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A Study on Consumer Banking:

Recent Developments in Marketing of Bank Services in Turkey

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To my mother, my father, my husband and my son

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Petek Güleşçi Pekuysal

ABSTRACT

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by

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The purpose of this study is to identify the consumer banking products in Turkey, to find out about the awareness of consumers to these products, to discover their utilization frequencies and the attitudes of consumers towards these services. Consumer banking will also be investigated from the viewpoint of bank managers during the course of this study.

After a review of literature on the subjects of marketing of services in general and marketing of bank services, the consumer banking products around the world will be presented. Consumer banking products in Turkey will also be presented which summarizes the results of the interviews made with bank managers. For the purpose of the study, a descriptive research focusing on bank customers was conducted in Istanbul. Analyses were performed on data collected from 210 questionnaires by using SPSS/PC version 5.0. program.

The first group of findings of this study are the results of the interviews made with bank managers. These findings shed some light on the status of consumer banking in Turkey today, including the types of services offered, the criteria for giving these services, the reasons for choosing to offer these services as well as the marketing policies and procedures of banks in Turkey.

The second group of findings of the study are associated with the field research conducted. One of the important findings is that consumer banking products are well

known, among which ATM services are the most widely known and accepted one. Checks and credit cards are also well known and frequently utilized. The usage frequencies of home banking services and consumer credits are moderate, while portfolio services are the least utilized consumer banking service offered.

The findings of this study are expected to contribute to the Turkish literature on marketing of consumer banking products, by offering information about consumer banking products, about bank customers and their preferences, as well as serve bank managers by providing some important implications, and academicians by presenting the need for further research.

ÖZET

Bireysel Bankacılık Hizmetleri Üzerine Bir Araştırma:

Bankacılık Ürünlerinin Pazarlanmasında Türkiye'deki Gelişmeler

Hazırlayan: Petek Güleşçi Pekusysal

Bu çalışmanın amacı, bireysel bankacılık hizmetlerini tespit etmek, bu hizmetlerin tanınma oranlarını belirlemek, kullanim sıklıklarnı bulmak ve müşterilerin bu hizmetlere karşı tutumunu saptamaktır. Bireysel bankacılık hizmetleri banka yöneticileri açısından da değerlendirilecektir.

Hizmetlerin pazarlanması ve özellikle bankacılık ürünlerinin pazarlanmasındaki gelişmeler konusundaki yazın taramasından sonra İstanbul'da banka müşterileri üzerinde yapılan bir saha araştırması sunulacaktır. Veri analizleri, görüşülen banka müşterileri ile yapılan 210 ankete SPSS/PC sürüm 5.0. programı uygulanarak gerçekleştirilmiştir. Bireysel bankacılık hizmetlerinin Türkiye'deki durumu konusunda banka müdürleri ile yapılan mülakat sonuçları da bu çalışma içerisinde sunulacaktır.

Çalışma esnasında sunulacak olan bulguların bir bölümü banka yöneticileri ile yapılmış olan mülakatların sonuçlarıdır. Bu bulgular, bireysel bankacılığın günümüzde Türkiye'deki durumu, bankalar tarafından sunulan hizmetler, bu hizmetleri verirken uygulanan standartlar ve kriterler, bu hizmetleri sunmalarınn sebeplerinin yanısıra, bankaların pazarlama politikaları ve teknikleri konularında okurları aydınlatacaktır.

İkinci grup bulgular saha çalışmasının sonuçlarını yansıtmaktadır. Çalışmanın önemli bulgularından biri bireysel bankacılık hizmetlerinin müşteriler arasında iyi tanınmasıdır. Bu hizmetlerin arasında en yaygın olarak bilinen ve kabul edilen ürün bankamatiklerdir. Çekler ve kredi kartları da sık kullanılan ürünler arasındadır. Ev bankacılığı ve banka

kredilerinin kullanım oranları orta derecede olmakla birlikte, portföy hizmetleri en az tanınan ve en az kullanılan hizmet olarak karşımıza çıkmaktadır.

Bu çalışmada elde edilen bulgular, bireysel bankacılık hizmetlerini tanıtması, ve banka müşterileri hakkında genel ve tercihsel bilgiler sağlaması açısından Türk yazınına, ve banka yöneticilerine ve ayrıca hazırladığı araştırma zemini açısından daha sonra yapılacak araştırmalara da katkıda bulunması beklenmektedir.

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LIST OF ABBREVIATIONS

AMEX	American Express
ATM	Automated Teller Machine
DİE	Devlet İstatistik Enstitüsü
EC	European Community
EFTPOS	Electronic Funds Transfer At The Point Of Sales
GDP	Gross Domestic Product
GNP	Gross National Product
IMKB	İstanbul Menkul Kıymetler Borsası
PC	Personal Computer
PIN	Personal Identification Number
POS	Point Of Sales
REPO	Repurchase Agreement Of Government Bonds
YKB	Yapı Kredi Bank

1. CHAPTER ONE: INTRODUCTION

The dynamic nature of the finance world brings with it many new alternatives. The major reason for this dynamic nature is the competitive environment in which the finance world operates. Change is the hallmark of today's business environment. We are living in an era of tremendous economic, technical, and social change, all of which have combined to alter radically the way most organizations do business. Also contributing to the rapid change in the banking industry were the technological advances in communication, transportation, and data processing, which further enhanced the capacity and potential capabilities of firms in the financial service industry. The impact of changes in the economic environment on the financial service industry had, in turn an equally significant impact on the individual institutions or firms and their corporate culture. The consumer banking products have evolved in such an environment in order to satisfy the growing needs of banks as well as their customers in recent years around the world, and also in Turkey.

The purpose of this study is to shed some light on the issue of marketing of consumer banking products in Turkey, examining the issue from the point of view of both bank managers and their customers. The specific banking products which are provided at an individual basis, their uses, the awareness of the end users to these products and their evaluations, the reasons for using these services, the frequencies of utilization, the areas of use, as well as the distribution of these products are some of the major points to be examined in detail. Furthermore, the evaluation of bank managers regarding this issue will also be taken into consideration.

The study consists of five chapters. The first chapter is an introduction. The second chapter is an analysis of marketing of services in general, as well as issues related specifically to the marketing of bank services. This part of the study was found necessary because consumer banking services are a subset of the service sector.

Explanations about specific consumer banking products around the world, and in Turkey are also present in this chapter.

The third chapter presents the research design and methodology used in this study. Chapter four presents the findings of the field research. This chapter consists of an evaluation of the demographic characteristics of the sample, findings associated with customer awareness of consumer banking products, the results associated with the usage of consumer banking products, and findings associated with attitudes towards consumer banking products.

Finally chapter five consists of a summary of findings, conclusions, and implications of the study.

This study aims at clearly categorizing the consumer banking products, investigating the course of their development, and their uses from the viewpoint of both bank managers and their customers. Trends of the finance world, such as banking in the computer age will also be analyzed. In the end, the aim is to reach an understanding of the banking sector in Turkey, with an emphasis on the marketing of consumer banking products.

2. CHAPTER TWO: LITERATURE SURVEY

2.1 Marketing Of Services

2.1.1 The Concept Of Marketing And Services

Marketing of services differ from that of products due to its nature. A widely accepted definition of a service states that "a service is an activity or benefit that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product (Kotler, 1994). Another definition of a service is as a deed or act or performance (Berry, 1989). Even though goods and services both attempt to satisfy consumers' wants and needs, there are some important differences between these two classes. Goods tend to be tangible, nonperishable, standardized, and low in buyer participation. On the other hand services tend to be intangible, perishable, nonstandardized, and high in buyer participation.

The intangible nature of services is one of the factors which differentiates them from products. A product's tangibility refers to the degree to which it provides satisfaction through features that can be perceived by senses. Due to this nature it is more difficult for customers to grasp the idea of services than it is for products with a physical presence. Because of intangibility, customers have difficulty in evaluating services before, during, and after sales.

A second feature that often distinguishes services from goods is perishability, the degree to which a product can be stored. The satisfaction provided by a service can not be stored, which makes it once again more difficult for customers to evaluate their satisfaction level from the service in question. A service is generally consumed at the point of production. It is not possible to separate production and consumption of services. Goods however, can be produced, stored and then consumed.

Standardization is another attribute that distinguishes goods from services. Services often depend on actions by the marketer, therefore they tend to be

nonstandardized. In most cases, a service is subject to some variation in performance. The quality and essence of a service can vary from producer to producer, from one customer to the next even from one day to the other. Service performance of the same individual may also differ since people's performance day in day fluctuates up and down (Kinsely, 1979).

In terms of buyer participation, there tends to be a gap between the production, marketing and consumption of goods, while services tend to occur within a single time frame (Schewe, 1987). Services tend to be produced, distributed, and consumed with less separation in terms of time and place when compared to goods.

In providing satisfaction for consumers, services generally rely on direct actions performed by the marketer, whereas goods rely more on material objects created by the marketer (Schewe, 1987). Defining, measuring and building quality of service is not an easy task due to the intangible, perishable, and variable nature of services and due to the inseparability of services from their consumption (Akan, 1995).

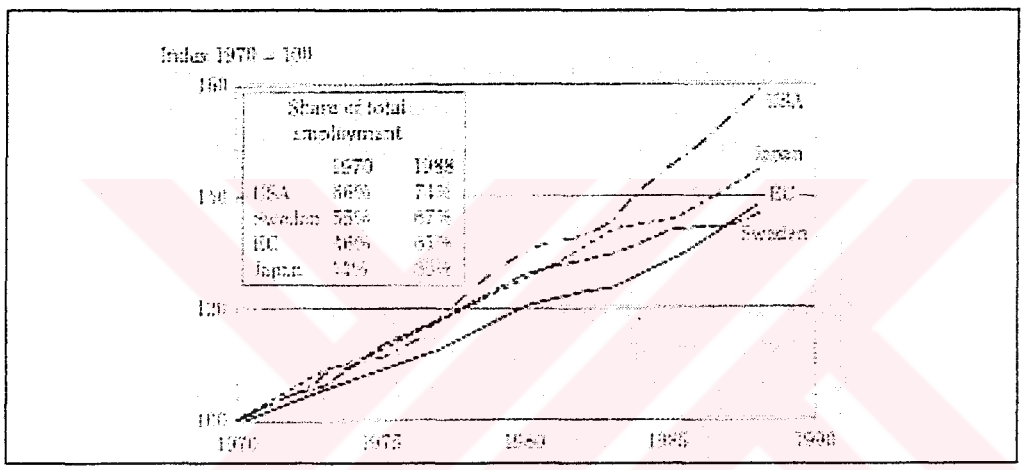
2.1.2 The Importance Of Service Today

The role of services in the lives of the people are increasing in many parts of the world. The share of services accounted for more than half of the worldwide gross national product (GNP) at the end of the 80s (Cronin and Taylor, 1992). In Turkey 37.4% of the workforce is employed in the service sector according to Turkish Economy Statistics and Analysis published by Devlet İstatistik Enstitüsü (DIE, 1995) Even though this percentage is lower than the world standard, service industry plays a significant role in Turkey's economy because of its share in the GNP which was 53.5% in 1995.

There are several factors which explain why services are becoming an increasingly significant feature of society. One of these is technical progress, which has

resulted in changes in production methods, so that more goods are produced by fewer people. Thus services play an increasingly significant role in global economy. It is in the service sector that employment and production will increase in the future. Services are extremely important for employment and the GDP of the economies of industrial nations (Edvardsson et al., 1994). Even when it comes to investments, the service sector stands for a significant percentage. Figure 2.1 shows an example of the increasing proportion of people employed in the service sector.

Figure 2-1: Growth in employment in services



Source: Edvardsson et. al. Quality Of Service: Making It Really Work, McGraw-Hill Company Europe, London, 1994, p.5

The reasons for the intensified interest customers put on services is first and foremost the fact that customers are getting more and more critical of the services they receive. Many customers are not wanting but expecting better service.

As competition is increasing, the role of services in providing value is getting more important. Increasing similarity of customer offerings, both in goods and services, and the highly imitable nature of tangibles that service firms use, make it necessary to put more emphasis on services such as differentiating characteristics (Pickworth, 1987; Stanton, 1991).

2.1.3 Service Quality

What is quality in services? The term is ambiguous and subjective: quality is like beauty, it is in the eye of the beholder. For many people, quality is fulfilling customers' expectations (Edvardsson et. al., 1994). The American Society of Quality Control, based on extensive research, defined quality as the " totality of features and characteristics of a product or service that bears on its ability to satisfy stated or implied needs" (Kotler, 1994). Quality has also been defined in literature as "consumers' expectations from services" (Akan, 1995). Putting these definitions together, it is clear that quality of services has got to do with fulfilling needs of customers. However the American Society of Control's definition of service quality also imply the fulfillment of the expectations of the managers. Thus, it could be concluded that quality of services are associated with fulfilling the expectations of both customers and management.

The decline of service is seen as having begun in 1970s, when high inflation rates along with high prices made customers willing to sacrifice service in their quest for lower prices. Self service filling stations, and off price retail stores are two of the results of this trend. Today however, consumers realize they miss service. Although unwilling to give up many of the undeniable conveniences offered by technology, such as computerized systems, they still want personal interaction, particularly in situations where assistance is needed, or there are problems to be solved (Koepp, 1987).

Today, more emphasis is being put on quality than ever. Many surveys done among the top executives of U.S. firms show that product and service quality is identified as one of the critical challenges they have been facing (Berkowitz et. al., 1994).

As consumers increasingly demand better quality products and services, businesses have also learned that improving quality, although calling for additional spending, actually results in an overall cost decrease (Reicheld and Sasser, 1990)

Quality is more difficult to achieve in services than it is in products. In manufacturing, one can control quality by purchasing components which ensure right quality, by using and adjusting machines to assemble the components into productions with a quality that is specified in advance. At every part of the process of design and production there are detailed controls. Through inspection, possible faults and defects are discovered, which can be dealt with before customer receives the goods.

Conditions are often different for services. The customer is present and participates in the production process of the service. Each customer has specific ideas and expectations which are different from others, and which may even differ on different occasions. The customer sees and experiences what is happening. The customer sees and experiences any chaos in the 'service factory', and can hear the staff speaking ill of the customers, or sense a lack of motivation. Furthermore, customers also interact with one another. All these give tangible clues by which the customer assesses a service provider and the quality of that service (Edvardsson et. al., 1994).

The basic problem with services compared to goods is that there is less opportunity to control how the service is provided and experienced. It is not possible, as was the case with products, to apply inspection and avoid exposing the customer to incorrect or defective service. The right quality must be built into the production system and all parts of the service process from the start.

Competing financial institutions are much alike in services they offer, checking accounts, credit cards, loans etc. Their prices are comparative, with branch banking and Automated Teller Machines (ATMs), they often offer comparable convenience of location. Where they differ is service. Competing institutions may offer the similar services, but they do not offer the same service. Quality of service is the great differantiator. Quality service gets and keeps the customer's attention. According to the 1987 American Banker consumer survey, quality of service is a major factor in winning customer loyalty. (Berry et al., 1989).

According to a study done on 200 bank customers by Perran Akan, in response to the question weather they preferred price or quality, 85.9% reported they preferred quality to price. According to the same study, speed of transactions is the most important attribute of bank services followed by knowledge and training of the personnel. Next in line are a set of characteristics and skills of the personnel related both to technical aspects of the job and interpersonal relations with the bank's customers. The service attributes that are assigned the lowest importance were about the tangibles (physical appearance/clothing of personnel, quality of the products offered for use, interior/exterior appearance of the bank and furniture) and special attention given to customers. This study shows that quality service is once again, what forms individual preferences even in the banking industry.

With service excellence everyone wins. Customers win. Employees win. Management wins. Stockholders win. Communities win. The Country wins (Zeithaml et. al., 1990).

2.2 Marketing Of Bank Services

2.2.1 Development Of Marketing Of Banks Around The World

In recent years, the financial services sector has been among the fastest growing part of service sectors. The financial services market and bank market in particular face a rapidly changing environment especially due to technological advances and increasing competition further enhanced by deregulation.

Banking is a dynamic not a static business today. Historically, one of the closely regulated of all industries, banking is gradually being deregulated in The United States, Canada, Western Europe , Japan, and selected other nations around the world (Rose, 1993). The speed with which old rules are being swept away and new rules are put in place varies greatly from nation to nation, which has given some bankers clear

advantages in freedom and flexibility over their competitors and resulted in dynamic shifts in the market shares of leading international banks.

Another important issue that the industry is facing is the technological revolution spreading around the world with immense speed. The technology of information processing and communications is changing so rapidly that even relatively new techniques for electronic processing and the transfer of financial information are quickly outdated. Bankers can meet most of their customers' needs over long distances via satellite, telephone, cable and fax communication with the help of high speed computers.

As geography becomes less of a barrier to delivering bank services, due to the reasons mentioned above, the market for banking services will become broader and competition will become worldwide.

One of the major consequences of increased competition and changes in the market place has been the need for banks to become more market oriented and to engage in marketing activities; to a certain extent the acceptance of marketing philosophy has been forced on them (Uray, 1992).

Following the lead of the industry, banks have adopted a new philosophy of operation generally referred to as the marketing concept (Walker, 1970).

2.2.1.1 Developments In Turkey

Turkey is a fast growing and a very new market in the field of consumer banking. It became a major field of banking when the need for support not only for production, but also for consumption arose as a result of liberalization movements and development of financial markets in the 1980's.

After 1980's, as the way people changed, consumption and saving habits also changed. The banks emerged to enlarge their market shares, and to carry some of their risks from commercial institutions to private consumers. Consumer credits arose as an alternative in such an environment in 1988. Yapı Kredi Bank was the first Turkish bank to extend consumer credits. This took place about 50 years later than the National City Bank of New York. That is why Turkey is a relatively new, developing and promising market. Another reason is that the Turkish population is a young one, as compared to developed countries' populations. In accordance with the increasing level of education and knowledge, the market becomes more and more competitive for banks that serve in the field of consumer banking. Furthermore, because Turkey has a fluctuating economy, and because consumer banking is least affected by these fluctuations among all other banking activities, consumer banking is on its way to become the most important activity of the banks in Turkey.

Nowadays, the concept of consumer banking has changed from savings deposited at banks to understanding private consumers' financial problems and needs and offering a wide range of easily accessible solutions.

A new tendency in Turkish banks is to become 'the person's bank'. In order to do so, banks research new distribution channels for their consumer banking products. In accordance with developed countries, banks in Turkey introduce new products or package of products . For example, a consumer banking package carries automatic payment of bills of the customer, overdraft facility, credit cards, private loans in case of need, and means of investment. But still, some products like smart cards and remote banking of developed countries are mostly potential products for the next decade.

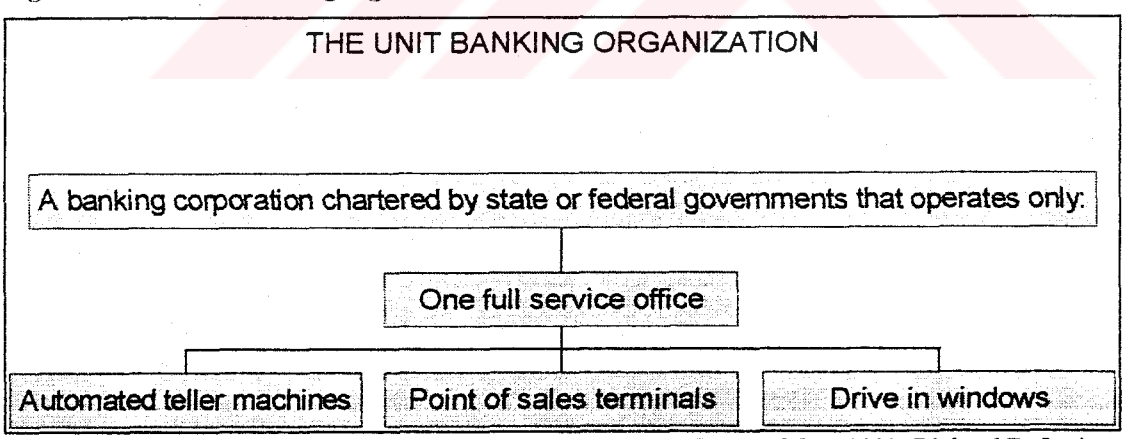
Even though, consumer banking in Turkey is not as developed as in the United States and some EC countries, the competition among banks is not less vivid. As a fast growing new market, Turkey is a candidate to become a foregoing country in the field of banking if the advantages can be appreciated truly.

When we look at the 1990's, we see that in the field of consumer banking, a new product is being introduced to the market almost every day. We also see that there is a fierce competition among banks especially in the technologies used for capturing a larger market share of consumer banking which promises large profits in return.

2.2.1.2 Issues Unique To Marketing Of Banks

The organizational structure of banks give extensive clues about their marketing strategies. By the help of their organizational structure, banks decide on the location of their service distributing units. Around the world, there are two types of structures employed by bank. Unit banks, one of the oldest kinds of banking, offer all their services from one office, though a small number of services may also be offered from limited service facilities, such as drive in windows, ATMs and Point of sales (POS) terminals linked to the banks' computer system. Figure 2.2 shows the unit banking organization of a bank.

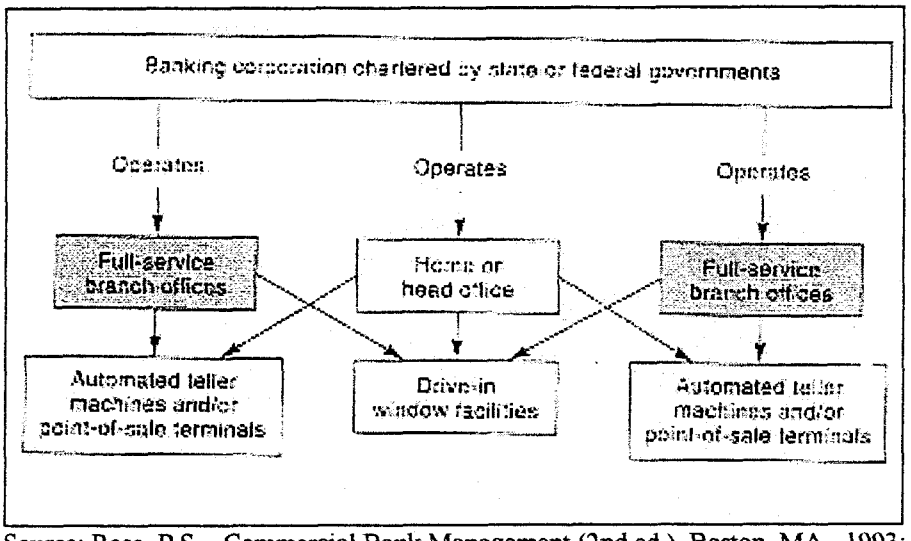
Figure 2-2: The unit banking organization



Source: Rose, P.S., Commercial Bank Management (2nd ed.), Boston, MA., 1993: Richard D. Irwin, Inc. p. 36.

Where laws and regulations permit, the bank may form a branch banking organization. The full range of banking services is offered from several locations, including a head office and one or more branch offices. Figure 2.3 shows the branch banking organization of a bank.

Figure 2-3: The branch banking organization



Source: Rose, P.S., Commercial Bank Management (2nd ed.), Boston, MA., 1993: Richard D. Irwin, Inc. p. 38.

Most branch banks in the United States are small compared to other banks around the globe. For example, in 1990, there were about 7000 branch banking organizations in the United States, operating approximately 50000 full service branches, or an average about 7 branches per bank. In contrast , most banks in Great Britain and western Europe operate dozens, if not hundreds, of full service branch outlets. This wide disparity in national banking structures arises from differences in public and political attitudes towards branch banking (Rose, 1993).

In Turkey, in terms of organizational structure, branch banking is more popular, and more frequently used, because Turkey is a rapidly growing region, and due to intense competition, banks find themselves under pressure of loosing their customers to more conveniently located competitors.

2.3 Consumer Banking Products

Consumer banking products are by definition those services which are offered to customers on an individual basis. In literature, there seems to be some confusion as to which services of banks are considered to be consumer banking services. For the aim of this study, all of those services which may be given to individuals upon request will be considered. These services are namely consumer credits, checks, credit cards, automated teller machines, electronic funds transfer at the point of sales, home and office banking and portfolio services.

2.3.1 Consumer Credits

In a broad sense, customer credits are loans given to individuals for the purchase of goods or services or for other unrelated financial businesses, upon an agreement concerning the terms of repayment. It has evolved in the United States after the World War I in order to solve the cash problems of individuals and help them finance purchase of houses, and cars, as well as durable goods. As a result of the competitive environment facing the finance world, a variety of credit types have evolved over the following years. The amounts of credit extended, and the repayment schedules differ according to the individual credit user.

