




# **RESEARCH & REVIEWS IN SOCIAL, HUMAN AND ADMINISTRATIVE SCIENCES**



<b>Book Title</b>	: <b>Research &amp; Reviews in Social, Human and Administrative Sciences</b>
<b>Publisher</b>	: Gece Kitaplığı
<b>Editor in Chief</b>	: Doç. Dr. Atilla ATİK
<b>Cover&amp;Interior Design</b>	: Melek ZORLUSOY
<b>Social Media</b>	: Arzu ÇUHACIOĞLU
<b>Preparing for publication</b>	: Gece Akademi  Dizgi Birimi
<b>Publisher Certificate No</b>	: 15476
<b>Certificate No</b>	: 34559
<b>ISBN</b>	: 978-605-7631-63-3

### *Editor(s)*

Prof. Dr. Orhan ÇOBAN  
 Prof. Dr. Serpil AĞACAKAYA  
 Doç. Dr. Enderhan KARAKOÇ  
 Prof. Dr. Fehmi KARASİOĞLU  
 Öğr. Gör. Ayşe ÇOBAN

The right to publish this book belongs to Gece Kitaplığı. Citation can not be shown without the source, reproduced in any way without permission. Gece Akademi is a subsidiary of Gece Kitaplığı.

Bu kitabın yayın hakkı Gece Kitaplığı'na aittir. Kaynak gösterilmeden alıntı yapılamaz, izin almadan hiçbir yolla çoğaltılamaz. Gece Akademi, Gece Kitaplığı'nın yan kuruluşudur.

**Birinci Basım/First Edition** ©Mart 2019/Ankara/TURKEY ©copyright



#### **Gece Publishing**

**ABD Adres/ USA Address:** 387 Park Avenue South, 5th Floor, New York, 10016, USA  
**Telefon/Phone:** +1 347 355 10 70

#### **Gece Akademi**

**Türkiye Adres/Turkey Address:** Kocatepe Mah. Mithatpaşa Cad. 44/C Çankaya, Ankara, TR  
**Telefon/Phone:** +90 312 431 34 84 - +90 555 888 24 26

**web:** [www.gecekitapligi.com](http://www.gecekitapligi.com) — [www.gecekitap.com](http://www.gecekitap.com)  
**e-mail:** [geceakademi@gmail.com](mailto:geceakademi@gmail.com)

## CONTENTS

<b>CHAPTER 1:</b>	The Leadership Styles Of Micro Business Managers That Are Active In Food And Beverage Sector NİLÜFER RÜZGAR.....	<b>5</b>
<b>CHAPTER 2:</b>	Distribution of Olive Trees in the Southeastern Anatolia Region (1991-2017) AYŞE ÇAĞLIYAN, ALİ ÇELİK.....	<b>17</b>
<b>CHAPTER 3:</b>	Geographical Distribution Of Forage Crops In Turkey And Its Relationship With Animal Husbandary ESEN DURMUŞ.....	<b>43</b>
<b>CHAPTER 4:</b>	Understanding The Luxury In The Global Consumption Space ELİF DENİZ .....	<b>71</b>
<b>CHAPTER 5:</b>	A Debate on Habermas and Foucault in the Spectrum of Modernism and Post-modernism and Reflections on the Discourse and Public Sphere DİLÂN ÇİFTÇİ .....	<b>87</b>
<b>CHAPTER 6:</b>	Responsibilities Of The Author And Publishers In The Turkish Press And Publishing Sector SİNAN SÖNMEZ, MEHMET DENİZ YENER .....	<b>93</b>
<b>CHAPTER 7:</b>	Attitude of Young Consumers towards the Online Retailer İSMAİL TAMER TOKLU .....	<b>103</b>
<b>CHAPTER 8:</b>	Feminisms And Feminist Thoughts During The History ALİ ÇOŞKUN, EMİNE ÖZTÜRK, SADAGAT ABBASOVA.....	<b>117</b>
<b>CHAPTER 9:</b>	A Quantitative Study On The Competitive Power Of Boutique Hotel Businesses EBRU KEMER.....	<b>125</b>
<b>CHAPTER 10:</b>	Assessment Of Indirect And Cumulative Environmental Impacts ABDULVAHAP ÇAĞATAY DİKMEN .....	<b>133</b>
<b>CHAPTER 11:</b>	Identification of Prioritized Common Core Competencies Affecting R&D Performance in Information Technology Sector CEMALETTİN ÖCAL FİDANBOY.....	<b>143</b>
<b>CHAPTER 12:</b>	Passion SELCEN SEDA TÜRKSOY, ÖZKAN TÜTÜNCÜ.....	<b>159</b>

<b>CHAPTER 13:</b> Demand Analysis Of The Usa's Meat Products: An Application Of Linear Approximate-Almost Ideal Demand System FİLİZ GÜNEYSU ATASOY .....	<b>171</b>
<b>CHAPTER 14:</b> Three Basic Questions Of Endemism: Where, Why And How? The Relationship Between Turkey's Endemic Plants And Thornthwaite Climate Classification ÇETİN ŞENKUL.....	<b>179</b>
<b>CHAPTER 15:</b> The Place Of Media Economics In The Economic Theory MİHALİS KUYUCU.....	<b>195</b>
<b>CHAPTER 16:</b> The Changing Role Of Monetary Policy On Financial Stability After The Global Financial Crisis ALİ İLHAN .....	<b>209</b>
<b>CHAPTER 17:</b> Health Communication Campaign As A Tool In Health Promotion BANU KUMBASAR .....	<b>227</b>
<b>CHAPTER 18:</b> Individual Belonging And Innovative Performance In Organizations ERGÜN KARA.....	<b>239</b>
<b>CHAPTER 19:</b> Value Chain In Customer Relations Management TOLGA ŞENTÜRK.....	<b>253</b>
<b>CHAPTER 20:</b> Total Quality Management, Internal Marketing And In-House Public Relations AYŞEGÜL NALBANTOĞLU.....	<b>267</b>
<b>CHAPTER 21:</b> The Role Of Accounting In The Corporate Governance SEYHAN ÖZTÜRK.....	<b>279</b>
<b>CHAPTER 22:</b> Erzurum In The XIXth Century In the Context of Foundation – City Relation (According to Foundation Certificate-Chartes) ÜMİT KILIÇ, FATİH ÇİÇEK.....	<b>289</b>
<b>CHAPTER 23:</b> An Assessment Of Perception Management With Regard To Turkish Public Administration In The Virtual Public Field EMRAH ARĞIN .....	<b>5</b>
<b>CHAPTER 24:</b> The Main Factors Of Women To Be An Entrepreneur And The Problems Encountered In The Practice: The Case Of Female Pharmacists In Konya ADNAN ÇELİK, HALE ÇAKIR .....	<b>323</b>
<b>CHAPTER 25:</b> Social Entrepreneurship MEHTAP ÖZTÜRK, ELWİS CUNGU .....	<b>337</b>
<b>CHAPTER 26:</b> The Relationship Between Consumer Rights Conscious Level and Saving Behavior: an Study on Vocational High School Students GÜLDEN GÖK.....	<b>349</b>



# The Leadership Styles Of Micro Business Managers That Are Active In Food And Beverage Sector

**Nilüfer RÜZGAR<sup>1</sup>**

## CHAPTER 1

---

<sup>1</sup> Ast. Prof. Dr., Bursa Technical University, Business Administration Department



## INTRODUCTION

In İzmir (Turkey) Economic Congress, that was held in February, 1923, the main strategic target was creating a “national entrepreneur class”. Because of the fact that this strategic target have not been totally fulfilled yet, it is still up-to-date in terms of both today’s targets and 2023 (100th anniversary of Turkish Republic) targets.

Among the Bologna Conditions that are accepted by EU and OECD, the concept “localization-integration-globalization”, have drew a new frame for Small and Medium Enterprises (SME) (Sirkeci, 2014). In addition to this, especially in developing countries, because of the scales of economy and the risk of regression, micro businesses have started to emerge and increase in number. In addition, these micro businesses have recently started to be considered as a solution to unemployment. As for food and beverage industry, as it is afore mentioned, because of eminent barriers and difficulties such as regulatory requirements for food safety compliance that demand larger investments, the regulations that are compulsory to be met when it is desired to go global, economies of scales, advertising expenditures and promotion campaigns (Essays UK, 2016) in front of entering to the business, it is getting more and more widespread to switch the businesses to “micro” scale.

Leadership, has been subject to numerous studies in literature. Bass (1990), suggests that leadership can be divided into 11 main categories as the *focus point of group process, art of providing obedience, influencing, behaviour, persuasiveness, power relations, means of achieving the targets, results of transactions, role differentiation, fostering structure and integration of different elements*, and eternal definitions of leadership can be made in terms of these categories. Leaders are change agents and they influence, rather than being influenced (Stodgill, 1974). The classifications about leadership theories and styles, have emerged as the lack of the theories in literature, have been realised by researchers. The fact that traits theory is inadequate, have caused behavioral theories to rise. However, the fact that behavioral theories are inadequate in explaining leadership, caused situational theories to rise. These situational theories have resulted in contemporary leadership theories, such as transactional and transformational leadership styles, to emerge (Alga, 2017). In this sense, the purpose of this study is to examine the leadership characteristics of micro business owners/managers who run their business in food and beverage industry.

## 1. LEADERSHIP STYLES

Leadership, which constitutes great importance in social, organizational, economical and political environments, does not have a single definition (Bakan, 2009). Researchers tend to define leadership in accordance with their perspectives or the subjects that they regard as crucial. According to Stodgill’s observations on those different perspectives and definitions of leadership, all the definitions are the same in terms of general points of view (Yukl, 2010). The general definition of leadership, in this sense, is gathering people under certain circumstances and around certain targets and encouraging them in order to achieve those targets by influencing via knowledge and abilities (Zel, 2006).

The leadership styles, have been evolving in accordance with the developments in organizations (Taştık & Temiz Sert, 2017). Because of the globalization, both the internal and the external environments of organizations are in constant change. Therefore, although the traditional leadership styles, which are known as behavioral, traits/features and situational approaches, have still important impact on managing the employees in terms achieving strategic targets, a need for contemporary leadership have arose in order to manage the constant changes as well. In this sense, this study aims to examine certain contemporary leadership styles, namely *democratic, autocratic, laissez-faire, transactional and transformational* leadership.

### 1.1. Democratic Leadership

Democratic leaders, urge the followers to participate in planning, decision making and organizing processes. In other words the leader, encourages the employees to be a part of the whole organizational process. In addition to this, the employees are informed about the situations that affect their jobs and duties and they are also encouraged to speak their opinions (www.pearsonschoolsandcolleges.co.uk, n.d.). Moreover, the organizational targets are shaped according to the mutual decisions of employees. Because of the fact that each employee carries the responsibilities of his/her decisions, the decisions become healthier and stronger. This leadership style focuses on rewarding more than punishing (Şimşek, Akgemci and Çelik, 2001; Şahin, Temizel and Örselli, 2004; Bakan & Büyükbeşe, 2010). Except crisis eras, this leadership style can be considered as appropriate for motivating the employees.

### 1.2. Autocratic Leadership

Autocratic leadership is appropriate for managers who are brought up in bureaucratic societies and who have a certain amount of knowledge and experience in the field. The leaders do not take into consideration the feelings and opinions of the employees. Therefore, dissatisfaction levels are high and motivation and organizational commitment levels are low. Because of the fact that the power is in the hands of the leader, the decision making process is considerably fast. Thus, it can be understood that autocratic leaders do not consult to employees or use any motivation techniques to satisfy their emotional needs; instead they take all the decisions and do not let any employee to participate in strategic decision making process of the organization (Serinkan, 2008).

### 1.3. Laissez Fairez Leadership

Laissez Fariez leaders, focus on making the employees define their own targets, take their own decisions and use the sources that are allocated to them to make their plans and programmes. This leadership style, would be effective on managing vocational experts, scholars, scientists and R&D employees, in order to provide creativeness and innovativeness within the organization (Eren, 2008; Yörük, Dündar and Topçu, 2011). The main role of the laissez fairez leader is to allocate resources. The leader gives his/her opinion only when he/she is consulted. Furthermore, the opinions of the leader are not the final decisions (Arun, 2008).

### 1.4. Transformational Leadership

Transformational leadership is focused on developing effective changes in the organization. In this sense, a leader who is able to lead the employees in the process of change, is needed. Thus, transformational leaders are reliable managers who are able to create a vision for both the organization and the employees (Bass, 1990). These leaders display five characteristics known as "ideal charisma", "ideal behaviour", "motivation", "individual interest" and "encouragement" (Saruhan & Yıldız, 2009). This leadership trait has emerged after 1980's and numerous researches have been conducted since then, as it has become the pioneer of contemporary leadership traits (Dvir, Eden, Avolio, Bruce and Shamir, 2002). According to Leithwood, transformational leadership is shaping the organizational structure from the beginning in order to re-define the visions, re-define the responsibilities and achieving the targets (Eraslan, 2004). According to Ackoff, transformational leaders have the special ability, which is to be able to create the vision related to an ideal situation. Therefore vision, is one of the most important characteristics of transformational leaders and it is defined as the ability to dream of the ways to reach better situations. This kind of leaders are able to change the needs, believes and values of their followers. They are able to achieve the highest performance via transformation and

innovation, which is only possible with a vision that is accepted by the followers (Koçel, 2007; Köroğlu & Erol, 2013).

### 1.5. Transactional Leadership

Transactional leadership focuses on motivating the followers by satisfying their core needs, on the condition that they achieve organizational targets with a high performance. This kind of leaders prefer to perform in their current environment, do not take risks, do not welcome innovations and change and give importance to current activities to be performed well (Dilek, 2005). Transactional leadership arises from the interaction between the leader and the followers and it bases on bureaucracy, authority, standards and legal power. In this sense, transactional leaders emphasise the importance of obeying the standards and rules and working as task-oriented in order to achieve organizational targets. If the followers achieve the targets, they are rewarded; otherwise, they are punished (Bolat & Seymen, 2003; İbicioğlu, Çiftçi and Kanten, 2010). Transactional leaders, instead of focusing on developing the individual values of the followers or trying to make them trust in him/her, give importance to achieving the pre-defined performance standards and satisfy their core needs only when those standards are achieved (Jung & Avolio, 2000). Transactional leaders display 3 different management styles known as “conditional rewarding”, “active management with exceptions” and “passive management with exceptions” (Eryeşil & Kiraz, 2017).

## 2. MICRO BUSINESSES

According to Official Gazzette item 5 (2012), micro businesses are organizations that recruit less than 10 employees and that do not exceed 1 million Turkish Liras in terms of yearly sales revenue or financial balance (Official Gazzette, 2012). A micro business, usually has one owner.

In today’s competitive market environment, more and more people have the tendency to start their own micro businesses. The reason for this rising trend, is the mobility and flexibility chance, which assures using one’s skills and following passions.

In the United States, micro businesses constitute 92% of all U.S. business. The fact that they alter the dynamics of income and life quality, have affected American job growth in a positive way. According to the statistics, micro businesses have created over 26 million jobs and as a matter of fact they have created 1.9 million indirect jobs and 13.4 million induced jobs (www.smallbusinessbank.com, n.d.).

As for Turkey, the importance of micro businesses have been comprehended in the last 50 years as “the foundation stone and locomotive of economy” and they are considered to be one of the most dynamic elements of national socio-economy. They constitute 30% of employment and activate the 10% of Gross Domestic Product (GDP).

It is usual for each business, no matter the scale, to go through economical problems. However, these kind of problems are more difficult to be overcome by micro business. On the other hand, when the conditions of the market economy and the environmental changes are followed and the preventions and solutions are developed in accordance with the vision, which shapes the strategies, 2023 targets that are mentioned in the introduction part, would be more reachable for Turkey (Sirkeci, 2014).

There are a number of advantages of micro business, in terms of socially and economically:

- a: They broke the downward pressure of big businesses
- b: They shape middle income level and thus get rid of the unfairness of income allocation

c: They increase the workforce rate

d: They provide entrepreneurship freedom and thus, becoming a brand via competences, experience and knowledge becomes possible, in addition to staying strong in competitive environment (Bezgin, 2017).

### 3. FOOD AND BEVERAGE INDUSTRY

The history of food and beverage, goes back to Egyptian and Roman eras. Egyptians met in public places to share food. Romans had big banquets with entertainment and portable food services for their troops. Pompeii still has the ruins of bars, snack bars and fast food restaurants.

According to Brillat-Savarin (1949), today's restaurant concept arose after Louis XIV in France, when the people that came to France satisfied their food needs in their rooms or in places that served communal food. But the problem was, those places served food not in portions, so only groups could seize that opportunity. When some entrepreneurs realised the fact that it is not possible for everybody to feel hungry at exactly the same time everyday, and they do not always travel as groups, the real concept of restaurants emerged. They served food as portions in different times of the day, so that people were able to eat whenever and whatever they wanted and they also knew how much they had to pay (Kartheek, n.d.).

Interestingly enough, in those times the meaning of the word "restaurant" was healing sick people. Therefore food was used as medicament (Spang, 2007). As time passed, the meaning of the word "restaurant" evolved and it meant the places that served a selection of food and beverages to the customers. The most famous restaurant was Grand Tivoli de Laundres in Paris that was opened in 1782. In that restaurant the selection of food was listed and the customers were served on tables which were for only one person (Maviş, 2005).

As for Turkey, the food and beverage culture was under the influence of Greek, Hittite and Mesopotamia cultures (Bober, 2003). As time passed, in Ottoman era there emerged a number of different food artisans like köfteci (meatball artisans), kebapçı (kebab artisans), yahnici (stewed onion artisans) etc. (Ünsal 1995-1996). Samancı (2006), in his research about Ottoman cuisine, mentions that today's Turkish-İstanbul food culture, is based on XV. and XX. centuries' food culture (Artan 2006). Although the food culture was really important in those times, commercial restaurants' history does not go back more than the late 1880's. The food culture was usually under the reign of guilds (lonca) and the first restaurant in Anatolia was "Victoria", which was founded in 1888, Galata, İstanbul. It changed its name as Abdullah Efendi" and today it still runs as "Hacı Abdullah" (Bingöl, 2005; Zencir, 2010).

Today, there are lots of different trends in food and beverage industry, which puts pressure on business owners. For example although in the recent past fine dining concept was up, today people are more price conscious and thus, they have the tendency to go to small restaurants which serve food with reasonable prices. In addition, people have started to choose healthier food with more nutrition, less saturated fat and cholesterol. Therefore, the restaurants have started to serve carb-free, fat-free and low-fat menus and they switched to vegetable oil (Kartheek, n.d.). Thus, it can be concluded that the fact that it is more difficult to provide these demands in bigger restaurants, micro restaurant businesses have started to rise in popularity.

### 4. METHODOLOGY

#### 4.1. The Aim of the Research

The aim of the research, is to examine the leadership styles of micro business

managers that are active in food and beverage sector. In the scope of the research, the non-alcoholic micro businesses that are active in the city of Bursa, Osmangazi district, Çekirge and Kükürtlü neighbourhoods are taken as population and the participants are applied Leadership Styles Scale (LSS) that is developed by Taş, Çelik and Tomul (2007). A total of 200 surveys are delivered and 68 participants have responded.

## 4.2. The Importance of the Research

In literature, there are numerous researches on leadership styles, in addition to the researches on micro businesses and food and beverage industry. But there is almost no research that is conducted in order to examine the leadership styles of micro businesses that are active in food and beverage industry. In this sense, this study constitutes originality and it is expected to shed light on future researches.

## 4.3. Method

Survey forms are used as research instrument. The survey forms consist two scales. The former is demographical questions and the latter is Leadership Styles Scale that is developed by Taş, Çelik and Tomul (2007). Scales are in Likert format: 1=Totally Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Disagree.

## 5. FINDINGS

Our manager/Entrepreneur boss;	Totally disagree	Disagree	Neutral	Agree	Totally agree	Mean	Standard deviation
1. prefers solving problems via commands	4	1	5	38	20	4,01	,98
2. thinks that productivity is the most important thing	4	1	5	38	20	4,01	,98
3. employees do not trust the manager	1	4	2	24	37	4,35	,91
4. rejects delegation	4	1	5	38	20	4,01	,98
5. open to communication	4	3	3	35	23	4,02	1,05
6. gives employees opportunity to be creative	4	3	3	35	23	4,02	1,05
7. tries to motivate the employees via working discipline	3	2	5	38	20	4,02	,94
8. does not fear from conflicts	4	3	3	35	23	4,02	1,05
9. tries to explain the objectives clearly and in detail	11	1	10	24	22	3,66	1,37
10. employees motivate themselves	11	1	10	23	23	3,67	1,38
11. all initiative is up to the employees	1	12	12	22	21	3,73	1,12
12. do not use a punishment or reward system	11	1	10	25	21	3,64	1,36
13. delegates almost all power to the employees	11	1	10	25	21	3,64	1,36

14. does not participate in group work	3	15	9	19	22	3,61	1,26
15. contributes development of creativeness in the workplace	11	2	11	23	21	3,60	1,38
16. assures the trust of the employees to the manager	4	7	8	29	20	3,79	1,15
17. persuades the employees in order to make them achieve the organizational aims	4	7	8	29	20	3,79	1,15
18. the ability of developing an organizational vision of the manager is accepted by the employees	4	7	7	30	20	3,80	1,14
19. has big expectations	4	7	8	29	20	3,79	1,15
20. spends effort in order to restructure the workplace	4	7	7	30	20	3,80	1,14
21. distributes power fairly	4	8	6	30	20	3,79	1,16
22. makes flexible decisions	4	8	7	29	20	3,77	1,16
23. tends to pass the beneficial traditions to the new generations	2	8	15	24	19	3,73	1,08

**Table 1.** Descriptive Statistics of Leadership Style Scale (LSS)

According to the descriptive statistics results of Leadership Styles Scale, the most important item for the participants is “employees do not trust the manager” with a mean of 4,35. The second important items are “open to communication”, “gives employees opportunity to be creative”, “tries to motivate the employees via working discipline” and “does not fear from conflicts”, with means of 4,02. The third ones are, “prefers solving problems via commands”, “thinks that productivity is the most important thing” and “opposes delegation”, with means of 4,01.

On the other hand, the least important item according to the participants is “contributes developing creativeness in the workplace”, with a mean of 3,60.

In order to apply descriptive factor analysis, KMO test is applied and the result has been found as ,941. Therefore, a factor analysis has been applied and according to the results the items gather under 3 dimensions, different from the original scale, which has 5 dimensions.

Dimensions	Items	Explained Variance
<b>Transformational</b>	35, 37, 40, 43, 45, 47, 49, 55	32,01
<b>Democratic</b>	1, 4, 7, 13, 16, 18, 21	30,10
<b>Laissez Fairez</b>	24, 26, 27, 29, 30, 31, 32	24,97
<b>Total</b>		87,09

**Table 2.** Dimensions

These dimensions are categorised as “Transformational Leadership”, “Democratic Leadership” and “Laissez Faire Leadership”. The items of “Transactional Leadership” and “Autocratic Leadership” dimensions of the original scale are excluded from the measurement because of the fact that they have not gathered under any dimension appropriately. Transformational Leadership dimension has a variance of 32,01, Democratic



Leadership has a variance of 30,10 and Laissez Faire Leadership has a variance of 24,97.

Mann-Whitney U and Kruskal-Wallis tests are applied in order to analyse if there are any differences among the answers of the participants related to these dimensions.

Variable	Dimension	Test	Test Statistics	P
<b>Gender</b>	Transformational	Mann-Whitney U	,549	,583
	Democratic		-1,335	,182
	Laissez Fairez		-1,029	,303
<b>Marital Status</b>	Transformational	Mann-Whitney U	-1,172	,241
	Democratic		-,738	,460
	Laissez Fairez		-,219	,827
<b>Age</b>	Transformational	Kruskal-Wallis	,436	,804
	Democratic		12,976	,002
	Laissez Fairez		1,158	,560
<b>Income</b>	Transformational	Kruskal-Wallis	3,626	,163
	Democratic		,409	,815
	Laissez Fairez		3,156	,206

**Table 3.** Statistical Test Results of the Differences Related to the Socio-Demographical Qualities of the Participants

According to the results of non-parametric Mann-Whitney U test, which is applied in order to analyse if there are any differences among the answers of the participants related to the dimensions of the scale in terms of their gender and marital status, there are no differences in any of the dimensions, which means that there is no statistically significant relationship between gender and marital status of the participants and their perception about leadership styles of their managers.

According to the results of non-parametric Kruskal-Wallis test, which is applied in order to analyse if there are any differences among the answers of the participants related to the dimensions of the scale in terms of their age, there are no differences in transformational and laissez faire leadership styles dimensions, which means that there is no statistically significant relationship between the age of the participants and their perception about transformational and laissez fairez leadership styles of their managers. On the other hand, it has been found out that there is a difference in terms of age of the participants and their perception about democratic leadership styles of their managers and it has been observed that this difference stems from 40-49 age group.

According to the results of non-parametric Kruskal-Wallis test, which is applied in order to analyse if there are any differences among the answers of the participants related to the dimensions of the scale in terms of their income, there are no differences in any of the dimensions, which means that there is no statistically significant relationship between incomestatus of the participants and their perception about leadership styles of their

managers.

## 6. CONCLUSION

Leaders, have acted as change agents all through the history with the help of their influence ability. In addition to influencing the masses, it is also crucial to influence the employees as organization managers. In this sense, the adopted and displayed leadership styles constitute great importance. When it comes to micro business, it is a bit more important to adopt the appropriate leadership style in the sense that micro businesses employ up to 10 employees and creating organizational commitment feeling in the hearts of these employees is considered to be crucial in order to keep the quality high. Especially in food and beverages industry, the fact that its being service sector, leadership styles are one step forward in order to provide qualified service to the customers, with a motivated, satisfied and committed workforce.

In this study, it is aimed to examine the perception of employees about leadership styles of micro business managers. According to the findings, there is no statistically significant relationship between the socio-demographical qualities of the employees that work in micro business which perform in food and beverage sector and their perception about leadership styles of their managers. The only exception is the fact that there is a statistically significant relationship between 40-49 age group and their perception about democratic leadership styles of their managers.

As it is underlined before, food and beverage sector is a dangerous sector in terms of the fact that the turnover rates are higher when compared to the other business. Especially in micro businesses, it is more difficult to hold the employees, who are generally of 18-40 age group, for the long term. It is also difficult for the employees to feel committed to the workplace, which is assured by the leadership style that is adopted by the manager. As for the results of this study, the fact that there is no statistically significant relationship between the socio-demographical qualities of the employees can constitute a proof of employees' being uncommitted to their workplaces, which causes in being indifferent. In food and beverage sector and especially in micro businesses/restaurants, employees generally tend to work temporarily. Therefore, they do not care about the traits of their managers. On the other hand, when the results of this study are scrutinized, it can be seen that they usually do not trust their managers and they feel that they are tried to be motivated via discipline. Nowadays, flexible working conditions are popular and therefore it can be considered that the participants are not happy with disciplined schedules and duties.

For future researches, it would be contributive to the literature to make researches in more districts in Bursa and in other cities as well. In this sense, a regional frame can be structured and as the researches get wider, a frame of the country can be structured in terms of the subject of this study. Therefore, both the managers can draw conclusions related to themselves in terms of their leadership styles, which will help them to motivate and hold the employees for the long term and current employees and prospective employees can draw conclusions related to themselves in terms of their needs and behaviours within the workplace, which will help them to feel satisfied and therefore to be committed to their workplaces.

## REFERENCES

1. Alga, E. (2017). Örgütlerde algılanan liderlik tarzlarının çalışanların tükenmişliğine etkisi. *Pamukkale Üniversitesi Sosyal Bilimler Enstitüsü Dergisi*.97-124. DOI: 10.5505/ISSN1308-2922 EISSN2147-6985

2. Artan, T. (2006). Osmanlı elitinin yemek tüketiminin bazı yönleri. *Yemek ve Kültür Dergisi*. 6. 36-62.
3. Arun, K. (2008). Relationship between leadership styles and shared knowledge culture. *Unpublished Doctorate Thesis, Atatürk University, SBE*. Erzurum.
4. Bakan, İ. (2009). *Liderlik tarzları ile örgüt kültürü türleri arasındaki ilişkiler: Bir alan çalışması*. Ankara: TİSK Akademi. 4(7). 138-172.
5. Bakan, İ. & Büyükbeşe, T. (2010). Liderlik “türleri” ve “güç kaynakları”na ilişkin mevcut-gelecek durum karşılaştırması: Eğitim kurumu yöneticilerinin algılarına dayalı bir alan araştırması. *KMÜ Sosyal ve Ekonomik Araştırmalar Dergisi*. 12(19). 73-84. ISSN: 1309-9132.
6. Bass, B. M. (1990). *Bass and Stodgill's handbook of leadership: Theory, research and managerial applications*. USA: Free Press.
7. Bezgin, M. (2017). <http://sosyal.paraanaliz.com/2017/08/14/mikro-isletmeler/14/08/2017>.
8. Bingöl, R. (2005). *Restoran işletmeciliği*. İstanbul: Timaş Yayınları.
9. Bober, P. P. (2003). *Antik ve ortaçağda yemek kültürü-Sanat, kültür ve mutfak*. (Trans: Ülkü T.). İstanbul: Kitap Yayınevi.
10. Bolat, T. & Seymen, O. (2003). Örgütlerde iş etiğinin yerleştirilmesinde dönüşümcü liderlik tarzının etkileri üzerine bir değerlendirme. *Balıkesir Üniversitesi Sosyal Bilimler Enstitüsü Sosyal Bilimler Dergisi*. 6(9). 59-85.
11. Brillat-Savarin, J. A. (1949). *The physiology of taste*. Edition: Later Printing. New York: Heritage Press.
12. Dilek, H. (2005). Liderlik tarzlarının ve adalet algısının; örgütsel bağlılık, iş tatmini ve örgütsel vatandaşlık davranışı üzerine etkilerine yönelik bir araştırma. *Yayınlanmamış Doktora Tezi. Gebze Yüksek Teknoloji Enstitüsü, Gebze*.
13. Dvir, T., Eden, D., Avolio, Bruce J. & Shamir, B. (2002). Impact of transformational leadership on follower development and performance: A field experiment. *Academy of Management Journal*. 45(4). 735-744.
14. Eraslan, L. (2004). The transformational leadership in school level. *Journal of Education Faculty*. 6(1).
15. Eren, E. (2008). *Örgütsel davranış ve yönetim psikolojisi*. İstanbul: Beta Basım Yayım Dağıtım A.Ş.
16. Eryeşil, K. & İraz, R. (2017). Liderlik Tarzları İle Örgütsel Bağlılık Arasındaki İlişkinin İncelenmesine Yönelik Bir Alan Araştırması. *Selçuk Üniversitesi Sosyal Bilimler Meslek Yüksekokulu Dergisi* 20(2). (E-ISSN: 2564-7458). 129-139.
17. İbicioğlu, H., Çiftçi, M. & Kanten, P. (2010). Akademisyenlerin akıl hocalığı eğilimleri ile liderlik tarzları arasındaki ilişkilerin belirlenmesine yönelik bir araştırma. *Süleyman Demirel Üniversitesi Sosyal Bilimler Enstitüsü Dergisi*. 2(12). 53-71.
18. Jung D. I. & Avolio B. J. (2000). Opening the black box: An experimental investigation of the mediating effects of trust and value congruence on transformational and transactional leadership. *Journal of Organizational Behavior*. 21(8). 949-964.
19. Kartheek, (n.d.). A sector report on food & beverages sector. *Course: Summer Internship. Gitam School Of International Business. MBA*.
20. Koçel, T. (2007). *İşletme yöneticiliği*. İstanbul: Arıkan Basım Yayın. 11. Baskı

21. Köroğlu, A. & Günay, E. (2013). Liderlik tarzları ve örgütsel sessizlik ilişkisi: otel işletmelerinde bir araştırma (the relationship between leadership styles and organizational silence: A study on hotels). *Seyahat ve Otel İşletmeciliği Dergisi/Journal of Travel and Hospitality Management*. 10(3). 45-64.
22. Maviş, F. (2005). Menü planlama tekniği. Eskişehir Anadolu Üniversitesi Yayınları. No:1614.
23. Samancı, Ö. (2006). 19. Yüzyılda İstanbul mutfağında yeni lezzetler. *Yemek ve Kültür Dergisi*. 6. 86-96.
24. Saruhan, S. C. & Yıldız, M. L. (2009). Çağdaş yönetim bilimi. İstanbul: Beta Basım Yayım Dağıtım A.Ş.
25. Serinkan, C. (2008). *Liderlik ve motivasyon (Geleneksel ve güncel yaklaşımlar)*. Ankara: Nobel Yayın Dağıtım.
26. Sirkeci, O. (2014). *KOBİ'lere yeni Yaklaşımlar-Mikro işletmeler*. ISBN: 9755202310. İstanbul: Gündoğan Yayınları.
27. Spang, R. L. (2007). *Restoranın icadı-Paris ve modern gastronomi kültürü*. Ankara: Dost Kitabevi.
28. Stodgill, R. M. (1974). *Handbook of leadership: A survey of theory and research*. USA: Free Press.
29. Şahin, A., Temizel H. & Örselli, E. (2004). Bankacılık sektöründe çalışan yöneticilerin liderlik tarzlarını algılayış biçimleri ile çalışanların yöneticilerinin liderlik tarzlarını algılayış biçimlerine yönelik uygulamalı bir çalışma. 3. *Ulusal Bilgi Ekonomi ve Yönetim Kongresi Bildiri Kitabı.Eskişehir Osman Gazi Üniversitesi*. Yayın No: 108. 25-26 Kasım, 657-665.
30. Şimşek, M. Ş., Akgemci, T. & Çelik, A. (2001). *Davranış bilimlerine giriş ve örgütlerde davranış*. Ankara: Nobel Yayın Dağıtım.
31. Taş, A., Çelik, K. & Tomul E. (2007). Yeni ilköğretim programlarının uygulandığı ilköğretim okullarındaki yöneticilerin liderlik tarzları. *Pamukkale Üniversitesi Eğitim Fakültesi Dergisi*. Sayı 22(2). 85-98
32. Taşgıt, Y. E. & Temiz-Sert, H. (2017). Liderlik tarzlarının örgütsel yapıya yansımaları üzerine bir araştırma. (A research on the reflections of leadership types on organizational structure). *İşletme Araştırmaları Dergisi*. 9(4). 530-550.
33. Ünsal, A. (1995-1996). Osmanlı mutfağı. *Sanat Dünyamız*. 21(60-61). 25-48.
34. Yörük, D., DüNDAR, S. & Topçu, B. (2011). Türkiye'deki belediye başkanlarının liderlik tarzı ve liderlik tarzını etkileyen faktörler. *Ege Akademik Bakış Dergisi*. 11(1). 103-109.
35. Yukl, G. (2010). *Leadership in Organizations*. (7th edition). New Jersey: Pearson-Prentice Hall.
36. Zel, U. (2006). *Kişilik ve liderlik*. Ankara: Nobel Yayın Dağıtım.
37. Zencir, E. (2010). Geçmişten günümüze restoranlar: Türkiye'de restorancılığın gelişimi. 5. *Lisansüstü Turizm Öğrencileri Araştırma Kongresi*: 120-130. 27-30 Mayıs 2010, Nevşehir. ISBN: 978-605-5681-65-4.
38. Essays, UK. (2016). Food and beverage sector analysis. Retrieved from <https://www.ukessays.com/essays/economics/food-and-beverage-sector-analysis-economics-essay.php?vref=1>
39. <http://www.pearsonschoolsandfecolleges.co.uk>
40. <http://www.resmigazete.gov.tr/eskiler/2012/11/20121104-11.htm>
41. <https://www.smallbusinessbank.com/about/micro-vs-small-business/> (n.d.)

# Distribution of Olive Trees in the Southeastern Anatolia Region (1991-2017)<sup>1</sup>

**Ayşe AĞLIYAN<sup>2</sup>**

**Ali ELİK<sup>3</sup>**

## CHAPTER 2

---

<sup>1</sup> This study was produced from the master thesis titled "Distribution of Olive Production Areas in the Southeastern Anatolia Region" (1991-2016) which was completed in 2018.

<sup>2</sup> Assist. Prof. Dr., Fırat University, Faculty of Humanities and Social Sciences, Department of Geography, Elazığ

<sup>3</sup> Teacher, Fırat University, Institute of Social Sciences, Graduate Student, Elazığ.



## 1. INTRODUCTION

Olive, which is of Mediterranean origin, has been accepted as a gift from God and has been the wand of kings, the sacred oil of the clergy, and the symbol of peace and dignity in history. Olive, which is the source of many legends in its historical development, has been considered as a symbol of peace for centuries because a white pigeon returned to the Noah's Ark as a sign of vitality and with an olive branch in its mouth. The homeland of olives (*Olea europaea* L.), a member of the Oleacea family, is the Upper Mesopotamia and South Front Asia, including the Southeastern Anatolia Region. It spread in two ways. The first one was Tunisia and Morocco via Egypt and the other is throughout Anatolia, Aegean islands, Greece, Italy and Spain. Its first cultivation and breeding was carried out by the Sami (Ertem, 1987). The spread of olives to the world took place in three ways. Firstly, Tunisia and Morocco via Egypt, the second one, throughout Anatolia to the Aegean islands, Greece, Italy and Spain, and the third one, via Iran to Pakistan and China.

Human beings have always been interested in and admired olive for thousands of years because of its longevity, healing fruit and oil. Olive has been one of the most important economic sources of many civilizations throughout history in the eastern part of the Mediterranean Basin. The motherland of olive is Anatolia. Ancient Egypt, Lydia, Ionian, Ancient Greek, the Rome, Seljuk, Ottoman civilizations all grew olive and produced olive oil. The Phoenicians and Romans in particular helped the olive spread from the Eastern Mediterranean all the way to Spain (Efe, et al., 2013).

Southern Asia Minor is commonly accepted to be the motherland of the olive tree (Hehn, 2003). The region is presently considered to be the Eastern Mediterranean and within the borders of the provinces of Hatay, Gaziantep and Kahramanmaraş in Turkey (Dara, 2010). Even though various opinions have been suggested on the gene center of olive, it is regarded as a strong possibility that *Olea Europeae's* homeland is Southeastern Anatolia and especially the region between Mardin, Maraş and Hatay (Ünsal, 2011).

Olive that has been grown in the Mediterranean basin for thousands of years has been the economic source of many countries. Cultivated olive is grown in 10 million hectares in the world. More than 95% of these areas are located in the Mediterranean Basin. Olive is grown in 6 of the 7 continents and in about 40 countries. Spain holds the first place with 24.3% of world olive production in an area of 2.5 million hectares. Spain is followed by Tunisia with 17.7%, by Italy with 11.1% and by Greece with 9%. Turkey holds the sixth place with 8% in terms of world olive production area. 2,100,000 tons of olives were produced in Turkey in an area of 8,460,619 hectares in 2107. In terms of the area covered by olive groves, while 73% consisted of olive oil olives (6.195.707 decares), 27% table olives (2.264.912 decares) olive oil, in terms of production, 73% consisted of olive oil olives (1.640.000 tons) and 22% table olives (460.000 tons) olives.

Over 20 million tons of olives are grown worldwide. Spain holds the first place with 38.6% in the World olive production. Italy holds the 2<sup>nd</sup> place with 2,9 million tons. Greece ranks third with 3 million tons. With the production of 1.8 million tons, Turkey holds the 4<sup>th</sup> place (2018 olive and olive oil report. p 3).

Turkey is one of the important olive producing countries. As of 2016, 3.45% of the total agricultural area is composed of olive groves. There are approximately 320 thousand olive grove businesses. As of the year 2016, the number of trees at the fruit-bearing age exceeded 140 million; when the yet-non-fruited were added, it approached 170 million. In order to clearly demonstrate the state of the olive sector in our country, it is necessary to examine the production in terms of olive oil olives and table olives. In our country, there are over 113 million olive oil olive trees in an area of 6 million decares and more than 55 million table olive trees in an area of 2.2 million hectares (TSI, 2016).

The area where olive has the best growing conditions in our country is the Aegean Region which extends from Çanakkale all the way to Muğla. The areas where olive is cultivated the most are the valleys and plains on the coastlines of the Aegean Region and the areas on the Mediterranean coastline and the section of the South Marmara region. The Aegean Region comprising the Büyük Menderes and Küçük Menderes plains and Gediz Valley where the best olive growing conditions exist, can be found up to 250 km inland from these valleys. Büyük Menderes Plain, Küçük Menderes Plain and Gediz Plain extensively starting from the Gökova Gulf coastline in the south, and from the Aegean Region coastline comprising the Akhisar Plain all the way to the Gulf of Edremit, this area meets 50% of production in Turkey (Durmuş, Yiğit 2003: 27-28).

Among the leading provinces in Turkey, Aydın province ranked first in 2008 in terms of olive oil production, the number of trees and the area of cultivation. In the Aydın province, there are 17.053.878 trees in an area of 1.168.652 decares with 195.267 tons of production. The province which ranks second in terms of cultivation area is Muğla province. There are 14.508.937 trees in an area of 887.078 decares area with 96.935 tons of production in Muğla. In İzmir, which holds the first place in terms of production, there are 14,942,430 tree numbers in an area of 842,621 decares with 208,427 tons production (Çakar, Durmuş, Arslan 2011: 2). Currently, the province of Aydın, which holds the first place in the production of olive oil olive, has a production capacity of 392,196 tons.

Olives are grown in the Mediterranean, Aegean, Marmara and Eastern Black Sea and Southeast Anatolia regions in Turkey. Many different varieties are grown according to regions and territories. In the Southeastern Anatolia Region, both olive oil olives and table olives are produced. In the provinces of Gaziantep, Kilis, Şanlıurfa, Mardin and Adıyaman in the relevant region, olive production consists of both olive oil olives and table olives. As of 2016, 10 thousand tons of olives are produced from 9 million trees in an area of 420 thousand decares in Gaziantep. 22 thousand tons of olives are produced from 4.4 million trees in an area of 276 thousand decares in the province of Kilis. 500 thousand tons of olives are produced from 2 thousand trees in an area of 20 thousand decares in Mardin. In Şanlıurfa, approximately 5 thousand tons of olives are produced from 1 million 700 thousand trees in an area of 68 thousand decares. Approximately 2700 tons of olives are produced from 700 thousand trees in an area of 21 thousand decares in Adıyaman (TSI, 2016).

As the average temperature in the Southeastern Anatolia Region is low and the number of frosting days is high, the quality of the olive produced in the region is not as productive as the Mediterranean coastline regions. However, these soils constitute an important potential for olive production.

In the Southeastern Anatolia Region, the olive is grown in areas that are partially affected by the Mediterranean climate. Since the amount of precipitation is low, olive cultivation is possible in limited areas.

Even though the region's share of olive cultivation in Turkey is low, this proportion has tended to increase in recent times. 6% of the total number of olive trees in Turkey is located in this region. About 75% of the olives cultivated are used to produce olive oil. Since viticulture and pistachio farming are common in the region, olive groves are usually mixed with them. Olive cultivation is carried out in the provinces of Gaziantep, Kilis, Adıyaman, Şanlıurfa, Mardin and Şırnak.

### 1.1. Primary Features of the Study Area

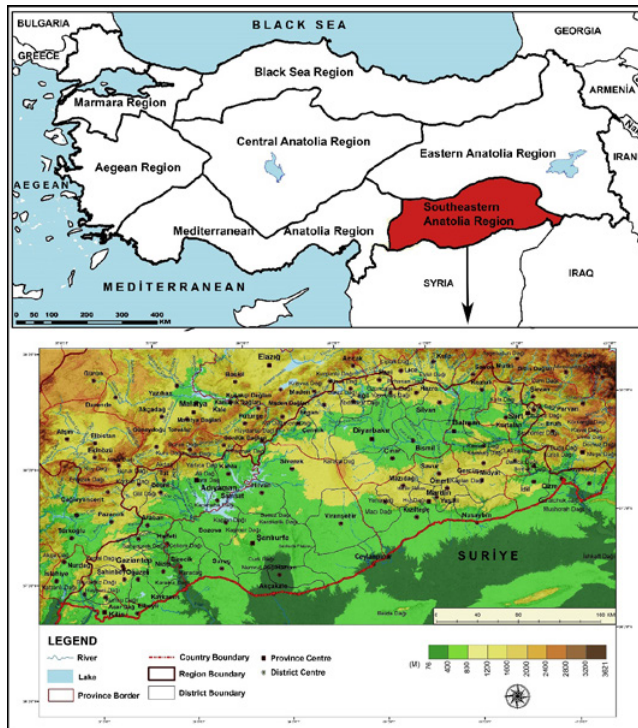
Southeastern Anatolia Region, our country, lying between the Southeastern Taurus and Syrian border and watered by the Euphrates and the Tigris rivers is the smallest of region in Turkey with its 7% area. Southeastern Anatolia is the area of flat surfaces with



slightly-malfunctioned surface curves and volcanic blocks extending in front of the outer row of Taurus Mountains. The eastern edge of the Kahramanmaraş-Hatay Grab was taken as a border on the western side of the region, which was surrounded by the Southeastern Taurus Mountains, therefore, based on natural boundaries, in the north and east and (Figure 1).

Consequently, the Gaziantep Plateau, which was separated from the graben area with a mountainy-hilly edge, remained within the boundaries of the region. Turkish Geography Congress divided this region also into two separate geographic sections; the Tigris Section which is the volcanic part of the Karacadağ mass in the east and the Central Euphrates Section, which is the remaining part in the west (Arınc, 2011; 375).

This region, located between the outer edges of the Southeastern Taurus and Turkey-Syria border and has a large plateau outlook in its entirety, attracts attention with its simplicity and plainness of the surface shapes. The region is composed of plateaus, bowl basins, medium-height domed mountains and hills. Relief has a gradual descent from north to south and reaches the Mesopotamian plains. It is possible to arrange the region's relief from north to south. The Southeastern Taurus Mountains, which surround the region in the form of a bow from the north, are arranged in front of the southern façade of these mountains, with a series of low hills showing most anticline characteristics, from west to east on the southern skirts of the Southeast Taurus Mountains: The Adıyaman basin, Hilvan and Siverek plains, separated from this basin by the Euphrates Valley, the volcanic Karacadağ mass and the Diyarbakır basin (Arınc, 2011; 375) (Figure 1).



**Figure 1.** Location and Physical Map of the Study Area

In the north and northeast of the Southeastern Anatolia Region, there is the Eastern Anatolia, the Mediterranean Region in the west, Syria in the west of the southern border

and Iraq in the southeast. Surface area of the region is 57 210 surface area, and constitutes 7% of the Turkey's territory. As it is the case in other regions, the region and administrative borders do not match in this region either. The provincial centers of Diyarbakır, Siirt, Mardin, Şanlıurfa, Adıyaman, Gaziantep and Batman remain within this region. Eruh, Pervari and Şirvan districts of the Siirt province; Sason district of Batman province; İslahiye and Nurdağı districts of Gaziantep province within the Antakya-Maraş graben and a small part of the Şahinbey district; Sincik, Gerger and Çelikhan districts of the eastern part of the Adıyaman province with the characteristics of Eastern Anatolia region, Ergani, Çermik, Çüngüş, Kulp and Lice districts of Diyarbakır province are outside the borders of the region. On the other hand, Cizre, İdil, Silopi and Güçlükönak districts of the Şırnak province in the Eastern Anatolia Region, Elbeyli district of the Kilis province in the Mediterranean Region and Nurhak district of the Kahramanmaraş province and a very small part of Pazarcık district are located in Southeast Anatolia Region (Arıncı, 2011: 377).

## 2. OLIVE PRODUCTION IN TURKEY

Olive grows naturally in the central zone in the world and in the places where Mediterranean climate is available (Sönmez 1996). It is also known that olives have been grown in these fields for different purposes for about 4000 years (Efe et al., 2013). Olive cultivation in Anatolia has been an economic activity for centuries and has a wide spread range in the Aegean, Marmara and Mediterranean coastlines (Atalay and Mortan 2006). There are also different varieties of olives that vary according to regions and regions.

Even though the climatic characteristics of the areas of olive cultivation in Turkey are generally similar, some differences are also noteworthy. These differences both determine the olive growing conditions and have significant effects on fruit size and oil quantity.

Due to the climate, soil and geomorphological features, olive varieties vary according to regions and territories. Some varieties are more suitable for olive oil and some varieties are used as table olives. Olives are estimated to be more than 4 thousand known varieties. The studies done on the olive varieties in Turkey are insufficient, the number of varieties has not been fully determined. Nonetheless, it is possible to say that the varieties are over 400. In a total of 36 provinces in the Black Sea, Marmara, Aegean, and Mediterranean and Southeastern Anatolia Regions, olives are grown in Turkey. 110 of the olive varieties grown in Turkey were "registered". 30 of these varieties are common and others varieties grow in more limited areas. The most common olive oil olives are Ayvalık, Memecik, Kilis olive oil olive, Nizip olive oil olive and Yağ Çelebi varieties. As of 2010, there are about 160 million olive trees in Turkey. Nonetheless, this number is increasing every year as new olive groves are planted. Ayvalık variety has also been grown in the Mardin province in recent years (Efe, Soykan, Cüberal, Sönmez, 2013: 102).

