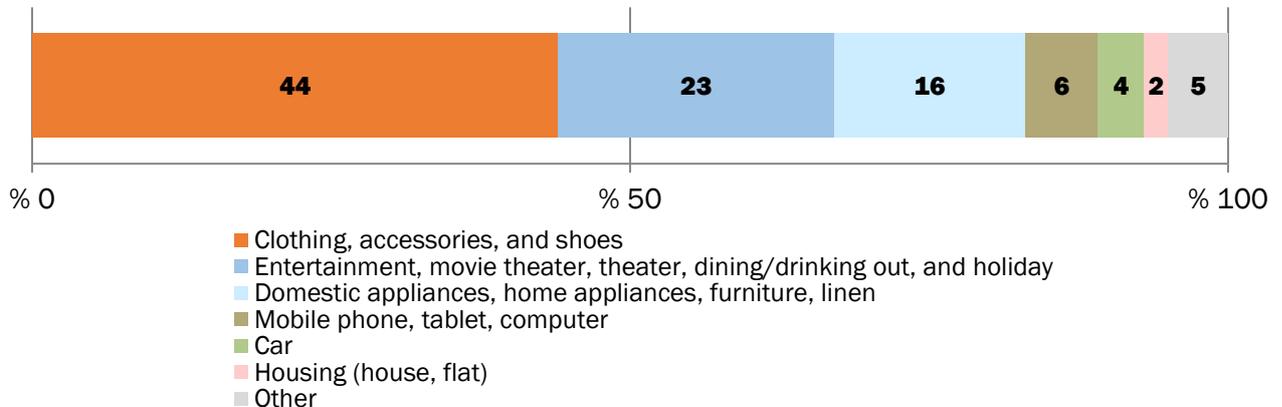
What do you plan buy in the next 3 months?



As shown in the graph below we see that clothes, accessories and shoes are not only items that people are most likely to buy soon, but also items that people postpone buying the most when crisis expectation of the public increases. These are followed by entertainment (movie theater, theater, eating/drinking out and going on vacation) and domestic appliances, furniture and home textiles.

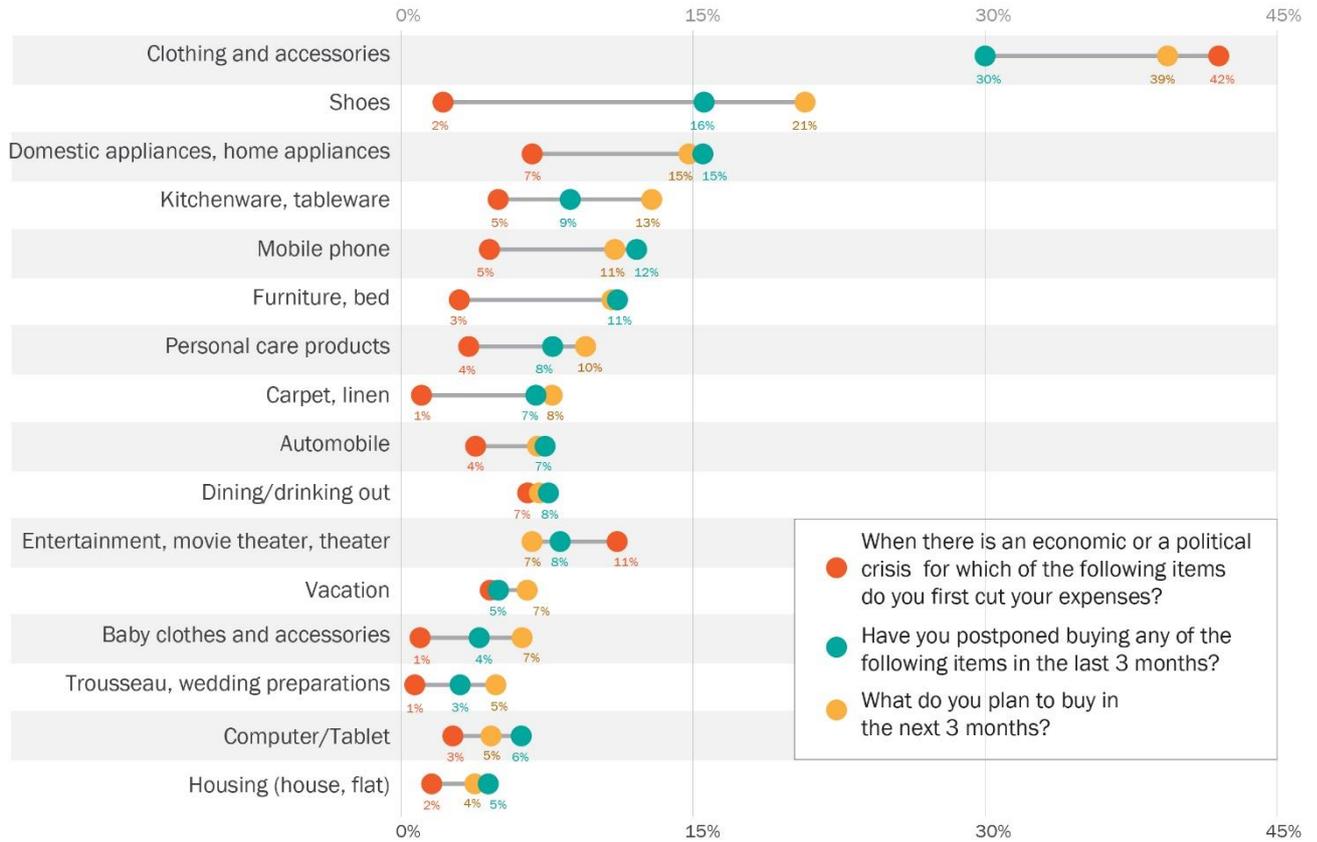


When there is an economic or a political crisis or when your expectation of such a crisis increases, for which of the following items do you first cut your expenses?



The graph below shows the responses to the 3 questions we have mentioned earlier next to each other. It should be noted that shopping items are ranked according to shopping plans for the next 3 months. We are able to see which shopping items are “indispensable” for the public, roughly from the differences in the rates of the responses provided to the 3 questions. For example, “shoes” are the first item that attracts the attention: in a potential crisis, shoes are the first item that people postpone shopping for, while one out of every 5 people state that they will be buying shoes in the next 3 months. Clothes are also seen as one of the first items to postpone shopping for in case of an economic crisis, however it should be noted that the rate of those who state that they are planning to buy clothes in the next 3 months is higher than the rate of those who state that they have postponed shopping for clothes in the last 3 months.

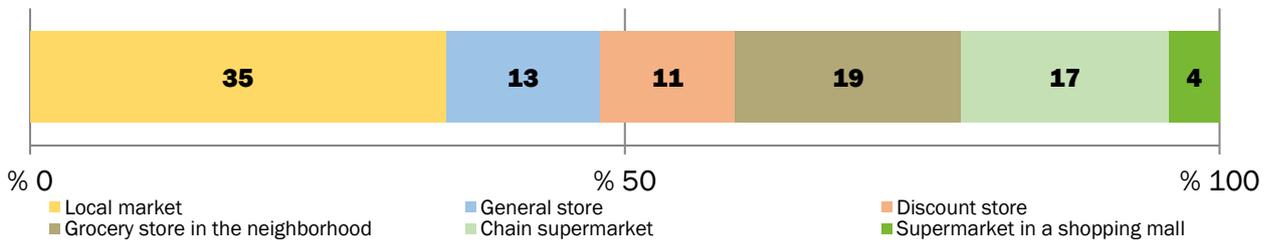
The rest of the graph should be evaluated by considering how distant or close “orange”, “green” and “yellow” dots are to each other. For example, mobile phone, furniture-bed, carpet-home textiles and automobile are items that people are less likely to postpone buying in case of an economic crisis, as they are among the items people plan to buy in the next 3 months. Finally, we may presume that the people who eat/drink out make up a much more well-defined cluster from the fact that “eating/drinking out” is one of the first items that people postpone in case of an economic crisis, as well as something people plan to do in the next 3 months.



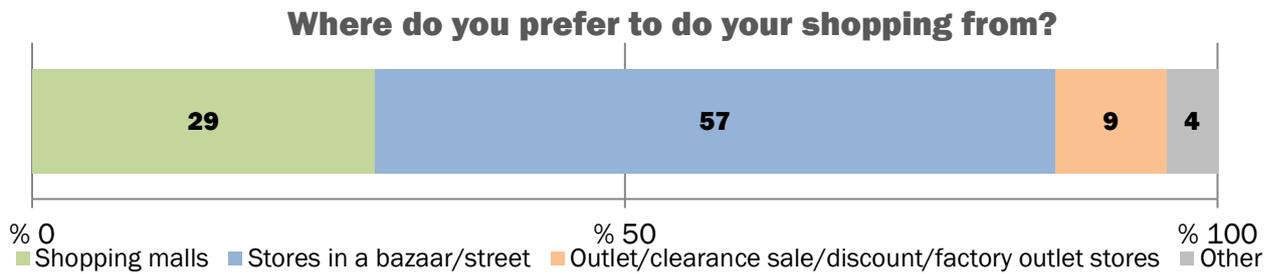
2.4.1. Where do people shop?

In this section, we will be elaborating on the spatial distribution of people’s shopping activity. The graph below demonstrates that local markets are still the first option for the vast majority of the public (approximately one out of every three people). This is followed by the neighborhood grocery store, which is preferred by one out of every 5 people. A similar rate of the public stated that they prefer to shop at chain supermarkets.

Where do you usually prefer to buy food/groceries from?



We asked where people prefer to do their shopping separately for food/groceries and for general shopping. Only 4 percent prefer shopping malls for food/grocery shopping, while this rate shoots up to 30 percent for general shopping. Bazaar shops and shops on the street are the most popular choice with 6 out of every 10 people opting for these locations to do their shopping.



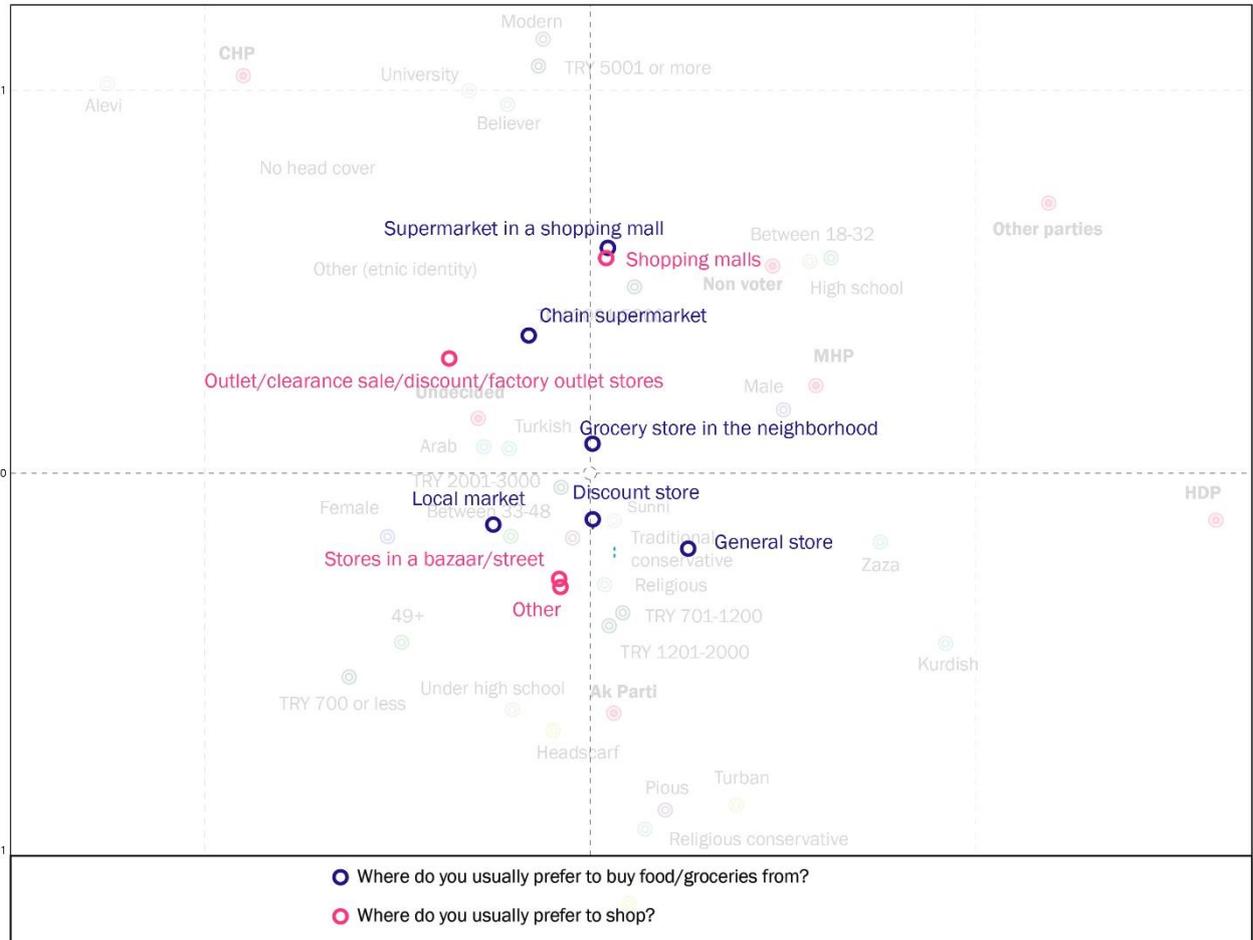
You will find a more detailed section in the following pages of the report about the locations preferred for general shopping purposes. However, it should be noted that these preferences are mainly shaped by the size of the settlement people live in. Accordingly, 18 percent of rural residents prefer shopping malls for general shopping, while the corresponding rate is 28 percent for urban residents, and 33 percent for metropolitan residents. 72 percent prefer bazaar shops and shops on the street, but 59 percent of urban residents and 53 percent of metropolitan residents prefer these places for their general shopping needs. On the other hand, 3 percent of rural residents shop from outlet stores and similar discount stores, while 9 percent of urban residents and 12 percent of metropolitan residents prefer to do their shopping at these stores. Accordingly, preference to shop at shopping malls and outlet stores becomes stronger as we move from rural areas to metropolitan areas, while the opposite holds true for bazaar shops and shops on the street. Nevertheless, it should be reminded that one out of every two people in metropolitan areas still prefer to do their shopping at bazaar shops and local stores.

When we look at the distribution of places preferred for food/grocery shopping in rural, urban and metropolitan areas, we come across an interesting outlook. Local stores are the first choice for the public in all three settlement types, and the rates of preference remains the same across the three groups. Rates of preference for discount stores also do not vary. However, as we move from metropolitan areas to rural areas, there is an increased preference to shop at local stores, and a decreased preference to shop at shopping malls.

The graphic representation below, which we call the topographic map of society in Turkey, was generated by using the *multiple correspondence analysis*, which enables us to carry out a multi-dimensional analysis of the basic demographic characteristics of society and the inter-relation of political preferences, and then to represent the findings on a two-dimensional map. Accordingly, gender, educational attainment, age, lifestyle, religiosity, ethnic identity and sect, head cover status, monthly household income and political party preference make up the basic coordinates of this map. When we place the locations that are preferred for food/grocery shopping and general shopping purposes on the map, we come across a distribution that should not be overlooked. The map demonstrates that those who go to shopping malls for general shopping and to hypermarkets in shopping malls for food/grocery shopping are qualitatively similar to each other, coinciding with the better educated, more well-off, and in terms of lifestyle, more Modern clusters. The intersection point



of the horizontal and vertical axes of the map represents the median of society in Turkey in terms of demographics, lifestyle, identity and political affiliation. In this sense, preferring local markets and discount stores for shopping are similar to each other in terms of their proximity to each other on the map, and they are closest to the characteristics of the average person in Turkey (median). Also, on the map, going to the local market is closest to the characteristic of being a woman, while going to the local store is closest to being “religious”. Preferring bazaar shops and shops on the street are in the middle of these two groups.

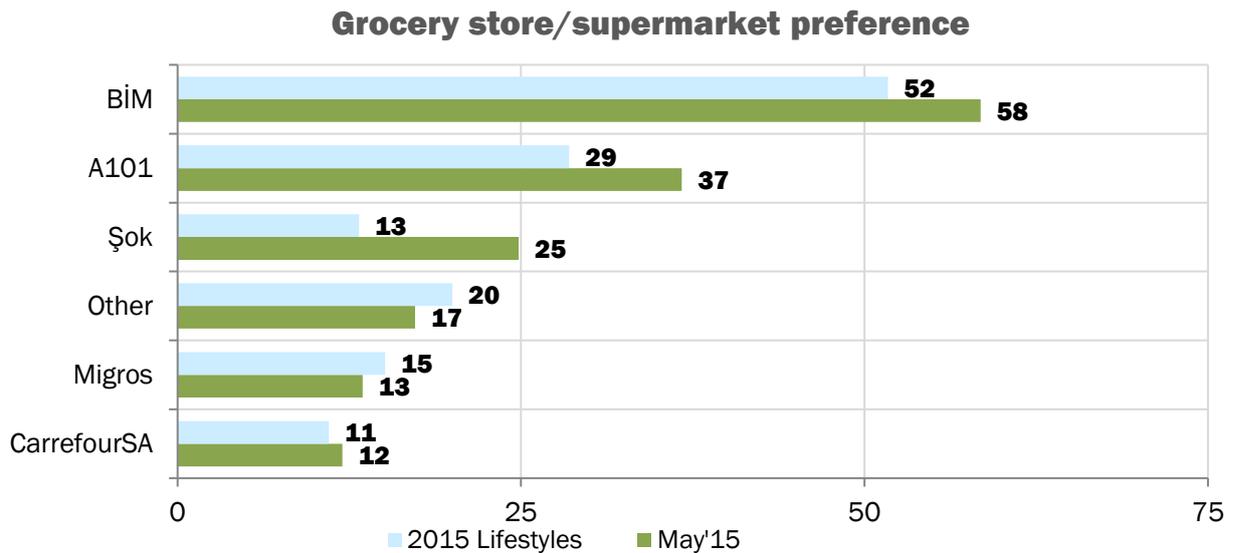


When we asked the respondents particularly which grocery shops/supermarkets they went to frequently (if they did at all), we came up with the table on the next page (We obtained a rate more than 100 because we asked the respondents to mark more than one response option). When we compare the results to the those from the Life Styles survey we conducted in February’15, we notice that the ranking of the grocery stores/supermarkets has not changed, but there are significant differences in the rates of preference. BIM, which 52 percent preferred in 2015, still leads the table this month, but with a 6-point increase which has raised its preference rate up to 58 percent. A101 still ranks second, again with a 6-point increase in preference. ŞOK ranks thirds, as it was the case in 2015, but it has nearly doubled its customer base, increasing its preference rate to 25 percent from 13 percent. Migros is the only chain

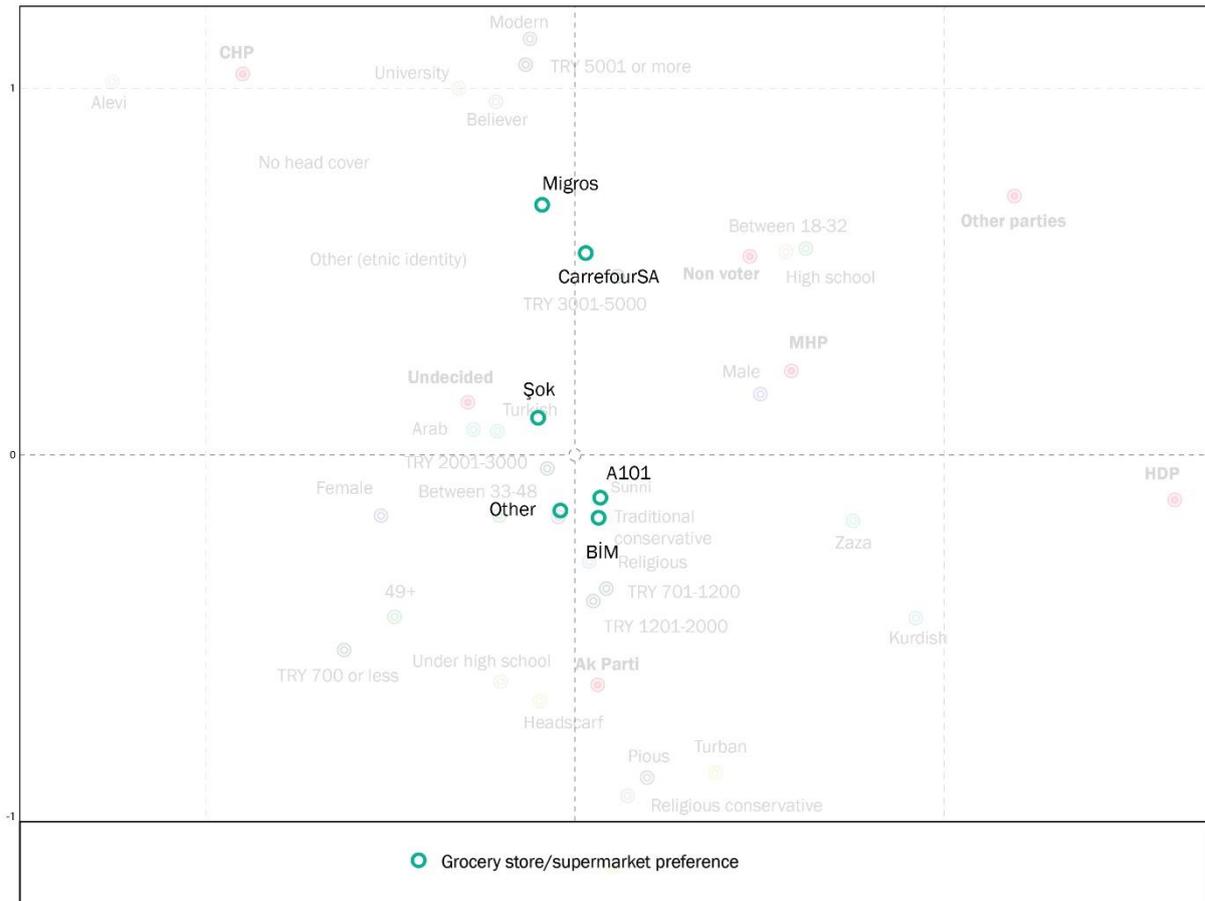


supermarket with a decline in its preference rate, while preference for CarrefourSA appears to have remained the same.