2.3.1.1 Categories Of Bank Credits

Credits extended by banks can be generalized into two categories. The first category is cash credit, which are loans in the form of currency, and the second category, goods and services credits, are those that are extended to individuals for the purchase of specific goods or services. Some examples of such credits include education credits (given to individuals in order to help them finance the educational expenses of their children, usually given at the beginning of the school year with a

payback period till the end of that school year), insurance installment credits (given to individuals to finance the payments of their insurance installments), vacation credits, and health care credits (to be used at doctors, dentists, and hospitals).

Credits could also be categorized according to the period of payback. Those credits with a repayment period of less than three months are called short term credits. The mid term credits have a payback period between three months and a year. Long term credits have payback periods over a year.

2.3.2 Consumer Credits In Turkey

Individual credit agreement is a fairly new topic in Turkey. Banks face certain problems due to the lack of regulations in this field. Some of these problems are: the limitations on the amount of credit given to the non business oriented credit users, the lack of a system of assurance for credit risk, and the large number of non insured consumers (Oğuztürk, 1989). Banks have formulated their own strategies and procedures due to the lack of regulations in this area.

The reason that banks have chosen to serve their consumers with a consumer credit alternative has it roots in September 1988; when the deposit interest rates were set free, and because of this excessive funds accumulated in many banks' reserves, and also in the introduction of securization (referred to in Turkish as Varlığa Dayalı Menkul Kıymet) for consumer credits, home credits and credit card related credits. Further more, due to the high interest rates, highly credible business entities have chosen to use their own funds, and thus a decrease in credits extended by banks was experienced. In such an environment consumer credits served as an alternative both in making use of banks' excessive funds, and in accomplishing higher interest rates due to the higher risk involved in consumer credits, in decreasing the risk involved by increasing the number of credit users, and increasing the overall number of customers (Oğuztürk, 1989). Today, consumer credits are given to individuals regardless of their

end use may it be for the purchase of houses, cars or other durable or non durable goods and services, as well as for solely financial purposes.

The first consumer credit was extended in Turkey in July 1988 by Yapı Kredi Bank. Similarly the first automobile credit was extended in march 1989 by MAIS and Yapı Kredi Bank. In a period of two and a half months, the demand for this type of consumer credits have increased to 1.000. By the end of 1989, the automobile credit services totaled to 46% of the consumer credit market in Turkey (Erzen, 1991). (Following the financial crisis of 1994, the demand for automobile credits was dramatically reduced.)

Consumer credits are given, in general, over a period of three to twenty-four months. The target customers of banks in this field are individuals with mid and high income.

Consumer credits are one of the earliest types of consumer banking products to be offered by banks after checks. Among the banks encompassed in this study Akbank, Yapı Kredi Bank, Garanti Bank, and Finansbank offer this service, whereas Interbank and Citibank, both with a fairly new consumer banking department plan to add this service to their activities in the near future. Bank managers see consumer credits as a way of further serving their customers, taking care of their financial needs, as well as a profit center for their banks.

2.3.2.1 Criteria For Credit Extension

All of the bank managers interviewed for the purpose of this study believe that a person in need of consumer credits should be evaluated regardless of the fact that he or she is already a customer of their bank, or is only a potential customer. Finansbank has a target customer group with mid or high level income. The representatives of this bank try to find their customers themselves rather than to wait for customers to come

their way. The people who require credits are evaluated at a committee, and those who are found trustworthy are given the credit .

Akbank extends credits to those individuals who are seen as " credible" by the bank. They need not be an old customer of Akbank for this purpose, the person may just as well be a new customer to the bank. Information towards the credibility of the customer is gathered and evaluated.

Garanti Bank also extends consumer credits to individuals in their target customer group. The customer should be identifiable by the bank, and must be someone with whom the bank relationship can be extended into a long term relationship.

Yapı Kredi Bank offers its consumer credit services to those individuals with a regular income and those of which are once again considered "credible" by the bank. The group of people mentioned above may be anybody above the age of eighteen.

2.3.2.2 Limits Of Consumer Credits

The limits of consumer credits vary from one bank to the other. There are certain standards in general, however banks are fairly flexible concerning this issue. The limit of a consumer credit may be increased as seen fit by the bank according to the credibility of the credit acquiring individual.

According to the interviews done with bank managers for the purpose of this study in 1996, Akbank has a limit of 100 million TL. on cash loans. Yapı Kredi Bank has a limit of 250 million TL limit on the same type of loan, whereas Finansbank has no upper limit but pursues a lower limit of 50 million TL. Garanti Bank, similar to the other banks has certain standards, but is flexible when it comes to dealing with individual customers.

When credits are in the form of house or automobile credits, banks are even more flexible, since proof of purchase is required from the customer and installments of payment is agreed upon. In general there is no set limit to an automobile or house credit unless it is a special promotional activity taken on by the bank such as financing the purchase of a certain brand automobile for a certain time period. The limits on these types of credits differ according to the type of house or automobile in question.

2.3.2.3 Categories Of Consumer Credits Offered By Banks In Turkey

Among the banks interviewed for this study, Interbank and Citibank do not offer their customers this service. Akbank, Garanti bank, Yapı Kredi Bank and Finansbank have all established three categories of consumer credits. The first one is emergency loans in the form of cash, given regardless of its end use. The second category is automobile credits, and the third category is credits extended for the purchase of homes.

The payback terms of these credits also differ from one bank to the other. Akbank has a standard computer program on which installments on loans are calculated automatically for a time period of 3 to 24 months. Interest is calculated according to the conditions of the economy at the date the credit is extended. Garanti Bank has a standard payback program as well, however plans are being made to make it more flexible. The installments at Yapı Kredi bank are calculated according to the amount of credit, the time period within which full payment will be made, and the interest rates of that time period. This program is also fairly standard. Finansbank on the contrary, offers elastic terms of payment. Installments are calculated according to the cash flow of the credit acquiring party.

2.3.3 Checks

Checks are among the oldest services of banks, however in literature, they are not considered to be one of the consumer banking services. This result may be due to the fact that checks are used for commercial purposes in most of the cases. Since transactions of institutions are not the subject of consumer banking, checks are not considered in most of the consumer banking studies. However, since banks offer checking accounts on an individual basis, and individuals take advantage of this service for making payments, checks will be included as a consumer banking service in this study.

A check is a written order from a checking account depositor, directing his or her bank to make funds available to a specified person or to 'cash' (anyone presenting the check for payment). A cashier's check is drawn by a bank against its own funds. Unlike a personal check, it has unquestioned validity. A traveler 's check is a form of cashier's check (Rose, 1993).

Checks are signed by the maker or drawer, and contain an unconditional promise, or order to pay a certain sum of money. It is payable on demand to the order of a named person, or payee, or to the bearer. It may be transferred from one person to another by endorsement. An endorsement is a signature or other writing on the back of the check, indicating that it has been transferred from the original payee to another. The signature of the payee is enough to indicate this transfer.

A bank receiving a check drawn to another local bank sends it through a local clearinghouse, which adjusts the bank's accounts (Rose, 1993).

Checks are convenient to carry and use, are less subject to theft than is cash, and serve as receipt after they are processed and returned.

2.3.4 Checks In Turkey

Before credit cards came to existence, checks were practically the only way for individuals to make payments without using cash. Even though credit cards may seem to be taking the place of checkbooks nowadays, it is not the case. The system of postponing payments of checks, even though not legal in Turkey, is the attribute of checks which still make them very important. However at this point it is important to make the distinction between business oriented versus personal oriented check usage. In Turkey, checks are most commonly used for business oriented purposes rather than personal needs.

Another function checks fulfill in Turkey is their usage as a collateral. A cursory of check transactions in banks reveal that about half of the checks are used as a means of payment, and the remaining half as collateral for loans on wholesale or retail commercial transactions.

2.3.4.1 The Procedures Of Check Services

The interviews with bank managers done for the purpose of this study show that bank managers see checks as an indispensable part of consumer banking. In general, checkbooks are given to bank customers with a deposit at their bank, upon request, after foregoing a certain evaluationary process. The issue of credibility shows its importance once again at this evaluation. During the process banks place great importance on the past check usage patterns of the individual concerned. It is important for them to know whether or not fraud has been involved in past experiences. Checks which have been written and not paid are blacklisted and those individuals are usually denied further usage of this service.

Interbank claims to give checkbooks to those customers who are "credible". Similarly, Akbank sees "trustworthiness" as the most important factor.

Along with normal check services Yapı Kredi Bank and Finansbank offer a derivative of this service. A certain type of checkbook of these two banks, named Super check and Finans check respectively, guarantee a limited amount of payment unlike normal checks, for which payments are solely the responsibility of the check writer and not under the guarantee of the bank. The amount under guarantee is 5 million TL. for Finansbank, and 4 million TL. for Yapı Kredi Bank.

2.3.5 Credit Cards

People need to make payments. It is fundamental to all but the most primitive or self sufficient individuals that they need to be able to exchange goods and services among themselves. Originally, simple transactions were carried out by barter. Gradually barter was formalized by making standard shapes and sizes of precious metals such as gold and silver: these first coins appeared around 700 BC. in Asia Minor. Later still, the pace of development quickened. Token money was introduced in the form of debased and non-precious metal coins. In about AD 1000 the first banknote appeared in China (Frazer, 1985) The first written instructions (checks) were used to transfer precious metal from one holder to another. Inevitably, the precious metal was replaced by an entry in ledger. Other written payment instructions were introduced such as credit transfers, postal orders, money orders and travelers checks.

In the twentieth century the pace of change has quickened still further, especially since the Second World War. Plastic cards have been developed, first as a convenient way of identifying bona fide customers, later as the mechanism by which personal customers could interface with electronic banking technology.

Electronic payments represent the third great age of payment systems following cash (notes and coins), and paper instructions (checks, credit transfers, credit card

vouchers etc.). Plastic cards cannot be considered to represent a payment system in their own right, since their role is essentially to identify customers, and convey information to machines, thus initiating either a paper or electronic payment (Frazer, 1985).

Simply stated, a credit card is just an identification document, identifying the holder as possessing a credit account. This account allows the customers to accumulate purchases, paying off the account, fully or partially, at regular intervals (Frazer, 1985).

Credit cars were first used in the United States, given to the customers of the Western Union in 1924, in order to finance the purchase of fuel at fuel stations. The extension of the use of credit cards came around 1950's after the Second World War. In 1950, Diners Club came up with the first credit card in the sense that is used today. In 1958, Bank of America put into use the first international credit card known as "Bank Americard" and Amexco with " American Express". In 1960 "Card Blanch" was used in France, however the popularization of credit card around Europe was after the 1970s (Aydın, 1994).

On the front face of a plastic credit card, the logo of the credit card company, the logo of the issuer of the card, the serial number of the card, the validity date, and the name of the user is written. The back side of the card contains a magnetic band with the same information as the front side as well as a band with the authorized signature (Alpergin, 1990).

Credit cards serve two major purposes, first facilitating payments, and second enabling the use of rotating credits. Individuals are given the choice of purchase regardless of the cash amount that they carry. Payments may also be postponed till the end of the payment period. Rotating credits, is another choice given to credit card holders, by the means of which, the payments may be made in installments to the bank.

With the advances in technology, credit card usage has increased. In 1986 the number of Visa holders was 132 million, and Mastercard holders was 100 million around the world (Revell, 1983). The percentage distribution of credit cards in 1980 can be seen in Table 2.1. By the end of year 1992, the number of Eurocard and Mastercard holders were calculated to be 900.055, with 20 thousand members as business entities in Turkey.

Table 2-1 The percentage distribution of credit cards in 1980

Bank cards	Visa	13.5
	Mastercard	11.2
	American Express	1.6
	Diners club, Carte Blanche, Eurocard	0.7
Other Cards	Shops	46.8
	Fuel oil station cards	20.5
	others	5.7
Total		100.0

Source: Revell, J.R.S. Banking and Electronic Funds Transfer OECD Publication, 1983, p.24

2.3.5.1 Types Of Credit Cards

In our today's world, it is possible to summarize credit cards in three categories (Aydın, 1994).

1. Credit Cards: Those cards which facilitate purchases, enable the user to acquire cash, and credit from the bank
2. Charge Cards: Those cards which facilitate purchases, however do not enable the holder to use credit from the bank
3. Debit Cards: Those cards which facilitate purchases by directly charging to the user's bank account.

Credit cards may also be categories in terms of bank credit cards, store card, travel and entertainment cards, and company cars (Aydın, 1994).

1. Bank Credit Cards : These cards enable the holder to make use of certain agreed upon amount of short term credit. The bank sends the holder of the card, a summary of purchases along with their amounts, and their account balance on a certain date of each month. The card holder is expected, in Turkey within 10 days, and in the United States, and Europe within 25 days, to pay back the bank either the full amount spent, or the first of the installments of the payment according to the agreement. Banks require a certain commission fee from the stores that offer this service. Banks also charge interest on the credit extended to the card holder. In Turkey, the card holders are also obligated to pay a certain fee in order to become a member of this system. Banks have the choice of offering two different systems of credit cards:

a) Offer an international card in the native country, according to their license agreement with the original credit card organization. Examples of this system include Visa and Mastercard which may be issued by Akbank, or Yapı Kredi Bank for instance, in line with their license agreements with Visa and Mastercard.

b) Offer bank's own card to their customers. In order to do this, the bank must form a large enough pool of shops, restaurants, hotels, etc. as well as credit card users. For example the "Prestige Card" of Pamukbank.

Due to the difficulties involved in offering bank's own credit card, today mostly cards of international organizations among which Visa and Mastercard are the most common are used. The advantages for the banks which offer these cards upon licensing agreements lie mainly in decreasing costs. The license giver aids the licensee bank in activities connected to the marketing of these cards such as advertising. Another advantage to the bank is the already acquired number of members in this system as well as the advantages of the brand name in question (Aydın, 1994).

2. Store Cards : These are the credit cards offered by commercial stores. These stores may organize the system by themselves, or banks may aid them in this activity. An example of store cards is Marks and Spencers store card in England. Examples from Turkey include Beymen store card and Yeni Karamürsel store card.

3. Travel and Entertainment Cards: These card function similar to banks credit cards however, the holders are obligated to make full payment on their spending at the end of the time period. These cards are also named "charge cards" because of this property. The holder must pay a certain fee each year for membership. These cards have no limit in amount however do not give the holder the chance to postpone payments. An example of such a card is the "Diners Club" card.

4. Company Cards: These are cards usually given to the executives and the marketing personnel of firms, who travel often and use these cards for their payments related to their job. The balance summary goes directly to the firm. Companies pay annual fees for the cards, but obtain in return detailed information about their employees' expenditures and a reduction in the cash float they have to provide.

Credit card firms also offer "gold" and "premier" cards to their customers with high level income. Usually, these cards are not limited in amount of spending. They also offer the user the possibility to draw cash both in native country and overseas.

After a credit card is issued to an individual, it is also possible to issue yet another card on the same account which is called "supplementary card". The original card holder is held responsible for the payments of the latter.

Today, most major banks also offer their customers the possibility of overdraft. For example when a credit card holder writes a check for an amount excessive to that of his or her bank account, the bank charges the excess amount to that person's credit card (Alpergin, 1990).

2.3.6 Credit Cards In Turkey

The first credit card was issued and used in Turkey during the 1960's. However this system did not become popular until the 1980's.

From a general point of view, most banks in Turkey prefer to offer international credit cards such as Visa, Diners Club, Mastercard/ Eurocard, and American Express rather than their own. Some shops have also developed a system of credit card for the use of their customers. Examples of such places include Beymen, Pabetland, Printemps and Yeni Karamürsel.

Table 2-2: The percentage distribution of credit cards in circulation in Turkey in 1994

	STANDARD	GOLD	BUSINESS	TOTAL
VISA	338.733	4.361	0	343.094
MASTERCARD	36.995	0	54	37.049
AMEX	0	0	0	0
DINERS	27.905	0	1.212	29.117
OTHERS	68.725	231	4.037	72.993
TOTAL	472.358	4.592	5.303	482.255

Source: Akbank Yayınları No:26, Bireysel Bankacılık Hizmetleri, İstanbul Haziran 1995, p.3

Table 2-3: The percentage distribution of credit cards with international services in 1994

	STANDARD	GOLD	BUSINESS	TOTAL
VISA	717.564	141.239	7.168	865.971
MASTERCARD	81.874	28.065	1.092	111.031
AMEX	7.848	964	227	9.039
DINERS	1.678	0	53	1.731
OTHERS	0	0	0	0
TOTAL	808.967	170.268	8.540	987.772

Source: Akbank Yayınları No:26, Bireysel Bankacılık Hizmetleri, İstanbul Haziran 1995, p.3

According to the interviews done with bank managers for the purpose of this study, the lack of government regulations concerning credit card use has forced the

financial institutes offering them to formulate their own procedures. Because of this, credit card agreements between financial institutions and their customers differ from one to the other. In these agreements there are usually explanations concerning the limits on amount, interest rates applicable, account summary, the time period in which the card is useful, the ownership of the card, annulation of the contract, responsibilities of the card holder, responsibilities of the card giver, membership in general, membership fees, as well as stating the institute responsible in cases of dispute.

Findings of the interviews also show that banks which offer this service send their customers extracts monthly. The payments are done at the end of the agreed upon time period, in whole or in installments. The installments are calculated to be 25 percent of total debt at the first installment, and with a certain rate of interest at other installments.

All of the banks surveyed in this study offer credit card services to their customers. The system consists of plastic cards given to bank customers and the point of sales (POS) systems installed at shops, restaurants, hotels, hospitals, etc.. Among the banks in this study Garanti Bank was first to offer this service in 1987, followed by Akbank and Yapı Kredi Bank in 1988. Interbank has joined this group in 1994. Finansbank and Citibank have started issuing credit cards fairly recently, 1995 and 1996 respectively.

A factor increasing usage of credit cards in Turkey is the fact that for some banks with no established accounting, reporting, invoicing and collection related operations facilities, invoices are received up to three months late, providing free usage of funds to the card holder, as to the disadvantage of banks. Most of these inefficient card issuer banks are large government banks, going after prestige, rather than profit.

2.3.6.1 The Types Of Credit Cards Offered By Banks And The Underlying Reasoning For This Choice

According to the interviews done, all of the banks in this study issue international credit cards such as Visa, Mastercard and American Express card under licensing agreements. None of them offer their own bank credit cards and do not plan to do so except for Garanti Bank, whose executives believe that if there is enough demand, there is no reason for not going along with such a project. The major reason for international credit card choice of these banks is their concern to be widespread and globalized. Credit cards such as Visa, Mastercard and American Express are already accepted worldwide and the bank managers feel it is necessary to make use of this advantage.

Table 2-4: Brands of credit cards offered by banks in Turkey

	AMEX	VISA	MASTERCARD
AKBANK	*****	*****	*****
Y. KREDI BANK		*****	*****
GARANTI BANK		*****	*****
FINANSBANK	*****	*****	*****
INTERBANK		*****	*****
CITIBANK		*****	

***** shows the types of credit cards offered

Source: Based on interviews done with bank managers for the purpose of this study

Table 2.4 shows the brands of credit cards offered by banks in this study in Turkey. According to the interviews done with bank managers for the purpose of this study, American Express (AMEX) is offered only by Akbank and Finansbank whereas Visa and Mastercards are offered by all of these banks. The licensing agreements of credit cards are done individually by each bank, and in some cases intermediary establishments such as Anadolu credit cards are used for this purpose.

Interbank offers its customers standard and gold Visa/Mastercards which can either be used in Turkey only, or can be international. The limits differ according to the credibility of the card holder but are usually within a range of 100 to 150 million TL.

Finansbank offers standard and gold Mastercards and green or gold American Express cards all of which are usable worldwide. They do not make a distinction concerning the geographical areas of applicability. Beginning October 1996, Visa cards will also be offered by Finansbank to its customers. Limits on these credit cards vary, however there is no upper limit in general. The lower limit is set at 50 million TL.

Citibank offers Visa cards which are either standard or gold. There is no geographical separation. The limits on these credit cards are calculated according to the level of income and credibility of each card holder.

Akbank offers standard or gold Mastercards and Visas along with green or gold American Express cards. These cards can be used only in Turkey, or can be international. The limits on these cards differ according to the income level and when applicable, the guarantor of the card holder.

Yapı Kredi Bank offers standard and gold Visa/Mastercards without a geographical distinction. Limits on standard cards vary according to the income level of the user, however gold credit card limits are usually somewhere around 5000 dollars. There is also a special type of Mastercard called Signia aiming at the highest level income group. Yapı Kredi Bank also has a university worldcard which aims at university students as their target group.

Garanti Bank offers its customers Visa and Mastercards which can either be standard or gold. The limits on these cards again vary according to specific attributes of each card holder. The limits may be upgraded as seen fit.

2.3.6.2 Criteria For Giving Credit Cards To Individuals

The findings of the in depth interviews with bank managers also show that Yapı Kredi Bank gives credit cards to those individuals who fill out the application forms and who are than evaluated taking into account the income level and credibility standards. The University worlcard is given to university students and does not require proof of income such as a payroll. Those individuals who are not on the payroll of a firm need a guarantor in order to acquire a Visa/ Mastercard.

Akbank claims to give credit cards to customers after foregoing a certain evaluationary process similar to those done for consumer credit purposes. Credit cards are also given to employees of firms whose salaries are automatically paid by the bank.

Citibank offers its credit cards to any individual with a minimum wage and above. In cases where a payroll can not be obtained, a guarantor is mandatory.

Finansbank gives credit cards to its existing customers, and to its target customers for promotion of the bank's services.

Interbank evaluates the application forms and gives credit cards to those who the bank sees trustworthy. Interbank does not offer credit use on their credit cards. The bank sends out balances to its credit card holders 2 times a month, unlike other banks, and full payment is required at the end of the monthly time period.

Garanti Bank gives credit cards to those individuals with a certain income level and above. Credit cards are sometimes sent to certain individuals as a promotional activity of the bank services.

2.3.7 Automated Teller Machines

From the early days of banking history, when the customers of London goldsmiths withdrew the gold they had left for safekeeping, cash withdrawal has been one of the most basic and fundamental of bank services (Frazer, 1985). It has become probably the most highly automated service of all.

When ATMs were first used they provided cash on the spot for the user. Because of this property they were also called cash dispensers (CDs). The very first cash dispenser in the world was built by De La Rue and installed at Barclays Bank's branch at Enfield in 1969 (Frazer, 1985). These early machines were extremely simple. With the advances in technology, ATMs are now used for providing cash from the bank account of the user, depositing money to the bank account of the user, transferring money between accounts, informing the customer of his or her balance of account, making scheduled payments, giving out check books, issuing travelers checks, as well as accepting credit applications, and sometimes accepting and recording deposits or printing a mini statement of the customer's recent transactions..

At their initial use ATMs functioned off-line, meaning the total transactions were sent to the main computer once, at the end of the day. They were self contained and did their own check on whether the personal identification number (PIN) entered by the customer matched the holes punched in the voucher or card. They were not connected to the bank's computers. However today most ATMs function on line, meaning that each action is immediately processed.

The plastic cards used to draw cash from ATMs are given to individuals upon their application to the bank. These cards were first used in the 1950's in order to facilitate bank related functions. However these cards were easily duplicated and fraud forced the banks to issue new cards with electromagnetic bands. On the front side of the card, the card owners name, bank account number and the date of expire are printed. The magnetic band in the back of the card contains the same information as

the front and is protected against reproduction through a system called 'watermark'. These magnetic bands also store information about the personal identification number (PIN) of the user. With advances in technology, micro circuit cards as well as memory cards (smart cards) are used nowadays.

In order to withdraw cash from ATMs, these cards are inserted into the machine. The user enters his or her PIN code along with the amount of cash desired. If the amount is within the limits of the user, cash is dispersed through the machine. Other transactions on the ATMs are done in a similar fashion.

There are small safe boxes which store cash for the use of ATMs, and are refilled by the bank personnel under safety. Other important parts of these machines are the screen and the keyboard. There is also a printer on the machine which gives the user a receipt after each use. In the future, it may even be possible to withdraw and deposit coins and process checks.

There is a network of ATMs which enables the use of a single machine by more than one bank. Through such a system, a card holder can reach his or her account more easily. This system is especially common in the Scandinavian countries (Alpergin, 1990).