In the Mediterranean Region, olives are grown on the strip at a height of 850 meters between the Taurus Mountains and the coastline. 68% of olive production led by Hatay (Antakya), İçel, Adana and Antalya is used as olive oil olives and 32% as table olives. In high-altitude villages, planting of Ayvalık type saplings which are "cooling demanding" and cold-resistant have become widespread. Olives are cultivated in the parts of Gaziantep, Kilis, Şanlıurfa, Kahramanmaraş and Mardin, which are under the influence of the Mediterranean climate in Southeastern Anatolia. 70% of the olive production of the region is processed as olive oil olives and 30% as table olives. During the olive breeding works, the saplings of "Ayvalık" and "Gemlik" varieties started to be distributed to the farmers from the regional nursery gardens. In particular, the number of saplings planted in recent years in the provinces of Adıyaman and Kilis is observed to exceed the number of available trees. In the Black Sea Region, especially in the provinces of Artvin, Sinop, Trabzon, Kastamonu, Ordu, Zonguldak, Samsun, Amasya and Giresun, table olive cultivation is made mostly for

the purpose of self-consumption in the limited coastline with the Mediterranean micro-climates protected against the northern winds and the inner-river valleys (Artvin).

Regarding the olive production, Turkey is among the major live-producing countries amongst the Mediterranean basin countries. According to the data of Turkey Statistical Institute, it has reached 826.091 (ha). Turkey's olive planting areas have increased continuously and reached 3.4% of the usable areas in our country. Turkey's olive oil production reached to 190,000 tons. On the basis of regions, they will be considered and evaluated individually (Figure 2).

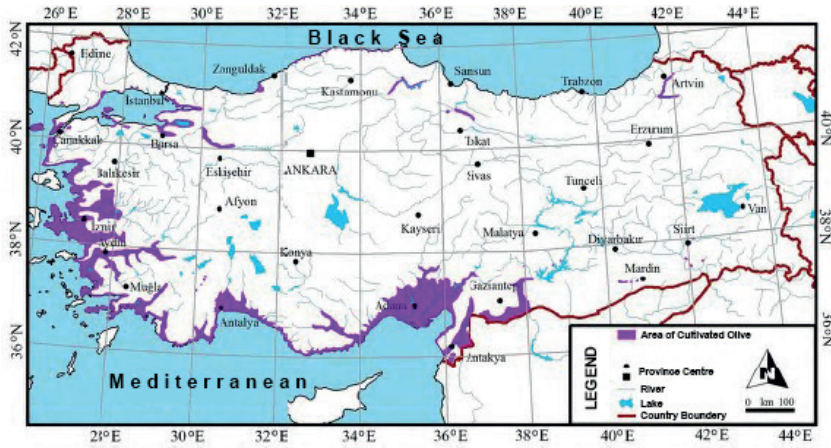


Figure 2. Olive Spread Areas in Turkey (Efe et al, 2013: 111)

Olive production in Turkey can be determined according to ecological and topographical diversity. The region with the highest number of olive trees, by regions, is the Aegean Region. 44% (68000.000 pieces) of the number of olive trees in Turkey are present in this region. The Aegean Region is followed by the Mediterranean with 27% (41,000,000 units), by Marmara with 19% (29,000,000) and Southeast Anatolia with 10% (16,000,000) regions (Figure 3).

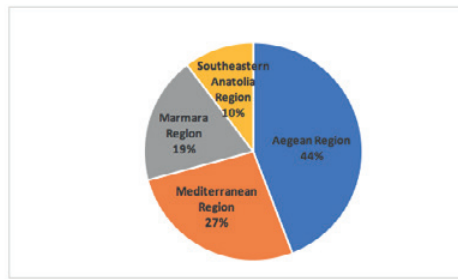


Figure 3. Proportional distribution of the number of olive trees in Turkey (TSI-2017)

When we look at the distribution of olive groves in the Aegean Region, olive production has spread over large areas in the regions where Mediterranean climate prevails especially in the coastal Aegean section. The coastal section, due to both climatic availability and high soil fertility, and being close to the ports for export, provide an advantageous environment for growing many valuable crops. However, in recent years, the rising value of olives, especially the demand for its oil and the fact that high quality soaps can be made from the olives has pushed the land owners to olive growing. The coastal Aegean section

is covered with olive groves all along apart from the residential sites of the city. The olive is groves grow naturally in the form of mono culture in and around Muğla.

Furthermore, the olive cultures in the Aegean region date back to the era before Christ and the olive trees from the Roman and Greek periods are still alive and bear fruit in the region. Aegean Region hosts 44% of the olive trees in Turkey. Olive oil production is dominant in the region. The Region ranks first in Turkey as it retains 56% of the olive groves (3,470,407 decares) and meets 55% of olive production (907 501 tons). The leading provinces in olive oil production in the region are Aydın (1.282.169 decares -392.196 tons), Muğla (949.040 decares-196.180 tons), İzmir (865.582 decares-164.756 tons), Manisa (345.889 decares-145.666 tons) and Denizli (26.726 decares-8.695 tons).

At the same time, the provinces of Aydın, İzmir, Muğla and Manisa are the top five provinces for oil production in Turkey. The Region still ranks first in terms of both cultivation sites and production as it meets 47% of Turkey's table olive production (1,060,743 decares-217 988 tons). The leading provinces in the production of table olives in the region are Manisa (644.055 decares-121.066 tons), Aydın (253.430 decares-63.182 tons), İzmir (105.174 decares-24.752 tons), Muğla (34526 decares-15.929 tons) and Denizli (23.486 decares-8.974 tons) respectively. The province of Manisa holds the first place in Turkey as it meets 26% of table olive production.

The olive production in the Mediterranean Region is important because the annual average temperature is 15 degrees Celsius and the olive has climatic characteristics especially due to the fact that the winters are warm. However, as the Mediterranean climate is more suitable for its more income-generating products (citrus fruits-banana), olive production has fallen behind. It is possible to see the olive groves all along the Mediterranean coastline. Even though it is a fruit which is very well-adapted to the Mediterranean climate, there is not much interest in olive cultivation in some areas. It is because there is a tendency to cultivate agricultural products with high yields due to the warm winters in the coastal Mediterranean plains. Furthermore, olive may not be a viable crop because there is a possibility to harvest twice a year in some areas. The distribution of olives in the region has shifted to the Eastern Mediterranean provinces. Especially in the slopes of the Amanos (Nur) Mountains facing the sea, plenty of olives are grown in the Göksu valley. The Mediterranean region meets 15% of the olive oil olives (974 437 decares) and 25% of its production (410.436 tons). Hatay province ranks first (418.835 decares - 139.554 tons) in the olive oil olive production in the region. Hatay holds the fifth place in olive oil olive production in Turkey. The other olive oil olive producing provinces are Mersin (260.908 decares-105.478 tons), Antalya (110.028 decares-70.290 tons), Adana (69.597 decares-26.246 tons), Osmaniye (49797 decares-57.886 tons) and Kahramanmaraş (64.694 decares-10.751 tons) respectively. In the production of table olives, on the other hand, the province of Mersin (123.827 decares-37.391 tons) ranks first in the region. The provinces of Hatay (90.891 decares-7640 tons), Osmaniye (85.802 decares-6.678 tons), Antalya (56.028 decar-3845 tons), Adana (47.887 decar-4.809 tons) respectively are the important provinces in the region in the production of table olives.

Olive production in the Marmara Region is carried out geographically on the southern coast of the Sea of Marmara in areas where the Mediterranean climate is prevalent. Table olives in particular are spread over large areas. The province of Bursa, especially the Gemlik district meets the majority of the table olive need of our country. The province of Balıkesir on the Aegean coast, especially the Edremit bay is covered with olive groves. Due to the fact that the region is located in a zone where transition climates are available, different types of olive types have been grown. Both table olives and olives oil olives are important in the region. The Marmara region meets majority of the table olive need of our country. The leading provinces in terms of table olives production in the region are

Bursa (644.055 decares-92.706 tons), Balıkesir (129.180 decares-32.764 tons), Tekirdağ (35.419 decares-10.203 tons), Yalova (33.218 decares-6.237 tons) and Çanakkale (17507 decares-7.703 tons) respectively. The Region meets 34% of table olive production in Turkey (155 220 tons). The province of Bursa and Balıkesir are in the first five provinces in the table olive production in Turkey. The Region meets 18% of olive oil olive production in Turkey. Especially the province of Balıkesir (an important part of the olive production areas are located in the Aegean region) (690.143 decares-221.436 tons) and Çanakkale (304.889 decar-61.722 tons) provinces are particularly significant in olive oil olive production.

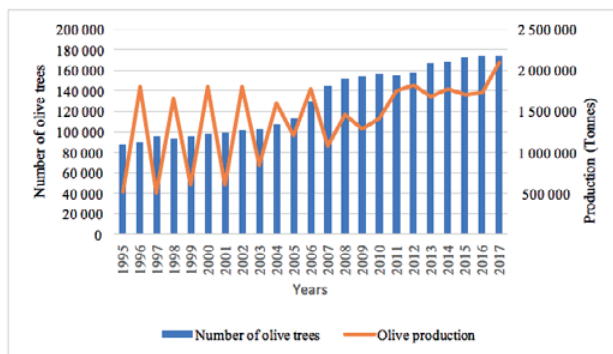
The distribution of olive production in the Southeastern Anatolia Region mostly corresponds to the Central Euphrates section. Appropriate climatic conditions (degraded Mediterranean climate) Kilis, Gaziantep, Şanlıurfa and Adıyaman provinces have enabled the cultivation of olives. Our principal field of study, the Southeast Anatolia Region, will be examined in detail later. However, the lands of Middle East and Mesopotamian, which hosted many civilizations, planted and harvested the olive tree thousands of years ago to obtain the olive and olive oil, which is the symbol of development and prosperity.

The Region meets 12% (743 166 hectares) of olives oil olive production areas and only 2% (34.020 tons) of olives oil olive production in Turkey. The leading provinces in the olive oil production are Gaziantep (39.9010 decares-15.435 tons), Kilis (266.092 decares-9.146 tons), Şanlıurfa (54.885 decares-5.437 tons) and Adıyaman (20.490 decares-.439 tons) respectively. The leading provinces in table olive production are Gaziantep (21341 decares-1,603 tons), Mardin (17,450 decares-2,282 tons), Kilis (14340 decar-867 tons) and Şanlıurfa (13725 decares-650 tons). Since olive production in the region has gained importance in the recent years, the number of trees at the age of not bearing fruit is high. In terms of olive cultivation areas, this region approaches the Mediterranean region especially regarding olive oil olive production areas.

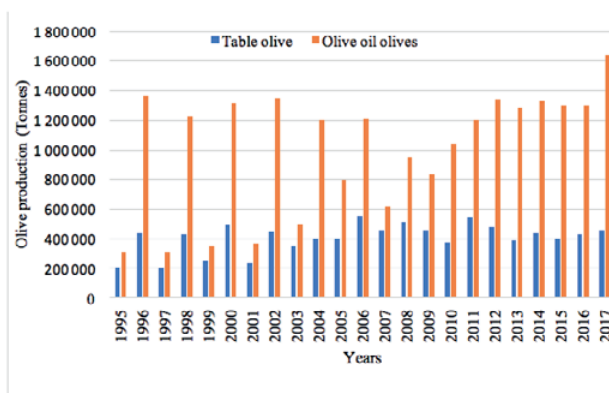
When the number of olive trees in Turkey over the years is considered, there has been a steady increase. Due to the reasons stemming from the characteristics of the olive tree, fluctuations are observed as olives bear fruit and cultivated at intervals of one year. Due to the developments in pruning techniques after 2010, there has not been any sharp decrease in olive production compared to the previous years. The number of trees, which was 87.581.000 in 1995, was 113.180.000 in 2005, 156.448.000 in 2010 and 174.594.000 in 2017. The production, which was 1,800,000 tons in 1996, reached 2,100,000 tons in 2017 (Figure 4).

78% of olives in Turkey are produced for olive oil and 22% for table olive production. 60% of olives produced in 1995 were for oil and 40% for table olives. Between 1996 and 2004, an average of 855.556 tons of olives was produced olive oil and 360.000 tons table olives. Olive production, which declined between 2007 and 2010, started to increase again after 2010. Between the years of 2011 and 2017, average olive oil olive production amounted to 1,342,286 tons and table olive production 449,714 tons (Figure 5).





**Figure 4.** Number of olive trees and olive production fluctuations by years in Turkey (TSI, 1995-2017)



**Figure 5.** Olive oil olives and table olive production fluctuations by years in Turkey (TSI, 1995-2017)

### 3. DISTRIBUTION OF OLIVE TREES IN SOUTHEASTERN ANATOLIA

According to Durmuş and Yiğit 2014, Olive is one of the products used to determine agricultural areas and the relevant regions in Turkey. The olive production areas in the Southeastern Anatolia region, in this respect, were considered within three different regions. The Gaziantep region, which is split by the Euphrates and its branches and is slightly sloping from the north to the west and mostly formed by the limestone layers, is located within the Mediterranean zone in terms of climate characteristics. Entire Gaziantep and Kilis provinces, the Birecik and Halfeti districts of Şanlıurfa province was evaluated within the Mediterranean region and the olive oil olive production quantity was determined as 5%. Within the South-Eastern Anatolia Region, Urfa-Viranşehir and Southern Section of Mardin, especially Mardin and its surroundings, corresponds to 1% of table olive production. In the same region, the Adıyaman region has been an area where olive trees have been planted recently (Durmuş, Yiğit 2014: 169-220-221).

In the Southeastern Anatolia Region, the olive is grown in areas that are partially affected by the Mediterranean climate. Since the amount of precipitation is low, olive cultivation is distributed in limited areas. Even though the region's share of the olive culti-

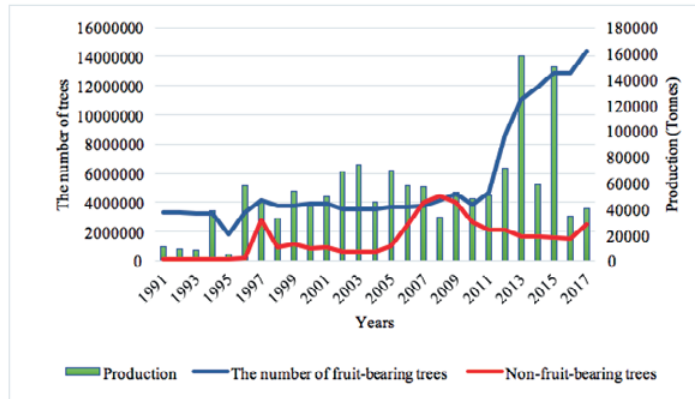
vation in Turkey is low, this proportion has tended to increase in recent times. 6% of the total number of trees in Turkey in 2017 was found in this region. Approximately 91% of the olives cultivated are used to produce olive oil. Since pistachio and viticulture are common in the region, olive groves are usually planted miscellaneously with these products.

In the Region, olive cultivation is carried out in the provinces of Gaziantep, Kilis, Adıyaman, Şanlıurfa, Mardin and Şırnak. Since pistachio growing is easier and more economical, olive cultivation has not developed sufficiently. In addition to these, the necessary infrastructure for the processing of olives is not enough. However, in recent years, the number of olive trees and the area has been increasing due to the government aid to the olives producers. The region is the richest region in terms of olive diversity.

The olive, which is in competition with pistachio in the region, has been concentrated in the Central Euphrates Section in recent years. High economic value of pistachios, the change in the product pattern in the region after the GAP project has led to, though late, production of olive cultivation in the region. Therefore, the necessary infrastructure for processing olives is not yet sufficient.

It is clearly seen that the amount of olive production and the number of trees increased significantly between 1991 and 2017 in the Southeast Anatolia Region, which is the homeland of olive. It is also clearly observed that the increase in the non-fruit-bearing trees over the years led to extensive planting of olive trees in the region.

In the Southeastern Anatolia Region, olive production, which was around 10 thousand tons in 1991, reached 80 thousand tons in 2016 due to the increase in planting areas. Looking at the total number of trees in the region, the number of trees increased from 3.5 million in 1991 to 400 million in 2017 (Figure 6).



**Figure 6.** Number of Olive Trees and Olive Production by Years in the Southeastern Anatolia Region (TSI, 1991-2017)

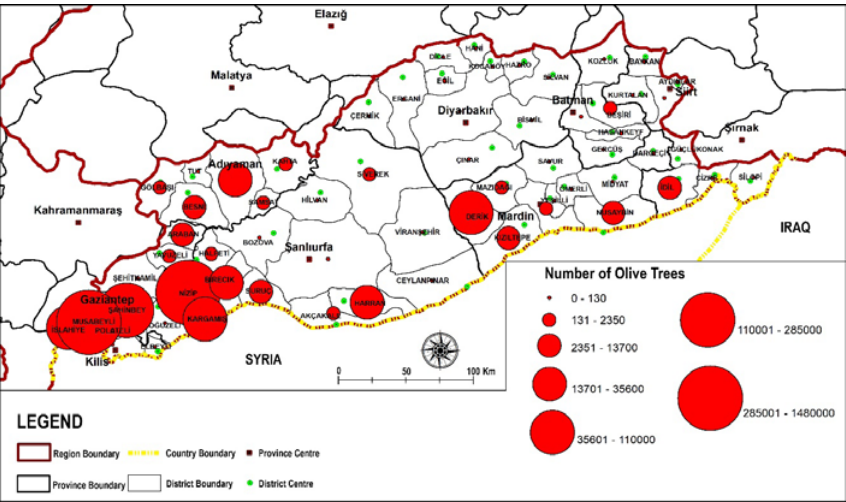
### 3.1. Distribution of Olive Trees by Years

The dominant climate in Southeastern Anatolia is the temperate continental climate. The western part suitable for olive cultivation (Central Euphrates Section) is a transition climate region between Continental and Mediterranean climate. Therefore, it is possible to say that it constitutes a suitable area for olive farming. Due to the temperate climate in the Adıyaman province, especially in the Euphrates Valley and around the dam, it is clearly observed that there are olive trees.

Since the regular product statistics were started in 1991, 1991 was taken as a starting point for the study. In the study, the maps of following dates and evaluations about the

region were made; 1991 when the beginning and the status evaluation were important; 1997 when the olive growing began to increase; 2007 when especially the amount of government aid provided to olive and the number of trees increased; 2012 when the amount of production obtained from the trees together with government aid increased; and 2016 when the last evaluation was made. Olive trees and production was collected under a single title, without specifying olives for “olive oil olive” and for “table olive” by the Turkey Statistical Institute between 1991 and 2000. As of 2002, since this distinction was made on maps, olive trees were specified individually.

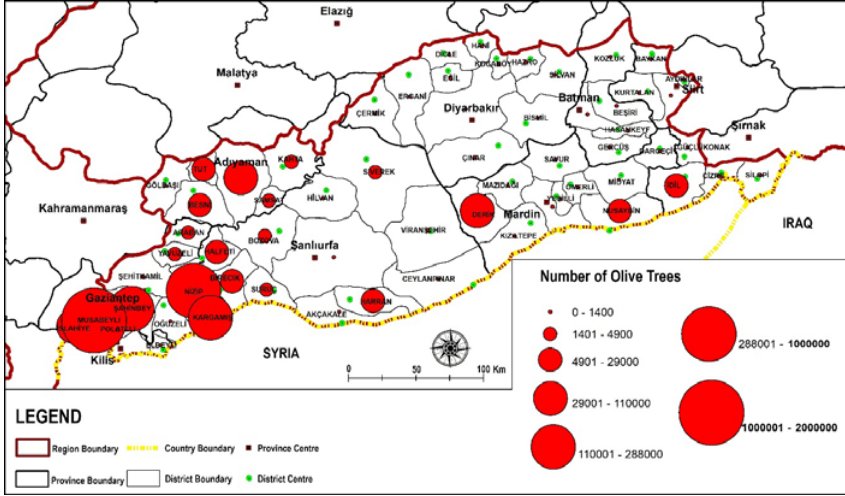
In 1991, the highest number of trees was in Kilis and Gaziantep. These provinces were followed by the Derik district of Mardin. Gaziantep, Kilis, Adiyaman and Şanlıurfa in the Middle Euphrates Department were the provinces with the highest number of olive trees and olive production in the Southeast Anatolia Region. Due to the existence of the Southeastern Taurus Mountains and the northern part of the region and due to the increase in the elevation and the limitation of continentality, the number of olive trees began to decline. Siirt, Batman and around Diyarbakir are examples of this situation (Figure 7).



**Figure 7.** Distribution of olive trees by districts in the Southeast Anatolia Region (1991)

When we look at the distribution of the olive trees in the Southeastern Anatolia Region in 1997, we clearly see that olive trees spread more extensively in the provinces of Gaziantep and Kilis. The most important reason for this is that in addition to the climatic conditions, we see that people developed olive cultivation, which was one of the settled agricultural cultures. In 1997, the number of olive trees increased around the provinces of Adiyaman, Şanlıurfa and Mardin. It would be wrong to interpret the increase in the number of trees as different areas of agriculture converting to olive cultivation. It was because there was an increase in the districts where there was already an olive culture (Figure 8).





**Figure 8.** Distribution of olive trees by districts in the Southeastern Anatolia Region (1997)

In 2000, the number of trees increased due to the government aid as well. The olive groves began to be established in the provinces of Adıyaman Şanlıurfa and Mardin. In these provinces, the number of trees exceeded 1 million.

In 2002, the number of trees in Kilis and Gaziantep exceeded 1 million. A large part of the trees in the Southeastern Anatolia Region was composed of olive oil-type trees. Due to the higher rate of humidity of the western part of the region and less number of frosty days, olive varieties are suitable for olive oil. More than 95% of the trees especially in the provinces of Kilis and Gaziantep are suitable for olive oil. The Karacadağ plateau towards the east and on the eastern slopes of the Mardin threshold, we see that the olive varieties evolved towards olive oil olives. The reason for this; this section has a higher continental-ity and low humidity (Figure 9).

The olives types grown in Derik are Halhali, Zoncuk, Belluti, Mavi and Melkebazi. The most commonly cultivated variety in the region is Halhali. Its origin is the district of Derik. It is widely grown around Derik. The most common olive varieties of the region are Kilis Yağlık (olive oil olive), Nizip Yağlık (olive oil olive), Halhali (Derik), Eğriburun (Nizip) and Kan Çelebi. In the region Belluti, Eğriburun (Tatayn), Halhali, Çelebi, Hamza Çelebi, Hirhali Çelebi, Hursuki, İri Yuvarlak (Big Round), Kalem Bezi, Mavi (Blue), Melkabazi, Tespih Çelebi, Yağ Çelebi, Yağlık Çelebi, Yellow Olive for Oil, Round Çelebi, Round Halhali, Wool Çelebi and Zoncuk varieties are also grown (Efe et al, 2013: 122).

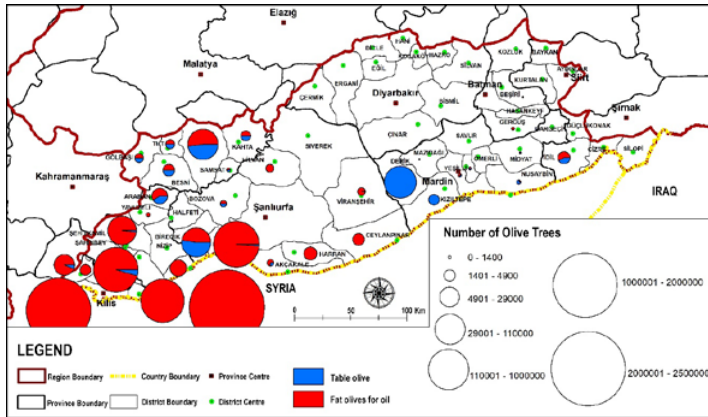


Figure 9. Distribution of olive tree types by districts in the Southeast Anatolia Region (2002)

The fact that there is a government aid for olive cultivation in the whole country in 2007 was an important pioneer in planting olive trees in the region. Only in Gaziantep, more than one million saplings were planted with government aid. As can be seen on the map, with the olive trees planted, the number of olive trees in the region increased. As a result of the government aid, some new trials were tested; for example, olive tree saplings were planted in the region between Şanlıurfa and Gaziantep. In addition, a large number of olive trees were planted in the vicinity of the Atatürk dam basin in Adıyaman (Figure 10).

In 2012, production increased in the region in comparison to the previous period (2007) due to the production of trees planted. However, no yield was obtained from some of the fruit-bearing olive groves planted with the government aid. When the farmers could not achieve the expected yield, the trees were removed in some areas and the farmers returned to the garden agriculture. In some areas, breeding activities were carried out. Since the “Gemlik” type of olive groves, which were easily obtained as a result of misinformation, could not be fully adapted to all areas of the Southeastern Anatolia Region, there was no complete success (Figure 11).

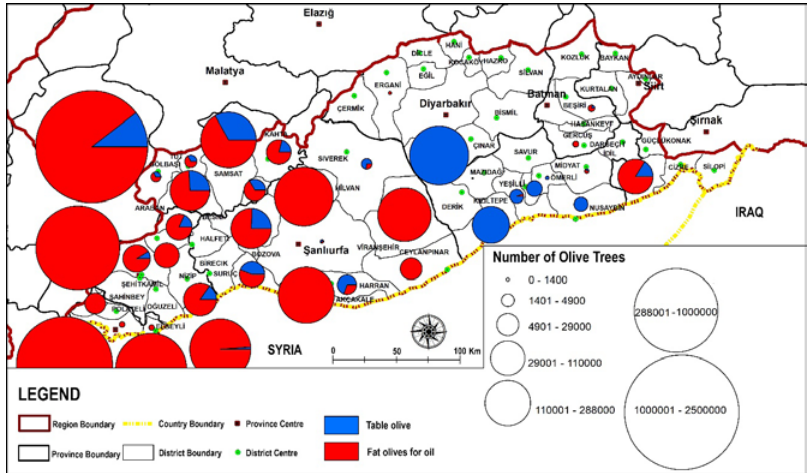
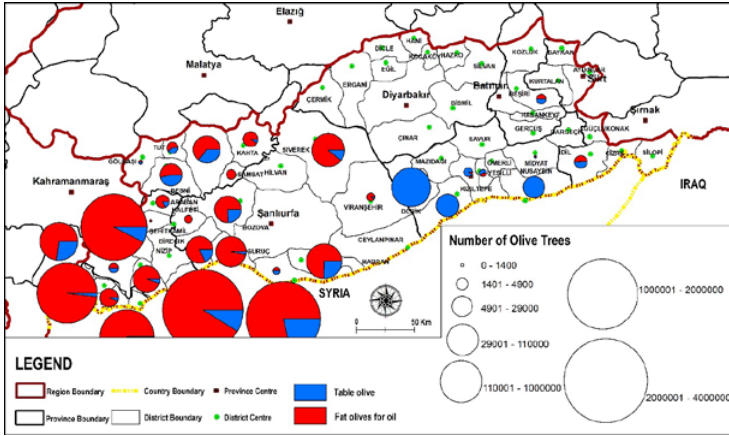
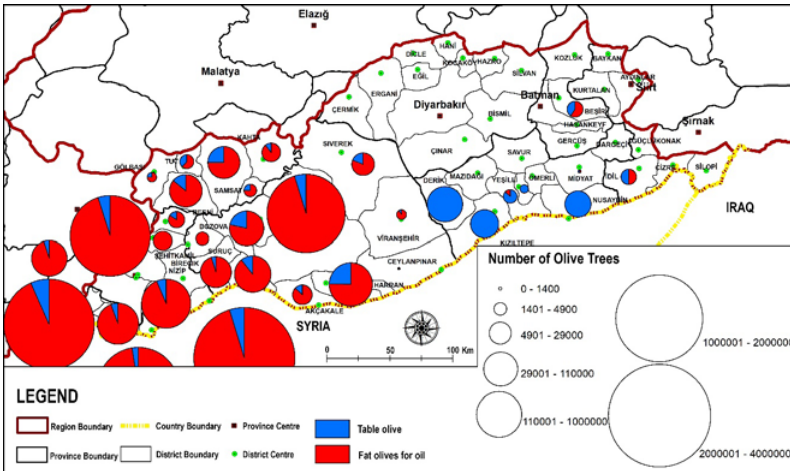


Figure 10. Distribution of olive tree species by districts in the Southeastern Anatolia Region (2007)



**Figure 11.** Distribution of olive tree types by districts in Southeast Anatolia Region (2012)

When the number of trees in the Southeast Anatolia Region is examined in 2016, majority of the olive trees that were located in the west of the region constituted the olive oil olives (Provinces of Gaziantep, and Kilis). The number of table olive trees in the provinces of Adıyaman, Mardin and Şırnak is quite high, since almost all of the trees in the Derik district of Mardin province are table olive trees, the majority of the trees in Mardin are table olive type trees. In 2016, due the climatic factors and especially the high precipitation, the farmers did not reap the olives on their trees (Figure 12).



**Figure 12.** Distribution of olive tree types by districts in the Southeast Anatolia Region (2016)

### 3.2. Distribution of Olive Trees by Provinces

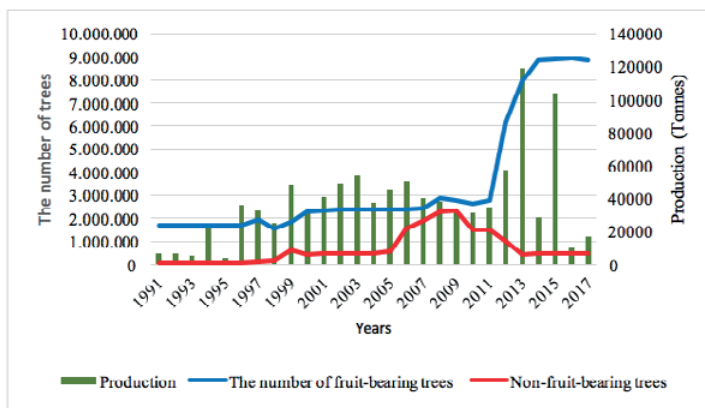
In 2017, 85% (28,668,694) of the total number of 33,715,922 trees consisted of fruit-bearing trees and 15% (5,047,228) non-fruit-bearing (barren) trees in the region. 91% (13,095,706) of the fruit-bearing trees were composed of olive oil olive trees and 9% of table olive trees. 84% of the cultivation (34020 tons) was used for olive oil production and 16% (6.312 tons) for table olive production.

### 3.2.1. Distribution of Olive Trees in the Gaziantep Province by Years

The number of trees in the province of Gaziantep has increased periodically. Traditionally, the number of olive trees in the province increased in 2007 due to plantings supported by the government throughout the region. Today, with over 9 million trees, Gaziantep ranks first in the region. Even though the production in Gaziantep has had fluctuations over the years, it has tended to increase continuously (Figure 13).

In 1997, the total olive production in Gaziantep was 32,790 tons. The total number of trees in the province was 2,057,368. The number of non-fruit-bearing trees in this total number was 1.925.705. The total olive production in the Nizip district of the province was 28,800 tons and the total number of trees was 1,414,173. The number of fruit-bearing trees amongst these trees was 1.400.000 and the number of non-fruit-bearing trees 14.173.

Total olive production in the central district was 3012 tons and the total number of trees was 288.000. The number of fruit-bearing trees amongst these trees was 251.000 and the number of non-fruit-bearing trees was 37.000. Total olive production in the Oğuzeli district was 706 tons and the total number of trees was 229,300. The number of fruit-bearing trees amongst these trees was 176.555 and the number of non-fruit-bearing trees 52.745 fruits (Figure 8).



**Figure 13.** Number of trees and olive production by years in the Gaziantep province

The total olive production in the province of Gaziantep in 2002 was 49.205 tons. Total number of trees was 2.832.016 and the number of fruit-bearing trees was 2.369.538 (84%) and the number of non-fruit-bearing trees was 462.478 (16%). The Nizip district covered 73% (36,011 tons) of the provincial olive production. The total number of trees was 1.443.019 and the number of fruit-bearing trees was 1.411.398 (98%) and the number of non-fruit-bearing trees 31.621. 11% of the production is cultivated in the Karkamış and Central districts of Gaziantep (Şehitkamil-Şahinbey). The total number of trees in the central district is 691,755 and the number of fruit-bearing trees is 468,658 and the number of non-fruit-bearing trees is 223,097. The total number of trees in the Karkamış district is 294,221 and the number of fruit trees is 272,100 and the number of non-fruit trees is 22,121. Since the number of trees in the Karkamış district is low, but the number of fruit-bearing trees high, and production is also high (Figure 9).

The total olive production in Gaziantep in 2007 was 40,050 tons. The number of olive trees in the province increased by 51% compared to 2002 and increased to 4,279,006. In 2006, the number of olive trees increased in Gaziantep province by the government aid allocated for the Southeastern Anatolia region for olive cultivation. The number of fruit-bearing trees was 2.402.089 (56%) and non-fruit-bearing trees 1.876.917 (44%).

The leading producers were the central district, Oğuzeli, İslâhiye and Nizip districts respectively (Figure 10). The number of trees in the central district increased by 83% reaching 1,265,410. This year, the number of non-fruit-bearing trees in the central district is 861,020 and production is 4,871 tons. In the Oğuzeli district, the total number of trees has increased by 166% compared to 2002 and the total number of trees increased to 577,980. The rate of non-fruit-bearing trees is 80% (460,240).

In the İslahiye district, the number of trees increased by 212% compared to 2002 and reached 323,650. Production in İslahiye where there was the highest rate of increase was 1.706 tons. The total number of trees in Nizip was 1.813.000 and the number of fruit-bearing trees was 1.652.000 (91%) and non-fruit-bearing trees 161.000 (9%).

This year, total production is 30,245 tons, 76% of the olive production comes from the Nizip district, 12% from the central district (Şehitkamil), 5% from the Oğuzeli district and 4% from the İslahiye district. In Gaziantep province, 90% of olive trees (3,829,947) are olives and 10% (449,059) are olives. In Nizip district where the most production is made, 87% of olive trees are oil (1.573.000) and 13% table (240.000).

The total olive production in the province of Gaziantep in 2012 was 57,464 tons. Total number of trees increased by 68% compared to 2007 reaching 7,178,885. 86% of the total trees (6.158.872) were fruit-bearing and 14% non-fruit-bearing trees (1.019.993). In this period, 35% of the total number of olive trees in Gaziantep were found in Nizip, 26% in Oğuzeli and 24% in Şehitkamil districts (Figure 11). 50% of the olive production was obtained in Nizip, 25% in Oğuzeli and 12% in Şehitkamil districts. 84% of olive trees in Gaziantep (6.033.818) consisted of olive oil olive trees and 16% (1.145.047) table olive trees.

The total production in the Nizip district is 28,740 tons. 87% of the trees are fruit-bearing trees (2,220,613) and 13% non-fruit-bearing trees (320,132). 90% of the olives produced in the town of Nizip are olive oil olives, 10% table olives. The total production in the district of Oğuzeli is 14.188 tons. 97% (1.815.226) of the total number of trees (1.863.370) consist of fruit-bearing trees and 3% (48.114) non-of fruit-bearing trees. 73% (1.360.527) of the olive trees cultivated in the district are for olive oil and 27% (502.843) for table olive production. The district of Oğuzeli in Gaziantep is the town where most of the olive is grown (4.934 tons).

It is clearly observed that the number of trees increased in 2007 was reflected in production as well. The total production in the central district (Şehitkamil and Şahinbey) was 6.094 tons. The total number of trees in the district was 1.889.150, 72% of them were fruit-bearing trees (1.365.471), and 28% (523.679) non-fruit-bearing trees. In the central district, 73% of the olive trees were used for olive oil (1.730.510) and 27% (158.640) for table olives production.

Total production, due to the climatic conditions in 2016, especially the heavy precipitation during the harvest period, decreased to 9,690 tons. At the same time, this situation caused a decrease in the regional production as well. Total number of trees, in comparison to 2012, increased by 30% to 9,362,811. In Gaziantep, 95% of the total number of trees (8.919.326) were made up of fruit-bearing trees (Figure 12). In this increase, especially substantial olive planting in the districts of Şahinbey with Şehitkamil caused an increase of 129% in the Central district.

The rate of olive oil olive trees in the province of Gaziantep is 94% (8.838.998). In 2016, the highest number of trees in the central district was 42% (3.987.711) and 3.037 tons of production (31%) were obtained. 94% of these trees (3,738,541) were composed of olive oil olive trees. After the Central district, 3,588 tons (37%) of the olives were obtained from the trees the Nizip district with 30% (2,822,077 tons). 95% of these trees are fat (2.681.237). In Oğuzeli district, on the other hand, 2.149 tons (22%) of olives were



obtained from the 18% (1.687.100) of the trees. Similarly, 95% (1.602.000) of the trees were olive oil olive trees.

In 2017, in terms of the number of trees, 62% of the region with olive groves (8,822,273) were in the Gaziantep province. 64% of the total number of trees in the province of Gaziantep were olive oil olive trees (8.341.952) and 36% (480.321) table olive trees. 18% of the olive trees (446.049) consisted of non-fruit-bearing trees. 42% of the total olive production in the region (17,038 tons) was met by the Gaziantep province. 46% (15.435 tons) of olive oil production and 25% (1.603 tons) of table olive production was met in this region.

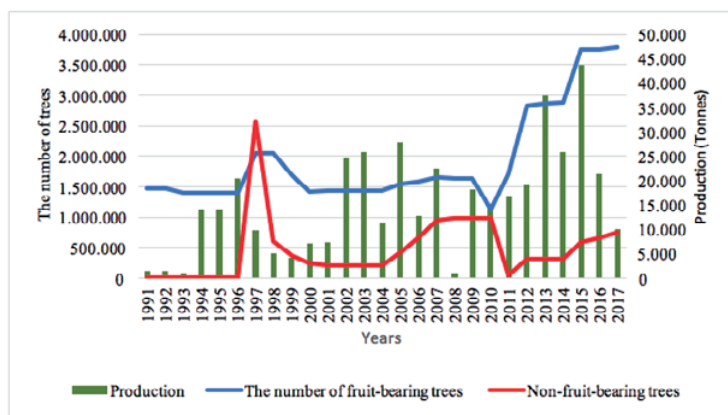
Gaziantep districts hold first places in the region in terms of number of trees and olive production. The district of Nizip ranks first in terms of number of trees. 90% of the trees in Nizip are fruit-bearing trees, 10% non-fruit-bearing trees. 95% (2,517,960) trees in Nizip are olive oil olive trees and 5% (126,825) table olive trees. 89% (4,499 tons) of olive production is used for oil production and 11% (543 tons) for table olive production. The Şahinbey district of Gaziantep ranks as the second district with the highest number of olive trees in the region (2,104,463).

### 3.2.2. Distribution of Olive Trees in the Province of Kilis by Years

Since Kilis was made a province in 1995, the data of 1991 were included within the province of Gaziantep. There was a significant progress in 1997 after Kilis was made a province. Over 2 million trees were planted. As of this date, the number of fruit-bearing trees increased periodically.

In 1997, the total production in Kilis was 9,740 tons. Total number of trees was 4.6141.65. The number of fruit-bearing trees was 2.048.000 (44%) and non-fruit-bearing trees 2.566.165 (56%) (Figure 8). When the production amount of Kilis province is examined, there was a significant increase after 1997 and reached 25 thousand tons in 2002. At present, the province of Kilis annually produces 25 thousand tons of olives.

Olive production in the Kilis province was 24,750 tons in 2002. The total number of trees was 1,650,000 and the number of fruit-bearing trees was 1,436,000 (87%) and non-fruit-bearing trees 214,000 (Figure 9, 14). 66% of the olives produced in Kilis that year was cultivated in the Central district (16.490 tons), 26% (6.358 tons) in the Musabeyli and 6% in the Polateli districts.



**Figure 14.** Number of olive trees and olive production by years in the Kilis province (1991-2017)

In 2007, the total production in the Kilis province was 22,422 tons. Total number of trees increased by 57% compared to 2002 reaching 2,586,510. The number of fruit-bearing trees was 1.654.100 (64%) and non-fruit-bearing trees 941.410 (36%). Total production in the central district was 11,295 tons (51%). The total number of trees was 1.510.000 and 76% of these trees were fruit-bearing trees. Total production in the Musabeyli district corresponded to 42% of Kilis and was 9,400 tons. The total number of trees was 826,510 and 56% were composed of fruit-bearing trees. All of the olive trees in the Kilis province are olive oil production (Figure 10).

In 2012, 58% of the olive production was carried out in the central district of the Kilis province, 28% in Musabeyli and 7% in Polateli districts. 48% of the trees were in the Central district, 38% in Musabeyli and 9% in Polateli districts. The total production of the Kilis province was 19.078 tons. 90% of the olive trees were fruit-bearing trees (2,836,642) and 10% non-fruit-bearing trees (523,679). 97% of the trees in the Kilis province were olive oil olive trees (3058269) and 3% (101.377) table olive trees (Figure 11).

Total production in the central district is 11,044 tons. Total number of trees is 1.521.638. 90% of these trees (1,367,890) are fruit-bearing, 10% non-fruit-bearing trees (153,748). Total production in the Musabeyli district is 5.416 tons. 90% of the olive trees (1.083.208) are composed of fruit-bearing trees.

In 2016, Kilis (21.373 tons) was the province that harvested the most olives in the region. 41% of this production was carried out in the Central district (8,686 tons), 30% in Musabeyli (6,512 tons), 15% in Elbeyli and 14% in Polateli districts. Total number of trees increased by 40% compared to 2012 reaching 4,420,880. 95% of these trees (4,222,784) were olive oil olive trees. The rate of fruit-bearing was 85% (3.757.750) and of non-fruit-bearing trees 24% (663.130). 43% (1889552) of these trees were in the central district and 1,840,736 (97%) were olive oil olive trees. The number of fruit-bearing trees in Musabeyli, which had 32% (1,414,432) of trees, was 1,202,268. 95% (1.336.896) of the trees olive oil olive trees (Figure 12).

In 2017, Kilis held the second place with 27% (3.596.105) of the olive oil trees in the region after Gaziantep. Kilis ranked fourth in the region with a rate of 15% (224,143) in terms of the number of table olive trees. Kilis ranked first in the region with 30% (754.492) in terms of the number of non-fruit-bearing trees. The Kilis region, corresponding to 25% (10.013 tons) of olive production, is the most important olive producing province after Gaziantep. Kilis meets 27% (9,146 tons) of the total regional demand of olive oil olive and 14% (867 tons) of table olive production.

### 3.2.3. Distribution of Olive Trees in the Şanlıurfa Province by Years

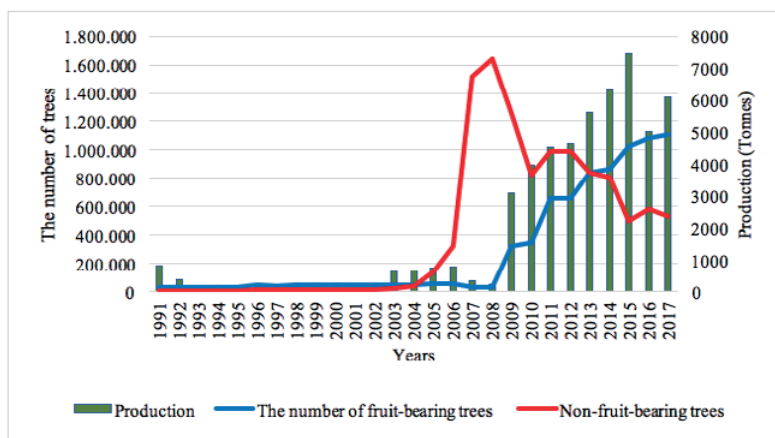
The total olive production in the province of Şanlıurfa in 1997 was 241 tons. The total number of olive trees was 52,871, of which 42,481 were fruit-bearing and 10,390 of non-fruit-bearing trees. When evaluated according to the districts, the total production in the Akçakale district was 62 tons. The total number of trees was 1,310 and the number of fruit-bearing trees was 1,230 and non-fruit-bearing trees 80. Halfeti and Ceylanpınar districts were similar in terms of olive production and number of trees. The number of fruit-bearing was around 17,000 and total production was about 45 tons (Figure 8).

The total production in the province of Şanlıurfa in 2002 was 267 tons. The total number of trees was 60,536 and the number of fruit-bearing trees was 48,251, and non-fruit-bearing trees 12,285 (Figure 15). The total production in the Ceylanpınar district was 57 tons and the total number of trees was 21,600. 19.100 of these trees were fruit-bearing trees. There were approximately 50 tons of production in the Akçakale, Birecik and Central districts and the number of trees was over 4,000 (Figure 9).

Approximately 1.5 million trees were planted in Şanlıurfa in 2007 with the impact of

government aid. Planting continued, although the number of tree-planting decreased in the subsequent years. The total number of trees in the province of Şanlıurfa increased 26 times compared to 2002 and reached 1,550,684. 98% of these trees were non-fruit-bearing trees (1.518.034). 75% of the total number of trees was olive oil olive trees and 25% table olive trees. Total production was 346 tons annually (Figure 10).

The number of trees increased in the districts of Halfeti, Birecik and Central respectively. In the district of Halfeti, the number of non-fruit-bearing trees is 420,000 and fruit-bearing trees 3000. 67% of total trees are olive oil olive trees and 45% table olive trees. In the Birecik district, all of the trees, due to new plantings, are non-fruit-bearing trees (420.000), 80% of them olive oil olive trees and 20% table olive trees. In the Central district, on the other hand, 89% of the 363,590 trees are olive oil olive trees and 11% are table olive trees. 50% (172 tons) of the olive production of the Şanlıurfa province is met by the Ceylanpınar district. All of this production consists of table olives.



**Figure 15.** Number of olive trees and olive production by years in the Şanlıurfa province (1991-2017)

In 2012, Şanlıurfa had a production capacity of 4.662 tons. The total number of trees was 1,648,797. The rate of non-fruit-bearing trees was 60% (988.637) and of fruit-bearing trees 40% (660.160). The increase in the number of trees in 2007 was 40% due to the government aid provided and the encouragement of the people for olive cultivation in this period. 79% of the olive trees in Şanlıurfa are olive oil olive trees (1.303.108) and 21% (345.689) table olives (Figure 11). The district with the highest rate of production is in the district of Birecik (2.444 tons). 79% of the total of 385,012 trees is fruit-bearing trees (305,512) and 21% non-fruit-bearing trees (79,500).

Following the district of Birecik, the Central district has 781 tons of production, Bozova 778 tons and Halfeti 256 tons. 76% of the number of trees in these districts consists of olive oil olive trees (749.080) and 24% table olive trees (239.557). The central district, Halfeti and Hilvan districts are the leading districts in the number of non-fruit-bearing trees. 84% (332,200) of the olive trees in the town of Halfeti are composed of non-fruit-bearing trees.

In 2016, the total production in Şanlıurfa was 5.028 tons. 26% (1.291 tons) of this production was in Birecik, 19% (958 tons) in Bozova, 15% (739 tons) in the Central district and 13% (646 tons) in Halfeti. The total number of trees was 1,669,272 and 65% was fruit-bearing (1,086,714) and 35% non-fruit-bearing trees (582,558). 22% of the olive trees were table olive trees and 78% olive oil olive trees (Figure 12). While 24% (408,396)



of the total trees were in Halfeti, 24% of them were table olive trees and 76% of them olive oil olive trees. The district of Birecik hosts 21% (344,574) of the total number of trees in the province. 12% of these trees are table olive trees and 88% olive oil olive trees. This district has the highest number of fruit-bearing trees (343,010-99,5%). Bozova has 16% of the total trees (270,088) and 28% of the table olive trees and 72% of the olive oil olive trees. The Central district which has 14% (233,202) of the total trees has 88% olive oil olive trees and 12% table olive trees. This is the district with the highest rate of non-fruit-bearing trees (49%).

In 2017, Şanlıurfa ranked fourth in terms of olive oil olive trees with 7% (873,698) proportion. It ranks third with a share of 19% (243,613) in terms of number of table olive trees. Şanlıurfa ranks second with a share of 21% (533,574) in terms of the number of non-fruit-bearing trees. 15% (6,087 tons) of olive production takes place in the province of Şanlıurfa. 16% of this value is for olive oil olive (5,437 tons) and 10% for table olive production (650 tons).

### 3.2.4. Distribution of Olive Trees in the Adıyaman Province by Years

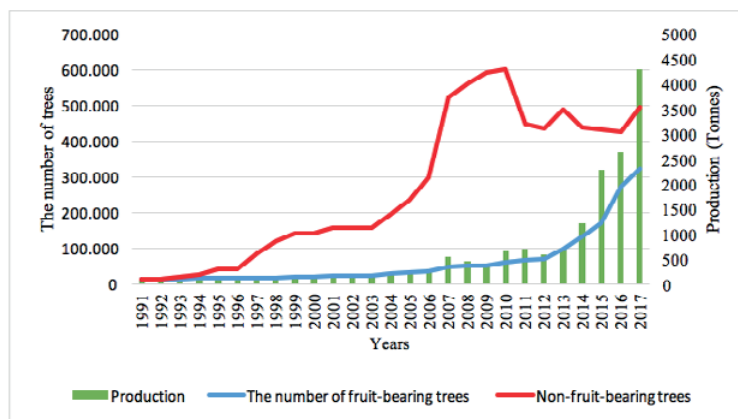
The total production in the province of Adıyaman in 1997 was 127 tons. Number of fruit-bearing trees was 17,890 and the number of non-fruit-bearing trees was 85,865 (83%). In the Central district, the leading district in olive cultivation, the total production was 95 tons. The total number of trees was 74,400 and the number of fruit-bearing trees was 13,500 and of non-fruit-bearing trees, 60,900 (Figure 8).