It should be reminded that the option of “Other” includes all of the other chain supermarkets, and that the question was asked as “open ended”. The grocery stores/supermarkets are chain stores on a smaller scale, with fewer branches or limited to a certain district or province.



When we place the chain grocery stores/supermarkets on the social topographic map, we can observe their relative distance to each other and their social distance to the demographic and political clusters. Accordingly, BİM and A101 customers are most similar to each other, while CarrefourSA and Migros customers are located closer to each other on the opposite end. ŞOK is located closer to the middle.



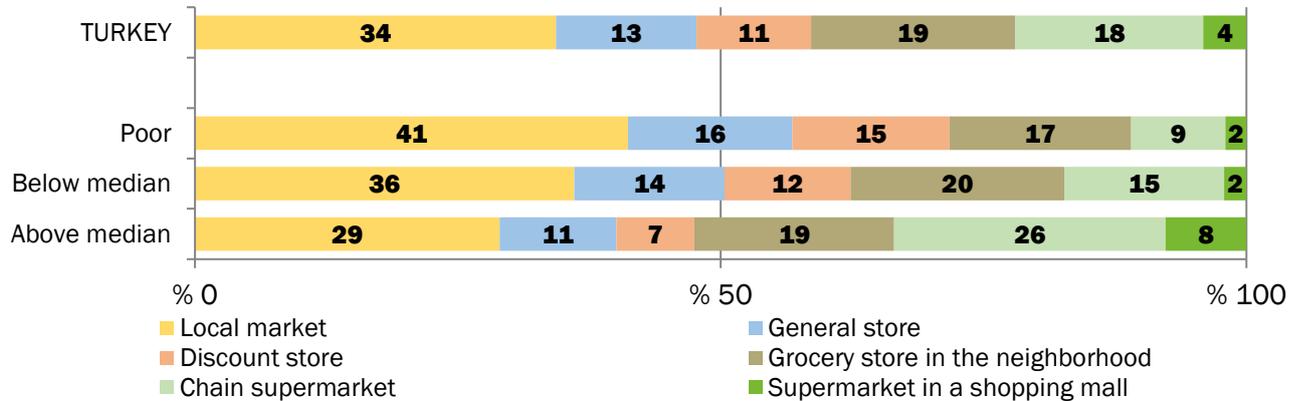
2.4.2. Places preferred for food shopping

In this section, we will be looking at who prefers where to shop for food and groceries. The first graph below shows the places frequented for food shopping by perceived welfare status. The graph demonstrates that increased perception of oneself as poor leads to a higher likelihood of going to the local market/bazaar. Similarly, the rates of going to the neighborhood store or discount store rises with increased perception of oneself as poor. However, increased likelihood of seeing oneself as better off is accompanied by a higher tendency to frequent chain supermarkets or hypermarkets in shopping malls. The rate of going to the neighborhood store does not vary by perceived welfare status.

Since the rate of those who perceive their welfare status as “rich” is relatively very low, it does not generate statistically significant data in the distribution of responses, and thus, it has been left out of the graph.

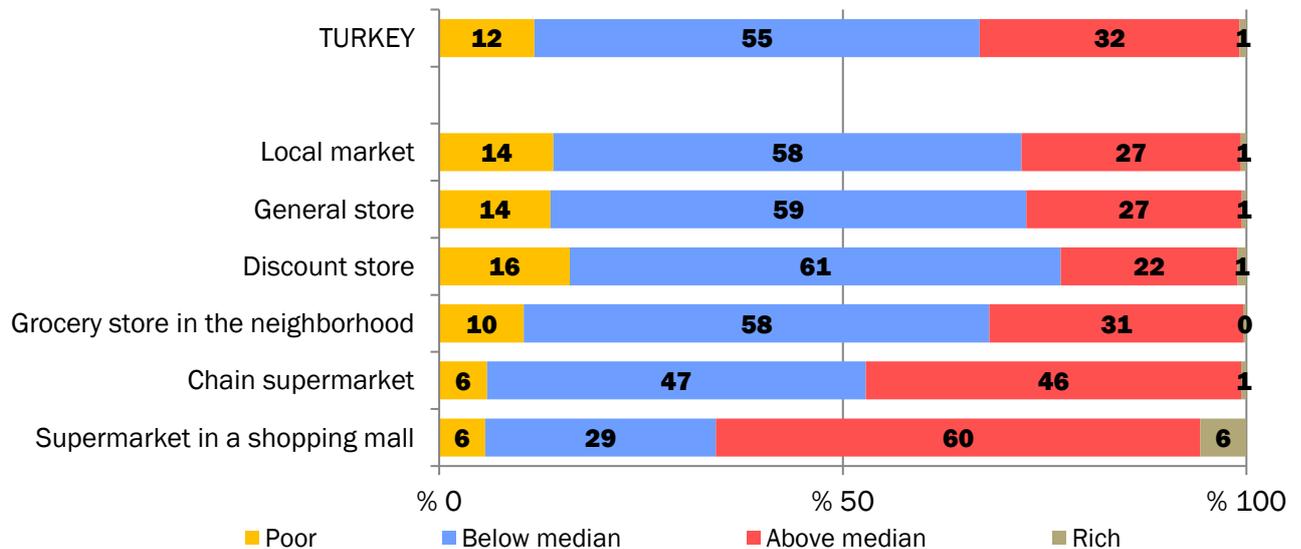


Places preferred for food shopping by perceived welfare status



And now, let's look at an different look at the graph above, and examine which welfare groups prefer which places for shopping. According to this, the main customers of hypermarkets in shopping malls are those who perceive themselves as "above median" in terms of their welfare status. In all the other categories, those who see themselves "below median" make up the largest customer group. The chain supermarkets reflect a head-to-head outlook.

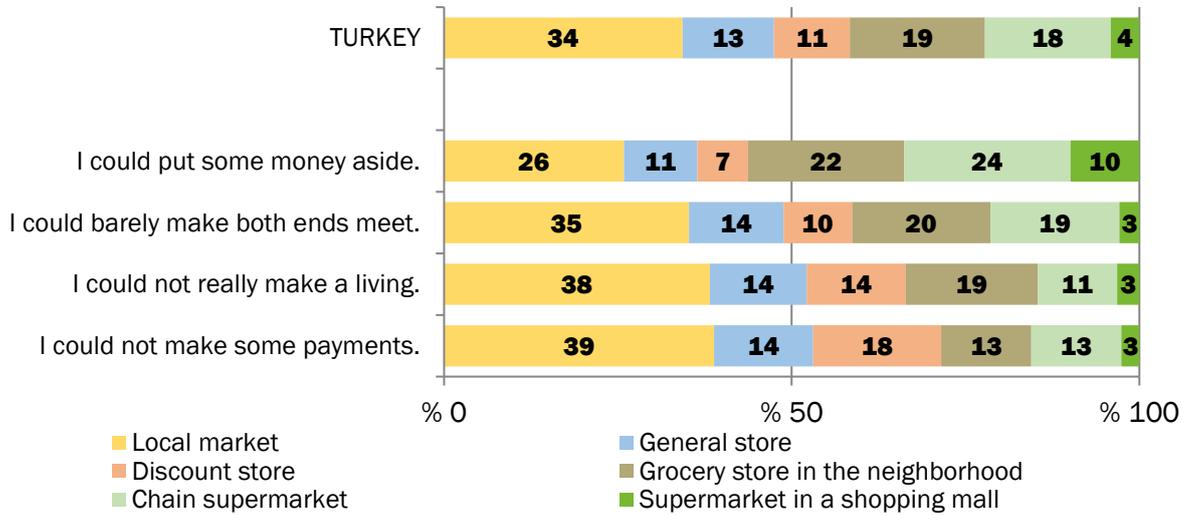
Where do you usually prefer to buy food/groceries from?



When we examine the places preferred for food shopping by the ability to afford a living, we notice that the main difference is between those who were able to put some money aside and those who were not able to do so. Increased likelihood to put some money aside is accompanied by a lower preference to go to local markets/bazaars and discount stores, and a clear increase in preference for going to the hypermarkets in shopping malls.

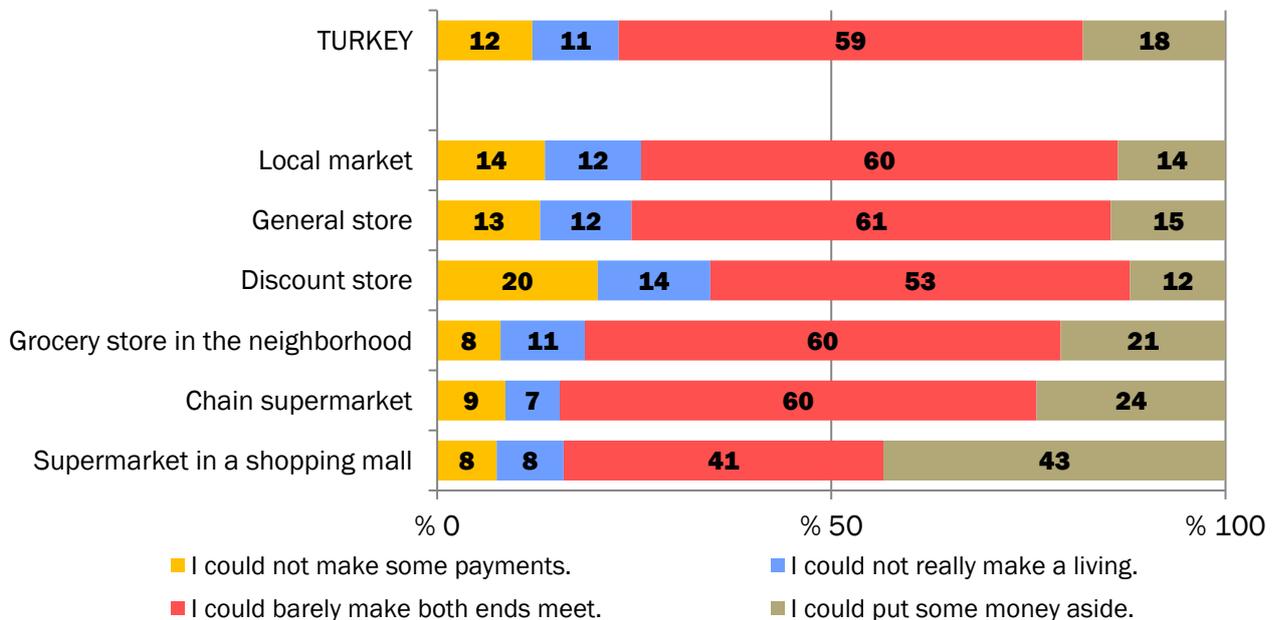


Places preferred for food shopping by the ability to afford a living



When we examine this graph in terms of who the customers are, we observe that the main customer group of hypermarkets in shopping malls are made up of those who were able to put some money aside, closely followed by those who were barely able to make two ends meet. Similarly, those who were barely able to make two ends meet make up the largest customer group of all the other shopping places.

Where do you usually prefer to buy food/groceries from?

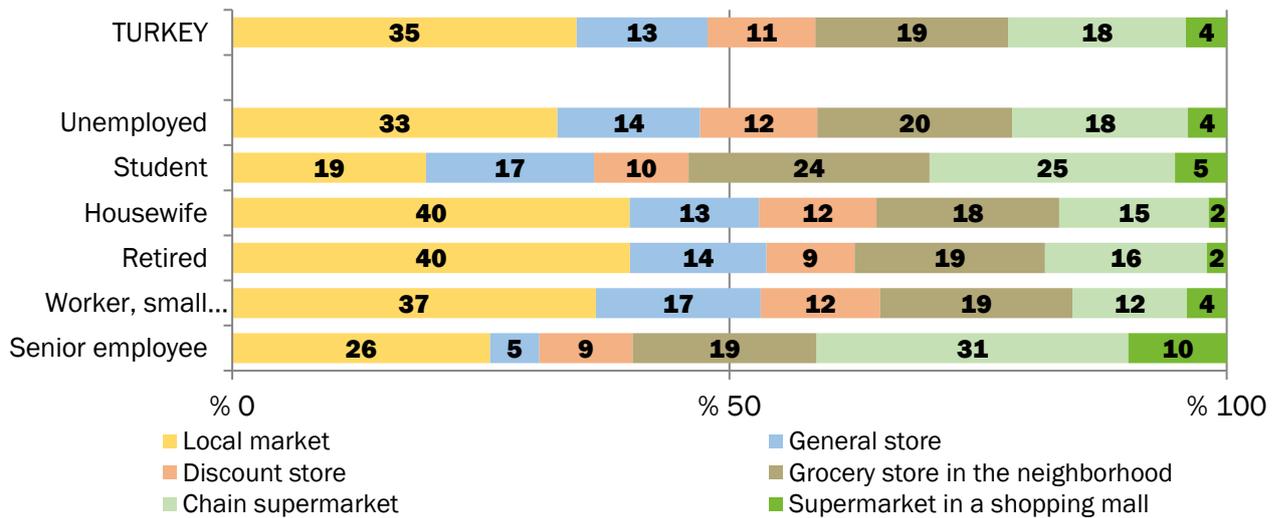


When we review the preferences by employment status, we observe that the biggest difference is not between the unemployed and others, as it would be expected, but between senior employees and students, and others. All the other employment



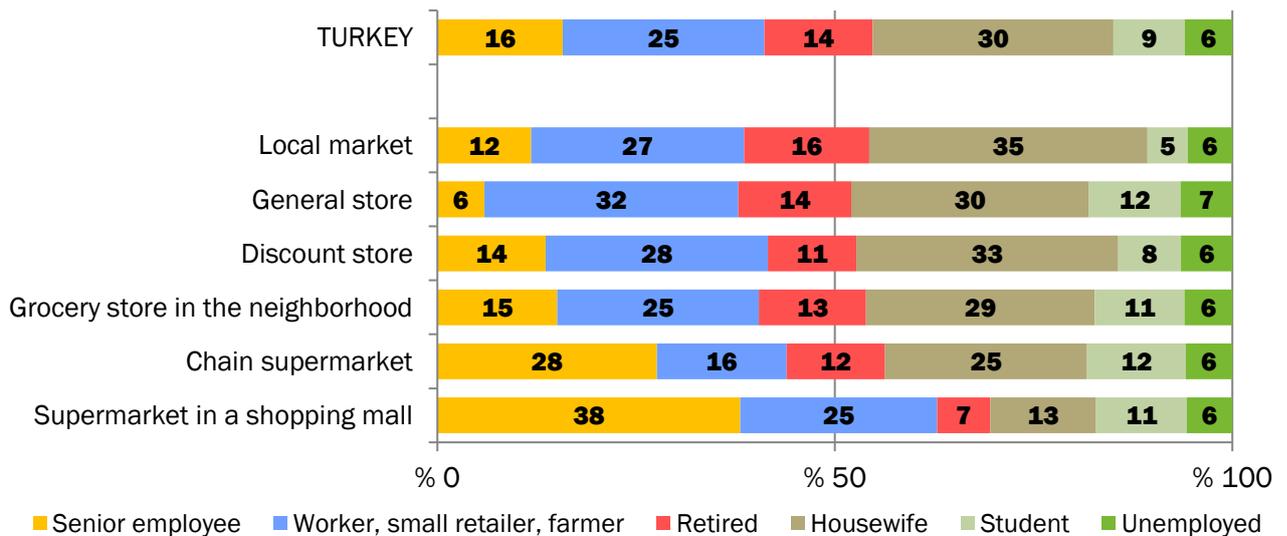
groups reflect a distribution that is comparable to the Turkey average. Students are least likely to go to local markets / bazaars in comparison to the other groups. This is followed by senior level employees. Similarly, students prefer chain supermarkets and neighborhood stores at a rate that is above the Turkey average. Senior level employees are the most likely group to go to chain supermarkets and shopping malls.

Places preferred for food shopping by employment status



When we observe the graph inversely again, we observe that the largest customer group of hypermarkets in shopping malls are senior level employees. Senior level employees and housewives are head-to-head in chain supermarkets, while housewives make up the largest customer group in neighborhood shops. The same case holds true for local markets/bazaars.

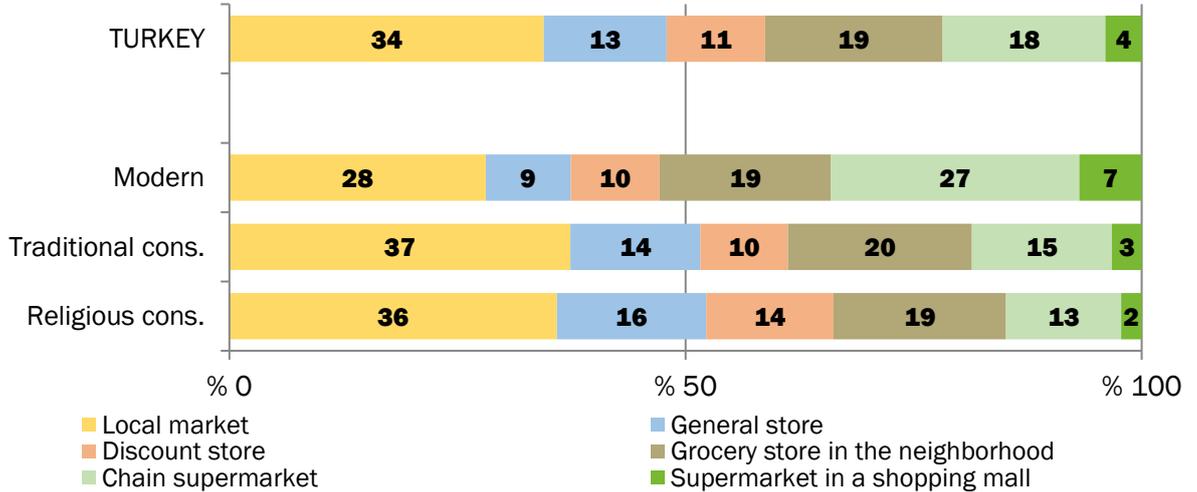
Where do you usually prefer to buy food/groceries from?





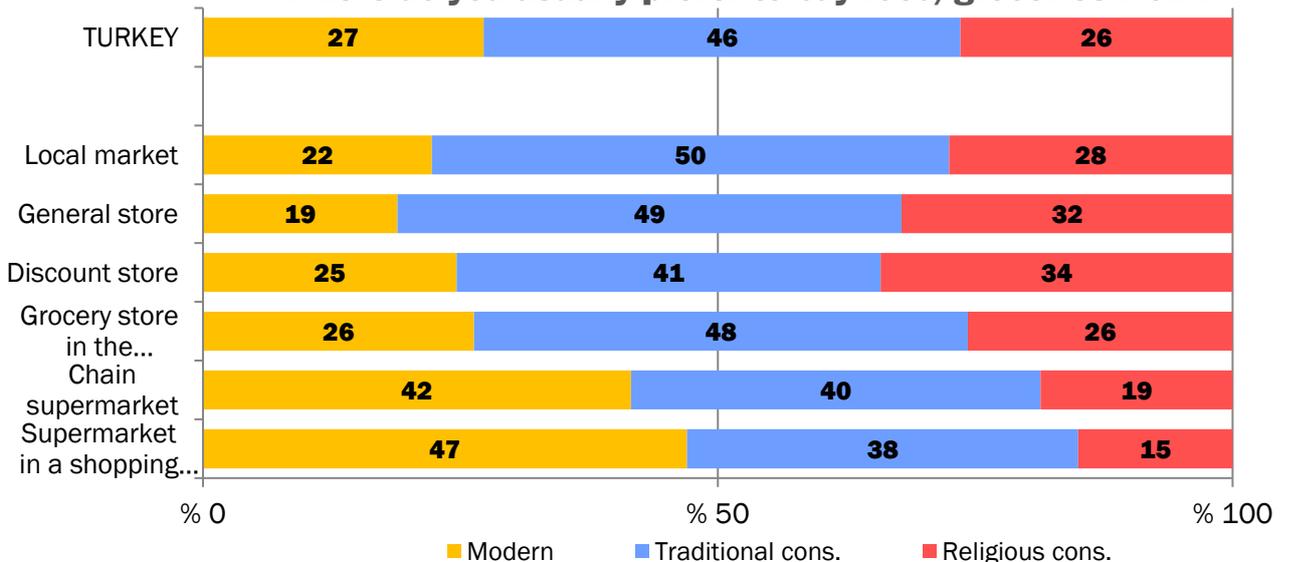
When we look at the responses by lifestyle clusters, the biggest difference is observed between local markets/bazaars, chain supermarkets and hypermarkets in shopping malls.

Places preferred for food shopping by lifestyle cluster



Those who identify their lifestyle as Modern make up the largest customer group of the hypermarkets in shopping malls. Moderns and Traditional Conservatives prefer chain stores at similar rates for food shopping. Traditional Conservatives, who currently make up half of society, are the largest customer group of all the other shopping venues.

Where do you usually prefer to buy food/groceries from?