The location of ATM terminals is an important part of this service. An increasingly important part in determining the location of machines is played by criminal activity. There have been a number of attacks on ATMs in the United States by the use of explosives. These have usually proven unsuccessful, but that is small consolation for a bank faced with a machine damaged beyond repair. More successful are criminals who stake out ATMs, waiting to rob customers as soon as they have made a withdrawal (this was the subject of 8 o'clock news in a Turkish broadcast on the February, 2 1996). In either case it is obviously sensible for banks to make sure that machines are located as far as possible in bright places where the risk of attack is minimized (Frazer, 1985).

Table 2-5: Number of ATMs in 1978-1986

COUNTRIES	1978	1983	1986
Belgium	-	517	655
Canada	250	1960	3241
France	1000	4500	9500
W.Germany	-	790	4053
Japan	12800	37900	60000
England	2189	5745	10330
USA	9750	48118	69161

Source: G. Bröker, Competition in Banking, OECD Publications, Paris, 1989, p. 128

2.3.8 Automated Teller Machines (ATMs) In Turkey

There is no doubt that automated cash dispensing is now an established and important part of banking in Turkey. The number of machines and the number of users are destined to increase in the future. It is likely that design and capability of machines will also continue to advance.

The findings of the in depth interviews done with bank managers for the purpose of this study show that a feature of ATM development is the increasing number of non bank ATMs that are being installed by retailers. Supermarkets in particular are particularly enthusiastic participants in shared networks. Through offering this service, they are able to attract more customers. An example of this is the gross market Metro in Istanbul.

Among the banks in this study, each bank offers its own ATM card except for Interbank who at the moment does not have this service. The number of terminals vary greatly, and different types of transactions are available on different bank's terminals. However, the common evaluation of all bank managers about ATMs is that they make financial transactions much easier for both their customers and banks themselves.

2.3.8.1 The Distribution Of ATM Terminals

The findings of the in depth interviews done for this study also suggest that the number of branches banks have, differ according to the size of the banks' transactions along with other considerations, including seniority. As can be seen in table 2.6, ATM terminals outnumber the branches banks have. This is mainly due to the fact that it is much cheaper for banks to install these machines than it is to open a new branch. It is important to note that banks can make use of other banks' terminals by making specific agreements among themselves. This is the case with Akbank and Finansbank. Even though Akbank has 400 ATM terminals of its own, ATM card holders can also use Vakif Bank's and Garanti Bank's terminals, increasing the total number of ATM terminals applicable to 950. Similarly, Finansbank has made certain arrangements with Pamukbank increasing the total number of terminals Finansbank's ATM cards can be used in, from 14 to 514.

Table 2-6: The number of branches vs. ATM terminals

	NUMBER OF BRANCHES	NUMBER OF ATM TERMINALS
AKBANK	485	400 + 550
Y. KREDI BANK	366	930
GARANTI BANK	168	190
FINANSBANK	5	14 + 500
INTERBANK	12	0
CITIBANK	1	4

Source: Based on interviews done with bank managers for the purpose of this study

2.3.8.2 The Issue Of Safety Of ATM Terminals

The findings of the interviews done with bank managers for the purpose of this study suggest that ATM cards are given to all of the customers of banks upon opening

an account in one of their branches except for Interbank, in which this service is not yet given.

Safety of ATM terminals has become an important problem of this system due to the increasing number of attempts to break the machines and steal the money inside its safe boxes as well as fraud. All of the banks in this study have stated their concern over this issue.

Yapı Kredi Bank's managers have placed all of their ATM terminals either inside their branches or in closed box shaped buildings. Entrances are restricted by doors which can only be opened by inserting the ATM cards, thus the risk of breaking in or attempts of destruction are minimized. Finansbank also has all its ATM terminals inside their branches. All of the banks in this study use the pin code method for preventing fraud. There is a special personal identification code (Pin code) for each card making it more difficult for stolen ATM cards to be used, for the person who steals the card must also be in possession of the specific PIN code of that card in order to use it to make transactions. The managers of Akbank choose not to answer this question about safety measures taken.

2.3.8.3 The Alternative Transactions Available On ATMs

Table 2-7: The alternative transactions available on ATMs of different banks

	AKBANK	Y. KREDI	CITIBANK	FINANSB.	GARANTI
Withdrawing money	yes	yes	yes	yes	yes
Depositing money	yes	yes	yes	yes	yes
Money order	yes	yes	yes	yes	yes
Paying credit card debts	yes	yes	no	yes	yes
Making investment transactions	no	no	no	yes	yes
Changing Pin codes	yes	yes	yes	yes	yes
Receiving balance of accounts	yes	yes	yes	yes	yes
Paying certain invoices	yes	no	no	no	yes
Foreign currency transactions	no	no	no	no	yes

Source: Based on interviews done with bank managers for the purpose of this study

Table 2.7 presents the services available on different automated teller machine services of banks. The in depth interviews with bank managers also show that other than those transactions mentioned above, Finansbank offers some unique services to their customers. Along with standard ATMs they have installed special machines which enable the users to make investment transactions such as buying and selling treasury and commercial bonds, and making use of investment funds automatically. It is also possible to update personal information such as address changes on these machines. There are also bulletin boards which give information about Istanbul stock exchange (IMKB). Multivisions which give information about the products and services of Finansbank are also available 24 hours a day at these service points

2.3.8.4 The Future Of ATMs

According to the bank managers interviewed for the purpose of this study, automatic banking has become an essential part of the banking system. It has helped banks in increasing their transactions and in reducing the long queues at their branches. Most of the bank managers have chosen not to give information concerning their future plans about ATM systems. Garanti Bank's managers have stated their concern over the distribution of these machines and in increasing the number of ATM terminals along with information centers. Citibank plans to increase the types of transactions available on their terminals as well as the total number of terminals available. Akbank and Finansbank have chosen not to answer and Interbank has stated their plans in installing this system in the near future.

2.3.8.5 The Frequency Of ATM Usage

The saturation point of an ATM terminal is calculated to be around 300 transactions per day around the world (Demaree, 1985). Saturation point here implies the point at which expansion should stop. In other words, 300 transactions per day

may be taken as the lower limit for ATM terminal expansion. In the light of the interviews done by bank managers for this study, Citibank's ATM terminals are used by only 40-50 people per day. Finansbank's terminals are used by 300 people daily, and Yapı Kredi Bank's terminals are used by 100 people per day. Akbank's terminals frequency of usage is around 200 people per machine per day. Garanti Bank' s managers have chosen not to answer this question. The ATM usage figures of these banks however are not the results of a saturated market. On the contrary, the low figures should be associated with the introductory stage of ATM usage in Turkey since it is a relatively new service.

2.3.9 Electronic Funds Transfer From The Point Of Sale (EFTPOS)

EFTPOS is another example of consumer banking around the world. This is the system by which, through the use of plastic cards, payments are made automatically transferring money from the bank account of the indebted to the recipient's bank account. In other words it is the process by which funds are transferred from a customer's account to a retailer's account, on the basis of an electronic message initiated at the point of sales (Uray, 1992).

Electronic point of sale systems (EFTPOS), consist of recording data at the point of sale on computer files. Laser scanning used in most retail stores are a part of this system (Alpergin, 1990).

Electronic funds transfer from the point of sale is a fairly recent service. The plastic EFTPOS cards are an important part of this system, since the electronic funds transfer begins when the cashier (the recipient) pulls the card through the organization terminal. The card user then enters his or her own personal identification number (PIN). If no problems regarding the date of expire or the limit on the account occur, the transfer of funds from the card holder's account to the seller's account takes place.

Under normal conditions, the total transfer takes approximately 30 seconds (Alpergin, 1990).

Similar to credit card usage, this system may aid banks in reducing costs, however it also requires substantial investment in terminals as well as the information system.

Electronic funds transfer from the point of sale has first been adopted in a general sense in the United States during the 1970's, however was not very popular. In time, with advances in technology, the system has gained some support. In California, five large banks have formed an interlinked system for this purpose (Alpergin, 1990).

In Europe, France is the leader in using EFTPOS. Many big shopping centers, hotels, restaurants, and gas stations have adopted this system after the 1980s. In the Scandinavian countries, the users of this system are mainly gas stations. In Asia, EFTPOS was adopted around 1985, especially in Bangkok.

The number of EFTPOS terminals in use during 1987 around the world, and their distribution can be seen in Table 2.8.

Electronic funds transfer from the point of sale is still in the development stages, however when a considerable number of members accumulate, this system has a high probability of gaining as much interest as credit cards.

Table 2-8: The number of EFTPOS terminals and their distribution around the world by 1987

Australia	8000
Austria	40
Belgium	1842
Canada (Jan. 86)	-
Denmark	6500
Finland	-
France	70000

W. Germany	213
Greece	132
Japan	41000
Holland	365
New Zealand	3500
Norway	5400
Portugal	120
Spain	-
Sweden	-
Switzerland	550
Turkey	-
England	4300
ABD	50000

Source: Plastic Cards and the Consumer, OECD Publications, Paris, 1989, p.107.

2.3.10 Home And Office Banking

Home and office banking is a new application of electronic fund transfer around the world. Home banking is a term that has come to be used to describe one of the bright visions of the future: people communicating electronically with their banks from home, using information displayed on their domestic television screens or home computer screens. These two services make use of electronics to communicate with the customer, giving a speed of service and debt of information. There are three main elements to this electronic communication. One is the availability of up-to-the-minute information about the customer's bank accounts, with details of all payments made and received, and information about payment instructions already given but not yet carried out. The second element is the customer's ability to send payment instructions to his or her bank, to make funds transfers from his account to another bank customer, or to set up regular pre-authorized payments from his or her account. The third element allows the customer to give a whole range of other nonpayment instructions to his or her bank, such as ordering check books or obtaining interest rate forecasts. With this system, an individual is able to view his or her bank account through a personal

computer or TV. network, and make certain scheduled payments through bank terminals. This system also includes phone linked transactions such as paying electricity and gas bills through the phone (Alpergin, 1990).

The necessary equipment for home and office banking are videotex machines (also known as viewdata), monitor, and an interlinking device. The telecommunication network may consist of phone lines, or modems.

The first trade oriented home banking was adopted in 1983 by the English Nottingham Building Society. Later on Bank of Scotland also adopted this system. In Europe the first bank to adopt home and office banking was Deutsche Bundespot and Verbraucherbank from Germany.

Telecom in England, Teletel in France, Telidon in Canada, and Captain in Japan were the viewdata systems available around the world by 1990 (Alpergin, 1990).

There are many possibilities open to this field of banking. For example, with a new technological device which distinguishes sounds, payments can be made by phone. Pay- by-phone, or telephone bill payment as it is more frequently known, is a home banking service, which is also available in Turkey. At its most sophisticated, it offers almost all services available on full home banking systems, and can deliver them without requiring any special equipment apart from a suitable telephone. Pay-by-phone was born of the American banks' lack of any sort of bill paying facility apart from checks. As a result, American households spend a significant amount of time each month making regular payments for their mortgage, insurance, and utility bills. Pay-by-phone has developed from an originally manual system into a sophisticated electronic service which cuts out check writing, eliminates postage and saves time and trouble (Frazer, 1985). The most highly developed pay-by-phone systems involve a direct electronic interface between the customer and the bank's computer. Using a multi-frequency push-button telephone, the customer contacts the computer and than taps in the appropriate responses in answer to synthesized verbal requests for information.

The computer takes the customer through a series of steps which identify the payee, amount, and the payment date.

2.3.11 Home Banking In Turkey

The results of the in depth interviews done with bank managers for the purpose of this study show that home banking is in the introduction stage in Turkey. Most of the banks in this study give corporate services through personal computers (PCs) and Internet however they have not started giving these services on an individual basis. The major reason for this delay is the small number of computers at the homes of their customers and the difficulties in preventing fraud. Internet is believed to be only at the disposal of few and not widespread enough to encompass bank services for the time being. Yapı Kredi Bank and Interbank both have homepages on the Internet presenting their services, however transactions are not available.

The most common service which can be considered as home banking is automated services through telephones, more commonly known as telephone banking. Only in late 1996 İş Bankası started telephone banking in a restricted number of banking transactions, but the service is not widely used yet. At Yapı Kredi Bank it is possible to make a money order, pay some invoices, pay credit card debts, get information about the services offered by this bank as well as get information about currency rates and stock prices. At Citibank, through the system called Citiphone, and at Akbank with the system called Aktel, it is possible to make similar transactions. Garanti Bank also offers similar services. It is possible to pay certain invoices, make money orders, receive information about accounts as well as information about the market in general. Finansbank plans to add repurchase agreement of government bonds (repo) to their line of telephone services. Interbank has not as yet installed telephone banking.

Home banking is viewed by bank managers in Turkey as a further step in consumer banking, with many alternative services to be offered. Mr. Tanfer Özkanlı from Garanti Bank names this service "virtual banking", believing its future to be bright and wide. In the future these services may even include making airline ticket or hotel reservations.

2.3.12 Portfolio Services

Early in the history, bankers began discounting commercial notes, in effect making loans to local merchants who sold the debts they held against their customers to a bank in order to raise cash quickly. Making such loans proved so profitable that banks began searching for ways to raise additional funds. One of the earliest sources of funds was through offering 'savings deposits'. In other words, interest bearing funds left with banks for a period of weeks, months or years. There are historical records of banks in ancient Greece, for example, paying as high as 16% annual interest to attract savings accounts and then making loans to ship owners in the Mediterranean area at rates that were far higher (Rose, 1993).

Savings deposit is the earliest type of investment service available in history. Over the years, banks have come up with many different types of services and financial advises. Nowadays, banks aid their customers in making use of their funds by offering security brokerage services. Banks buy and sell bonds and securities and other derivative financial tools for their customers. The number of financial instruments available for banks to add to their services portfolio is both large and growing. Moreover, each financial instrument has different characteristics with regard to risk, sensitivity to inflation, and sensitivity to government policies and economic conditions (Rose, 1993).

In general, different investment vehicles may be examined under 2 groups. (1) Money market instruments, which reach maturity within one year and are noted for

their low risk and ready marketability; and (2) capital market instruments, which have remaining maturities beyond one year and are generally noted for their higher expected rate of return and capital gains potential (Rose, 1993).

2.3.13 Portfolio Services In Turkey

Investment banking is a totally different type of banking activity than consumer banking, however when investments of individuals are considered, there is a synergy of banking products in this field. The findings of the interviews done with bank managers for the purpose of this study show that all of the banks in this study, namely Akbank, Yapı Kredi Bank, Interbank, Citibank, Garanti Bank, and Finansbank , serve their customers in making use of their funds.

Portfolio services are given by banks to all their customers upon request. Each customer is assigned a representative at their branch of the bank and are in contact with that same person from that point on.

There are many different types of investments available to bank customers. The most well known type of investment is the time deposit accounts available at every bank. A certain amount of interest is earned on the amount of money deposited at these accounts for the specified period of time.

Repurchase agreement of government bonds (repo) is the most popular type of investment activity nowadays, because of the high rates of interest offered overnight. All of the banks in this study give their customers the choice of using this service in making use of their funds. Finansbank even has a project at hand concerning use of this service through telephones. The amount of money needed to use this service differs from one bank to the other. For example Finansbank accepts funds of 500 million Turkish Liras and above. There is no upper limit however each bank pursues a lower limit of their choice.

Another type of investment activity deals with funds in the form of foreign currency. Derivative products of this type of service is also available at banks. Banks also serve their customers in buying and selling of treasury and commercial bonds. Investment funds prepared by banks are yet another alternative investment service available for bank customers.

2.4 Marketing Practices And Policies In Turkey

In this study, in depth interviews with bank executives have been conducted in order to evaluate the concept of consumer banking from the bank's point of view, and to use the bank managers' experiences in this field for the aim of this study. The banks with which interviews have been made are Akbank, Garanti Bank, Yapı Kredi Bank, Interbank, Finansbank, and Citibank. The executives with whom interviews were made were all senior vice presidents responsible for consumer banking. The list of these managers may be seen in Appendix I.

2.4.1 The Concept Of Consumer Banking From The Viewpoint Of Bank Managers

Bank executives, in general, agree that the term "consumer banking" encompasses all those financial services given to customers on an individual basis. After "corporate banking", "consumer banking" products have evolved in order to enlarge the customer basis of banks, obtain customer loyalty, and increase profits. Bank managers see a large potential in this field of banking. Mr. Ismail Yalçinkaya from Finansbank claims that consumer banking is one of the fastest growing sectors around the world, and especially in Turkey. Consumer banking has not yet reached a saturation point, it is at its growth stages with a long road ahead of it.

2.4.2 The Services Included In Consumer Banking By Different Banks

In general, banks offer services and products such as consumer credits, checks, credit cards, automated teller machines, home banking and portfolio services to individuals. The names of these services and products offered differ from one bank to the other. Complicated derivatives of each service, especially those concerning investments exist, however the basic services and products of consumer banking are those mentioned above. The specific consumer banking services and products offered by different banks included in this study may be seen in Table 2.9 along with the years of launch.

Table 2-9: Consumer banking services offered by different banks, and their launch years

	AKBANK	YAPI KREDI B.	GARANTI BANK	FINANS BANK	INTER BANK	CITI BANK
YEAR OF FOUNDATION	1948	1944	1946	1987	1888	1812
CHECKS	1948	1944	1946	1987	1888	1980
CONSUMER CREDITS	1988	1988	1988	1996	--------	--------
CREDIT CARDS	1988	1988	1987	1995	1994	1996
ATMS	1988	1988	1990	1995	---------	1996
HOME BANKING	1992	1991	1994	1995	---------	--------
PORTFOLIO SERVICES	1983	1983	1989	1995	1994	1996

Source: Based on interviews done with bank managers for the purpose of this study

In general check services of banks have been in existence since the establishment of these institutions. Other consumer banking services have begun their evolution in Turkey dating as far back as 1987. Akbank, Yapı Kredi Bank and Garanti Bank were earlier in offering these consumer banking services than the other banks in this study.

2.4.3 Consumer Banking: Its Place In The Organizational Hierarchy Of Banks

In general banks see their consumer banking centers as an integrated part of marketing. Consumer banking department is where new products and services are identified, developed, priced, implemented and promoted.

In Garanti Bank there are 3 separate departments within the bank. They differ according to the type of customer such as institutions, consumers or commercial entities. Each of these departments have marketing functions of their own. Where consumer banking is concerned, there is no separate marketing department within the organization, for consumer banking is seen as the marketing department itself. This attitude may be a result of the fact that marketing of bank services is a relatively new issue in banking especially in Turkey, and the procedures and departments of marketing are not yet clear among these institutions.

Finansbank also has separate departments according to the type of customer, which are corporate banking department, treasury banking department, investment banking department and finally consumer banking department. These departments are independent in their daily activities and operate as profit centers. In consumer banking, operations are separated from marketing. Marketing is directed from the vice president in charge of consumer banking and is carried out at their branch offices.

At Interbank marketing is carried out directly from the branches but guidelines such as prices of services, promotion activities to be carried out and the places these services are to be offered at are set at the consumer banking department.

Akbank also has separate corporate and consumer banking departments. Under consumer banking there are two groups which are marketing and operations. Day to day transactions are carried out by the operations department whereas the marketing department deals with new products, distribution of their services and products, the pricing of these services and products as well as their promotion.

Yapı Kredi bank separates its consumer banking activities as operations carried out by branches and marketing decisions such as promotional activities, new service developments and pricing strategies taken at the consumer banking department. These two groups work in union with each other.

2.4.4 The Marketing Activities Employed By Banks For Their Consumer Banking Products

Garanti bank uses many tools in marketing their products. They have a wide range of products and services, with new ones being added to the list. Garanti bank tries to reach as many customers as possible with an increasing number of branches along with ATM terminals. For promotion of their services and products, the bank places advertisements on TV, newspapers and magazines as well as billboards. Their branches are open on Saturdays and work throughout the week without a lunch break. Many of their branches are being redecorated in order to increase customer satisfaction as well as customer loyalty.

Akbank, similar to Garanti Bank, has a wide range of products and services available. Akbank has 485 branches throughout Turkey which is the largest among the banks included in this study. Advertising campaigns on TV, newspapers and magazines are carried out. Brochures and leaflets giving information about their services are distributed. A special promotional campaign is used for their credit cards. A certain number of points called "AKpuan" are given to specified amounts of spending using their credit cards. When enough points are accumulated, special gifts such as a trip to the U.S. are given to their customers.

Citibank, which has a rather new consumer banking department, has concerns for increasing their number of customers. Their credit card service which was established in April 1996, is being promoted by the use of direct mail to prospect

customers. An advertising campaign is also carried out by the aid of magazines and newspapers.

Interbank also carries out an advertising campaign aiming at their target customers. Television and newspaper adds are used as well as promotion cocktails. Seminars are also carried out in order to increase customer awareness and the bank's customer portfolio. Interbank also uses face to face meetings with prospect customers in order to inform them about their services and products.

Finansbank gives adds in certain magazines and newspapers aiming at their target customers and informing them about their products and services as well as special campaigns. Billboards and direct mailing is also employed. Advertisements are available at movie theaters and a special gift set is given to credit card users.

Yapı Kredi Bank has product managers in charge of evaluating the market and the needs of the consumers. Each service and product is evaluated, developed and promoted by campaigns decided on by these managers. The budgets for these services and products are also prepared at this level. Advertising campaigns, leaflets and direct mailing is used in promoting of their services.

2.4.5 The Measures Taken By Banks To Measure Their Level Of Customer Satisfaction

Customer satisfaction is an important issue for banks due to the highly competitive environment they operate in. Banks need to achieve high levels of customer satisfaction in order to gain and keep customers.

The banks involved in this study were highly sensitive to the issue of customer satisfaction. All the banks in this study employ some kind of a system which involves measuring their level of customer satisfaction and comparing it to other banks'

customer satisfaction levels. Some of the banks prefer to conduct their own studies while others get help from professional companies such as Strategy Mori and Zet Nielsen.

Interbank carries out certain surveys in order to compare their past performance with the current year. They try to increase their standards annually. Yapı Kredi Bank uses surveys in order to measure general satisfaction levels as well as specific product and service performances. Similarly Finansbank and Garanti Bank carry out these tests both at a product level and a general level. They also use survey techniques in evaluating new product and service needs. These studies play an important role in forming the new product or service. Akbank also stresses the importance of research in their operations. Surveys are done periodically either for specific needs or for measuring general satisfaction levels.

2.4.6 The Training Programs Employed By Banks For Their Consumer Banking Personnel

Human relations play a great role in banking. Face to face meetings are the core of the banking business even though automation in many fields are on the rise. A customer who has problems in communicating with the bank personnel is likely to refrain from doing further business with that bank. When such is the case, banks try to train their personnel in order to achieve customer satisfaction and customer loyalty.

Akbank puts their new employees through an intensive training program which involves training in areas such as marketing, human relations, and specific products and services. Yapı Kredi Bank's new personnel goes through a two to three week formal training program and the existing personnel is updated on human relations and marketing issues annually. Interbank's personnel training program takes five to six weekends and involves topics such as economics, accounting, marketing and computer technology. These programs aim at teaching the current products and services as well

as general banking principles. At Finansbank training of new employee takes up to two months and are done in two steps, first theoretic teachings and next on the job trainings.

Great importance is put on the consumer banking personnel's training programs especially at the area of human relations by all the banks since face to face relations make up most part of this field of banking.

2.4.7 The Future Of Consumer Banking

Yapı Kredi Bank has evaluated their past experiences with consumer banking to be very profitable. It has succeeded in reaching wide customer segments. Consumer banking was first implemented in order to change the institutional structure of banking and make it move towards individuals as customers with an important final target of obtaining interest free sources of funds. It has achieved in serving this purpose and still has a long road ahead of it. According to Mr. Ismail Yalçinkaya, those individuals with bank relationships above the age of 18 in 1987 accounted for 20% of the population in that age group. Now, this number has gone up to 80%, with still another 20% to be gained. Above all this, 50% of Turkey's population of approximately 60 million is currently under the age of 16. This new generation is entering the market by millions every year. These numbers reveal the intensity of the market and thus the importance of consumer banking which is expected to grow along with the market.

Banks in Turkey offer the same types of services and products as around the world. The advances in the future, according to Yapı Kredi Bank's managers will be worldwide innovations. There will be a significant growth in the market and this will create new opportunities. Computer technology will be adopted and used extensively. Transactions through internet will become available as soon as security measures are taken against fraud.