The total production in Adıyaman in 2002 was 198 tons. Total number of trees increased by 76% compared to 1997 reaching 182,820. 23,295 of these trees were fruit-bearing trees and 159,525 non-fruit-bearing trees. Total production in the central District was 131 tons and the total number of trees was 122,500. 88% (108,000) of this value consisted of trees were non-fruit-bearing trees and 12% fruit-bearing trees (14,500) (Figures 9, 16).

After 2007, significant number of olive tree planting started. Since the period of olives' bearing fruit olives is 6-7 years on average, the production started to increase after 2012. In 2007, total olive production in the Adıyaman province was 541 tons. Total number of trees rose to 572,969 units and increased by 68% compared to 2002. 91% of the total number of trees (523,052) is non-fruit-bearing trees and 9% fruit-bearing trees (49,917). In the Adıyaman province, 78% (436,190) of olive trees are table olive trees and 22% (124,289) olive oil olive trees.

Total production in the Central district is 238 tons. Total number of trees is 254,552 and 90% of them are non-fruit-bearing trees (228,052). 98% of the olive trees (249,380) consist of table olive trees. Total production in the Besni district is 242 tons. The total number of trees is 170,500. 94% of the total trees are composed of non-fruit-bearing trees (159,750). 59% of the olive trees in the district of Besni are made up of table olive trees and 41% of olive oil olive trees (Figure 10).

In 2012, total olive production in the Adıyaman province was 604 tons. Total number of trees is 504,117. 14% of the trees (70,097) are fruit-bearing trees and 86% (434,020) non-fruit-bearing trees. 51% (256,929) of the olive trees are composed of olive oil olive trees and 49% (247,188) table olive trees (Figure 11). Total production in the central district is 179 tons. The total number of trees is 202,953 and the number of non-fruit-bearing trees is 182,490 and the number of fruit-bearing trees 20,463. The non-fruit-bearing trees have a rate of 90%. Total production in the Besni district is 148 tons. The total number of trees is 113,654 and the number of non-fruit-bearing trees is 102,060 and the number of fruit-bearing trees 11,594. The rate of non-fruit-bearing trees is 90%. Total production in the Kahta district is 140 tons. The total number of trees is 85,636 units and the rate of non-fruit-bearing trees is 72% (61,900).



**Figure 16.** Number of olive trees and olive production by years in the Adiyaman province (1991-2017)

In 2016, the total production in Adiyaman province was 2.654 tons. 43% (1,150 tons) of this production was in the districts of Kahta, 23% in Besni (625 tons) and 18% (467 tons) in the Central district. The total number of trees in the Adiyaman province increased by 39% compared to 2012 reaching 701,233 units. 61% of these trees are fruit-bearing trees and 39% non-fruit-bearing trees. 74% (521,063) of the total trees is olive oil olive trees and 26% (180,169) of table olive trees. 37% (263,828) of the trees in the province are located in the Besni district. 26% of these trees are table olive trees and 84% olive oil olive trees. There are 224,760 trees in the Central district (32%). 77% of these trees are non-fruit-bearing trees and 23% fruit-bearing trees. In the Adiyaman province, the highest percentage of table olive is in the Central district (33%). In the Kahta district, which has 13% (89,934) of trees, 88% of trees are olive oil olive trees and 12% table olive trees. In the Kahta district, the rate of fruit-bearing trees (58%) is more effective in significant olive production (Figures 12, 16).

In 2017, Adiyaman had a rate of 2% (243.804) in terms of number of fruit-bearing trees in the region. It had a rate of 6% (80,979) in terms of number of fruit-bearing trees for table olive production. In terms of the number of non-fruit-bearing trees, 20% (494.102) of the Southeast Anatolia Region is provided by the Adiyaman province. The region meets 11% (4.292 tons) of regional olive production. 10% of the produced olive is used for olive oil, 14% table olive production.

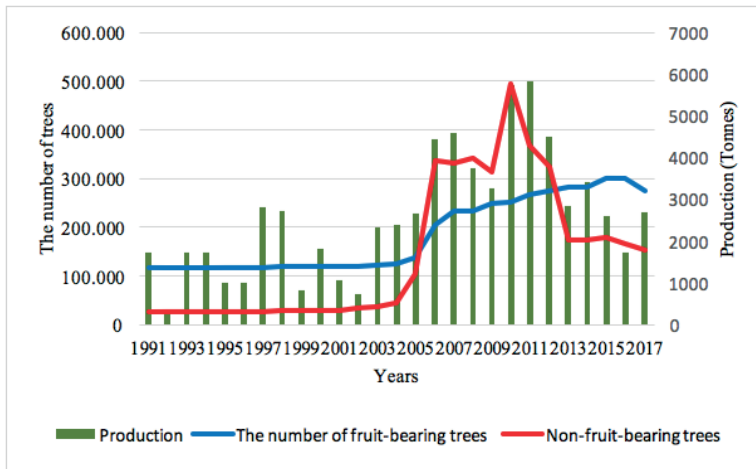
### 3.2.5. Distribution of Olive Trees by Years in the Mardin Province

Total production in the province of Mardin in 1997 was 2,813 tons. Total number of trees was 143,306 and the number of fruit-bearing trees was 25,861 and non-fruit-bearing trees, 117,445. In the province of Mardin, the leading district in olive production is Derik. The total production in Derik is 2,650 tons and it generates the 94% of the provincial production. The total number of trees is 110,000; 106,000 of them are fruit-bearing trees and 4000 non-fruit-bearing trees (Figure 8).

In 2002, there was 721 tons of production in the Mardin province. Total number of trees was 156,213. 77% of the trees (120,930) were fruit-bearing trees and 23% non-fruit-bearing trees (35,283). Derik district corresponded to 74% (535 tons) of Mardin's olive production. The total number of trees was 115,500 and fruit-bearing trees were 93% (107,000) (Figure 9).

As it is the case in the whole region, the number of olive trees in the province of Mardin increased in 2007. In 2007 and 2012, significant quantities of trees were planted and

these planted trees would increase olive production in the years to come. Especially in the districts of Derik, Kızıltepe and Midyat, a significant number of olives were planted. In 2007, the total olive production in the Mardin province was 4.608 tons. In this period, the total number of trees increased by 72% compared to 2002 and increased to 563,420. 59% of the total olive trees were fruit-bearing trees (330,950) and 41% non-fruit-bearing trees (232,470). 51% of the total number of olive trees in the province of Mardin is located in the Derik district, 20% in Kızıltepe and 18% in the Central districts (Figure 10). The total olive production of the Derik district is 3.643 tons. While the total number of trees is 268,000, 62% (176.000) is fruit-bearing trees and 38% (110.000) non-fruit-bearing trees. The total production in the Kızıltepe district is 574 tons. The total number of trees is 113,000; 84% (84,000) are non-fruit-bearing trees and 26% (29,000) fruit-bearing trees. Total olive production in the central district is 292 tons. The total number of trees is 101,000, 82% of which are non-fruit-bearing trees (83,000 units) and 12% fruit-bearing trees (18,000 units) (Figure 17). Table olives are produced in all of these districts.



**Figure 17.** Number of olive trees and olive production by years in the Mardin province (1991-2017)

Total production in the province of Mardin in 2012 was 4,516 tons. The total number of trees was 598,670; 46% was fruit-bearing trees (275,020) and 54% non-fruit-bearing trees (323,650). 93% of the number of trees (567.483) was for table olive production. Total production in Derik district was 2,586 tons. The total number of trees was 327.037 and the rate of fruit-bearing trees was 49% (161.637) and the rate of non-fruit-bearing trees 51% (165.400). All of the olive production in the Derik district was aimed at table olive production. Total olive production in the Kızıltepe district was 1,244 tons. The total number of trees was 119,211 and the rate of fruit-bearing trees 56% (67,211) and the rate of non-fruit-bearing trees 44% (52,000 units) (Figure 11). In the Kızıltepe district, all of the olive trees were suitable for the production of table olives.

Total production in the Mardin province in 2016 was 1,721 tons. 38% of this production (647 tons) was cultivated in the Derik district and was suitable for the production of table olives. 38% (656 tons) of olives were cultivated in the Kızıltepe district and 18% in the Central district. In Mardin province, the number of olive trees decreased by 22% compared to 2012 and decreased to 467,247. 36% of these trees were non-fruit-bearing trees and 64% fruit-bearing trees. Traditionally, the rate of table olive trees was 92% (428.367) and of olive oil olive trees 8%. All of the 182,200 trees in the district of Derik were for the production of table olives. 39% of the total number of trees in the province was Derik. 84% of the trees in Kızıltepe, which had 27% (125,000) of the trees, were for the produc-

tion of table olives. The central district hosted 22% of the total trees (Figure 12).

In 2017, Mardin province had a rate of 6% (152,181) in terms of number of non-fruit-bearing trees. In terms of table olive trees, the province followed the province of Gaziantep with a rate of 20% (246,172). Olive oil production was not dominant in the province. While the region met 7% of the olive production (2,698 tons), the region had 1% of the olive oil production. Mardin province ranked first with 36% (2,282 tons) in table olive production. Since the majority of the olives in Mardin are table olives, the olives produced easily find buyers in the nearby markets. Small amount of olives grown for olive oil production is also processed manually on hand looms. Therefore, the production of soap from the olive prina in Mardin is very-well developed.

In 2007, olive tree planting was started with the government aid in Cizre and İdil districts of the Şırnak province. In 2012, about 5 thousand trees were planted. These trees began to bear fruit in the following years. The province of Şırnak had a value of 5% (140,366) in terms of the number of non-fruit-bearing trees.

## CONCLUSION

Total number of olive trees in Turkey is 174.594.147 units. 85% of the olives cultivated (148.262.785) come from fruit-bearing trees and 15% (26.331.362) non-fruit-bearing trees. 68% of the available trees (118.366.089) are for the production of olive oil and 32% (56.228.058) is for the production of table olives. 78% of total olive production (1,640,000 tons) is for the production of olive oil and 22% is for the production of table olives (460,000 tons). When considered from regional point of view, while Aegean Region (44%) ranks first in terms of number of trees, it is followed by the Mediterranean (27%), Marmara (19%) and Southeast Anatolia (10%) regions respectively.

While production is traditionally olive carried out in the Southeastern Anatolia Region, especially with the rise in the incentives for olive cultivation in comparison to 1991, an increase of 400% was recorded. The distribution of olive trees in the region was explained in six different periods. In 1991, while the olive growing in Gaziantep, Kilis and Derik was carried out in the traditional sense, in 1997 new olive groves began to be created in the provinces of Adıyaman and Şanlıurfa. In 1997, 40% of the olive trees in the region were fruit-bearing trees, 60% non-fruit-bearing trees and total production was 45,711 tons. In 2002, 82% of the region's olive trees were fruit-bearing trees and production increased to 75,114 tons. The year 2007 was an important period in which olive trees increased due to government incentives. In this period, the number of trees for olive oil production in the region was 80%. In this period again, the total olive production was 67.967 tons. In 2012, the number of olive oil olive trees had a rate of 82% and the production was 86.324 tons. Finally, the number of olive oil trees in the region in 2016 reached 90%. In this period, especially due to the effect of climate factors, high rate of precipitation during the harvest period led to decrease in production (40.466 tons).

In 2017, the leading fruit-bearing provinces in the region were Gaziantep (62%), Kilis (26%), Şanlıurfa (8%) and Mardin (2%) respectively. The non-fruit-bearing provinces were Kilis (30%), Şanlıurfa (21%), Adıyaman (20%) and Gaziantep (18%) respectively. In olive production, on the other hand, the list was composed of the provinces of Gaziantep (42%), Kilis (25%), Şanlıurfa (15%) and Adıyaman (11%) respectively.

In 2017, there were 5 districts with more than 1 million trees in terms of number of fruit-bearing trees. Gaziantep Central (Şahinbey-Şehitkamil) ranked first in the region with 3.778.190 units. Nizip (2.644.785), Kilis Central (1.679.852), Oğuzeli (1.589.516) and Musabeyli (1.161.278) districts were the leading districts in terms of number of fruit-bearing trees throughout the region, respectively. In terms of the number of non-fruit-bearing trees, there were 7 districts with 100 thousand or more trees. Musabey-

li, a district of the Kilis province (295.382), Central districts (290.889), Besni-Adıyaman (229.606), Halfeti-Şanlıurfa (160.334), Adıyaman Central (159.100), Nizip-Gaziantep (144.065) and Güçlükönak-Kilis (114.694) were the leading districts in terms of the number of non-fruit-bearing trees. The districts of Kilis, Adıyaman and Şanlıurfa provinces were the leading provinces in terms of the number of non-fruit-bearing trees.

In the region, the leading provinces with high number of olive oil olive trees are Gaziantep, Kilis, Şanlıurfa and Adıyaman provinces respectively. In terms of the number of table olive trees, the province of Gaziantep is in the first place followed by the provinces of Mardin, Şanlıurfa and Kilis. In olive production, on the other hand, Gaziantep-Central (7,339 tons), Nizip-Gaziantep (5,042 tons), Kilis- Central (5,018 tons), Oğuzeli-Gaziantep (2,802 tons), Elbeyli-Kilis (2,045 tons) and Kâhta-Adıyaman (2,028 tons) districts are at the top of the list in production.

When we look at the distribution of the olive tree in the Southeastern Anatolia Region, the two main sections show different characteristics. The number of trees and the production is high in the Middle Euphrates Section, which is influenced by the Mediterranean climate. In this section, both olive oil olive types and olive oil production are high. In the Tigris Section, another important spread area of the region, traditionally cultivated table olive cultivation areas spread in the steps of the Maden district and the southern skirts of Karacadağ in the east-west direction. In the last decade, the olive groves have expanded in the region due to the increase in the value of the olive plant and the increasing use of its fruit and oil together with the policies of the government that support the olive cultivation. Tree planting has spread in the Central Euphrates Section and around the Euphrates valley and Atatürk Dam basin within the border of Adıyaman district. Planting of table olive saplings has spread in the Tigris Section around Mardin, Şırnak and Diyarbakır. In the Southeastern Anatolia Region, olive is cultivated in a total of 36 districts.

Olive oil factories are mostly concentrated in Kilis and Nizip. The factories have gathered in this area due to the fact that olives have been traditionally used in these areas for many years and transportation facilities are more convenient compared to their surroundings.

Most of the saplings that could not adapt to the necessary climatic and soil conditions were removed and replaced by fruit saplings such as peanuts, almonds and so on. Even though we know that temperate continental climate is prevalent in the Southeastern Anatolia, we can see that olives can grow and spread in this land due to the degraded Mediterranean climate. If the necessary information, technology and capital support is provided in the region, it will be inevitable for the olive groves to spread over much larger areas.

## REFERENCES

1. Arınç, K, (2011), *Türkiye'nin İç Bölgeleri*, Eser Ofset Matbacılık 1. Baskı, Erzurum
2. Atalay, İ and Mortan, K, (2006), *Türkiye Bölgesel Coğrafyası* (3.baskı), İnkilâp Yayınevi, İzmir.
3. Çakar, Ö., Arslan, H and Durmuş, E, (2011), "*Muğla Zeytin Üretiminde Milas İlçesi'nin Yeri*", Fırat Üniversitesi Sosyal Bilimler Dergisi, Cilt: 21 S:1, Elazığ
4. Durmuş, E and Yiğit, A, (2014), *Türkiye'nin Tarım Yöreleri ve Bölgeleri*, Nobel Yayınları 1.Basım Elazığ
5. Durmuş, E and A, Yiğit (2003), *Türkiye Meyve Üretim Yöreleri*, F.Ü. Sosyal Bilimler Dergisi 13/2, 23-54. Elazığ
6. Efe, R. Soykan, A. Cürebal, İ and Sönmez, S, (2013), *Dünyada, Türkiye'de, Edremit Körfezi Çevresinde Zeytin Ve Zeytinyağı*, Edremit Belediyesi, Balıkesir

7. Ertem, H, (1987), *Boğazköy Metinlerine Göre Hititler Devri Anadolu'sunun Florası*, Atatürk Kültür, Dil ve Tarih Yüksek Kurumu, Türk Tarih Kurumu Yayınları, VII. Dizi, Sayı 65. Türk Tarih Kurumu Basımevi, Ankara, 1987, 181s.
8. Hehn, V, (1998), *Zeytin, Üzüm ve İncir, Kültür Tarihi Eskizleri*, Dost Kitapevi Yayınları. Ankara
9. Sönmez, S, (1996), *Havran Çayı ile Bakırçay Arasındaki Bölgenin Bitki Coğrafyası* (Basılmamış Doktora Tezi). İ.Ü. Sosyal Bilimler Enstitüsü. İstanbul.
10. Ünsal, A, (2006), *Ölmez Ağacın Peşinde Türkiye'de Zeytin ve Zeytinyağı*, Yapı Kredi Yayınları (5. Basım)

## REPORTS

1. TSI 1991-2017 Olive cultivation statistics
2. 2018 Olive and Olive Oil Report, Ministry of Customs and Trade

# Geographical Distribution Of Forage Crops In Turkey And Its Relationship With Animal Husbandary

**Esen DURMUŞ<sup>1</sup>**

## CHAPTER 3

---

<sup>1</sup> Dr. Lecturer, Firat University, Faculty of Education and Social Sciences Turkish Education Department, Social Studies Teacher Education Department, Elazığ





## INTRODUCTION

Animal husbandry activities in Turkey can generally be analyzed in five groups; bovine breeding, ovine breeding, poultry farming, beekeeping and silkworm breeding. Animal husbandry in our country, depending on the pasture areas, is implemented in the form of mobile, land-based, mixed-together breeding and stud farm breeding. The type of animal husbandry has also changed due to the economic developments and dominance of industrialization. In the past, while the form of mobile, land-based, mixed-together breeding were carried out based on pastures, this situation changed towards stud farm breeding as a result of the conversion from agricultural structure to the industry. Stud farm breeding, in which it is implemented in the form of animal breeding enterprises and using intensive methods, is concentrated around large residential areas where industry and trade are more intense, and where there is greater population. As a result, dairy farms are established around the big cities in order to obtain animal products such as milk, yogurt, cheese and butter. The developments in our animal husbandry, in addition to the agricultural policies, are also closely related to improvement of grasslands, change in animal breeds and incentives for forage crops (Karabağ, Şahin 2014: 199-200).

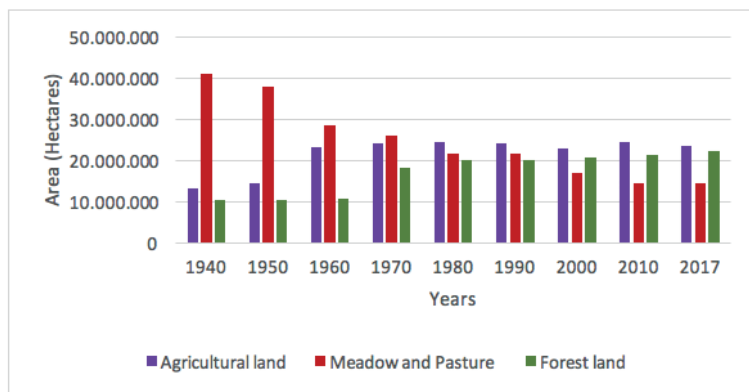
Forage crops are the plants that are grown as animal fodder, but also have the characteristics of soil and water conservation and increasing the efficiency of the crops subsequent planting, and are dried directly or subsequent feeding following the harvest or silageed. Forage crops, defined as coarse fodder, are the cheapest food source. Forage crops contain the necessary nutrients for animals. They affect the yield and reproductive performance of animals since they are mineral and vitamin sources (Tarım Kütüphanesi).

Turkey's arable land structure is suitable to successfully grow many forage crops in an attempt to provide quality forages that would close the coarse fodder gap. With the technical, economic and social measures to be taken, these plants will be spread all over the country, the share of the forage crops production areas in our agriculture industry will be increased rapidly, and our animal husbandry will be able to reach the long-awaited high quality Coarse Fodder Resources and increase its share in the agricultural sector to the level of modern countries.

In animal husbandry, in general, 70% of the production costs are comprised of forage costs. The percentage of coarse fodder in forage costs is 78%. In our country, coarse fodder for animal husbandry is obtained in three ways;

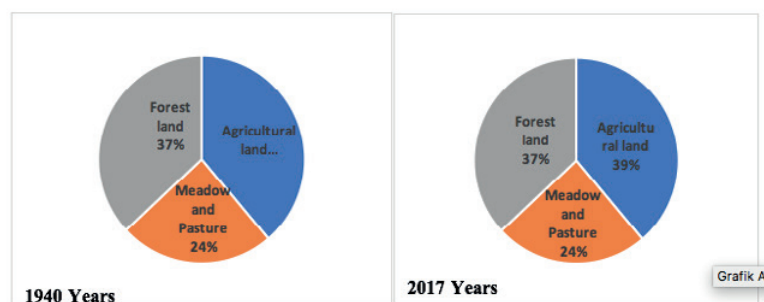
- Grasses cut out and grazed in the meadows, pastures and plateaus.
- Coarse fodder from high quality forage crops such as alfalfa, sainfoin, vetch, forage peas grown in field cultivation.
- Stem, straw, corn straw, etc. obtained from the residues of agricultural products (Harmanşah 2018: 9).

The meadows and pastures in Turkey, from past to present, tend to shrink continuously. Starting from the first years of the Republic, taking measures to improve agriculture in the fields of cultivation and planting and the rapid transition to mechanization in agriculture in particular have led to the development of large pasture areas into field agriculture. Transitions to arable farming, increase in industrial crop production (cotton, tobacco and sugar beet), rapid population growth, agricultural land expansion have led to the reduction of meadow and pasture areas. After the transition to mechanization in 1950s and 60s, there has been a serious decline in the pasture areas (Figure 1).



**Figure 1.** Agricultural land use in Turkey the years (1940-2017 TSI)

While the meadow and pasture areas in Turkey are 44 million hectares in 1940, after 20 years, they fell to 29 million hectares in 1960 and had a decrease of 30%. There was a decrease of 24% between the years of 1960 and 1980, 22% between 1980 and 2000, and 14% between 2000 and 2017. While the meadow and pasture area, which was 44.2 million in 1940, decreased to 14.61 million hectares in 2017, which was 67% decrease. In addition to this decrease in the pasture meadow land, there was an increase in agricultural land and forest land. Between the years 1940 and 1960, there was an increase of 77% in the rate of agricultural and forest land. 10 million hectares of land was brought to agriculture by using agricultural machinery, especially the tractors in agriculture. While there was an increase of 5.60% in the 1960 and 1980 period, there was a decrease of 6.24% in the 1980 and 2000 period and an increase of 1.52% in the rate of agricultural land in the period 2000-17. In the forest area, on the other hand, while there was a 90% increase in the 1960 and 1980 period, there was an increase of 7.43% in the period 2000 and 2017. As it is clearly seen, since the 1940, agricultural and forest land in Turkey has been increasing steadily out of countenance the meadows and pastures (Figure 2).

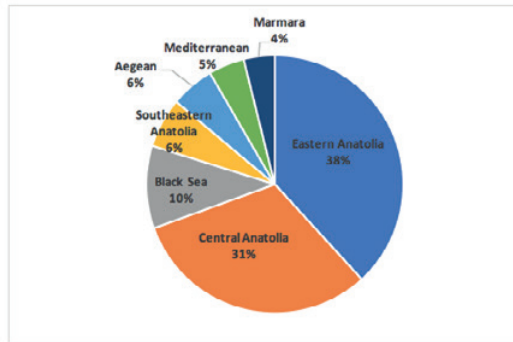


**Figure 2.** The change of land use division in Turkey between 1940 and 2017

While the natural meadows and pastures which are the most important element on which the animal husbandry in Turkey is based, cover more than half of our territory in the 1940s with 44 million hectares (64%), it has currently declined to (24%) with about 14-15 million hectares. Therefore, due to long years of unplanned, extreme and early grazing on the natural fodder fields and conversion to agricultural land, the vegetation has become deteriorated and turned into eroded areas. In 1940, while 3.38 ha of pasture area were per animal unit (AU), it was observed that this value declined down to 1.18 ha in

recent years. While there was strikingly a 3-fold increase in the number of grazing animals in the unit area, there was a 3-fold decline in the meadow and pasture areas (Figure 2) (Kuşvuran et al., 2011).

In terms of meadow and pasture areas, the Eastern Anatolia Region has more than half of our total meadow areas with a share of 56.80% and more than 1/3 of our total pasture areas with 35.40% pasture area. When the data of total meadow and pasture areas are taken into consideration, Eastern Anatolia Region ranks first with a share of 37.53%, followed by Central Anatolia with 31.27% and Black Sea Regions with 10.38%. Aegean Region has a share of 5.49% in total meadow and pasture areas with 802.882 ha (Figure 3) (Topçu, Özkan 2017: 23).



**Figure 3.** Distribution meadow and pasture areas by region in Turkey

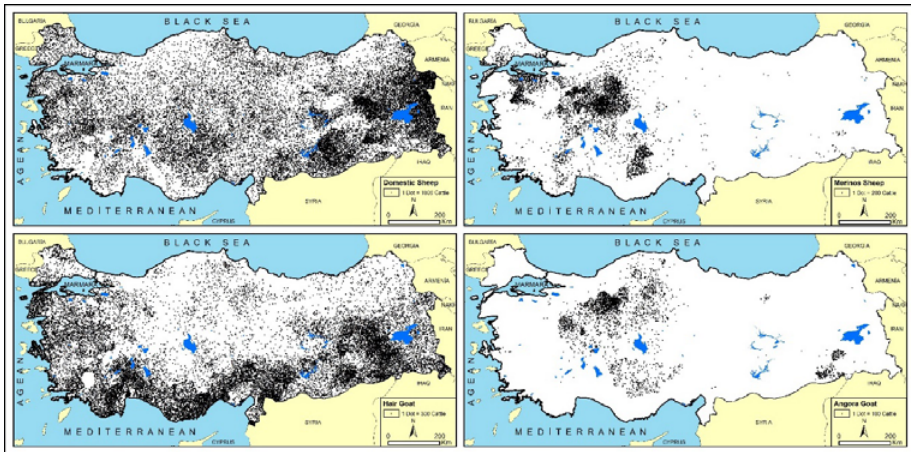
Although sheep breeding is done based on the meadows and pastures in Turkey, it constitutes the basic elements of transhumance activities. The major reason for the decline of sheep farming in Turkey is generally due to the prohibition of pasture areas due to the security reasons in the areas corresponding to the eastern and southeastern areas of the country and prohibition to go up to the highlands between 1994 and 2002. From this date onwards, the nomadic groups that adopted semi-settled life, abandoned this activity, and since the settled families carrying out this activity shifted to cattle breeding, domestic sheep breeding declined. The average sheep breeding corresponded to 26,750,195 sheep between the years 1995 and 2017 in Turkey. The decrease in the number of animals until 2009 started to increase again in 2010. Sheep breeding is an intensely preferred activity since it is the easy one amongst the ovine breeding activities in virtually every area of Turkey. The highest number of sheep breeding on the basis of provinces is the province of Van (2.213.721 heads), Şanlıurfa (1.514.322 heads), Konya (1.479.479 chief), Ağrı (1.374.304 heads), Muş (1.125.100 heads), Diyarbakır (764.778 heads) and Erzurum (752.315 heads).

The average merino sheep breeding between the years 1995 and 2017 in Turkey was 1176349 heads and it had a proportion of 3% (1176349 heads) within ovine breeding. Between 1995 and 2007, while the average merino sheep breeding was 806.755 heads, it increased approximately 2 fold to 1.656.822 heads between 2008 and 2017. Eskişehir (287.514 heads), Antalya (210.904 heads), Balıkesir (112.415 heads), Konya (98.933 heads), Bursa (71.276 heads), Afyonkarahisar (56.606 heads) and Karaman (50.358 heads) are the provinces where merino breeding was carried out.

Hair goat farming in Turkey is carried out in the mountainous areas where the topography increases and in the zone where forest and shrubbery is available. Between the years 1995 and 2017, an average of 7.513.761 heads of hair goats was cultivated. Between 1995 and 2009, while an average of 6,757,103 heads of hair goats was raised,

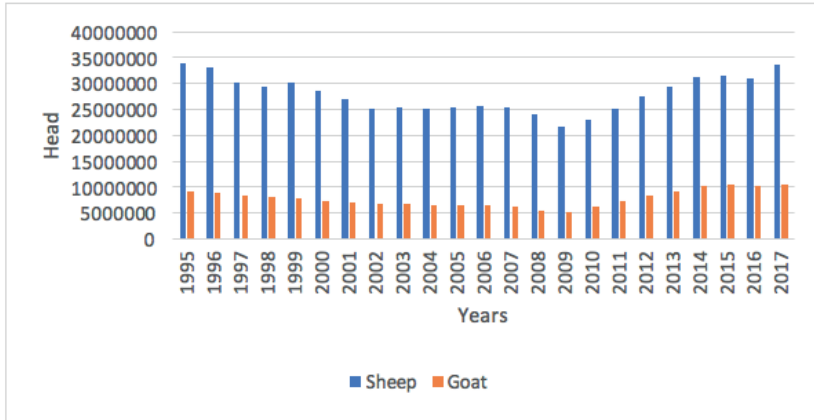
it increased to 8.932.495 heads between 2010 and 2017. Hair goat farming is the most preferred activity in Turkey with 21% after domestic sheep farming within ovine breeding activity. Antalya (574.805 heads), Mersin (524.063 heads), Diyarbakır (253.458 heads), Adana (249.992 heads), Mardin (218.695 heads), Kahramanmaraş (206.970 heads), Muş (205.474 heads) and Siirt (204.161 heads) are the provinces where hair goat farming is carried out the most.

Angora goat farming within ovine breeding in Turkey is the one which has the smallest share and the narrowest distribution. It has a share of 1% (300.054 heads) within ovine breeding. Between 1995 and 1998, the average production of Angora goat, which was 612,400 heads, decreased continuously in number between 2004 and 2014. In the 10-year period, the average husbandry of angora goats declined to 214.001 heads. During the period between 2014 and 2017, the husbandry of angora goats tended to increase again. Angora goats, also known as Ankara goat, are available in Ankara the most on the basis of provinces in Turkey (105 955 heads). Ankara province meets 34% of Turkey's Angora goat breeding alone (Figure 4)



**Figure 4.** Average Distribution of Ovine Breeding by Species in Turkey (TSI, 1995-2017)

78% of the ovine breeding in general in Turkey (27,926,544 heads) is composed of sheep breeding, and 22% (7,813,815 heads) of goat breeding. Domestic sheep breeding within the distribution of ovine breeding is 75% (26.750.195 heads), hair goat 21% (7.513.761 heads) merino sheep 3% (1.176.349 heads) and Angora goat 1% (300.054 heads). Between 1995 and 2009, the number of sheep with 26,509,066 heads increased to 27,202,312 heads between 2010 and 2017. The number of domestic sheep which declined until 2009 increased again to 31.257.408 heads in 2017. In this case, the figures in 1996 were achieved again (Figure 5).



**Figure 5.** Amount of Ovine by Years in Turkey (TSI, 1995-2017)

It is seen that the fact that the losses of pastures which are the most important coarse fodder sources cannot be prevented has a very negative effect on Turkey's animal husbandry, in contrast to livestock exports, increases in imports of animal products that gained momentum in the 1980s led to significant decreases in animal presence. It is estimated that there are 3.4 billion hectares of pasture in the world. 12% of this area is in China, 11% in Australia, 7% in the US and 6% in Brazil. Turkey ranks 46<sup>th</sup> place with 14.6 million hectares of pastures in the world. In the countries where animal husbandry is carried out and developed with modern methods, the pasture areas are both very well preserved and used very efficiently. Great importance is given to pastures not only for the feeding of animals and for the production of grass, forage crops but also for sustainable agricultural production and for the protection of natural resources (tr.boell.org/tr).

Turkey's arable land structure is suitable to successfully grow many forage crops in an attempt to provide quality forages that would close the coarse fodder gap. With the technical, economic and social measures to be taken, these plants will be spread all over the country, the share of the forage crops production areas in our agriculture industry will be increased rapidly, and our animal husbandry will be able to reach the long-awaited high quality Coarse Fodder Resources and increase its share in the agricultural sector to the level of modern countries. However, with the incentives provided to forage crops, even though especially alfalfa, vetch, sainfoin and silage maize production increased slightly, our quality coarse fodder gap has not been bridged yet.

## FORAGE CROPS PRODUCTION IN TURKEY

Traditionally farming of forage crops such as alfalfa, sainfoin, cow vetch, tare and in recent years, triticale, silage, whole corn, barley, forage beet many is carried out in Turkey. Today, the forage planting area accounts for 3% of the total arable area even after corn and other plants are included. The production of forage crops is scarce in terms of area in Turkey as animal nutrition is based on natural meadows and pastures, stubble and cereal straw. Moreover, since some forage crops is also cultivated as the second crop (e.g., corn, sainfoin), even though they do not occupy a lot of the area, their production tends to increase continuously.

Forage crop production was examined at district level based on TSI data (1995-2017) in 22-year period. While evaluating the fodder crop products, the products which were produced for long years and their relations with animal husbandry activities were considered. In our country, while evaluating the fodder crops, it was determined that

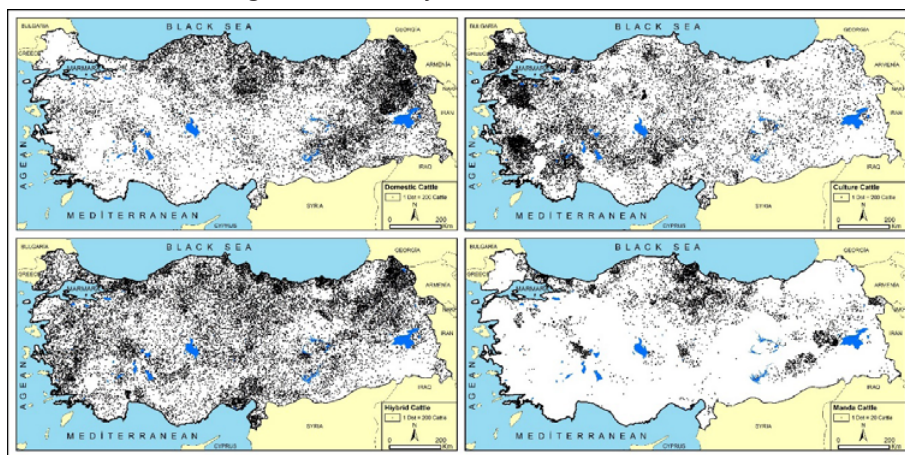


some products varied in terms of both production and type. For instance, we see that some fodder crop species (Triticale, silage corn) entered our country after 2004, some products are no longer grown to their difficulty of harvesting after 2001 (Culbant). Furthermore, we also see that some products were replaced by another fodder type (whole corn production declined and replaced by instead of silage maize). When assessing the forage crop production, the reasons for their distribution in Turkey were considered and integrity was provided in the study.

There is a direct correlation between the production of forage crops and animal husbandry in Turkey. Especially since 2006, due to the decrease in the domestic cattle breed and the increase in the crossbreeding and cultural cattle breeds (transition from pasture husbandry to intensive husbandry) and in relation to the incentives given to the fodder crops, there has been an increase in both a forage crop types and areas where they are grown. In our country, due to both the climatic conditions and the forage crop production was included in the scope of "Direct Income Support", farmers have turned to the production of forage crops.

When considered regionally, the increase in the nourishing barns, especially in the areas close to the big cities, caused the forage plant production to shift to these areas. While culture (68%) and hybrid cattle (55%) are concentrated in the Mediterranean, Marmara, Central Anatolia and Central Western Anatolia regions, domestic cattle (59%) are concentrated in the Eastern Black Sea and Eastern Anatolia regions. Especially based on this after 2004, 55% of the silage corn production was concentrated in the Mediterranean and Marmara regions. In these regions, especially in the Mediterranean region forage crops to be grown as a second crop depends on the increase the culture breed in the nourishing barns. The buffalo cultivation based on meadows was concentrated in the wetlands of the Black Sea, Central Anatolia and Eastern Anatolia regions (76%) (Figure 6).

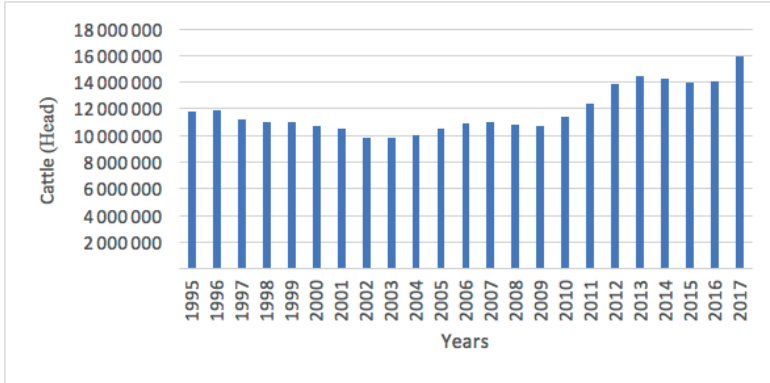
Between the years of 1995 and 2017, the largest share in bovine breeding activities in Turkey belongs to the hybrid cattle. On average, 42% (4,985,008 heads) of bovine breeding consists of hybrid cattle. In cattle breeding, the second rank is occupied by culture cattle with a rate of 30% (3,548,816 heads). The average cattle breeding, this was 2.666.487 heads between the years 1995 and 2009 increased to 5.953.184 heads for the years 2010 and 2017. While culture and hybrid cattle breeding increased continuously over the years, domestic cattle breeding declined steadily.



**Figure 6.** Average Distribution of Bovine Breeding by Species in Turkey (TSI, 1995-2017)



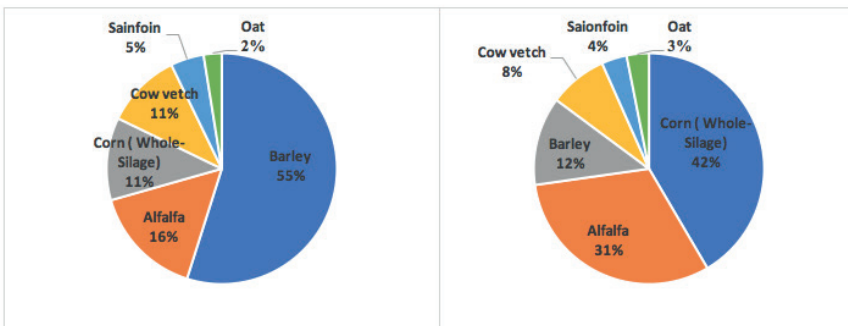
27% of cattle breeding in Turkey (3303594) consist of domestic cattle. There has been a continuous decline from 1995 to 2017. Between the years of 1995 and 2001, the number of cattle which was 4.659.000 on average declined to 3.014.593 heads between 2002 and 2013. Between the years of 2013 and 2017, there were 1.798.639 domestic cattle. While the half of the culture and hybrid cattle breeding is concentrated in the western part of the country, domestic cattle breeding is concentrated around the Erzurum-Kars region (Figure 5).



**Figure 7.** The amount of cattle between the years of 1995 and 2017 in Turkey (Source TSI)

The production of forage crops in Turkey has tended to increase steadily from 1995 to the present day due to various reasons. In 2017, the most commonly cultivated forage crops are barley, alfalfa, corn (whole corn-silage), Cow vetch, sainfoin and oats. Barley is grown on 55% of the forage crop production area in Turkey (23,044,363 hectares) and has 6,981,063 tons of production. After the barley, alfalfa has a production value of 17.561.190 tons in an area of 16% (6 594 319 hectares) respectively. Whole and silage corn cultivated as the second crop were 23.373.725 tons in an area of 11% (4.862.296 hectares), and Cow vetch grown vigorously in Samsun, Kars and Erzurum are produced 4.597.600 tons in an area of 11%.

Sainfoin cultivated in the west of Eastern and Central Anatolia that has the highest degree of continental climate is grown in an area of 5% (1,961,808 hectares) 2,001,379 tons and oat cultivated in the Marmara and Central Anatolia in an area of 2% (1,063,555 hectares) 1.755.323 tons. In addition, in the other forage crops (Triticale, beet, rye, tare and triplet), 293091 tons were produced in a total area of 163.961 hectares (Figure 5).

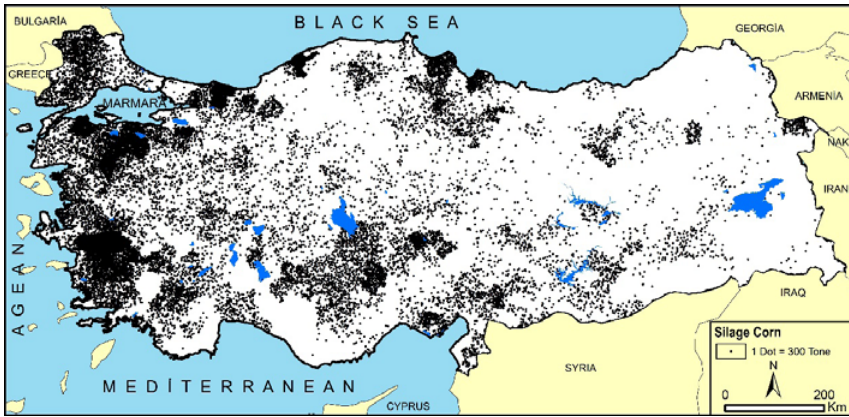


**Figure 5.** Forage crop cultivation area and production amount in Turkey

## Silage Corn

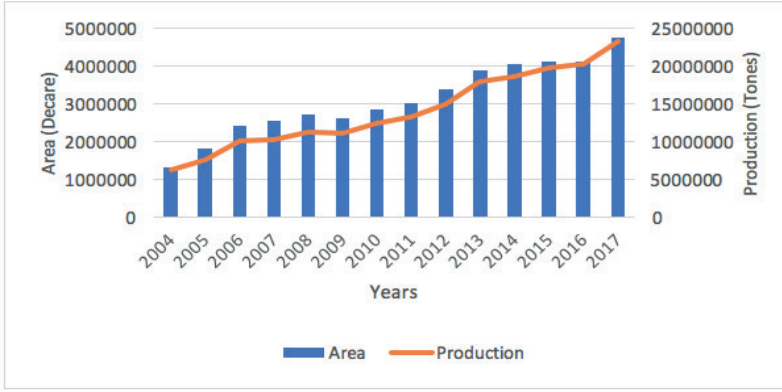
The development of animal husbandry in our country is undoubtedly related to the production of forage crops. Green grasses separated by fermenting in an oxygen-free environment and ensiled are called silage. The importance given to silage in our country due to lack of knowledge and habits is very insignificant. However, silage is used extensively in European countries and America that are very interested in animal husbandry (Şahin, Zaman 2010 : 4). In our country, on the other hand, with the increase of animal husbandry, corn, since 2004, has started to be considered as silage forage.

Since corn is planted as second crop in Mediterranean climate regions of Turkey, it is mostly produced in the Aegean, Marmara and Central Anatolia regions (Figure 5). Silage corn, which was started to be produced in 2004, caused the production of corn to be reduced in recent years. Between 2004 and 2017, the average production of silage corn with continuous production value was 14.034.627 tons (Figure 6). With the production value of 23,152,841 tons in 2017, it is the most grown product amongst all forage crops.



**Figure 5.** Distribution of Average Silage Corn Production in Turkey (1995-2016)

Silage corn production, which has replaced corn since 2004, has started to be produced as the second product in the Aegean and Marmara regions. The reason is the existence of suitable climatic conditions and the livestock breeding established close to the big cities. In 2004, 6,200,000 tons of production was obtained in the 1,300,000 hectares area. Silage corn was grown intensively initially in Sakarya (Central-261.026 tons), in İzmir (Bayındır, Tire), in Bartın (Central), and in Çanakkale (Biga) provinces. In 2017, corn was grown mostly in the following provinces (49%); İzmir (Ödemiş-855.000 tons, Bayındır, Tire) 471.922 hectares-2.661.681 tons, Konya (Ereğli) 279.658 hectares-1.650.455 tons, Kars (Akyaka, Arpaçay) 391.686 hectares-1.560.830 tons , Balıkesir (Central) 291.095 hectares-1.475.083 tons, Aydın (Central, Çine) 244.417 hectares-1.238.497, Bursa (M. Kemalpaşa) 214.700 hectares-1.115.088 tons, Sakarya (Central, Kaynarca) 176.798 hectares-870.137 tons, Çanakkale (Biga) 153.885 hectares-818.938 tons. This year, 23,152,841 tons of production was realized in a total area of 4,745,905 hectares (Figure 6).



**Figure 6.** Silage corn production between 2004 and 2017 (TSI 1995-2017)

### Alfalfa

Alfalfa due to the nutritional value and high productivity has the high production amongst the forage crops. It was given the title of queen of forage crops due to the properties it possesses. Alfalfa is a forage plant without much sand that loves soils with a medium degree of lime. In order to grow alfalfa, PH value should not be less than 6.5. Since alfalfa seed is very small, it is necessary to press it firmly to the ground. Climatic demand of alfalfa is also different. Planting time varies according to temperature. In the regions where olive citrus is grown, alfalfa is usually cultivated during the autumn season, while it can be planted in spring season in the cool and cold areas. In order to ensure that alfalfa seedlings cannot be damaged and grow well, the separation of these two seasons must be done well. Since alfalfa is a fodder which loves water, it is seen that the productivity increases as water is given (Adana tarım.gov.tr).

We see that in the areas in Turkey where rainfall is high or irrigation can be made and especially where bovine breeding is carried out, alfalfa production is high (Figure 7). In 1995, the 3.202.531 tons of production in the 2.140.180 hectares were highest in the East and Central Anatolia regions. The provinces where more than 50 thousand tons of alfalfa were grown were Erzurum (Central-119,600 tons, Pasinler), Eskişehir (Central-87,500 tons), Aksaray (Central-80,000 tons), Aydın (Nazilli-79,000 tons), Isparta (Sarkikaraağaç-68,000 tons) and Eskişehir (Sivrihisar-54.000 tons).

Over the years, alfalfa production areas and its production increased by 6,594,319 hectares in 2016 and production reached 17,560.90 tons. Van (Gürpınar- 535.000 tons, Başkale-320.000 tons, Çatak), Aksaray (Central-910.000 tons), Muş (Central-538.000 tons), Konya (Karapınar-388.000 tons), Aydın (Kuyucak-296.700 tons) and Karaman (Central) -280.000 tons) are the provincial districts that produce more than 250 thousand tons. In the last 5 years, especially in the central district of Aksaray province, sugar beet fields were rapidly transformed into "alfalfa fields". This increase caused by the state policy concerning the sugar beet production (quota application) and the fact that it is difficult to grow eventually led the local people to give up on alfalfa production. In addition, the incentives given to alfalfa and the increase in marketing opportunities (Yenikent and Sultanhanı turned into a collection center) and irrigation agriculture had a great impact. We see the same agricultural change in the province of Muş as well.

In 2017 58% of the alfalfa production areas and 52% of the alfalfa production in Turkey are available and carried out in the provinces of Van, Iğdır, Aksaray, Muş, Konya, Erzurum, Aydın, Ağrı and Denizli respectively (Figure 7).

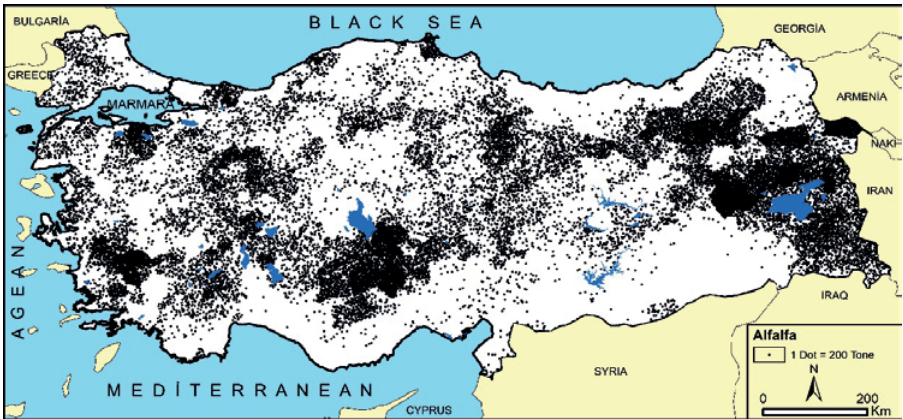


Figure 7. Distribution Map of Alfalfa Production in Turkey (1995-2016)

As from 2010, a sudden rise in alfalfa production was observed. Regarding the increase in production in 2010 (11.676.115 tons), forage crops in generally were given incentives, and in many areas farmers only grew the products that were given incentives. It is simply because, the farmers do never get the worth of their labor in parallel with the economic situation in agriculture and animal husbandry, and therefore, they turn to the crops that they can generate the most revenue from. Alfalfa production increased due to the fact that it was the most common forage crop that animals were fed with and was the easiest to grow in natural environment. Between 1995 and 2009, 1.875.335 tons of green grass and 2.178.214 tons of fodder on average were obtained in an area of 3,323,274 hectares. Between 2010 and 2017, 13.570.410 tons of green grass were obtained in an area of 6.367.603 hectares (Figure 8). Today, Alfalfa is the leading forage crop that is supported the most in terms of the animal husbandry economy.