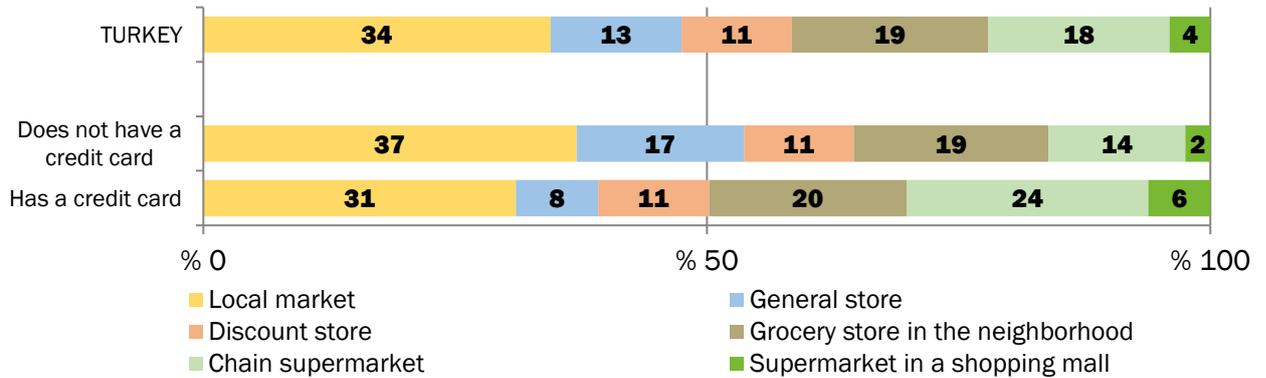


When we examine the places preferred for food shopping by credit card ownership, we come across meaningful differences. There is not much variance in the rates of going to the



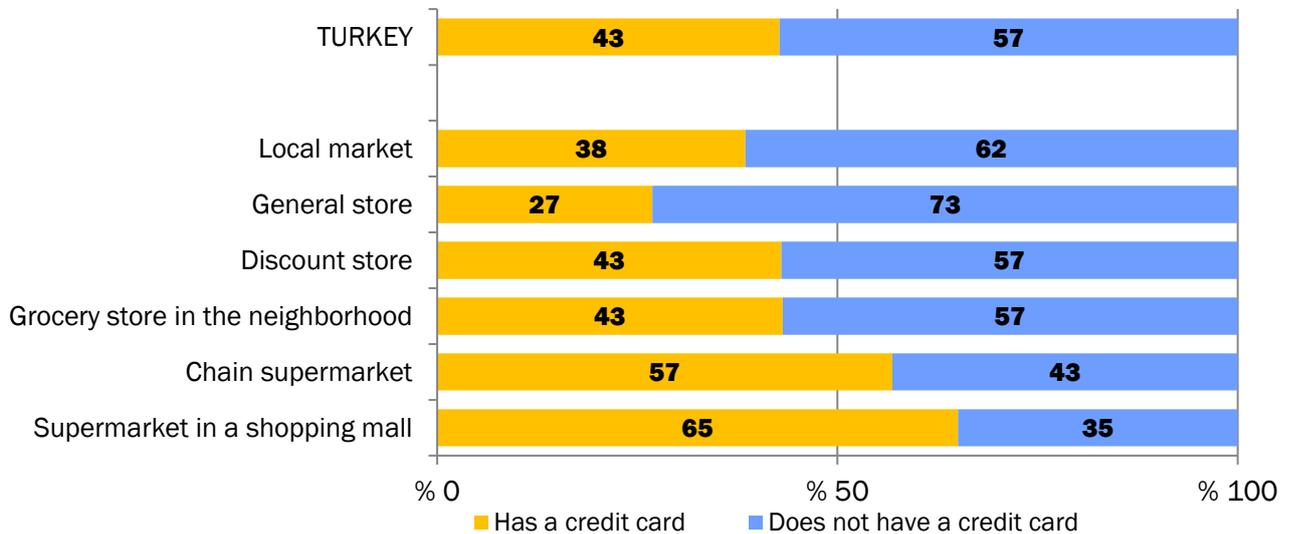
neighborhood store or discount store, but credit card holders are less likely to go to local markets and neighborhood stores, and more likely to go to chain supermarkets and hypermarkets in shopping malls.

Places preferred for food shopping by credit card ownership



When we review the distribution of customers of places preferred for food shopping, we observe that the majority of those who go to hypermarkets in shopping malls and chain supermarkets are credit card holders. The opposite holds true for other venues preferred for food shopping.

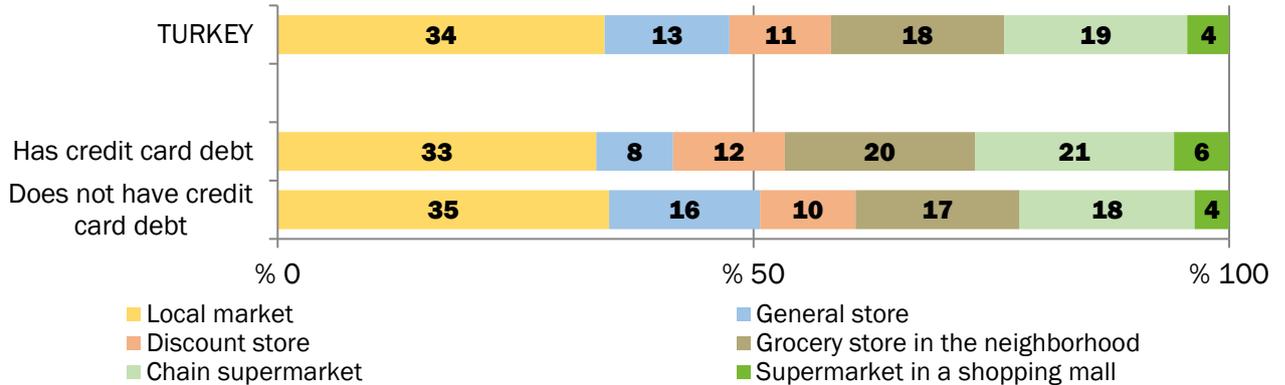
Where do you usually prefer to buy food/groceries from?



We observe that having credit card debt or not does not have a great impact on shopping place preference. These groups prefer the various places for shopping at similar rates, except for neighborhood stores.

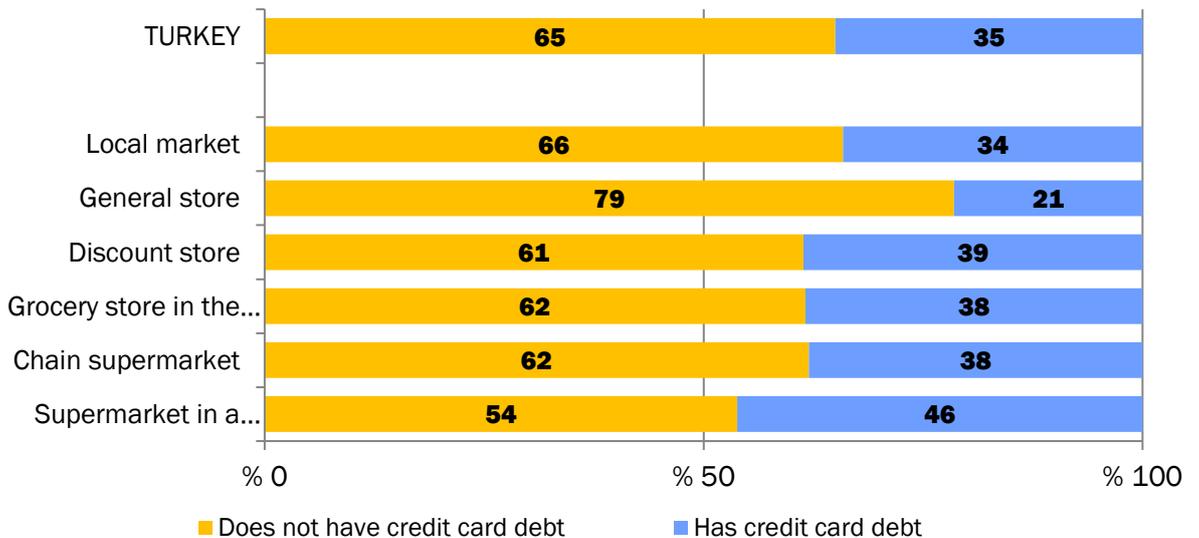


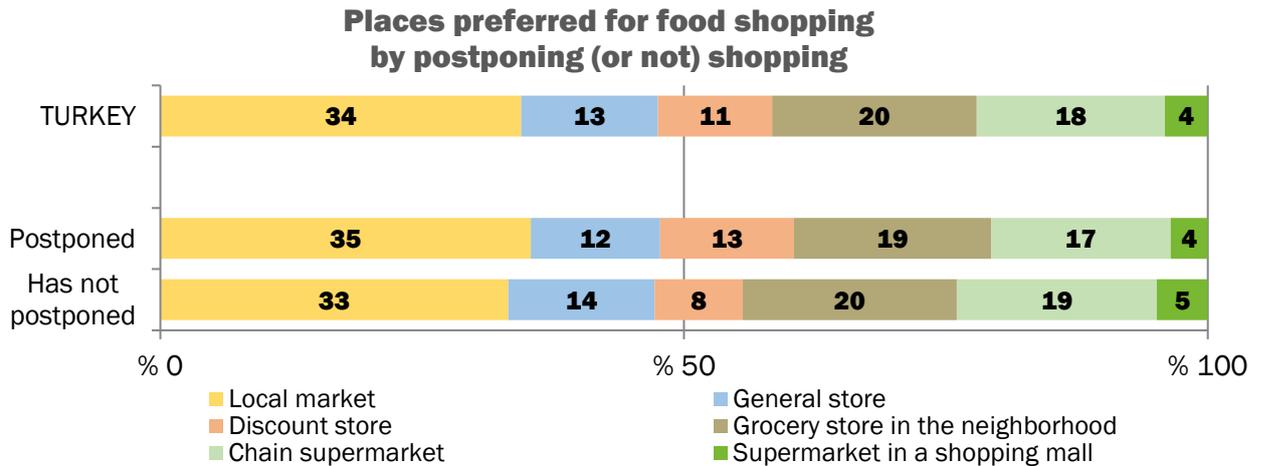
Places preferred for food shopping by credit card debt



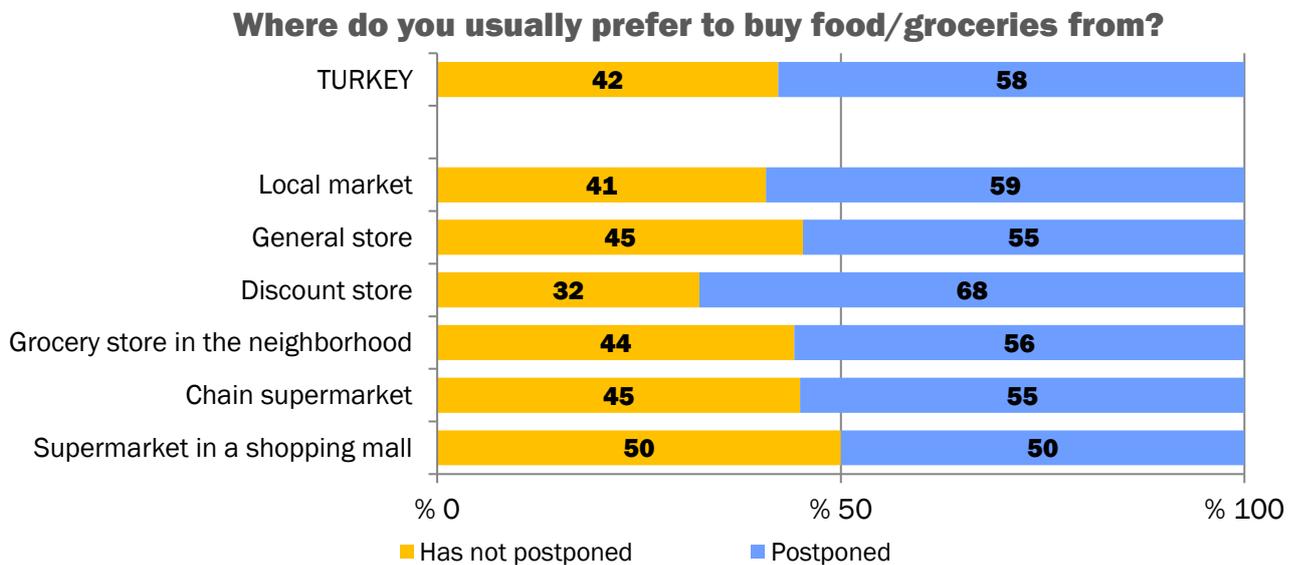
An examination of credit card debt status of food shoppers reveals that chain supermarkets, local markets, discount stores and neighborhood stores do not diverge from the Turkey average. While hypermarkets in shopping malls have the highest rate of customers with credit card debt, the opposite holds true for the customers of neighborhood stores.

Where do you usually prefer to buy food/groceries from?





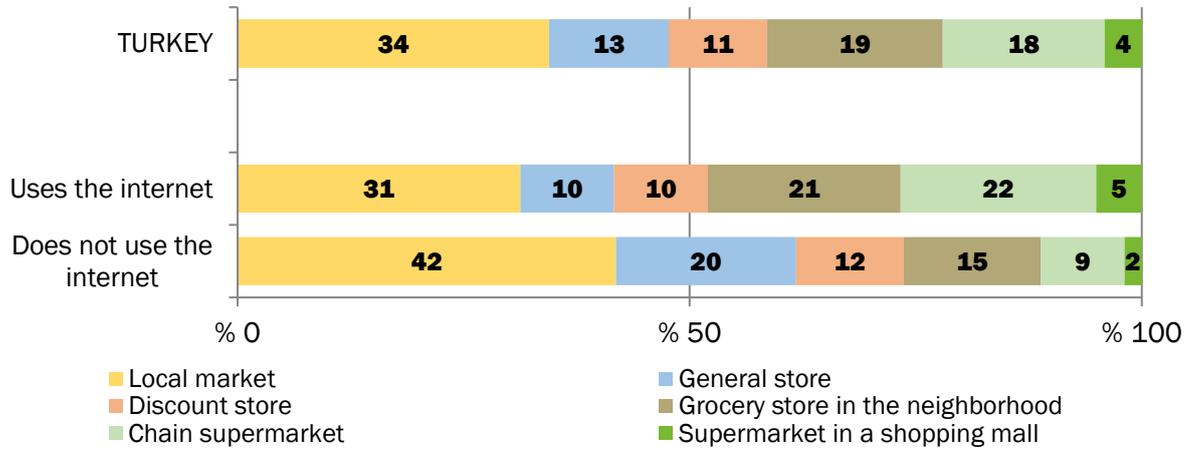
An evaluation of the responses by having postponed paying debts in the last 3 months or not does not reveal a significant differentiation between the two groups, except for discount stores. However, we come across significant differences when we look at the extent customers of food shoppers have postponed paying their debts in the last 3 months. In a different fashion from the Turkey average, half of those who prefer the hypermarkets in shopping malls state that they postponed paying their debts. A great portion of the customers of these discount stores state that they have postponed their debts.



In this section, we will be comparing internet users to those who are not internet users. Accordingly, the place for shopping most preferred among the two groups are local markets/bazaars, but there is an 11-point difference between the two groups that should not be ignored. Furthermore, those who are not internet users are twice more likely to go to the neighborhood market than the internet users. On the other hand, internet users are two and a half times more likely to shop from chain supermarkets in comparison to those who do not use the internet.

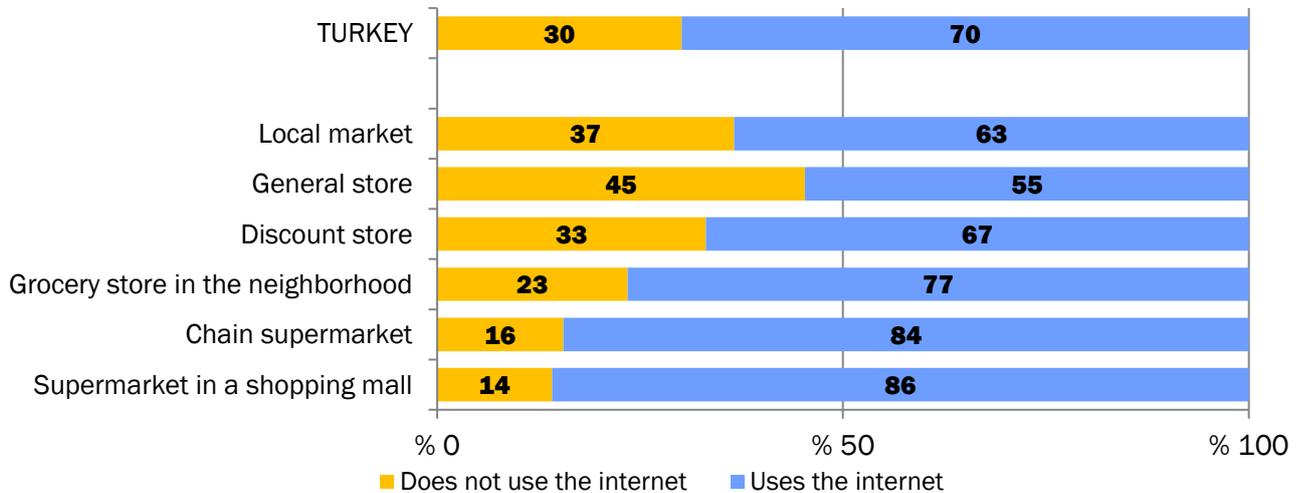


Places preferred for food shopping by internet use



An overview of the distribution of customers of places preferred for food shopping shows that customers of discount stores mirror the Turkey average. The vast majority of the customers of hypermarkets in shopping malls and chain stores are internet users. This rate decreases progressively among those who go to grocery stores in the neighborhood, local markets/bazaars and neighborhood stores.

Where do you usually prefer to buy food/groceries from?



2.4.3. Places preferred for general shopping purposes

In this section, we will examine the places preferred for general shopping purposes in further detail. The first graph below shows the places frequented for general shopping purposes by perceived welfare status. Increased likelihood of perceiving oneself as poorer leads to a lower rate of going to shopping malls and a higher rate of going to outlet stores (and similar outlet/discount/factory outlet stores)

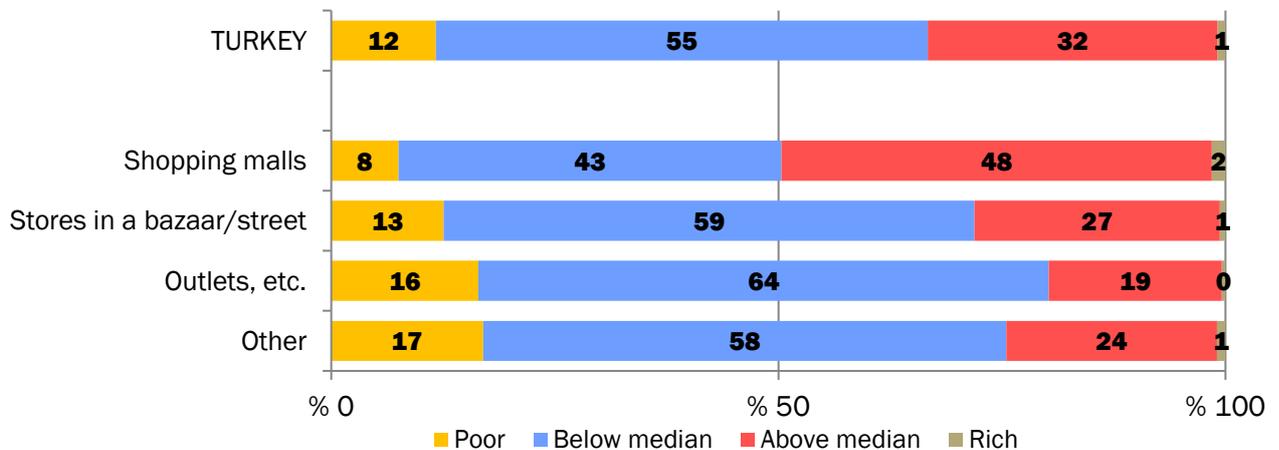


Places preferred for general shopping purposes by perceived welfare status



When we examine the customers of places preferred for general shopping purposes, we see that half of shopping mall customers are made up of those who see themselves “above median” in terms of perceived welfare status. This is followed by customers who are “below median” with a small difference. In all the other categories, “below median” customers make up the majority.

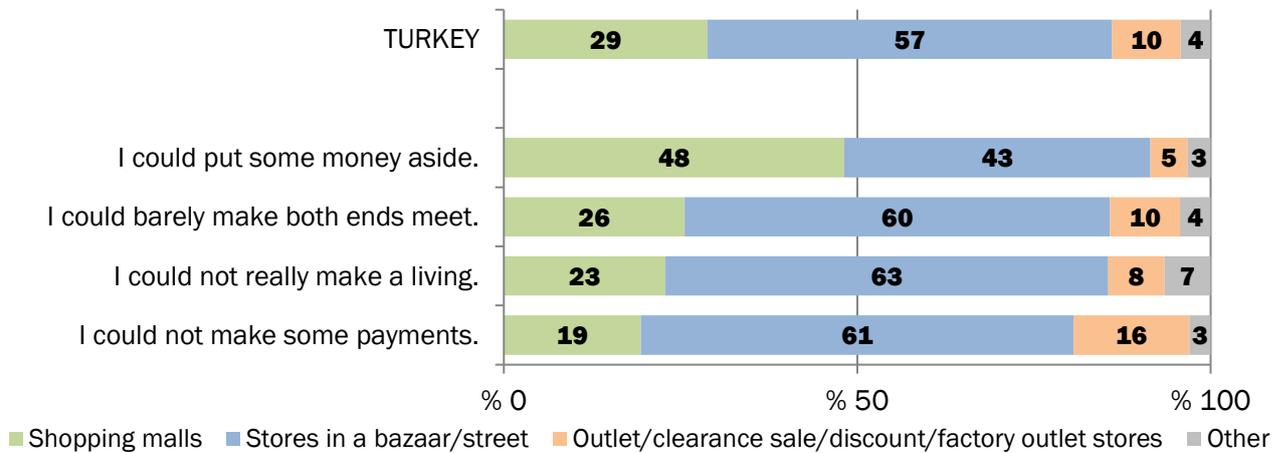
Where do you usually prefer to shop?