Finansbank's managers believe that consumer banking is headed to a state where all financial needs of an individual will be taken care of. This will include insurance along with other similar personal needs of customers. Mr. Nafiz Karadere from Finansbank also believes that Turkeys' consumer banking is still in the beginnings of its growth stage. The bank has made a lot of advancement thanks to consumer banking, increasing their number of branches from 4 to 25 in one year, with plans to double this number by the end of 1997. Banking activities will be indexed to the growth in computer usage, however personal relationships will remain an important and essential part of consumer banking.

Interbank has also benefited from consumer banking activities, increasing their deposits to 21 billion TL. and 400 million dollars from nearly 0 in two years. They currently have 10800 customers with the number increasing rapidly. They also evaluate consumer banking as being highly profitable for their bank, and believe that it will grow to hold all kinds of services aiming at satisfying individual's needs.

Akbank has found that consumer banking is more profitable for the bank than corporate banking. It is possible to spread the risks involved in doing business. Consumer banking is also very important in achieving customer loyalty. Akbank's senior vice president in charge of consumer banking, Mr. Akın Kozanoğlu believes that many new products along the line of chip cards will be put to use in the future. People will stop carrying money and use these smart cards for cash purposes. Out of branch banking will advance rapidly. Banking sector's percentage in Turkey's economy will increase, along with the increase in the number of bank customers. Computers and internet will play an important role in the future however the advances will not be very rapid. It will grow in line with the purchasing power of individuals.

According to Mr. Tanfer Özkanlı from Garanti Bank, Turkey has rediscovered consumers. Individual consumers' wants and needs are changing and reforming. This has created a significant market for banking. Banks are like most institutions profit

centers with increasing profits as their ultimate goal, and this requires customer satisfaction. Quality service and differentiation will be important for future growth. The aim should be to be one of the leaders of the market. Today, consumer banking is barely able to respond to the existing needs of its market. Further growth of the market will obligate further growth of consumer banking.

Mr. Özkanlı further evaluates the social trends worldwide as working less, earning more and living well. Technological advances will make humans more individualistic. The concept of a workplace will become obsolete and banking will take its share of these changes. High technology especially computer technology will be adopted and used. Those who achieve in differentiating themselves will be the winners.

3. CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY

In this chapter the research design and methodology employed at the field research of this study will be presented.

3.1 Research Type

A descriptive research is found to be appropriate for this study since the main objective is to gain insight and ideas about the consumer banking sector, and to look at relationships between variables.

The study includes a field survey conducted with 210 respondents to gather information about the awareness, usage, and attitudes towards bank services in Istanbul along with a literature survey based on books and articles written about marketing of bank services, and banking in general. The study also includes the results of in depth interviews conducted with Mr. Nafiz Karadere senior vice president in charge of consumer banking at Finansbank, Kemal Köprülü senior vice president in charge of consumer banking at Interbank, Mr. Akın Kozanoğlu senior vice president in charge of consumer banking at Akbank, Mr. İsmail Yalçınkaya senior vice president at Yapı Kredi Bank, Mr. Tanfer Özkanlı senior vice president in charge of consumer banking at Garanti Bank, and finally Mr. Tolga Işıklar from Citibank.

3.2 Objectives Of The Study

The primary objective of this study is to discover attitudes and behaviors along with the awareness of consumers towards consumer banking services as well as to gain insight about consumer banking in Turkey..

Additionally the specific banking products, and their usage frequencies will be investigated.

As a result, findings of the study will be presented in order help bank managers develop marketing strategies that might be useful .

3.3 Research Questions

The basic issues around which the survey questions are formulated are as follows:

1) The awareness of customers about consumer banking services.
2) The frequencies of use of consumer banking products.
3) The attitudes of customers towards consumer banking products.

3.4 Data Collection Method And Survey Instruments

The data used in this study were collected through structured, undisguised questionnaires a copy of which is provided in appendix II. The survey was conducted through personal interviews held with the market research and analysis firm Zet Nielsen. Each interview took approximately 15 minutes. All of the questions were close ended type of questions. After the survey was completed, 30 % of the respondents were contacted through telephone in order to control the pollsters. All of these phone checks confirmed the reliability of the survey.

The survey questionnaire was designed based on both the information that was provided by prior interviews with bank managers and the previous literature review. A pilot study on 20 respondents was conducted in order to eliminate problems which could arise during the interview process, in relation to wording clarity, and time length. The seven pages long questionnaire was presented before the actual study and then slightly changed. 20 respondents were asked to measure the time required to complete the form and to state their general criticism about the questions in relation to wording and clarity. After this study some of the questions were modified and the questionnaire took its final format.

The questionnaire consists of 35 questions, some of them containing up to 18 variables. The first question aims at measuring the awareness of customers about consumer banking products. All of the consumer banking services along with some fictious services were listed and the respondents were asked to identify the consumer banking services they new were available. The variables in this study were measured on a nominal scale.

The second question deals with the usage rates of consumer banking services. In this question all of the available consumer banking services were listed and the respondents were asked to identify those services that they used. The variables in this question were also measured on a nominal scale.

The third question is an interval scale type of question measuring the attitudes of respondents towards consumer banking products. Statements on specific consumer banking services are presented in this question, and the respondents are asked to identify the degree to which they agree or disagree.

Question number 4 is nominally scaled and investigates the bank the respondents work with.

Question number 5 investigates about the most frequently used services of banks. The respondents are asked to rank the first three service that they use most frequently. This question is an ordinal scale type of question.

The questions 6 to 10 deal with consumer credits, whether they have ever acquired consumer credits, the type of credit acquired, whether or not they would plan to acquire the same type or a different type of credit in the future. All of these questions were nominally scaled.

Questions 11 to 16 deal with credit cards asking the respondents to state whether or not they are in possession of a credit card, the type of card in possession, the frequency of use of these cards, the major reason for use of credit cards as well as the most frequent type of expenditure on their credit cards. All of these questions were nominally scaled except for question 14 which is measured on ordinal scale.

Question 17 inquires whether or not the respondent is in possession of an ATM card. This question is nominally scaled.

Question 18 is an interval scale question asking about the types of transactions done on ATM terminals. Question 19 also deals with the issue of ATMs, investigating about the most important three reasons of ATM usage. This question is ordinally scaled.

Questions 20 to 22 deals with automatic bill payment services and all the questions are nominally scaled.

Questions 23 and 24 investigates about checking, whether or not the respondents employ this service, and the name of the bank they work with. These questions are nominally scaled. Question 25 also deals with checks asking about the frequency of use and is ordinally scaled. Questions 26 and 27 investigate about the

advantages of checking and the type of transaction done by this service. Both of these questions are nominally scaled.

Questions 28 and 29 deal with savings deposits and are ordinally scaled.

Questions 30 to 35 aim to determine the demographics of the participants examining the age, gender, marital status, occupation, education, and family income.

Table 3.1 gives a list of the variables extracted from the questions explained above and which were used in the analyses made in this study.

Table 3-1: List of variables

VARIABLE	DESCRIPTION
V1	Awareness of bank account services
V2	Awareness of house credit services
V3	Awareness of automobile credit services
V4	Awareness of cash credit services
V5	Awareness of check services
V6	Awareness of credit card services
V7	Awareness of POS services
V8	Awareness of ATM services
V9	Awareness of Repo services
V10	Awareness of buying and selling of securities services
V11	Awareness of buying and selling of government bonds services
V12	Awareness of bill paying at branches services
V13	Awareness of bill paying by phone services
V14	Awareness of automatic rent payment services
V15*	Awareness of buying and selling of gold services
V16	Awareness of foreign currency exchange services
V17	Awareness of automatic salary payment services
V18*	Awareness of airline ticket reservation services
V19	Awareness of other services
V20	Bank account usage
V21	House credit usage
V22	Automobile credit usage
V23	Cash credit usage
V24	Check usage
V25	Credit card usage
V26	POS usage
V27	ATM usage
V28	Repo usage
V29	Securities services usage
V30	Bond services usage
V31	Bill paying at branches services usage

V32	Bill paying by phone services usage
V33	I can always find the person I need at my bank
V34	I wish the banks were open for longer hours
V35	I can always find an ATM terminal closeby whenever I need one
V36	My credit cards are accepted everywhere
V37	My credit card balances reach me on time and without mistakes
V38	The explanations made by bank personnel are always clear and understandable
V39	I am kept up to date about new services
V40	I find investment services to be very useful
V41	Automatic payment makes life much easier
V42	My checks are accepted everywhere
V43	The most important advantage of checking is maturity options
V44	ATM terminals function without breakdown
V45	It is easy to make transactions on ATMs
V46	I find credit services of banks very useful
V47	I find interest rates on bank loans acceptable
V48	Banks worked with
V49	The most frequently used bank service
V50	The second most frequently used bank service
V51	The third most frequently used bank service
V52	Past bank loan usage
V53	Kinds of bank loans used
V54	Willingness to use same type of loan in the future
V55	Willingness to use other type of loan in the future
V56	Type of loan to be acquired in the future
V57	Possession of a credit card
V58	Types of credit cards in possession
V59	Type of credit card most frequently used
V60	The frequency of credit card usage
V61	The major reason for using credit cards
V62	The most frequent type of expenditure on credit cards
V63	Possession of an ATM card
V64	The frequency of use of ATM cards for withdrawing money
V65	The frequency of use of ATM cards for depositing money
V66	The frequency of use of ATM cards for transferring money
V67	The frequency of use of ATM cards for paying credit card balances
V68	The frequency of use of ATM cards for buying and selling bonds and securities
V69	The frequency of use of ATM cards for requesting balance of accounts
V70	The frequency of use of ATM cards for other services
V71	The most important reason for using ATMs
V72	The second important reason for using ATMs
V73	The third important reason for using ATMs
V74	Bill paying by phone
V75	Balance requesting by phone
V76	Bill paying at branches
V77	Possession of a checkbook
V78	The banks whose checks are used
V79	The frequency of writing checks
V80	The most important advantage of writing checks
V81	The type of expenditure most frequently made by checks
V82	The number of banks, accounts in native currency are held with
V83	The number of banks, accounts in foreign currency are held with

V84	The age of the respondent
V85	The gender of the respondent
V86	The marital status of the respondent
V87	The occupation of the respondent
V88	The education of the respondent
V89	The income level of the respondent

* the variables marked are non existing services

3.5 Sampling Plan

The population element of this study consisted of people who have been using bank services and were over the age 18 in Istanbul. The unit of analysis was customers of consumer banking services of banks. This study was conducted in July 1996 in Istanbul.

In sampling, a combination of convenience and quota sampling methods have been used in this study. The interviewers were advised in advance to make interviews with equal number of male and female respondents . Quotas about education and income level were also advised in order to eliminate clustering at one segment. However, the respondents in general were chosen on a convenience basis. The interviewers presented the questionnaires at districts such as Etiler, Şişli, Mecidiyeköy, Suadiye and Yeşilköy. The interviewers have approached business and shopping centers in the districts mentioned above. The individuals who were willing to spare their time and who were using at least one of the consumer banking services were chosen as respondents.

A systematic sampling of customers of different banks such as choosing every *k*th bank customer after a random start would have been a more suitable approach for this study, however it was impossible to utilize this kind of sampling procedure because of the limitations on time, data available on the actual list of bank customers.

In Turkey information and statistics about banks are not available except for the Turkish Banking Association's publications. Those statistics which are available are

not good indicators of the population because there are some overlapping characteristics. For example, the number of accounts that each bank holds is not a good indicator because some customers may have accounts at more than one bank as well as more than one account at a single bank. Similarly, the number of customers who have accounts at a bank may not necessarily represent the actual number of individuals who use bank services. A person may be enjoying services such as check processing, bill paying, information gathering, etc., regardless of the availability of an account at this bank. Due to this nature of the data, the actual number of customers who use the services of banks was not available for the use of this study.

Because of the absence of statistical information concerning the population from which the sample was selected, percentage of customers who use the services of banks was determined as 50%.

Based on these considerations the sample size was calculated as follows:

$$n = \frac{\pi(1-\pi)}{(e/z)^2} = \frac{(0.50)(1-0.50)}{(0.07/1.96)^2} = 210$$

π = The estimated proportion of those who use bank services

e = The tolerated deviation.

z = Z value for 95% confidence level. Z (π) = 1.96.

3.6 Data Analysis Method Used In This Study

After the survey was completed and coded, the data was entered to the computer program SPSS/PC (V 5.0. software) for analyzing the data gathered through the questionnaires for this study. The following statistical analysis methods were used to analyze the relations between variables:

1) Frequency analysis: Frequency distribution is the technique for systematically arranging collection of measures on a given variable to indicate the frequency of occurrence of the different values of the variable (Roscoe, 1975). This analysis is used in the study to get a general idea about the variables by observing their distribution in the sample.

2) Factor analysis: Factor analysis is a multivariable method intended to explain relationships among several difficult to interpret, correlated variables in terms of a few conceptually meaningful, relatively independent factors (Kleinbaum et. al., 1988). This analysis technique is used in the study to summarize the factors making up the attitudes towards consumer banking services.

3) Cross-tabulation: The technique of cross tabulation provides an important mechanism for analyzing results by groups, categories, or classes. The purpose of categorization and cross-tabulation is to allow the inspection and comparison of differences among groups. This form of analysis helps to determine the type of relationship between and among variables (Zikmund, 1989). Cross-tabulation technique is the most frequently used data analysis method in this study. It is used to study the relationships between variables, to find out whether or not the relationships are significant and to find out about the strength of these relationships.

4) Analysis of variance: The basic idea underlying the analysis of variance is that the parent population variance can be estimated from the sample in several ways, and comparisons among these estimates can tell us a great deal about the population (Churchill, 1991).

5) T-tests: T-tests are used in testing hypothesis about a single mean with unknown variance (Churchill, 1991). This type of tests are done mostly for evaluating attitudes.

3.7 Limitations Of The Study

It was not possible to complete the survey on a strict quota basis, therefore representatives of different social classes were not reached by the same weight.

Time limitation is yet another important constraint. The respondents were approached at business and shopping centers, as mentioned before, and therefore were not willing to spend too much of their time on the questionnaires. As a result, effort was put into making the questionnaires short and precise. Because of this, other questions, which could have given interesting results were not included in the questionnaire.

Finally, the most important constraint of this study was the fact that the field research was carried out only in İstanbul. It would be better if other major cities were also taken into consideration.

4. CHAPTER FOUR: RESEARCH FINDINGS

4.1 Findings On The Demographic Characteristics Of The Sample

Table 4.1 summarizes the demographic characteristics of the respondents in this study. 70% of the respondents are below the age 36. Since the respondents were selected by convenience, there is no intention to prefer the younger respondents. The distribution of gender is quite even, 40% and 60% for female and male respondents respectively. Similarly the marital status variable shows an even distribution 47.6% for married and 52.4% for single respondents. Of the total, 77.2% of the respondents are high school and above graduates. This is a relatively high percentage, however since bank customers are usually well educated people, the percentage is expected. The income level of respondents are also well distributed. 34.8% with less than 50 million TL. monthly income, 42.4% with an income level of 51 to 100 million TL., and 22.8% with an income of above 101 million TL. monthly. Self employed, tradesman, and employees are the major occupation groups within the sample. 92.9% of the respondents are employed on a full time basis.

Table 4-1: Characteristics of the sample

DEMOGRAPHIC VARIABLES	FREQUENCY	VALID PERCENTAGE
AGE		
Less than 20	12	5.7
20 to 25	67	31.9
26 to 35	70	33.3
36 to 45	35	16.7
46 to 55	23	11.0
56 to 65	1	0.5
More than 66	2	1.0
GENDER		
Female	84	40.0
Male	126	60.0
MARITAL STATUS		
Married	99	47.6
Single	109	52.4
EDUCATION		

5 years of school	14	6.7
8 years of school	34	16.2
High school graduate	93	44.3
University graduate	69	32.9
MONTHLY FAMILY INCOME LEVEL		
Less than 50 million TL.	73	34.8
50 to 100 million TL.	89	42.4
101 to 200 million TL.	38	18.1
201 to 500 million TL.	8	3.8
Above 501 million TL.	2	1.0
OCCUPATION		
Housewife	7	3.3
Retired	7	3.3
Unemployed	1	0.5
Self employed	64	30.5
Tradesman	59	28.1
Industrialist	1	0.5
Manager	10	4.8
Government employee	6	2.9
Employee	32	15.2
Artist	1	0.5
Student	16	7.6
Other	6	2.9

4.2 Findings On Customer Awareness Of Consumer Banking Products

This part of the study investigates the distribution of variables of customer awareness of consumer banking products. Section 4.2.1. exhibits the frequency analysis results and section 4.2.2. displays the cross-tabulation results of the data.

4.2.1 The Frequency Analysis Results On Consumer Awareness

Table 4.2 refers to what respondents do know about consumer banking products.

Table 4-2: The frequency of awareness about consumer banking products

	FREQUENCY	VALID PERCENTAGE
ATMs	207	98.6
Credit cards	206	98.1
Checking	201	95.7
Automobile credits	195	92.9
Automatic salary payments	193	91.9
Bill paying by phone	189	90.0
House credits	184	87.6
Bill paying at branches	182	86.7
Repo	179	85.2
Bank deposits	176	83.8
Buying and selling of foreign currency	175	83.3
Automatic rent payment	172	81.9
Buying and selling of stocks	159	75.7
Emergency cash loans	154	73.3
Buying and selling of gov't securities	153	72.9
Buying and selling gold	88	41.9
POS	52	25.2
Airline ticket reservations	18	8.6

When the frequency percentages of the data are analyzed, the most well known consumer banking service comes out to be ATMs (98.6%). This service is followed by credit cards (98.1%), checking (95.7%), automobile credits (92.9%), automatic salary payments (91.9%), bill paying by phone (90.0%), house credits (87.6%), bill paying at branches (86.7%), repo (85.2%), bank deposits (83.8%), buying and selling of foreign currency (83.3%), automatic rent paying (81.9%), buying and selling of stocks (75.7%), cash loans (73.3%), buying and selling of securities (72.9%), and finally POS (25.2%).

Two of the variables in this study, namely buying and selling of gold and airline ticket reservations, were added as control variables in order to see the extent of knowledge respondents had about consumer banking. 41.9% of the respondents believe that banks serve customers in buying and selling of gold. This high rate of misjudgment may be a result of the recent television advertisements about gold savings accounts some banks offer. Only 8.6% of the respondents wrongfully claimed that banks make airline ticket reservations.

4.2.2 Cross-tabulation Results On Consumer Awareness

Cross-tabulation was conducted for all of the 18 variables in question one which are explained in Table 4.2. Most of the results were insignificant and will not be presented in this section. All of the expected frequencies of the cross tabulation analysis were calculated, however a majority of them were under the limit of 25-30%. Combining cells has not changed this result. Therefore analysis with expected frequencies smaller than 5 results have been included in the study, however they should be interpreted with caution. This result was mainly due to the fact that most of the bank services were known by more than 80% of the respondents, and not enough cell frequencies were found for 'unaware' results.

All of the complete SPSS results of cross-tabulation can be found in Appendix III.

4.2.2.1 Awareness Of Repo Services And Age

With the support of 99.36% confidence, a relationship between awareness of repo services of banks and age of the respondent is found. (See Table 4.3). The Cramer's V value of 0.28618 indicates that the relationship is weak but significant. 85.2% of the total sample are aware of repo services of banks. Only 41.7% of those respondents below the age of 20 are aware of this service whereas this percentage goes up to 88.1 for the age group 20-25, 87.1 for the age group 26-35 , 94.3 for the age

group 36-45, and 80.8 for the age group 46 and above. So it can be concluded that the older age groups are more aware of this service than the youngest age group. Similarly, among the unaware group of respondents, the age group of below 20 makes up 66.7% of the total.

Table 4-3: Awareness of repo services by age

AGE	YES	NO	NO IDEA
Less than 20	5	2	5
	10.2	0.2	1.6
	41.7	16.7	41.7
	2.8	66.7	17.9
	2.4	1.0	2.4
20 to 25	59	1	7
	57.1	1.0	8.9
	88.1	1.5	10.4
	33.0	33.3	25.0
	28.1	0.5	3.3
26 to 35	61	0	9
	59.7	1.0	9.3
	87.1	0	12.9
	34.1	0	32.1
	29.0	0.0	4.3
36 to 45	33	0	2
	29.8	0.5	4.7
	94.3	0	5.7
	18.4	0	7.1
	15.7	0.0	1.0
46 and above	21	0	5
	22.2	0.4	3.5
	80.8	0	19.2
	11.7	0	17.9
	10.0	0.0	2.4
Likelihood ratio	21.29120	**Significance**	.00641
Cramer's V	0.28618	**Significance**	.00003

* The numbers in each cell indicate count, expected value, row percentage, column percentage, and total percentage respectively

4.2.2.2 Awareness Of Bank Services In Buying And Selling Of Stocks And Age

The significance value of the likelihood ratio for this analysis is 0.075. Thus it can be said that there is a relationship between knowledge of bank service which aids customers in buying and selling of stocks and the age of the respondent with 92.5% confidence, even though there is a weak relationship between the variables (see Table 4.4).

Nearly 76% of all the respondents are aware that banks offer services in buying and selling of stocks, among which the older respondents are more aware than the younger ones.

Table 4-4: Awareness of buying and selling of stocks services by age

AGE	YES	NO	NO IDEA
Less than 20	4	1	7
	9.1	0.1	2.5
	33.3	8.3	58.3
	2.5	12.5	16.3
	1.9	0.5	3.3
20 to 25	50	3	14
	50.7	2.6	13.7
	74.6	4.5	20.9
	31.4	37.5	32.6
	23.8	1.4	6.7
26 to 35	58	2	10
	53.0	2.7	14.3
	82.9	2.9	14.3
	36.5	25.0	23.3
	27.6	1.0	4.8
36 to 45	26	2	7
	26.5	1.3	7.2
	74.3	5.7	20.0
	16.4	25.0	16.3

	12.4	1.0	3.3
46 and above	21	0	5
	19.7	1.0	5.3
	80.8	0	19.2
	13.2	0	11.6
	10.0	0.0	2.4
Likelihood ratio	14.24509	**Significance**	.07560
Cramer's V	0.19135	**Significance**	0.05220

4.2.2.3 Awareness Of Bank Services In Buying And Selling Of Government Securities And Age

The results of this cross tabulation analysis is highly similar to that of buying and selling of stocks services and age discussed above. This is an expected result since buying and selling of stocks and securities are two similar investment tools. A relationship between awareness of buying and selling of government securities and the age of the respondent is found with the support of 96.9% confidence even though the relationship is weak (see Table 4.5). Once again the older age groups are found to be more aware of this service than the younger age groups.

Table 4-5: Awareness of buying and selling of securities services by age

AGE	YES	NO	NO IDEA
Less than 20	3	1	8
	8.7	0.5	2.8
	25.0	8.3	66.7
	2.0	12.5	16.3
	1.4	0.5	3.8
20 to 25	49	3	15
	48.8	2.6	15.6
	73.1	4.5	22.4
	32.0	37.5	30.6
	23.3	1.4	7.1
26 to 35	56	2	12
	51.0	2.7	16.3

	80.0	2.9	17.1
	36.6	25.0	24.5
	26.7	1.0	5.7
36 to 45	24	2	9
	25.5	1.3	8.2
	68.6	5.7	25.7
	15.7	25.0	18.4
	11.4	1.0	4.3
46 and above	21	0	5
	18.9	1.0	6.1
	80.8	0	19.2
	13.7	0	10.2
	10.0	0.0	2.4
Likelihood ratio	16.82800	**Significance**	.03195
Cramer's V	0.20641	**Significance**	0.02204

4.2.2.4 Awareness Of Bank Services In Buying And Selling Of Government Securities And Education

With the support of 96.1% confidence, a relationship between awareness of bank services in buying and selling of government securities and education of the respondent is found (see Table 4.6). The Cramer's V value 0.17103 indicates that there is a relatively weak relationship between these variables. 80.3% of the respondents who are aware of this service are high school graduates and above. It may be concluded that there is a tendency to be more aware of this service as the education level of the respondents increase.