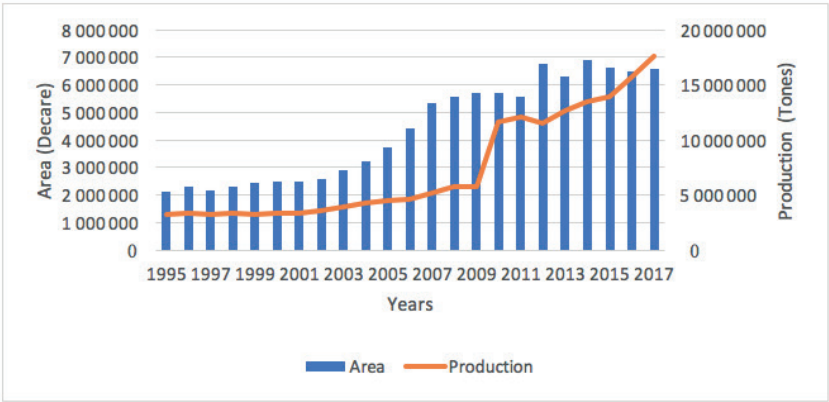


Figure 8. Alfalfa cultivation areas and its production between 1995 and 2017 (TSI 1995-2017)

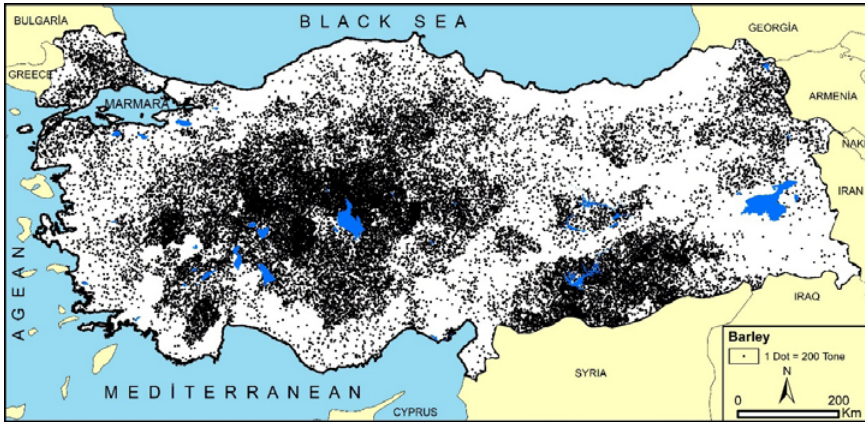
Barley

Barley, one of the most important crops of the grains group, and has been used as a forage crop and as the main raw material of the brewing industry. Although it is not very selective in terms of climate and soil requirements, it is the crop with largest horizontal and vertical boundaries amongst the grains due to its easy growing conditions and short

period of vegetation (It has species growing in 60-70 days) (Doğanay, 2007: 138). It can be seen as high as up to 70° North in the northern hemisphere. Its cultivation is possible as high as 3000 and 3500 m in temperate and hot zones. Thus, barley is cultivated even in the northern parts of Sweden, Norway, Canada, Siberia and Scotland, which have short vegetation period. Barley, as in cold areas, is cultivated in the regions where temperature and drought are high.

It is estimated that World barley production is around 145 million tons. 41% of this production is in the European Union (28 countries), 14% in Russia, 6% in Australia and Ukraine, 5% in Canada and Turkey. The most important producer countries of the EU (28), which meets 41% of world barley production, are France, Germany, the United Kingdom and Spain. These 4 countries accounted for 60% of barley production with a total of 36 million tons in the EU in 2017. World barley production does not increase as much as wheat, rye and oat (Doğanay, 2007: 138).

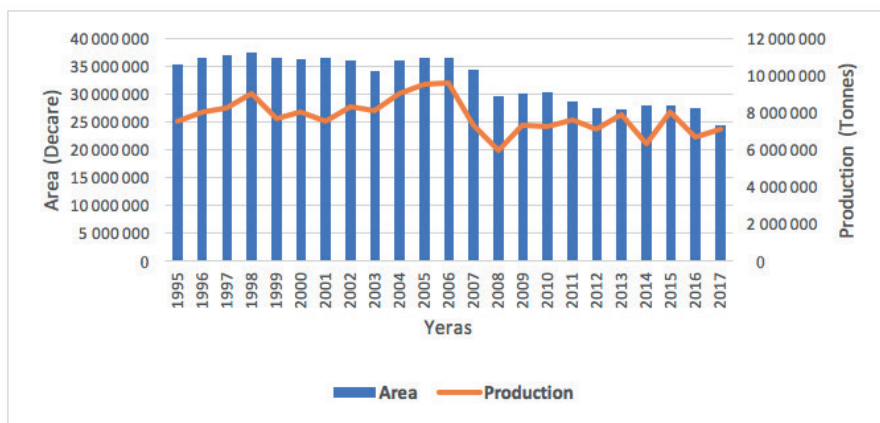
Any land suitable for the cultivation of wheat is also suitable for barley cultivation. Since it is a cold-resistant plant, it is grown from Erzurum all the way up to Kars. Generally, it is observed that there is no production in the Eastern Black Sea Region and Hakkari Mountainous Region. In the Eastern Black Sea, more economical products are preferred (tea, hazelnut), and in the Hakkari section, the elevation and inclination values prevent barley farming (Figure 9).



**Figure 9.** Distribution Map of Barley Production in Turkey (1995-2016)

In grain farming in Turkey, barley follows in terms of the size of cultivation areas and annual production surplus (Durmuş, Yiğit, 2014: 143). Since the barley can grow in high regions, it is cultivated in most places. Every year, approximately 5-7,5 million tons of barley crops are obtained in our country. Approximately 6% of this production is cultivated in the Central Anatolia Region (Durmuş, Yiğit 2014: 143). Turkey's barley production was about 7.1 million tons in 2017. While barley was cultivated the most (9 to 9.5 million tons) between the years 2004 and 2006 and barley production in Turkey, it was produced the least in 2008 due to the drought (5.9 million tons) of the year (Figure 10).



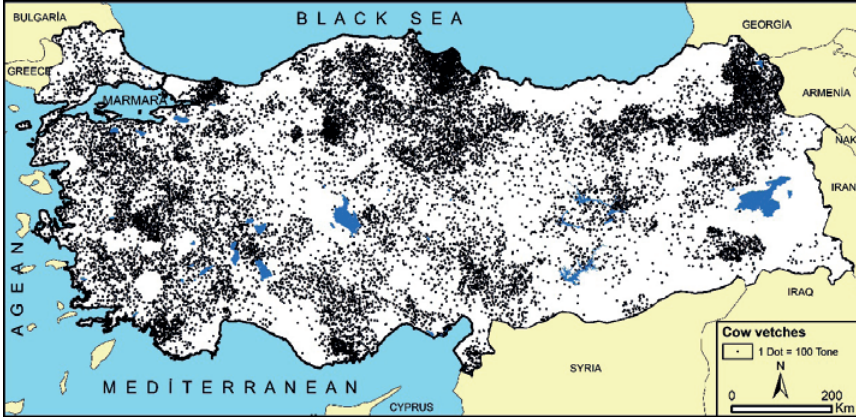


**Figure 10.** Production of barley by years in Turkey (TSI 1995-2017)

There were fluctuations from 1995 to 2017 in Turkey in parallel to the production areas. In 1995, barley was produced in an area of 35,250,000 hectares, 7,500,000 tons intensively in the Central and Southeastern Anatolia regions. The provinces producing more than 100 thousand tons of barley are Karaman (Central-145,478 tons), Ankara (Polatlı-121,085 tons, Şereflikoçhisar-105,674 tons), Konya (Kadınhanı-110,461 tons, Karapınar-102,410 tons), Diyarbakır (Central-103,772, Çınar-100,138 tons) are on the top of the production list. There was a decrease, by year, in the production amounts with the narrowing down of the production areas. Aksaray (Central-122,081 tons), Konya (Kulu-112,440 tons), Ankara (Şereflikoçhisar-105,690, Polatlı-85,300, Bala-78,915 tons), Afyonkarahisar (Emirdağ-87,735 tons), Şanlıurfa (Siverek-85,876 tons) were the leading provinces in terms of production (Figure 10).

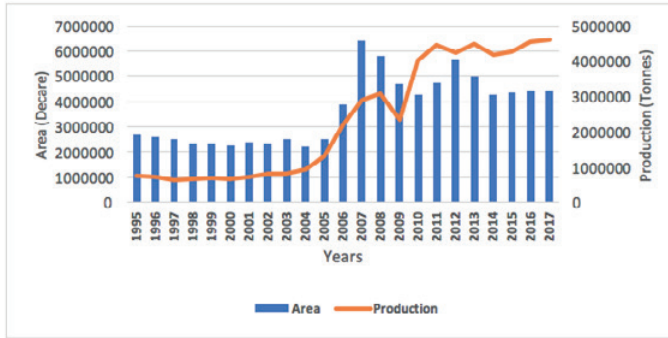
### Cow vetch

Cow vetch as a forage plant used as fodder, green grass, silage and grains are cultivated intensively in the species of Hungarian, common and other types in our country. Since the cow vetch enriches the soil in nitrogen, it is used as a green manure in the treatment of soils that are poor in organic matter. Thus, it is important to increase the efficiency of the product sown after it (Sattel et al., 1998). It is not a selective plant in terms of soil type. It can also grow in the soils where the grain production is made, as well as in calcareous and moist soils. Another feature of the cow vetch is that it is cultivated as a forage plant with grains such as barley, oats and wheat.



**Figure 11:** Distribution Map of Cow vetch Production in Turkey (1995-2016)

When we look at the production of vetch, the production amount was around 620.000 tons between 1995 and 2009, and it is seen that it has risen above 4.000.000 tons from 2010.



**Figure 12.** Cow vetch and its production between 1995 and 2017 (TSI 1995-2017)

In 1995, Cow vetch planting area in Turkey was 2.7 million hectares and 740 890 tons of production were obtained in this area. The leading centers with 15,000 tons and higher production of vetch in Turkey were the provinces of Muğla (Fetiye-74,500 tons), Istanbul (question-43050 tons, Akdağmadeni-23,500 tons), Çankırı (Mid-34.780 tons), Sivas (Yıldızeli-23,850 tons), Aydın (Nazilli-23.500 tons), Kars (Sarıkamış-22.000 tons), Ankara (Çubuk-15.800 tons) and Tokat (Reşadiye-15.350 tons) respectively. In 2017, the production area of the vetch was 4,597,600 tons in an area of 4,456,256 hectares. During this period, Samsun (Bafra-159.000 tons, Havza-77330 tons, Alaçam-64.009 tons), Kars (Central-107.876 tons), Karaman (Central-90.600), Erzurum (Horosan-84.000 tons), Kütahya (Central-77.100 tons), Konya (Eregli-76.750 tons) and Elazığ (Kovancılar-55.100 tons) were the centers where more than 50,000 tons of production was carried out (Figure 12).

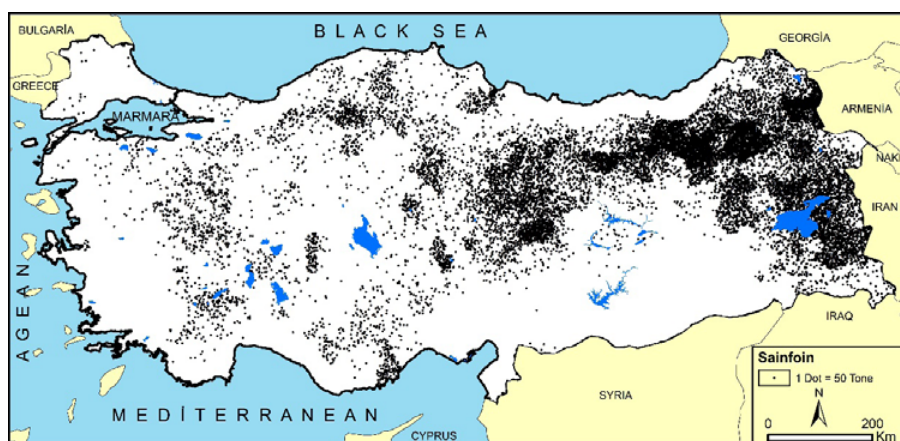
## Sainfoin

Sainfoin is a perennial forage crop from the leguminous family and can be harvested from the same field for 5-6 years. Inefficient, stony, sloping terrains where no plants are grown can be used by planting sainfoin. Its flowers are pink and in the form of clusters (Tıknazoğlu, 2009: 1). When sainfoin consumed as a coarse fodder with high nutritional



value is fed as fresh, it does not cause swelling in animals like alfalfa. It is a good honeysuckle plant, which is often preferred by honey bees, a sown pasture plant, and a valuable alternation crop in reducing the fallow areas. It is one of the first species that comes to mind in utilizing arid and calcareous areas, and inefficient and stony soils where irrigation cannot be done (Erkovan, Tan, 2009: 62).

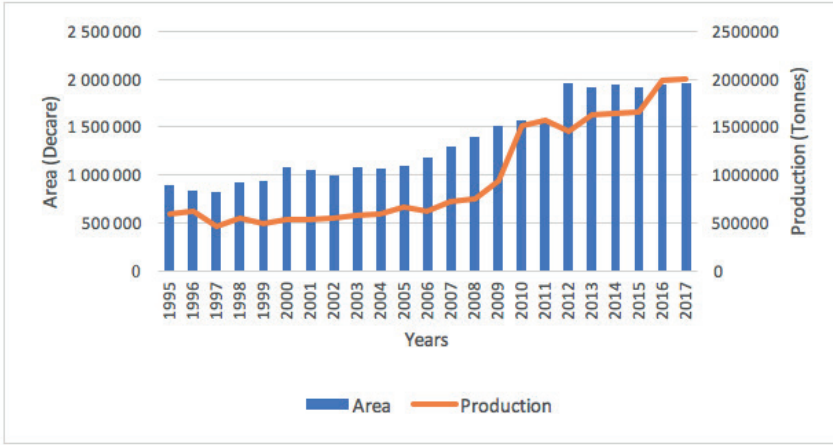
Sainfoin, which is possible to grow even in the most inefficient lands in almost every region, is grown mostly in the regions where the continental climate is dominant (Figure 13). The average production was 720.093 tons between the years 1995 and 2017. Since it is especially resistant to cold, sainfoin is a forage crop that has been produced in great amounts in recent years. In 2010, due to the increase in government aid, there was a continuous increase, even though there were fluctuations in its production and plantation in some years. The sainfoin was planted in an area of 1.079.027 hectares between 1995 and 2009 and it was utilized as 207.054 tons of green and 407.597 tons of dry grass. In 2017, the plantation area increased to 1,961,808 hectares and production to 2,001,379 tons.



**Figure 13.** Distribution Map of Sainfoin Production in Turkey (1995-2017)

In the 22-year period, average sainfoin production was 940,424 tons. The production of sainfoin was utilized as both dry grass and green grass between 1995 and 2009. Of the sainfoin cultivated, 66% (407.597 tons) was utilized as dry grass and 34% (207.054 tons) as green grass. After 2009, it was used as green grass in animal husbandry activities. While the production of sainfoin was 614,651 tons between 1995 and 2009, it reached to 1,682,043 tons between 2010 and 2017 (Figure 14). The incentives for the production of forage crops and the increase in the number of animals, especially the increase in beekeeping activities were effective in this increase. Since it is able to adapt to the terrestrial climate, the sainfoin is mostly encountered in higher regions.

588 300 tons of sainfoin was cultivated in an area of 889.530 hectares in 1995 in Turkey. On the provincial basis, the provinces of Kars (Merkez-129.575 tons), Erzurum (Aşkale-26.400 tons, Central-23.310 tons), Van (Central-21.200 tons, Başkale-12.800 tons, Gürpınar 12.740 tons, Özalp-12.500 tons,) are the provinces where the production is the highest. In 2016, a production of 2,001,379 tons was made in the area of 1,961,808 hectares. The most production of sainfoin was highest in the provinces of Van (Gürpınar-161.500 tons, 61.560 tons), Bayburt (Central-96.265 tons), Ağrı (Patnos-52.000 tons), Sivas (Yıldızeli-45.500 tons) and Erzurum (Horasan-45.270 tons, Narman-42.400 tons).

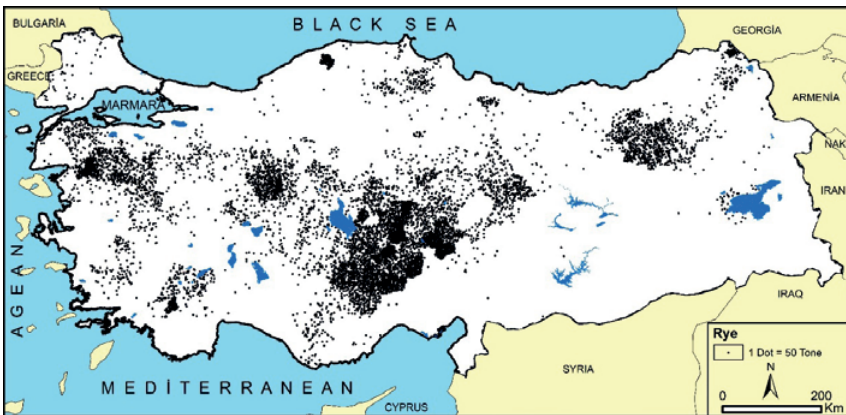


**Figure 14.** Sainfoin cultivation sites and its production between 1995 and 2017 (TSI 1995-2017)

### Rye

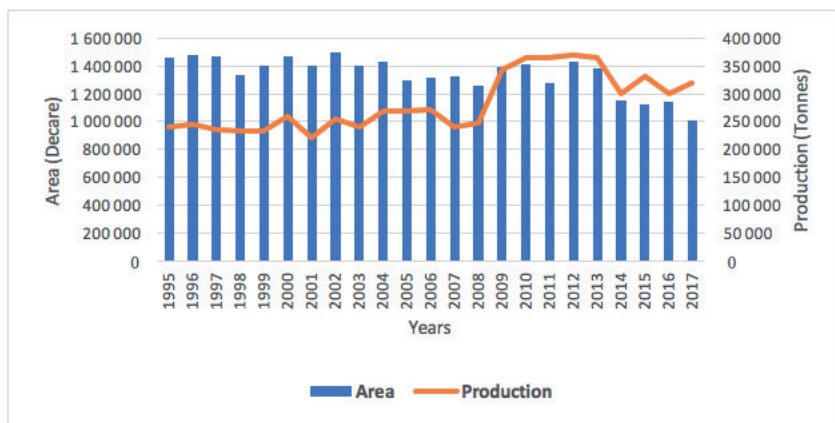
Rye, with Central Asian and Southern European-origin species is a fodder plant cultivated after wheat. Its cultivation dates back to about 2000 years ago. Anatolia is considered to be the first production site of rye. Rye is not a selective plant in terms of climate and soil demand. Although there is no high production as in other grains, this grain, which was made from flour during the years of World War II and before, does not play an active role in terms of nutrition. Today, in areas where wheat cannot be cultivated, rye is cultivated very much in high and northern regions. Since its growing time is short and is grown easily in acidic, basic structured, with high in the ratio of sand, high in clay soils, its cultivation is not completely abandoned (Doğanay, 2007: 141).

It is the most grown product after the barley. In our country, the most is grown in the Central and Eastern Anatolia Regions and the South Marmara Section. In the districts in the south and east of the Tuz (Salk) lake, where especially ovine husbandry is carried out intensively, the rye production is high (Figure 15).



**Figure 15.** Distribution Map of Rye Production in Turkey (1995-2016)

In 2017, world rye production was almost unchanged at the level of 13 million tons compared to the previous period. When compared with the previous period, there was a slight increase in the rye production of the EU, Ukraine, China and Turkey during the 2017 period, there was a decrease in the Canadian rye production. Turkey's rye production in 2017 was 320,000 tons. The years during which rye production was highest in Turkey was between the years 2010 and 2013 (365000-370000 tons), while the period during which the production was lowest was in 2001 (220,000 tons) (Figure 16). In recent years, there has been a significant decrease. Between 1995 and 2008, while an average of 247.004 tons was cultivated in an area of 1.396.061 hectares, between 2009 and 2017, 333,260 tons of production was available in 1,257,726 hectares.

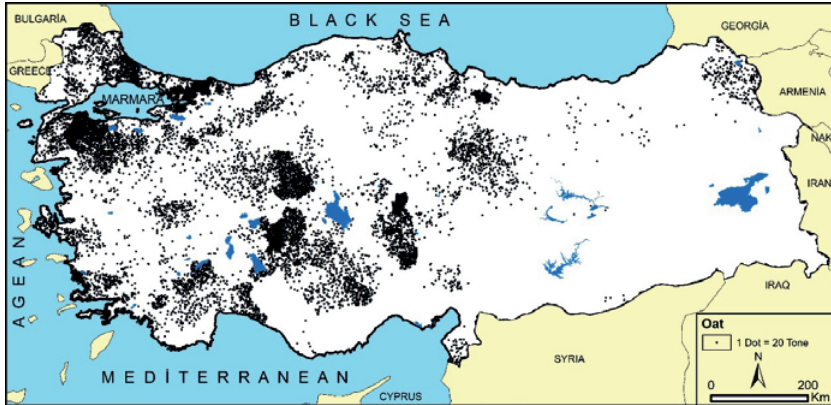


**Figure 16.** Production of rye by year in Turkey (1995-20017 TSI data)

In Turkey in 1995, 1,460.00 tons of rye production was carried out at 240,000 hectares area. The provinces with the highest production were Aksaray (Central-13.750 tons), Kayseri (Tomarza-13.120 tons, Develi-12.740 tons), Konya (Karapınar-11.846 tons, Ereğli 9.626 tons), Kırşehir (Central-9.900 tons) respectively. In 2016, 320,000 tons of ryes were grown in an area of 1,010,923 hectares. Rye was mostly grown in the provinces of Kayseri (Develi-19.025 tons), Eskişehir (Sivrihisar-17.073 tons), Bayburt (Central-10.965 tons), Nevşehir (Derinkuyu-10.627 tons, Central-7.903 tons), Karaman (Ayrancı-9.893 tons) and Niğde (Çamardı-8.881 ton) (Figure 16).

## Oat

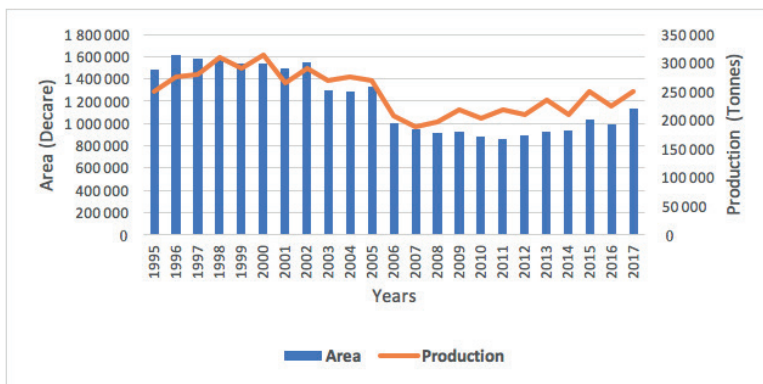
Oat is a kind of cool climate grain that is used in animal forage, human food, medicine and cosmetics industry. The most common use of oats is as animal forage. The oat grain, which is a good fodder for all kinds of animals are used to feed cattle, sheep, poultry and horses. The use of oats in human nutrition has also been increasing nowadays (Sarı, İmamoğlu, Yıldız, 2012: 19). A cool weather with a temperature not exceeding 15 degrees Celsius and the regions with an annual rainfall of 700-800 mm are the most suitable for oat farming. For a high harvest, nutrients should sufficiently be found in the soil. Argillaceous-loamy, sandy-abundant humus soils are suitable for oat cultivation if sufficient moisture is available.



**Figure 17.** Distribution Map of Oat Production in Turkey (1995-2016)

Oat production which has great importance as both human food and animal forage is available more in the central and western regions of Turkey. Especially since summer oat cultivation is intensively done in our country, it is generally concentrated in the coastal regions and Central Anatolia. Marmara is the region where most of the production is done due to the fact that both climate conditions are suitable and animal breeding is widespread. In the Central Anatolia region, both oats are produced traditionally and the food industry in the region, especially in the biscuit factories, warrants that oats are produced continuously (Figure 17).

There were fluctuations in the oat production and cultivation sites in Turkey. When we examine oat production in terms of time periods, the period between 1995 and 2005 was the one with highest cultivation site and production in 1,482,364 hectares area with the production of 280,818 tons. Between the years of 2006 and 2017, there was 217,848 tons of production in 953,473 hectares area. While the production varied by years, the period of production was highest in 2000 (314,000 tons), the lowest in 2007 (189,000 tons) (Figure 18). There was decline in production due to the reduction of the cultivation sites. If incentives and promotions are made available for the producers for winter oat cultivation, the amount of production will increase.



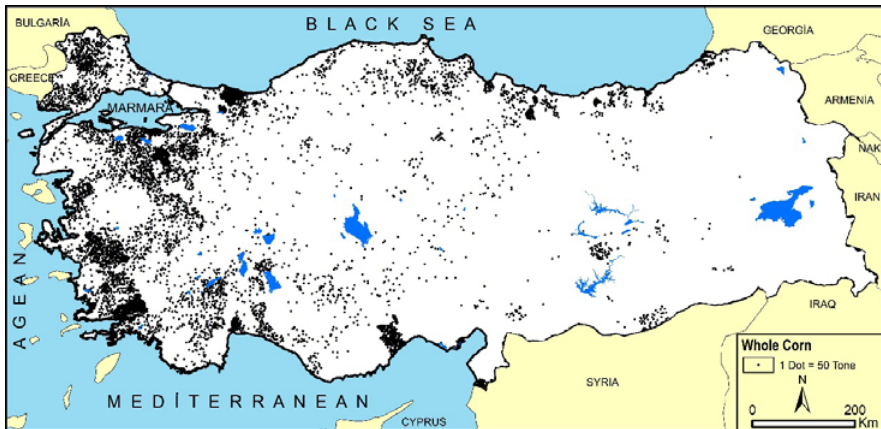
**Figure 18.** Oat cultivation sites and production between 1995 and 2017 (TSI 1995-2017)

Oat production in 1995 was made 1.480.000 tons in an area of 250,000 hectares in Turkey. The provinces with the highest oat production were Konya (İlgün-23.150 tons), Kocaeli (Central-12.853 tons, Kandıra-8.641ton), Karaman (Ayrancı-8.913 tons), Bolu (Central-6.385 tons) and Antalya (Manavgat 6.367 tons) respectively. In 2016, Turkey's total production was 250.00 tons in an area of 1,128,796 hectares. Production was carried out intensively in the provinces of Kocaeli (Kandıra-10.960 tons), Sivas (Central-10.858 tons), Ankara (Haymana-10.767 tons), Karaman (Ayrancı-10.300 tons) and Çanakkale (Çan-9.596 tons, Biga-7.179 tons) (Figure 17). In 2017 in 51 provinces, there was 247,935 tons of oat production in an area of 1.119.925 571 hectares. Sivas (126,389 hectares-25,804 tons), respectively, Sivas (82,300 hectares-23,434 tons), Kocaeli (70,859 hectares-21907 tons), Ankara (90,587 hectares-20,936 tons), Konya (74.290 hectares-16.849 tons) and Karaman (57.04 hectares) -14.794 tons) respectively were the provinces with the highest oat production.

### Whole Corn

Whole corn is grown in areas where corn irrigation is not done, where the annual rainfall varies between 600-1200 mm and in humid places. Therefore, it is mostly produced in the Black Sea Region. It is produced extensively in the coastal zone of the Black Sea, Central Western Anatolia, Thrace and on the coasts of Aegean (Figure 19).

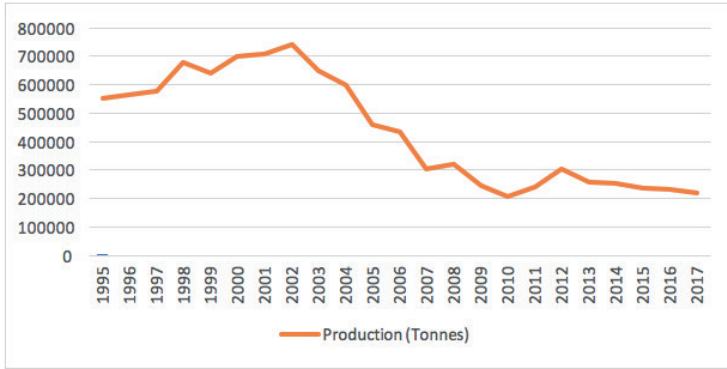
In the period between 1995 and 2004, the production of corn which was 641,200 on average declined to 285,223 tons between 2004 and 2017 when corn silage production started. While the period when production was highest was 2002 with 740,000 tons, the lowest was in 2010 with 207,899 tons (Figure 20).



**Figure 19.** Distribution Map of Whole Corn Production in Turkey (1995-2017)

There was 551.000 tons of production in Turkey in 1995. The production, which reached 600,000 tons in 2004, declined to 460,000 tons in 2005 and continued its downward trend after this period. In 1995, the provinces where highest amount of production of whole corn was made were Sakarya (Central-51.114 tons), Tekirdağ (Malkara 48.670 tons), Sakarya (Söğütü-31.443 tons), Bursa (İnegöl-27.395 tons), Burdur (Central-220.045 tons) and Çanakkale (19.983 tons) respectively.





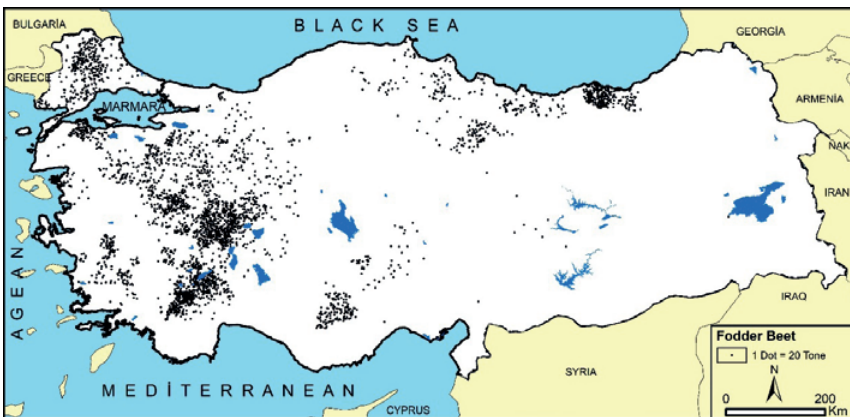
**Figure 20.** Whole corn production between 1995 and 2017 (TSI 1995-2017)

Whole corn production area in Turkey in 2016 was 117 985 hectares with 226 145 tons of production. In this period, Ereğli district of Zonguldak province was in the foreground both in terms of cultivation site (44,700 hectares) and production (53,640 tons). Other production areas were Balıkesir (Dursunbey-18.000 tons), İzmir (Bergama-18.000 tons, Malatya (Pötürge-8.522 tons), Sakarya (Central-8000 tons) and Sinop (Boyabat-5554 tons) respectively.

### Fodder Beet

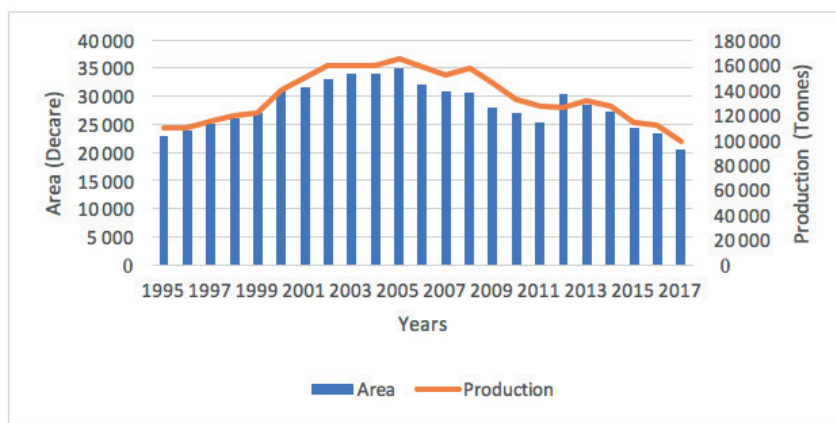
Animal beet also known as fodder beet is a forage crop type. Due to the fact that a large part of its roots are over the soil, it is a cheap plant which is easy to harvest and is given to animals when the fodder problem is experienced in winter. Fodder beet is generally more resistant to cold than sugar beet when growing under temperate climatic conditions. Fodder beet, a plant that loves moisture, can be grown on soils that is sandy-loamy and do not have much lime. Planting time varies. In the regions where sugar beet is planted, it is cultivated in March and April and in the regions dominated by the Mediterranean climate, it is generally cultivated in September and October (Agricultural Library).

Depending on the climate conditions in Turkey, fodder beet is produced mostly in West Central Anatolia, Eastern Black Sea coastal zone and South Marmara and Ergene Section (Figure 21).



**Figure 21.** Distribution Map of Fodder Beet Production in Turkey (1995-2016)

As it is an alternative product amongst the forage crops, fodder beet production in Turkey has always varied in terms of production and by year. In 1995, a total production of 110,000 tons was made in 23,000 hectares. The provinces with the highest production of fodder beet were Kırklareli (Central-11.481 tons, Pehlivan köy-5.222 tons), Burdur (Central-8.619 tons), Çanakkale (Biga-6.464 tons) and Aydın (Çine-4.646 tons) respectively. In 2016, the production amounted to 98,537 tons in the 23,408 hectares area. In this period, the provinces with the highest production were Afyonkarahisar (Sinanpaşa - 6.500 tons, Center - 5.225 tons), Burdur (Karamanlı - 5.400 tons), Denizli (Çivril - 5000 tons) and Uşak (Center - 4.632 tons) respectively (Figure 22).



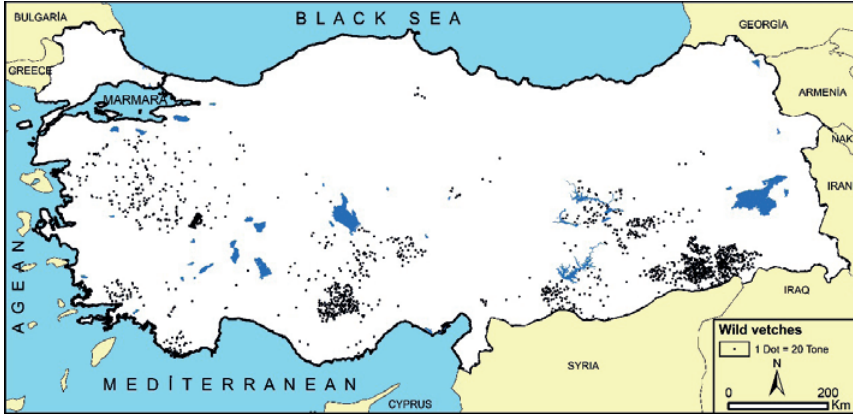
**Figure 22.** Fodder beet cultivation sites and its production between 1995 and 2017 (TSI 1995-2017)

### Wild vetch

Wild vetch, a legume forages and is generally produced for its grains, it is naturally grown in all regions except the Northeast Anatolia in Turkey (Davis, 1969: 600). It is a valuable source of concentrated forage and is especially used in the feeding of breeding bulls (Sağlamtimur, Tansı, Baytekin, 1998: 238). Since wild vetch is resistant to drought, it is especially grown as grain forage in different regions of Anatolia (Serin, Tan, Çelebi, 1997: 13-22). As a frugal plant, vetch can be grown in areas where other cultural crops cannot be economically cultivated and in areas where there is lime-poor soil, stone, slope areas (Ayan, Acar, Başaran, Önal, Aşçı, Mut, 2006: 318-322). Although it is one of our traditional forage plants, we do not have a registered and well-qualified vetch species. It is enough to process the soil once in vetch cultivation.

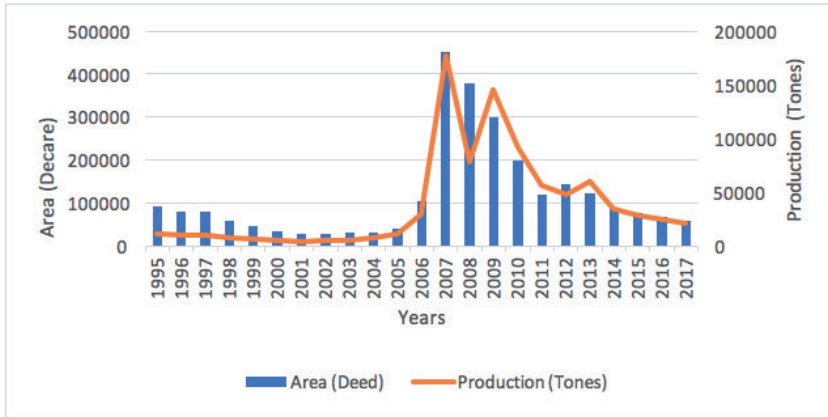
Due to its resistance to drought, its production is mostly carried out in Southeastern Anatolia. The yield is not very high in our country as it is generally grown with traditional methods (Figure 23).





**Figure 23.** Distribution Map of Wild vetch Production in Turkey (1995-2016)

While wild vetch was grown 9316 tons in an area of 54 727 hectares on average in the period between 1995 and 2006, the period during which wild vetch production was highest in Turkey a sudden increase was between 2007 and 2010 with 123 232 tons in an area of 332 126 hectares. Between the years of 2011 and 2017, production decreased again to 38,931 tons in 96,920 hectare-areas.



**Figure 24.** Wild vetch production between 1995 and 2017 (TSI 1995-2017)

The year when the production was highest was in 2007 with 87.683 tons. In this period, the high level of government aid and the high supply and demand were the main reasons for the increase. Since overproduction in 2007 caused the products to be retained, production decreased in 2008. Even though there have been production fluctuations in the following years, production has gradually been decreasing (Figure 23). In 1995, 10,631 tons of vetch production was made in an area of 92,000 hectares. The provinces where production was highest were Diyarbakır (Dicle-1480 tons), Elazığ (Central 798 tons), Mardin (Midyat-600 tons), Antalya (Kaş-563 tons), Kütahya (Gediz-540 tons) and Manisa (Demirci-534 tons) respectively. In 2007, both the cultivation site and production increased, and the Southeastern Anatolia Region came to the forefront. During this period, Batman (Beşiri-36,000 tons, Gercüş-33,750 tons), Mardin (Midyat-13,750 tons, Mazıdağı-11,600 tons) and Şanlıurfa (Birecik-6,960 tons) were at the forefront in vetch production. After this date, re-receding vetch production in 2017 concentrated in the

following provinces of Mardin (Midyat-2.900 tons), Karaman (Central-1750 tons), Denizli (Kale-1530 tons), Şırnak (Guclukonak-1406 tons) and Muğla (Center-1.053 tons).

### Other forage crops

Triticale is a forage plant, which was started to be cultivated in 2004, and were grown 106,545 tons in an area of 320,734 hectares between 2004 and 2017. The period with highest production was in 2017 with 150,000 tons and the lowest in 2006 with 77,642 tons. The provinces with highest production were Çorum (129,000 hectares-45,936 tons), Sivas (39,260 hectares-10,766 tons), Denizli (26,137 hectares-8,940 tons), Kütahya (24,254 hectares-8633 tons), Tokat (16,732 hectares-6,428 tons), Uşak (17.695 hectares-5.602 tons) and Afyonkarahisar (18.611 hectares-4.965 tons).

**Hydro (Kaplica)** plant is a kind of wheat with a shell and husk. Its appearance is similar to that of rice rather than wheat. The fact that its climate demand is not selective and it can grow in arid regions and grow in arid soils in terms of soil demand increases the cultivation areas of the crop; however, nowadays, hydro plants is not grown too much. It is known that there is not much production of hydro plant in the world and it is clear from the fact that there is no statistical data about it and the annual production has rapidly decreased compared to the past. Production of hydro plant with as much as 100-150 thousand tons in the period of 1950-1960, declined to 50 thousand in 1980 and to 20 thousand tons in 1990. In the future, its cultivation can be abandoned completely (Durmuş Yiğit, 2014: 147,148).

In our country, it is mostly grown in the Middle Black Sea Region. The hydro plant grown in 6 provinces in Turkey is cultivated the most in the provinces of Kastamonu (15 855 hectares and 3726 tons), Sinop (8800 hectares and 1498 tons), Karabük (2370 hectares and 522 tons), Samsun (2000 hectares and 450 tons) and Bilecik (1660 and 406 tons). The hydro plant's days are numbered soon to be forgotten for the purpose of increasing the production of hydro plants such as barley, rye, oat and vetch. The period when the production of hydro plant was highest production was in 1995 (15,000 tons) and the lowest in 2016 (4,549 tons) (Figure 18). While hydro plant cultivation was 111.114 tons on average in an area of 88 333 hectares between 1996 and 2001 in Turkey, it was 8025 tons in an area of 66,000 hectares between 2002 and 2005. The cultivation site, which decreased to 39053 hectares between 2006 and 2017, had the production value of 7094 tons. This value with 13,658 tons in an area of 69,000 hectares should be evaluated separately in 2013.

**Buy** is the vegetative part and seeds of the Fenugreek plant and is used for various purposes. Green parts of the plant, its dry form and seeds are used as forage plants due to their high fodder efficiency and quality (Gökçe, Efe, 2016: 355). Fenugreek is a plant resistant to drought and high temperatures. It also grows well in temperate climates and can be cultivated in winter. In our country, it is cultivated in early spring or winter in hot regions; in cold regions, in summer house (Kevseroğlu, Özyazıcı, 1997: 367-371).

Buy, generally produced in low amounts is grown in 11 provinces in Turkey. In 2017, it was grown in an area of 14,499 hectares with 1,521 tons of production. The provinces with highest production were Yozgat (6386 hectares-632 tons), Konya (3060 hectares-336 tons), Çorum (1472 hectares-142 tons) and Samsun (1000 hectares- 120 tons).

**Mixed Grain (Mahlut)** means an impure plant mixed with something else, a mixed plant. Even if cereal seeds are carefully preserved separately and planted in separate fields, especially wheat, barley, oats and rye are intermingled. The grain mixture produced by cultivating the seed that cannot be pure, has a certain share of wheat, barley or oats, a certain share of barley or meadow and a certain share of broom seed. This type of product, meaning mixed or impure mixture is called mixed grain. Approximately 4.3 million tons

mixed grain is cultivated in an area of 1.5 million ha across the world (2010). However, this kind of grain production is found in underdeveloped countries or in countries that have not yet been able to abandon extensive farming methods due to the fact that the seeds are not separated according to the technical principles.

Between 1995 and 2016, there was a production of 10.150 tons. 40% of mixed grain was grown in the Devrekâni district. Mixed grain is cultivated in 18 provinces and 45 districts in our country. As far as the provinces are concerned, Kastamonu ranks first with its production of 4144 tons. Adana is in the second place with (2,435 tons) while Gümüşhane is the third place with (1,942 tons). As far as the districts are concerned, the highest production is in Devrekâni (4,000 tons), followed by Saimbeyli (1,796 tons), Central Gümüşhane (1,481ton) and Feke (639 tons).

**Culbant** is an annual fodder plant similar to lentils and often used as animal forage. It is a plant that was not cultivated after 2001 and is not grown anywhere. The reason why its production is no longer available is because different products have started to be grown. Kahramanmaraş (Elbistan) takes the first place with 15,469 tons of production. Central Elazığ ranks second with its 4,770 tons production capacity.

Most of the culbant production is provided by Kahramanmaraş. It is a fodder plant that was produced between 1995 and 2001, and whose production was abandoned in our country. While the average production in 6 years period was 3.452 tons, 73% of the production was met by the Kahramanmaraş province. Elazığ, Hatay, Adıyaman, Kilis and Tunceli were the other provinces that produced culbant. Elbistan (2,210 tons), Nurhak (170 tons) and Afşin (147 tons) and Elazığ Center (681 tons) were the districts where the production was highest.

**Grasspea (*Lathyrus Sativus*)** is a fodder plant that was cultivated with a production value of 1005 tons in a total area of 9,555 hectares in 2017. Grasspea is cultivated in 9 provinces in Turkey and the cultivation areas with maximum production are the provinces of Uşak (19,634 hectares-29,884 tons), Denizli (19,530 Hectares-19,812 tons), Elazığ (28,913 hectares-14,483 tons), Malatya (13,954 hectares-12,726 tons) and Kahramanmaraş (36924 hectares-11341 tons). The grasspea plant whose production started in 2012 reached the value of 138,865 tons on an average of 206,689 hectares between 2012 and 2017. The production, which was 169.419 tons in 2012, declined gradually to 103.029 tons. There has been a steady decrease in its production.

**Trefoil** plant whose production started in 2004 reached the production capacity of 2151 tons in an area of 11.033 hectares between 2004 and 2017. This plant regarded as dry fodder had the average production rate of 10790 tons between 2004 and 2009. After this date, it started to be consumed as green fodder. This crop planted only in the Hakkari province In Turkey was planted in an area of 4,000 hectares in 2017 and grown 2,280 tons. Trefoil plant grows naturally in the meadow and pasture areas and is an important plant used in the development phase of bees in beekeeping activities.

**Sorghum**, used green fodder in Turkey in 2012 in animal husbandry was grown 59.113 tons in an area of 17811 hectares between 2012 and 2017. Sorghum cultivated in a total of 31 provinces in Turkey was grown 65.523 tons in the area of 17 929 hectares in 2017. The provinces with the highest production are Çanakkale (4685 hectares -19940 tons), Balıkesir (2266 hectares -7327 tons), Bursa (1149 hectares-4969 tons), Burdur (650 hectares-4800 tons), İzmir (1020 hectares-4800 tons) While Aydın (1395 hectares-3275 tons), Bartın (585 hectares-2925 tons) and Muğla (790 hectares-2824 tons) and it is mostly cultivated in the Marmara and Aegean regions.

## CONCLUSION

The relationship between forage crop production and animal husbandry varied

considerably between 1995 and 2017 in Turkey. Despite the continuous increase in the number of animals, the number of animals in our country has not yet reached the desired level. The most important reasons for this may be the coarse fodder gap in animal nutrition and the narrowing of meadow and pasture areas. The decline of meadow and pasture areas has decreased since 1950 and 60 with the mechanization in agriculture. Forage crops do not still have a significant share within the current agricultural production. These two basic problems play an important role in the shape, number and distribution of animal husbandry.

The form of the agricultural businesses in Turkey, distribution of animal breeds, the use of technological developments in the animal husbandry sector varies considerably in terms of regional differences. While intensive animal husbandry and animal breeding activities are at the forefront in the Marmara, Aegean, Mediterranean and Central Anatolia regions, animal husbandry activities are still carried out by means of extensive methods in the Eastern Black Sea and Eastern and Southeastern Regions.

Despite the grants and incentives in the agricultural policies applied to develop agriculture and animal husbandry in the sector in Turkey has still not lived up to the level of self-sufficient country. Despite the physical geography conditions from past to present, the presence of meadows and pastures, and the advantages of cultivation of different forage crops depending on climate diversity, Turkey, today, has still not been able to bridge the gap of coarse fodder.

Most forage crops grown in Turkey are silage corn, alfalfa, barley, cow vetch, trefoil and oats due to the incentives given. Especially the silage corn whose production started after 2004 was the forage crop the most produced plant with a rate of 42% amongst all forage crops in 2017. Especially in the Marmara and Aegean regions, and in the south of the Central Black Sea and Salt Lake where animal husbandry is widespread, it has become an important forage plant. Production of silage corn led to the decrease of the whole corn.

The year when the production of forage crops gained momentum, by years, was 2009. While the production of silage corn, alfalfa, Cow vetch and sainfoin had a continuous trend, the traditional forage crop production such as barley, rye and oats had a continuous fluctuation and the increases and decreases come one after another depending on the climatic conditions. While the production in crops such as corn and Wild vetch has decreased noticeably, production of culbant has completely abandoned.

It is impossible for agriculture to be profitable if forage crops production is not profitable. The animal husbandry currently implemented in our country is an extensible animal husbandry, which is generally carried out as a subsidiary activity in small businesses a large majority of which have a land under 50 hectares and whose main agricultural production activity is vegetable/plant production. Firstly, animal husbandry, which is carried out as a subsidiary activity in very small businesses, needs to be made economically viable.

The positive developments to be provided in the animal husbandry sector will also have a positive impact on the forage crops farming. Therefore, incentives to the forage crops that have low competitiveness against other crops such as cereals and industrial crops should be continued. Furthermore, the necessary improvement activities should be implemented in pastures.