The greatest difference observed by the ability to afford a living is observed between those who were able to put some money aside and those who were not able to do so, just as it was the case with food shopping. The majority of those who were able to “put some money aside” mostly go to shopping malls, while those who were not able to put some money aside state that they frequent bazaars and street stores.

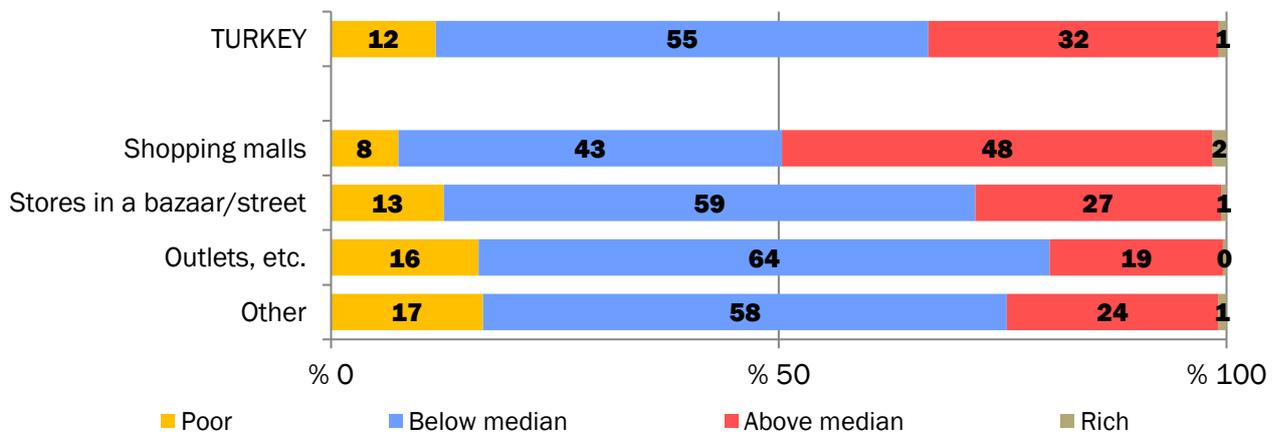


Places preferred for general shopping purposes by the ability to afford a living



Those who prefer shopping malls for general shopping purposes are doing better in terms of affording a living, while those who prefer outlet/discount stores struggle the most in affording a living. Nevertheless, one out of every 10 outlet customers were able to put some money aside, i.e. did not struggle to make a living.

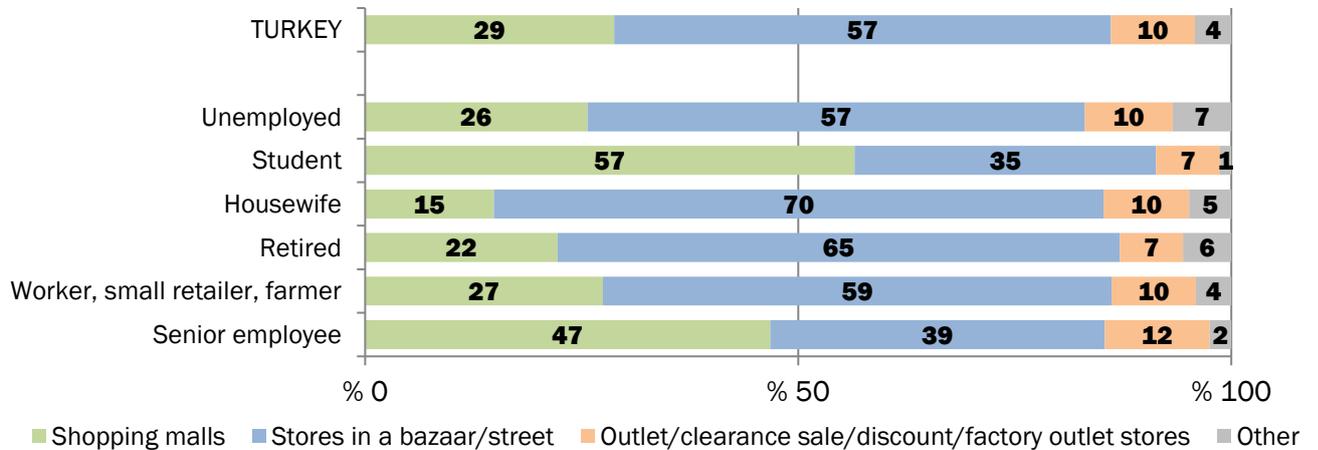
Where do you usually prefer to shop?



We observe that students, senior level employees and housewives diverge the most from the Turkey average. Accordingly, the vast majority of students and senior level employees prefer shopping malls for their general shopping needs. On the other hand, this rate falls to as low as 15 percent among housewives. Local bazaars/markets and street stores are still the most popular shopping destinations for housewives.

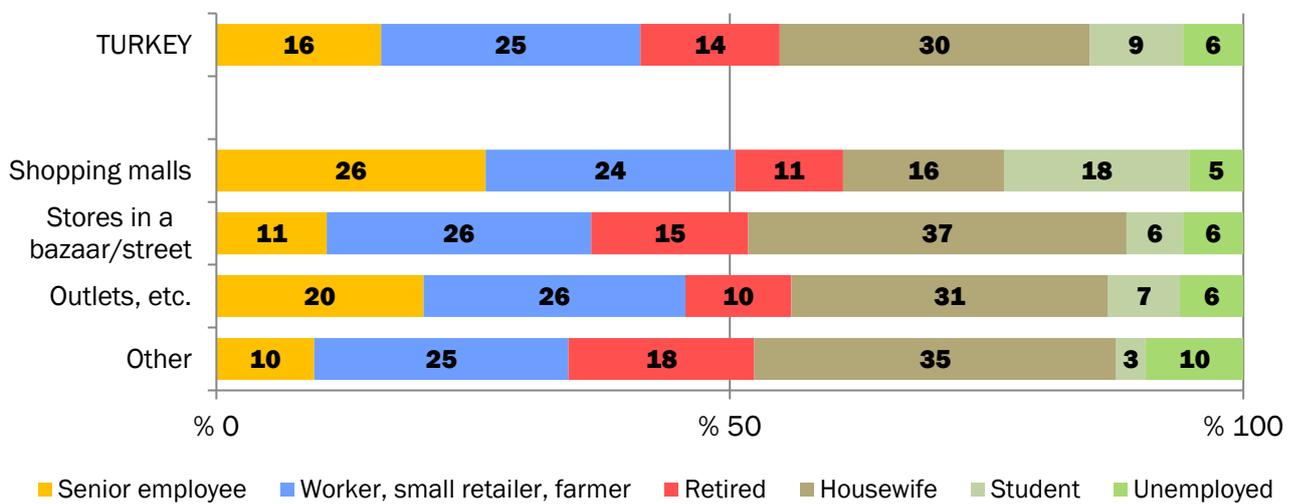


Places preferred for general shopping purposes by employment status



When we examine the customer profiles of different shopping places, we notice that the customers of outlet stores and similar stores mirror the Turkey average most accurately. In confirmation with our findings above, senior level employees are the group that is most likely to go to shopping malls, followed at a close distance by workers, small retailers and farmers. On the other hand, housewives make up the largest customer group of local bazaars/markets and street shops.

Where do you usually prefer to shop?



Traditional Conservatives reflect the Turkey average most accurately in terms of shopping habits, as it is always the case with respect to other issues as well. Moderns are more likely to go to shopping malls, while Religious Conservatives prefer to shop at local bazaars/markets.

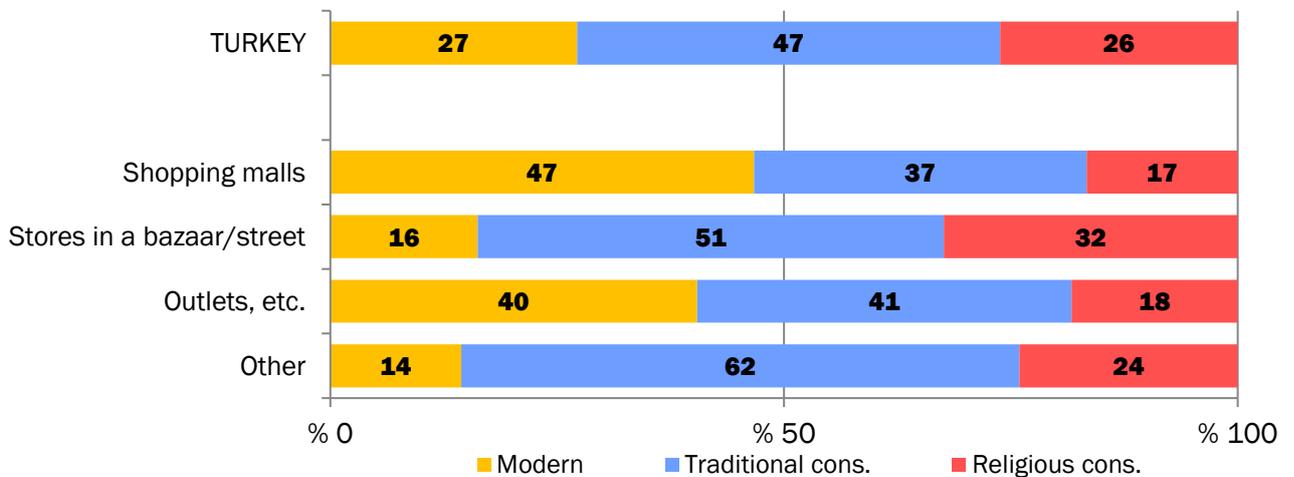


Places preferred for general shopping purposes by lifestyle cluster



An inverse observation of the graph confirms our observation above. Moderns make up the largest customer group of shopping malls, while Traditional Conservatives are the major customer group of local bazaars/markets and street shops. We may state that two groups are more or less equal in terms of going to outlet stores and similar stores.

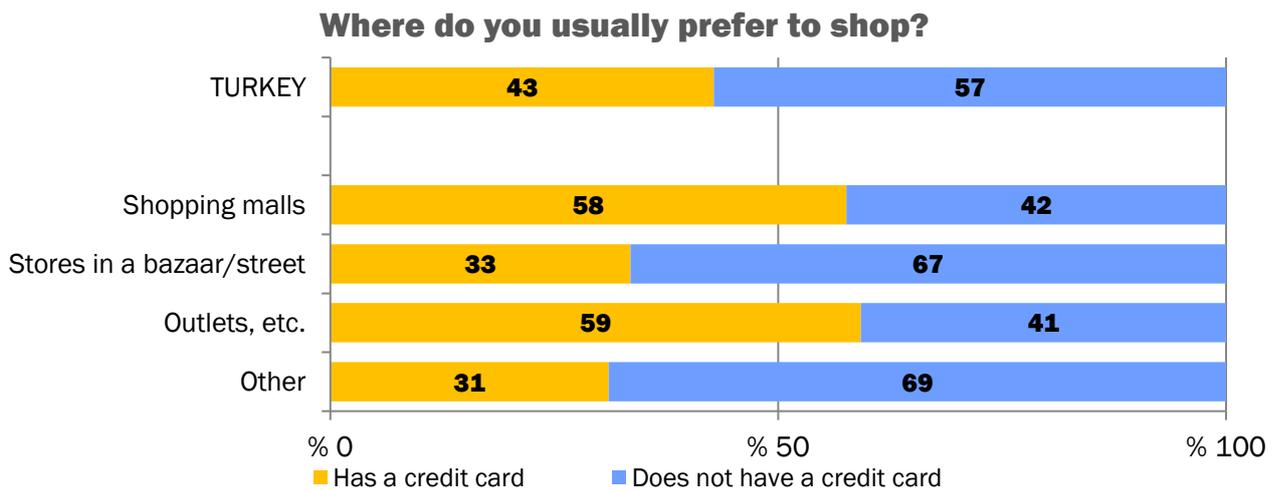
Where do you usually prefer to shop?



An evaluation of credit card ownership highlights significant differences in the shopping place preferences of those who have credit cards and of those who do not have credit cards. Accordingly, among both groups, local bazaars/stores and street stores are the most preferred places for shopping, as it is the case for overall Turkey. For one out of every 5 people who do not have a credit card, shopping malls are places of choice for general shopping, while the corresponding rate is twice this rate for credit card holders.



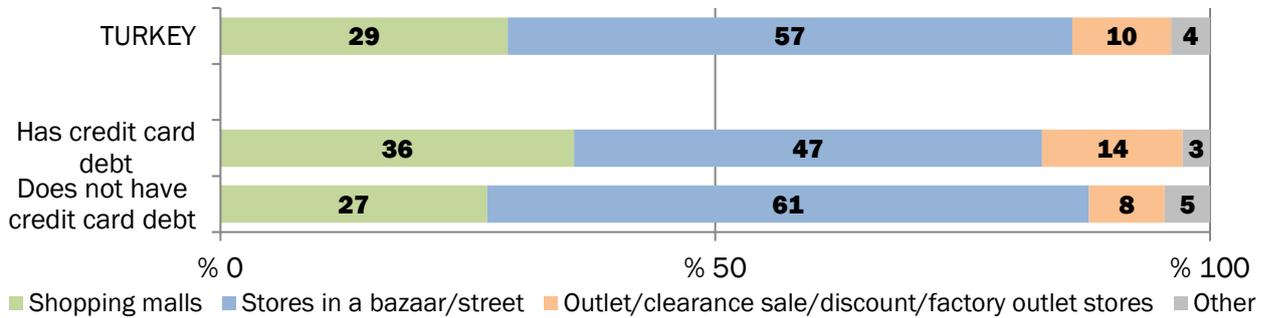
The majority of shopping mall customers are credit card holders. We observe a similar rate for customers who prefer to shop from outlet stores and similar locations. On the other hand, a great portion of those who shop from local bazaars/stores and street stores are not credit card holders.



As it is the case with credit card ownership, those who have credit card debt are more likely to prefer shopping from shopping malls, outlet stores and similar places than those who do not have credit card debt. A great part of those who do not have credit card debt prefer to shop from local bazaars/stores and street stores.

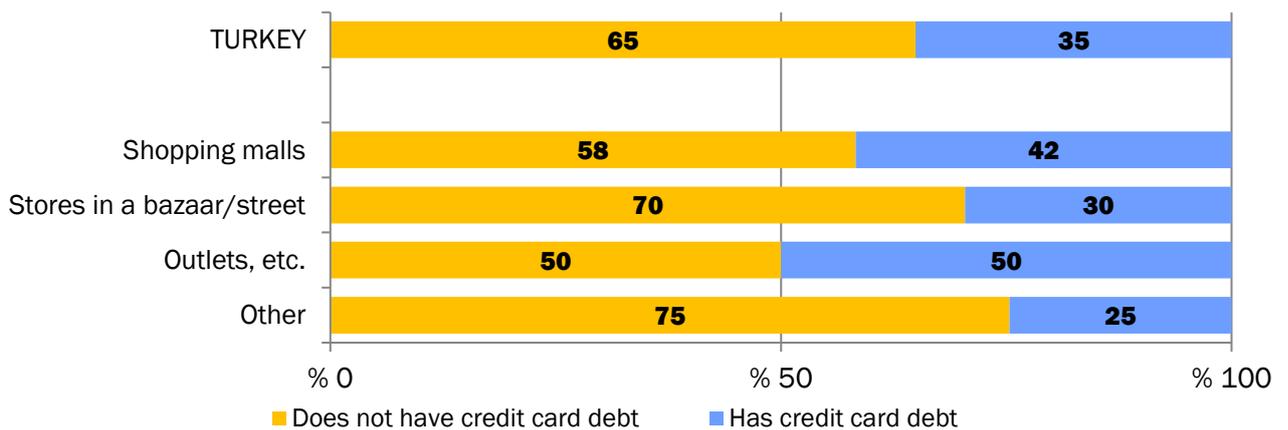


Places preferred for general shopping purposes by credit card debt

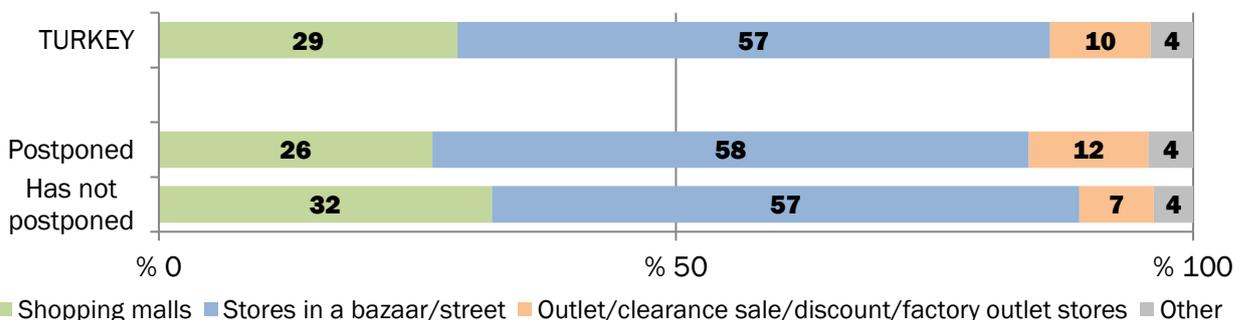


Those who have credit card debt are generally not the main customer group of any of the shopping places; however, one out of every two customers of outlet stores and similar stores owe credit card debt.

Where do you usually prefer to shop?



Places preferred for general shopping purposes by postponing (or not) shopping

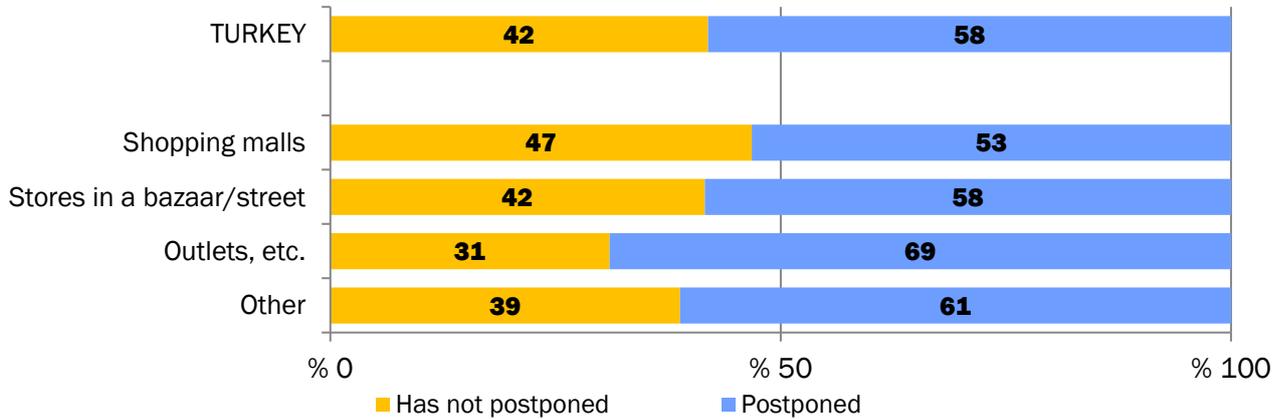


When we look at the case of postponing paying debts in the last three months or not, we do not come across major differences between the groups, in terms of their shopping place preference. However, those who go to shopping malls are slightly more likely



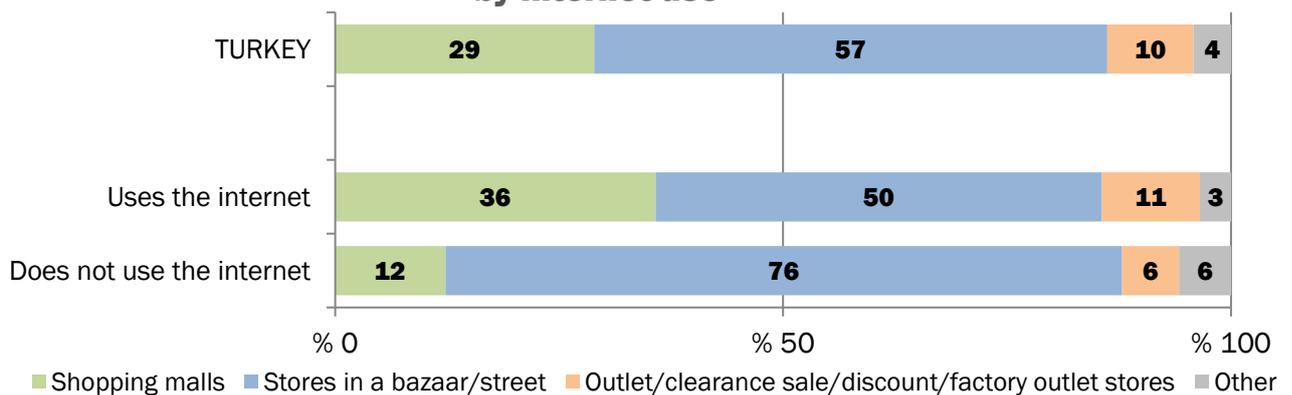
not to delay paying their debts than the Turkey average. On the other hand, those who prefer to shop at local bazaars/markets and street stores exactly mirror the findings for overall Turkey.