Table 4-6: Awareness of buying and selling of securities services by education

EDUCATION	YES	NO	NO IDEA
5 years	9	1	4
	10.2	0.5	3.3
	64.3	7.1	28.6
	5.9	12.5	8.2
	4.3	0.5	1.9
8 years	21	0	13
	24.8	1.3	7.9
	61.8	0	38.2
	13.7	0	26.5
	10.0	0.0	6.2
high school grad.	68	2	23
	67.6	3.5	21.7
	73.1	2.2	24.7
	44.4	25.0	46.9
	32.4	1.0	11.0
university grad.	55	5	9
	50.3	2.6	16.1
	79.7	7.2	13.0
	35.9	62.5	18.4
	26.2	2.4	4.3
Likelihood ratio	13.25385	**Significance**	.03918
Cramer's V	0.17103	**Significance**	0.05590

4.3 Findings On The Usage Of Consumer Banking Products

Table 4.7 reveals the frequencies of consumer banking services usage. As can be seen in the table, 50% of the respondents have a bank account at some bank. This rate is quite low when the fact that 100% of the respondents are bank service users of some kind. This means that many people enjoy bank services without opening an account at that bank. 4.9%, 6.4%, 21.4% of the respondents have acquired house, automobile and cash credits respectively, in the previous years. 48.1% use checks, 55.3% use credit cards, and 76.9% use ATMs. POS systems (6.0%) is not frequently

utilized. This might be due to the fact that most of the respondents are unaware of the meaning of "POS". 18.4%, 9.8%, 8.3% of the respondents utilize repo, buying and selling of stocks, and buying and selling of government securities respectively.

Table 4-7: The frequencies of consumer banking services usage

	FREQUENCY	VALID PERCENTAGE
ATM usage	160	76.9
Credit card usage	115	55.3
Bank account usage	103	50.0
Check usage	100	48.1
Bill paying at branches	81	39.1
Bill paying by phone	51	24.5
Cash loan usage	44	21.4
Repo usage	38	18.4
Buying and selling of stocks	20	9.8
Buying and selling of gov't securities	17	8.3
Automobile credit usage	13	6.4
POS usage	12	6.0
House credit usage	10	4.9

Tables 4.8,4.9 and 4.10 display the frequencies of the top three most frequently used bank services. Drawing money, with a frequency of 124 (59.3%) is by far the most often used bank service. Depositing money takes the second place by 45.6% and is followed by transferring money (25.0%).

Table 4-8: The most frequently used bank service

VALUE LABEL	FREQUENCY	VALID PERCENTAGE
Drawing money	124	59.3
Depositing money	37	17.7
Transferring money	20	9.6
Check services	12	5.7
Paying bills	5	2.4
Paying credit cards	4	1.9
ATMs	4	1.9
Acquiring loans	2	1.0
Investments	1	0.5

Table 4-9: The second most frequently used bank service

VALUE LABEL	FREQUENCY	VALID PERCENTAGE
Depositing money	93	45.6
Drawing money	37	18.1
Transferring money	21	10.3
Paying credit cards	16	7.8
Check services	15	7.4
Paying bills	14	6.9
ATMs	4	2.0
Investments	2	1.0
Acquiring loans	1	0.5

Table 4-10: The third most frequently used bank service

VALUE LABEL	FREQUENCY	VALID PERCENTAGE
Transferring money	49	25.0
Depositing money	31	15.8
ATMs	22	11.2
Check services	22	11.2
Paying bills	21	10.7
Drawing money	16	8.2
Paying credit cards	14	7.1
Investments	11	5.6
Acquiring loans	9	4.6

4.3.1 Consumers Credits

Findings associated with the usage frequencies of consumer credits will be presented in this section.

4.3.1.1 Frequency Analysis Results On Consumer Credits

When asked directly, whether or not the respondents had acquired some kind of a consumer credit in the past, 23.8% responded positively. 60% of those consumer credits were in the form of cash, 14% house credit and 14% automobile credit. Only 4% have used furniture credit and 8% replied 'other' answers, such as credits acquired for the purchase of household appliances.

Of the people who have used consumer credits in the past, 72% stated that they would acquire the same type of loan in the future if necessary. This percentage shows a high level of satisfaction from this service. Similarly, 56% of the credit users think that they may acquire a different type of credit in the future. The different kind of credit they would wish to acquire is fairly evenly distributed between house credit (28.6%), automobile credit (28.6%), and cash credit (25.0%).

4.3.1.2 The Cross-tabulation Results On Consumer Credits

4.3.1.2.1 Bank Credit Usage And Income Level

With 99.9% confidence it can be said that there is a relationship between bank credit usage and the income level of the respondent, however the relationship is weak as can be seen in Table 4.11, the Cramer's V value is only 0.26842. Among the respondents who have acquired a loan of some kind in the past, 12% belong to the lowest income level group, 56% belong to the group with 50 to 100 million TL. income per month, and the remaining 32% belong to the highest income level group. Only 12% of the respondents from the minimum income level group have acquired a bank loan in the past. This result may seem contradictory for the people with lower income since they seem to be the ones in need of bank loans, however when variables

such as the education level, the awareness of these respondents about bank loans, and the procedures of acquiring loans from banks are considered, this result may not seem contradictory at all.

Table 4-11: Bank Credit usage by income level

INCOME LEVEL	USES	DOES NOT USE
Less than 50 million TL.	6	67
	17.4	55.6
	8.2	91.8
	12.0	41.9
	2.9	31.9
50 to 100 million TL	28	61
	21.2	67.8
	31.5	68.5
	56.0	38.1
	13.3	29.0
101 to 200 million TL.	13	25
	9.0	29.0
	34.2	65.8
	26.0	15.6
	6.2	11.9
201 million and above	3	7
	2.4	7.6
	30.0	70.0
	6.0	4.4
	1.4	3.3
Likelihood ratio	17.16152	0.00065
Cramer's V	0.26842	0.00171

4.3.1.2.2 Usage Of Cash Loans And Gender

With 99% confidence (see Table 4.12) it can be said that there is a relationship between cash loan usage and gender. The phi value of 0.18113 suggests that the relationship is not a strong one. Of all the cash loan users 56.8% are female and 43.2%

are male. 30.5% of female respondents use this service while only 15.3% of the male respondents do so.

Table 4-12: Emergency cash loan usage by gender

GENDER	USES	DOES NOT USE
Female	25	57
	17.5	64.5
	30.5	69.5
	56.8	35.2
	12.1	27.7
Male	19	105
	26.5	97.5
	15.3	84.5
	43.2	64.8
	9.2	51.0
Likelihood ratio	6.63529	0.0100
Phi	.18113	.00933

4.3.2 Checks

Findings associated with the usage frequencies of checks will be presented in this section.

4.3.2.1 The Frequency Analysis Results On Checks

Investigating checking services has some limitations because the respondents fail to distinguish between consumer banking services and corporate banking services associated with checking. Some of the respondents have given positive answers for this question even though the type of checking service they use is corporate and not consumer oriented.

Nearly 35% of the respondents use checks. 25% of these check users write them one to two times per month. 45.8% write checks three to ten times monthly and 29.2% more than ten times in a month.

The major reason for writing checks is even though not legal, the existing system of postponing maturities (62.5%). Non cash transaction possibility is the other reason of choice of this service (34.7).

Table 4.13 reveals the types of expenditure made by the use of checks. The high percentage at the others section is caused by business related expenditures. The consumer oriented expenditures are food and beverages as well as clothing and shoes with 15.1% both.

Table 4-13: The types of expenditure on checks

	FREQUENCY	VALID PERCENTAGE
Food and beverages	11	15.1
Clothing and shoes	11	15.1
Traveling expenses	4	5.5
Dining out	1	1.4
Other	46	63.0

4.3.2.2 The Cross-tabulation Results On Checks

4.3.2.2.1 Check Usage And Age

There is a relationship between check usage and age with 96.9% confidence, however the relationship is weak as suggested by the Cramer's V value of 0.21241, (see Table 4.14). Out of the total, 48.1% use checks and 51.9% do not. Among the users, only 1% are below the age 20, 31% are between the ages of 20 and 25, 36% are between the ages of 26 to 35, 21% are between the ages of 36 and 45 and 11% are above 46. 90.9% of respondents below 20 years do not use checks. This percentage

goes down to 53% for those between the ages of 20 and 25, 31.5% for those between the ages of 26 to 35, 40% for the age group of 36 to 45 and finally, 57.7% for the oldest age group.

Table 4-14: Check usage by age

AGE	USES	DOES NOT USE
Less than 20	1	10
	5.3	5.7
	9.1	90.9
	1.0	9.3
	0..5	4.8
20 to 25	31	35
	31.7	34.3
	47.0	53.0
	31.0	32.4
	14.9	16.8
26 to 35	36	34
	33.7	36.3
	51.4	48.6
	36.0	31.5
	17.3	16.3
36 to 45	21	14
	16.8	18.2
	60.0	40.0
	21.0	13.0
	10.1	6.7
46 and above	11	15
	12.5	13.5
	42.3	57.7
	11.0	13.9
	5.3	7.2
Likelihood ratio	10.56652	0.03189
Cramer's V	0.21241	0.05217

4.3.2.2.2 Check Usage And Gender

With the support of 97.6% confidence, it can be said that there is a relationship between check usage and gender (see Table 4.15). Once more the phi value of 0.15531 suggests a relatively weak relationship. Of all check users 32% are female whereas 68% are male. Out of all female respondents 38.6% use this service and 54.4% of all male respondents do so.

Table 4-15: Check usage by gender

GENDER	USES	DOES NOT USE
Female	32	51
	39.9	43.1
	38.6	61.4
	32.0	47.2
	15.4	24.5
Male	68	57
	60.1	64.9
	54.4	45.6
	68.0	52.8
	32.7	27.4
Likelihood ratio	5.04969	0.02463
Phi	0.15531	0.02510

4.3.2.2.3 Check Usage And Marital Status

Table 4.16 shows that a relationship between check usage and marital status of the respondent exists with 98.8% confidence. The phi value shows that this relationship is 98.8% significant.

Of all check users, 57.0% are married and 43.0% are single. 57.6% of the married respondents use checks, whereas 43.0% of single respondents do so.

Table 4-16: Check usage by marital status

MA. STAT.	USES	DOES NOT USE
Married	57	42
	48.1	50.9
	57.6	42.4
	57.0	39.6
	27.7	20.4
Single	43	64
	51.9	55.1
	40.2	59.8
	43.0	60.4
	20.9	31.1
Likelihood ratio	6.25509	0.01238
Phi	0.17383	0.01260

4.3.2.2.4 Check Usage And Income Level

When participants were asked whether or not they used checks, 48.1% answered 'Yes', and 51.9% answered 'No'. Out of those that answered 'Yes', 20% had an income level below 50 million TL., 53% had income levels between 50 and 100 million and 27% had an income level above 101 million TL. Only 18.5% of those respondents who do not use checks have an income level of above 101 million TL., whereas 49.1% belong to the group with an income level of below 50 million among those who do not use checks.

With nearly 100 % confidence it can be said that there is a relationship between check usage and income level (see Table 4.17). The Cramer's V value of 0.33395 shows that there is a moderate relationship between these two variables with 100% significance.

Table 4-17: Check usage by income level

INCOME LEVEL	USES	DOES NOT USE
Less than 50 million TL.	20	53
	35.1	37.9
	27.4	72.6
	20.0	49.1
	9.6	25.5
50 to 100 million TL	53	35
	42.3	45.7
	60.2	39.8
	53.0	32.4
	25.5	16.8
101 to 200 million TL.	24	13
	17.8	19.2
	64.9	35.1
	24.0	12.0
	11.5	6.3
201 million Tl. and above	3	7
	4.8	5.2
	30.0	70.0
	3.0	6.5
	1.4	3.4
Likelihood ratio	23.83870	0.00003
Cramer's V	0.33395	0.00004

4.3.2.2.5 Check Usage And Occupation Of The Respondent.

With nearly 100 % confidence, it can be said that there is a relationship between the occupation of the respondent and check usage can The Cramer's V value of 0.44288 suggests that there is a moderate to strong relationship between these variables (see Table 4.18). Out of the total 34.8% claim to use check services of banks. Among the users the highest percentage group is self employed workers with 46.6% followed by tradesman 41.1%. This result may be due to the usage of checks for

business oriented purposes rather than individual needs. This result is further enhanced by the fact that the check usage rates among housewives, retired people, and unemployed people are close to 0%.

Table 4-18: Check usage by occupation

OCCUPATION	USES	DOES NOT USE	OCCUPATION	USES	DOES NOT USE
Housewife	0	7	Manager	1	9
	2.4	4.6		3.5	6.5
	0	100.0		10.0	90.0
	0	5.1		1.4	6.6
	0.0	3.3		0.5	4.3
Retired	2	5	Govern't	0	6
	2.4	4.6	Employee	2.1	3.9
	28.6	71.4		0	100.0
	2.7	3.6		0	4.4
	1.0	2.4		0.0	2.9
Unemployed	0	1	Employee	4	28
	0.3	0.7		11.1	20.9
	0	100.0		12.5	87.5
	0	0.7		5.5	20.4
	0.0	0.5		1.9	13.3
Self employed	34	30	Artist	0	1
	22.2	41.8		0.3	0.7
	53.1	46.9		0	100.0
	46.6	21.9		0	0.7
	16.2	14.3		0.0	0.5
Tradesman	30	29	Student	1	15
	20.5	38.5		5.6	10.4
	50.8	49.2		6.3	93.8
	41.1	21.2		1.4	10.9
	14.3	13.8		0.5	7.1
Industrialist	0	1	Other	1	5
	0.3	0.7		2.1	3.9
	0	100.0		16.7	83.3
	0	0.7		1.4	3.6
	0.0	0.5		0.5	2.4
Likelihood ratio	49.177	0.0000			
	43	0			
Cramer's V	0.4428	0.0000			
	8	2			

4.3.3 Credit Cards

Findings associated with the usage frequencies of credit cards will be presented in this section.

4.3.3.1 The Frequency Analysis Results On Credit Cards

Nearly 40% of the respondents have some kind of a credit card among which Visa is the most popular (89.0%). 46.3% of the card holders use their credit cards one or two times per month and 41.5% use them three to ten times monthly. 12.2% claim to use their credit cards more than ten times in a month. The reasons for credit card usage is summarized in Table 4.19. The results show that the majority of the card holders use their cards in order to eliminate carrying cash. 25.6% prefer credit cards because of their payment installment possibility. The extra purchasing power that credit cards offer is the third reason of choice by 15.9%.

Table 4-19: The reasons for credit card utilization

	FREQUENCY	VALID PERCENTAGE
Eliminating cash	42	51.2
Possibility of installment	21	25.6
Extra purchasing power	13	15.9
Using linked services	6	7.3

The types of expenditure made on credit cards and their frequencies can be seen in Table 4.20. Clothing and shoes (50%) are the most frequent types of expenditure on credit cards, followed by food and beverages (23.2%) and traveling expenses (8.5%).

Table 4-20: The types of expenditure on credit cards

	FREQUENCY	VALID PERCENTAGE
Clothing and shoes	41	50.0
Food and beverages	19	23.2
Other	12	14.6
Traveling expenses	7	8.5
Dining out	3	3.7

4.3.3.2 The Cross-tabulation Results On Credit Cards

4.3.3.2.1 Credit Card Usage And Education

It can be said that there is a relationship between education level and credit card usage with 98.7% confidence as a result of the analysis (see Table 4.21). The strength of the relationship is revealed by the Cramer's V value, which is 0.22485 for this case, meaning that the relationship exists however is not very strong.

Out of all credit card users, only 7% are primary school graduates, and 9.6% secondary school graduates, whereas a total of 83.4% are high school and above graduates. This shows that there is a tendency to use credit cards more among higher education levels.

Table 4-21: Credit card usage by education

EDUCATION	USES	DOES NOT USE
5 years	8	6
	7.7	6.3
	57.1	42.9
	7.0	6.5
	3.8	2.9
8 years	11	23
	18.8	15.2
	32.4	67.6
	9.6	24.7
	5.3	11.1
high school grad.	51	41
	50.9	41.1
	55.4	44.6
	44.3	44.1
	24.5	19.7
university grad.	45	23
	37.6	30.4
	66.2	33.8
	39.1	24.7
	21.6	11.1

Likelihood ratio	10.61977	0.01397
Cramer's V	0.22485	0.01465

4.3.3.2.2 Credit Card Usage And Income Level

With 99% confidence it can be said that there is a relationship between credit card usage and income level. The Cramer's V value indicates a moderate to low relationship between these variables (see Table 4.22). 115 respondents claim they use credit cards. Out of this number 27% have an income below 50 million TL., 42.6% between 50 to 101 million TL., and 30.4% above 101 million TL. income. Among the respondents with the lowest level income, 43.7% use credit cards while 56.3% do not. With the 50 to 101 million income level group this ratio is 55.1% versus 44.9%. And with the highest level income group the ratio goes up to 60% versus 40%.

Table 4-22: Credit Card usage by income level

INCOME LEVEL	USES	DOES NOT USE
Less than 50 million TL.	31	40
	39.3	31.7
	43.7	56.3
	27.0	43.0
	14.9	19.2
50 to 100 million TL	49	40
	49.2	39.8
	55.1	44.9
	42.6	43.0
	23.6	19.2
101 to 200 million TL.	29	9
	21.0	17.0
	76.3	23.7
	25.2	9.7
	13.9	4.3
201 million TL. and above	6	4
	5.5	4.5
	60.0	40.0

		5.2		4.3
		2.9		1.9
Likelihood ratio	11.20286		0.01068	
Cramer's V	0.22756		0.01303	

4.3.3.2.3 The Type Of Expenditure On Credit Cards And Age

A relationship between the type of expenditure on credit cards and age exists, even though there is a relatively weak relationship between the variables (see Table 4.23). Since cells with expected frequencies less than 5 make up 76.0%, this table should be interpreted with caution. The most frequent type of expenditure made by the use of credit cards among all age groups is the item which was named 'clothing and shoes'. Among the youngest age group, 83.3% of card holders claim to use their cards for this purpose, and the remaining 16.7% for food and beverages. Among the 20 to 25 years age group, clothing and shoes are once again the most popular item (68%) followed by food and beverages (12%) and dining out (8%). As the age groups get older, the tendency to make expenditures on credit cards for food and beverages increase. This may be the result of the fact that household expenditures are made by the older generation in most of the cases. Dining out expenditures on credit cards are most frequently employed by those people between the ages of 20 to 30. The tendency to buy clothing and shoes with the use of credit cards seem to decrease as the age groups become older.

Table 4-23: Type of expenditure on credit cards by age

AGE	FOOD& BEV.	CLOTHS& SHOES	TRAVEL EXPENSES	DINING OUT	OTHER
Less than 20	1	5	0	0	0
	1.4	3.0	0.5	0.2	0.9
	16.7	83.3	0	0	0
	5.3	12.2	0	0	0
	1.2	6.1	0.0	0.0	0.0
20 to 25	3	17	0	2	3
	5.8	12.5	2.1	0.9	3.7
	12.0	68.0	0	8.0	12.0
	15.8	41.5	0	66.7	25.0
	3.7	20.7	0.0	2.4	3.7
26 to 35	5	12	3	1	4

	5.8	12.5	2.1	0.9	3.7
	20.0	48.0	12.0	4.0	16.0
	26.3	29.3	42.9	33.3	33.3
	6.1	14.6	3.7	1.2	4.9
36 to 45	4	3	2	0	5
	3.2	7.0	1.2	0.5	2.0
	28.6	21.4	14.3	0	35.7
	21.1	7.3	28.6	0	41.7
	4.9	3.7	2.4	0.0	6.1
46 and above	6	4	2	0	0
	2.8	6.0	1.0	0.4	1.8
	50.0	33.3	16.7	0	0
	31.6	9.8	28.6	0	0
	7.3	4.9	2.4	0.0	0.0
Likelihood ratio	29.61492		0.02010		
Contingency coefficient	0.48606		0.06364		

4.3.3.2.4 Type Of Expenditure On Credit Cards And Gender

As it can be seen in Table 4.24 the likelihood ratio is 9.31479 with 99.5% confidence, it can be said that there is a relationship between the type of expenditure on credit cards and gender.. Among female respondents, the most frequent type of expenditure on credit cards is clothing and shoes (63.9%) followed by food and beverages (13.9%) and traveling expenses (5.6%). Among male respondents only 39.1% of the expenditures are made on credit cards for clothing and shoes, whereas the percentage for food and beverages goes up to 30.4% followed by dining out (6.5%). Among all the respondents, dining out expenses are made by male respondents 100%. Traveling expenses are also dominated by male users 71.4% versus 28.6%. Similarly food and beverages are also bought by male respondents by the use of credit cards more frequently 73.7% versus 26.3% respectively. The only item that is dominated by female respondents is clothing and shoes expenses 56.1% versus 43.9%.

Table 4-24: Type of expenditure on credit cards by gender

GENDER	FOOD& BEV.	CLOTHS& SHOES	TRAVEL EXPENSES	DINING OUT	OTHER
Female	5	23	2	0	6
	8.3	18.0	3.1	1.3	5.3
	13.9	63.9	5.6	0	16.7
	26.3	56.1	28.6	0	50.0
	6.1	28.0	2.4	0.0	7.3
Male	14	18	5	3	6
	10.7	23.0	3.9	1.7	6.7
	30.4	39.1	10.9	6.5	13.0
	73.7	43.9	71.4	100.0	50.0
	17.1	22.0	6.1	3.7	7.3
Likelihood ratio	9.31479		0.05370		
Cramer's V	0.31350		0.08944		

4.3.3.2.5 Type Of Expenditure On Credit Cards And Marital Status

When the participants are asked to identify the type of expenditure most frequently made on their credit cards, married respondents chose food and beverages (38.9%) followed by clothing and shoes (27.8%) and traveling expenses (11.1%), whereas single respondents chose clothing and shoes in the first place (67.4%) followed by food and beverages (10.9%), traveling expenses (6.5%) and dining out (4.3%). Among those respondents using their credit cards for clothing and shoes expenses, 75.6% are single and 24.4% are married. However, when food and beverages item is examined, 73.7% are married and 26.3% are single.

With 99.5% confidence, it can be said that there is no relationship between marital status and the type of expenditure on credit cards as seen in Table 4.25, the Cramer's V value shows that this relation is 99.5% significant. This relationship can be considered as moderate to strong.

Table 4-25: Type of expenditure on credit cards by marital status

MARITAL STATUS	FOOD& BEV.	CLOTHS& SHOES	TRAVEL EXPENSES	DINING OUT	OTHER
Married	14	10	4	1	7
	8.3	18.0	3.	1.3	5.3
	36.9	27.8	11.1	2.8	19.4
	73.7	24.4	57.1	33.3	58.3
	17.1	12.2	4.9	1.2	8.5
Single	5	31	3	2	5
	10.7	23.0	3.9	1.7	6.7
	10.9	67.4	6.5	4.3	10.9
	26.3	75.6	42.9	66.7	41.7
	6.1	37.8	3.7	2.4	6.1
Likelihood ratio	15.31845		0.00408		
Cramer's V	0.42527		0.00507		

4.3.3.2.6 Type Of Expenditure On Credit Cards And Education

With 97.1% confidence, a relationship between type of expenditure on credit cards and education is found. The Cramer's V value indicates a moderate relationship between the variables (see Table 4.26). Among university graduates, clothing and shoes are the most frequent types of expenditure on credit cards (51.4%), followed by food and beverages (17.1%) and traveling expenses (8.6%). Among high school graduates, clothing and shoes again take the lead (52.9%) followed by food and beverages (35.3%). Secondary school graduates choose clothing and shoes like the other groups (28.6%) as well as dining out (28.6%). Elementary school graduates with credit cards do most of their spending also clothing and shoes (50%), followed by traveling expenses (14.3%), spending none on food and beverages (0.0%).

Table 4-26: Type of expenditure on credit cards by education

EDUCATION	FOOD& BEV.	CLOTHS& SHOES	TRAVEL EXPENSES	DINING OUT	OTHER
5 years	0	3	1	0	2
	1.4	3.0	0.5	0.2	0.9
	0	50.0	16.7	0	33.3
	0	7.3	14.3	0	16.7
	0.0	3.7	1.2	0.0	2.4
8 years	1	2	0	2	2
	1.6	3.5	0.6	0.3	1.0
	14.3	28.6	0	28.6	28.6
	5.3	4.9	0	66.7	16.7

	1.2	2.4	0.0	2.4	2.4
high school grad.	12	18	3	0	1
	7.9	17.0	2.9	1.2	5.0
	35.3	52.9	8.8	0	2.9
	63.2	43.9	42.9	0	8.3
	14.6	22.0	3.7	0.0	1.2
university grad.	6	18	3	1	7
	8.1	17.5	3.0	1.3	5.1
	17.1	51.4	8.6	2.9	20.0
	31.6	43.9	42.9	33.3	58.3
	7.3	22.0	3.7	1.2	8.5
Likelihood ratio	22.77121		0.02973		
Cramer's V	0.32350		0.01167		

4.3.4 Automated Teller Machines

Findings associated with the usage frequencies of ATMs will be presented in this section.