## REFERENCES

1. R. Avcıoğlu, E. Açıkgöz, H. Soya, M. Tan, "Yem Bitkileri Üretimi", Türkiye Ziraat Mühendisliği V. Teknik Kongresi. 17-21 Ocak. 567-584. Ankara. 2000.
2. İ. Ayan, Z. Acar, U. Başaran, Ö. Önal Aşçı ve H. Mut, "Samsun Ekolojik Koşullarında Bazı Burçak (*Vicia Ervilia* L.) Hatlarının Ot ve Tohum Verimlerinin Belirlenmesi". OMÜ,

- Ziraat Fakültesi Der., 21: 318-322, 2006.
3. P. H. Davis, "Flora of Turkey And East Aegean Islands", Vol.3. Edinburgh Uni. Press. UK, 1969.
  4. H. Doğanay, "Ziraat Coğrafyası", Aktif Yayıncılık, Erzurum, 2007
  5. E. Durmuş, A. Yiğit, "Türkiye'nin Tarım Yörelere ve Bölgeleri", Nobel Akademik Yayın Evi (1. Baskı), Ankara, 2014.
  6. H.İ. Erkovan, M. Tan, "Sulu ve Kırak Şartlarda Yetiştirilen Korungada Ot ve Tohum Verimi İle Bazı Özelliklerin Belirlenmesi", EÜFBED, Fen Bilimleri Enstitüsü Dergisi Cilt-Sayı: 2-1, 2009.
  7. F. Harmanşah, "Türkiye'de Kaliteli Kaba Yem Üretimi Sorunlar ve Öneriler", Türktob Dergisi 2018 Sayı: 25 Sayfa: 9-13, 2018.
  8. S. Karabağ, S. Şahin, "Türkiye Beşeri ve Ekonomik Coğrafyası", Pegem Akademi, Ankara, 2014.
  9. A. Kuşvuran, R. İ. Nazlı, V. Tansı, "Türkiye'de ve Batı Karadeniz Bölgesi'nde Çayır-Mera Alanları, Hayvan Varlığı ve Yem Bitkileri Tarımının Bugünkü Durumu". G.O.Ü Ziraat Fakültesi Dergisi. 28(2): 21-32, 2011.
  10. B. Tıknaçoğlu, "Yem Bitkileri Tarımı ve Silaj Yapımı", Samsun İl Tarım Müdürlüğü Çiftçi Eğitimi ve Yayın Şubesi Yayını, Samsun, 2009,
  11. G.D. Topçu, Ş.S. Özkan, "Türkiye ve Ege Bölgesi Çayır-Mera Alanları İle Yem Bitkileri Tarımına Genel Bir Bakış", Çomü Zir. Fak. Derg. (Comu J. Agric. Fac.) 2017: 5 (1): 21-28, 2017.
  12. T. Sağlantımur, V. Tansı, H. Baytekin, "Yem Bitkileri Yetiştirme", Çukurova Üniversitesi Ziraat Fakültesi Ders Kitabı No: C-74. 3. Baskı, Adana, 1998.
  13. N. Sarı, A. İmamaoğlu, Ö. Yıldız, "Menemen Ekolojik Koşullarında Bazı Ümitvar Yulaf Hatlarının Verim Ve Kalite Özellikleri", Anadolu, J. Of Aarı 22 (1) 2012, 18 - 32, 2012.
  14. R. Sattel, R. Dick, J. Luna, D. Mcgrath, E. Peachey, "Common Vetch (*Vicia Sativa L.*)". *Agricultural Journal*, 2(6): 641-645, 1998
  15. Y. Serin, M. Tan, H.B. Çelebi, , Erzurum Yöresine Uygun Burçak (*Vicia Ervilia (L.) Willd.*) Hatlarının Belirlenmesi, Tarla Bitkileri Merkez Araştırma Enstitüsü Dergisi (6). 2.13-22 Erzurum, 1997.
  16. İ.F. Şahin, M. Zaman, "Hayvancılıkta Önemli Bir Yem Kaynağı: Silaj", Doğu Coğrafya Dergisi, 23/1, 1-19, Erzurum, 2010.
  17. [http://www.tarimkutuphanesi.com/YEM\\_BITKILERI\\_YETISTIRICILIGI\\_00184.html](http://www.tarimkutuphanesi.com/YEM_BITKILERI_YETISTIRICILIGI_00184.html).
  18. <https://tr.boell.org/tr/2015/12/29/meraların-imara-acılması-hayvancılıkta-disa-bağımlılığı-artırıyor>
  19. [https://adana.tarimorman.gov.tr/Belgeler/Yayinlarimiz/yem\\_bitkileri.pdf](https://adana.tarimorman.gov.tr/Belgeler/Yayinlarimiz/yem_bitkileri.pdf)



# Understanding The Luxury In The Global Consumption Space

**Elif DENİZ<sup>1</sup>**

## CHAPTER 4

---

<sup>1</sup> Assist. Prof. Dr. Elif DENİZ, İzmir Katip Celebi University, Faculty of Economics and Business Administration





## INTRODUCTION

As having different definitions and meanings, 'the luxury' still is the ultimate dream of clientele in the global consumption space. The luxury industry owes its profits, reputation and unique position in the market to the luxury clientele that have an everlasting demand for privileged, functional and emotional benefits of luxury. Even if the luxury is defined as modern or classical or gains a new adjective, the production and consumption of luxury seem to be never end and continue to be in the middle of the economy and the life of the luxury clientele. To understand the old and new meanings of luxury more deeply and predict its future, it is needed to understand what happens in the global consumption space regarding to the luxury sphere of interest. To reach the aim of this study, firstly meanings and short historical journey of luxury, the characteristics of luxury sector and the global luxury market are analyzed. Secondly the definition and categorization of luxury products, luxury brands and types of luxury clientele are reviewed. Lastly the rise of the democratization of luxury, the term of 'new luxury' and the latest tendencies in the market are examined. At the end, based on the relevant literature review some interpretations, insights and recommendations are given.

### The Term of Luxury and Its Short History

The term of luxury is defined in the Oxford English Dictionary as an 'unnecessary, desirable object that is difficult or expensive to obtain', and 'a state of great comfort or elegance, especially when involving great expense' (en.oxforddictionaries.com, 2018). While the origin of the luxury word comes from the Latin, having the meaning of 'deviation', 'departure' and 'difference', it is based on the words 'luxe' in French meaning extremism, impertinence, sumptuousness, and the word of 'luxurie' in old French meaning being lustful and sinful, and being debauched. English 'luxury', Italian 'lusso', Spanish and Portuguese 'lujo' are all derived from the Latin term 'luxus' (Seyidoglu, 1992, Sütütemiz and Kurnaz, 2016; Dubois et al., 2005).

It is possible to look at the meaning and definition of luxury from different perspectives. The concept of luxury may vary from person to person, and one may define what one sees as luxury as a need (Torlak and Uzkurt, 1999). According to Kapferer (1997) and Shukla (2011: 243), what stimulates the luxury senses, what provides the owner a reputation and pleasure is an experimental phenomenon that provides a psychological benefit rather than functional one. Herman (2006: 136-137) and Vickers and Renand (2003) defined 'luxury' as the thing which is difficult to obtain but not compulsory, which makes anyone feel good, which is associated with high price, little production, and intensive handmade, being deemed valuable by others, privilege, status, quality, being belong to one's own group only, the thing requiring a sacrifice to be possessed, the symbol of personal and social identity, and the highest level of excitement and curiosity. Those who buy the luxury differentiate themselves from others by the pleasure of acquiring rare goods, thus the luxury is also used as a means of social segregation and stratification in different cultures (Catry, 2003; Cornell, 2002: 47; Kapferer ve Bastien, 2009: 9).

When it is looked at the historical progress of the concept of luxury, while it had a negative connotation among people until the 14th century, the first writings about this concept dates back to Ancient Greece. Luxury, which expressed jewelry and precious stones in the primitive ages was also associated with the characteristic of being a power indicator when the dead were buried with them. In the 17th century porcelains, silks, coffee, cocoa and precious stones from the East added depth to the concept of luxury. In the 18th and 19th centuries, *classical luxury* emerged by adopting object philosophy in Europe, at the beginning of the 20th century, it evolved into a *modern luxury* in which creative people in the US dominated, from the 1970s onwards, it has been in existence as

a *contemporary luxury* in which the media is dominant (Kapferer and Bastien, 2009: 6; Berry, 1994; Sombart, 1998: 166-167; Zeybek, 2013: 6). According to Berthon et. al (2009) and Kapferer (2008: 96), luxury is in a constant change and is not a new concept; it has transformed from the rare pearls, perfumes and spices of the 17th century into dreams, images and symbols carefully and ingeniously created by craftspeople in 20th century by getting ahead of the materials. Thus, the concept of luxury evolved into an abstract conception, which is based on consumer perception, influenced by many factors such as lifestyle, demography and social environmental conditions (Vigneron and Johnson, 1999; Sari and Kusuma, 2014: 51).

Luxury, associated with eliteness, power and wealth in the 18th century, got out of the possession of the elite minority and became affordable by the rise of the middle class after the French Revolution. Luxury in the 19th and 20th centuries; with the increase in product variety, developing trade and tourism, increased distribution networks and the transformation of artisan family businesses into brand-driven luxury companies, brought a new market economy forth with high quality and aesthetic values prevailing (Luzzini and Ronchi, 2010; Seo and Buchanan-Oliver, 2015). In the historical course of luxury, the term of luxury should be assessed in its own context for each period because the luxury of one era can no longer be regarded as luxury for another, and the luxury can move at a different pace in different categories. Fur coats in the 1920s, refrigerators in the 1940s, designed jeans in the 1970s were regarded as luxurious, whereas in the 2000s, luxury has been associated with flat screen televisions and yachts (Heine, 2012).

From the 20th century on, the meaning of luxury consumption has begun to be addressed with the abstract, social, emotional and symbolic meanings of purchasing. The tendency of the consumers' increased incomes to fancy consumption and the sense of satisfaction coming with the possession of privileged goods has increased the purchase of luxury products. As contemporary consumption habits have changed with globalization and technological improvements, there has been an increase in the tendency to purchase elite and expensive products in excess of what is needed. With the new consumption phenomenon emerging as a social and cultural process which is not only economic but also has indicators and symbols, now luxury consumption refers not only to a consumption behavior belonging to a certain group but a lifestyle that spreads to masses. These changes from past to present turn into a strong sign that the demand for luxury will rise in future and the meaning of luxury will differ (Luzzini and Ronchi, 2010, Bockock, 2005: 76).

### **The Luxury Sector and The Global Luxury Market**

There are some qualities that distinguish the luxury sector from the others and make it unique. These are; *the size of businesses, financial qualities and the factor of time*. Luxury brand producers are not full-scale businesses and lots of them are SMEs but they have high reputations. Rather than the quantitative features like number of employees and facilities, the qualitative features like transmitting the brand messages and offering emotional value are much more important. The financial strategies focus on not the profit but maximizing the brand value and then high profits are obtained but also high costs are tolerated to introduce the prestige of company stores and high quality. Since it is needed an extended period of time to be a luxury brand, the time comes to the fore as a determinant factor. The main relationship between the luxury and the time is the fact that the luxury is timeless and always protects its value (Chevalier and Mazzalovo, 2012: 27-35).

Luxury sectors can be divided into two sectors; *core luxury sectors* that are traditional luxury sectors such as clothing, jewellery and watches, accessories, cars, perfumes and cosmetics, *new luxury sectors* such as furniture and household items, tourism and catering, wines, spirits and other gourmet products (Giacosa, 2014: 8). The SWOT analysis of the luxury sector reveals that luxury becomes a source of influence and motivation

by touching emotions and symbolizing improvement but its appeal and power are inconsistent due to inconsistent visions among stakeholders and overused and diluted notions. On the other hand, while some threats rise as losing the meaning or becoming embarrassing, opportunities are promising in terms of shaping the culture with heritage and design, influencing behaviors via aspirational values, using vision and know-how as a tool to educate (Pinkhasov and Nair, 2014: 31).

Most recently, the luxury industry felt the impact of the crises during 2009-2013. Luxury multibrand conglomerates risen, consumers' demands changed, so did the industry (Som and Blanckaert, 2015: 11). However the global luxury market grows and still has a promising future for the actors in the sector. The main reasons behind this growth can be specified as; the rising population of young and high-salaried people who like spending, the rising existence and salaries of working women, new consumers' rising who make new interpretations of luxury, rising rivalry among luxury producers, the rise of accessible luxury, developments in online sales and distribution channels that support accessibility, the new opportunities coming from China, Russia and India that have large populations and increasing incomes (Kastanakis and Balabanis, 2012).

According to a report called 'Dijital or Die: The Choice for Luxury Brands' and the report called 'True -Luxury Global Consumer Insight' by The Boston Consulting Group (BCG) and Altagamma, the overall luxury goods industry is worth approximately €915 billion today and will reach about €1,260 billion in 2024. It is found that more than 85% of millennials, 75% of baby boomers and older consumers of luxury brands demand omnichannel interactions, ranging from e-commerce to social sharing to digital in-store experiences. They also demand same promotions, rewards and product assortment, integrated delivery service and integrated CRM when dealing with multiple channels. 41% of them make their research online and buy offline while 9% of them practice the goods at the stores then buy online. E-commerce makes up 7% of the global personal luxury market and will rise to 12% by 2020 (Abtan, et al., 2016; www.bcg.com, 2018).

Based on the data of Deloitte's report called 'Global Powers of Luxury Goods 2017', annual sales for top 100 largest luxury goods companies is US\$2.1 billion and composite net profit margin is 9.7% (Deloitte, 2017: 1-8). According to 'The 2017 BrandZ Top 100 Most Valuable Global Brands' report published by WPP and Kantar Millward Brown, in 2017 the most valuable luxury brand is Louis Vuitton with a \$29,242 million worth brand value. Following Louis Vuitton, Hermès has a \$23,416 million and Gucci has a \$13,548 million worth brand value. Personal taste, individuality, more accessibility, being friendly, contributing positively to the world, diversity and inclusiveness risen as the themes used by these luxury brands (<http://brandz.com>, 2017: 169-170).

According to 'Global Luxury Apparels Market (2017-2023)' report, Asia Pacific has a great potential in the forthcoming years where Europe remains the dominant region in the global luxury apparels market. China, closely followed by Japan and India, is still the largest market of global luxury products, also is expected to grow by 6 to 8 percent and Europe sales are expected to increase by 7 to 9 percent. United Arab Emirates, Turkey, Russia and China are categorized as emerging luxury markets where EU, US and Japan are defined as more mature markets (Barry, 2017b; Business Wire, 2017a; Business Wire, 2017b; Deloitte, 2017: 1-8). The best potential luxury customers are the ones who are called as 'High Net Worth Individual (HNWI)' and based on the World Wealth Report 2016 of Capgemini, global HNWI wealth would surpass a stunning US\$100 trillion by 2025 and Asia-Pacific remains the world's largest HNWI market. It is seemed that Ultra-HNWIs are climbing by 9.2% in terms of wealth and 8.3% of population (World Wealth Report, 2017: 3-5). The wealth creation and actual numbers of billionaires influence the luxury market. They spend on *passion* including luxury collectibles (automobiles, antiques, etc.), art,

jewelry, gems and watches; sports investments and miscellaneous (club memberships, travel, etc.) (Quintavalle, 2013: 52-57).

On the other hand, the millennial generation, who are highly driven by self-expression, is going to be an important growing consumer segment in the global luxury products market. 85% of them live in emerging markets and have a spending power of approximately \$2.5 trillion. Fashion companies also seem to benefit from mental, physical, spiritual, emotional, and environmental attributes of wellness while creating their luxury products for new consumers. Eventhough the quality is the key driver of luxury purchases, changing market trends reveal that new consumers of luxury are more concerned about how luxury makes them feel, which means the *intangible quality* and they are more price, innovation, value, quality, durability, exclusivity and fineness conscious. Craftsmanship and personalized/hand-made products are highly valued. Also, shopping from duty free shops of various luxury brands at airports also play an important role on the growth of the market. Companies with coherent channel strategies, clear value propositions, integration with digitalisation and e-commerce look bright in the global market for next years (Business Wire, 2017a; Europlat, 2017; The State of Fashion, 2017: 49-75; Barry, 2017a; Barry, 2017b).

### **Luxury Products, Luxury Brands and Types of Luxury Clientele**

Studies on the luxury consumption, which started to gain importance in the literature with Veblen's conspicuous consumption theory in 1890s, continued and rised with an increasing importance till today. Luxury consumption is associated with conspicuous as well as symbolic consumption, prestige offered by luxury offers a symbolic value to consumers in the social environment and differentiates self and image presentation. Conspicuous consumption, on the other hand, allows the consumer to reach a valuable position in the society by pointing out the psychological dimension of the consumption and offers the opportunity to have self-esteem to consumers, to prove themselves, and to look rich (Dikmen, 2008; Hiz, 2011). Also, the luxury has the notion of being a *swerve*, in French 'écart'. Therefore, marketing of the luxury also changes because unlike the 4Ps of the traditional marketing mix, luxury marketing requires the 4Es: experience, exclusivity, engagement and emotion to support the notion of being a *swerve* (Sigar, 2013: 27-33; Stankeviciute, 2013: 248).

Sigar (2013: 37) argues that there are two coexisting models of luxury; first the *pyramid model*, as the European and the closed system in which one's position is fixed, dominates the world of luxury since 18th century within a system of privileges where the hierarchy of titles and roles are precise and the power is occupied by a single person at the very top of the pyramid, craftsmanship is at the core, everything starts from the top and from one product, luxury creators are used to be called like 'prince of fashion' or 'the king of jewelers', the 'royal' metaphor is commonly used, the highest-priced goods are consumed at the top, since 1970s secondly the *galaxy model* in which the customer's opinion is at the core to define which one is the luxury or not, different product categories of the luxury brand belongs to the luxury world and mass consumption, the hierarchical levels are leanly defined, the focus is on the lifestyle and this model is inclusive and mobile in terms of integrating heterogeneous elements more easily.

With the development of consumption culture the meaning, attributes and categories of luxury have been reinterpreted, the consumers of luxury have turned into the consumers who tend towards their fancy needs by going beyond satisfying and comforting benefits of basic needs, and thus, would like to experience a sense of satisfaction and privilege. The consumers of luxury commonly associate high price with superior quality and perfection and consider that spending more money for it is a value that emphasizes status and makes them to move up the social ladder. On the other hand, rarity in luxury consumption goods

is a characteristic that allows luxury to be desired and is expected to be preserved. These products attract luxury consumers with *natural rarity*, *technology based rarity*, *limited number of production* and *information based rarity* (Zorlu, 2003; Allsopp, 2005; Catry, 2003).

Luxury consumers buy luxury products to feel themselves special, privileged, valuable, important and superior, to reward or comfort themselves, to prove themselves, to show their status and prestige, to be motivated and hopeful, to be admired and loved, to belong to a certain group or lifestyle (Herman, 2006: 135). Vigneron and Johnson (1999) list the effects directing the consumers towards luxury consumption as *Veblen effect* with influencing others, as *snob effect* with an approach considering the price as the indicator for privilege and avoiding the prevalence, as *Bandwagon effect* with concentrating on the effect left on others and consuming prestigious products, as *hedonic effect* with focusing on feelings and pleasure, as *perfectionist effect* with those who know what they want, perceive the price as a sign of quality.

According to Tsai (2005), individuals' reasons for luxurious consumption are due to the personal orientation of individuals toward luxury brand consumption. These can be listed as; *independent self-construal*, which is formed by the individual separating himself/herself from others and holding his/her personal goals before group goals, *self-directed pleasure* which is the pleasure from the experience of using a product on its own will and desire without being influenced by other people, *self-gift giving* which is formed by using the brand and the functions of a product for personal feelings, *congruity with internal self* in which brand image is perceived in the same line as the way one perceives himself. Accordingly, luxury also triggers the purchase of personal tendencies towards brand consumption again.

According to Okonkwo (2007: 66-67) general characteristics of luxury consumers can be listed as follows; to be smart and talented, to be strong and individual, to have high demands and expectations, to be in a disposable attitude, to have strong values and principles, to follow fashion and trends closely, to use time efficiently, to demand good service and to enjoy catering and personal service. These features always push luxury producers to offer innovation, creativity and diversity to their consumers. This means that, to define the luxury clientele not only the customers' income but also their stance against modernity should be evaluated (Kapferer and Bastien, 2009: 104).

According to Dubois et al. (2005), the consumers of luxury can be examined in three different segments called *elitist*, *democratic* and *distance* depending on their perspective on the luxury. According to the elitists, luxury should not be produced for large masses, should not be purchasable from supermarkets, and only a small number of people who are well-educated and have a good sense of taste should have the right to deserve the luxury. According to democrats, luxury does not have to be very expensive, there is no need for education to buy, and it is not only reserved for refined people. Luxury is good and should be open to wider masses. Consumers in the distance segment, on the other hand, have a negative attitude towards luxury. According to them, luxury is useless and very expensive. Those who consume luxury are snob, and the luxury goods should be taxed more. These consumers see themselves as foreigners far from the world of luxury. For this reason, they try not to buy luxury and they think that a good imitation is at least as good as the original.

According to Markus and Kitayama (1991), the consumers' attitudes against the luxury are also affected by their culture they belong to. In *collectivist cultures*, consumers who have an externally-dependent personality are much more concerned with the thoughts of others and focus on products seen by all. While the choice of luxury products points to the social norms, the symbolic meaning of luxury positions the individual in a specific place in the social hierarchy. In *individualist cultures*, on the other hand, consumers with



internally-independent personality desire luxury goods for themselves and consider them as a source of inner pleasure. While the luxury products they choose point to the individual attitudes and pleasures, the symbolic meaning of these products becomes an expression of the inner world of the individual.

When compared to other products, luxury products seem to differ due to their quality, price, rarity, scarcity, belonging to a certain class, aesthetic and symbolic meanings (Heine, 2012). According to Okonkwo (2007: 237), in the luxury product portfolio there are three different product groups; *low-priced* such as cosmetics and perfumes, *medium priced* such as glasses, watches, special clubs, *expensive* luxury products such as jewellery, leather products, clothing and hotels. According to Danziger (2005: 33), luxury products are categorized in themselves as *home luxury* such as electronics and decoration, as *personal luxuries* such as clothing, watches, cosmetics, as *experiential luxury* such as entertainment, spa, traveling.

On the other hand, in the market, the luxury and the fashion are commonly mentioned together. According to Kapferer and Bastien (2009: 32-35), the luxury and the fashion should be differentiated because of the fact that while the fashion is ephemeral and struggles with being out of fashion, the luxury is timeless and enduring, so it is interested with having history, tradition and heritage. However, when it is looked at the market, it is found that some luxury fashion categories exist. They can be divided into two; first *non-affordable luxury fashion* that is, luxuries targets HNWIs including haute couture, limited editions or one-off pieces, handmade or semi-handcrafted, customized or tailored, rare, exclusive, highly quality and expensive products, secondly *affordable luxury fashion* that is, the demonstration of the new democratization of luxury including satisfactory quality, creativity, strong stylistic content, availability and more affordable prices (Giacosa, 2014: 8-9).

By owning lots of products and categories, the number of luxury brands is rising growingly in the global luxury market. There are two approaches to define the luxury brands. *Supply-oriented approach* focuses on the mechanisms of production and the functioning of luxury but *demand-oriented approach* focus on the abstract brand core including symbolic identity and values, that is the identity-oriented brand management and determining a luxury brand independently of the product category (Kastner, 2014: 10). Unlike ordinary brands, luxury brands have cultural and geographical roots, also ancestors and a history. They do not pop-up at random, preceded by the creator and they are built progressively and empowered by the supporters. It means that they are not *invented* but *anchored*. There is no date of birth or a final death for a luxury brand and its life cycle is not linear. Continually relaunching old names makes a luxury brand to rise from the ashes (Kapferer and Bastien, 2009: 118-119).

While luxury brands offer functionality and beneficialness at the product level with features such as design, innovation, quality and craftsmanship, at the level of experience, they appeal to the feelings of consumers (Bothra, 2013). Luxury brands also propose two major non-functional benefits; *outwardly* (e.g. social prestige or self-distinction) or *inwardly* (e.g. self-actualization or hedonic shopping experience). Through the purchase and possession of luxury, luxury brands have two functions; *demarcation function* as demonstrating social stratum, personal values and moral concepts, *status function* as proposing affluence and a certain social position in the public (Kastner, 2014: 13). Luxury brands try to associate their brand identity with the identity that consumers want to own. Luxury brands are also seen as symbols of reference groups and consumed to comply with their lifestyle (Sheth et al., 1991; Wiedmann et al., 2007).

Vigneron and Johnson (1999) classified luxury brands, which they closely associated with prestige, in terms of *low participation* and *high participation* differences. Here,

prestige refers to the positioning of the brand with high quality and excellence. According to this, brands, which require a significant amount of time and effort to buy, are the *luxury brands* with the highest participation, whereas *upmarket brands*, which require a minimum amount of time and effort since they have no special meanings, are the luxury brands with low participation. *Premium brands* are just in the middle of this scale. Premium brands promise consumers better than expected within a certain category and they are put on market at more accessible prices than luxury brands by communicating with wider masses.

According to Berthon et al. (2009), there are three qualities that a luxury brand must have. These are defined as the *functional value* which is composed of the physical characteristics the luxury brand has and tells what it does, the *experiential value* which tells what it means for the consumers, and the *symbolic value* which tells what the brand means for others. Wiedmann (2009) classified the luxury value dimensions as *financial, functional, individual and social values*. Accordingly, luxury brands and products are often associated with prestige value, conspicuous consumption, hedonism and materialism. (Kapferer and Bastien, 2009: 220-23; Danziger, 2005: 182-85). While luxury brands create their products and identities, they attach extra importance to their external appearance, logos, packaging, and the use of colors that are considered as the indication of the luxury phenomenon. Luxury brands generally take the name/surname of their designer or creator (Zeybek, 2013: 115-122).

Since the luxury brand is experiential, its language should be mostly non-verbal, primarily visual and sensory. The nine signatures of the luxury brand can be specified as; *the figure of the brand's creator, short and very visual logotypes* like Chanel's double C, *a visual symbol accompanying the logotyped signature* like Aston Martin's wings, *a repeated visual motif, a brand colour, a favourite material, the cult of detail, the constant hymns to the manual work, a way of doing things that is typical of the brand*. In luxury brands' communication tales, stories, rumours, word of mouth and storytelling become absolute musts (Kapferer and Bastien, 2009: 220-21). Pinkhasov and Nair (2014: 28) argues that while creating the value, luxury brands should focus on not the glamour but the purpose and meaningful connections with the clientele since luxury sets the standard for what is the desirable behavior. Since luxury brands have greater promise of hedonic or sensory pleasure, they become more extendable to other product categories than the others (Morrin, 2013: 227).

### **The Democratization of Luxury, The New Luxury and The Latest Tendencies in The Market**

The increase in the number of products posed as luxury today and the gradual expansion of the masses accessible to these luxurious products are expressed in the discourse of 'the democratization of luxury', which describes the equality at the level of object consumption. According to Kapferer and Bastien (2009: 11-12), this democratization refers to the possibility of everybody's reaching the luxury and the social stratification to gradually disappear. With this rhetoric, concepts such as 'new luxury', 'traditional luxury', 'unreachable luxury', 'medium luxury', 'affordable luxury', 'massive luxury', 'ordinary luxury', 'fashion luxury', 'real luxury', 'high-quality', 'ultra high quality', 'hyperlux', 'meta-luxury' are often used to express the changing meaning of luxury. Thus, luxury brands have shifted their target group from elite groups towards the middle socio-economic class, discounted sales, installment payments, homogenized luxury goods and services, collections prepared for mass ready made garments brands came together with luxury and mass appeal, which introduced the most prominent applications of the democratization of luxury (Okonkwo, 2007: 220-230; Ricca and Robbins, 2012: 11; Ciornea et al., 2012).

Silverstein and Fiske (2003) argue that there are more than thirty categories of new luxury goods but they identified three major types; *accessible superpremium products* for the middle-market consumer and are priced at or near the top of their category, *old luxury brand extensions* are lower-priced versions of old luxury products to become more accessible and more aspirational in the market, *masstige goods* or *mass prestige* are between mass and class by offering a price below superpremium goods, commanding a premium over conventional products. At this point, the differentiation between the 'true' luxury and 'new' luxury is discussed by the actors in the market. Chevalier and Mazzalovo (2012: 5) define 'true luxury' as the one which few people can afford but also they discuss 'intermediate luxury', which can not afford indifference, in terms of ensuring the democratization of luxury with the help of volume of production and communication. Sgar (2013: 73) argues that, to be 'true' luxury it is needed 'to be grouped with the designers of high-fashion and custom-made clothing', not with the 'creators' and 'ready-to-wear'.

When contemporary consumption habits are taken into account, it is recognized that for the consumers of luxury, the lifestyle is a clearer indicator than the class status. At this point, the concept of 'new luxury' represents an approach that does not limit the luxury experience to concrete objects of status such as expensive objects and exclusive brands. Thus, the new luxury referring a more affordable luxury phenomenon includes luxurious products and brands which tend towards the consumers who want to taste a quality experience and to feel special in every aspect of their life and who are trying to make a deep connection between their identities and what they consume (Featherstone, 2005: 145; Crane, 2003: 25).

Consumers of new luxury have a great number of population, they are younger, earned money in a short time, are financially more flexible, are inconstant about their decisions, are better educated, are more sophisticated and self-confident, like travelling and satisfying emotional needs, seek for pleasure by valuing affective and aesthetic contents, tend to show their taste and creativity by being eclectic and are not relying on a single brand. Today, cultures engage more and lifestyles change. These facts become the forces behind the rise of new luxury and changes in the industry. Especially Y and Z generation include the youngsters who like themselves and freedom, try to be at the forefront and use technology highly. Also, women who have higher salaries than ever before and the divorced singles with more money to spend on themselves become the most favorable consumers of new luxury (Chevalier and Mazzalovo, 2012: 121-122; Troung et al., 2008; Silverstein et al., 2003: 9; Zeybek, 2013: 13). Lower prices to attract new consumers and using licencing to spread in the markets also caused the explosion of luxury. Traditional family-oriented business model of luxury businesses turned into corporate houses and they started to use a logo-centric approach to attract global luxury consumers. In short, the luxury industry underwent democratization (Som and Blanckaert, 2015: 367-68).

According to Okonkwo (2007: 76), luxury consumers in the future will choose the brands that are appropriate for their own self-awareness and lifestyle. Luxury consumers will seek ways to trade or resell products under the influence of temporary possession and disposable cultures, and the demand for services lending luxury goods will increase. On the other hand, since the features like uniqueness, privilege, rarity and limited distribution are the elements that define luxury, and since on the internet, the control is in the hands of consumers, luxury brands are hesitant to exist on the internet. In this respect, it is aimed to prevent the commodification by making limited sales. Moreover, virtual platforms are considered not very suitable for the promotion or sale of luxury products since they are primarily sensuous and the experience is come to the fore in these products. The increase in the number of websites through which the luxury consumers rent or make second hand sale of the luxury brand products makes it difficult to manage luxury brands (Radòn, 2012: 106; Tungate, 2009: 138). According to Tungate (2009: 136)

for luxury brands, by not having a strong presence online, luxury clientele are encouraged to buy fake luxury via relevant websites.

In order to achieve growth in the future, for luxury producers it is necessary to offer diversity with new products, to create high sales volume, and to produce luxurious goods that stand out with their exceptionality making use of the strength of designers (Preiholt and Hagg, 2006). These new luxury products should be the products that are recognized and have a strong identity but that are expensive and difficult to access, and that require an effort to be found by the customers. Although growth in the global luxury market have a promise for the future, increasing competition, emerging luxury brands, low consumer loyalty and demand changes will emerge as an element of pressure on firms and their profitability (Chevalier and Mazzalovo, 2012: 14; Kim et al., 2012).

## Conclusion

From past to present, 'the luxury' consistently used to have the potential of ultimate dream of consumers and the mission of promoting beauty, innovation, creation, value and prestige. However, when it is looked at the global consumption space and new trends of luxury, the future of luxury is highly depended on its ability to keep up with the *zeitgeist*, to sustain and support craftsmanship, new talents, innovation and to satisfy the needs of new luxury's clientele by proposing brand-new offerings. The upcoming demands are challenging in terms of communicating with the luxury clientele more especially by using digital platforms, grasping their ideas and transforming them into new products or services, strengthening the relationship with the old consumers and gaining loyalty and trust of new consumers, using new distribution channels and creating new sales techniques. If these challenges are handled and the mission of luxury is sustained, the future of the luxury looks bright, not as the same like it was in the past but more empowered and inciting for the actors in the sector and the market by promising new opportunities and high profits margins.

## REFERENCES

1. ABTAN, Oliver, BARTON, Christine, BONELLI, Federico, GURZKI, Hannes, MEI-POCHTLER, Antonella, PIANON, Nicola, TSUSAKA, Miki, (2016), 'Digital or Die: The Choice for Luxury Brands', <https://www.bcg.com/publications/2016/digital-or-die-choice-luxury-brands.aspx>, (Access Date: 24.02.18).
2. ALLSOPP, Jamie, (2005), 'Premium Pricing; Understanding The Value of Premium', *Journal of Revenue and Pricing Management*, Vol. 4, No. 2, pp. 185-194.
3. BARRY, Colleen, (2017a), 'Streetwear Bringing Steady Growth to Global Luxury Market', <https://www.businessoffashion.com/articles/news-analysis/streetwear-bringing-steady-growth-to-global-luxury-market> (Access Date: 29.10.17).
4. BARRY, Colleen, (2017b), 'As Melania Trump puts focus on high-end luxury, market grows' <https://apnews.com/b8bf0d7ed86450f86cbaf71b94b92ac> (Access Date 29.12.17).
5. BERRY, Christopher J., (1994), *The Idea of Luxury. A Conceptual and Historical Investigation*, Cambridge University Press, Cambridge.
6. BERTHON, Pierre, PITT, Leyland, PARENT, Michael, BERTHON, Jean-Paul, (2009), 'Aesthetics and Ephemerality: Observing and Preserving The Luxury Brand', *California Management Review*, Vol. 52, No. 1, pp. 45-66.
7. BOCOCK, Robert, (2005), *Tüketim*, İrem Kutluk (Çev.), Dost Publications, Ankara.
8. BOTHRA, Neha, (2013), 'Luxury, Luxury Brand and Luxury Market in India: From Class Consumer to Closet Consumer', *IOSR Journal Business and Management*, Vol. 15,

No. 1, pp. 18-27.

9. Business Wire, (2017a), 'Global Luxury Apparels Markets 2017-2023 Featuring Ralph Lauren, LVMH, Burberry, PVH, Nike, Giorgio Armani, Hermes, Michael Kors, Kering & Hugo Boss - Research and Markets', <http://www.businesswire.com/news/home/20170825005149/en/>, (Access Date 29.10.17).
10. Business Wire, (2017b), 'BizVibe: Global Luxury Apparel Market Outlook Remains Strong', <http://www.businesswire.com/news/home/20170314006408/en/>, (Access Date: 12.12.17).
11. CATRY, Bernard, (2003), 'The Great Pretenders: The Magic of Luxury Goods', *Business Strategy Review*, Vol.14, No. 3, pp.10-17.
12. CHEVALIER, Michel & MAZZALOVO, Gerald, (2012), *Luxury Brand Management: A World Of Privilege*, Second Edition, John Wiley & Sons (Asia), Singapur.
13. CIORNEA, Raluca, POP, Marius D., BACILA, Mihai F., (TIRCA) DRULE, Alexandra M., (2012), 'Was Luxury Little Researched? An Exploration of Studies and Research Trends in The Area of Marketing of Luxury Goods, Before 2005', *Management & Marketing*, Vol. 10, No. 2, pp. 325-340.
14. CORNELL, Andres, (2002), 'Cult of Luxury: The New Opiate of The Masses', *Australian Financial Review*. 27th April: 47.
15. CRANE, Diana, (2003), *Moda ve Gündemleri: Giyimde Sınıf, Cinsiyet ve Kimlik*, Özge Çelik (Çev.), Ayrıntı Publications, İstanbul.
16. DANZIGER, Pamela, N. (2005), *Let Them Eat Cake: Marketing Luxury to Masses - As well As the Classes*, Kaplan Trade.
17. Deloitte, (2017), 'Global Powers of Luxury Goods 2017, The New Luxury Consumer', <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/consumer-industrial-products/gx-cip-global-powers-luxury-2017.pdf>, (Access Date: 23.12.17).
18. DİKMEN ÖYMEN, Gözde (2008), 'Lüks Marka Pazarlaması: Vertu Örneği', *İletişim Fakültesi Dergisi*, Vol. 19, pp. 51-64.
19. DUBOIS, Bernard, CZELLAR, Sandor, LAURENT, Gilles, (2005), 'Consumer Segments Based on Attitudes Toward Luxury: Empirical Evidence From Twenty Countries', *Marketing Letters*. Vol.16, No. 2, pp. 115-128.
20. Europlat, (2017), 'Global Luxury Apparels Market is expected to reach US\$ 60,793.7 Mn in 2024:- Transparency Market Research', <http://www.europlat.org/global-luxury-apparels-market.htm>, (Access Date 23.12.17).
21. FEATHERSTONE, Mike (2005), *Postmodernizm ve Tüketim Kültürü*, Mehmet Küçük (Çev.), Ayrıntı Publications, İstanbul.
22. GIACOSA, Elisa, (2014), *Innovation in Luxury Fashion Family Business: Processes and Products Innovation as a Means of Growth*, I. Edition, Palgrave Macmillan.
23. HEINE, Klaus, (2012), *The Concept of Luxury Brands*, II. Edition, [http://upmarkit.com/sites/default/files/content/20130403\\_Heine\\_The\\_Concept\\_of\\_Luxury\\_Brands.pdf](http://upmarkit.com/sites/default/files/content/20130403_Heine_The_Concept_of_Luxury_Brands.pdf), (Access Date: 07.02.18).
24. HERMAN, Dan, (2006), *Marka Olmak İstiyorum: Sıradan Değil Cazip Markalar Yaratma ve Yönetmenin Yolları*, Toros Altuntuğ (çev.), I. Edition, Alteo Publications, İstanbul.
25. HIZ, Gülay, (2011), 'Gösterişçi Tüketim Eğilimi Üzerine Bir Alan Araştırması', *Organizasyon ve Yönetim Bilimleri Dergisi*, Vol. 2, No. 3, pp. 117-128.
26. KAPFERER, Jean-Noel & BASTIEN, Vincent, (2009), *The Luxury Strategy: Break The Rules of Marketing To Build Luxury Brands*, Kogan Page Ltd., London.

27. KAPFERER, Jean-Noel, (1997), 'Managing Luxury Brands', *Journal of Brand Management*, Vol. 4, No. 4, pp. 251-260.
28. KAPFERER, Jean-Noel, (2008), *The New Strategic Brand Management: Creating and Sustaining Brand Equity Long Term*, Fourth Edition, Kogan Page Publishers.
29. KASTANAKIS, Minas, N. & BALABANIS, George, (2012), 'Between The Mass and The Class: Antecedents of The "Bandwagon" Luxury Consumption Behavior', *Journal of Business Research*, Vol. 65, No. 10, pp. 1399-1407.
30. KASTNER, Olga, Louisa, (2014), *When Luxury Meets Art, Forms of Collaboration Between Luxury Brands and the Arts*, Springer Gabler.
31. KIM, Kyung, Hoon, KO, Eunju, XU, Bing, HAN, Yoosun, (2012), 'Increasing Customer Equity of Luxury Fashion Brands Through Nurturing consumer Attitude', *Journal of Business Research*, Vol. 65, No. 10, pp. 1495-1499.
32. LUZZINI, Davide & RONCHI, Stefano, (2010), 'Purchasing Management in the Luxury Industry: Organization and Practices', *Operations Management Research*, Vol. 3, No.1, pp. 7-21.
33. MARKUS, Hazel, Rose & KITAYAMA, Shinobu, (1991), 'Culture and The Self: Implications for Cognition, Emotion, and Motivation', *Psychological Review*, Vol. 98, No. 2, pp. 224-253.
34. MORRIN, Maureen, (2013), Why Buy Luxury? Insights From Consumer Research, in *Global Luxury Trends, Innovative Strategies for Emerging Markets* (Eds. Jonas Hoffmann and Ivan Coste-Manière), I. Edition, Palgrave Macmillan.
35. OKONKWO, Uche, (2007), *Luxury Fashion Branding: Trends, Tactics, Techniques*, Palgrave Macmillan, Newyork.
36. PINKHASOV, Misha & NAIR, Rachna, Joshi, (2014), *Real Luxury, How Luxury Brands Can Create Value For The Long Term*, I. Edition, Palgrave Macmillan.
37. PREIHOLT, Hakan & HAGG, Claes, (2006), 'Growth Opportunities in Luxury Goods and Real Estate', *Journal of Fashion Marketing and Management*, Vol. 10, No. 1, pp. 114-119.
38. QUINTAVALLE, Alessandro, (2013), Über Luxury: For Billionaires Only, in *Global Luxury Trends, Innovative Strategies for Emerging Markets* (Eds. Jonas Hoffmann and Ivan Coste-Manière), I. Edition, Palgrave Macmillan.
39. RADÒN, Anita, (2012), 'Communicating Luxury Brand Exclusivity Online', *International Conference on E-business, Management and Economics*, Hong Kong, October 26-28.
40. RICCA, Manfredi & ROBBINS, Rebecca, (2012), *Meta-luxury, Brands and the Culture of Excellence*, I. Edition, Palgrave Macmillan.
41. SARI, Diana & KUSUMA, Brata, (2014) 'Does Luxury Brand Perception Matter in Purchase Intention? A Comparison Between a Japanese Brand and a German Brand', *Asean Marketing Journal*, Vol. 6, No. 1, pp. 50-62.
42. SEO, Yuri & BUCHANAN-OLIVER, Margo, (2015), 'Luxury Branding: The Industry, Trends, and Future Conceptualisations', *Asia Pacific Journal of Marketing and Logistics*, Vol. 27, No. 1, pp.82-98.
43. SEYİDOĞLU, Halil, (1992), *Ekonomik Terimler Sözlüğü*, Gizem Publishing, Ankara.
44. SHETH, Jagdish N., NEWMAN, Bruce I., GROSS, Barbara L., (1991), 'Why We Buy What We Buy: A Theory of Consumption Values', *Journal of Business Research*, Vol. 22, No. 2, pp. 159-170.
45. SHUKLA, Paurav, (2011), 'Impact of Interpersonal Influences, Brand Origin and Brand



- Image on Luxury Purchase Intentions: Measuring Interfunctional Interactions and a Cross-national Comparison', *Journal of World Business*, Vol. 46, No. 2, pp. 242-252.
46. SIGAR, Marie-Claude, (2013), *Luxury, Lies and Marketing, Shattering The Illusions of the Luxury Brand*, (Translated by Trevor Cribben Merrill), I. Edition, Palgrave Macmillan.
  47. SILVERSTEIN, Michael J. & FISKE, Neil, (2003), 'Luxury For The Masses', *Harvard Business Review*, Vol. 81, No. 4, pp. 48-57.
  48. SILVERSTEIN, Michael J., FISKE, Neil, BUTMAN, John (2003), *Trading Up: Why Consumers Want New Luxury Goods and How Companies Create Them*, Portfolio Publishing.
  49. SOM, Ashok & BLANCKAERT, Christian, (2015), *The Road to Luxury, The Evolution, Markets, and Strategies of Luxury Brand Management*, Wiley & Sons, Singapore.
  50. SOMBART, Werner, (1998), *Aşk, Lüks ve Kapitalizm*, Necati Aça (Çev.), Bilim ve Sanat Publishing, Ankara.
  51. STANKEVICIUTE, Rasa. (2013), Elie Saab: Strategic Presence In The Digital Luxury Space, in *Global Luxury Trends, Innovative Strategies for Emerging Markets* (Eds. Jonas Hoffmann and Ivan Coste-Manière), I. Edition, Palgrave Macmillan.
  52. SÜTÜTEMİZ, Nihal & KURNAZ, Aysel, (2016), 'Cinsiyetin Lüks Değer Algısı Üzerindeki Etkisinin İncelenmesi: İstanbul İli Örneği', *Journal of Human Sciences*, Vol. 13, No. 3, pp. 4432-4445.
  53. Term of Luxury (2018), <https://en.oxforddictionaries.com/definition/luxury>, (Access Date: 06.02.18).
  54. The 2017 BrandZ Top 100 Most Valuable Global Brands, (2017), [http://brandz.com/admin/uploads/files/BZ\\_Global\\_2017\\_Report.pdf](http://brandz.com/admin/uploads/files/BZ_Global_2017_Report.pdf), (Access Date: 24.02.18).
  55. The Key Trends for the Luxury Goods Industry in 2018, (2018), <https://www.bcg.com/d/press/20february2018-altagamma-true-luxury-global-consumer-insight-184693>, (Access Date: 24.02.18).
  56. The State of Fashion, (2017), [https://images.businessoffashion.com/site/uploads/2016/11/The\\_State\\_of\\_Fashion\\_2017.pdf](https://images.businessoffashion.com/site/uploads/2016/11/The_State_of_Fashion_2017.pdf), (Access Date: 29.10.17).
  57. TORLAK, Ömer & UZKURT, Cevahir, (1999), 'Lüks malların tüketiciyi etkileyen özellikleri', *IV. Ulusal Pazarlama Kongresi: 21. Yüzyıl Eşiğinde Ulusal Pazarlama*, 18-20 Kasım, Antakya/Hatay.
  58. TROUNG, Yann, SIMMONS, Geoff, MCCOLL, Rodd, KITCHEN, Philip J., (2008), 'Status and Conspicuousness - Are They Related? Strategic Marketing Implications For Luxury Brands', *Journal of Strategic Marketing*, Vol.16, No.3, pp. 189-203.
  59. TSAI, Shu-pei, (2005), 'Impact of Personal Orientation on Luxury-Brand Purchase Value: An International Investigation', *International Journal of Market Research*, Vol. 47, No. 4, pp. 429-454.
  60. TUNGATE, Mark, (2009), *Luxury World, The Past, Present And Future of Luxury Brands*, Kogan Page, London and Philadelphia.
  61. VICKERS, Jonathan, S. & RENAND, Franck, (2003), 'The Marketing of Luxury Goods: An Exploratory Study - Three Conceptual Dimensions', *The Marketing Review*, Vol. 3, No. 4, pp. 459-478.
  62. VIGNERON, Franck & JOHNSON, Lester W., (1999), 'A Review and a Conceptual Framework of Prestige-Seeking Consumer Behavior', *Academy of Marketing Science Review*, No. 1, pp. 1-15.
  63. WIEDMANN, Klaus-Peter, HENNIGS, Nadine, SIEBELS, Astrid, (2009), 'Value-Based

- Segmentation of Luxury Consumption Behavior', *Psychology Marketing*, Vol. 26, No. 7, pp. 628-634.
64. World Wealth Report of Capgemini, (2017), <https://www.worldwealthreport.com/download>, (Access Date: 02.03.18).
65. ZEYBEK, Işıl, (2013), *Lüks ve Markalama: Tüketici Davranışlarında Lüks İmgesi*, 1. Edition, Beta Publishing, Istanbul.
66. ZORLU, Abdülkadir, (2003), 'Batılı Bir Yaşam Tarzı Olarak Tüketim: Türkiye'de Tüketim Ürünlerinin ve Kültürünün Tarihi Gelişimi', *Hacettepe Üniversitesi Sosyolojik Araştırmalar E-Dergisi* [www.sdergi.hacettepe.edu.tr/zorlu\\_makale.htm](http://www.sdergi.hacettepe.edu.tr/zorlu_makale.htm) (Access Date: 28.04.2017).



# A Debate on Habermas and Foucault in the Spectrum of Modernism and Post-modernism and Reflections on the Discourse and Public Sphere

**Dilan ÇİFTÇİ<sup>1</sup>**

## CHAPTER 5

---

<sup>1</sup> Assist. Prof. Dr., Near East University Faculty of Communication Nicosia, Cyprus



## INTRODUCTION

In this paper the implementation of Habermas and Foucault approaches in the spectrum of modernism and post-modernism will be explained. Then it will be categorized which of them in a way would be considered as more post-modernist than other or vice versa. This paper will explain the debates of modernism and post-modernism based on the Habermasian and Foucaultian point of view, and how can we reflect them within the context of positive, negative and neutral conceptualization of media distorts. Accordingly, this paper aims to investigate the ambiguity of explanation with the attitudes of modernism and post-modernism. It is important to say that there is an unspoken of media industry implementation of modernism on industrialized countries.

### Discussion on Discourse and Public Sphere

To begin with, modernism and post-modernism share three major characteristics which lead the way to investigate Habermas and Foucault accomplishment. These three characteristics are crucial for both modernism and post-modernism which are rational and scientific thinking, nation-state appearance and capitalism. For modernism with certain thinkers, rational and scientific thinking is not possible. In other words, rational and scientific thinking is no longer appears in the society. Since with regards to modernism, media industry bombards people to another appearance by manipulating through the presentation of media. Therefore, according to modernism media distorts the structure that lead to image of reality. Significantly the image of reality in terms of modernity refers to thinking without reaching reality as in the case of Marx's false illusionary.