Where do you usually prefer to shop?



Finally, when we review the place preferred for general shopping purposes by internet use, we do not encounter a difference in the first and second choices, while significant differences are observed in the rates of preference. Internet users are 3 times more likely to prefer going to the shopping mall than those who are not internet users. Half of the internet users shop from local bazaars and street stores, while the corresponding rate for those who are not internet users increases to three out of every four people.

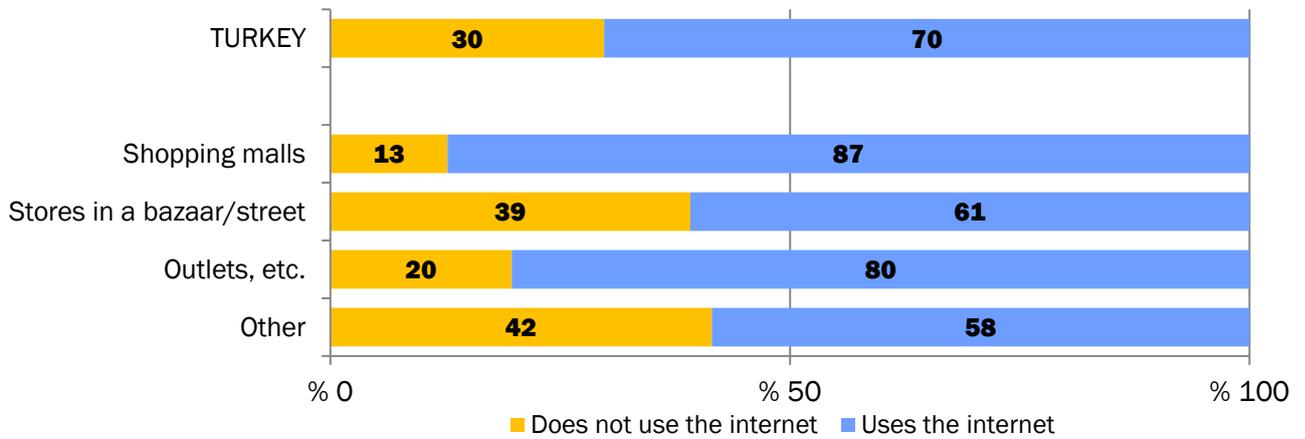
Places preferred for general shopping purposes by internet use



The graph below demonstrates that only a small segment of shopping mall customers are not internet users. On the other hand, the rate of those who do not use the internet among shoppers who prefer local bazaars/stores is 3 times higher.



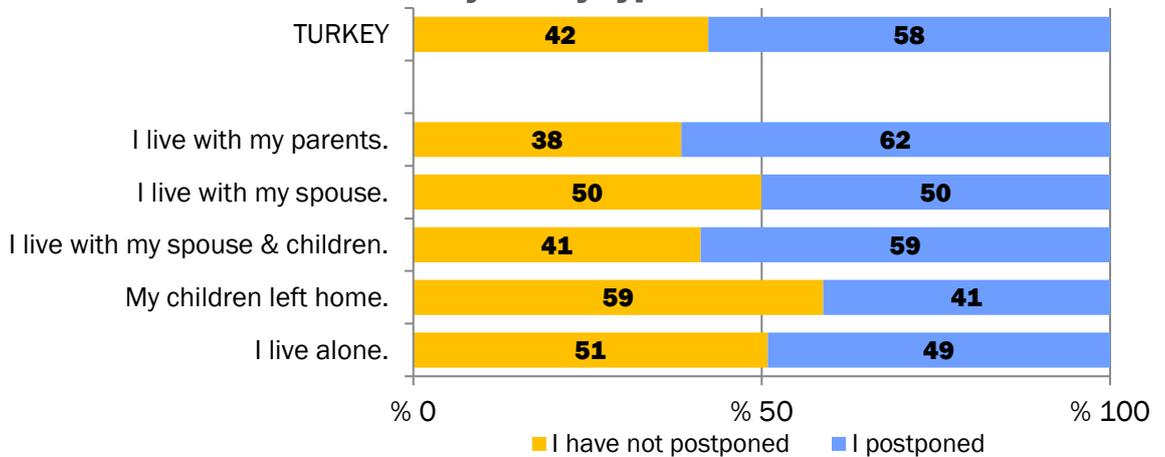
Where do you usually prefer to shop?



2.5. Shopping Preferences by Family Structure

In this section, we will be evaluating shopping preferences by family structure. In the first graph below, we see whether shopping for any item was postponed or not in the last 3 months by family structure.

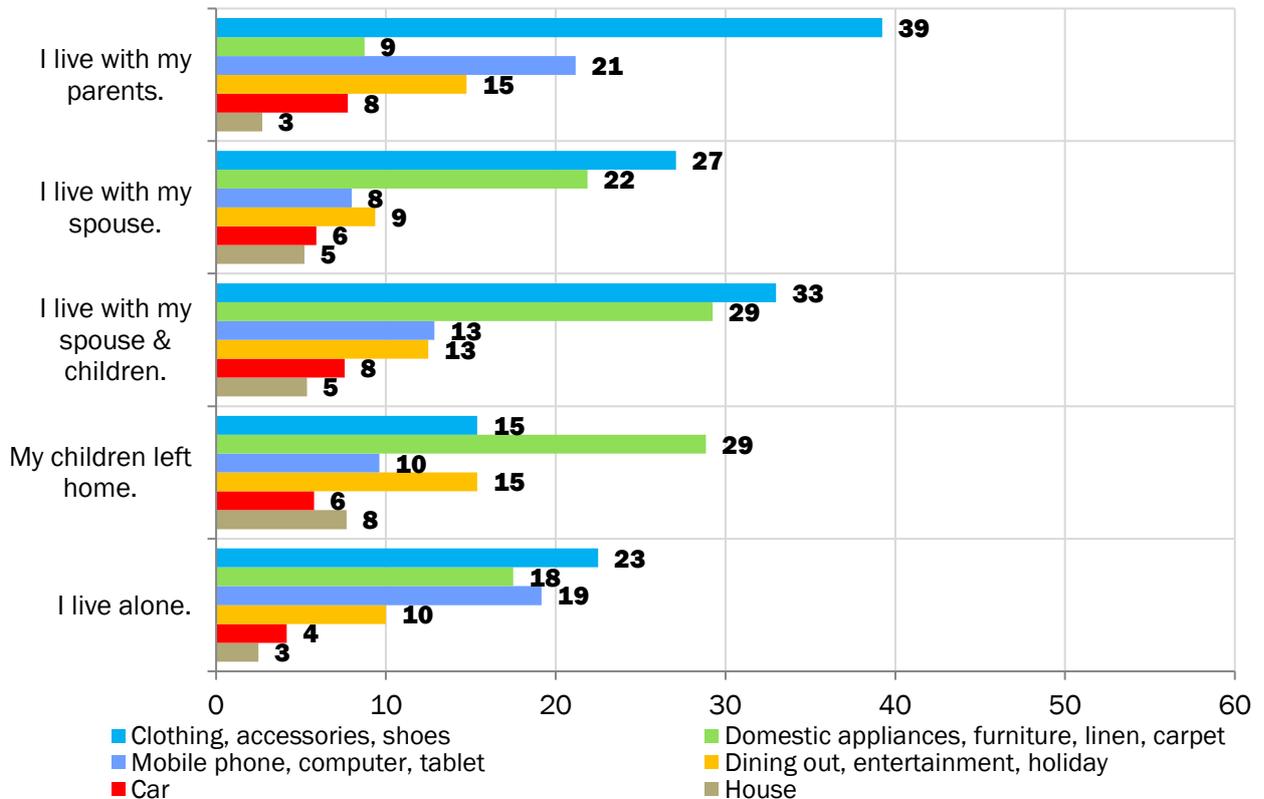
Postponing (or not) shopping in the last 3 months by family type



Accordingly, we observe that the main difference is between families with children and families without children. People that state that they have adult offspring, who live alone or who live only with spouse were less likely to postpone shopping in comparison to other family/household types.



Postponed shopping in the last 3 months by family type

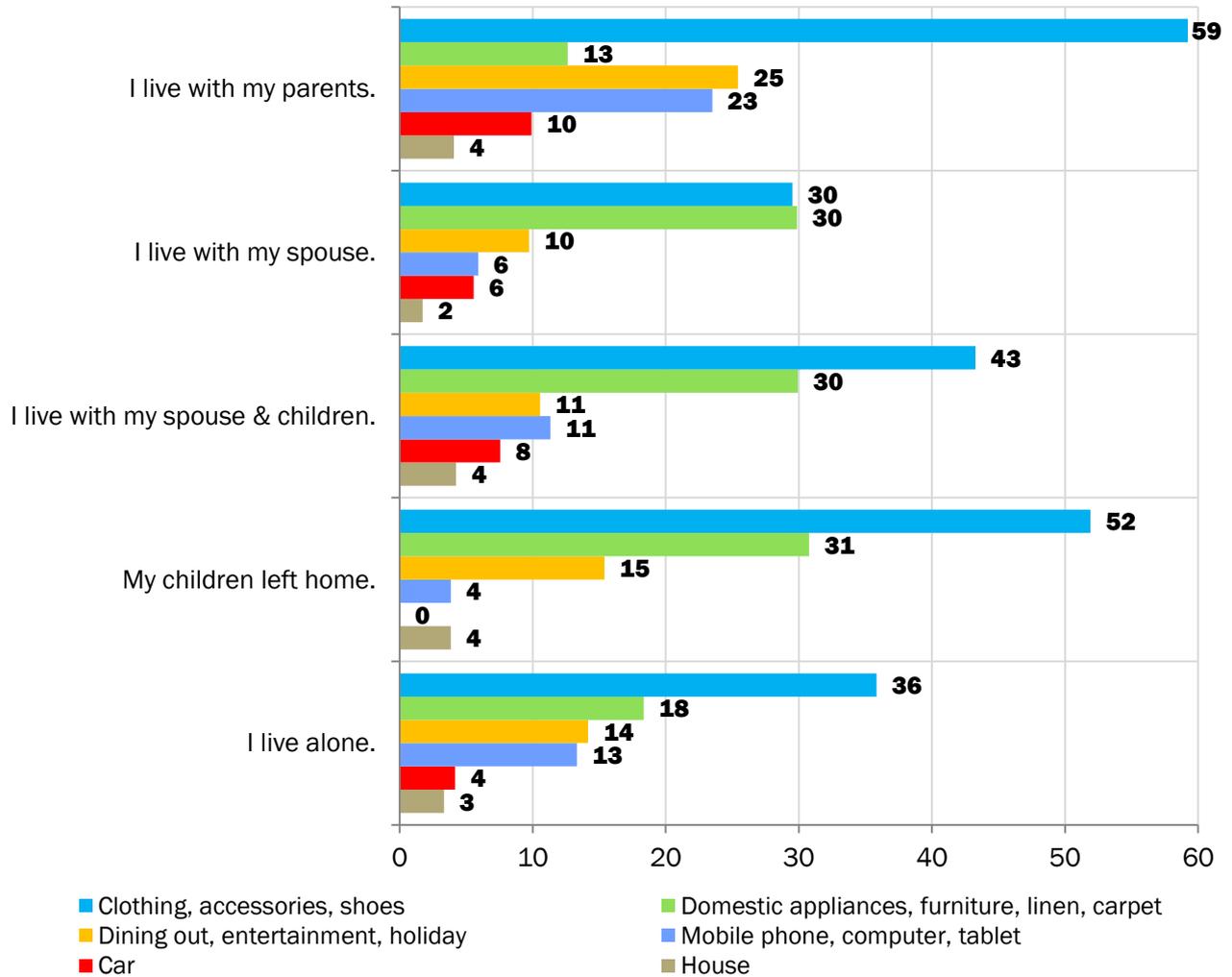


The graph above shows which shopping items were postponed by family/household type. The first point that attracts our attention is that shopping for clothes, accessories and shoes were postponed in all types of families and households, except for one. However, we also come across significant differences in the rates. Those who state that “My children have studied/married/left home” pose an exception to this condition, with 30 percent having postponed shopping for domestic appliances, furniture, home textiles and carpets. On the other hand, those who live with their parents postponed buying electronics goods in the second place, as the other families postponed buying domestic appliances and furniture shopping in the second place.

The graph below shows items planned for shopping in the next 3 months by family/household type. According to the graph, clothes, accessories and shoes are by far the most popular items people plan to buy in the next 3 months. When we look at the second item that people plan to shop for, we notice that those who say that they live with their parents are different from the other groups.



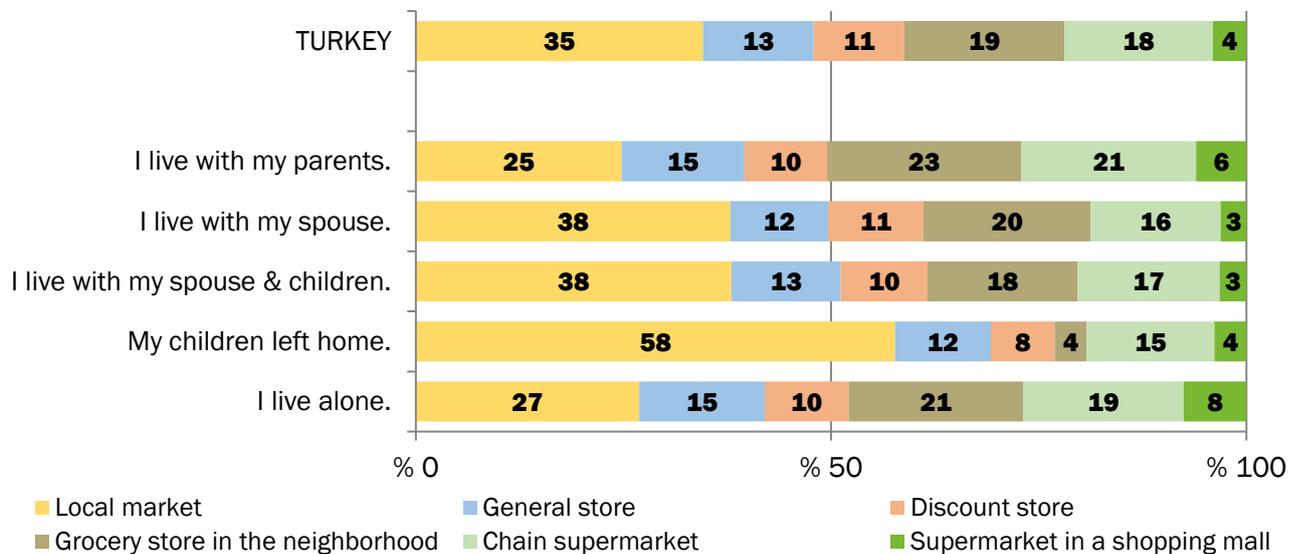
Shopping planned by family type



The following graph shows the food shopping preferences of different family types. Accordingly, all types of families prefer local bazaars/markets, as it is the case for Turkey overall. However, we come across meaningful differences in the rates of preference. Those who live alone and those who live with their parents are less likely to go to local bazaars/markets, and more likely to go to shopping malls.

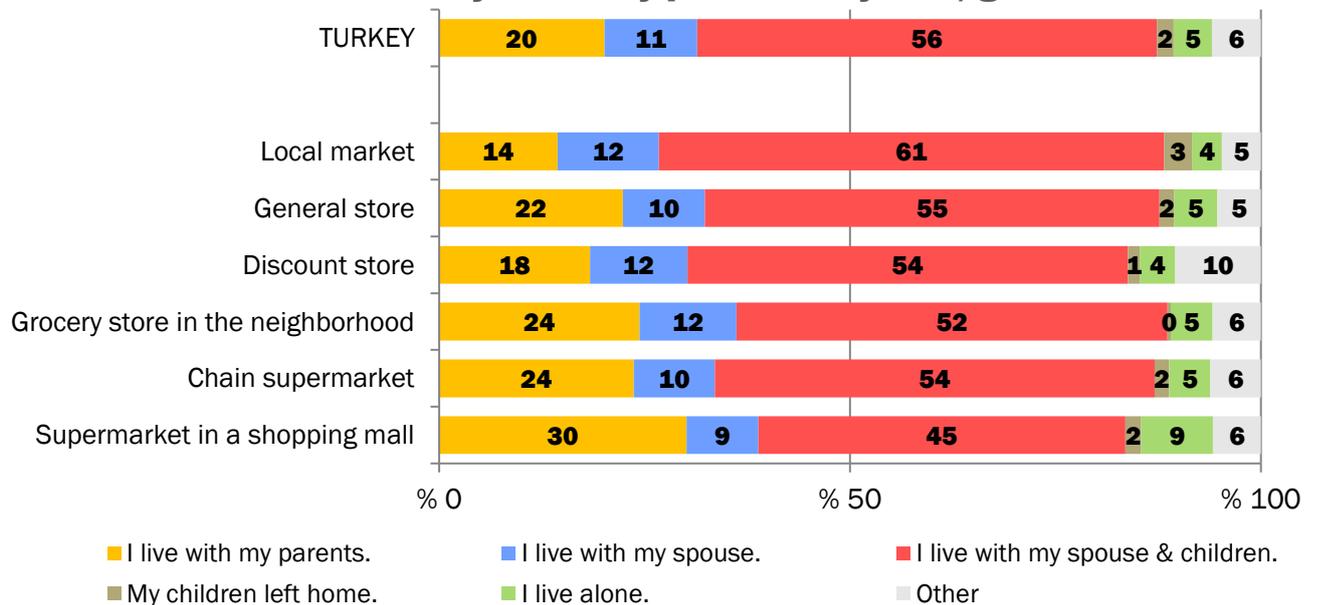


Places preferred for food shopping by family type



When we look at the graph inversely, we observe which family/household type prefers which shopping place. Families who live with their children, both make up the majority in Turkey and the largest customer group for all shopping places. However, those who live with their parents make up a great portion of the shopping mall customers.

Where do you usually prefer to buy food/groceries from?

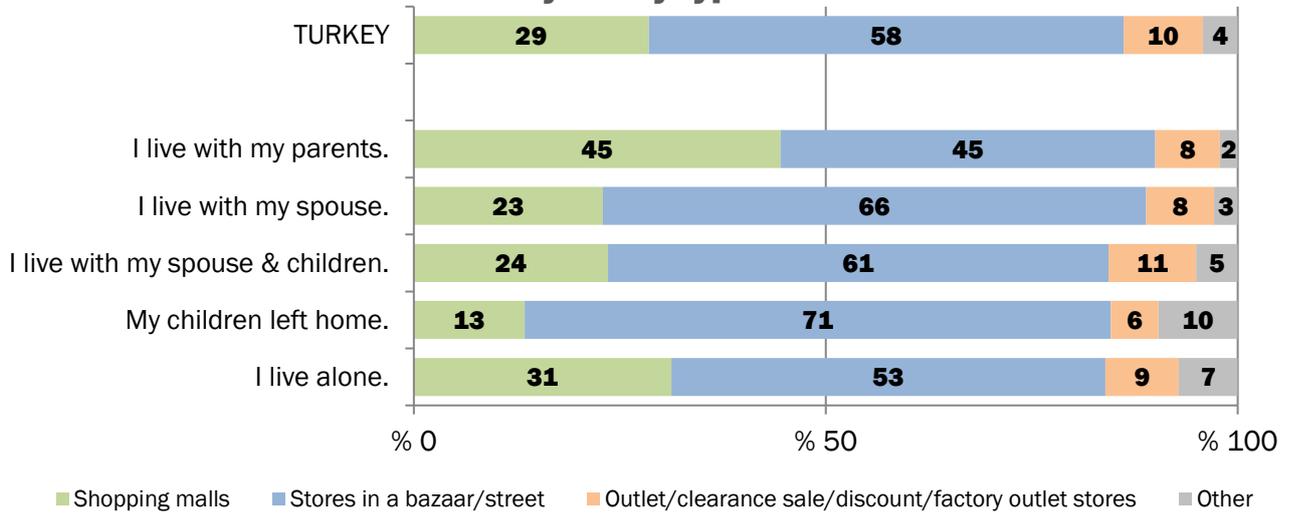


When we review the places preferred for general shopping purposes by family type, we again come across main differences. All family types prefer local bazaars/stores and street stores the most, followed by shopping malls. However, for those who live with their parents, preference for local bazaars and street stores is equal. Similarly, preference



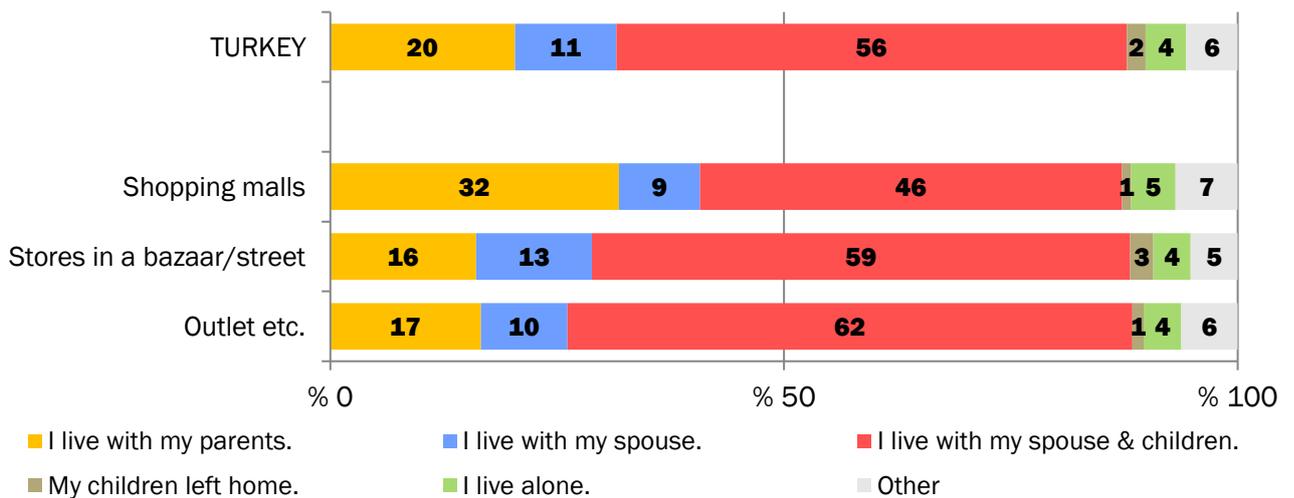
for shopping malls is above the Turkey average for those who state that they live alone.