4.3.4.1 The Frequency Analysis Results On ATMs

152 of the respondents (72.4%), are in possession of an ATM card. This number which is much higher than that of credit cards (39.5%) shows that ATM services are more frequently utilized than credit cards even though essentially they are both in the same form, plastic cards.

Table 4.27 shows that the most frequent type of transaction done on ATM terminals is drawing money followed by depositing money and requesting balance of accounts. 53.3% of the respondents claim they sometimes draw money from ATMs and 43.4 % claim they often do so. Only 2.4% of ATM card holders do not utilize this service. 77.5% of the ATM card holders use their cards for acquiring balance of accounts and 68.6% for depositing money. Money transfers with the aid of ATM cards are done by only 44% of the card holders and these cards are used for paying credit card expenditures by only 25.5 %. The least commonly used type of transaction is investment type of transactions (7.9%).

Table 4-27: Types of transactions on ATMs

	OFTEN	SOMETIMES	NEVER
Drawing money	43.4	53.3	2.4
Depositing money	17.3	51.3	31.3
Transferring money	7.3	26.7	66.0
Paying credit card expenditures	6.0	19.5	74.5
Buying/Selling stocks etc.	2.6	5.3	92.1
Requesting balance of accounts	27.8	49.7	22.5

Table 4.28 summarizes the reasons of ATM usage. ATM terminals are used farmost because of their time saving attribute (49.7). This reason is followed by queue avoidance (19.2), confidentiality (14.9%) and non personalized transactions (14.6%).

Table 4-28: Reasons for ATM usage

	FREQUENCY	VALID PERCENTAGE
Time saving-24 hours service	75	49.7
No queues	29	19.2
Confidentiality	22	14.6
Non personalized transactions	22	14.6
Other	3	2.0

4.3.4.2 The Cross-tabulation Results On ATMs

4.3.4.2.1 ATM Usage And Marital Status

With 97.9% confidence, a relationship between ATM usage and the marital status is found (see Table 4.29). The Phi value shows that this relation is 98% significant. Among the married respondents, 65.7% hold ATM cards and among the single respondents 79.7% do so. Among those who own ATM cards 42.8% are married and 57.2% are single.

Table 4-29: ATM usage by marital status

MARITAL STATUS		YES		NO
Married		65		34
		72.3		26.7
		65.7		34.3
		42.8		60.7
		31.3		16.3
Single		87		22
		79.7		29.3
		79.8		20.2
		57.2		39.3
		41.8		10.6
Likelihood ratio	5.30595		0.02125	
Phi	0.15943		0.02148	

4.3.4.2.2 Drawing Money From ATMs And Income Level

As was discussed earlier in the study, the most commonly utilized feature of ATMs is drawing money. With the support of 99.6% confidence, a relationship between drawing money from ATMs and the income level of the respondent is found, even though the Cramer's V value of 0.22644 suggests a relatively weak relationship (see Table 4.30).

Nearly 38% of those who utilize their ATM cards for drawing money most frequently have an income of 50 to 100 million TL. 28.8% have an income less than 50 million TL., 22.7% earn between 101 and 200 million TL. and the remaining 10.6% have an income higher than 201 million TL. Similarly those who sometimes use their cards for this purpose are 43.2% with an income less than 50 million TL., 44.4% with an income between 50 to 100 million TL., and 12.3% with an income between 101 and 200 million TL. Among those who never use their ATM cards for this purpose, 40% have an income less than 50 million, 40% have an income between 50 and 100 million TL. and 20% have an income above 201 million TL.

Table 4-30: Frequency of drawing money from ATMs by income level

INCOME LEVEL	SOMETIMES	OFTEN	NEVER
Less than 50 million TL.	35	19	2
	29.8	24.3	1.8
	62.5	33.9	3.6
	43.2	28.8	40.0
	23.0	12.5	1.3
50 to 100 million TL.	36	25	2
	33.6	27.4	2.1
	57.1	39.7	3.2
	44.4	37.9	40.0
	23.7	16.4	1.3
101 to 200 million TL.	10	15	0
	13.3	10.9	0.8
	40.0	60.0	0
	12.3	22.7	0
	6.6	9.9	0.0
201 million TL. and above	0	7	1
	4.3	3.5	0.3
	0	87.5	12.5
	0	10.6	20.0
	0.0	4.6	0.7
Likelihood ratio	18.94222	0.00426	
Cramer's V	0.22644	0.01615	

4.3.4.2.3 Depositing Money To ATMs And Income Level

With the support of 98.6% confidence, a relationship between depositing money to ATMs and income level is found, however according to the Cramer's V value, there is a weak but significant relation between the variables (see Table 4.31).

A little over 42% of those who utilize their ATM cards for depositing money most frequently have an income of 50 to 100 million TL. 30.8% have an income between 101 and 200 million TL., 15.4% earn less than 50 million TL. and the remaining 11.5% have an income higher than 201 million TL. Similarly those who sometimes use their cards for this purpose are 46.8% with an income less than 50 million TL., 40.3% with an income between 50 to 100 million TL., 7.8% with an income between 101 and 200 million TL., and 5.2% with an income above 201 million

TL.. Among those who never use their ATM cards for this purpose, 34.0% have an income less than 50 million, 44.7% have an income between 50 and 100 million TL. and 19.1% have an income between 101 and 200 million TL., and 2.1% have an income above 201 million TL.

Table 4-31: Frequency of depositing money to ATMs by income level

INCOME LEVEL	SOMETIMES	OFTEN	NEVER
Less than 50 million TL.	36	4	16
	28.7	9.7	17.5
	64.3	7.1	28.6
	46.8	15.4	34.0
	24.0	2.7	10.7
50 to 100 million TL.	31	11	21
	32.3	10.9	19.7
	49.2	17.5	33.3
	40.3	42.3	44.7
	20.7	7.3	14.0
101 to 200 million TL.	6	8	9
	11.8	4.0	7.2
	26.1	34.8	39.1
	7.8	30.8	19.1
	4.0	5.3	6.0
201 million TL. and above	4	3	1
	4.1	1.4	2.5
	50.0	37.5	12.5
	5.2	11.5	2.1
	2.7	2.0	0.7
Likelihood ratio	15.89315		0.01434
Cramer's V	0.22793		0.1616

4.3.5 Home And Office Banking

Findings associated with the usage frequencies of home and office banking will be presented in this section.

4.3.5.1 The Frequency Analysis Results On Home And Office Banking

Home banking which is a relatively new part of consumer banking in Turkey is investigated in this study in three parts; bill paying by phone, balance information by phone, and bill paying at branches. Even though bill paying at branches may not be

considered a part of home banking, the data collected as automated payments will be presented together.

Only 15.3% of the respondents use bill paying by phone services whereas 62.4% pay their certain bills at branches. This result may be due to the fact that telephone banking is a relatively newer service. 23.4% of the respondents claim they use phone services for obtaining their balance of accounts.

4.3.5.2 The Cross-tabulation Results On Home And Office Banking

4.3.5.2.1 Bill Paying At Branches And Income Level

With the support of 99.2% confidence, a relationship between bill paying at branches and income level is found. There is a moderate to weak relationship between these variables (see Table 4.32). While a little over 39% of all respondents use bill paying at branches service, 60.9% do not. Among the users of this service, 22.2% have an income less than 50 million TL. per month, 45.7% have 50 to 100 million TL. income, and 32.1% have an income of 101 million TL. and above per month. Among the lowest income level group, only 25.4% use this service, whereas this ratio increases along with the increase in income levels, going up to 42.0% and 57.9% respectively.

Table 4-32: Bill paying at branches by income level

INCOME LEVEL	USES	DOES NOT USE
Less than 50 million TL.	18	53
	27.8	43.2
	25.4	74.6
	22.2	42.1
	8.7	25.6
50 to 100 million TL	37	51
	34.4	53.6
	42.0	58.0
	45.7	40.5
	17.9	24.6

101 to 200 million TL.		22		16
		14.9		23.1
		57.9		42.1
		27.2		12.7
		10.6		7.7
201 million TL. and above		4		6
		3.9		6.1
		40.0		60.0
		4.9		4.8
		1.9		2.9
Likelihood ratio	11.76035		0.00825	
Cramer's V	0.23666		0.00891	

4.3.5.2.2 Bill Paying At Branches And Education

With 98.7% confidence (see Table 4.33) it can be said that there is a relationship between bill paying at branches and education . Among the respondents who use the bill paying at branches services of banks, 77.9% are at least high school graduates. 14.5% are secondary school graduates and 7.6% are elementary school graduates.

Among university graduates, 49.3% pay their certain bills at branches. Among high school graduates this ratio increases to 73.1%. The group formed by secondary school graduates have 55.9% users and finally 71.4% of the elementary school graduates use this service.

The relation between the variables is 98.7% significant, however weak.

Table 4-33: Bill paying at branches by education

EDUCATION	USES	DOES NOT USE
Elementary school grad.	10	4
	8.7	5.3
	71.4	28.6
	7.6	5.1
	4.8	1.9
Secondary school grad.	19	15
	21.2	12.8
	55.9	44.1
	14.5	19.0
	9.0	7.1
High school grad.	68	25
	58.0	35.0
	73.1	26.9
	51.9	31.6
	32.4	11.9
University grad. and above	34	35
	43.0	26.0
	49.3	50.7
	26.0	44.3
	16.2	16.7
Likelihood ratio	10.79034	0.01292
Cramer's V	0.22593	0.01334

4.3.5.2.3 Bill Paying By Phone And Income Level

With the support of 97.4% confidence, it can be said that there is a relationship between bill paying by phone and income level. The Cramer's V value indicates a relatively weak relationship between the variables (see Table 4.34) Only 24.5% of the respondents use this service, while 75.5% do not. Among the users, 21.6% have an income level less than 50 million TL., 43.1% have an income level between 50 and 100 million TL., and 35.3% have an income level above 101 million TL. Among the lowest income level group, only 21.6% use this service, whereas this ratio increases to 43.1%

for the income level group of 50 to 100 million TL. and 42.1% for the highest income level group.

Table 4-34: Bill paying by phone by income level

INCOME LEVEL	USES	DOES NOT USE
Less than 50 million TL.	11	60
	17.4	53.6
	15.5	84.5
	21.6	38.2
	5.3	28.8
50 to 100 million TL	22	67
	21.8	67.2
	24.7	75.3
	43.1	42.7
	10.6	32.2
101 to 200 million TL.	16	22
	9.3	28.7
	42.1	57.9
	31.4	14.0
	7.7	10.6
201 million TL. and above	2	8
	2.5	7.5
	20.0	80.0
	3.9	5.1
	1.0	3.8
Likelihood ratio	9.20446	0.02669
Cramer's V	0.21470	0.02241

4.3.5.2.4 Bill Paying By Phone And Gender

With the support of 99.5% confidence, a relationship between bill paying by phone and gender is found., however according to the Phi value, there is not a strong relation between the variables (see Table 4.35). Among those who pay their certain

bills through telephones, 62.5% are female and 37.5% are male. Among females, 23.8% use this service, whereas only 9.6% of males do so.

Table 4-35: Bill paying by phone by gender

GENDER	USES	DOES NOT USE
Female	20	64
	12.9	71.1
	23.8	76.2
	62.5	36.2
	9.6	30.6
Male	12	113
	19.1	105.9
	9.6	90.4
	37.5	63.8
	5.7	54.1
Likelihood ratio	7.66969	0.00562
Phi	0.19347	0.00516

4.3.6 Portfolio Services

Findings associated with the usage frequencies of portfolio services will be presented in this section.

4.3.6.1 The Frequency Analysis Results On Portfolio Services

Among the respondents of this study 50.0% have accounts at banks. 39.5% have savings deposits at banks in the form of foreign currency while 60.5% do not and 86.2% in the form of native currency while 13.8% do not. Among those holding foreign currency accounts, 33.5% use 1 bank, 5.3% use 2 or 3 banks and 0.5% uses more than 3 banks. Among those holding native currency accounts, 45.2% use 1 bank, 36.7% use 2 or 3 banks and 4.3% use more than 3 banks.

The study also shows that 18.4% make repurchase agreements (repo) through banks. 9.8% uses bank services in buying and selling of stocks and 8.3% in buying and selling of government securities.

4.3.6.2 The Cross-tabulation Results On Portfolio Services

4.3.6.2.1 Bank Account Usage And Education

A relationship between bank account usage and education is found with 98.1% confidence. The Cramer's V value of 0.21752 suggests that there is a relationship between these variables however it is a weak relationship. 50% of the respondents claim to have a bank account. Out of this 50%, 4.9% are primary school graduates, 11.7% secondary school graduates, 41.7% are high school graduates, and the remaining 41.7% are university graduates. Among the primary school graduates, 35.7% are account holders, this percentage goes up to 35.3% for secondary school graduates, 47.3% for high school graduates, and 64.2% for university and above graduates. Knowing the independent variable education reduces the error in predicting the dependent variable bank account usage by 18.4% (see Table 4.36).

Table 4-36: Bank account usage by education

EDUCATION	USES	DOES NOT USE
5 years	5	9
	7.0	7.0
	35.7	64.3
	4.9	8.7
	2.4	4.4
8 years	12	22
	17.0	17.0
	35.3	64.7
	11.7	21.4
	5.8	10.7
high school grad.	43	48
	45.5	45.5

		47.3		52.7
		41.7		46.6
		20.9		23.3
university grad.		43		24
		33.5		33.5
		64.2		35.8
		41.7		23.3
		20.9		11.7
Likelihood ratio	9.88163		0.01960	
Cramer's V	0.21752		0.02085	

4.3.6.2.2 Bank Account Usage And Income Level

With 96.6% confidence it can be said that there is a relationship between bank account usage and income level. The Cramer's V value of 0.20339 indicates that there is a relationship between these variables however it is not a very strong relationship (see Table 4.37). Once again the ratio of account holders versus non holders is 50%. Among the account holders 29.1% have an income level below 50 million TL., 52.4% have an income level between 50 to 100 million, and 18.4% have income levels above 101 million TL. Among those with an income of less than 50 million TL. per month, 42.9% hold bank accounts. The same percentage is 61.4% for the second income group, and 42.1% for the third income group.

Table 4-37: Bank account usage by income level

INCOME LEVEL	USES	DOES NOT USE
Less than 50 million TL.	30	40
	35.0	35.0
	42.9	57.1
	29.1	38.8
	14.6	19.4
50 to 100 million TL	54	34
	44.0	44.0
	61.4	38.6

		52.4	33.0
		26.2	16.5
101 to 200 million TL.		16	22
		19.0	19.0
		42.0	57.9
		15.5	21.4
		7.8	10.7
201 million TL. and above		3	7
		5.0	5.0
		30.0	70.0
		2.9	6.8
		1.5	3.4
Likelihood ratio	8.61589		0.03486
Cramer's V	0.20339		0.03638

4.3.6.2.3 Holding A Savings Account In Native Currency And Income Level

With 99.93% confidence, it can be said that there is a relationship between holding savings accounts in native currency and income level (see Table 4.38). Once more, the contingency coefficient of 0.34679 suggests there is a moderate relationship between the variables. Out of the total respondents, 13.8% do not have a savings account in native currency with any bank. Out of this 13.8%, 51.7% have an income level of less than 50 million TL., 34.5% have between 50 and 100 million TL monthly income, and the remaining 13.8% have between 101 and 200 million TL. income. All of the respondents with incomes above 201 million TL have a savings account at at least one bank. As the income level groups increase, the number of banks the individuals have accounts with also increase. For instance 57.5% of all respondents with less than 50 million TL. income have accounts at one bank whereas 70% of those respondents with more than 201 million TL. income have accounts at two or three banks, while 20% claim to have accounts at four or more banks.

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Table 4-38: Number of savings accounts in native currency by income level

INCOME LEVEL	NONE	1 ACC.	2 OR 3 ACC.	MORE THAN 4
Less than 50 million TL.	15	42	15	1
	10.1	33.0	26.8	3.1
	20.5	57.5	20.5	1.4
	51.7	44.2	19.5	11.1
	7.1	20.0	7.1	0.5
50 to 100 million TL	10	38	38	3
	12.3	40.3	32.6	3.8
	11.2	42.7	42.7	3.4
	34.5	40.0	49.4	33.3
	4.8	18.1	18.1	1.4
101 to 200 million TL.	4	14	17	3
	5.2	17.2	13.9	1.6
	10.5	36.8	44.7	7.9
	13.8	14.7	22.1	33.3
	1.9	6.7	8.1	1.4
201 million TL. and above	0	1	7	2
	1.4	4.5	3.7	0.4
	0	10.0	70.0	20.0
	0	1.1	9.1	22.2
	0.0	0.5	3.3	1.0
Likelihood ratio	28.78067		0.00071	
Contingency Coeff.	0.34679		0.00073	

4.3.6.2.4 Holding A Savings Account In Foreign Currency And Age

With 99.9% confidence it can be said that there is a relationship between holding a savings account in foreign currency and age, however it is only a weak relationship (see Table 4.39). 81.1% of all respondents below 20 do not have a savings account in foreign currency, 9.1% have such an account at one bank and 9.1% have accounts at two or three banks. Among those between the ages 20 and 25, 73.1% do not have such an account, 25.4% have accounts at one bank and 1.5% have account at

four or more banks. Out of those between the ages of 26 and 35, 62.9% do not have savings accounts in foreign currency, 35.7% have at one bank and 1.4 have at two or three banks. 31.4% of the respondents between the ages of 36 and 45 do not have such an account, whereas 48.6% do so in one bank, and 20% at two or three banks. Out of the respondents above 46, 53.8% do not have such accounts, 38.5% have at one bank and 7.7 % have at two or three banks.

Table 4-39: Number of savings accounts in foreign currency by age

AGE	NONE	1 ACC.	2 OR 3 ACC.	MORE THAN 4
Less than 20	9	1	1	0
	6.7	3.7	0.6	0.1
	81.8	9.1	9.1	0
	7.1	1.4	9.1	0
	4.3	0.5	0.5	0.0
20 to 25	49	17	0	1
	40.7	22.4	3.5	0.3
	73.1	25.4	0	1.5
	38.6	24.3	0	100.0
	23.4	8.1	0.0	0.5
26 to 35	44	25	1	0
	42.5	23.4	3.7	0.3
	62.9	35.7	1.4	0
	34.6	35.7	9.1	0
	21.1	12.0	0.5	0.0
36 to 45	11	17	7	0
	21.3	11.7	1.8	0.2
	31.4	48.6	20.0	0
	8.7	24.3	63.6	0
	5.3	8.1	3.3	0.0
46 and above	14	10	2	0
	15.8	8.7	1.4	0.1
	53.8	38.5	7.7	0
	11.0	14.3	18.2	0
	6.7	4.8	1.0	0.0

Likelihood ratio	36.13569	0.00031
Cramer's V	0.24057	0.00029

4.3.6.2.5 Holding A Savings Account In Foreign Currency And Marital Status

With the support of 99.8% confidence, it can be said that a relationship between holding a savings account in foreign currency and marital status exists, even though there is a weak relationship between the variables (see Table 4.40). The married respondents make up 47.8% of the total. 49.5% of the married respondents do not hold an account in foreign currency, while 41.1% do so at one bank. The remaining 9.!% claim to hold such accounts at two or three banks. Among the single respondents, 71.3% do not have foreign currency savings accounts, 25.9% do so at one bank, and 1.9% do so at two or three banks with the remaining 0.9% claiming to have accounts at more than three banks.

Table 4-40: Number of savings accounts in foreign currency by marital status

MARITAL STATUS	NONE	1 ACC.	2 OR 3 ACC.	MORE THAN 4
Married	49	41	9	0
	60.3	33.0	5.3	0.5
	49.5	41.4	9.1	0
	38.9	59.4	81.8	0
	23.7	19.8	4.3	0.0
Single	77	28	2	1
	65.7	36.0	5.7	0.5
	71.3	25.9	1.9	0.9
	61.1	40.6	18.2	100.0
	37.2	13.5	1.0	0.5
Likelihood ratio	14.55149		0.00224	
Cramer's V	0.25783		0.00325	

4.4 Findings On Attitudes Towards Consumer Banking Products

In this section, individual preference, inclination, views or feelings towards consumer banking will be investigated. Attitudes are an important part in understanding of consumer behavior, therefore they will be investigated in this section of the study.

4.4.1 Frequency Analysis Results On Attitudes Towards Consumer Banking Products

Table 4.41 presents the results of the frequency analysis along with a description of the variables involved. 41.8% of the respondents of this study disagree with the statement suggesting that bank personnel are available whenever needed. 20% neither agree nor disagree and the remaining 38.2% agree with the same statement. 55.3% of the respondents wish the banks were open for longer hours, while 38% do not wish so and 6.7% do not have an opinion.

Nearly 44% of the respondents think that it is not easy to find ATM terminals close by when needed. 41.5% of the respondents disagree with this statement and the remaining 14.6% do not have an opinion on this issue.

Only 28.2% of the respondents are content with their credit cards in terms of acceptability. 43.1% of the respondents claim that their credit cards are not accepted everywhere, while the remaining 28.2% neither agree nor disagree. 0.5% of the answers are missing. 38.9% of the respondents claim that their credit card balances reach them on time and without mistakes. 29.5% disagree with this statement while 31.6% do not have an opinion.

A little over 40% of the respondents believe that the explanations of bank personnel are clear and understandable. However, 42.6% believe that this is not the

case. 17.2% neither agree nor disagree. Similarly, 21.9% of the respondents claim to be kept up to date about new services whereas 59.2% claim the opposite. 18.9% of the respondents neither agree nor disagree with this statement.

Nearly one third of the respondents find portfolio services to be very useful, 33.7% find these services not useful while 32.2% do not have an opinion.

Only 7.8% of the respondents do not agree with the statement which claims that automatic payment makes life easier. 18.4% neither agree nor disagree while 81.6% of the respondents agree with this statement.

Nearly one-half of the respondents claim that their checks are accepted everywhere while 20% claim that this is not the case and 29.7% neither agree nor disagree. 54.6% of the respondents think that the most important advantage of checking is the unauthorized agreement which makes installments on payment possible. 19.8% of the respondents disagree with this opinion and 25.6% neither agree nor disagree.

Over 40% of the respondents find that ATM terminals function without breakdowns, while 29.3% claim the opposite and 26.7% neither agree nor disagree with this statement. 63.5% of the respondents believe that it is easy to make transactions on ATM terminals, 24.5% believe that transactions on ATMs are not easy to make and 12% do not have an opinion.

Over 40% of the respondents find credit services of banks very useful whereas 35.5% do not find these services useful and 21.5% find these services neither useful nor useless. Finally, only 13% of the respondents find interest rates on banks loan to be high whereas 75% of the respondents find them normal or low. 12% of the respondents find interest rates on bank loans neither high nor low.

It is interesting to note that most of the opinions concerning consumer banking services are fairly evenly distributed however there are some issues which are not

totally unpolarized. For example 59.2% of the respondents disagree with the statement claiming that they are kept up to date about new services whereas only 21.9% agree with this statement. Similarly 41.8% of the respondents disagree to the statement claiming that bank personnel can be reached whenever needed. These results suggests that banks have not achieved in forming a constant information flow between their customers and their service ranges. Another result worth mentioning once again is that 63.5% of the respondents think that it is easy to make transactions on ATMs. This is an interesting results when the recent concern of banks in making ATM transactions simpler are taken into consideration. This result may suggest that banks have achieved in getting their customers closer to ATMs.

As would be expected a majority of the respondents (81.6%) believe that automatic payment makes life much easier. Only 7.8% disagree with this statement and 10.7% neither agree nor disagree which suggests that automatic payment services of banks are well known and well accepted. Finally one last interesting result of this analysis is that 75% of the respondents do not think that interest rates on bank loans are high.