According to Foucault, rational and scientific thinking would be described under the concept of discourse. Foucault supports discourses are not simple concept, because all discourses are related to other discourses. Here, one can recall the Marx modes of consciousness from an external actor. Coming back to modernism Marx's external actor match with the media that condition to people not only think but also action in a certain way that is false illusionary. While ideology includes rational individual, Foucault discourse argues people are not rational. Since rationality is itself a different discourse. Therefore, as Hawkes (2003) identified, any kind of characterization of truth is rejected by Foucault. Moreover Hawkes (2003) deals the concept of ideology with regards to Foucault bywords; "there is no subject, no 'doer', that the deed is everything" (Hawkes, 2003:153). Eventually, this indicates that there is no room in such an approach of Foucault on the idea of ideology.

On the other hand, Habermas shares Horkheimer skepticism towards rationality. According to Habermas, the term rationality is skeptical by liberating suppressing way of thinking that people were allowed to surround by another. In addition to that Habermas identified modernity with his investigation of knowledge, which are empirical and analytical, historical/ hermeneutic and critical knowledge. Here, Habermas's empirical and analytical knowledge is the problem with modernism. Importantly, problem is predominance of privatization of empirical and analytical knowledge over other sources of knowledge that destroys balance between lifeworld and system. To put differently the problem of transition of rational thinking is privatization of knowledge. According to Fiylayson (2005) as a result of the massive growth in knowledge, there are aroused separations of three distinct spheres of value. These separations of spheres led to categorization of Habermas's lifeworld as scientific, moral and aesthetic. As a result, distinct spheres of value has role in the wake of the transfer of religious traditions to validity. (Fiylayson, 2005:64)



## Modernism vs. Post-modernism

The ideal conditions with regards to Habermas are where not only achieving balanced between lifeworld and system, but also presenting equal opportunities to participate in public sphere. This is most crucial point for Habermas to take integrity. However this ideal situation which is made by modernity also with harmed by modernity. Despite Habermas is not against enlightenment, but it is obvious with enlightenment individual assumes that the ends are given so do not focus on ends. Therefore this refers to instrumental rationality which is the problem of Habermas thinking. For this respect, Fiylyayson (2005) emphasis Habermas theory of modernity by "swam against the then strong intellectual tide of a post-modern movement anxious to bid farewell to modernity and the whole accompanying enlightenment project" (Fiylyayson, 2005:65). Besides, as Fiylyayson (2005) indicates in his article, Habermas accepts the widening gap between what we know and how we live aroused from the huge increase in not only amount, but also depth of specialized knowledge.

Furthermore, post-modernism versus modernism here, refers to a particular philosophical paradigm of understanding reality, more precisely the way of which individual approach reality. Contrary to modernism, post-modernism has the epistemological that all knowledge seeking activities should aim to discover the truths. Therefore all researchers, social scientists should seek to find out the truth about social life. It implies the possibility to attain true knowledge. Besides, it tries to mention seeking truth knowledge is also necessity. Moreover this epistemological understanding is also related to one of the characteristics of modernity as a historical epoch. In other words, seeking truth can only be through rational and scientific thinking brings to focus on truth. Respectively, truth for post-modernist has deeper understanding by comprehension of totality is historical facts.

The concept of humanism with regards to modernism is related to rational and scientific thinking. According to modernism features notion of mankind is based on the characteristics of individual. For this point, Habermas shares the modernism interpretations of humanity by dealing the lifeworld and hermeneutic and historical knowledge. Thus man is the agent actor the historical change. Whereas Foucault believes there is no evolution of society as much as there is not linear transition from one stage to another. To put more emphasis according to Foucault implementation of knowledge is product of power, humanity with rational and scientific thinking is hard concepts to mention. Related to these knowledge Habermas would be accepted is more modernist than Foucault in terms of the characteristics of rational and scientific thinking.

Secondly, the implementations of nation-states are crucial as characteristics of both modernism and post-modernism. Here actually the explanations about the first characteristics that is rational and scientific thinking goes together with the approaches through nation-states. For modernism as a result of the media there is a transcendence of nation-state. This implies that politics should go beyond analysis of nation-state. With the help of the post-modernist idea of global transnational social forces, nation-states have increased number of TNCs, global movements and globalization. In other words, with the rise of the media and internet individual see there is no border anymore. Again, era of nation-state transcendence is important to indicate, because individual could not have chance to reach certain instruments to have rationality through media or internet.

Nevertheless, media and internet on the other hand brings the idea that people come together in international arena. For this point, Habermas public sphere is correlated to idea of functioning media. For example, many of the people were aware of the Iraqi war through internet and media, however there is impassiblensness to reach information about reality. On the other hand, opposite to modernist epistemology on nation-state

concept, post-modernist starts with the common characteristics of humanity based on the recognition of plurality and diversity of the individual on society. Therefore, their reject is possibility to attaining single possible rationality as in the case of Foucault. In other words, Foucault shares pessimism of post-modernist epistemology on the subject of rationality.

Furthermore, according to post-modernist rationality and acting rationally are exist in the society. Thus, post-modernist argues to center on truth is standardized the people think which is undesirable means. For this respect, Habermas criticizes nation-state concept. Since for Habermas, nation-states impose some certain idea that citizen should obey. Therefore there is no room to exercise lifeworld. Moreover this obligatory thinking classing public sphere such as Westernization. According to Habermas this is undesirable results of nation-states as Post-modernist indicated in its framework. Here Habermas's theory of modernity outlines modernity as a project rather than historical period, so it is not yet completed. Moreover, Fiylayson (2005) introduces if it is project, it should response to particular problems occurred in cultural movement. Therefore, for Habermas this project should be considered uncompleted. Since the problems it addresses have not yet been solved by nation-states. According to Fiylayson this project should be investigated under, "this conception of modernity places what Habermas calls 'post-metaphysical philosophy'" (Fiylayson, 2005:65).

## CONCLUSION

According to reflections of modern politics for debate on Foucault and Habermas, Habermas visions are more modernist than the Foucault's implementation. On the one hand, as Fiylayson (2005) puts it Habermas argues the idea that because there is not a good alternative to the modernity, the proceeds of modernity is itself a better by comparing to communitarians or post-modernism. (Fiylayson, 2005:66). Moreover, Fiylayson (2005) explains this Habermas believes "we must not sacrifice the gains that modernity has brought..." (Fiylayson, 2005:66) Here, one can speak with the increase in knowledge and individual freedom, Habermas supports complementing modernity requires the protection of lifeworld from the corroding effects of the system. In connection with all Habermas justifies with the help of the liberation of subjects, modernization process reconstructs the development in complex social structure that open the doors to individual in problems solving. Habermas, "insists that the attempt to halt or reverse the process of modernization is futile" (Fiylayson, 2005:75). However this does not meant the society is impermeable to human influence.

On the other hand, with more ultra-materialist view on the subject Foucault strongly refuses the any ideal sphere that exists in the society. This leads to there is no longer opportunity to talk about identical true or false even consciousness in any absolute sense. (Hawkes, 2003:153). Thus, Hawkes (2003) introduces Foucauldian discourses gives rise to the idea of truth-effects. However Fraser (1990) supports that Foucault rejects the attempt to seeking truth, rationality and freedom. In most of the sense Foucault encourage post-modernist epistemology in order to avoid teleological and totalizing subject approach as in the case of Western philosophy. Here, Hawkes (2003) explain this "Foucault is opposed to shape the flux of events into a coherent narrative it is impose upon ostensibly unified" (Hawkes, 2003:154). Significantly, while Foucault challenges to achieve transcendence the polarity between idealism and materialism, the concept of power is already material. However for Foucault power involves the creative forces. Since Foucault believes individuals are effects of power. (Hawkes, 2003:157). Therefore Foucault objectification is freedom that makes him more post-modernist than Habermas.

In conclusion, from the most important point of explanations Foucault and Habermas

has dissimilar standing point of the subject of modernism and post-modernism. Actually, Foucault with the help of the materialist approach tends to be explaining not only problems but also systems under the post-modernist ideas. However, Foucault has tendencies by avoiding any kind of logocentric description of issues. In the light of all these knowledge, Habermas and Foucault would be put in the spectrum of modernism and post-modernism as such; Habermas tends to be modernist rather than Foucault, whereas Foucault stands on the post-modernism more than Habermas approaching.

## REFERENCES

1. David Hawkes, Postmodernism, *Ideology*, pp.149-161.
2. James Gordon Fiylayson, Habermas: A very Short Introduction, pp.xi-xx, 1-16, 62-76, 106-122.
3. Nancy Fraser, "Michel Foucault: A Young Conservative?" in *Unruly Practices*, pp.35-55.

# Responsibilities Of The Author And Publishers In The Turkish Press And Publishing Sector

**Sinan SÖNMEZ<sup>1</sup>**

**Mehmet Deniz YENER<sup>2</sup>**

## CHAPTER 6

---

<sup>1</sup> Assoc. Prof. Dr., Marmara University, School of Applied Sciences, Department of Printing Technologies, İstanbul, Turkey.

<sup>2</sup> Assoc. Prof. Dr., Corresponding author, Marmara University, School of Banking and Insurance, Department of Banking, İstanbul, Turkey.



## INTRODUCTION

The publishing contract is regulated in Article 487 of the Turkish Code of Obligations. The publication contract is an agreement whereby the owner of an idea and artwork, or his successor, will leave that publication to the publisher, and the publisher will be responsible for publishing it. Savings on the right of dissemination and reproduction, subject to publishing contract, may be concerned not with respect to all ideas and works of art, but with respect to science and literature (Zevkliler and Gökyayla, 2018: p. 609). The publishing contract is a contract between the two parties, the publisher and the author of the work, which imposes responsibility on both sides (Guhl/Merz/Kummer, 1972: p. 426; Bilge, 1971: p. 272; Tunçomağ, 1977: p. 589; Yavuz, 2002: p. 535, Tekinalp, 2012: p. 11). The author of this contract is the author or the legal successor of the literary or scientific - artistic work. In the definition of the law, it is also emphasized that the author or successor will leave the right for reproduction and dissemination to the publisher. When the provisions of the law are examined, it is seen that the works subject to the publication contract are limited only to the materials which are compatible with the ones that are suitable for printing or reproduction on paper or the like. However, it is accepted that the ideas and works of art that are not identified on the paper can be applied to the extent that they correspond to the nature of the provisions related to the publishing contract taking into account the type of the work and the customs and customs in the relevant field (Cumalıoğlu and Erverdi, 2013: p. 397).

## THE IMPORTANCE OF PUBLISHING CONTRACT IN PRINTING

The publishing contract is a tool that serves the owner of the work to communicate with the community and the public to recognize the author. In the scientific and cultural life of a country, the function of this convention in the dissemination of science and culture to a wider audience is very important. For this reason, although this contract is regulated by the Turkish Code of Obligations, it has been required to be regulated separately on 5 December 1951 and Intellectual and Artistic Works Act of 5846 no.

Nowadays, the ideas, thoughts and developments reaching to the masses with the published works not only affect the people of a country, but often also exceed the borders of that country and affect the masses in the far away. The rapid development and innovations in communication tools ensure that the works are easily accessible in many countries at the same time. Thus, considering the international problems that may arise from the publication of an author's scientific and literary work, it was necessary to secure his rights. For this purpose, the International Agreement on the Protection of Literary and Artistic Works, signed on September 9, 1886, became an international regulation which was implemented in Brussels in 1948, in Geneva in 1952 and in 1967 in Stockholm.

## CONCEPTS OF WORK AND AUTHOR AND CONTENT OF THE CONTRACT

The terms of work and author are defined in the article 1B of the Intellectual and Artistic Works Act. According to this, the work is carried out by the owner of all kinds of ideas and art crops bearing the character and which are considered to be science and literature, music, fine arts or cinema works; The author of the work means the person who created the work. In Intellectual and Artistic Works Act, although four artifacts are considered, only scientific and literary works can be the subject of publication contract. For this reason, it is necessary to understand the expression of art and work as mentioned in article 487 of the Turkish Code of Obligations as scientific and literary works which are a kind of ideas and works of art (Zevkliler and Gökyayla, 2018: p. 610; Giritlioğlu, 1967: p. 45; Yavuz, 2002: p. 534).

To summarize, an idea product in our country as a work to enter the protection area of Intellectual and Artistic Works Act to be a unique work, the owner of the creative idea bearing the feature of this work, to be included in one of the work groups considered Intellectual and Artistic Works Act, the work of a certain form and the presentation of the work to the community It needs to be alienated. The ownership of the work in our law has been won by the creation of the work. In other words, as for industrial rights, there is no obligation to register to any authority.

The content of the publishing contract is closely related to the copyright on the work to be published. The author has a monopoly right on the economic evaluation and operation of the intellectual product created as a scientific or literary work. This right, called the copyright, is a core right and gives some moral and moral powers to its owner. This right has absolute quality aspects similar to the material and objective rights in terms of dissemination and reproduction of the work. This right is a monopolistic right protected by Intellectual and Artistic Works Act. As a result of this monopolistic nature, the rights and the financial benefits arising from such rights as the publication, dissemination and reproduction shall belong to the owner and the author has the authority to prevent others from violating these rights (Zevkliler and Gökyayla, 2018: p. 610).

The material rights of the author are primarily the right to use the work, which is expressed as the right to process the work. Although it is not possible to process a work outside the permission of the owner of the work, the work produced by the permission of the original author is a work in itself and the creator is considered to be the author of the work. The right to reproduce is the right to reproduce the original or copies of a work, in any form or method, temporarily or permanently. The right to disseminate is the right to rent, lend, sell, or distribute the original or reproduced copies of a work in other ways. The right to represent refers to the right to benefit directly from a work, such as reading, playing and demonstrating in public spaces by means of instruments that directly transfer a sign, sound or picture. The right to transmit a work to the community with the means for signal and sound and image transfer is the right of the original or reproduced copies of a work to be broadcasted by means such as radio and television.

It publishes the rights of contracting, reproduction and dissemination of the work in the publishing contract. It also assumes that these and other rights will not claim rights and that these rights will be protected in favor of the publisher (TBK 487, 489/1, II). The publishing contract, which is made to introduce the rights on the work such as replication and dissemination to the publisher's monopoly use, is called the actual publishing contract. (Guhl/Merz/Kummer, 1972: p. 427; Zevkliler and Gökyayla, 2018: p. 610; Franko, 1981: p. 7-9; 23-24, Bilge, 1971: p. 266). The contract, which is expressed as a broadcasting contract and regulated in the Turkish Code of Obligations, is also called the actual publishing contract.

While the subject of the publishing contract constitutes the reproduction and publication of the works protected by the law, the provisions of article 489 of the Turkish Code of Obligations, the rules concerning copyright, do not belong to the scope of protection, and do not belong to the publishers who publish the right to reproduce and monopolize the protection period. It is concluded that it can be applied to the contracts made for the publication of the works which lost this feature due to the filling. In addition, the publisher reserves the right to reproduce and disseminate the work on such works, but not to the monopolist's savings, and to contract with other publishers in order to publish the same work by another publisher. The publication contract for the publication of works that do not allow the reproduction and dissemination of the right to be published as a monopolist to other publishers and for the publication of works other than the scope of the protection of copyright rules is also called the non-actual publication contract (Yarsuvat, 1984: p. 193; Guhl/Merz/Kummer, 1972: p. 427; Bilge, 1971: p. 269-270; Franko, 1981: p. 8, 23; Tunçomağ, 1977: p. 1131; Yavuz, 2002: p. 531).

If the protection of an artifact has expired, this work becomes a free work and everyone has



the right to publish the work. The financial rights on a free work also ends. Now, the owner of the work or the heirs of this work on the benefit of a property does not remain. In the contracts to be established for the purpose of publishing a protected expired work, there is no element of release from the original elements of the publishing contract and the right to publish to the publisher. Therefore, a contract for the publication of a protected expired work usually occurs in the form of a work or proxy contract. Such contracts shall not be obliged to be complied with in accordance with the rule rule as required by Article 52 of Intellectual and Artistic Works Act (Ayiter, 1981: p. 234; Cumalıoğlu and Erverdi, 2013: p. 394, Tekinalp, 2012: p. 9).

The right holder, who has contracted the publication of a science and literature work, may delegate the right to disseminate and reproduce the work according to the restrictions contained in Article 48 of Intellectual and Artistic Works Act. According to this, the author can transfer the right of dissemination and reproduction of the work to the publisher in terms of place, duration and content (Zevkliler and Gökyayla, 2018: p. 611).

If one or more authors undertake to prepare a work according to a plan determined by the publisher, they shall only be entitled to the price agreed upon in the contract and the rights of the contract shall belong to the publisher (TBK 501). In such a case, although under the title of Article 501 of Turkish Commercial Code, there is no conceptual publishing contract in the middle, and according to the plan determined by the intellectual labor and the publisher, the author is the person who is bound by her employment contract or a proxy (Zevkliler and Gökyayla, 2018: p. 612; Guhl/Merz/Kummer, 1972: p. 427; Bilge, 1971: p. 270; Tunçomağ, 1977: p. 1131; Franko, 1981: p. 7-8).

In TBK 501/2, numbered 6098, it is stated that the financial rights subject to the contract will belong to the publisher. Thus, an exception is set to the rule that the owner shall have exclusive rights over the work of the owner if it is approved by Intellectual and Artistic Works Act. However, the spiritual rights on the work still belong to the owner. In the Law on Intellectual and Artistic Works, it is accepted that the author of the work shall be the owner of the rights on the work without exception. Only in exceptional circumstances, the person who is employed or providing the organization is entitled to exercise the rights ( FSEK 10/IV, 18/11). However, TBK. 501/2, it is clearly stated that the owner of the financial rights specified in the contract shall be the publisher and not the owner of the right to use or the authorizing authority.

According to article 488 of the Turkish Code of Obligations, the validity of the publishing contract depends on the fact that it is made in compliance with the written form. According to the Article 52 of Intellectual and Artistic Works Act. numbered 5846, the agreements regarding the transfer of rights on the works must be made in writing and the transferred rights must be stated in the written contract. Contracts relating to the transfer of rights on the work will not be sufficient only in writing, and the rights transferred will need to be specified in the contract. This is the validity condition and the failure to comply with the format is the invalidity of the contract. However, in the Article 487 of the Turkish Code of Obligations relating to the definition of the issuance contract, there is no need to specify the rights transferred by the publisher, in view of the fact that the publisher has explicitly assumed to propagate the work. Article 487 includes the rights that may be subject to the publishing contract. The rights of reproduction and dissemination shall also be deemed to be necessarily within the scope of the broadcasting contract, even if they are not individually specified in the contract (Zevkliler and Gökyayla, 2018: p. 612).

## THE RIGHTS AND OBLIGATIONS OF THE AUTHOR IN THE PUBLICATION CONTRACT

### Author's Obligation to Deliver Work

The author should prepare the work in the scope and format agreed in the contract and submit it to the publisher. If the work is completed, it must be delivered to the publisher and completed to be submitted if it is not completed. However, in cases where the work is not yet completed, the publisher cannot force the author to complete the work. Such Force is against the author's personal freedom. But, if the publisher has a loss, the publisher may ask for compensation from the author. (FSEK 61) (Gökyayla, 2001: p. 252; Guhl/Merz/Kummer, 1972: p. 428; Yavuz, 2002: p. 537).

The delivery of the work to the broadcaster or to the publisher by telephone is also considered as delivery, allowing the work to be reproduced and disseminated. Similarly, the CD, DVD-ROM or floppy disk with the work record is the same. The publisher is obliged to submit the work to the publisher in a form that is suitable for publication. If the parties have agreed the delivery time in the contract, they are followed. When the delivery time is not agreed in the contract, the delivery time shall be determined according to the nature of the work and the specificity of the situation. For this reason, whether the work is about a current issue, whether it is necessary to come to the market as soon as possible and similar issues should be taken into consideration (Bilge, 1971: p. 273; Franko, 1981: p. 30; Gökyayla, 2001: p. 257; Ayiter, 1981: p. 229; Yavuz, 2002: p. 537; Giritlioğlu, 1967: p. 47; Zevkliler and Gökyayla, 2018: p. 618).

### The Author's Debt to Transfer Intellectual Property and Guarantee The Existence of Intellectual Property.

The main purpose of the publishing contract is the propagation and dissemination of a literary or scientific work. The right to reproduce and disseminate in the light of scientific and literary works is also the essence of the intellectual right. In order for the replication and dissemination work to be done properly, the publisher should have the right to save these rights, hence a certain amount of work. For this reason, only the copies, copies of the samples are not sufficient, and the rights on the work must be transferred. In the regulation set forth in article 487 of the Turkish Code of Obligations, this transfer debt is considered as the main debt of the issuer. However, it would be appropriate to understand the term lay-down in the article as the transfer of rights by the author in the form of reproduction and dissemination (Bilge, 1971: p. 267; Yavuz, 2002: p. 536; Zevkliler and Gökyayla, 2018: p. 618).

Only the transfer of these rights is not sufficient, but the author must accept that this right is in its possession, does not transfer this right to anyone other than the publisher, and that these rights will be in the monopoly of the publisher after the transfer to the publisher. Even if the work was published by someone without the knowledge of the author, it still does not remove its responsibility to the publisher. However, this situation is taken into account when determining the amount of compensation (Bilge, 1971: p. 274; Franko, 1981: p. 95; Giritlioğlu, 1967: p. 50; Yavuz, 2002: p. 538.)

Since the author has to transfer the right to reproduce and disseminate to the publisher, unless the agreed period has expired or the deadline has been set, no loss can be made to all or part of the work at the loss of the publisher unless the usual period for the exhaustion of the printed copies has expired (TBK 490/1). However, short articles published in newspapers and magazines and other periodicals are outside this ban, and the author may transfer them to another publisher (TBK 490/2). The chapters of a series of manuscripts published in several chapters of a periodic and a series of articles prepared at the end of a joint study cannot be republished three months after the publication (TBK 490/3). These regulations, which prohibit

the author's right to save on the work, are not mandatory and the parties may decide otherwise (Zevkliler and Gökyayla, 2018: p. 618; Bilge, 1971: p. 275; Franko, 1981: p. 123; Ayiter, 1981: p. 227; Yavuz, 2002: p. 538).

### **Author's Right to Correction and Improvement of Work**

The main right of the owner is to make the necessary corrections and improvements on the work he has given to the publisher for publication. However, the publisher's use of this right must not be contrary to the interest of the publisher and should not increase his / her responsibility (TBK 493). Otherwise, the publisher cannot use this right. In addition, due to corrections and improvements, the publisher who has to make extra expenses may request them from the publisher (TBK 493/1, c. 2). The publisher cannot publish or reprint the work without having the opportunity to revise and improve (or update to his successors) the author (TBK 493/II) (Yavuz, 2002: s. 539; Tunçomağ, 1977: p. 1143-1144; Franko, 1981: p. 203).

The publisher's right to determine the publication of multiple works that are given for publication separately or in combination, apart from the right to correct and correct the work (TBK 494); the right to translation (TBK 495); the right to demand (TBK 496); the right to ask the publisher to show the account and evidence documents (TBK 497/11); the right to request free copies (free copies) of the work (TBK 497 / III) (Gökyayla, 2001: p. 141; Yavuz, 2002: p. 539-540; ; Franko, 1981: p. 230).

## **THE RIGHTS AND OBLIGATIONS OF THE PUBLISHER IN THE PUBLISHING CONTRACT**

### **Publisher's Debt to Replication and Publishing of Author's Work**

To reproduce the work according to the nature, importance and scope of the publisher work has to choose a good printing method (TBK 491, 492). The printing system chosen should not affect the print quality of the work. Since the visuals to be used in the work are provided by the author, if there is any problem about the quality of the visuals in the print, the author should be informed about the subject and asked for correction (Sonmez, 2011: 1-11; Mutafoğlu et al., 2014: 147). It should be decided together with the author that the size of the work to be printed, the substrate, the quality of the cover and the quality of the binding form. The qualities of the work should be taken into consideration when determining the shape of the cover and binding. A common decision must be taken by informing the author about this issue (Tedesco et al., 2005: 12). Print, cover and binding must be carried out in accordance with the qualifications determined in this way. Otherwise, manufacturing will be defective. As a result, the author will be able to use his rights as a result of the disorder. For example; the author will be able to call the right to return from the contract, return the price, the price reduction and even the termination of the contract and the right to compensation (Yener et al., 2018: 234, Sönmez et al.: 2018: 236-239)

The parties may determine the terms and conditions regarding the reproduction and publication of the work in the contract. If the parties have not agreed on the method, how and how many copies, the right to determine the work belongs to the publisher. However, Article 492 of the TBK aimed to disseminate ideas and literary works using the distribution statement. For this reason, the publisher cannot make any abbreviations, additions or changes in the work without the permission of the publisher (TBK 492) (Zevkliler and Gökyayla, 2018: p. 621; Guhl/Merz/Kummer, 1972: p. 429; Franko, 1981: p. 140; Yavuz, 2002: p. 544-545; Tunçomağ, 1977: p. 1145-1146; Giritlioğlu, 1967: p. 56).

In the contract, if the work is not specified how many copies, the publisher shall have the authority to determine the number of prints in accordance with the nature of the work

(TBK 491/1). The publisher shall be liable to the author if the specified amount of printing is not carried out. In order to prevent the work to be reproduced more than the amount determined by the publisher, the documents, plates and films used during the printing process must be protected. Disposal should be carried out if these will not be used at all.

As a rule, the transferred right is limited to that edition and it cannot go back to the reprinting that is published after the printed copies (TBK 491/11). However, in the contract, if the publisher has been given the right to make further presses, the publisher shall have the right to make these subsequent prints. However, in such a case, after the copies of the printed press are exhausted, the publisher is obliged to print out after delaying and negating. If it does not fulfill this obligation, the author may request the publisher to print in this period by determining an appropriate period through the court. The publisher who fails to fulfill his obligations within the given period loses the right to make subsequent charges. (TBK 491/3, c. 2).

The most important of the new TBK m 491's innovations has been the necessity of specifying the length of the contract or the number of pressures (m. 491/2). In addition, it is stated that an appropriate time will be given to the new non-pressurized publisher, but the obligation to grant the period by the judge has been lifted (491/3, c. 1). In this case, it will be able to provide a suitable time for the new edition to be published. Another novelty is that the publisher may withdraw from the contract if the book is not published within the given time (m. 491/11, c. 2). Article 58 of the Law on Intellectual and Artistic Works also regulates that the author can withdraw from the contract if the right is not used. With the amendment made in Article 491 of the Turkish Commercial Code, the contract can be terminated by using the right of withdrawal against the publisher who does not use the right in the broadcasting contract.

Since the publisher is also responsible for the publication of the work, the publisher is obliged to make the necessary announcements, advertisements and similar preparations in order for the work to make sufficient sales (TBK 492/1). The publication rights of the copies of the published works belong to the publisher. But the publisher, the price; it does not keep the sale of the work high enough to make it difficult or difficult (TBK 492/2). The issuer's authority to determine the price is not certain, and the parties may decide otherwise (Franko, 1981: p. 176; Yavuz, 2002: p. 545; Giritlioğlu, 1967: p.61; Yarsuvat, 1984: p. 210.)

### **Copyright Fee Payment Debt of Publisher to Author**

496/1 of the Turkish Code of Obligations. The agent; Unless it is understood from the contract that the owner of the work does not ask for a fee, he / she should be paid a fee. Copyright is a kind of ownership right of intellectual products which are accepted as legal works. Copyright is the granting of rights to the use and dissemination of any information or thought product by law to certain persons. In short, the right to allow copying or use of an original creation. Charges payable at the time of publication are called royalties. Wage is not a mandatory item in the publishing contract. Without making any royalties, an author may transfer his / her rights to the publisher to be reproduced and distributed. Copyright fee can be paid in cash, it is accepted that the fee can be paid differently by giving a certain number of copies of the printed work (Franko, 1981: p. 185; Bilge, 1971: p. 280; Yavuz, 2002: p. 547; Giritlioğlu, 1967: s. 66-69; Yarsuvat, 1984: s. 212). The amount of this fee is determined by the judge if the contract has not been determined how much the royalty fee will be and if the parties are in dispute in this case (TBK 496/2). If the publisher has received the right to carry out the subsequent publication and, unless otherwise agreed in the contract, the fees and other conditions set forth for the first press shall also apply to the subsequent edition (TBK 496 / M). If the parties agree on when the copyright fee will be paid, the payment must be made at the time specified by them. If there is no such agreement, all of the work will be printed; If the part, such as volume and chapter will be printed, the fee must be paid after each part is printed and ready for sale (TBK 497/1).

Payment of the copyright fee is not a mandatory element of the publishing contract. Even if

the publisher commits to give the publisher the right to reproduce and disseminate the work free of charge, the contract is again a contract that gives full debt to both parties. The only interest of the owner is not to obtain a financial response from the work published. The publication of the work enables the owner to gain spiritual interest. In this way, the owner is recognized by the society, his reputation increases and his future financial interests will increase accordingly. For this reason, it cannot be said that a contract that does not pay royalties is a contract that lends debt to both parties (Zevkliler and Gökyayla, 2018: p. 622).

The liability of the publisher to pay the royalties as well as the debts of the publisher to show the issuer's accountability and proof documents (TBK 497/2); There are also debts such as free issuance debt (TBK 497 / III) which are published by the published copies of the work.

### **Publisher's Rights**

The publisher's right to determine the number of copies to be printed in cases not agreed in the contract (TBK 491); the right of the publisher to be reprinted at his / her own expense without any cost (TBK 499/1); in cases not agreed in the contract, the copies are entitled to determine the selling price (TBK 492 / H).

## **RESULTS**

The subject of the publication contract is a work. An idea product should be a unique work in order to be able to enter Intellectual and Artistic Works Act's protection field and be a creative idea product with its owner. In addition, this work should be included in one of the work groups considered as Intellectual and Artistic Works Act, the work has gained a certain form and the work to be presented to the community, should be publicized.

The author has the right to process the work, the right to reproduce, the right to propagate, the right to represent and the means of transmission to the public with the means of signal, sound and image transfer. These rights are called the material rights of the owner. In the real sense, the contract that publishes in the contract, such as reproduction and dissemination of the work is transferred to the publisher; it also assumes that he and others shall not hold rights on these rights and that such rights shall be protected in favor of the publisher. The publishing contract, which is made to introduce the rights on the work such as replication and dissemination to the publisher's monopoly use, is called the actual publishing contract. The contract, which is expressed as a broadcasting contract and regulated in the Turkish Code of Obligations, is also called the actual publishing contract.

In the publishing contract, the author of the work has the right to transfer the work to the publisher, to transfer the intellectual right over the work and to correct the debt and the work and to guarantee the existence of the work. The publisher owes the owner of the work to pay royalties to the author. Copyright is a kind of ownership right of intellectual products which are accepted as legal works. Copyright is the granting of rights to the use and dissemination of any information or thought product by law to certain persons. In short, the right to allow copying or use of an original creation. Intellectual and Artistic Works are protected by Law No. 5846. The purpose of this law is to determine the moral and financial rights of the performers who perform or interpret the works of art and their works on these products and to determine the sanctions in case of exploitation of these products. The author shall benefit from the existing laws provided that he proves his / her ownership of the rights. In this case, there is a difficulty in proving ownership and ownership of rights in the courts. If a work is owned and registered in a ill faith, the real rights holders are compensated by the material loss. The slow functioning of the courts in our country also leads to an increase in the existing grievances. Registration and registration procedures will be useful to provide proof of ownership in the possession of ownership and to act as a deterrent for malicious people.

## REFERENCES

1. AYİTER, N. (1981). Hukukta Fikir ve Sanat *Ürünleri*, 2. Basım, Sevinç Matbaası, Ankara, Turkey.
2. BİLGE, N. (1971). Borçlar Hukuku, Özel Borç Münasebetleri, Sevinç Matbaası, Ankara, Turkey.
3. CUMALIOĞLU, E., and ERVERDİ, Z. (2013). Türk Borçlar Kanunu'nun Yayım Sözleşmesine İlişkin Hükümleri ile Yapılan Değişiklikler ve Getirilen Yenilikler, (Prof. Dr. Mustafa Dural'a Armağan), Filiz Kitapevi, İstanbul, Turkey.
4. FRANKO, N. İ. (1981). Türk Borçlar Kanununa Göre Yayın Sözleşmesinin Hükümleri, A.İ.T.İ.A. Yayınları, Ankara, Turkey.
5. GİRİTLİOĞLU, N. (1967). Yayın Sözleşmesi, İstanbul Üniversitesi Yayınları, Cezaevi Matbaası, İstanbul, Turkey.
6. GÖKYAYLA, K. E. (2001). Telif Hakkı ve Telif Hakkının Devri Sözleşmesi, 2. Baskı, Yetkin Yayınevi, Ankara, Turkey.
7. GUHL, T; MERZ, H. and KUMMER, M. (1972). Das schweizerische Obligationenrecht, 6. Aufl., Zürich
8. MUTAFOĞLU, İ. C.; SÖZEN, M.; SOYSAL, T., and SÖNMEZ, S. (2014). Detection of Technical Problems Between Printing Houses and Advertising Agencies, and Suggestions for Solutions. International Basev Congress, İstanbul, Turkey.
9. SÖNMEZ, S. (2011). The Importance of Graphic Design Education in the Solving of Design-Based Printing Problems, Marmara University Journal of Institute of Pure and Applied Sciences, vol. 23, no.1, İstanbul, Turkey
10. SÖNMEZ, S.; YENER, M. D., and ÖZDEN, Ö. (2018). *Results and Defective Status States in The Printing and Publishing Sector*. The 6th International Printing Technologies Symposium, İstanbul, Turkey.
11. TEDESCO, T. J.; CLOSSEY, D., and HERSHEY, J.-M. (2005). Binding, Finishing and Mailing: The Final Word. PIA/GATF Press, Pittsburg, USA.
12. TEKİNALP, Ü. (2012). Fikrî Mülkiyet Hukuku, Vedat Kitapçılık, İstanbul, Turkey.
13. TUNÇOMAĞ, K. (1977). Borçlar Hukuku, 2. Cilt, Özel Borç İlişkileri, Sermet Matbaası, İstanbul, Turkey.
14. YARSUVAT, D. (1984). Türk Hukukunda Eser Sahibi ve Hakları, *İstanbul Üniversitesi Yayınları*, İstanbul, Turkey.
15. YAVUZ, C. (2002). Türk Borçlar Hukuku Özel Hükümler, Beta Yayıncılık, İstanbul, Turkey.
16. YENER, M. D.; SÖNMEZ, S., and BAŞOĞLU, U. (2018). Public Tenders in Turkish Printing and Publishing Sector and Consequences of Contradictions to Tender Conditions: in Innovative Approaches in Social, Human and Administrative Sciences, Gece Publishing, vol. 2, Chapter 17, Ankara, Turkey.
17. ZEVLİLİLER, A. and GÖKYAYLA, E. (2018). Borçlar Hukuku Özel Borç İlişkileri, Turhan Kitapevi, Ankara, Turkey.

# Attitude of Young Consumers towards the Online Retailer

**Ismail Tamer TOKLU<sup>1</sup>**

## CHAPTER 7

---

<sup>1</sup> Assist. Prof. Dr., Recep Tayyip Erdoğan University





## 1. INTRODUCTION

Young generations have very different behaviours in terms of computer use since they were born and raised with technology. Technology has begun to reshape consumption behaviours and habits with lifestyle brought to daily life by innovations and conveniences. While the Internet has a profound effect on marketing, the spread of mobile media such as smart phones has opened up new windows to marketers.

It is now observed that consumers are comfortable in buying goods online. It is expected that e-commerce would increase even more with an increasing number of devices and easier internet access (Noort et al., 2008). In order to provide customers with repeated visits to shopping sites, it is a requirement that online retailers create websites that fulfill customer demands based on the customer's point of view. In order to define the variables that may impact the buying behaviour of the customers on the Web, a wide variety of studies are performed (Poddar et al., 2009).

Nielsen's (2019) report on Turkey indicates that ultra-convenience is the most important factor in the shopping preferences of Y and Z generations. Fashion, cosmetics / personal care and technology are among the most purchased categories. Online shopping motivations of these young generations are price, variety and speed. The Internet is the place of life and socialization for the generations, and the mobile phone is perceived as a part of the body. Visuality is stated as the foreground for generation Z. The generations differ in preference of search engine and social media. Generation Z prefers YouTube and Instagram while generation Y prefers Facebook and Google. This change of youth is defined as "Youthquake" like an earthquake.

This study examines the effects of web page quality, retailer awareness, retailer associations, perceived retailer quality and retailer loyalty on the website satisfaction and the effect of satisfaction on attitude towards the online retailer of young consumers. In addition, the effects are also examined such as attitude on the purchase intention, revisit intention and repurchase intention on purchase intention. Online retailer sites were presented to consumers for this purpose. The sampling of the study was selected among the university students by using convenience sampling method. The research data were collected by means of a web-based questionnaire. SPSS v23 statistical program and SmartPLS structural equation modelling were employed to analyse the data. As far as it is concerned, the research is important to understand the response of young consumers to online retailing.

## 2. THEORETICAL BASE AND HYPOTHESIS DEVELOPMENT

### 2.1. Website Quality

Website quality is defined as the perceived comprehensive quality of an internet dealing centre based on the buyers' perspective (Shin et al., 2013). The quality of the website becomes an issue that needs to be considered as customer needs become more complex and environmentally competitive. It is pointed out that the customers perceive the difference of the actual product less and demonstrates less brand loyalty, and become more responsive to price and quality in seeking for value in today's environment (Moore and Carpenter, 2006). Therefore, the quality of the website is positively correlated with the number of customers who visit and make a transaction in the site (Liang and Lai, 2002). Businesses can achieve profit objectives by providing a satisfactory shopping experience on the basis of consumer needs (Richard, 2005). The quality of a website is related to how it facilitates an effective and efficient purchasing experience and directly affects customer satisfaction. Accordingly, the hypothesis of the research can be formulated as the followings.

H1. Website quality impacts satisfaction.

## 2.2. Customer Based Retailer Equity

The concept of customer based retailer equity like brand equity consists of four dimensions: retailer awareness, retailer associations, perceived retailer quality and retailer loyalty. Essential strategic apprehension for retailers is building brand equity which offers many advantages such as increasing income and profitability by launching store brands, benefiting from their names and isolating their competitors (Ailawadi and Keller, 2004). The assessment of the results of brand equity management is one of the most important measurement issues for intangible assets in the new economy. The company demonstrates that quality, brand loyalty and brand awareness are perceived as precursors of performance, customer value and willingness to buy (Baldauf et al., 2003). It is asserted that there is a positive relationship between customer-based brand equity components and the performance of luxury hotel and chain restaurants (Kim and Kim, 2005). A strong business reputation, such as reputed brands, guarantees, and better perceived goods, could reduce the risk of persuading consumers to purchase online (Tan, 1999; Lwin and Williams, 2006). The quality of service affects attitude and satisfaction relatively in stores. Willingness to purchase is positively impacted by retailer awareness, retailer association, retailer perceived quality and retailer loyalty (Das, 2014). Perceived value affects customer satisfaction and willingness to buy positively (Kuo et al., 2009). Conceptually, satisfaction is a positive psychological result that can affect an emotional variable such as attitude (Corral-Verdugo, 2012). Previous experiences with online shopping and the perceived usefulness of the system have been found to affect purchasing behaviour (Jarvelainen, 2007). Satisfaction affects attitude, repurchase, and recommendation (Sivadas and Baker-Prewitt, 2000). This can be conceptualized as a possibility of a later purchase of a customer who has previously purchased online. Accordingly, other hypotheses of the research can be formulated as the followings.

H2. Retailer awareness impacts satisfaction.

H3. Retailer associations impact satisfaction.

H4. Retailer perceived quality impacts satisfaction.

H5. Retailer loyalty impacts satisfaction.

## 2.3. Attitude towards Online Retailer

Attitude is influenced by knowledge and total content. General satisfaction is an emotional response to a good or service content (Spreng et al., 1996). Here, general satisfaction is determined by two factors namely experience and satisfaction quality (Abdul-Muhmin, 2011). The first is the experience of previous online purchase problems. It is a total assessment of performance depending on entire previous experience with the product or service (Jones et al., 2000). The latter can be explained by consumer satisfaction with the performance of online retailers regarding the key dimensions of marketing (Hellier et al., 2003). Overall satisfaction was detected as related positively to repurchase (Selnes, 1998; Anderson and Sullivan, 1993).

Attitude is, by definition, favorable or unfavorable emotions (or imbibed tendencies) about an individual, substance or subject. The attitude towards purchasing online in relation to this definition is the level of emotion of a consumer to buy an online product. The literature links consumer attitudes with behavioural intention. The scholars studying on psychology, consumer behaviour, and marketing generally approve the behavioural intention, and in particular the ability of attitude in explaining the intention to buy again (e.g. Hellier et al., 2003). The Theory of Reasoned Action specifies that attitude of individuals positively affects behavioural intention (Ajzen and Fishbein, 1980). Willingness to shopping online is impacted by consumer attitudes towards website (Monsuwe et al., 2004; Noort et al., 2008). The studies on consumers' online buying behaviour have shown

that attitudes towards online shopping have a positive effect on online willingness to buy (George, 2002; Monsuwe et al., 2004). Consumers with positive attitudes to the website would have better tendency to buy or revisit (Limbu et al., 2012).

Satisfaction occurs when consumer expectations are met or exceeded. Satisfaction reinforces the favorable attitude towards the brand and the website, which in turn affects the consumer's buying behaviour. The purchasing behaviour guides to an improvement in the likelihood that it will buy the same brand again (Dabija and Babut, 2014) and to visit the site again. Accordingly, the remaining hypotheses of the research can be formulated as the followings.

- H6. Satisfaction impacts the attitude towards the website.
- H7. Attitude towards the website impacts the purchase intention.
- H8. The purchase intention impacts the revisit intention.
- H9. The purchase intention impacts the repurchase intention.

According to the conceptual model generated, the dimensions of website quality and customer based retailer equity of retailer awareness, retailer associations, perceived retailer quality and retailer loyalty impact consumer satisfaction. Satisfaction also affects the attitude towards the website. Next, attitude impacts the purchase intention, then the purchase intention impacts the revisit intention and the repurchase intention. The model of the study is specified in Figure 1. The research model was tested using the following methodology.

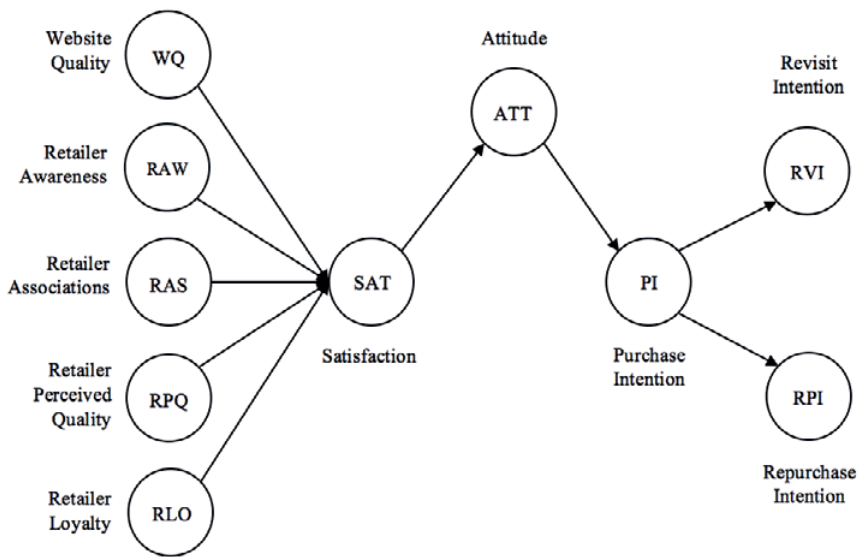


Figure 1. Research model

### 3. METHODOLOGY

The scales for the variables in the study were acquired from the literature. The scale of webpage quality was developed by Wolfinbarger and Gilly (2003) and used by Kim et al. (2013). The scale developed by Pappu and Quester (2006) and used by Das et al. (2012) was preferred for retailer awareness, retailer perceived quality, retailer perceived quality, and retailer loyalty, which are the components of customer based retailer equity. The scale created by Oliver (1997) and used by Liao et al. (2017) for satisfaction, which is defined as the emotional response of consumers to consumption and general consumption

experience, was found convenient. The scale developed by Chen and Wells (1999), and used by Limbu et al. (2012) was found suitable for attitude towards the website. The scale adopted by Yoo and Donthu (2001), and used by Limbu et al. (2012) was employed in relation to willingness to buy and revisit intention. And the last, the scale of repurchase intention belongs to Shin et al. (2013) and Park et al. (2010).

The survey questions were scaled in Likert format with seven points. 1 means 'I strongly disagree' here and 7 means 'I definitely agree'. The data of the study were collected by using a web-based survey method applied to the students who were selected using convenience sampling method in Findıklı School of Applied Sciences at Recep Tayyip Erdoğan University. The questionnaire was attended by 93 people between 10-13 December 2018. IBM SPSS v23 statistics program and non-parametric (Hair et al., 2014) SmartPLS Structural Equation Modelling which can work with small sample numbers were used in the analysis of data.

## 4. RESULTS

The demographic characteristics of 93 consumers participating in the survey are as the followings. 52.7% (49 people) of the participants are female and 47.3% (44 people) are male. While 13% (12 people) are younger than 20 years old, 87% (81 people) are older than 20 years old. Although the participants stated that they purchased electronic products, books and sports goods online, it was determined that the most purchased product category was found as the clothing items. [www.trendyol.com](http://www.trendyol.com) was confirmed as the most preferred platform while it was determined that various brands of electronic media are used in online retail.

In the analysis of the model, there are two phases of which measurement model and structural model. It is ensured that the structure is reliable and valid in evaluating the relationships in the model (Hulland, 1999). The foresight capability of the model is detected by the path coefficients.

### 4.1. The Measurement Model Results

PLS structural equation model measures the measurement model and estimates the structural model coefficients (Hair et al., 2014). The reliability and validity of the latent variables is examined in the structural model. Assessment is carried out for item reliability, composite reliability, convergent validity and discriminant validity in the structural model. The square of outer loading is equal to item reliability. The coefficients of 0.70 or higher are acceptable for outer loadings. Meanwhile, Hulland (1999) confirms that the coefficients of 0.40 and higher are satisfactory for exploratory researches. The model was confirmed as reliable since the indicator reliabilities were above the threshold value. Cronbach's Alpha measures the reliability of internal consistency. But literature recommends composite reliability in place of Cronbach's Alpha (Bagozza and Yi, 1988; Hair et al., 2012). Cronbach's Alpha is also a proof for composite reliability and the threshold value is 0.60. The values of Cronbach's Alfa and composite reliabilities are over the advised threshold values. This means that the values of the model confirm composite reliabilities and internal consistency. AVE (Average Variance Extracted) specifies and confirms the convergent and discriminant validities with the higher values of 0.5 (Bagozzi and Yi, 1998). Table 1 summarizes the figures of indicator loadings, item reliabilities, Cronbach's Alpha, composite reliability and AVE.

Latent Vari- able	Items	Loading	Item Reliability	Cronbach's Alpha	Composite Reliability	AVE
WQ (Website quality)	WQ4	0.742	0.551	0.841	0.886	0.610
	WQ5	0.814	0.663			
	WQ6	0.744	0.554			
	WQ7	0.810	0.656			
	WQ8	0.792	0.627			
RAW (Retailer Awareness)	RAW1	0.863	0.745	0.729	0.848	0.582
	RAW2	0.853	0.728			
	RAW3	0.693	0.480			
RAS (Retailer Associations)	RAS1	0.753	0.567	0.760	0.848	0.582
	RAS3	0.734	0.539			
	RAS4	0.767	0.588			
	RAS5	0.797	0.635			
RPQ (Retailer Perceived Quality)	RPQ1	0.862	0.743	0.899	0.930	0.768
	RPQ2	0.836	0.699			
	RPQ3	0.907	0.823			
	RPQ4	0.899	0.808			
RLO (Retailer Loyalty)	RLO1	0.787	0.619	0.745	0.855	0.663
	RLO2	0.836	0.699			
	RLO3	0.819	0.671			
SAT (Satisfaction)	SAT1	0.786	0.618	0.907	0.935	0.784
	SAT2	0.895	0.801			
	SAT3	0.926	0.857			
	SAT4	0.928	0.861			
ATT (Attitude)	ATT1	0.856	0.733	0.910	0.937	0.788
	ATT2	0.865	0.748			
	ATT3	0.930	0.865			
	ATT4	0.899	0.808			
PI (Purchase Intention)	PI1	0.930	0.865	0.920	0.949	0.862
	PI2	0.931	0.867			
	PI4	0.924	0.854			
RVI (Revisit Intention)	RVI1	0.933	0.870	0.812	0.913	0.840
	RVI2	0.900	0.810			
RPI (Repurchase Intention)	RPI1	0.953	0.908	0.892	0.949	0.902
	RPI2	0.947	0.897			

**Table 1.** The assessment of measurement model

In addition, discriminant validity was also checked by Fornell and Larcker (1981) analysis. Table 2 confirms the discriminant validity of the model since "each figure in bold showing the AVE's square root in the diagonal is greater than the off-diagonal figures in its corresponding row and column" (Toklu and Ozturk Kucuk, 2017).