Places preferred for general shopping purposes by family type



The customer distribution of shopping places preferred for general shopping purposes shows that those living with their spouse and children are the leading customers of all types of shopping places. This group is followed by those who live with their parents. One out of every two people who prefer shopping malls note that they live with their spouse and children, while one out of every three people state that they live with their parents.

Where do you usually prefer to shop?

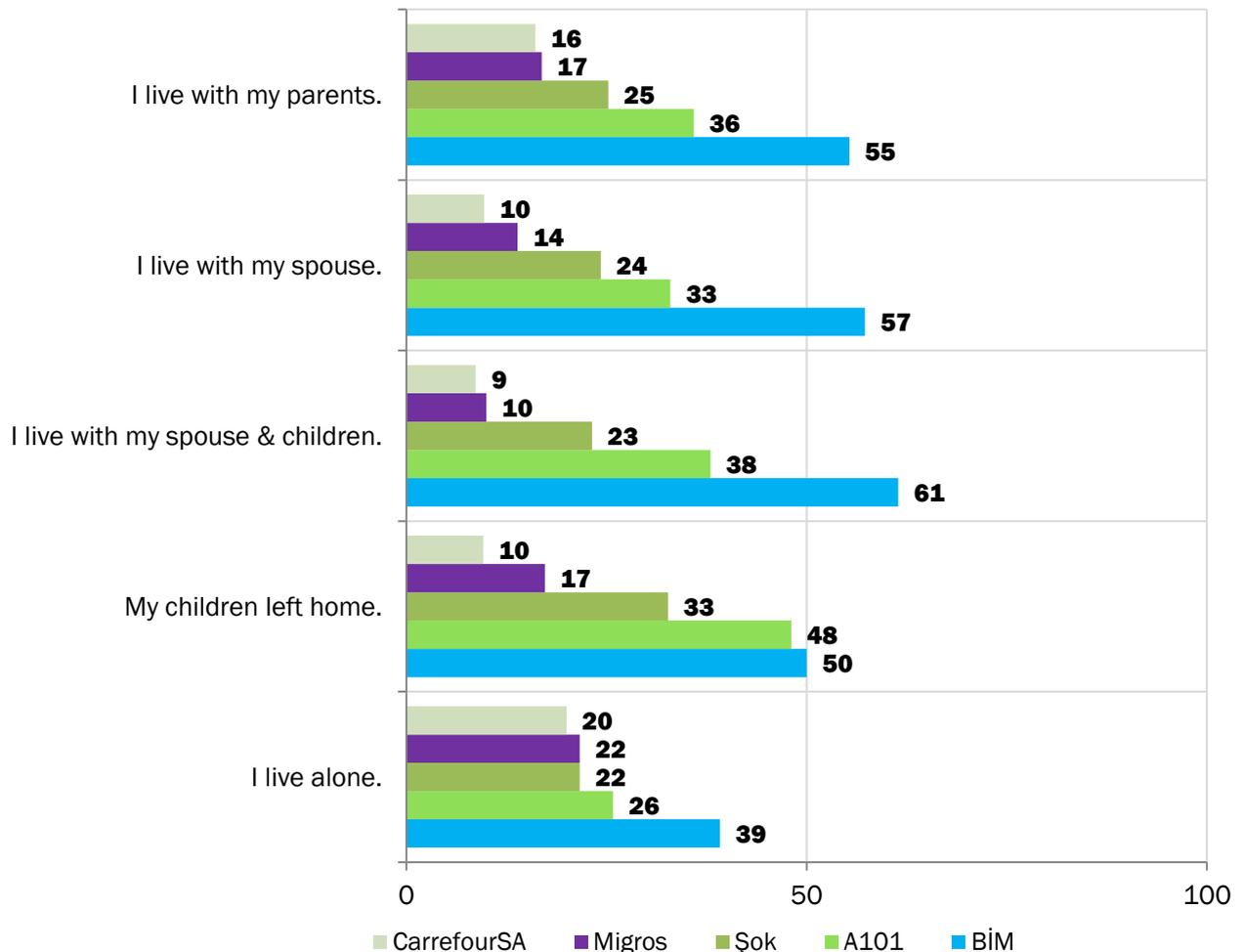


The most meaningful differences between family types are revealed by market preferences. BİM is the main market of preference among all family types, followed again by A101. However, the rates differ greatly by family/household type. For example, there is a



difference of more than 20 points between the BIM preference of those living with their spouse and children, and the BIM preference of those who live alone. Similarly, we come across another difference among the A101 customers. The rate of A101 customers who state that their children have reach adulthood (those who say, “my child studied/got married/left home”) is nearly the same as the corresponding rate for BIM customers.

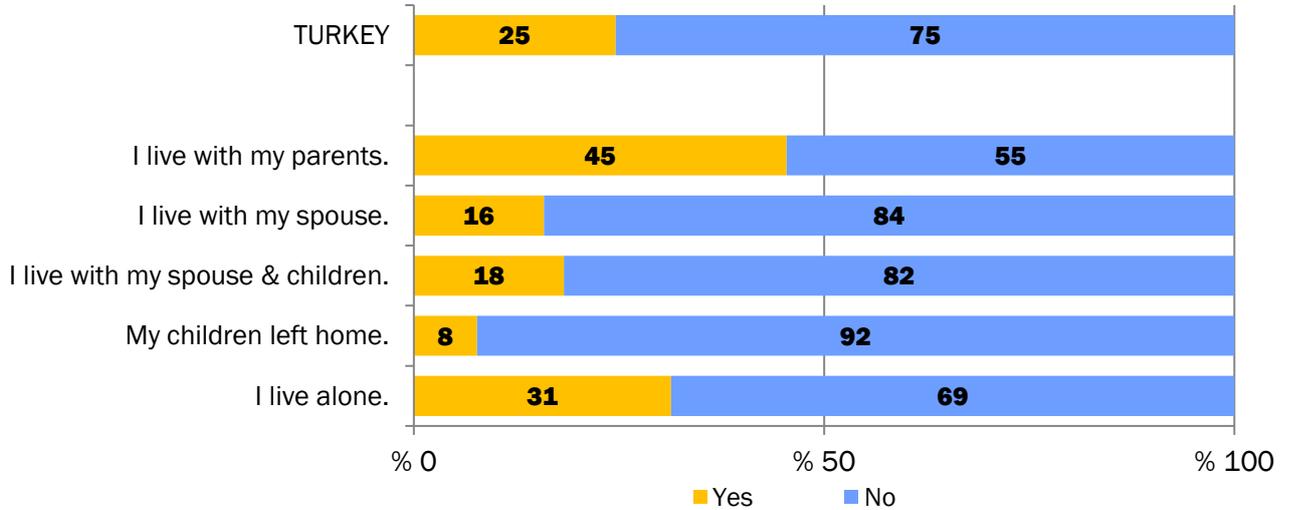
Market preference by family type



We observe significant differences in online shopping by family type. Those who live with their parents or alone do the most online shopping.

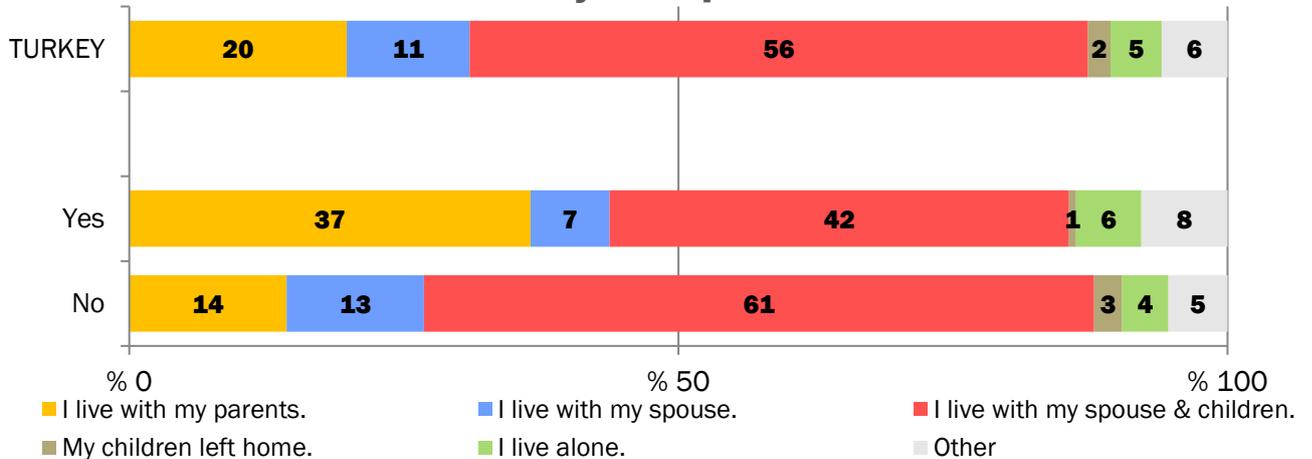


Online shopping by family type



When we look at the family type of those who shop online and who do not, we again come across major differences. Those who state that they live with their spouse and children in both groups rank first, but there is a 20-point difference between the two groups. Similarly, the rate of those who live with their parents among online shoppers is twice and a half times higher than those who do not shop online.

Do you shop online?



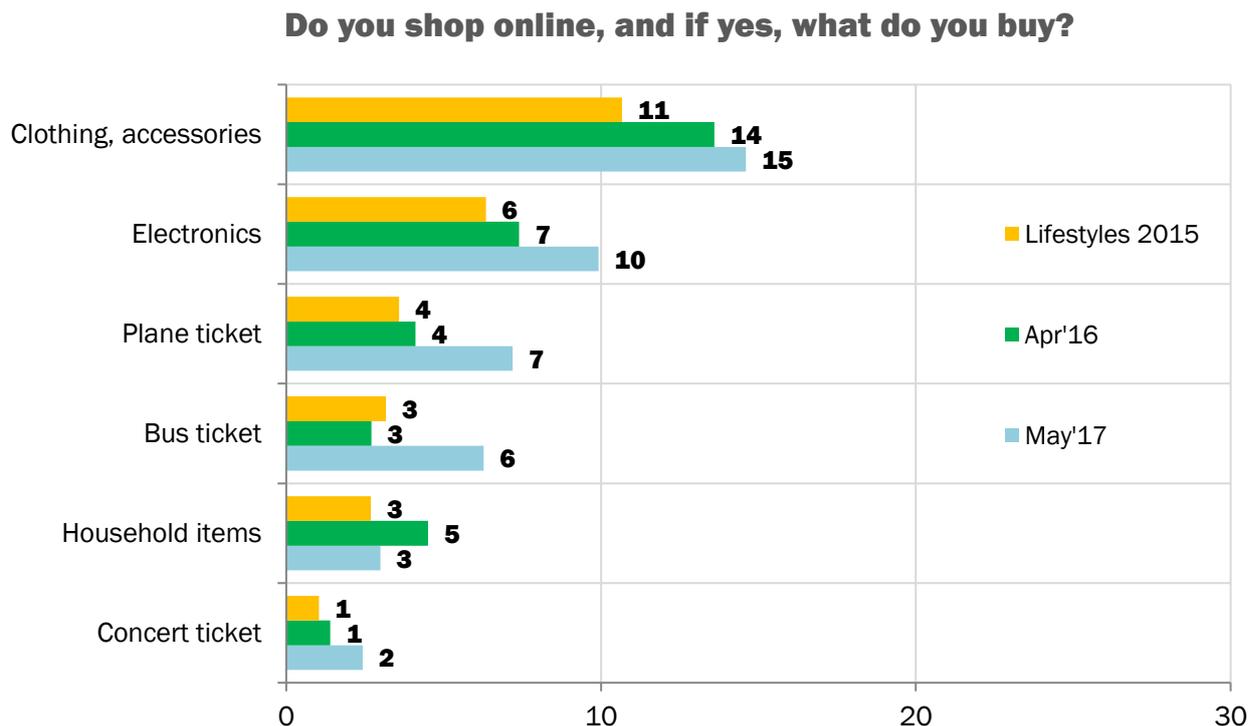


2.6. Online shopping

In this section, we will be briefly elaborating on online shopping. As shown in the graph below, the rate of those who state that they shop online has increased by 3-points in total to reach 25 percent.



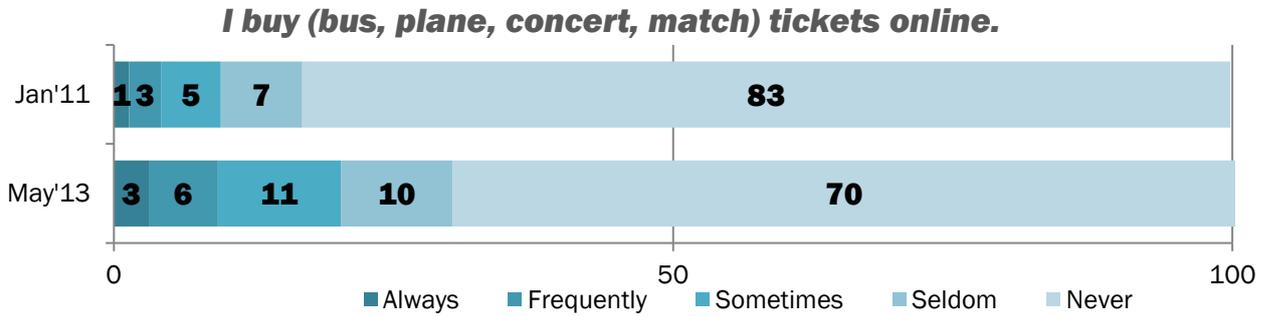
When we examine what people buy online, we observe an increase in nearly all shopping items over the last year. Clothes and accessories are the most popular items, while there has not been a particular increase in the rate of shopping for these items.



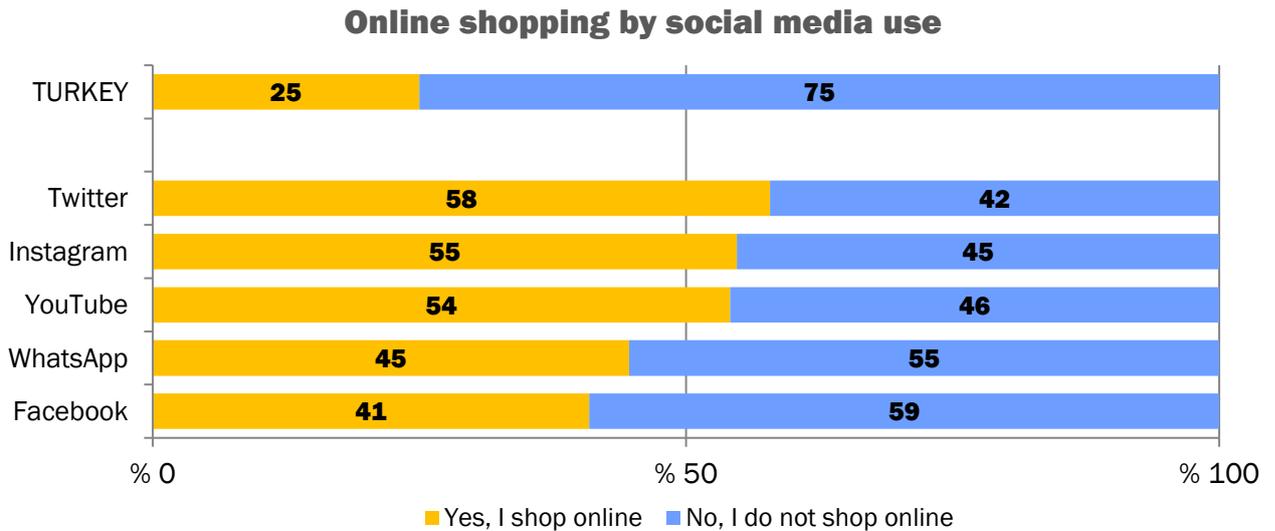
Another issue that attracts the attention in the graph above is that the total of plane, bus and concert tickets purchased online equals the total shopping of clothes and accessories (15 percent). Indeed, the total increase in the rate of these three shopping items eclipsed the increase in the rate of shopping for clothes and accessories by 7 points over the past year. In the graph below, it is possible to talk



about a noteworthy increase when figures from 2011 and 2013 are compared to each other.



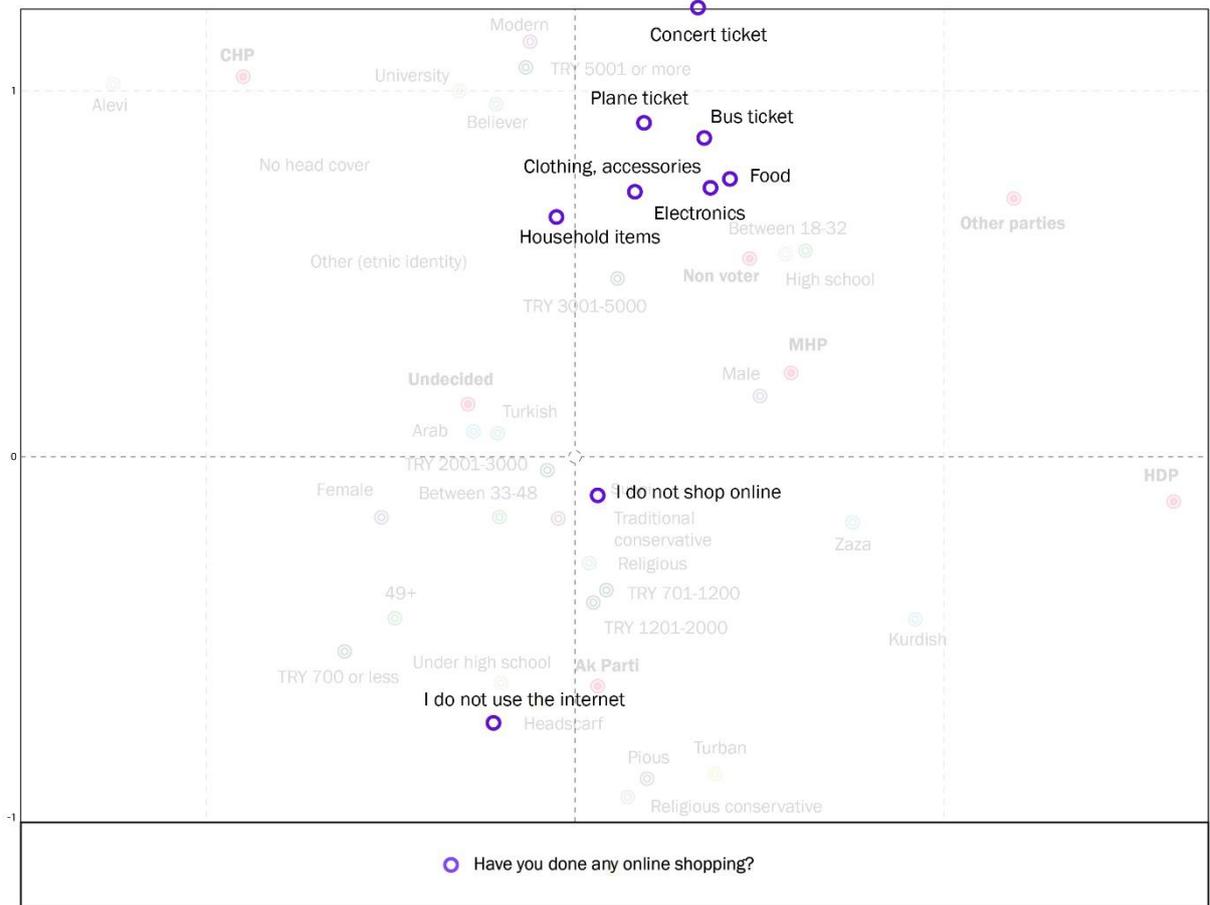
Naturally, there is a significant correlation between internet and social media use, and shopping online. 94 percent of those who state that they shop online have social media accounts (however, only 40 percent of social media users note that they shop online). The graph below shows the rates of online shopping among the users of various social media platforms. Accordingly, the rate of online shopping is highest among Twitter users with 58 percent, while it is the lowest among Facebook users at 41 percent.



When we place online shoppers on the social topographic map, we come across distinct differences between internet users, internet users who do not shop online and online shoppers by demographic characteristics and lifestyle clusters. Accordingly, those who do not use the internet tend to be older, poorer and more conservative in terms of their lifestyle. Internet users who do not shop online are closest to the median for Turkey. Online shoppers have higher levels of income, are better educated and are more likely to perceive their lifestyle as Modern. Nevertheless, we observe a difference in terms of online shopping performed. As we move lower on the map, age increases and educational attainment level decreases. If we take it into consideration that online shopping will become more widespread among different social groups, we



may predict that the online shopping items clustered on the top part of the map will gradually drift downwards.