Table 4-41: List of variables on attitudes towards consumer banking related services

VARIABLES	DESCRIPTIONS	STATEMENTS	MEAN	ST. DEV.
V33	Communication	I can always find the person I need at my bank	2.846	1.194
V34	Time	I wish the banks were open for longer hours	3.231	1.280
V35	Convenience	I can find an ATM terminal closeby whenever I need one	2.927	1.137
V36	Credibility	My credit cards are accepted everywhere	2.918	1.286
V37	Written communication	My credit card balances reach me on time and without mistakes	3.078	1.094
V38	Oral communication	The explanations of bank personnel are alway clear	2.931	1.185
V39	Information	I am kept up to date about new services	2.515	1.072
V40	Investments	I find investment services to be very useful	2.995	1.031
V41	Automatic payment	Automatic payment makes life much easier	3.883	0.853
V42	Checks	My checks are accepted everywhere	3.346	0.989

V43	check maturity	The most important advantage of checking is maturity	3.422	1.072
V44	ATM	ATM terminals function without breakdowns	3.213	1.017
V45	Ease of ATM transactions	It is easy to make transactions on ATMs	3.465	1.065
V46	Bank credits	I find credit services of banks very useful	3.107	1.124
V47	Interest rates	I find interest rates on bank loans acceptable	2.101	1.097

Based on a scale where 1= Strongly disagree, 2= Disagree, 3= Neither agree nor disagree, 4= Agree, 5=Strongly agree

4.4.2 Factor Analysis Results On Attitudes Towards Consumer Banking Products

A reliability analysis for the factors explained in table 4.41 was done . The Alpha scale result of this analysis was 0.51710. This value is lower than the acceptance limit of 0.8. Deleting some of the variables did not change the results, therefore factor analysis was conducted regardless of the reliability figures.

Factor analysis has been applied to the variables (Question 3 of the questionnaire) in order to determine the main attitude patterns related to the consumer banking services. The 15 variables in the factor analysis is reduced to 7 factors which explain 64.8% of all the variables. Kaiser Meyer Olkin (0.53240) and Barlett (0.000) tests indicate that the sample is adequate for factor analysis, even though the Kaiser Meyer Olkin measure is a value barely above 0.5 which indicates a relatively lower adequacy.

Table 4-42: Factor Analysis Results

	COMMUNALITY	FACTOR	EIGENVALUE	PCT. OF VAR	CUM. PCT.
V33*	.63986	1	2.34632	15.6	15.6
V34	.64117	2	1.44981	9.7	25.3
V35	.47018	3	1.35994	9.1	34.4
V36	.78233	4	1.26499	8.4	42.8
V37	.46695	5	1.15186	7.7	50.5
V38	.69531	6	1.09583	7.3	57.8
V39	.66817	7	1.04742	7.0	64.8

V40	.69368				
V41	.61876				
V42	.72867				
V43	.71216				
V44	.67199				
V45	.66894				
V46	.68344				
V47	.57456				

* For exact wording of the variables see Table 4.41 on page 107

Table 4-43: Rotated Factor matrix

	Factor1	**Factor2**	**Factor3**	**Factor4**	**Factor5**	**Factor6**	**Factor7**
V33	.31010	.33854	.18280	.11351	.12629	**.51634**	-.31660
V34	-.15165	.19671	.06820	.00515	-.74981	.01152	.11157
V35	.16667	**.60357**	-.09751	-.06638	.07426	.16048	-.18146
V36	.10561	.00002	-.03476	-.01606	.05548	.07130	**.87267**
V37	**.52124**	.13564	.23780	-.02524	.31986	-.13159	-.00747
V38	**.80978**	.04178	.05892	-.06702	-.03091	.15774	.06346
V39	**.48738**	.14154	.18331	.42153	-.23973	.29737	.23109
V40	.49884	**.50974**	-.09052	-.10262	-.19821	-.35545	-.02549
V41	.21894	.25194	.00522	-.69390	.01160	.03797	.15574
V42	.29821	-.06727	**.76841**	-.10686	-.01196	-.18219	.00046
V43	-.03128	.06530	**.83150**	-.01847	.00975	.11825	-.03336
V44	-.23182	.20098	.08168	.08789	**.67417**	.13675	.30041
V45	.00453	-.06422	-.08929	-.20184	.01115	**.77166**	.14315
V46	-.12084	**.76758**	.14123	.04656	-.09322	-.09448	.19983
V47	.08159	.12638	-.12542	**.71036**	.08266	-.13520	.08049

Kaiser-Meyer-Olkin Measure of Sampling Adequacy = 0.53240

Bartlett Test of Sphericity = 253.42820, Significance = .0000

Factor one is made up of three major variables which are: whether or not credit card balances reach customers on time and without mistakes (v37), whether or not the customer is kept up to date about new services (v39), and whether or not the explanations made by bank personnel are clear and understandable (v38). These three

variables can be named as 'communication with bank' because of their common communicational properties. This variable explains 15.6% of the variation.

The second factor is made up of variable 46 which investigates the usefulness of bank credits, variable 40 which asks about the usefulness of investment services and variable 35, which investigates about the convenience of ATM terminal locations. This factor can be named as 'convenience and usefulness' of bank services provided.

The third factor is composed of variable 43 asking about the advantage of checks, and variable 42 , asking whether or not checks are accepted. This factor, with the issue of checking as the common value, is named as 'checks'.

Factor number four is formed by variable 47 only, which is about the perception of consumers on interest rates applicable to bank credits. Similarly factor number five is loaded only on variable 44 which investigates about the functioning of ATM terminals.

Factor six is made up of whether or not ATM transactions are easy to make (v45), and whether or not the person needed can be found at banks (v33). The last factor, number seven is formed by variable 36 which is about credit card acceptance.

The total of the factors mentioned above barely explain 64.8% of all the variables. Even though the factor analysis was used to analyze the nature of the attitude forming factors, no further tests were done due to the low scores involved and relatively unclear factor structure.

4.4.3 Oneway Analysis Results On Attitudes Towards Consumer Banking Products

Oneway analysis have been conducted to all of the variables concerning attitudes towards consumer banking products (V33 to V47) and age, education levels as well as income levels of the respondents. The detailed oneway analysis results may

be seen in appendix III. Only the results with statistical significance are reported in the following paragraphs.

4.4.3.1 It Is Easy To Make Transactions On ATMs And Education

As can be seen in Table 4.44, the F probability of this analysis is 0.0189. It can be concluded that the mean agreement with the statement 'It is easy to make transactions on ATMs' among four education level groups are different. As the education levels of the respondents increase, there is a tendency to agree more with the statement suggesting that ATM transactions are easy to make.

Scheffe test results indicate that the highest difference in mean agreement with this statement is between group one and group four.

Table 4-44: It is easy to make transactions on ATMs and education

Source	d.f.	Sum of squares	Mean squares	F ratio	F prob.
Between groups	3	10.8130	3.6043	3.3946	0.0189
Within groups	204	216.6052	1.0618		
Total	207	227.4183			

Group	Count	Mean	St. Deviation	St. Error	95Pct Conf. Int for means
Grp1	14	2.7857	.9750	.2606	2.2228 to 3.348
Grp2	34	3.2059	.9138	.1567	2.8870 to 3.524
Grp3	91	3.4945	1.0685	.1120	3.2720 to 3.717
Grp4	69	3.6377	1.0428	.1255	3.3872 to 3.888
Total	208	3.4471	1.0482	.0727	3.3038 to 3.590

Mean	V89	1	2	3	4
2.7857	Grp1				
3.2059	Grp2				
3.4945	Grp3				
3.6377	Grp4	*			

* indicates significant differences which are shown in the lower triangle

4.4.4 T-Test Results On Attitudes Towards Consumer Banking Products

T-tests have been done on all of the variables measuring attitudes towards consumer banking products (V33 to V47) and marital status and gender of the

respondents. The significant results will be presented in the following sections. Complete SPSS outputs can be seen in Appendix III.

4.4.4.1 I Wish The Banks Were Open For Longer Hours and Marital Status

The difference in mean agreement with statement 'I wish the banks were open for longer hours' between married and single people is significant at 97.4% confidence (see Table 4.45). Single people tend to agree more with this statement.

Table 4-45: I wish the banks were open for longer hours and marital status

Variable	Number of cases	Mean	Standard Deviation	SE of Mean
Married	97	3.0206	1.241	0.126
Single	111	3.4144	1.290	0.122

Mean Difference = -0.3938

Levene's Test for Equality of Variances : F = 0.064 P = 0.801

t-test for Equality of Means

Variances	t-value	df	2-tail Sig	SE of Diff	95% CI for Diff
Equal	-2.24	206	0.026	0.176	(-.741, -.046)
Unequal	-2.24	204.06	0.026	0.176	(-.740, -.047)

4.4.4.2 I Can Always Find An ATM Terminal Closeby Whenever I Need One And Marital Status

The difference in mean agreement with statement 'I can always find an ATM terminal closeby whenever I need one' between married and single people is significant at 97.4% confidence (see Table 4.46). Single people tend to agree more with this statement.

Table 4-46: I can always find an ATM terminal closeby whenever I need one and marital status

Variable	Number Of Cases	Mean	Standard Deviation	SE of Mean
Married	97	2.7423	1.073	0.109
Single	111	3.0901	1.156	0.110

Mean Difference = -0.3478

Levene's Test for Equality of Variances: F = 0.695 P = 0.405

t-test for Equality of Means

Variances	t-value	df	2-tail Sig	SE od Diff	95% CI for Diff
Equal	-2.24	206	0.026	0.155	(-.654, -.041)
Unequal	-2.25	205.24	0.026	0.155	(-.653, -.043)

4.4.4.3 The Explanations Made By Bank Personnel Are Always Clear And Understandable And Marital Status

The difference in mean agreement with statement 'The explanations made by bank personnel are always clear and understandable' between married and single people is significant at 96.2% confidence (see Table 4.47). Married people tend to agree more with this statement.

Table 4-47: The explanations made by bank personnel are always clear and understandable and marital status

Variable	Number Of Cases	Mean	Standard Deviation	SE of Mean
Married	97	3.1134	1.189	0.121
Single	111	2.7748	1.142	0.108

Mean Difference =0.3386

Levene's Test for Equality of Variances: F = 0.201 P =0.654

t-test for Equality of Means

Variances	t-value	df	2-tail Sig	SE od Diff	95% CI for Diff
Equal	2.09	206	0.038	0.162	(.020, .658)
Unequal	2.09	199.80	0.038	0.162	(.019, .659)

4.4.4.4 I Find Investment Services Useful And Marital Status

The difference in mean agreement with statement 'I find investment services useful' between married and single people is significant at 99.2% confidence (see Table 4.48). Single people tend to agree more with this statement.

Table 4-48: I find investment services useful and marital status

Variable	Number Of Cases	Mean	Standard Deviation	SE of Mean
Married	97	2.7938	1.020	0.104
Single	111	3.1712	0.999	0.095

Mean Difference = -0.3774

Levene's Test for Equality of Variances: F = 0.082 P =0.775

t-test for Equality of Means

Variances	t-value	df	2-tail Sig	SE od Diff	95% CI for Diff
Equal	-2.69	206	0.008	0.140	(-.654, -.101)
Unequal	-2.69	201.08	0.008	0.140	(-.654, -.100)

4.4.4.5 My Checks Are Accepted Everywhere And Marital Status

The difference in mean agreement with statement 'My checks are accepted everywhere' between married and single people is significant at 96.2% confidence (see Table 4.49). Married people tend to agree more with this statement.

Table 4-49: My checks are accepted everywhere and marital status

Variable	Number Of Cases	Mean	Standard Deviation	SE of Mean
Married	97	3.4536	1.011	0.103
Single	111	3.1802	0.855	0.081

Mean Difference = 0.2734

Levene's Test for Equality of Variances: F = 5.814 P =0.017

t-test for Equality of Means

Variances	t-value	df	2-tail Sig	SE od Diff	95% CI for Diff
Equal	2.11	206	0.036	0.129	(.018, .529)
Unequal	2.09	189.08	0.038	0.131	(.012, .532)

4.4.4.6 The Most Important Advantage Of Checking Is Maturity Options And Marital Status

The difference in mean agreement with statement 'The most important advantage of checking is maturity options ' between married and single people is significant at 99.8% confidence (see Table 4.50). Married people tend to agree more with this statement.

Table 4-50: The most important advantage of checking is maturity options and marital status

Variable	Number Of Cases	Mean	Standard Deviation	SE of Mean
Married	97	3.6186	0.984	0.100
Single	111	3.1712	1.017	0.097

Mean Difference = 0.4474

Levene's Test for Equality of Variances: F = 0.002 P = 0.968

t-test for Equality of Means

Variances	t-value	df	2-tail Sig	SE od Diff	95% CI for Diff
Equal	3.21	206	0.002	0.139	(.173, .722)
Unequal	3.22	203.86	0.001	0.139	(.173, .721)

4.4.4.7 I Find Credit Services Of Banks Very Useful And Marital Status

The difference in mean agreement with statement 'I find credit services of banks very useful ' between married and single people is significant at 98.4% confidence (see Table 4.51). Single people tend to agree more with this statement.

Table 4-51: I find credit services of banks very useful and marital status

Variable	Number Of Cases	Mean	Standard Deviation	SE of Mean
Married	97	2.9072	1.081	0.110
Single	111	3.2793	1.121	0.106

Mean Difference = -0.3721

Levene's Test for Equality of Variances: F = 0.428 P = 0.514

t-test for Equality of Means

Variances	t-value	df	2-tail Sig	SE od Diff	95% CI for Diff
Equal	-2.43	206	0.016	0.153	(-.674, -.070)
Unequal	-2.43	204.01	0.016	0.153	(-.674, -.071)

4.4.4.8 I Can Always Find The Person I Need At Banks And Gender

The difference in mean agreement with statement 'I can always find the person I need at banks ' between female and male people is significant at 90.8% confidence (see Table 4.52). Female people tend to agree more with this statement.

Table 4-52: I can always find the person I need at banks and gender

Variable	Number Of Cases	Mean	Standard Deviation	SE of Mean
Female	84	3.0119	1.103	0.120
Male	124	2.7339	1.244	0.112

Mean Difference = 0.2780

Levene's Test for Equality of Variances: F = 7.409 P = 0.007

t-test for Equality of Means

Variances	t-value	df	2-tail Sig	SE od Diff	95% CI for Diff
Equal	1.65	206	0.099	0.168	(-.053, .609)
Unequal	1.69	191.61	0.092	0.164	(-.046, .602)

4.4.4.9 My Credit Cards Are Accepted Everywhere And Gender

The difference in mean agreement with statement 'My credit cards are accepted everywhere ' between female and male people is significant at 93.8% confidence (see Table 4.53). Female people tend to agree more with this statement.

Table 4-53: My credit cards are accepted everywhere and gender

Variable	Number Of Cases	Mean	Standard Deviation	SE of Mean
Female	84	3.1190	1.468	0.160
Male	124	2.7903	1.054	0.095

Mean Difference = 0.3287

Levene's Test for Equality of Variances: F = 1.463 P = 0.228

t-test for Equality of Means

Variances	t-value	df	2-tail Sig	SE od Diff	95% CI for Diff
Equal	1.88	206	0.062	0.175	(-.016, .674)
Unequal	1.77	139.58	0.079	0.186	(-.039, .697)

4.4.4.10 I Find Credit Services Of Banks Very Useful And Gender

The difference in mean agreement with statement 'I find credit services of banks very useful ' between female and male people is significant at 90.3% confidence (see Table 4.54). Female people tend to agree more with this statement.

Table 4-54: I find credit services of banks very useful and gender

Variable	Number Of Cases	Mean	Standard Deviation	SE of Mean
Female	84	3.2619	1.110	0.121
Male	124	3.0000	1.112	0.100

Mean Difference = 0.2619

Levene's Test for Equality of Variances: F = 0.220 P = 0.639

t-test for Equality of Means

Variances	t-value	df	2-tail Sig	SE od Diff	95% CI for Diff
Equal	1.67	206	0.097	0.157	(-.048, .571)
Unequal	1.67	178.51	0.097	0.157	(-.048, .572)

5. CHAPTER FIVE: CONCLUSIONS AND IMPLICATIONS

The concluding section of the study summarizes the major findings about the study on consumer banking services, makes concluding remarks about these findings as well as the consumer banking services in general and offers some policy implications along with a need for further research.

5.1 Summary Of Findings

The findings of this study were evaluated in three steps. The first one is about awareness of consumers about consumer banking services. The second group of findings evaluate the usage frequencies of these services and the final group of findings involve attitudes towards consumer banking services.

Among the consumer banking services banks offer, automated teller machines (98.6%) are the most well known service followed by credit cards (98.1%), checks (95.7%), consumer credits (92.9%), home banking services (90.0%) and portfolio services (75.7%). The most frequently used consumer banking services of banks show a similar pattern, as would be expected. Automated teller machine services take the lead with 76.9% usage frequency followed by credit cards (55.3%), checks (48.1%), home banking services (24.5%), consumer credits (21.4%), and portfolio services (18.4%). It is interesting to note that services such as consumer credits and portfolio services are well known, however have low usage frequencies. The reason for this discrepancy may be the fact that those consumers may know about, for example portfolio services, but lack the credit required to make use of this service. Similarly, consumers may be aware of credit services, but may not necessarily be in need of this service in order to purchase homes, automobiles, etc.

Another important result of the analysis points out the fact that most people use banks simply for withdrawing (59.3%), depositing (17.7%), or transferring (9.6%) money. Check services of banks (5.7%) follow these cash based services. All of the other services have usage frequency rates between 0.5 and 2.5 percent. Portfolio services once again come out to be the least utilized consumer banking service (0.5%).

Over 40% of all respondents find consumer credit services of banks very useful. A majority of the people who have used consumer credits in the past (72%) state that they would acquire the same type of loan, or other types of loans (56%) in the future. This high percentage shows a high level of satisfaction from this service. It is also interesting to note that, 75% of the respondents find the interest rates applied to these credits within acceptable limits.

Checks are among the oldest banking services to be offered. However, there is some confusion among users, as to the type of service checks belong to. Consumers do not make a distinction between business oriented checks and individual oriented checks. Nevertheless, checks are well known, well accepted, and highly used. The major reason for writing checks is, even though not legally accepted, the existing system of postponing maturities. The analysis also show that it is more common to use checks among older age groups than it is among younger ones. Male respondents seem to prefer writing checks more than the female ones, which once again could be associated with business oriented check usage. There is also a high correlation between occupation and check usage. Tradesman and self employed workers utilize this service most frequently.

Nearly 40% of all respondents are in possession of a credit card among which Visa is the most popular. Credit cards are most frequently used one or two times in a month for the purchase of clothing and shoes. The major reason for using credit cards is to eliminate cash transfers. It is more common to use credit cards among high school, university and above level graduates and those with higher income. Younger people prefer to use their credit cards mostly for the purpose of purchasing clothes,

while elder people do so for the purchase of food and beverages as well as for dining out. Married people use credit cards mostly for the purchase of food and beverages whereas single people use it mostly for clothing and shoes.

ATMs are the most well known and frequently used consumer banking service. ATM card holders mostly use this service for withdrawing money, and the major reason for doing so via ATMs instead of branches, is time saving and availability around the clock. Another reason for using ATMs is avoiding long queues which often form at branches. It is interesting to note that single people use this service more frequently than married ones. As the income level of the respondents increase, there is a tendency to deposit or withdraw money less by using ATMs.

Home banking is a relatively new consumer banking service in Turkey. Only 15.3% of all respondents use bill paying by phone, whereas 62.4% pay certain bills at branches. This result may be due to the fact that telephone banking is a newer service even though 90% of the respondents claim to be aware of this service.

One-half of all respondents have at least one account at a bank. People mostly utilize savings accounts in native currency. Only 39.5% of the respondents hold savings accounts in foreign currency. The results also show that 18.4% make repurchase agreement (repo) through banks. 9.8% use bank services in buying and selling of stocks, and 8.0% in buying and selling of government securities. Elder people are more aware of portfolio services such as repurchase agreements, buying and selling of stocks, bonds, and securities than younger people. High school and above level graduates also seem to be more aware of banks services such as buying and selling of securities. It is also interesting to note that as the education and income levels of the respondents increase, bank account usage rates also increase.

Regarding the attitudes of individuals towards consumer banking services, it would be safe to suggest that a majority would like banks to be open for longer hours. 38.2% find that bank personnel are not readily available when needed. There is also a

tendency to agree more to this statement as income levels decrease. A high percentage of the respondents (42%) claim that the explanations of bank personnel are not clear, however 59.2% agree with the statement suggesting that they are kept up to date about new services.

Concerning the issue of ATMs, 43.9% suggest that it is not easy to find terminals closeby when needed. A similar percentage of the respondents also suggest that ATMs function without breakdowns. A majority of the respondents (63.5%) find that ATM transactions are easy to make. There is a tendency to agree more with this statement among single respondents.

Only 34.2% of the respondents find portfolio services useful, which explains the low usage rates of these services. The percentage of respondents who find consumer credits useful is 43.

Nearly 50.% claim that their checks are accepted everywhere. There is once again a tendency to agree more with this suggestion among married respondents. Another finding associated with checks is that male respondents tend to agree more with check acceptability as compared to female respondents.

A high percentage of respondents (81.6%) agree that automatic payment makes life easier. Finally, only 28.2% are found to be content with their credit cards in terms of acceptability.

5.2 Conclusions

Today, most banks offer a variety of services directly aimed at individuals under the name of consumer banking. Consumer credits, unlike trade credits are given to individuals for consumption of goods and services. These credits are mostly used for financing purchases of cars and other durable goods, as well as for educational expenses, health related expenditures, travel and vacation expenses, and even insurance payments. Individuals are given the option of purchasing prior to cash payment and banks are able to disperse their credit risk more easily.

Another example of services directly aimed at consumers is the credit card available for purchase of goods and services prior to cash payment. With using a credit card the consumer is also given the option of postponing payments in the form of installments. In our today's world there are many different kinds of credit cards, and the number keeps on increasing with advances in technology.

With new technological advances, the consumer banking services which could be given face to face, are now given through automatic machines. Furthermore, individuals are given the chance to purchase goods and services by directly charging to their bank accounts by the aid of electronic funds transfer systems. Home and office banking is also another alternative service which enables the user to make transactions from home or office, thus eliminate the need to go to banks personally.

Plastic cards and electronic banking are themselves major new services for customers, but they also open up opportunities for banks to offer better services to their customers. In addition, electronic banking gives customers better information and a more rapid response allowing them to make better use of resources at their disposal.

All of these services mentioned above have a trait in common; automation. In parallel with automation comes speed and new alternatives of services.

With consumer banking products, banks have achieved in increasing their customer portfolios, increasing their earnings in the form of interest and commission, and decreasing their costs overall. Thus those banks which offer the consumer banking services mentioned above have gained a competitive advantage in the marketplace.

The motivating forces for change in the future are likely to be the same as in the past. Banks are under three main pressures: the need to control costs, the need to increase revenues, and the need to improve the quality of their services. In order to minimize their costs, future developments of bank services can be expected in paper payments, with automation of the check clearing and credit clearing leading to eventual truncation of both systems (Frazer, 1985). Cost pressures will also ensure the continuing growth of self service equipment of all varieties. The development of EFTPOS systems can also be seen in terms of controlling costs. Home and office banking can be seen by banks as a way of increasing revenues, as well as gaining a competitive advantage. In search of improved products, banks will try to increase their geographical scope services. This can be achieved by ATMs. The international dimensions of banking will also be a most important factor as banks look to other countries for new ideas and services as well as new customers.

5.3 Managerial Implications

Based on the findings of this study, bank managers can have knowledge about the awareness of individuals to consumer banking products, the frequencies of usage of consumer banking services as well as general attitudes towards these services. Bank managers can make further use of these findings in order to determine marketing strategies which could be more effective.

In this line of reasoning, it seems important to increase the awareness of consumers to the least utilized and least known services. Portfolio services, which could be very profitable for both the customers and banks, are unfortunately the

farthest down the list of services consumers are aware of. Bank managers should try and increase the usage frequencies of these services. This could perhaps be accomplished by making portfolio service transactions simpler and increasing the earnings for investors. However, more important would it be to make sure that people are aware of these facts. This could probably be achieved by promotional activities such as advertising via popular channels, using direct mail to target customers, or by increasing the personnel selling efforts at branches. Explanations of bank personnel which are not found adequate by a majority of the respondents in this study, should be worked on and enlarged to cover especially these portfolio services. Since the findings also suggest that the awareness levels decrease as the age groups decrease, it would be a better fit to channel the efforts of increasing customer awareness towards younger generations. Bank managers should also put more effort into keeping their customers more up to date about derivative investment tools they also offer.

It is interesting to note that ATMs are the most widely accepted and extensively utilized consumer banking service, even though ATMs require radical departure from accepted banking habits in terms of location, non person related transactions, and the degree of automation and technology involved. This result shows that the promotion activities of banks such as advertising and personnel selling (branch information) have achieved in making ATMs well known and accepted. Bank managers should preserve their concern over safety, malfunctioning and the distribution of ATM terminals to ensure the increasing popularity of these services.