	ATT	PI	RAS	RAW	RLO	RPI	RPQ	RVI	SAT	WQ
ATT	<b>0.888</b>									
PI	0.677	<b>0.929</b>								
RAS	0.698	0.557	<b>0.763</b>							
RAW	0.601	0.426	0.645	<b>0.807</b>						
RLO	0.655	0.506	0.534	0.422	<b>0.814</b>					
RPI	0.769	0.803	0.612	0.575	0.609	<b>0.950</b>				
RPQ	0.636	0.453	0.711	0.491	0.617	0.499	<b>0.876</b>			
RVI	0.683	0.804	0.556	0.509	0.539	0.860	0.384	<b>0.917</b>		
SAT	0.866	0.606	0.681	0.614	0.633	0.708	0.625	0.619	<b>0.886</b>	
WQ	0.635	0.550	0.656	0.520	0.368	0.566	0.500	0.509	0.691	<b>0.781</b>

**Table 2.** Fornell-Larcker criteria analysis

## 4.2. The Structural Model Results

The strength of direct relationships between constructs is pointed out by path coefficients or Stdβs. Bootstrapping is utilized to estimate the accuracy of the PLS estimates and causal order between constructs. Six out of nine path coefficients were found significant while remaining three were insignificant.

Table 3 summarizes T statistics. T test revealed the following impacts between variables. Web site quality (Stdβ = 0.383,  $p = 0.000$ ) and retailer loyalty (Stdβ = 0.323,  $p = 0.000$ ) have impacts on satisfaction, while retailer awareness, retailer associations and retailer perceived quality have not. Satisfaction (Stdβ = 0.866,  $p = 0.000$ ) has impact on attitude. Attitude (Stdβ = 0.677,  $p = 0.000$ ) has effect on willingness to buy which has effect on revisit intention (Stdβ = 0.804,  $p = 0.000$ ) and repurchase intention (Stdβ = 0.803,  $p = 0.000$ ).

Then,  $R^2$  values were used in overall explanatory power of the structural model. First, web site quality, retailer awareness, retailer associations, retailer perceived quality and retailer loyalty explain 68.7% ( $R^2$ adjusted is 66.9%) of the variation in satisfaction. Second, satisfaction explains 74.9% ( $R^2$ adjusted is 74.7%) of the variation in attitude. Third, attitude explains 45.9% ( $R^2$ adjusted is 45.3%) of the variation in purchase intention. Fourth, purchase intention explains 64.6% ( $R^2$ adjusted is 64.2%) of the variation in revisit intention and the last, purchase intention explains 64.5% ( $R^2$ adjusted is 64.1%) of the variation in repurchase intention.

$F^2$  values of the model, which is the effect sizes, are as followings: SAT → ATT with 2.991, PI → RVI with 1.827, PI → RPI with 1.814, ATT → PI with 0.847, WQ → SAT with 0.259 and RLO → SAT with 0.198, respectively.



Hypothesis	Stdβ	Sample mean	Standard deviation	T statistics	p value	Result
H1: WQ→SAT	0.383	0.373	0.107	3.587	0.000	Supported
H2: RAW→SAT	0.819	0.205	0.106	1.779	0.076	Not Supported
H3: RAS→SAT	0.084	0.083	0.096	0.877	0.381	Not Supported
H4: RPQ→SAT	0.071	0.066	0.083	0.865	0.387	Not Supported
H5: RLO→SAT	0.323	0.320	0.078	4.150	0.000	Supported
H6: SAT→ATT	0.866	0.868	0.029	29.636	0.000	Supported
H7: ATT→PI	0.677	0.677	0.089	7.649	0.000	Supported
H8: PI→RVI	0.804	0.804	0.047	17.026	0.000	Supported
H9: PI→RPI	0.803	0.799	0.080	9.995	0.000	Supported

Table 3. T-statistics results

Figure 2. exhibits the revised structural model.

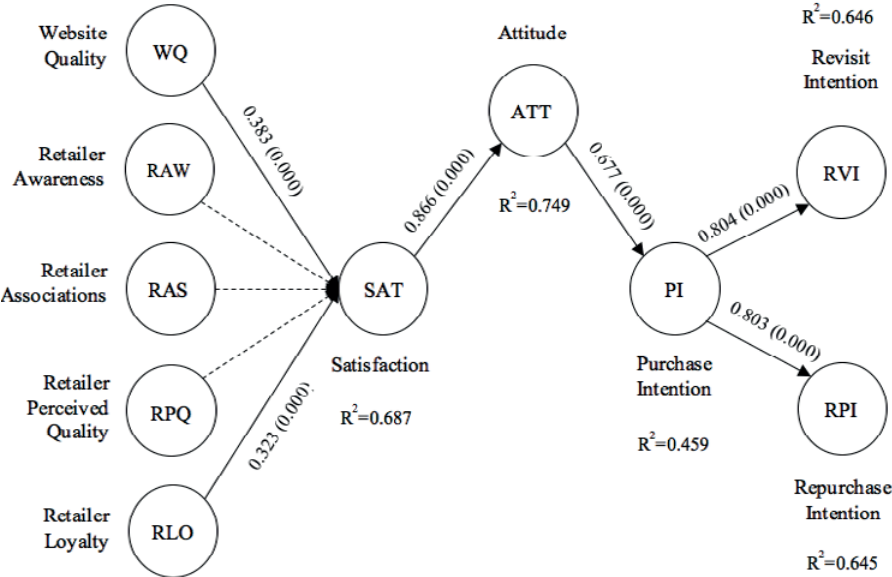


Figure 2. Revised structural model

## 5. DISCUSSION

Online shopping companies are among the largest enterprises in the world and their share in the market increases very fast with the rapid development of internet technology. Turkey with high population and intense young consumers has achieved significant improvements in online retailing. The sustainable increase in the market share of online retailing, which utilizes the advantage of fast logistics, combined with the convenience, ample variety and competitive prices it offers, is more about meeting the expectations of the consumers. The study is important in understanding the attitudes of young consumers.

According to the results of the study, the effect of webpage quality and retailer loyalty was found significant on satisfaction, while retailer awareness, retailer associations and retailer perceived quality were not. Besides, satisfaction was found influential on attitude, which in turn the attitude on purchase intention was found significant. Purchase intention was also found to be effective on the revisit and repurchase intentions. The findings are in consistent with the literature (e.g. Shin et al., 2013).

The quality of the website is the key topic in developing satisfaction, attitude formation, purchase intention, revisit and repurchase intentions based on the findings obtained from the research. When the items of the website variable are examined, it is noticed that the factor loadings of the customer relations, and the fit between the product on the web and the product delivered are high. But, the factor loadings of the items related to design, logistics and security are low. The development of these issues related to web design will help the retailer to meet consumer expectations better.

The dimensions of customer-based retailer equity except retailer loyalty were not determined to impact satisfaction. The result may imply that online retailers do not make enough investment in their brand equity. Awareness, associations, perceived quality and loyalty are the dimensions that constitute brand equity. The development of brand equity can help the company to maintain their strong position and provide significant superiority against possible major competitors. The online retail brands used by the participants in the study are mostly locally owned enterprises. An important step to be taken against global companies such as Amazon is to improve brand equity without losing time. Marketing programs are urged to develop the brandings of websites.

There are some limitations to the research. The research was conducted on a limited number of young university students, which constitute the educated part of society. Research on young people with different socioeconomic status may yield different results. The research uses cross-sectional design and does not examine the long-term trends.

## **Appendix 1. The variables and items used in the research**

### **Website quality**

*WQ1. The website is pretty planned not to consume my time.*

*WQ2. The website supplies detailed notice.*

*WQ3. Completing a transaction on this website is quick and easy.*

*WQ4. If you experience a trouble, the website tries to solve it sincerely.*

*WQ5. The firm is ready and willing to reply to customers' demands.*

*WQ6. Questions are replied immediately.*

*WQ7. The product delivered has been correctly represented by the website.*

*WQ8. What I got after I bought, it was what I anticipated.*

*WQ9. Product is handed over on time as committed by the firm.*

*WQ10. I feel my confidentially is preserved on the website.*

*WQ11. I feel confident with the site in my operations.*

### **Retailer awareness**

*RAW1. I am aware of X retailers.*

*RAW2. Some features of X retailers come quickly to my mind.*

*RAW3. I can recognize X among other retailers.*

### **Retailer associations**

- RAS1. X retailer offers a very good store atmosphere.
- RAS2. X retailer offers many appropriate facilities.*
- RAS3. X retailer offers a wide variety of products.
- RAS4. X retailer offers very good after-sales service.
- RAS5. X retailer provides a very good customer service.

**Retailer perceived quality**

- RPQ1. X retailer offers very high quality products.
- RPQ2. X retailer offers appropriate quality products.
- RPQ3. X retailer provides very reliable products.
- RPQ4. X retailer offers products with excellent features.

**Retailer loyalty**

- RL01. I consider myself loyal to X retailers.
- RL02. I don't buy other retailers' products if I can buy the same product in X retailers.
- RL03. X retailers are my first choice.

**Satisfaction**

- SAT1. My experience with e-retailer was satisfying.
- SAT2. In general, I am pleased that the e-retailer executed procedures.
- SAT3. Overall, I was contented with the service I received from the e-retailer
- SAT4. I'm glad I made the purchase from the e-retailer

**Attitude towards website**

- ATT1. This website makes it easier for me to contact this company.
- ATT2. I feel comfortable surfing around this site.
- ATT3. I would like to visit this site again in the future.
- ATT4. I am satisfied with the service offered by this website.

**Purchase intention**

- PI1. I will buy products from this site in the near future.
- PI2. I plan to buy a product from this site in the near future.
- PI3. I will buy a product from this site in the near future.*
- PI4. I hope to buy a product from this site in the near future.

**Revisit intention**

- RVi1. I hope to visit this site again in the near future.
- RVi2. I am encouraged to visit this site again in the near future.

**Repurchase intention**

- RPI1. I would like to buy a product once again from this site.
- RPI2. I would like to buy products continuously from this site.
- RPI3. I would like to buy a product from this site next time*

*\*Removed item because of low factor loading*

X: The most shopped website

## REFERENCES

1. Abdul-Muhmin, A.G. (2011). Repeat Purchase Intentions in Online Shopping: The Role of Satisfaction, Attitude, and Online Retailers' Performance. *Journal of International Consumer Marketing*, 23, 5-20.
2. Ailawadi, K.L. and Keller, K.L. (2004). Understanding retail branding: conceptual insights and research priorities. *Journal of Retailing*, 80 (4), 331-342.
3. Ajzen, I. and Fishbein, M. (1980). *Understanding Attitudes and Predicting Social Behavior*. Prentice-Hall, Englewood Cliffs, NJ.
4. Anderson, E. W. and Sullivan, M. W. (1993). The antecedents and consequences of customer satisfaction for firms. *Marketing Science* 12 (2), 125-143.
5. Bagozzi, R., Baumgartner, H. and Yi, Y. (1989). An investigation into the role of intentions as mediators of the attitude-behavior relationship. *Journal of Economic Psychology*, 10 (1), 35-62.
6. Baldauf, A., Cravens, K.S. and Binder, G. (2003). Performance consequences of brand equity management: evidence from organizations in the value chain. *Journal of Product & Brand Management*, 12 (4), 220-236.
7. Chen, Q. and Wells, W. (1999). Attitude toward the site. *Journal of Advertising Research*, 39 (5), 27-37.
8. Corral-Verdugo, V. (2012). The positive psychology of sustainability. *Environment, Development and Sustainability*, 14 (5), 651-666.
9. Dabija, D.C. and Babut, R. (2014). Enhancing consumers' satisfaction and loyalty of retailers in Romania through store ambiance and communication. *Procedia Economics and Finance*, 15, 372-382.
10. Das, G. (2014). Linkages of retailer awareness, retailer association, retailer perceived quality and retailer loyalty with purchase intention: A study of Indian food retail brands. *Journal of Retailing and Consumer Services*, 21 (3), 284-292.
11. Das, G., Datta, B. and Guin, K.K. (2012). Impact of retailer personality on consumer-based retailer equity: An empirical study of retail brands. *Asia Pacific Journal of Marketing and Logistics*, 24 (4), 619-639.
12. Fornell, C. and Larcker, D.F. (1981). Evaluating structural models with unobservables variables and measurement error. *Journal of Marketing Research*, 18 (1), 39-50.
13. George, J. (2002). Influences on the intent to make internet purchases. *Internet Research: Electronic Networking Applications and Policy*, 12 (2), 165-180.
14. Hair, J.F., Hult, G.T.M., Ringle, C.M. and Sarstedt, M. (2014). *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)*. SAGE Publications.
15. Hair, J.F., Sarstedt, M., Ringle, C.M. and Mena, J.A. (2012). An assessment of the use of partial least squares structural equation modeling in marketing research. *Journal of the Academy of Marketing Science*, 40 (3), 414-433.
16. Hellier, P. K., Geursen, G. M., Carr, R. A. and Rickard, J. A. (2003). Customer repurchase intention: A general structural equation model. *European Journal of Marketing*, 37 (11/12), 1762-1800.
17. Hulland, J. (1999). Use of partial least squares (PLS) in strategic management research: A review of four recent studies. *Strategic Management Journal*, 20 (2), 195-204.
18. Jarvelainen, J. (2007). Online purchases intention: an empirical testing of a multiple-theory model. *Journal of Organizational Computing and Electronic Commerce*, 17 (1), 53-74.

19. Jones, M. A., Mothersbaugh, D. L. and Beatty, S. E. (2000). Switching barriers and repurchase intentions in services. *Journal of Retailing*, 76 (2), 259-274.
20. Kim, H. and Kim, W.G. (2005). The relationship between brand equity and firms' performance in luxury hotels and chain restaurants. *Tourism Management*, 26 (4), 549-560.
21. Kim, J., Yang, K. and Kim, B.Y. (2013). Online retailer reputation and consumer response: examining cross cultural differences. *International Journal of Retail & Distribution Management*, 41 (9), 688-705.
22. Kuo, Y.F., Wu, C.M. and Deng, W.J. (2009). The relationships among service quality, perceived value, customer satisfaction, and post-purchase intention in mobile value-added services. *Computers in Human Behavior*, 25 (4), 887-896.
23. Liang, T. and Lai, H. (2002). Effect of store design on consumer purchase: An empirical study of online bookstores. *Information and Management*, 39 (6), 431-444.
24. Liao, C., Lin, H.N., Luo, M.M. and Chea, S. (2017). Factors influencing online shoppers' repurchase intentions: The roles of satisfaction and regret. *Information & Management*, 54 (5), 651-668.
25. Limbu, Y.B., Wolf, M. and Lunsford, D. (2012). Perceived ethics of online retailers and consumer behavioral intentions: The mediating roles of trust and attitude. *Journal of Research in Interactive Marketing*, 6 (2), 133-154.
26. Lwin, M.O. and Williams, J.D. (2006). Promises, promises: how consumers respond to warranties in internet retailing. *Journal of Consumer Affairs*, 40 (2), 236-260.
27. Monsuwe, T. P., Dellaert, B. G. C. and de Ruyter, K. (2004). What drives consumers to shop online? A literature review. *International Journal of Service Industry Management* 15 (1), 102-121.
28. Moore, M. and Carpenter, J. (2006). The effect price as a marketplace cue on retail patronage. *Journal of Product & Brand Management*, 15 (4), 265-271.
29. Nielsen (2019). Nielsen Report, available at <https://www.nielsen.com/tr/tr/insights/news/2018/trends-in-rapid-consumption-have-changed.html>, accessed on Jan. 21, 2019.
30. Noort, V. G., Kerkhof, P. and Fennis, B.M. (2008). The persuasiveness of online safety cues: the impact of prevention focus compatibility of web content on consumers' risk perceptions, attitudes, and intentions. *Journal of Interactive Marketing*, 22 (4), 58-72.
31. Oliver, R.L. (1997). Satisfaction: A Behavioral Perspective on the Consumer. McGraw-Hill, New York.
32. Pappu, R. and Quester, P. (2006). A consumer-based method for retailer equity measurement: results of an empirical study. *Journal of Retailing and Consumer Services*, 13 (5), 317-329.
33. Park, I., Bhatnagar, A. and Rao, H. R. (2010). Assurance seals, on-line customer satisfaction, and repurchase intention. *International Journal of Electronic Commerce*, 14 (3), 11-34.
34. Poddar, A., Donthu, N. and Wei, Y. (2009). Web site customer orientation, web site quality, and purchase intention: The role of web site personality. *Journal of Business Research*, 62 (4), 441-450.
35. Raney, A.A., Arpan, L.M., Pashupati, K. and Brill, D.A. (2003). At the movies on the web: an investigation of the effects of entertaining and interactive web content on site and brand evaluations. *Journal of Interactive Marketing*, 17 (4), 38-53.

36. Richard, M. O. (2005). Modeling the impact of Internet atmospherics on surfer behavior. *Journal of Business Research*, 58 (12), 1632-1642.
37. Selnes, F. (1998). Antecedents and consequences of trust and satisfaction in buyer-seller relationships. *European Journal of Marketing*, 32 (3/4), 305-322.
38. Shin, J.I., Chung, K.H., Oh, J.S. and Lee, C.W. (2013). The effect of site quality on repurchase intention in Internet shopping through mediating variables: The case of university students in South Korea. *International Journal of Information Management*, 33 (3), 453-463.
39. Sivadas, E. and Baker-Prewitt, J.L. (2000). An examination of the relationship between service quality, customer satisfaction, and store loyalty. *International Journal of Retail & Distribution Management*, 28 (2), 73-82.
40. Spreng, R. A., MacKenzie, S. B. and Olshavsky, R.W. (1996). A re-examination of the determinants of consumer satisfaction. *Journal of Marketing*, 60 (3), 15-32.
41. Tan, S.J. (1999). Strategies for reducing consumer risk aversion in internet shopping. *Journal of Consumer Marketing*, 16 (2), 163-180.
42. Toklu, I.T. and Ozturk Kucuk, H. (2017). The Impact of Brand Crisis on Consumers' Green Purchase Intention and Willingness to Pay More. *International Business Research*, 10 (1), 22-33.
43. Turban, E., Lee, J., King, D. and Chung, H.M. (2000). *Electronic Commerce: A Managerial Perspective*. Prentice-Hall, Upper Saddle River, NJ. (in Limbu et al., 2012).
44. Wolfinbarger, M. and Gilly, M.C. (2003). EtailQ: dimensionalizing, measuring and predicting etail quality. *Journal of Retailing*, 79 (3), 193-198.
45. Yoo, B. and Donthu, N. (2001). Developing a scale to measure the perceived quality of an internet shopping site (SITEQUAL). *Quarterly Journal of Electronic Communication*, 2 (1), 31-46.

# Feminisms And Feminist Thoughts During The History

**Ali OŞKUN<sup>1</sup>**

**Emine ÖZTÜRK<sup>2</sup>**

**Sadagat ABBASOVA<sup>3</sup>**

## CHAPTER 8

---

<sup>1</sup> Ast. Prof. Dr., Lecturer in the Department of Sociology of Religion in the Faculty of Theology at Marmara University

<sup>2</sup> Ast. Prof. Dr., Lecturer in the Department of Sociology of Religion in the Faculty of Theology at Kafkas University

<sup>3</sup> Assoc. Prof. Dr., Lecturer in the Department of Philology in the Faculty of Literature at Kafkas University





## 1. CONCEPTUAL AND THEORETICAL FRAMEWORK

### 1. Definition of Feminism

Feminism is a concept such as Marxism and Socialism came from the European languages to Turkish. Feminism is an ideology which is a product of the Europe after the Age of Enlightenment. It is a concept, which bears the stamp and the traces of the Age of Enlightenment because it has emerged through the social, economical and political conditions of the European society in the Age of Enlightenment. These concepts have emerged in the Europe and spread to the world because similar social and political conditions were not found in any other geography of the world in the relevant period. Therefore, these concepts have a meaning column in dictionaries published in the European languages. For this reason, they have been translated into Turkish by protecting their meaning in the original language such in other ideological denotations.

According to Felix Grendon, the term "feminism" was firstly used by Alexandre Dumas, who was a French dramatist, in a pamphlet named "*L'Homme-femme*" in 1872 to describe the movement for women's rights.<sup>1</sup> Any detailed description of feminism has not been found in the literature, unfortunately. Therefore, a general definition of feminism can be made as indicated below.

*In a philosophical sense, feminism is a philosophical school or theory which has been divided into many different branches until the 21<sup>st</sup> century and brought forward by women in the 19<sup>th</sup> century to seek their rights in accordance with the Declaration of Natural Rights because women were exposed to a serious psychological pressure during the whole European history, they were accused of witchcraft and burnt, they were not permitted to read and even to touch the Bible, their rights such as the rights of succession, divorce and property were taken away, and the Age of Enlightenment, the French Revolution and the Declaration of Human Rights did not provide them with their rights.*<sup>2</sup>

*In a sociological sense, feminism is a social movement, which takes its inspiration from the Declaration of Natural Rights, supports the woman's role in the family and the society, suggests that the women should have all rights the men have in the public sphere, that men and women should share their tasks in the housework and that an appropriate environment should be prepared for the women to take an active role in business life, supports environmental and peace movements, pioneers many social changes in the last two hundred years, and is a social fact which is a subject of the sociological researches as a result of actual efforts of the representatives of this movement.*<sup>3</sup>

## 2. REASONS FOR THE EMERGENCE OF FEMINISM

Reasons for the emergence of feminism can be briefly defined as follows.

1. The first factor affected the emergence of feminism was the incredible cruelties and injustices against women throughout the European history. These cruelties have paved the way for the European women to begin shouting as "We are human". During that period, women were deprived of their rights such as the rights of succession, divorce and property<sup>4</sup>, they were accused of witchcraft and burnt<sup>5</sup>, and various agreements, which indicate that only poor women can be attacked, were made between

<sup>1</sup> Grendon, Felix, "Feminism", *Encyclopedia Americana*, New York-1970, v. 11, p.107.

<sup>2</sup> Ozturk, Emine, *Türk Kadınının Feminizme Bakışı*, Istanbul: Ravza Yay., 2007, p. 10.

<sup>3</sup> Ozturk, *ibid.*, p.11.

<sup>4</sup> Bendason, Ney, *Baslangıcından Günümüze Kadın Hakları*, translator: Sirin Tekeli, İletişim Yay., p. 23-29

<sup>5</sup> Scott, George Ryley, *İskencenin Tarihi*, Dost Kitabevi, Ankara-February/2001, p. 111-116.

knight and feudal lords<sup>6</sup> as if it was a usual and normal situation.

2. One of the reasons for the emergence of feminism is that women have begun to question their problems, to demand their rights and to organize for that purpose through the effect of Humanism and Enlightenment philosophy because many philosophers in the Age of Enlightenment refused to accept the women's rights and roles in both their studies and the doctrine of natural rights put into effect in that period.<sup>7</sup> and normal situation.
3. The third important factor in the emergence of feminism is the Industrial Revolution. The foundation of the Enlightenment thought was laid with the Renaissance and Reformation movements. Through the Age of Enlightenment and the French Revolution, people have begun to read more books, discussed various issues, discovered many facts, eliminated mistakes in the society, and scientific researches continued increasingly. Therefore, the only truth has been considered as the scientific truth, and the only fact has been considered as the scientific fact in that period. After the Age of Enlightenment, the fact that the truth can be reached only by scientific and experimental methods has been considered as the essential principle in accordance with Newton's mechanical metaphor. According to this principle, there are only three elements defined as mind, science and experiment that will not mislead the human when they are followed. In the period after the Age of Enlightenment, *the Industrial Revolution* began. Scientific researches made have turned into discoveries in the form of machines especially used in industry, and this mechanization has paved the way for industrial revolution and consequently for the emergence of feminism through the emergence of female labor force. Then, women who were considered as a cheap labor force since the Industrial Revolution took place in other labor movements together with men. However, women, who could not find what they expected in these labor movements, came together in feminist organizations established by them. Certainly, these organizations initially stated that they were a female labor movement or a suffrage organization established in order to vote for women. In other words, feminism has not yet become a structure organized with the relevant name.<sup>8</sup>

It is necessary to examine the historical processes of feminism briefly in order to understand it better.

### 3. DIFFERENT TYPES OF FEMINISM

It is necessary to indicate that any static and single type of feminism cannot be mentioned when talking about feminism. Therefore, it would be more appropriate to mention about feminisms, not feminism. Feminism is basically divided into two main branches as Modern Feminism and Postmodern Feminism. Furthermore, modern feminism is divided into four sub-branches as Liberal Feminism, Marxist and Socialist Feminism, Cultural Feminism, and Radical Feminism. On the other hand, postmodern feminism is divided into three branches as Existentialist Feminism, Freudian Feminism, and Poststructural Feminism. This distinction can be shown in the form of table as follows.

<sup>6</sup> Tabakoglu, Ahmet, "Batıda Aile ve Kadın", *Sosyal Hayatta Kadın*, ISAV, İstanbul – 1996, p. 164-165

<sup>7</sup> Donovan, Josephine, *Feminist Teori*, translator: Aksu Bora, Meltem Agduk Gevrek, Fevziye Sayılan, İletişim Yay, İstanbul-2001, p.16-21

<sup>8</sup> Mahaim, Annik, "Kadınlar ve Alman Sosyal Demokrasisi", *Kadınlar ve İsci Hareketi*, translator: D. Isık, Yazın Yayıncılık, İstanbul-May/1992, p. 15-16; Brown, Stuart Gerry, "Women Suffrage", *Encyclopedia International*, v. XIX, p. 442; Donovan, ibid., p. 46-50.

## The Types of Feminism

Modern Feminism (1789-1960)		
Liberal Feminism	Leaders	Main Arguments
	Mary Wollstonecraft, Frances Wright, Sarah Grimke, Elizabeth Cady Stanton, Susan B. Anthony, Harriet Taylor	Equality problem in the fundamental rights such as the right of succession, the right of divorce, and the right to vote.
Marxist and Socialist Feminism	Leaders	Main Arguments
	Lisa Vogel, Margeret Benston, Angela Davis and Zaretsky	The issue on an equal salary for an equal work, and pricing the housework
Cultural Feminism	Leaders	Main Arguments
	Charlotte Perkins Gilman, Margaret Fuller	Matriarchal Theory
Radical Feminism	Leaders	Main Arguments
	Shulamith Firestone, Kate Millet	Liquidation of a society based on gender discrimination
Postmodern Feminism (1960-)		
Existentialist Feminism	Freudian Feminism	
Leaders		
Simone de Beauvoir	Karen Horney, Nancy Chodorow	
Main Arguments		
Women’s ability to find themselves by facing with the social pressure		
Poststructural Feminism	Leaders	Main Arguments
	Julia Kristeva, Luce Iragaray, Helen Cixous	As there is language on the basis of the social prejudices against women, these prejudices are eliminated only through the translation of the language.

Feminism has begun with the first-wave feminist movement initiated by Olympe de Guoges who said, "A woman has the right to be guillotined, she should also have the right to debate." Olympe de Guoges was sent to the guillotine by the leading actors of the French Revolution movement because she supported the women's rights.<sup>9</sup> Furthermore, one of the remarkable feminists in the period is Mary Wollstonecraft. Wollstonecraft's "A Vindication of Rights of Women" is one of the first feminist works. In addition, Frances Wright, Sarah Grimke, Elizabeth Cady Stanton and Susan B. Anthony are other famous writers in the feminist literature in that period.<sup>10</sup> As for the intellectual aspect of the first-wave feminist movement, the first-wave feminism includes an enlightened, liberal and political thought-based feminism which has resulted in acquisition of the women's rights such as the right to vote, the right to own property and the right to be educated in the U.S.A. and the Western Europe in the 19<sup>th</sup> century and has continued with the struggle for civil rights in the early 20<sup>th</sup> century.<sup>11</sup> We can also associate cultural feminism to the first-wave feminist movement. Cultural feminism is a philosophical formation which has emerged in the late 19<sup>th</sup> century and the early 20<sup>th</sup> century and made

<sup>9</sup> Rulmann, Marit, *Kadın Filozoflar*, translator: Tomris Mengusoglu, Istanbul-1996, p. 260.

<sup>10</sup> Donovan, *ibid.*, p. 46-50.

<sup>11</sup> Emiroglu, Kudret-Aydın, Suavi; "Feminist Antropoloji", *Antropoloji Sozlugu*, Bilim ve Sanat Yay., Ank.-2003, p. 305.

a higher contribution to the feminist movement than liberal feminism in terms of the intellectual aspect. Cultural feminists also took part in the second generation of the first-wave feminist movement. There are additional important trends which are similar with the other feminist theories in the history of the 19<sup>th</sup> century feminist theory. These thoughts, which go beyond the rational and legal move of the enlightened liberal theory, can be gathered under the name of "cultural feminism". Cultural feminists searched for a broader cultural transformation rather than focusing on a political change, continued to accept the importance of critical thinking and self-development, focused on the irrational, intuitional and collective aspects of life, and emphasized the differences in femininity qualities considered as the source of personal strength, pride and public renewal rather than emphasizing the similarities between men and women. The same feminists have thought various alternatives to the institutions of religion, marriage and home which remained from the liberal theorists and were almost undamaged. By the end of the century, this branch of the feminist theory has moved beyond the view of women's rights, which has been considered as resulted in itself. [Liberalists] consequently took the women's rights into consideration to affect more social reforms. Feminist social reform theory stated that women should have an active role in the society and have the right to vote because women's moral perspectives are needed for elimination of the corrupted (masculine) world of politics.<sup>12</sup>

The period between 1920 and 1960 after the movements of liberal feminism and cultural feminism has been considered as a period of recession in terms of feminist movement. As a humanitarian tragedy such as the Second World War was experienced in that period, it can be said that the women's movement continued within the civil rights movement. However, "The Second Sex" written by Simon de Beauvoir<sup>13 13</sup> in that period has been considered as one of the masterworks of existential feminism. This work agrees with the first-wave feminists and stated that women can only achieve their independence by taking an active role in production, and that they can achieve their objectives on condition that they can get free from the restrictions of biological differences and have the right to vote. On the other hand, it shows how the assumption of women's secondary importance dominates all aspects of social life and thought and how it is internalized by women in accordance with biological, Marxist and psychoanalytic theories. Furthermore, it suggests that patriarchy will end when women can get free from objectification, and thus, it agrees with the second-wave feminists. Simon de Beauvoir, in this work, states that the conception of *en soi*, in other words, the passive and object position, which was developed by her partner Jean Paul Sartre who was impressed by Hegel and Heidegger, belongs to women in social life, and that the conception of *pour soi*, in other words, the active and subject position, belongs to men. In this regard, the period between 1920 and 1960 is a period when existential feminism has left its mark on the feminist movement.

The second-wave feminist movement has begun in the 1960s and come until today. In this period, especially radical feminism and postmodern feminism have attracted attention. The factor, which allows for the emergence of radical feminism from such feminist movements, is the insulting behaviour of the men in the new left movement against women, especially the leftist women who were these men's comrades.<sup>14</sup> In addition, feminist anthropology has been developed by those who studies on feminist anthropology in the same period between the 1960s and the 1970s when women rebelled only for femininity.

In order to understand the second-wave feminist movement well and to reveal its difference from the first-wave feminist movement, it is necessary to indicate that the second-wave feminist movement, the Women's Liberation Movement emerged in America and England in the late 1960s, and the activities of various consciousness raising groups were shaped by the similarity shown by the emergence of the first-wave feminism. On the other hand, the second-wave feminist movement was differentiated from the first-wave feminist movement because it was associated with some reactional movements such as the anti-nuclear movements of the New Left, the student activities in 1968, environmental protest movements, and anti-war reactions emerged after the Vietnam War.

<sup>12</sup> Donovan, *ibid.*, p. 69-70.

<sup>13</sup> Humm, Maggie, *Feminist Edebiyat Eleştirisi*, Editor: Gonul Bakay, Say Yay., Istanbul-2002, p. 62.

<sup>14</sup> Donovan, *ibid.*, p. 267.

From this period, the scope of feminism has gradually expanded. The political goals of feminism have begun to be accepted all around the world after the first World Conference on Women held by the United Nations in Mexico City, 1975 and the United Nations Decade for Women (1975-85). Then, the six successive World Conferences on Women, in which the second one was held in Copenhagen, 1980, the third one was held in Kenya, 1985, the fourth one was held in Beijing, 1995<sup>15</sup>, the fifth one ICDP+5<sup>16</sup> was held in 1999 and the six one Beijing+5<sup>17</sup> was held in 2000, have brought up more women and men to the global agenda of social gender equality.

In this period, the discussion on whether the Western dual concepts such as the public sphere and the private sphere would prevail for the Third World countries has come into question. Furthermore, radical feminism, which is sensitive to the separation of the public sphere and the private sphere, opposes love and marriage and states that the concept of love has enslaved women and suggests the notion of social motherhood for child-care education because it thinks that women are not obliged to care for their children.<sup>18</sup>

In the second-wave feminist movement after 1970, there are other feminist writers such as Julia Kristeva, Helen Cixous, Luce Irigaray who pioneered the post-structuralist feminist movement and stated that the language and the male-dominant cultural forms should be transformed in order that women can get free from their secondary position in the society. Post-structuralist feminism, which takes its inspiration from Derrida, the criticism of Freud's views, the theory of Lacon who was a psychoanalyst, and the criticism of the traditional patriarchal Western philosophy, is an approach in which different issues can be discussed fearlessly, all views, perspectives, thoughts and methods may have their own facts, and may have an important role in reaching the truth, unlike the Enlightened thought which is universalist, reductionist, monistic and totalitarian and in which only the mind is dominant. In this context, it is a feminist theory, that refuses totalitarianism, reductionism, universalism, monism, that aims to place great importance to both women and men, and even that tries to disseminate the mother's affection, woman's aesthetics, cleanness, kindness, environmental sensitivity, constructiveness and agreeableness to all public life.<sup>19</sup> Postmodern feminists indicate that it is not possible to generalize all women through the use of a common category definition under the name of gender because gender differs from culture to culture and from society to society though it exists structurally in every culture.<sup>20</sup>

## CONCLUSION

Briefly, the development of academic feminism in the social sciences, which can be divided into two as liberal feminism and radical feminism, and in which post-structuralist effects are seen recently, differs. Furthermore, the development of feminism, which intersects mainly with the disciplines such as sociology, philosophy and literature, in anthropology that examines universality and differences has emerged in the framework of the concepts such as production, work, reproduction, gender and state. In addition, it has been argued that this specific characteristic of the relevant discipline has made it stronger in terms of the role it has played in revealing feminist issues.<sup>21</sup>

<sup>15</sup> Emiroglu-Aydın, *ibid.*, p. 305-306.

<sup>16</sup> Ilkkaracan, Pınar, *Musulman toplumlarında Kadın ve Cinsellik*, İstanbul-2003, İletişim Yay., p. 11.

<sup>17</sup> Ilkkaracan, *ibid.*, p. 11.

<sup>18</sup> MacKinnon, Cathrine, *Feminist Bir Devlet Kuramına Doğru*, translator: Turkan Yoney-Sabir Yucesoy, Metis Yay., İstanbul, January-2003, p. 110; Donovan, 272-276; Humın, s. 61-87.

<sup>19</sup> For more information, see Donovan, *ibid.*, p. 175-221, Humın, *ibid.*, p. 167-245.

<sup>20</sup> Demir, Zekiye, *Modern ve Postmodern Feminizm*, İz Yay., İstanbul-1997, p. 121.

<sup>21</sup> Emiroglu-Aydın; *ibid.*, p. 306.

## REFERENCES

1. Bendason, Ney, *Baslangıcından Gunumuze Kadın Hakları*, translator: Sirin Tekeli, İletişim Yay.
2. Brown, Stuart Gerry, "Women Suffrage", *Encyclopedia International*, v. XIX.
3. Demir, Zekiye, *Modern ve Postmodern Feminizm*, İz Yay., İstanbul-1997.
4. Donovan, Josephine, *Feminist Teori*, translator: Aksu Bora, Meltem Agduk Gevrek, Fevziye Sayılan, İletişim Yay, İstanbul-2001.
5. Emiroglu, Kudret-Aydın, Suavi; "Feminist Antropoloji", *Antropoloji Sozlugu*, Bilim ve Sanat Yay., Ank.-2003.
6. Grendon, Felix, "Feminism", *Encyclopedia Americana*, New York-1970, v. 11.
7. Humm, Maggie, *Feminist Edebiyat Elestirisi*, Editor: Gonul Bakay, Say Yay., İstanbul-2002.
8. İlkaracan, Pınar, *Musulman toplumlarda Kadın ve Cinsellik*, İstanbul-2003, İletişim Yay.
9. MacKinnon, Cathrine, *Feminist Bir Devlet Kuramına Dogru*, translator: Turkan Yoney-Sabir Yucesoy, Metis Yay., İst., January-2003.
10. Mahaim, Annik, "Kadınlar ve Alman Sosyal Demokrasisi", *Kadınlar ve İsci Hareketi*, translator: D. Isık, Yazın Yayıncılık, İst.-May/1992.
11. Ozturk, Emine, *Türk Kadınının Feminizme Bakışı*, İstanbul: Ravza Yay., 2007.
12. Rulmann, Marit, *Kadın Filozoflar*, translator: Tomris Mengusoglu, İstanbul-1996.
13. Scott, George Ryley, *İskencenin Tarihi*, Dost Kitabevi, Ankara-February/2001.
14. Tabakoglu, Ahmet, "Batıda Aile ve Kadın", *Sosyal Hayatta Kadın*, ISAV, İstanbul – 1996.



# A Quantitative Study On The Competitive Power Of Boutique Hotel Businesses

**Ebru KEMER<sup>1</sup>**

## CHAPTER 9

---

<sup>1</sup> Dr., Mustafa Kemal University School of Tourism Administration and Hospitality



## 1. INTRODUCTION

In today's world, hotel businesses offer not only a clean and comfortable room for their clients to spend a night but rather an experience to be remembered. Yet, this does not mean that clients don't care about services and quality offered to them in lodging organizations; on the contrary, clients are ready to pay for the pleasure of spending a good time in a hotel. This is because the experience of staying in a hotel is personal (Freund de Klumbis, 2003: 1). For clients to feel special as a result of their personal experiences in a hotel, boutique hotels seem to be a better alternative. In the related literature, while researchers are making a definition of a boutique hotel, they first look at what is special to boutique hotels and what differentiates them from other hotel businesses and then construct their definitions on the basis of special characteristics of boutique hotels (Agett, 2007; Marrison et al., 1996; Lim and Andean, 2009; McIntosh, 2005).

The boutique hotel business is characterized by colorful, attention-grabbing designs, as well as facilities that offer personalized comfort in historic city buildings or in small and luxurious coastal hotels with romantic rich gardens or in luxury mansions (Washio, 2001: 6). In the Regulation for the Certification and Qualifications of Turkish Tourism Facilities (2011 Chapter 7 Article 43), the boutique hotel business is defined as hotels with at least ten rooms and having some originality in terms of structural features, architecture, design, furnishing, decoration and materials used and offering superior standards and high quality room services with experienced and trained personnel to their clients (<http://www.mevzuat.gov.tr>). Nevşehir province is one of the tourist centers located in Cappadocia region and hosts many hotel businesses mainly due to its natural structure. The presence of different types of hotels such as city hotels, boutique hotels and apart hotels in the province creates an intense competition.

Competition is defined as the whole of the activities engaged in to be superior to and to be ahead of the opponents (Fung, Fung and Wind, 2009: 45). The ability of businesses to meet customer needs more efficiently and effectively than other businesses creates their competitive power (Budd and Hirmis, 2010: 1016). Today, businesses need to take into account factors that determine competitiveness such as "quality, innovation, flexibility, speed, difference, efficiency and excellence" to be superior to their competitors (Akgemci, 2013: 174-176).

According to Porter (1985), competitive advantage consists of the part of the value created by the business for its clients which is above the cost of creating this value. The value corresponds to the price which clients are ready to pay and the superior value refers to offering lower price for the same benefits or offering superior benefits seen worth paying more money (Porter, 2000: 85). According to Porter (1985: 4-5), the target of a business within the industry in line with the competitive advantage is to find a position in which it can protect itself against the competitive powers of the industry on the basis of the analysis of five sources of power that are the threat of being substituted, buyers bargaining power, threat of new entrants, suppliers' bargaining power and the competition between the existing competitors. Porter's five sources of competitive power model allows a business to analyze its industry and predict the future of the industry, identify its competitors and its current situation (Soyer and Erkut, 2008: 39).

## 2. METHOD

The purpose of the current study is to determine the competitive power of the boutique hotels located in Nevşehir province. To this end, answers to the questions; "What are the elements determining the competitive power of the boutique hotels located in Nevşehir province?", "What are the strengths and weaknesses of the boutique hotels?", "What are the conditions reducing their competitive power?" and "How much effort is invested to

increase their competitive power?" were sought.

## 2.1. Research Model

The current study employed the phenomenological research design used to focus on phenomena of which we are aware but about which we do not have profound and detailed information (Yıldırım & Şimşek, 2016: 69). The subject of interest in the current study, the competitive power is important to understand the current state of a sector and to follow competitors. Thus, in the current study, this method was preferred to run an in-depth analysis of the competitive power of hotel businesses.

## 2.2. Study Group

The universe of the current study is comprised of the boutique hotel businesses located in Nevşehir province. In order to collect detailed information in the current study, the convenient sampling method, one of the purposive sampling methods, was used in qualitative research. The sampling of the current study consists of managers of boutique hotel businesses operating in Nevşehir province.

*"Study Group:*

### 1: Ürgüp Konak Hotel (11 rooms)

The annual income of the boutique hotel: 250,000

The length of time through which the boutique hotel operates: 12 months

The length of time through which the boutique hotel is open: the whole year

State/Credit support of the hotel: No

### 2: Has Cave Hotel (9 rooms)

The annual income of the boutique hotel: 500,000

The length of time through which the boutique hotel operates: 12 months

The length of time through which the boutique hotel is open: the whole year

State/Credit support of the hotel: No

### 3: Elif Stone House (6 rooms)

The annual income of the boutique hotel: 300,000

The length of time through which the boutique hotel operates: 12 months

The length of time through which the boutique hotel is open: the whole year

State/Credit support of the hotel: No

### 4: Dere Suites (19 rooms)

The annual income of the boutique hotel: 700,000

The length of time through which the boutique hotel operates: 12 months

The length of time through which the boutique hotel is open: the whole year

State/Credit support of the hotel: No

### 5: Diamond of Cappadocia (10 rooms)

The annual income of the boutique hotel: 600000

The length of time through which the boutique hotel operates: 12 months

The length of time through which the boutique hotel is open: the whole year

State/Credit support of the hotel: Yes

### 2.3. Data Collection Tool and Data Collection

In the current study, an interview form was used as the data collection tool. The interview form is made up of semi-structured open-ended questions. The interview questions were constructed through a literature review and by seeking the opinions of experts from both academia and the sector. The study was personally conducted by the researcher. The boutique hotels participating in the study were coded as R1, R2, R3, R4 and R5 and the interpretations were made in reference to these codes.

### 2.4. Data Analysis

In order to present evidence for the validity of the data collected in the study, in the interpretation process of the data, excerpts from the participants' interviews are given. As the researcher previously worked in the sector in Nevşehir province, live in the city of Nevşehir and her husband works in tourism, she is in close interaction with the sector. Thus, the observations and experiences of the researcher constitute evidence for the validity and reliability of the study. Moreover, with the combination of interviews, observations and personal experiences, data triangulation is accomplished and qualitative analysis is used in the current study.

## 3. FINDINGS

The findings obtained from the interviews conducted to reveal the competitive power of boutique hotels are presented below.

### 3.1. Can you explain your opinions about the boutique hotel sector in Nevşehir province?

As the opinions expressed by the hotel managers participating in the study varied greatly, their responses to this question are given directly.

**R1:** *In recent years, high quality businesses have started to open in terms of services and comfort. The number of overnight stays and the amount of total revenues have increased. The main income-generator of the economy in the region is accommodation businesses; they in turn support the development of other sectors. With the opening of new hotels in new locations, new centers of attraction (e.g. Babayan, Mustafapaşa, Ayvalı, Ortahisar Çavuşın) have been formed.*

**R2:** *Unlike boutique hotel businesses operating in other tourist regions of Turkey, there are boutique hotels with much more interesting designs and architecture such as cave hotels. Moreover, the boutique hotel management is superior here.*

**R3:** *There are many boutique hotel businesses that cater to every segment and give each guest a different experience. The boutique hotel business in Nevşehir offers a variety.*

**R4:** *The boutique hotel sector in Nevşehir is able to fulfill the special needs of different guests and offer differing services to cater to the special wishes.*

**R5:** *I think there are too many boutique hotels in Nevşehir. Therefore, some of them offer high quality services while some of them offer low quality services.*

### 3.2. How do you compare the boutique hotel businesses in Nevşehir province with other types of hotels?

The managers of the boutique hotels **R2**, **R3**, **R4** and **R5** compared the boutique hotel businesses in Nevşehir province with other types of hotels in terms of quality and services while the manager of the boutique hotel **R1** stated that *the boutique hotels in Ürgüp, Göreme, Uçhisar, Ürgüp have fewer rooms than the city hotels and they deal with their guests by establishing more personal relationships. In city hotels, clients usually spend*

*one night while on average 2-3 overnights stays are made in boutique hotels; thus, they increase their profits and with the sales of rooms in the front office and through concierge they increase their revenues more and while greater revenues are generated from room sales by city hotels, activity sales (balloon, tours, ....) constitute main sources of income in boutique hotels.*

### **3.3. Where does the competitive power of the boutique hotels in Nevşehir province come from and what are the factors determining their competitive power?**

The managers of the boutique hotels **R1, R2, R3, R4** and **R5** expressed their opinions as follows: *the satisfaction of clients, their recommendations to others and their positive comments in social media accounts and high points given in search engines and the location, design and aesthetic elements of boutique hotels are positive assets; thus, their attraction is high.* Moreover, the managers of the boutique hotels **R3** and **R5** stated that *we receive good prices from suppliers; we try to get along well with them. All these increase our revenues.*

### **3.4. Are there elements preventing you from competing in the sector?**

The manager of the boutique hotel **R1** remarked as follows: *yes, political events such as downing of a Russian warplane have led to a decrease in the number of visitors to Turkey and annual income.* The managers of the boutique hotels **R2, R4, R5** expressed their opinions as follows: *The image of the country affects the preferences of tourists for destinations.* The manager of the boutique hotel **R3** stated that *there is no limitation to the competition but each business determines its own competitive power.*

### **3.5. What are the weaknesses and strengths of boutique hotel businesses in Nevşehir?**

The strengths of their hotels are expressed as follows by the managers of the boutique hotels **R1, R2, R3, R4** and **R5**: *the recognition of Cappadocia is high in the world; there are no alternatives, the natural structure of the region is unique, there are cave rooms; it is suitable for four-season tourist activities, there are high quality services and alternative social activities (balloon rides, atv tours, horse riding).*

The weaknesses of their boutique hotels are expressed as follows by the managers of the boutique hotels **R1, R2, R3, R4** and **R5**: *weak transportation facilities, the number of rooms.*

### **3.6. What are your efforts to increase their competitive power?**

The managers of the boutique hotels **R2, R4** and **R5** expressed their opinions as follows; *points given to their hotels in online sources and high rate of recommendation; satisfaction with the service provided by highly qualified personnel; higher rate of overnight stays,* and the managers of the boutique hotels **R1** and **R3** expressed their opinions as follows; *efforts are invested to increase the variety of information channels, to improve the existing ones, to keep up with changes and to strengthen their relations with agents etc.*

## **4. RESULT**

The boutique hotel businesses in the province of Nevşehir have distinctive features in terms of their architectural structures, historical designs of buildings and luxury hotel facilities. There are various accommodation organizations such as star hotel businesses and apart hotels offering different services, prices and alternatives in the area. For this reason, competition in the hotel sector is experienced intensively. As the researcher resides in the region, she has wondered how different service, quality and price alternatives might affect the hotel businesses in the region in terms of competition. Thus, the researcher has

started this research to analyze what kind of solutions the boutique hotel businesses have found to survive in this competitive environment.

As a result of the current research, it was concluded that the boutique hotel business in the province of Nevşehir are quite different with their natural architectural structures and the services they provide and they offer experiences to their clients highly different from the experiences provided by other boutique hotels in other parts of Turkey and they are superior to them with their quality and comfort. The boutique hotel businesses are thought to be superior to other types of hotels in terms of quality and services. The participants stated that, due to the different design and structure of the rock rooms in the hotels specific to the region, the importance attached to customer satisfaction and promotion in the social media, their competitive power is positively affected. In the current research, it was concluded that the foreign policies affect the competitiveness of the sector, that they constantly follow their competitors in the domestic market, that they communicate well with their suppliers and that the country image is very important.

The strengths of the boutique hotels in the regions have been stated to be social activities such as balloon tours, atv tours and horse riding and the suitability of the region for four-season tourism, the interest aroused by the cave hotels while their weaknesses have been stated to be limited number of rooms and lack of transportation facilities. The lack of flights to Nevşehir also creates transportation difficulties. In addition, boutique hotel businesses are located in more decentralized places than other types of hotel businesses; thus, their accessibility is relatively lower. In order to increase their accessibility, the boutique hotels in the region can use more informative signs and maps showing the locations of the boutique hotels can be made available at airports. The number of rooms in the boutique hotels is smaller than the number of rooms in other types of hotels. As it is difficult to increase the number of rooms in the boutique hotels due to regulations related to boutique hotels and difficulty of increasing the number of rock rooms in these hotels, the boutique hotels cannot increase their revenues from the sales of rooms. Yet, the boutique hotels are able to compensate for this through the sales of other facilities and activities and thus they have created their competition strategy. The efforts invested by the boutique hotels to improve their competitiveness are directed to keeping up with new developments, recruiting qualified personnel and ensuring consumer satisfaction.