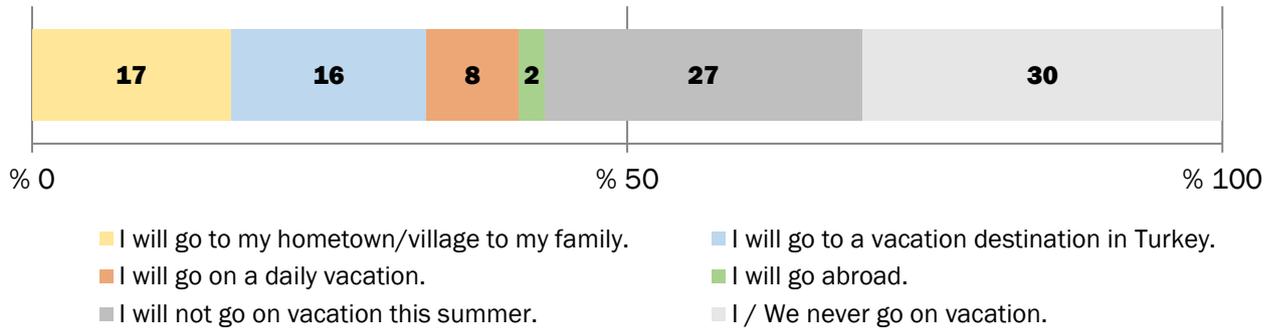


2.7. Vacation Preferences

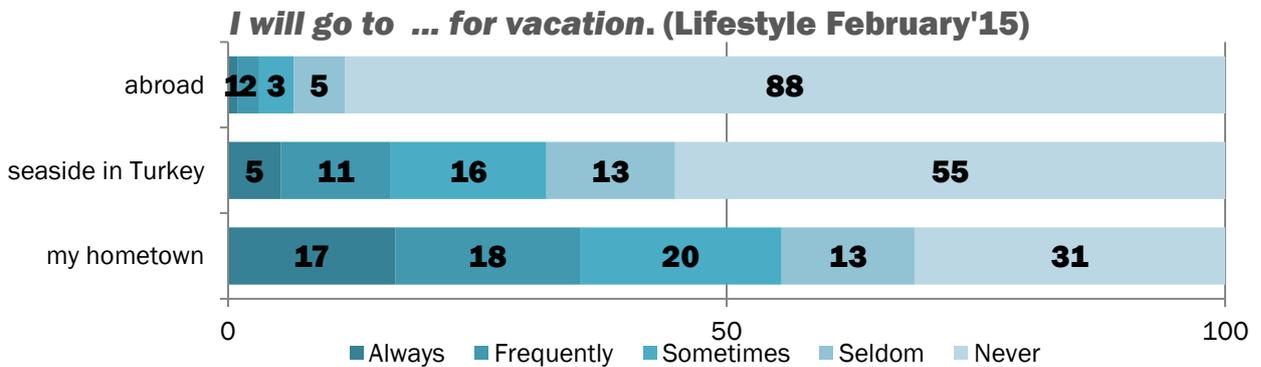
As part of this month's Barometer report, we asked the respondents about their vacation plans this year. Approximately 60 percent of the public does not have any plans for this summer. Approximately 20 million citizens state that they would be going to their hometown/village in or one the travel destinations in the country during the summer. However, we should not be deceived by the relatively low rates in the remaining categories. Approximately 4 and a half million people note that they will only be able to go on daily excursions, while more than 1.1 million people state that they will be going abroad.



What is your vacation plan for the next summer?



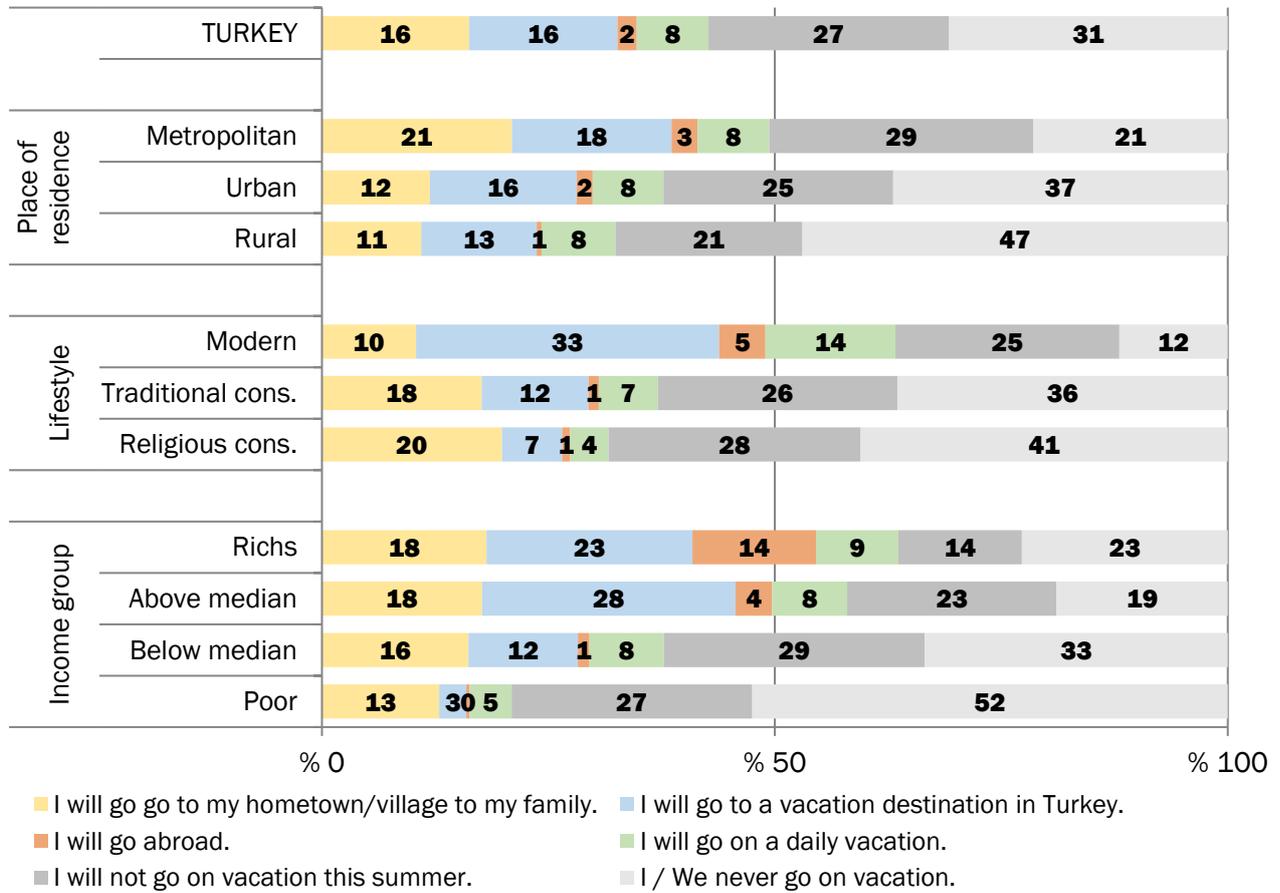
We had asked a similar question to the respondents as part of the 2015 KONDA Lifestyles survey, and we had obtained comparable results. When we look at the options of “never” and “rarely” in the next graph, we can see that there has not been much change since then.



The next three graphs demonstrate people’s vacation plans for the summer by their settlement code, income bracket and lifestyle. It appears that the majority of those in the higher income group and of those who identify their lifestyle as Modern have vacation plans for the summer. This rate is around 50 percent in metropolitan areas.



Vacation plans



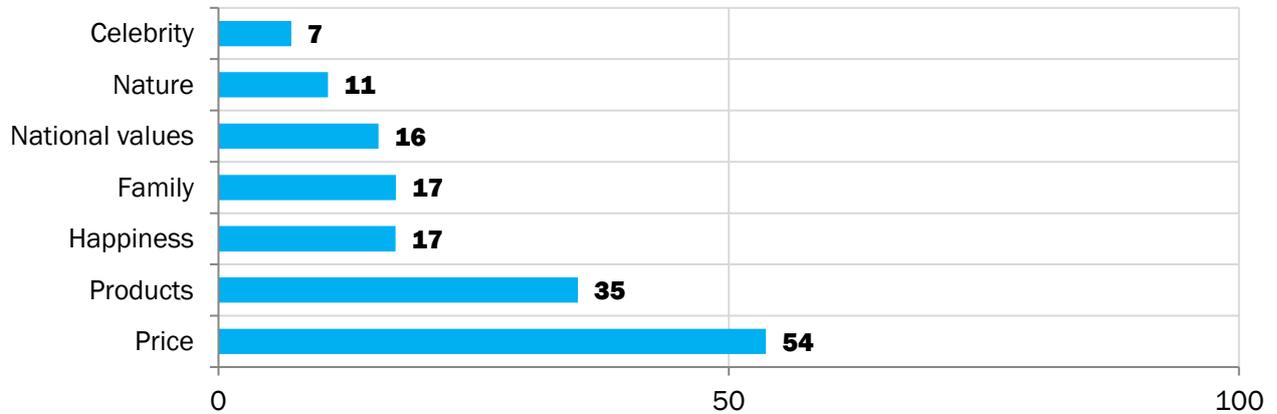
2.8. Advertisements/Commercials

We directed the respondents a question on what they would like to see the most in advertisements/commercials. As we allowed the respondents to provide more than one option, we obtained the following table. Accordingly; one out of every two people would like to see the pricing information, while one out of every three people would like to see more detailed information about the product in question. In other words, there is a demand for advertisements/commercials to be more informative.

More intangible concepts, such a happiness, family and national values have been voiced at similar rates. Only around 7 percent state that they would like to see celebrities.

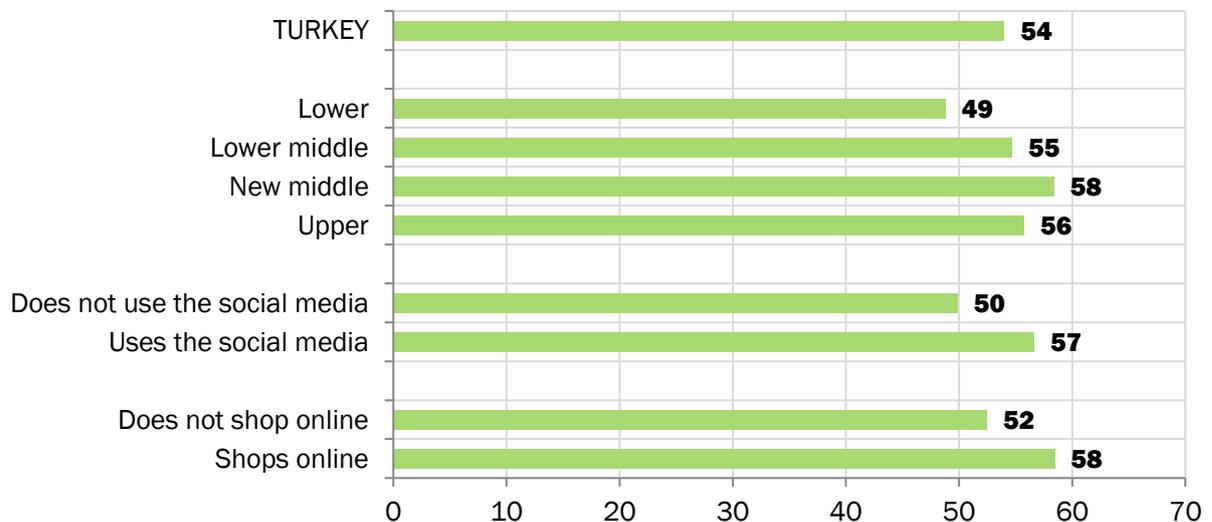


What would you like to see the most in the advertisements/commercials of companies?



When we look at what different segments of the public would like to see in advertisements/commercials, we are able to see that all options other than product and pricing information are wanted at similar rates by the different segments of society. However, we have spotted significant differences in terms of people's income level and relationship with the internet among those who would like to receive more information about the product and pricing information.

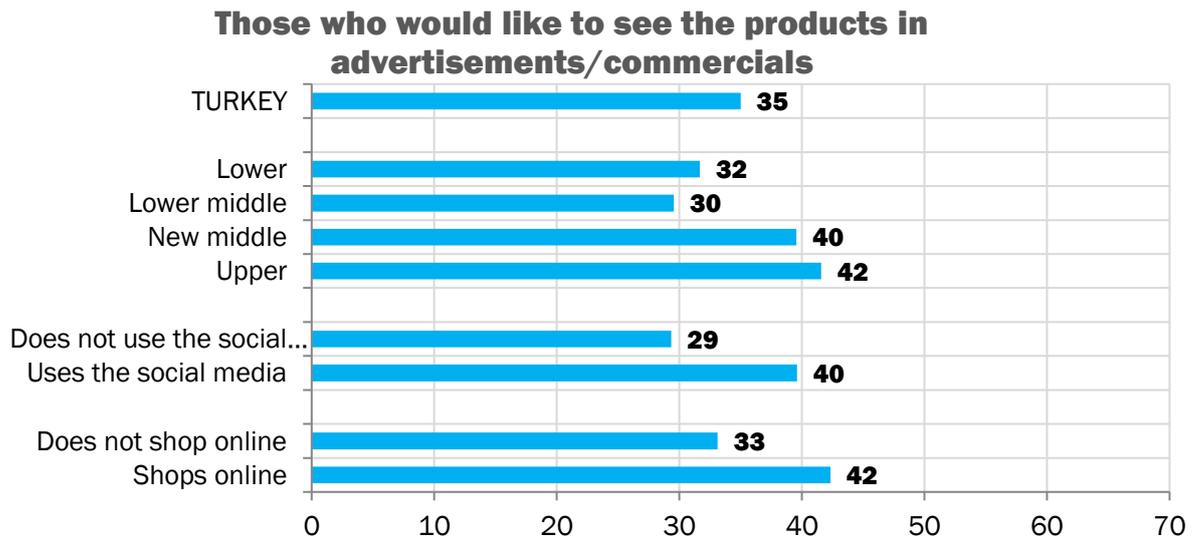
Those who would like to see prices in advertisements/commercials



When we examine the previous graph in more detail, the first noteworthy finding about those who would like to see the prices in advertisements/commercials is the distribution of their income level. The new middle class, as we have observed in our previous researches, are more sensitive to prices than the other groups. In addition, the rate of those who would like to see prices in advertisements/commercials increase with higher income level. Nevertheless, those who have a more intense relationship with the internet are more likely to demand seeing pricing information in advertisements/commercials.



The graph below shows the distribution of those who would like to see the products in advertisements/commercials by income level and by relationship with the internet. As income increases, the rate of those who would like to see the products also increases, but the biggest difference is observed by relationship with the internet. Social media users would like to see the products in advertisements/commercials at a rate that is 11-points higher than those who do not use social media, while online shoppers demand the same at a rate that is 9-points higher than those who do not shop online.

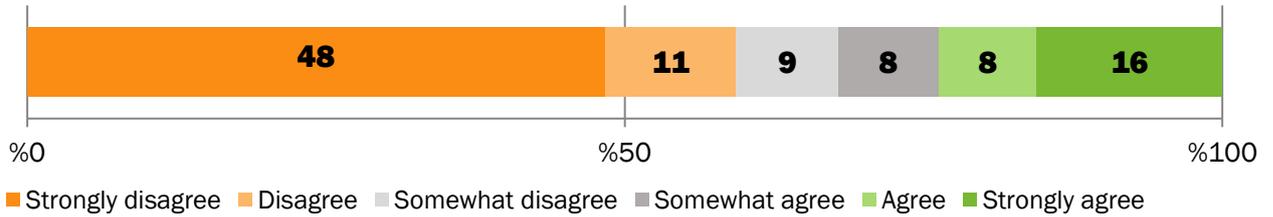


2.9. Brand Boycotting

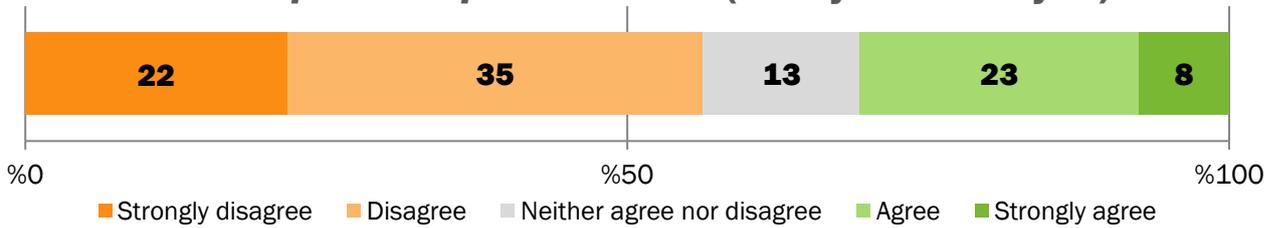
The boycotting of brands by consumers due to political reasons and the danger such a boycott poses for manufacturers have been widely discussed among the public lately, as it continues to be discussed. In this light, we asked the respondents a question related with this issue in this month's field survey. We had used the same question in the February 2015 Lifestyles research. As the response options of these questions were designed by using different scales, the graphs give us a better idea, not in terms of providing an overall comparison, but in terms of the general trend of those in the "gray" area in the middle. For example, the rate of those who state that there is no brand that they are boycotting are similar, although the scales are different, with 57 percent in February'2015 and 59 percent in May'2017 opting for this option. The rate of those who provided the response options of "agree" and "strongly agree" in was 33 percent in February 2015, the total rate of those who provided the response options of "agree" and "strongly agree" in May'2017 is 24 percent.



There is (was) a brand that I boycotted the products of due to a particular political reason (May'17).

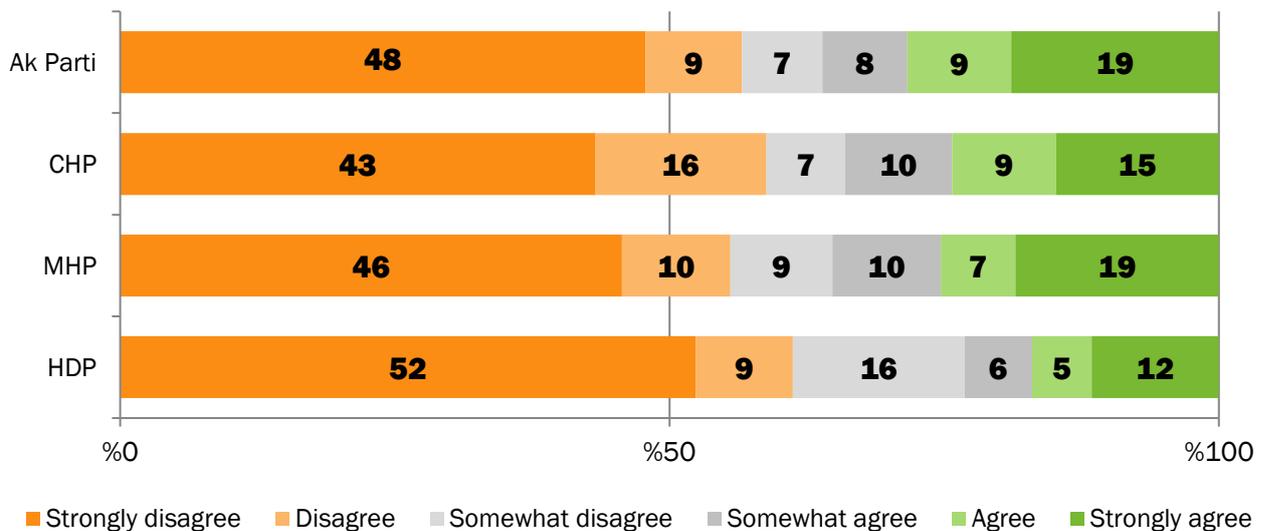


There is (was) a brand that I boycotted the products of due to a particular political reason (Lifestyles February'15).



The comparison of the responses may lead us to the idea that the “threat of boycotting” has become weaker. However, our findings from May’17 indicate that one out of every four people in the public is experienced in terms of boycotting. At this point, it would be useful to take a brief look at the boycotting trend of the voters. Ak Parti, CHP and MHP voters present a similar attitude, while HDP voters appear more cautious with respect to the issue of boycotting. The fact that HDP voters are more cautious in this sense leads us to think that boycotting a product or a brand for political reasons may have an economic/class basis. Groups who are better off in terms of welfare status are slightly more inclined to engage in a boycott.

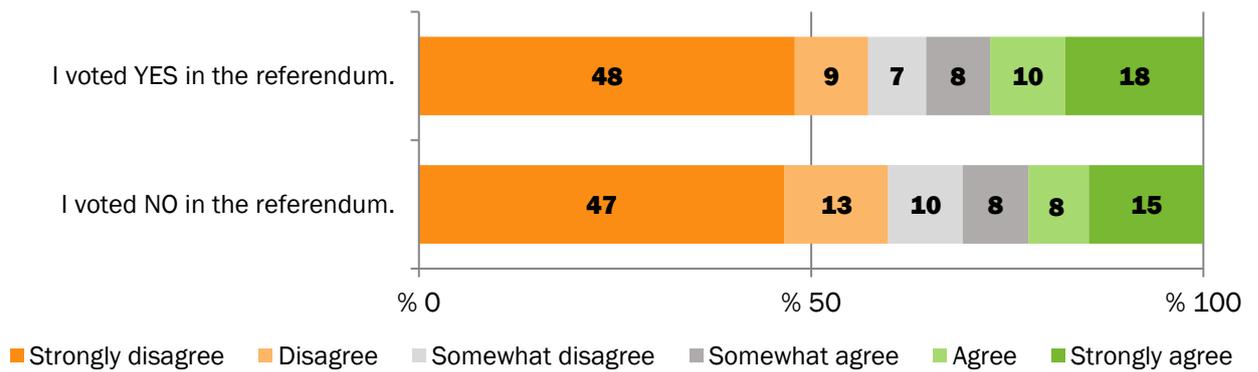
There is (was) a brand that I boycotted the products of due to a particular political reason





However, an overview of the votes from the April 16th Referendum does not reveal a significant difference between the “yes” voters and the “no” voters. Indeed, the “yes” voters are slightly more likely to participate in a boycott. Although this is not confirmed by our research, this predicament may be due to hesitance of conservative voters to use the products of certain international companies.