Only 39.5% of all respondents are found to be in possession of a credit card. In today's world, where plastic money is accepted to be the greatest innovation after coins, this ratio is well below desired levels. Bank managers should try and increase the number of credit card holders. This could be achieved once again in the light of the findings, suggesting that credit cards are not as frequently utilized among younger generations as among older ones. It would be wise to suggest channeling marketing efforts to the younger generations also when the young population of Turkey is taken into consideration. Since the main reason for using credit cards are found to be

eliminating cash transfers, the advertising campaign for credit cards could stress this attribute as well as the extra purchasing power related to credit card usage and the possibility of installments on payments. Since most of credit card purchases are done for clothing and shoes (among younger respondents) and food and beverages (among older respondents), POS systems should be installed extensively in shops and stores which offer these products. Finally, bank managers should try and increase the levels of credit card acceptability, for the findings of the study suggest that only 28.2% of the respondents are content with this issue.

Checks follow ATMs and credit cards in terms of awareness and utilization frequency. Being among the oldest bank services, checks are widely accepted especially among male respondents and those who belong to the older age groups. Taking these findings into consideration, bank managers may choose to divert their marketing efforts, to make check usage more popular and convenient among younger people and females, thus achieving to increase the overall performance of this service.

Consumers seem to be content with credit services bank offer. Most of the respondents who have used this service in the past, claim that they could do so again, in the future. This state of satisfaction, along with the high degrees of agreement about the acceptability of the interest rates applicable to these services, suggest that consumer credits perform the desired level of satisfaction. However, the relatively low degree of utilization suggest that marketing efforts be put into the promotion, and distribution of consumer credits.

Finally, home banking shows a potential, when the fact that 62.4% of the respondents pay their bills at branches are taken into consideration. Automatic payment is agreed to make life much easier. Similarly, even though bill paying by phone is a new service, it is well known.

Regarding general issues about banking, the findings of the study suggest that a majority of people would prefer if the banks were open for longer hours. This could be yet another point to add to the marketing strategy of banks.

5.4 Recommendations For Further Research

As was explained in the limitations of the study section, the field research was carried out only in İstanbul. It would be better if other major cities were also taken into consideration. Similarly, only seven of the major bank managers were interviewed due to time constraints. Increasing the number of banks encompassed in the study would bring out better and more precise results.

An equal distribution among demographic groups would give healthier results in analyzing the relationships between variables, hence results in more accurate conclusions. Because of the inability of the variables in explaining the variances, the factor analysis done at the findings of the study section were not used for further analysis. A better choice of variables, could perhaps overcome this handicap of the study.

When the results of the study are taken into consideration, it would be interesting to investigate further the subject of portfolio services. This study has concluded that consumers are not highly aware of portfolio services, and do not make use of them frequently. It would be helpful for bank managers if the reasons of this lack of interest and utilization were further researched. Similarly a study could be made with an emphasis on why people do not use specific consumer banking products instead of asking them why they do. This kind of a study could help managers further in formulating their marketing strategies.

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APPENDIX I

LIST OF BANKS AND NAMES OF MANAGERS INTERVIEWED

LIST OF BANKS AND NAMES OF MANAGERS INTERVIEWED

FİNANSBANK	Senior Vice President	Mr Nafiz Karadere
GARANTİ BANK	Senior Vice President	Mr Tanfer Özkanlı
YAPI KREDİ BANK	Senior Executive Vice President	Mr İsmail Yalçınkaya
AKBANK	Senior Executive Vice President	Mr Akın Kozanoğlu
INTERBANK	Senior Vice President	Mr Kemal Köprülü
CITIBANK	Senior Vice President	Mr Tolga Işıklar

APPENDIX II

COPY OF THE QUESTIONNAIRE

(ENGLISH AND TURKISH)

Good morning. We are preparing a study at the Bogaziçi University concerning the status of consumer banking in Turkey. Your responses will be used only for statistical purposes. Thank you in advance for your help.

1) Which of the following bank services are available in Turkey?

	AVAILABLE	NOT AVAILABLE	DO NOT KNOW
a. Bank accounts	☐	☐	☐
b. House credits	☐	☐	☐
c. Automobile credits	☐	☐	☐
d. Cash loans	☐	☐	☐
e. Checks	☐	☐	☐
f. Credit cards	☐	☐	☐
g. POS cards	☐	☐	☐
h. ATM services	☐	☐	☐
ı. Repurchase agreements	☐	☐	☐
I. Buying/selling of stocks	☐	☐	☐
j. Buying/selling of bonds and securities	☐	☐	☐
k. Bill paying at branches	☐	☐	☐
l. Bill paying by phone	☐	☐	☐
m. Automatic rent paying	☐	☐	☐
n. Buying/selling of gold	☐	☐	☐
o. Buying/selling of foreign currency	☐	☐	☐
ö. Automatic salary payment	☐	☐	☐
p. Airline ticket reservations	☐	☐	☐

What services, other than those mentioned above are available?

.....

.....

2) Which of the following bank services have you ever used/are using?

	USE	DO NOT USE
a. Bank accounts	☐	☐
b. House credits	☐	☐
c. Automobile credits	☐	☐
d. Cash loans	☐	☐
e. Checks	☐	☐
f. Credit cards	☐	☐
g. POS cards	☐	☐
h. ATM services	☐	☐
ı. Repurchase agreements	☐	☐
i. Buying/selling of stocks	☐	☐
j. Buying/selling of bonds and securities	☐	☐
k. Bill paying at branches	☐	☐
l. Bill paying by phone	☐	☐

3) Some opinions concerning consumer banking in Turkey are listed below. Please indicate the degree to which you agree or disagree by marking the appropriate box.

NOTE:
1. Strongly disagree
2. Disagree
3. Neither agree nor disagree
4. Agree
5. Strongly agree

	1	2	3	4	5
a. I can always find the person I need at banks.	☐	☐	☐	☐	☐
b. I wish the banks were open for longer hours.	☐	☐	☐	☐	☐
c. I can find ATM terminals close by whenever I need one.	☐	☐	☐	☐	☐
d. My credit card is not accepted everywhere.	☐	☐	☐	☐	☐
e. My credit card balances are sent to me on time and without mistakes.	☐	☐	☐	☐	☐
f. The explanations of bank personnel are always clear and understandable.	☐	☐	☐	☐	☐
g. I am kept up to date about new services of banks	☐	☐	☐	☐	☐
h. I find investment services very useful.	☐	☐	☐	☐	☐
ı. Automatic payment makes life easier.	☐	☐	☐	☐	☐
i. My checks are accepted everywhere.	☐	☐	☐	☐	☐
j. The most important advantage of checking is the fact that maturity dates can be written as seen fit.	☐	☐	☐	☐	☐
k. ATM terminals function without breakdowns.	☐	☐	☐	☐	☐
l. Making ATM transactions is very complicated.	☐	☐	☐	☐	☐
m. I find credit services of banks very useful.	☐	☐	☐	☐	☐
n. I find the interest rates on bank loans very high.	☐	☐	☐	☐	☐

4) Which of the following banks do you use? More than one answer may be chosen.

☐ Akbank
☐ Demirbank
☐ Garanti Bank
☐ İktisat Bank
☐ İnterbank
☐ Osmanlı Bank
☐ TEB
☐ Yapı Kredi Bank
☐ Other.....(please indicate)

5) Please identify <u>three</u> of the bank services that you most frequently use by numbering them accordingly as 1,2,3.

☐ Depositing money
☐ Drawing money
☐ Transferring money
☐ Paying bills
☐ Paying credit card expenditures
☐ Acquiring bank credits
☐ Acquiring ATM cards
☐ Making use of investment services
☐ Making transactions associated with checking
☐ Other.....(please indicate)

6) Have you ever acquired a bank loan?
☐ Yes ☐ No (If no, pass on to question 11)

7) Which kind of credit/credits have you acquired?

☐ House
☐ Automobile
☐ Furniture
☐ Cash
☐ Vacation
☐ Education
☐ Other .....(please indicate)

8) Would you like to use this kind of a credit again in the future?
☐ Yes ☐ No

9) Would you like to use another type of credit in the future?
☐ Yes ☐ No (If no, pass on to question 11)

10) If yes, what kind?

☐ House
☐ Automobile
☐ Furniture
☐ Cash
☐ Vacation
☐ Education
☐ Other .....(please indicate)

11) Are you in possession of a credit card?
☐ Yes ☐ No (If no, pass on to question 17)

12) What kind/kinds of credit cards do you have?
☐ Visa
☐ Mastercard
☐ American Express
☐ Diners Club
☐ Other .....(please indicate)

13) If you are in possession of more than one credit card which one do you most frequently use? Please mark only one answer.

☐ Visa
☐ Mastercard
☐ American Express
☐ Diners Club
☐Other.....(please indicate)

14) How often do you use this credit card?

☐ 1 or 2 times in a month
☐ 3 to 10 times in a month
☐ More than 10 times in a month

15) Which of the following is your major reason for using credit cards? Please mark only one answer.

☐ Eliminating cash
☐ Extra purchasing power
☐ Possibility of installment of payments
☐ Using linked services (for example automatic payment)
☐ Other.....(please indicate)

16) What kind of expenditures do you most frequently make with your credit cards? Please mark only one answer.

☐ Food/ Beverages
☐ Clothing/ Shoes
☐ Traveling expenses
☐ Dining out
☐ Other

17) Are you in possession of an ATM card?

☐ Yes ☐ No (If no, pass on to question 20)

18) How often do you use your ATM card for the following?

	SOMETIMES	OFTEN	NEVER
Drawing money	☐	☐	☐
Depositing money	☐	☐	☐
Transferring money	☐	☐	☐
Paying credit card expenditures	☐	☐	☐
Buying/selling of stocks, bonds etc.	☐	☐	☐
Requesting balance of accounts	☐	☐	☐
Other..... .....(please indicate)	☐	☐	☐

19) What is your most important reason for using ATMs? Please rank your answers as 1,2,3.

☐ Confidentiality
☐ Time saving
☐ Non personalized transactions
☐ Queue avoidance
☐ Other.....(please indicate)

20) Do you pay certain bills by phone?

☐ Yes ☐ No

21) Do you inquire about your balance of accounts by

☐ Yes ☐ No

22) Do you pay certain bills at branches?

☐ Yes ☐ No

23) Do you have your own check book?

☐ Yes ☐ No (If no, pass on to question 28)

24) Which of the following banks' checkbooks do you use?

☐ Akbank ☐ Osmanlı Bank
☐ Demirbank ☐ TEB
☐ Garanti Bank ☐Yapı Kredi Bank
☐ İktisat Bank ☐ Other.....(please indicate)
☐ İnterbank

25) How often do you write checks?

☐ 1 or 2 times in a month
☐ 3 to 10 times in a month
☐ More than 10 times in a month

26) Which of the following is your major reason for writing checks? Please mark <u>only one</u> answer.

☐ Eliminating cash
☐ Possibility of installment of payments
☐ Other.....(please indicate)

27) What kind of expenditures do you most frequently make with your checks? Please mark only one answer.

☐ Food/ Beverages
☐ Clothing/ Shoes
☐ Traveling expenses
☐ Dining out
☐ Other

28) At how many banks do you hold an account in the form of native currency?

☐ None
☐ 1
☐ 2-3
☐ 4 or more

29) At how many banks do you hold an account in the form of foreign currency?

☐ None
☐ 1
☐ 2-3
☐ 4 or more

30) Please indicate your age group.

☐ Less than 20
☐ 20 to 25
☐ 26 to 35
☐ 36 to 45
☐ 46 to 55
☐ 56 to 65
☐ More than 66

31) Please indicate your gender.

☐ Female ☐ Male

32) Please indicate your marital status.

☐ Married ☐ Single

32) Please indicate your occupation.

☐ Housewife
☐ Retired
☐ Unemployed
☐ Freelance
☐ Tradesman
☐ Industrialist
☐ Manager
☐ Government employee
☐ Employee in the private sector
☐ Artist
☐ Journalist
☐ Student
☐ Other (Please indicate).....

34) Please mark the school you have last graduated from.

☐ Elementary school
☐ Secondary school
☐ High school
☐ University and above

35) Please mark your total family income in a month.

☐ Less than 50 million TL.
☐ 50 million- 100 million
☐ 101 million- 200 million
☐ 201 million- 500 million
☐ Above 500 million TL.

İyi günler. Bireysel bankacılık hizmetlerinin bugünki durumunu, ve müşteri ihtiyaçlarını anlamak için Boğaziçi Üniversitesi'nde bir ödev yapıyoruz. Bize vereceğiniz bütün bilgiler istatistiki amaçla kullanılacak ve alınan bilgiler kesinlikle başka amaçlara hizmet etmeyecektir. Yardımlarınız için şimdiden teşekkür ederiz.

1) Türkiye'de aşağıdaki bankacılık hizmetlerinden hangileri veriliyor?

	VERİLİYOR	VERİLMİYOR	BİLMİYORUM
a. Mevduat hizmetleri	☐	☐	☐
b. Konut kredisi	☐	☐	☐
c. Otomobil kredisi	☐	☐	☐
d. Nakit ihtiyaç kredisi	☐	☐	☐
e. Çek hizmetleri	☐	☐	☐
f. Kredi kartları	☐	☐	☐
g. POS kartları	☐	☐	☐
h.Bankamatik hizmetleri	☐	☐	☐
ı. Repo hizmetleri	☐	☐	☐
i. Hisse senedi alım satımı	☐	☐	☐
j. Hazine bonosu alım satımı	☐	☐	☐
k. Şubelerde fatura ödeme	☐	☐	☐
l. Telefon ile fatura ödeme	☐	☐	☐
m. Otomatik kira ödemek	☐	☐	☐
n. Altın alım satımı	☐	☐	☐
o. Döviz alım satımı	☐	☐	☐
ö. Maaş ödeme	☐	☐	☐
p. Uçak rezervasyonu yaptırmak	☐	☐	☐

Bunların dışında verildiğini bildiğiniz hangi hizmetler var?

.....

.....

2) Aşağıdaki bankacılık hizmetlerinden hangilerini siz kullandınız/ kullanıyorsunuz veya yararlanıyorsunuz?

	YARARLANIYORUM	YARARLANMIYORUM
a. Mevduat hizmetleri	☐	☐
b. Konut kredisi	☐	☐
c. Otomobil kredisi	☐	☐
d. Nakit ihtiyaç kredisi	☐	☐
e. Çek hizmetleri	☐	☐
f. Kredi kartları	☐	☐
g. POS kartları	☐	☐
h.Bankamatik hizmetleri	☐	☐
ı. Repo hizmetleri	☐	☐
i. Hisse senedi alım satımı	☐	☐
j. Hazine bonosu alım satımı	☐	☐
k. Şubelerde fatura ödeme	☐	☐
l. Telefon ile fatura ödeme	☐	☐

3) Türkiyedeki bankacılık hizmetleri ile ilgili olarak aşağıda bazı görüşler sıralanmıştır. Bu görüşlere ne ölçüde katıldığınızı uygun kutuyu işaretleyerek belirtiniz.

NOT:
1. Kesinlikle katılmıyorum
2. Katılmıyorum
3. Ne katılıyorum ne de katılmıyorum
4. Katılıyorum
5. Kesinlikle katılıyorum

	1	2	3	4	5
a. İhtiyacım olan kişiyi her zaman yerinde bulabiliyorum.	☐	☐	☐	☐	☐
b. Bankaların çalışma saatlerinin daha uzun olmasını dilerdim.	☐	☐	☐	☐	☐
c. Bankamatikleri her istediğim yerde bulabiliyorum.	☐	☐	☐	☐	☐
d. Kredi kartım her yerde geçmiyor.	☐	☐	☐	☐	☐
e. Kredi kartı hesap bildirimleri zamanında ve hatasız olarak elime geçiyor.	☐	☐	☐	☐	☐
f. Personelin yaptığı açıklamalar her zaman açık ve anlaşılabilir.	☐	☐	☐	☐	☐
g. Banka tarafından yeni ürün ve hizmetlerle ilgili düzenli olarak bilgilendirilirim.	☐	☐	☐	☐	☐
h. Yatırım hizmetlerini çok kullanışlı buluyorum.	☐	☐	☐	☐	☐
ı. Otomatik ödeme hayatı kolaylaştırıyor.	☐	☐	☐	☐	☐
i. Çeklerim her yerde kabul oluyor.	☐	☐	☐	☐	☐
j. Çek kullanmanın en büyük avantajı istediğim gibi vade kullanabilmem.	☐	☐	☐	☐	☐
k. Bankamatikler ne zaman ihtiyacım olsa arızalı oluyor.	☐	☐	☐	☐	☐
l. Bankamatiklerde işlem yapmak çok karışık.	☐	☐	☐	☐	☐
m. Bankaların sağladığı kredi imkanlarını çok faydalı buluyorum.	☐	☐	☐	☐	☐
n. Banka kredilerine uygulanan faiz çok yüksek.	☐	☐	☐	☐	☐

4) Hangi bankalarla çalışıyorsunuz? Birden fazla seçenek işaretleyebilirsiniz.

☐ Akbank
☐ Demirbank
☐ Garanti Bankası
☐ İktisat Bankası
☐ İnterbank
☐ Osmanlı Bankası
☐ TEB
☐ Yapı Kredi
☐ Diğer.....(belirtiniz)

5) Bankalada en çok yararlandığınız hizmetlerden <u>üçünü</u> sıklık derecesine göre 1,2,3 diye belirtiniz.

☐ Para yatırmak
☐ Para çekmek
☐ Havale çıkarmak
☐ Fatura ödemek
☐ Kred, kartı borçlarını ödemek
☐ Kredi almak
☐ Bankamatik kartı almak
☐ Repo, hisse senedi alım satımı gibi yatırım hizmetlerinden faydalanmak
☐ Çek karnesi ile ilgli işler için
☐ Diğer.....(belirtiniz)

6) Şimdiye kadar bankalardan kredi aldınız mı?
☐ Evet ☐ Hayır (Cevabınız hayır ise 11. soruya geçiniz)

7) Hangi tür/ türler kredi kullandınız?

☐ Ev, gayrimenkul ☐ Seyahat
☐ Araba ☐ Eğitim
☐ Ev eşyası ☐ Diğer .....(belirtiniz)
☐ Nakit

8) Bu tür krediyi/ kredileri ilerde tekrar almak ister misiniz?
☐ Evet ☐ Hayır

9) Başka tür bir kredi almak istermisiniz?
☐ Evet ☐ Hayır (Cevabınız hayır ise 11. soruya geçiniz)

10) 9. soruya cevabınız evet ise hangi tür?

☐ Ev, gayrimenkul ☐ Seyahat
☐ Araba ☐ Eğitim
☐ Ev eşyası ☐ Diğer .....(belirtiniz)
☐ Nakit

11) Kredi kartınız var mı?
☐ Evet ☐ Hayır (Cevabınız hayır ise 17. soruya geçiniz)

12) Kredi kartınız hangi çeşit/ çeşitler?
☐ Visa
☐ Mastercard
☐ American Express
☐ Diners Club
☐ Diğer .....(belirtiniz)

13) Birden fazla kredi kartına sahipseniz en çok hangisini kullanıyorsunuz? Lütfen tek seçeneği işaretleyiniz.

☐ Visa
☐ Mastercard
☐ American Express
☐ Diners Club
☐ Diğer .....(belirtiniz)

14) Bu kredi kartınızı hangi sıklıkta kullanıyorsunuz?

☐ Ayda 1 veya 2 kez
☐ Ayda 3 ile 10 kez arası
☐ Ayda 10 kereden fazla

15) Kredi kartı kullanmanızın başlıca sebebi aşağıdakilerden hangisi? Lütfen tek seçeneği işaretleyiniz.

☐ Nakit taşıma problemini ortadan kaldırması
☐ Belirli bir alım gücü sağlaması
☐ Ödemeleri takside bağlama imkanı
☐ Diğer hizmetlerinden yararlanmak (otomatik ödeme gibi)
☐ Diğer.....(belirtiniz)

16) Kredi kartınızı en çok hangi tür harcamalar için kullanıyorsunuz? Lütfen tek seçeneği işaretleyiniz.

☐ Gıda/ Bakkaliye
☐ Giyim/ Ayakkabı
☐ Seyahat
☐ Dışarıda yemek, vb.
☐ Diğer

17) Bankamatik kartınız varmı?

☐ Evet ☐ Hayır (Cevabınız hayır ise 20. soruya geçiniz)

18) Bankamatik kartınızı şu işlemler için hangi sıklıkta kullanıyorsunuz?

	BAZEN	SIKSIK	HİÇ
Para çekmek	☐	☐	☐
Para yatırmak	☐	☐	☐
Havale göndermek	☐	☐	☐
Kredi kartı ödemesi yapmak	☐	☐	☐
Hisse senedi v.b. alım satımı yapmak	☐	☐	☐
Bakiye sormak	☐	☐	☐
Diğer(belirtiniz).....	☐	☐	☐

19) Bankamatik kullanmanızdaki en önemli sebep nedir? Seçeneklerinizi önem sırasına göre 1,2,3 diye işaretleyiniz.

☐ Gizlilik sağlaması
☐ İstediğim zaman işlem yapma imkanı vermesi
☐ Şube personeline muhatap olmaktan kurtarması
☐ Kuyruğa girme zahmetinden kurtarması
☐ Diğer.....(belirtiniz)

20) Telefonla fatura ödeme hizmetinden yararlanıyor musunuz?

☐ Evet ☐ Hayır

21) Telefonla hesap bakiyesi öğrenme hizmetinden yararlanıyor musunuz?

☐ Evet ☐ Hayır

22) Banka şubelerine giderek bazı faturalarınızı ödüyor musunuz?

☐ Evet ☐ Hayır

23) Kendinize ait çek karneniz varmı?

☐ Evet ☐ Hayır (Cevap hayır ise 28. soruya geçiniz)

24) Hangi bankaların çeklerini kullanıyorsunuz?

☐ Akbank ☐ Osmanlı Bankası
☐ Demirbank ☐ TEB
☐ Garanti Bankası ☐Yapı Kredi
☐ İktisat Bankası ☐ Diğer.....(belirtiniz)
☐ İnterbank

25) Hangi sıklıkta çek yazıyorsunuz?

☐ Ayda 1 veya 2 kez
☐ Ayda 3 ile 10 kez arası
☐ Ayda 10 kereden fazla

26) Çek kullanmanın en büyük faydası sizce nedir? Lütfen <u>tek seçeneği</u> işaretleyiniz.

☐ Nakit taşımaksızın ödeme yapabilme
☐ Ödemeleri vadeli şekle sokabilme
☐ Diğer.....(belirtiniz)

27) Çeklerinizi en çok hangi tür harcamalar için kullanıyorsunuz? Lütfen tek seçeneği işaretleyiniz,

☐ Gıda/ Bakkaliye
☐ Giyim/ Ayakkabı
☐ Seyahat
☐ Dışarıda yemek, vb.
☐ Diğer

28) Kaç bankada Türk Lirası mevduat hesabınız var?

☐ Hiç
☐ 1
☐ 2-3
☐ 4 ve fazlası

29) Kaç bankada döviz tevdiat hesabınız var?

☐ Hiç
☐ 1
☐ 2-3
☐ 4 ve fazlası

30) Yaşınız aşağıdaki gruplardan hangisine giriyor?

☐ 20'den az
☐ 20-25 arası
☐ 26-35 arası
☐ 36-45 arası
☐ 46-55 arası
☐ 56-65 arası
☐ 66 dan çok

31) Cinsiyetiniz?

☐ Kadın ☐ Erkek

32) Medeni haliniz?

☐ Evli ☐ Bekar

32) Mesleğiniz nedir?

☐ Ev hanımı
☐ Emekli
☐ İşsiz
☐ Serbest meslek sahibi
☐ Esnaf
☐ Sanayici
☐ Yönetici
☐ Devlet memuru
☐ Özel sektörde görevli
☐ Sanatçı
☐ Gazeteci
☐ Öğrenci
☐ Diğer (belirtiniz).....

34) En son bitirdiğiniz okul?

☐ İlkokul
☐ Orta okul
☐ Lise
☐ Üniversite/ yüksek okul

35) Evinize ayda giren toplam gelir aşağıdaki gruplardan hangisine girer?

☐ 50 milyon altı
☐ 50 milyon- 100 milyon
☐ 101 milyon- 200 milyon
☐ 201 milyon- 500 milyon
☐ 500 milyon üstü