There is (was) a brand that I boycotted the products of due to a particular political reason





Research on human brain shows that right before making a decision (in milliseconds) there happens an activation in the related part of our brain and afterwards we make that decision. At first glance, this may sound meaningless but come to think of it, this phenomenon may lead to a quizzical approach on the concept of free will. (This information which at the beginning had a highly hypothetical quality, has transformed into reality and already caused many scientific communities to question the concept of free will).

The KONDA Shopping Expenses Analysis shows that the “referendum” signal has reached the minds of people as “uncertainty” therefore shopping has been postponed at a rate of 43%. That is because, I do not take the rational answers of “life is expensive, I can’t save” very seriously.

People strive to rationalize their behaviors. But the real reason might be something that even they themselves cannot explain. In the current situation, the unexplained reason is that the information stored in the “dinosaur” brains (System 1 way of thinking, Kahneman) was “**after elections, wars can happen**” which triggered the behavior of “**postponement.**” In other words, if I may refer to the information at the beginning, the decision was made before they even started to think!

The findings show that once the “risk” is eliminated, shopping will continue particularly on clothing and shoes. Then, isn’t the reason for “postponement” obvious considering that they have not got rich overnight or money did not start to drop out of the sky?

The shopping venue preferred is very important for “**go to market**” strategies, i.e. the organization of distribution channels in marketing decisions. The KONDA findings show that neighborhood markets are still very dominant in food shopping at a rate of 35% so much so that in terms of general shopping, the preference for the “outlet” channel is still very low at 9% showing **that neighborhood markets** still satisfy the need for outlets (discount) for this section of the market. In addition, the survey provides clues that if designed carefully, more outlet need may be created and will make a good investment if designed well.

In food shopping, walking distance sales points (neighborhood markets, groceries, neighborhood supermarkets, discount stores) are used (preferred) at a rate of 59% which means that in the future, discount store wars will be more intense and that those brands that desire to penetrate into the market cannot ignore these channels. What’s important is that this Market, excluding income, is the “**Little Turkey**” market in terms of lifestyle. Although it involves conservative-modern structures sociologically, it is probable that the pressure and sensitivities of traditional consumption is felt on both clusters. But if desired, it is possible to draw or lose clients merely on the basis of **liquor sales.**

Another important finding (despite rural/urban differences) is that for general shopping, stores located in shopping streets are preferred at a rate of 57%. This finding is worth consideration especially today, when brands go through an offline+online channel transformation. One strategy may involve growth by opening stores only in shopping malls, another may involve pairing shopping malls with online channels whereas yet another strategy may focus on online sales while working with a distribution network procuring goods to shopping street stores. I mean, these strategies entail different marketing practice outcomes. Much care is needed in order not to lose sales.



According to the findings, the number of people who do online shopping is on the increase but food shopping which is still the most important shopping item, has yet to be brought into the internet (2 percent with a 0.5 increase). This is indeed worth deliberation. Is it because the internet does not seem to be an attractive option since there are so many alternatives at the walking distance? However, do not forget that online shoppers are the high-income, high-education, working cluster, those who live alone and nuclear families without children. And they usually shop at shopping mall hypermarkets and chains. Perhaps the opportunity lies there. What do you think?

KONDA findings show that about 25% of Turkey have the potential to participate in political boycotts of products. Social and political fractures in both global and local scale in combination with the instant snapping effect of social media, have caused an increase in company crises. Companies should constantly engage in issue management through scenario trainings and also be extremely prepared to manage crises in the unpredictable areas in order to protect themselves from a probable boycott. It is important to keep in mind that although a certain part of the sales lost during a boycott later on returns back to the brand, another part remains lost for good.

One of the most interesting results in the KONDA findings is the difference between credit card users and those who do not own credit cards. Those who use stores in shopping streets own credit cards at lower rates and they do not incur debts on credit cards whereas shopping mall shoppers have a higher rate of credit card ownership and they also prefer borrowing on credit cards. This means that in the middle- and low-income cluster, the mobility of money is personal and unregistered at higher rates. This shows us the mode-of-payment-based opportunities. Thus, the popularity of “sales-on-bonds” brands such as Evkur is a proof of this trend.

Prof. Ali Atif Bir



3. RESEARCH ID

3.1. Overall Description of the Survey

The surveys that this report is based on was conducted by KONDA Research and Consultancy Limited (KONDA Araştırma ve Danışmanlık Ltd. Şti.).

The field survey was conducted on 6-7 May 2017. This report presents the political trends, preferences and profiles of the adult population above the age of 18 in Turkey, as observed on the dates of the field survey.

The survey is designed and conducted with the purpose to determine and to monitor trends and changes in the preferences of respondents who represent the adult population above the age of 18 in Turkey. The margin of error of the survey is +/- 1.7 at 95 percent confidence level and +/- 2.3 at 99 percent confidence level.

3.2. The Sample

The sample was selected through stratification of the data on population and educational attainment level of neighborhoods and villages based on the Address Based Population Registration System (ADNKS), and the results of the November 1st 2015 General Election in neighborhoods and villages.

First, the settlements were grouped as rural/urban/metropolitan, and then the sample was determined based on the 12 regions.

Within the scope of the survey, 2604 respondents were interviewed face-to-face in 151 neighborhoods and villages of 106 districts - including central districts - of 28 provinces.

Provinces visited	28
Districts visited	106
Neighborhoods/villages visited	151
Number of respondents	2604

Age and gender quotas were used in the 18 surveys conducted in each neighborhood.

Age group	Women	Men
Between 18-32	3 respondents	3 respondents
Between 33-48	3 respondents	3 respondents
49 or above	3 respondents	3 respondents



	Level 1 (12 regions)	Provinces visited
1	İstanbul	İstanbul
2	Western Marmara	Balıkesir, Edirne, Tekirdağ
3	Aegean	Denizli, İzmir, Kütahya, Uşak
4	Eastern Marmara	Bursa, Kocaeli, Eskişehir
5	Western Anatolia	Ankara, Konya
6	Mediterranean	Adana, Antalya, Hatay, Mersin
7	Central Anatolia	Kayseri, Sivas
8	Western Black Sea	Samsun
9	Eastern Black Sea	Trabzon
10	Northeastern Anatolia	Erzincan, Erzurum
11	Middle Eastern Anatolia	Malatya, Van
12	Southeastern Anatolia	Diyarbakır, Gaziantep, Şanlıurfa, Mardin

The distribution of respondents according to the regions and place of residence is shown in the table below.

	Survey location	Rural	Urban	Metropolitan	Total
1	İstanbul			20.0%	20.0%
2	Western Marmara	0.6%	3.4%	0.7%	4.7%
3	Aegean	2.1%	6.6%	5.4%	14.1%
4	Eastern Marmara	1.4%	2.8%	5.4%	9.6%
5	Western Anatolia	0.6%	2.0%	7.1%	9.7%
6	Mediterranean	2.0%	5.6%	4.1%	11.6%
7	Central Anatolia	0.7%	2.4%	1.4%	4.5%
8	Western Black Sea	2.0%	2.8%	0.7%	5.5%
9	Eastern Black Sea	1.4%	2.1%		3.5%
10	Northeastern Anatolia	1.4%	1.5%		2.9%
11	Middle Eastern Anatolia	1.4%	2.7%	0.7%	4.8%
12	Southeastern Anatolia	1.6%	3.5%	4.1%	9.2%
	Total	15.1%	35.3%	49.7%	100.0%



4. FREQUENCY TABLES

4.1. Profile of the Respondents

Gender	Percent
Women	49.1
Men	50.9
Total	100.0

Age	Percent
Between 18-32	34.1
Between 33-48	35.0
49 or above	30.9
Total	100.0

Educational attainment	Percent
Illiterate	5.4
Literate without degree	2.0
Primary school graduate	31.0
Less than high school graduate	16.1
High school graduate	28.6
University graduate	15.1
Masters / PhD	1.7
Total	100.0

Lifestyle cluster	Percent
Modern	27.3
Traditional Conservative	46.3
Religious Conservative	26.4
Total	100.0

Marital status	Percent
Single	22.1
Engaged	1.5
Married	70.3
Widow/Divorced	6.2
Total	100.0



Place of birth	Percent
Istanbul	8.4
Western Marmara	4.4
Aegean	11.0
Eastern Marmara	7.5
Western Anatolia	7.2
Mediterranean	11.1
Central Anatolia	7.7
Western Black Sea	8.6
Eastern Black Sea	6.5
Northeastern Anatolia	6.6
Middle Eastern Anatolia	7.7
Southeastern Anatolia	12.4
Abroad	1.0
Total	100.0

Living arrangements	Percent
I live with my parents.	20.1
I live with my spouse.	49.9
I live with my children.	17.4
My children finished school/got married and left home.	2.0
I live alone.	4.7
Other	6.0
Total	100.0

Type of housing	Percent
Squatter / apartment without external plastering	4.0
Single family, traditional house	35.3
Apartment	55.8
Housing complex	4.7
Very luxurious apartment, villa	0.0
Total	100.0



Employment status	Percent
Civil servant	6.0
Private sector	7.4
Worker	11.5
Small retailer	6.1
Merchant/businessman	0.8
Self-employed	1.7
Farmer, agriculturist, stock breeder	3.1
Employed, other	4.5
Retired	13.6
Housewife	30.4
Student	9.0
Unemployed	5.2
Disabled	0.8
Total	100.0

Ethnic identity	Percent
Turkish	79.0
Kurdish	15.2
Zaza	1.4
Arab	2.0
Other	2.4
Total	100.0

Religiosity	Percent
Non-believer	3.2
Believer	23.6
Religious	61.5
Pious	11.7
Total	100.0



Head cover status	Percent
No head cover	29.6
Headscarf	46.5
Turban	7.6
Chador, purdah	1.6
Single male	14.8
Total	100.0

Religion / sect	Percent
Sunni Muslim	90.9
Alevi Muslim	5.9
Other	3.2
Total	100.0

Economic classes	Percent
Lower income class	20.0
Lower middle class	31.4
New middle class	27.6
High income class	21.1
Total	100.0

Do you own a car in your household?	Percent
Yes	46.5
No	53.5
Total	100.0

Social media use	Percent
Facebook	47.8
Twitter	18.1
Whatsapp	46.7
Youtube	24.8
Instagram	27.1
Other	0.7
I use the Internet, but I am not a social media user.	10.1
I do not access the Internet	31.8



TV channel preferred to watch the news	Percent
Does not watch	11.4
A Haber	7.5
ATV	14.5
CNN Turk	3.2
Fox TV	20.3
Haberturk	1.1
Halk TV	3.1
Kanal 7	1.9
Kanal D	7.1
Kanaltürk	0.1
NTV	3.6
Roj/Nuçe/Sterk	0.1
Show TV	5.2
Star	4.8
TRT	10.9
Ulusal	0.4
Local channels	4.8
Total	100.0

Monthly household income	Percent
TRY 700 or less	2.6
TRY 701 - 1.200	7.9
TRY 1.201 - 2.000	37.1
TRY 2.001 - 3.000	23.5
TRY 3.001 - 5.000	20.5
TRY 5.001 or more	8.5
Total	100.0



4.2. Consumer Expectations after the Referendum

If you are saving money or making investments, what is your purpose?	Percent
I do not save	68.1
Buying a house	5.4
Buying a car	3.0
Paying for the education of my child(ren)	7.1
Paying for the wedding of my child(ren)	2.9
Saving money	9.9
Other	3.6
Total	100.0

Do you pay installments/debt for any of the following items?	Percent
Household items	18.0
Housing	15.1
Car	9.1
Educational attainment	7.0
Holiday	0.7
No, I don't pay	52.9

Do you make any investments?	Percent
Bank Account	9.4
Gold	5.7
Housing, land	3.3
Foreign Currency	1.7
Other	1.0
Equity	0.5
No, I don't make any investments	76.8

Do you have a credit card?	Percent
Yes	42.7
No	57.3
Total	100.0



Do you have credit card debt?	Percent
No debt	65.0
Has debt	35.0
Total	100.0

Do you have outstanding bank loans?	Percent
No debt	69.2
Has debt	30.8
Total	100.0

Do you have promissory note debt?	Percent
No debt	93.3
Has debt	6.7
Total	100.0

Do you have cash debt?	Percent
No debt	81.7
Has debt	18.3
Total	100.0

Are you struggling to pay these debts?	Percent
Yes	39.2
No	17.3
No debt	43.5
Total	100.0

How do you think your expenses for grocery/food/cleaning supplies change in the next 3 months?	Percent
Will decrease	10.2
Will remain the same	42.8
Will increase	47.0
Total	100.0



Have you postponed buying any of the following items in the last 3 months?	Percent
I did not postpone	42.2
I postponed	57.8
Total	100.0

Have you postponed buying any of the following items in the last 3 months?	Percent
I did not postpone.	41.9
Clothing and accessories	30.2
Shoes	15.7
Domestic appliances, home appliances	15.4
Mobile phone	12.2
Furniture, bed	11.2
Kitchenware, tableware	8.6
Entertainment, movie theater, theater	8.2
Personal care products	7.9
Dining/drinking out	7.7
Car	7.4
Carpet, linen	7.1
Computer/Tablet	6.1
Holiday	5.0
Housing (house, flat)	4.6
Baby clothes and accessories	3.8
Trousseau, wedding preparations	3.0
Reason for postponing	Percent
High cost of living	35.3
Referendum	1.5
Crisis expectation	4.6
I am not able to save money.	26.8
Other	4.2



When there is an economic or a political crisis or when your expectation of such a crisis increases, for which of the following items do you first cut your expenses?	Percent
Clothing and accessories	42.0
Shoes	2.2
Mobile phone	4.5
Computer/Tablet	2.4
Domestic appliances, home appliances	6.8
Furniture, bed	3.1
Carpet, linen	1.1
Kitchenware, tableware	5.2
Baby clothes and accessories	0.5
Car	3.8
Housing (house, flat)	1.8
Entertainment, movie theater, theater	11.1
Personal care products	3.5
Trousseau, wedding preparations	0.7
Holiday	4.7
Dining/drinking out	6.6



What do you plan buy in the next 3 months?	Percent
Clothing and accessories	39.4
Shoes	20.7
Mobile phone	11.1
Computer/Tablet	4.5
Domestic appliances, home appliances	15.0
Furniture, bed	11.0
Carpet, linen	7.6
Kitchenware, tableware	12.9
Baby clothes and accessories	6.1
Car	7.4
Housing (house, flat)	3.8
Entertainment, movie theater, theater	6.8
Personal care products	9.6
Trousseau, wedding preparations	5.0
Holiday	6.5
Dining/drinking out	7.3

How will your spending change in the next 3 months compared to the past 3 months?	Percent
Will decrease	12.2
Will remain the same	36.0
Will increase	51.7
Total	100.0

Are you planning to go into debt in the next 3 months?	Percent
No, I will not go into debt.	84.9
Yes	15.1
Total	100.0

Are you planning to go into debt in the next 3 months?	Percent
Consumer loan / bank loan	5.1
Credit card	4.8
Promissory note	0.6
In cash to a person	5.3
No, I will not go into debt.	83.4



What is your vacation plan for the next summer?	Percent
I will go to my hometown/village to my family.	16.3
I will go to a vacation destination in Turkey.	16.4
I will go abroad.	2.1
I will go on a daily vacation.	7.9
I will not go on vacation this summer.	26.5
I / We never go on vacation.	30.8
Total	100.0

Where do you usually prefer to buy food/groceries from?	Percent
Local market	34.5
General store	13.2
Discount store	10.9
Grocery store in the neighborhood	19.5
Chain supermarket	17.9
Supermarket in a shopping mall	4.1
Total	100.0

Where do you usually prefer to shop?	Percent
Shopping malls	28.8
Stores in a bazaar/street	57.5
Outlet/clearance sale/discount/factory outlet stores	9.6
Other	4.2
Total	100.0

Grocery store/supermarket preference	Percent
A101	36.8
BİM	58.4
Şok	24.1
Carrefour	11.2
Migros	13.4
Other	17.7



Do you shop online?	Percent
Yes	24.9
No	75.1
Total	100.0

Online shopping	Percent
Food	1.9
Electronics	10.2
Clothing, accessories	14.1
Plane ticket	6.2
Concert ticket	2.2
Bus ticket	6.2
Household items	3.0
I do not shop online.	46.5
I not use the Internet.	30.2

Which of the following would you like to see in advertisements/commercials?	Percent
Products	35.2
Price	53.6
Celebrity	7.1
National values	15.7
Happiness	17.4
Family	17.4
Nature	10.7
Other	4.0

How will the living conditions be in the country in the next 3 months?	Percent
Will get more expensive	60.5
Will remain the same	30.6
Will get cheaper	8.9
Total	100.0



Including all types of income, how many people contribute your household income? (grouped)	Percent
1 person	59.4
2 people	30.3
3 or more people	10.1
Total	100.0

How do you pay for your household expenses?	Percent
Salaries / Income of household members who are employed	79.0
Retirement pension or survivors' benefits	22.7
Family support	3.1
Rent income (Apartment, shop, land, etc.)	4.1
Interest, foreign currency or stock market income	0.3
Social aid and assistance from the municipality or the governor's office	1.7
Other	3.9



5. GLOSSARY of TERMS

All findings in Barometer reports are based on answers to the questions directed to respondents who were interviewed face-to-face in field surveys. Some questions and response options are then used in the rest of the report in short or simplified form. For example, the respondents who respond to the question on how religious they see themselves as “a person who is a believer, but does not fulfill religious requirements”, are shortly identified as “believers” in the report. This glossary is prepared for both the readers who receive the report for the first time and the readers who need further clarification on the terms. The first table provides a list of the terms and their explanations, and the following tables list the questions and response options which establish the basis for these terms.

Term	Definition
Alevi Muslim:	A person who identifies his/her religion/sect as Alevi Muslim
Lower middle class:	Households with an income per capita in the 60 percent segment but which do not own a car
Lower class:	Households whose income per capita is in the lowest 20 percent segment
Arab:	A person who identifies his/her ethnic origin as Arab
Headscarf:	A woman who does not cover her head or a man with a headscarf or whose spouse does not cover her head with a headscarf
Chador:	A woman who wears chador or a man whose spouse wears a chador
Religious:	A person who tries to fulfill the requirements of the religion
Religious conservative:	A person who identifies his/her lifestyle as religious conservative
Traditional conservative:	A person who identifies his/her lifestyle as traditional conservative
Ideological:	A person who states a party as the closest to his/her political view
Believer:	A person who believes in the requirements of the religion, but does not fulfill them completely
Non-believer:	A person who does not believe in the requirements of the religion
Urban area:	Settlements with a population of more than 4000 (differs from the official definition)
Rural area:	Settlements with a population of less than 4000 (differs from the official definition)
Kurdish:	A person who identifies his/her ethnic origin as Kurdish
Leader follower:	A person who states that he/she trusts in or favors the leader of a certain party
Metropolitan:	Settlements which are located within the integrated boundaries of the most crowded 15 cities (differs from the official definition)
Modern:	A person who identifies his/her lifestyle as modern
No cover:	A woman who does not cover her head or a man whose spouse does not cover her head
Non-partisan:	A person who states that none of the parties represent him/her



Pious:	A person who fulfills the requirements of the religion completely
Late-decider:	A person who states that he/she makes a decision based on the election campaigns
Sunni Muslim:	A person who identifies his/her religion/sect as Sunni Muslim
Partisan:	A person who states that he/she/they always vote for that party
Turban:	A woman who wears a turban or a man whose spouse wears a turban
Turkish:	A person who identifies his/her ethnic origin as Turkish
Upper class:	Households whose income per capita is in the highest 20 percent segment
New middle class:	Households whose income per capita is in the 60 percent segment and which own a car
Zaza:	A person who identifies his/her ethnic origin as Zaza
Multiple Correspondence Analysis (MCA)	It is a data analysis technique for nominal categorical data, used to detect and represent underlying structures in a data set. It is used for applying Correspondence Analysis (CA) to large data sets with more than two variables. MCA was shaped with the work of mathematician and linguist Jean-Paul Benzécri in 1960s, and MCA-related studies and publications proliferated after the translation of research on Jean-Paul Benzécri and MCA in the 1980s and the use of this method by the French sociologist Pierre Bourdieu.

5.1. Questions and Response Options

Which of the three lifestyle clusters below do you feel you belong to?

Modern

Traditional conservative

Religious conservative

Do you cover your head or does your spouse cover her head when going out of your home? How do you cover your head?

No head cover

Headscarf

Turban

Chador

Bachelor male



We are all citizens of the Turkish Republic, but we may have different ethnic origins; which identity do you know/feel that you belong to?

Turkish

Kurdish

Zaza

Arab

Other

Which religion or sect do you feel you belong to?

Sunni Muslim

Alevi Muslim

Other

Which of the below describes you in terms of piety?

A person who does not believe in the requirements of the religion

A person who believes in the requirements of the religion, but does not fulfill them completely

A person who tries to fulfill the requirements of the religion

A person who fulfills the requirements of the religion completely

Which of the reasons below influence/determine your political preferences?

I/we always vote for that party.

It is the party closest to my political view.

I trust/favor its leader.

None of these parties represent me.

I make a decision based on the election campaigns.

Total

Settlement Code (Data obtained from the sample)

Rural

Urban

Metropolitan

Economic classes (determined by using household size, household income and car ownership)

Lower class

Lower middle

New middle

Upper class