## 5. KAYNAKÇA

1. AKGEMCİ, T. (2013), *Stratejik Yönetim*, Gazi Kitabevi, Ankara, 3. Baskı.
2. AGGETT, M., 2007. What has Influenced Growth in the UK's Boutique Hotel Sector?, *International Journal of Contemporary Hospitality Management*, 19 (2), 169-177.
3. BUDD, L., HİRMİS, A. K. (2004), Conceptual Framework for Regional Competitiveness, *Regional Studies*, Vol. 38.9, 1015-1028 <https://www.tandfonline.com/doi/pdf>
4. FREUD de KLUMBİS, D. (2003), Seeking the "Ultimate Hotel Experience".<http://www.esade.edu/cedit2003/pdfs/danielafreund.pdf>
5. FUNG, V.; FUNG, W. ve Wind, Y. J. (2009), *Düz Dünyada Rekabet*, (Çeviri: Şensoy, Ü.), Optimist Yayıncılık, İstanbul.
6. LİM, W. M., ENDEAN, M., (2009), Elucidating the Aesthetic and Operational Characteristics of UK Boutique Hotels, *International Journal of Contemporary Hospitality Management*, 21(1), 38-51.
7. MCINTOSH, A. J., Siggs, A., (2005), An Exploration of the Experiential Nature of Boutique Accommodation, *Journal of Travel Research*, 44 (1), 74-81.
8. MORRISON, A. M., PEARCE P. L., MOSCARDO, G., NADKARNİ, N., O'LEAR'Y, J. T., (1996), Specialist Accommodation: Definition, Markets Served, and Roles in



Tourism Development, *Journal of Travel Research*, 35(1), 18-26 .[https://www.researchgate.net/profile/Alastair\\_M\\_Morrison/publication/249700575\\_Specialist\\_Accommodation\\_Definition\\_Markets\\_Served\\_and\\_Roles\\_in\\_Tourism\\_Development/links/0a85e53376b00cd204000000/Specialist-Accommodation-Definition-Markets-Served-and-Roles-in-Tourism-Development.pdf](https://www.researchgate.net/profile/Alastair_M_Morrison/publication/249700575_Specialist_Accommodation_Definition_Markets_Served_and_Roles_in_Tourism_Development/links/0a85e53376b00cd204000000/Specialist-Accommodation-Definition-Markets-Served-and-Roles-in-Tourism-Development.pdf)

9. PORTER, M. E. (2000), *Rekabet Stratejisi: Sektör Ve Rakip Analizi Teknikleri*, Gülen Ulubilgen (çev.), Sistem Yayıncılık, İst
10. PORTER, M. E. (1985), *The Competitive Advantage: Creating and Sustaining Superior Performance*. New York: Free Press. [https://www.albany.edu/~gs149266/Porter%20\(1985\)%20-%20chapter%201.pdf](https://www.albany.edu/~gs149266/Porter%20(1985)%20-%20chapter%201.pdf)
11. SOYER, A. ve ERKUT, H. (2008), Organizasyonlar İçin Rekabet Üstünlüğü Modeli Oluşturulması, *İTÜ Dergisi/d Mühendislik*, 7(4), 36-47.
12. YILDIRIM A. ve ŞİMŞEK H. (2016), *Sosyal Bilimlerde Nitel Araştırma Yöntemleri*, Seçkin Yayıncılık.
13. WASHİO, A. G.(2002). Boutique Hotels Offer Cozy Rooms İn Cutthroat Market, *Budapest Business Journal*, Oct 22-28.k <http://www.mevzuat.gov.tr/MevzuatMetin/3.5.2005894.pdf>

# Assessment Of Indirect And Cumulative Environmental Impacts

**Abdulahap Çağatay DİKMEN<sup>1</sup>**

## CHAPTER 10

---

<sup>1</sup> Ph.D.



## INTRODUCTION

With focus on human-environment interaction, it is obvious that currently human beings are facing major challenges like climate change, loss of biodiversity, draughts etc. more than before. Contrary to the common belief, this situation is not resulting from individual projects which have insignificant impacts following application of correct mitigative measures; but occur mainly due to impacts caused by number of projects at the same region collectively over time. Understanding of stresses triggered by human beings and taking actions on environmental, social and economic context are key elements for sustainable development (Eccleston and Doub, 2016). Therefore, it is crucial to manage and assess cumulative impacts by involving the affected communities and stakeholders, various developers and decision-makers responsible for strategically planning.

The assessment of cumulative impacts (CIs) reflects a broadened perspective on the nature of human-environment interactions. This perspective acknowledges that the environmental change originates not only from single projects but also from interactions of multiple projects (sometimes contained within a plan or program).

The United States Council on Environmental Quality (CEQ) has defined cumulative effects as

(CEQ, 1978): “the impact on the environment which results from the incremental impact of the action when added to other past, present and reasonably foreseeable future actions, regardless of what agency or person undertakes such other actions.”

Discussions among project developers, competent authorities, academics and technical experts about whether Cumulative Impact Assessment (CIA) should be a separate process or be a part of Environmental and Social Impact Assessment (ESIA) are still on-going and no single accepted approach is defined. It should be kept in mind that CIA is an ever-evolving process and it is important that during identification of environmental and social impacts and risks, project developers should consider the fact that their projects may contribute to cumulative impacts on Valued Environmental and Social Components (VEC) on which other existing and planned projects may also effect (IFC, 2013).

CIA is not the responsibility of an individual project proponent but more appropriately of government bodies, as it involves the assessment of impacts and issues that are beyond the evaluation of specific sites or single projects.

It has been recognized worldwide that consideration of CIs should be an integral part of the environmental impact assessment (EIA) process and sector-specific methodologies should be evolved to address these impacts (Dutta et al., 2004) .

CIA is currently being implemented by many countries on regional, strategically and sector-based context (Jones, 2016). US Council on Environmental Quality (CEQ) was one of the first institutions who mentioned about cumulative impacts in their guidelines published in 1973 (Canter and Ross, 2010). Cumulative effects are widely studied in European continent and a guideline was published by European Commission named “Guidelines for the Assessment of Indirect and Cumulative Impacts as well as Impact Interactions”. Scope and methods of cumulative impact assessment are discussed and described throughout several guidelines in the last decades.

Cumulative impact considerations have been required in the EIA process for a long time. For example, CEQ regulations incorporated this requirement in 1979. This was followed by other countries where cumulative impact considerations have been made an integral part of the EIA legislation.

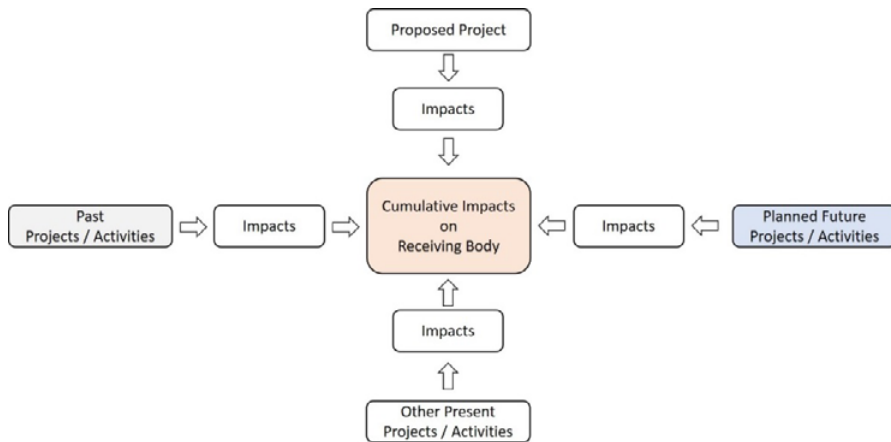
In Turkey, cumulative impact assessments are not carried out as a separate stand-alone process by the competent authority. However, the CIA should be included in the EIA

report according to the general format of EIA in the current Turkish EIA regulation. Part III of general format “Environmental Impacts in the Construction and Operation Phase of the Project and Measures to be Taken”, it is required to determine possible problems that may affect the environment, the amount of pollutants, the interaction with the receiving environment, and the cumulative effects.

CIAs are generally performed by private developers during their projects’ ESIA process.

## 1. CUMULATIVE IMPACT ASSESSMENT

Cumulative impacts are defined as the sequenced and incremental impacts of a project or action together with other past, existing and / or planned human activities in “Sample Guidelines for Cumulative Environmental Assessment for Hydropower Projects in Turkey” (World Bank 2012). Cumulative Impact Assessments aim to advance EIAs by considering how receptor / receiving bodies are affected by the sum of all projects and activities in that region not only by a particular project (Therivel and Ross, 2007). Individual minor projects may have insignificant impacts, but these impacts may be significant when other past, present and future actions are assessed collectively (Seitz et al., 2011). In other words, cumulative impacts are the aggregated direct or indirect impacts.



**Figure 1** Cumulative Impact Diagram (Modified from Roudgarmi, 2018)

World Bank’s Guideline lists some examples for cumulative impact assessment as follow:

- In a water body or in soil, increase of the pollutant concentration
- Due to depletion of resources, reduction of water flow in a basin
- Increase of sediment load in a river basin or increase of erosion
- Disturbance of migration pathways or wildlife areas
- Damaging wildlife population due to increased hunting and road kills
- Impacts on air quality such as incremental contribution of pollutant emissions in a certain area

### 1.1. Scope and Methodology

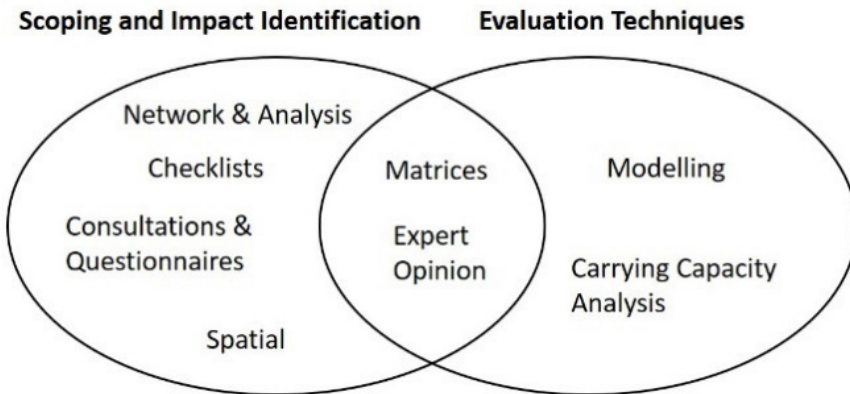
Cumulative impact assessment requires some other assessment concepts rather than traditional assessments used in the EIA. These concepts may be listed as below:

- Assessing impacts for a longer period time,
- Considering impacts on VECs due to interactions of proposed project and past, existing or planned activities
- Assessing indirect and cumulative impacts together with interactions of other impacts,
- Assessing of impacts in a wider area. "Sample Guidelines for Cumulative Environmental Assessment for Hydropower Projects in Turkey" (World Bank, 2012)

Broader and regional approach is required during identification of cumulative impacts beyond direct impacts of the project. It is essential to determine geographic boundaries in line with proposed project with past, other existing and planned projects in the same region. Economic life of these projects together with their construction and operation periods should also be taken into consideration in cumulative impact assessment studies.

EC Guideline for the Assessment of Indirect and Cumulative Impacts as well as Impact Interactions (1999) describes methods and tools for assessing indirect and cumulative impacts together with impact interactions. Methods and tools based on desk and case studies are generally divided into two groups as below:

- **Scoping and Impact Identification Techniques** - these identify how and where an indirect or cumulative impact or impact interaction would occur.
- **Evaluation techniques** - these quantify and predict the magnitude and significance of impacts based on their context and intensity.
- 



**Figure 2.** Tools for Assessing Impacts (*Modified from EC Guideline for the Assessment of Indirect and Cumulative Impacts as well as Impact Interactions, 1999, pg.8*)

Method	Description	Advantages	Disadvantages
<b>Expert Opinion</b>	A means of both identifying and assessing indirect and cumulative impacts and impact interactions. Expert Panels can be formed to facilitate exchange of information of different aspects of the impacts of a project.	Can consider such impacts as an integral part of the assessment.	Some specialists or experts may be remote from the main project team.
<b>Consultations Questionnaires</b>	A means of gathering information about a wide range of actions, including those in the past, present and future which may influence the impacts of a project.	Flexible  Considers potential impacts early on.  Can be focused to obtain specific information.	Prone to errors of subjectivity  Questionnaire can be time consuming, and risk of poor response.
<b>Checklists</b>	Provide a systematic way of ensuring that all likely events resulting from a project are considered. Information presented in a tabular format.	Systematic method  Can develop 'standard' checklist for similar projects.	Can allow oversight of important effects  Nature of cause-and-effect relationships not specified.
<b>Spatial Analysis</b>	Uses Geographical Information Systems (GIS) and overlay maps to identify where the cumulative impacts of a number of different actions may occur, and impact interactions. Can also superimpose a project's effect on selected receptors or resources to establish areas where impacts would be most significant.	GIS flexible & easy to update.  Can consider multiple projects and past, present & future actions.  Allows clear visual presentation	GIS can be expensive & time consuming.  Difficult to quantify impacts.  Problems in updating overlays.
<b>Network and Systems Analysis</b>	Based on the concept that there are links and interaction pathways between individual elements of the environment, and that when one element is specifically affected this will also have an effect on those elements which interact with it.	Mechanism of cause and effect made explicit.  Use of flow diagrams can assist with understanding of impacts.	No spatial or temporal scale.  Diagrams can become too complex.
<b>Matrices</b>	A more complex form of checklist. Can be used quantitatively and can evaluate impacts to some degree. Can be extended to consider the cumulative impacts of multiple actions on a resource.	Provides a good visual summary of impacts.  Can be adapted to identify and evaluate to some degree indirect & cumulative impacts and impact interactions.  Matrices can be weighted/impacts ranked to assist in evaluation.	Can be complex and cumbersome to use.

**Table 1.** Summary of Methods for Assessing Indirect and Cumulative Impacts and Impact Interactions (EC Guideline, 1999)



IFC Guideline for the Assessment of Indirect and Cumulative Impacts as well as Impact Interactions (2013) recommends developers to perform a six-step Rapid Cumulative Impact Assessment (RCIA) process and engage relevant stakeholders in early stages of the process and record all decisions clearly with as much technical and scientific basis as possible. Following table summarizes each step together with its objective as described in IFC Guideline.

Steps		Objective
1	Scoping Phase I: VECs, Spatial and Temporal Boundaries	<ul style="list-style-type: none"> <li>• In consultation with stakeholders, identification and agreement on VECs</li> <li>• Time frame determination for the analysis</li> <li>• Geographic scope establishment of the analysis</li> </ul>
2	Scoping Phase II: Other Activities and Environmental Drivers	<ul style="list-style-type: none"> <li>• Identification of other past, existing, or planned activities within the analytical boundaries</li> <li>• Assessment of potential presence of natural and social external influences and stressors like droughts and other extreme climatic events</li> </ul>
3	Establishment of Information on Baseline Status of VECs	<ul style="list-style-type: none"> <li>• Defining the existing condition of VEC</li> <li>• Understanding the potential reaction to stress, resilience and recovery time of VEC</li> <li>• Assessment of trends</li> </ul>
4	Assessment of Cumulative Impacts on VECs	<ul style="list-style-type: none"> <li>• Identification of potential environmental and social impacts and risks               <ul style="list-style-type: none"> <li>✓ Assessment of expected impacts as the potential change in condition of the VEC (i.e., viability, sustainability).</li> <li>✓ Identification of any possible additive, countervailing, masking, and/or synergistic effects</li> </ul> </li> </ul>
5	Assessment of Significance of Predicted Cumulative Impacts	<ul style="list-style-type: none"> <li>• Defining appropriate thresholds and indicators</li> <li>• Determining impact and risk magnitude and significance in the context of past, present, and future actions               <ul style="list-style-type: none"> <li>✓ Identifying trade-offs</li> </ul> </li> </ul>
6	Management of Cumulative Impacts – Design and Implementation	<ul style="list-style-type: none"> <li>• Using the mitigation hierarchy</li> <li>• Designing management strategies to address significant cumulative impacts on selected VECs</li> <li>• For effective collaboration or coordination, engaging other parties needed</li> <li>• Proposing mitigation and monitoring programs</li> <li>• Managing uncertainties with informed adaptive management</li> </ul>

**Table 2.** Steps and Relevant Objectives of RCIA (IFC, 2013)

## 2. NATIONAL EIA PROCESS AND CURRENT PRACTICES OF CIA IN TURKEY

Turkey has introduced first Environmental Impact Assessment Regulation in 1993. Since that date, several amendments were applied to the Regulation and its annexes. Latest version of the Regulation is published in the Official Gazette dated 25 November 2014 and numbered 29186 (together with amendments published in the Official Gazette dated 14 June 2018 and numbered 30451).

Turkish EIA Regulation describes Environmental Impact Assessment procedure and Selection and Elimination Criteria procedure for the projects listed in Annex 1 and Annex 2, respectively. It is mandatory to carry out environmental impact assessment the projects listed under Annex 1 whereas Selection and Elimination procedure is applied for the projects listed under Annex 2.

If a project is listed under Annex 1, an EIA Application File is prepared and submitted to the Ministry of Environment and Urbanization (MoEU). Following review of the EIA Application File<sup>1</sup> by MoEU, Public Participation Meeting is held out and MoEU issues special EIA Format to the developer. Turkish EIA Regulation describes several mechanisms<sup>2</sup> to engage local people to the Public Participation Meeting. Special EIA Format is decided Examination and Evaluation Commission (EEC) established by MoEU and is prepared depending on the characteristics and location of the project as well as current status of the affected environment. Project developer prepares EIA Report and submits this report to MoEU within 12 months (upon request additional 6 months). Having received the EIA Report, MoEU checks whether report is prepared based on the special EIA Format and if so MoEU invites EEC members to evaluate the EIA Report within their disciplines and decides on whether mitigation measures described in the EIA Report are appropriate or not. Depending on the decision EIA Positive or EIA Negative Decision is granted.

It should be noted that although Turkish EIA Regulation does not specifically mention about Social Impact Assessment Report, it is requested to identify projects' impacts on socio-economic aspects and relevant mitigation measures in the EIA Reports.

Assessment of cumulative impacts are first requested in the EIA Application File for Annex 1 projects. In addition, depending on the Special EIA Format project developer identifies cumulative impacts and relevant mitigation measures in detail in the EIA Report. In real practices, competent authority requests cumulative impact assessment studies in some specific sectors or receiving bodies. For instance, in wind farm projects competent authority may request for detailed ornithological studies especially to the projects located along bird migration pathways. Another case is for hydropower plants where competent authority may request detailed calculations for withdrawal of water from the river if there are any other existing / planned projects in either downstream or upstream of the water body.

Competent authority also may request cumulative impact assessment for the projects who may have significant impact on ambient air quality. Impacts on air quality are generally analyzed by conducting air quality modeling studies. Competent authority therefore may ask to developer to take existing / planned facilities as an input to the model together with the planned project.

In Turkey, cumulative impact assessments are not carried out as a separate stand-alone process by the competent authority. CIAs are generally performed by private developers during their projects' ESIA process.

<sup>1</sup> Table of Content of the EIA Application File is presented in Annex-3 of the Turkish EIA Regulation

<sup>2</sup> Procedure of Public Participation Meeting is described in Article 9 of the Turkish EIA Regulation.

### 3. CONCLUSION

Environmental Assessment can be used on both a local and wider scale to promote the sustainable development of an area. By introducing the Environmental Impact Assessment earlier into the decision-making process and encompassing all of the projects of a certain type or within a certain area it will be possible to ensure that alternatives are considered more fully. This will mean that the potential indirect and cumulative impacts and impact interactions could be identified and assessed much sooner.

The environmental effects which can result from indirect and cumulative impacts, and impact interactions can be significant. The objective of the assessment of indirect and cumulative impacts and impact interactions will be to identify and focus on the significant impacts. It will also ensure that these impacts are taken into consideration in the decision-making process.

A key problem identified in the Environmental Assessment study was how to define indirect and cumulative impacts, and impact interactions. The definitions of these three types of impact overlap and consequently, most of the literature available on the subject classifies indirect impacts and impact interactions as components of cumulative impact. However, there are no agreed and accepted definitions.

The problem with assessing such impacts at an earlier stage of the development process is that there will be a lack of detail of the nature, scale and location of future development. Often the baseline data will not be available for all of the area concerned. The impacts predicted to occur and therefore the assessment of them will be imprecise.

The practitioner should therefore aim to assess indirect and cumulative impacts, and impact interactions at all stages of the project and to present the findings in the Environmental Statement. The Environmental Statement should be presented in a comprehensive, clear and objective manner, clearly understood by the developer, determining authority and the public. As with assessment of direct impacts, the assessment of indirect and cumulative impacts, and impact interaction should use systematic analysis based on practicable techniques and tools.

In undertaking EIA of cumulative and indirect impacts and impact interactions it is important to realize the constraints, which are brought upon the assessment. The assessment should then be based on the best available data or technique at the time. The assessment will not and indeed cannot be, in many situations, a perfect assessment. However the potential for impacts will at least be considered, rather than omitted from the decision making-process all together. Such assessment is therefore of value to the project and the environment.

The assessment of indirect and cumulative impacts and impact interactions should be an iterative process, similar to that used in the assessment of direct impacts. In both cases the results of the assessment process should input into the design of the scheme and the development of mitigation measures.

The direct impacts of a project can generally be predicted with certainty. However, the assessment of indirect and cumulative impacts and interactions may be met with uncertainties and may be based upon assumptions. In such situations the EIA practitioner will need to ensure that any assumptions made as part of the assessment are made clear.

Cumulative impacts can result from individually minor but collectively significant actions taking place over a certain period of time. These are not new effect types, it is a recognition could come together in time and space from the impact of individual projects and other activities. Therefore, to address cumulative impacts in EIA, expanding the spatial and temporal scope of the assessment is necessary to do key tasks within the framework of the EIA.

Cumulative impact assessment is indispensable in determining the environmental impacts of a project. The individual evaluation of each facility to be made will be completely misleading for decision makers.

In the EIA reports, cumulative impact assessment should be included in the reports as a separate section and the environmental impacts should be evaluated with a basin approach.

## REFERENCES

1. Canter, L. and Ross, B. (2010) State of Practice of Cumulative Effects Assessment and Management: The Good, the Bad and the Ugly. *Impact Assessment and Project Appraisal*, 28(4), p. 261–268.
2. Dutta, P., Mahatha, S. & De, P., (2004) A methodology for cumulative impact assessment of opencast mining projects with special reference to air quality assessment, *Impact Assessment and Project Appraisal*, 22:3, 235-250, DOI: 10.3152/147154604781765905
3. Eccleston C.H. and Doub J.P. (2016) *Effective Environmental Assessments: How to Manage and Prepare NEPA EAs*. New York: CRC Press.
4. European Commission (1999) *Guidelines for the Assessment of Indirect and Cumulative Impacts as well as Impact Interactions*.
5. International Finance Corporation (2013) *Cumulative Impact Assessment and Management: Guidance for the Private Sector in Emerging Markets*.
6. Jones, F.C. (2016). Cumulative Effects Assessment: Theoretical Underpinnings and Big Problems. *Environmental Reviews*, 24(2), p. 187–204.
7. Roudgarmi, P. (2018) Cumulative Effects Assessment (CEA), A Review. *Journal of Environmental Assessment Policy and Management* Vol.20, No.2.
8. Seitz, N.E., Westbrook C.J. and Noble B.F. (2011). Bringing Science into River Systems Cumulative Effects Assessment Practice. *Environmental Impact Assessment Review*, 31(3), p. 172–179.
9. Therivel, R. and Ross, B. (2007) Cumulative Effects Assessment: Does Scale Matter? *Environmental Impact Assessment Review*, 27(5), p. 365–385.
10. World Bank (2012) *Sample Guidelines: Cumulative Environmental Impact Assessment for Hydropower Projects in Turkey*. Energy Sector Management Assistance Program. <https://www.esmap.org/node/2964>.

# Identification of Prioritized Common Core Competencies Affecting R&D Performance in Information Technology Sector<sup>1</sup>

**Cemalettin Öcal FİDANBOY<sup>2</sup>**

## CHAPTER 11

---

<sup>1</sup> This study is produced from the author's PhD. thesis named "A Core Competence-Based R&D Management Approach within the Context of National R&D Policies: A Case Study of Technoparks", submitted to Başkent University, Institute of Social Sciences.

<sup>2</sup> PhD., Fidanboy Consulting



## 1. INTRODUCTION

In the world of global competition, the survival of Research and Development (R&D) companies or departments is mainly dependent on their ability to provide necessary infrastructures and funds for their R&D activities, hence, enabling them to conduct their tasks in an efficient and effective way, bringing benefits of innovations and new products to their companies, the communities and the human. Matheson and Matheson (1999) defined R&D activities as the investment converted from knowledge capital to profit. It should be noticed that providing the infrastructure and funds on their own will never be sufficient for reaching the effective and efficient way of doing tasks until they are combined with core competencies. Core competencies were defined as the activities at which the organizations are more professionalized comparing to other activities and therefore, they bring in more success to the organizations (Jenster and Pedersen, 2000). What success means from the view of R&D organizations may vary, but the last goal is always the performance. Thus, it can be implied that disregarding core competencies will, at the end, influence the R&D performance in a negative way.

As the importance of policies regarding the performance is known well, in order to increase the performance of R&D in a country, focusing on core competencies of the companies and the prioritized common core competencies of R&D management activities should be considered seriously in making national R&D policies. R&D policies are generally determined with regards to financial values, and R&D investments which will be the source to a vicious cycle and low performance. According to Ojanen and Vuola (2003), the R&D performance is measured taking the factors external to the organizations. If R&D policies are determined with respect to core competencies, the R&D organizations will have clearer and more detailed view of what are expected from them as an outcome of their R&D activities. Core competencies in R&D organizations are originally skills and for R&D organizations to be compliant with the policies, paying attention to their skills will be much easier, feasible and productive in terms of performance comparing to the case of regarding financial values. Financial values may sometimes be wrongly interpreted and deceptive; nonetheless, the core competence- based values can both be explained and discussed in connection with human resources and other R&D resources. Thus, core competence-based R&D policies will be advantageous to the organization itself and to the government at the time of performance evaluation. Given the evaluation, not only the process of evaluating will be more reasonable, but also the points at where a problem exists can be easily identified and the cautions can be taken in order to solve it. In conclusion, the ignorance of core competencies will raise problems associated with R&D performance, R&D policies, and their implementation and realization.

In this study, the way through which the prioritized common core competencies affect the R&D performance, their relationship, is investigated. The sample is consisted of twelve Information Technology (IT) companies located in Technoparks of Ankara, Turkey, who do a kind of R&D activity. The core competencies of the companies separately and the core competencies of the companies in all Technoparks as a whole are identified and the core competencies which are shared between them are extracted and then prioritized with the help of ANP method. The common core competencies, at the following step, are examined for their relationship with R&D performance. To be more specific, the result will make it clear whether owning the core competencies is relevant to high R&D performance and if the answer is yes, what core competencies are in relationship with R&D performance; all of them, some of them, the ones which were considered important by R&D managers and IT staff or the ones which were neglected by them. This will assist the companies with R&D activities in making policies, offering them a solution to their waver in the selection of core competencies since the core competencies in R&D organizations related to R&D



performance will be distinguished and they can choose righteously among diverse core competencies.

This study is organized in the following sections: literature review on R&D management, R&D policies in the world and Turkey, core competence-based approaches, methodology, results, discussion and conclusion.

## **2. LITERATURE REVIEW**

### **2.1. R&D Management**

R&D activities are important for supplying infrastructure and required funds with the purpose of the formation of scientific and technical knowledge in organizations. Researching and developing the technological innovations in order to increase the market share of the companies, is the responsibility of R&D subsystem among organization's different parts (Abbey and Dickson, 1983). The production of new products as the outcome of research and development activities brings the organization commercial value (Katila and Ahuja, 2002). Successful R&D organizations, on the way to the development of new product, combine available resources with competencies which then guide them towards the success in integration of R&D portfolios (Schilling and Hill, 1998). It can be mentioned that R&D activity is a kind of value-added activity in the transformation of knowledge to concrete products (Yaylali et al., 2010). According to Lichtenberg (2002), each dollar spent on R&D activities will bring in eight times more income, making the R&D of more attraction. Schilling and Hill (1998) stated that the efficiency of new product development depends on four basic processes as follows: technology strategy, context of organization, teams, and tools.

The researches on R&D management have mostly been conducted in two areas: R&D strategies and R&D performance. For instance, Baysinger et al. (1991) studied the effects of the board of directors and ownership structure on R&D strategies. Hitt et al. (1991) investigated the impact of acquisition on the inputs and outputs of R&D with their concentration on R&D and patent intensity. Hoang and Rothaermel (2005) considered the impact of common and shared special consolidation experiments on the shared R&D project performance. In another example, Greve (2003) looked at R&D expenses and the behavioral theory of innovations. Abbey and Dickson (1983) researched R&D work climate and innovation in semi-conducting technologies. Keller (1994) applied the contingency theory to the research of the fit between technology-information processing and the performance of R&D project groups. Lee and O'Neil (2003) looked through the ownership structures and investments in R&D in both US and Japanese companies from agency and stewardship points of view. Baysinger and Hoskisson (1989) took multi-product firms for their paper on R&D intensity. Despite of the myriads of studies on R&D strategies and performance, there are not many studies concerning core competence-based R&D approaches.

### **2.2. R&D Performance**

The evaluation of R&D performance is one of the most important activities of technology management and R&D management. Some of the issues with R&D activities are their multi-scope nature, being costly and the long time of the return of investment. Some of the studies of R&D performance are briefly compiled as follows: Cooper and Kleinschmidt (1996) found ten basic performance metrics for 161 business units. Griffin and Page (1996) categorized the measures as customer-based measures, financial success and technical performance of R&D organizations. Hultink and Robben (1995) came up with diverse measures for evaluation, measures of firm benefits, program-level measures, product-level measures, measures of financial performance and measures of customer

acceptance. Meyer et al. (1997) developed effectiveness and efficiency-based platforms to measure R&D performance. Brown and Gobeli (1992) defined some specifications for each phase of R&D processes consisting of three base levels, division goals (R&D results and outcomes), project management (R&D outputs and interface relationships), activities and processes within R&D (specific inputs and resources). Bremser and Barsky (2004) accentuated the use of balanced score card in measuring the R&D performance.

In this study, the 33 core metrics offered by Tipping and Zeffren (1995) were used, all grouped under 5 headings: value creation, portfolio creation, integration with business, value of technology assets and practice of R&D processes to support innovation.

### 2.3. R&D Policies in the World and Turkey

Investigation of the implementation of R&D policies around the world points to the role of government in support and encouragement of R&D activities for economic, political and military reasons. In Organization for Economic Co-operation and Development's (OECD) report of Science,

Technology and Industry outlook for the year of 2014, the R&D approaches have been clarified in both global business world and government sector. Based on this report, in the period of 2008-2012, the decreased speed of growth had negative impact on innovation policies. During these years, the gross costs of R&D in OECD countries were equal to the half of the gross costs in 2001-2008 period, indicated a percentage of 1.6. This report sheds light on the need for important differentiations in R&D policies and the fact that funds and infrastructure's orientation are not enough for R&D but a move towards core competence-based strategies is required.

With reference to the OECD report of 2014, countries should empower their competition strengths and expand the national policies supporting foreign investments along with their own competencies and knowledge-based resources. This will lead to a more powerful analysis of competence-and-knowledge-based resources and put more emphasize on the development of these analyses along with the institutional approaches-based strategies. The rich and substantial articles on resource-based and competence-based strategies in fields of organization and management help these strategies to gain their place in the determination of national R&D policies.

The 2014 OECD report depicted Turkey as a rapidly growing middle-income OECD economy. Regarding this report, contrary to the demonstration of tendency towards quick industrialization in the recent years by Turkey, it has been at a stable phase for the last two years. Besides, the Gross Domestic Expenditure on R&D (GERD) of Turkey was reported to have an 8.2% increase annually from 2007 to 2012.

Taking a look at countries' R&D performance ranking, Gross National Product (GNP) for Turkey is low comparing to other countries. The percentage of R&D expenditure in Turkey raises from 0.86 in the year 2011 to 0.92 percent of GNP for the year, 2012.

### 2.4. Core Competence-Based Approaches

The development of strategic studies in recent years shows that resource-based view which roots from competencies specific to the organization, complements the industry-based strategic works (Wernerfelt, 1984; Barney 1991; Wright et al., 2001). Till now most of strategic management studies have focused on opportunities and threats resulting from the interactions with the external environment approaching it from industrial based view. In the meantime, the approaches which take the internal resources along with the industrial-based view are continuing their way to the creation of a new paradigm in strategic management (Wernerfelt, 1984; Barney, 1991; Boxall, 1996; Wright et al., 2001).

Core competence-based term was first used by Prahalad and Hammel (1990),

introduced as competence and technologies' integrated mass. Core competencies are the integration of the interactions of organization's competencies at various functional levels and organization-wide dispersed competencies (Torkkeli and Tuominen, 2002). Sanchez and Henee (1997) explained the reason why core competencies are key elements for the organization this way: Core competencies in line with reaching the goals of organization, ensure the compliance, progress and strengthening of the resources. From Prahalad and Hamel's point of view (1990), core competencies are not restricted to only one product or service. Hence, there is a potential to convert many products and services to core-competencies.

In order to develop the core competencies, the first step is to define them truly and in a consistent way. The easiest way to specify core competencies is to know their attributes and subsequently, the capabilities an organization possesses should be examined for having those attributes. There are vast of researches on core competencies attributes in management and organization fields. Barney (1991) came up with VRIN (value, rarity, inimitability and non-substitutable) framework subsuming the attributes of core competencies.

It is worth mentioning that core competencies can be included in a hierarchy; first at the lowest level, resources, at the second level capabilities, at the third level competencies and at the apex, core competencies (Barney, 91; Javidan, 98). Resources are financial or non-financial elements for the conduction of organization's activities or as the requirements for the production of products and offering the services (Barney, 1991). Capabilities are the extent to which the organization can gain benefit from the resources and play role in the functional field (Javidan, 1998). Competencies are defined as the efficient use of the resources accompanied by their conversion into the activities to the level that they become appropriate for achieving the organization's goals. These competencies are resulted from the dispersion of capabilities throughout strategic business units (SBUs) (Barney, 1991; Javidan, 1998). Core competencies are induced from the interactions of the capabilities of different strategic business units. In the formation of core competencies, specialization, knowledge, process coordination, corporation, communication and many other factors are involved. The formation is dependent on whether these competencies are of value from the view of customers, whether the competencies are hard to find, whether they can be imitated easily and whether they can be replaced with an alternative. Seeing from this perspective, the core competencies which back the success of organization in the competition with its rivals should be identified after the internal environment analyses process. One of the methods employed for these kinds of analyses is VRIN framework (Barney, 1991).

All in all, an organization for the purpose of turning the core competencies into sustainable competitive advantage, should establish a relationship between organizational structure and its core competencies. Additionally, the development of core competence-based strategies for adaptation to the changing environment should also be regarded seriously.

### 3. METHODOLOGY

#### 3.1. Sample

The sample consisted of the different-level managers, R&D experts and researchers who work in R&D organizations in four technoparks located in Ankara. 304 complete questionnaires and forms were obtained from 152 respondents; of whom 7.2% were high-level managers, 21.7% middle-level managers, 47.4% R&D experts and researchers and 23.7% other R & D staff (including project managers, software developers, design experts,

test experts, configuration management experts and etc.) . The tenure of the respondents was as follows: 8.6% shorter than a year, 25.7 % between 1 to 3 years, 15.1% between 3 to 5 years, 24.3 % between 5 to 10 years, and 26.3% more than 10 years. 28.9 % of the respondents were women and 71.1% were men. Bachelor degree holders make up 68.4% of the respondents while 26.3 % hold master degree and 2.6% hold doctorate degree.

### 3.2. Common Core Competencies Analysis

For identifying the common core competencies, a list consisting of twenty four skills needed in R&D organizations obtained from the available literature (Ulrich and Dash, 2013) and the interviews conducted with experts, high-level and middle-level managers working at R&D organizations in Technoparks located in Ankara, was prepared in the format of an analysis form. A part of the form is illustrated in Table 1. The form was filled out by R&D project managers, R&D firm owners, software developers, testers, quality assurance responsible, R&D team leaders, configuration managers and business analysts handing in 152 analyzable forms. All respondents followed these instructions: first, R&D organizations' needed skills were overviewed before taking any action. Second, a decision should be made whether each skill is a kind of capability or a competency, bearing in mind that if the item is connected with the usage of resources, it should be enlisted as a capability, and if it is used by all business units in the company, it should be categorized under the competencies. Third, after marking an item as capability, the respondent can move to the next item and there is no need to mark any other options in the row. Nonetheless, if competence was selected as the category for the item, the respondent should move to the next four columns on the left, the attributes are briefly named V, R, I, N, then assigning each of these four a weight from 1 to 9; 1 when the skill item represents low level of that specific attribute and 9 when the item yields high level of that certain attribute. Case in point, having enough scientific knowledge can be assigned the weights as shown in the Table 1. The explanation would be that this item is at most valuable, following by rarity. Nevertheless, regarding its low score, 2, at inimitability, it means that it can be imitated easily by other firms. The respondent is needed to be consistent in assigning the weights; for instance, 9 should be of same worth in the first row of the analysis form just as in the last row of the analysis form. VRIN column is not needed to be filled out. After collecting the forms, the researcher calculated the arithmetic average of the four attributes and wrote it in the last column, VRIN.

Identification of the common core competencies was done by taking the capabilities and competencies columns into account. The binary coding was used; if the item was listed as capability, it was given zero, otherwise, one was ascribed.

R&D Organizations Needed Skills	Capabilities	Competences	Core Competences				VRIN
			Value (V)	Rare (R)	Inimitable (I)	Non-Substitutable (N)	
Having Enough Scientific Knowledge		√	9	8	2	5	6
Learning and Adaptation	√	-	-	-	-	-	-

Table 1. Common Core Competencies Analysis Sample Form

At the next step, the arithmetic average was measured for each skill, and then turned into a percentage. The median of %52 was taken as the threshold and the skills with a percentage above this threshold were remained as common core competencies, twelve of the totally twenty four competencies.

3.3. Prioritization

The data gained from the core competencies analyses forms were then compared two by two applying ANP (Analytic Network Process) regarding VRIN as a whole, building pairwise comparisons matrices (Saaty, 1996) and at last, reaching the prioritized core competencies of aggregates of R&D organizations.

The output of ANP software program is a list including the same items as Table 2 with a difference which is that the items are ordered according to the importance which was assigned to them by experts, high-level and middle-level managers working at R&D organizations in Technoparks in Ankara. The prioritized list of core competencies is brought in Table 3 together with their ANP weights.

3.4. R&D Performance Scale

The scale employed for R&D performance measurement is the questionnaire form of the 33 metrics suggested in technology value pyramid model (Tipping and Zeffren, 1995). These metrics were previously translated and used in Turkish language. The reliability and validity of the scale were tested. The internal consistency for the scale was measured using Cronbach Alpha and is reported as .928 indicating high level of internal consistency. The response scale was designed according to 5-point Likert scale ranging from 1, the lowest value to 5, the highest value. The highest the point the respondents assigned to each metrics means that their organizations show higher level of performance with regard to that specific metric.

#### 4. RESULTS

The core competencies common between the R&D organizations are brought in Table 2. The most common core competency is found to be internet usage skills and the least common core competency is the ability to work in interdisciplinary environment.

	Common Core Competencies	Percentage> 52% (median)
1	Internet usage skills	77.6
2	Learning and adaptation	73.7
3	Being able to work in teams	69.1
4	Multimedia usage skills	68.4
5	Adaptability	61.2
6	Owning enough scientific knowledge	56.6
7	Open-minded approach to problems	58.6
8	Able to integrate current technology, knowledge and research	57.9
9	Complicated tools grasp and analyzability skills	55.3
10	Communication skills	54.9
11	Having motivation and showing interest	53.9
12	Ability to work in interdisciplinary environment	52.6

**Table 2.** Common Core Competencies Analysis Results

In Table 3, the same twelve core competencies are enlisted in order of their importance which is actually the weights assigned to them during the ANP method. Interestingly, six of the core competencies were given the same weights by the respondents, resulting in six different rankings altogether.

	Prioritized Common Core Competencies	ANP Weights
1	Learning and adaptation	0.09362
2	Ability to work in interdisciplinary environment	0.05857
3	Open-minded approach to problems	0.05429
4	Internet usage skills	0.05429
5	Adaptability	0.05429
6	Able to integrate current technology and knowledge	0.05429
7	Multimedia usage skills	0.05429
8	Owning enough scientific knowledge	0.05429
9	Having motivation and showing interest	0.05321
10	Complicated tools grasp and analyzability skills	0.05297
11	Being able to work in teams	0.05209
12	Communication skills	0.05185

**Table 3.** Prioritized Common Core Competencies and ANP Weights

With reference to Table 4 in which the linear regression output is depicted, three of the twelve common core competencies predicted the R&D performance, namely complicated tools grasp and analyzability skills ( $\beta=0.197$ ,  $p<0.05$ ) being able to work in teams ( $P = 0.218$ ,  $p< 0.05$  and communication skills ( $P = - 0.225$ ,  $p< 0.05$ ).

Model	Unstandardized		Standardized	t	Sig.	#
	Coefficients		Coefficients			in
	B	Std. Error	Beta			Table 2
(Con- stant)	109.025	4.856		22.45	.000	
CC1	3.122	3.330	.079	.937	.350	8
CC2	-1.172	4.242	-.026	-.276	.783	1
CC3	1.189	3.371	.030	.353	.725	2
CC4	7.759	3.641	.197	2.131	.035	10
CC5	-6.820	3.795	-.172	-1.797	.074	6
CC6	9.243	4.210	.218	2.196	.030	11
CC7	-8.990	3.546	-.225	-2.535	.012	12
CC8	1.688	3.838	.042	.440	.661	3
CC9	-2.338	4.047	-.060	-.578	.564	9
CC10	.816	3.953	.020	.207	.837	5
CC11	3.227	3.955	.077	.816	.416	7
CC12	.404	4.851	.009	.083	.934	4

**Table 4.** Prioritized Common Core Competencies Coefficients Analysis

CC: Core Competence; Dependent Variable: R&D Performance

#### 4. DISCUSSION

The results of common core competencies analyses showed that twelve skills out of twenty four skills were common between the IT organizations. The output from this stage used as input for the prioritization by ANP method. The core competencies were ranked according to their importance, constituting six ranks totally due to the fact that six of the core competencies bore the same weights. The last part at which the linear regression was run elucidates the core competencies influencing the R&D performance. Contrary to our expectations, the core competencies at the top of the Table 3 holding higher weights were not found to be related to R&D performance as the differences were not significant. Oppositely, the last three core competencies with least weights presented a significant relationship with R&D performance those are to say complicated tools grasp and analyzability skills, being able to work in teams and communication skills, which will be discussed respectively in the upcoming paragraphs. To put differently, these three core competencies, despite of their relationship with R&D performance, were given less attention by the respondents.

Hobdey (2000) put stressed on IT tools such as project management, risk management, change management and internal designs for managing the complex contexts in R&D firms. Implementing these tools requires the staffs to be skilled at working with them, according to IT terminology these processes are embraced by software engineering life cycle processes and unfortunately, owning such skills is not considered as important as coding and software development skills at the time of recruitment. Secondly, negligence of the ability to overcome the complexity as pointed to by the results is mainly due to their lack of information on this subject and this gives rise to avoidance of allocating budget to building the essential infrastructures and training of the skilled staffs.

Having a successful R&D project depends intensively on the team working as seen in practice. R&D researchers of R&D organizations are needed to work in teams after the first step of their research, the basic research. Additionally, in R&D organizations, there is a need for team work and at the same time, the formation of these teams are not that easy for the reason that the higher the number of experts and professionals in a team is, the higher the conflict will be. These conflict raises from the proximity of the skills and skill levels of the members of the teams. This implies the vital role of leadership and leadership styles in R&D. What is suggested here is the need for leader manager in R&D organizations. Similar to Sargut's (2015) view, in the situations where there are issues with face-to-face communication, or when a leader needs to communicate more with his members, to achieve a permanent success and to sustain the leadership, leader should possess the manager's attributes as well.

Hoegl et al., (2004) conducted a research on inter-team coordination, commitment to project and team work in R&D teams which were demonstrated to had impact on team performance. Hoegl and Gemuenden (2001) proposed a model containing critical notions of team work quality in innovative firms: communication, coordination, mutual support, effort and cohesion.

To sum up, the difficulty of team formation, the proximity of skills and their levels causing the conflict and lack of leadership are the sources to the avoidance of team work significance.

Communication skills were neglected regarding its importance by respondents for several reasons. The first is that the employees in R&D organizations are usually selected from graduates of similar fields and as a result, they don't feel it necessary to communicate with the others; simply saying, one will tell himself: "I know what he knows. So why I should communicate with him." The second reason originates from the culture in R&D organizations. Culture is



a social phenomenon and despite of the necessity of communication in R&D organizations, the culture of communication is not seem to be present there since the R&D employees are mostly introvert and at the same time individualistic. Therefore, the formation of collective culture of communication is an arduous task in R&D organizations. The individualistic side of the workers is a characteristic forced on them at the basic research stage of R&D research. This stage compels the worker to reach a level of conceptual thinking and it comes to reality much easier individually comparing to the team work, causing the communication to be less effective and disjointed. The solution is to inform the managers and employees of how improving the communication skills brings in more R&D performance and the improvement might be done through training, workshops, building communication platforms, and foremost, creating R&D communication culture. In the current situation of the R&D organizations, the negative impact of communication skills on R&D performance, the more the staff is skilled at communication, the less the R&D performance will be, can be interpreted regarding the aforementioned reasons, briefly as the tendency, preference and obligation to work independently and individually due to the requirement of basic research and the feeling of I-know-all among the staffs. Moreover, the communication skill is not what increases the R&D performance presently because the lack of it is not felt in the organization for two reasons: avoidance of probable conflict between the staffs and the absence of communication-related culture.

## 5. CONCLUSIONS

The uncertainty and complexity of the today's environment make it hard for organizations to beat their rivals and win the competition. Core competencies lend a helping hand to organizations in the competition by providing them with sustainable advantage. Before the process of transformation of core competencies to sustainable competitive advantage, the choice of what core competencies to implement comes to the fore. In order to have a clue in the process of selection, the current study investigated the core competencies common between IT organizations in Technoparks, illustrating a list of them finally. The study next takes a step further to identify the order of importance according to which the IT staff and managers deal with these common core competencies. At the end of this part, a list of prioritized common core competencies including the weights assigned to each through ANP method was illuminated. Core competencies as mentioned earlier do not mean anything if they don't turn into sustainable competitive advantage or to put differently, if they don't bring about higher performance. Hence, the relationship between prioritized common core competencies and R&D performance was examined using linear regression and in contrast to what was expected, the core competencies with lower importance from the view of IT staff and managers were proved to be in relationship with R&D performance and surprisingly, not the core competencies ranked higher than them. In other words, what the respondents don't think to be of criticality, play crucial role in R&D performance. This indicates that the perception of IT staff and R&D managers of what skills, or core competencies contribute to rise in R&D performance seems to be wrong and their perceptions are needed to be modified concerning the priority they give to R&D skills which is issue both at the time of recruitment of new staff and at the continuance of the work. In the first case, a revision is proffered to be conducted on the skills with reference to which the new staff is recruited, employing the ones who possess the more essential skills in terms of R&D performance instead of going on the recruitment process with the old skills of which the consideration of their importance does not only bring the organization any benefits, but also makes it to encounter some serious problems. In the second case, if the staff has been already employed based on the old skills priority, the first thing to do is to build communication platforms for them somewhere; it can be a place in their daily-used software preferably, enabling them to get connected with

other staffs, communicating with them on their done or not-finished-yet tasks or asking them for their ideas and comments on their finished tasks. The question here is why the communication should be improved when it has negative effect on R&D performance. What is suggested is that the direction of the relationship might be attributable to what is perceived from the term "communication skills". The communication skills term as is perceived in most of the cases, talking to each other face-to-face, being social, socializing with friends, attending in talks and so on, does not seem to have place among the IT staffs who pass hours sitting at their desks, working on codes or programs and rarely talk to each other. Referring to what was explained in discussion section, where a quick look at the IT staffs' profiles was taken, it becomes obvious that the same usual communication method, face-to-face, does not satisfy IT staff and should not be expected from them either. Their individualistic and introvert personalities push them towards an alternative type of communication, the one in harmony with what they do, the virtual communication and this is the reason why a virtual platform was proposed. In addition, meetings which are virtual not face-to-face can be of help as a tool for increasing the communication. All these tools are not taken use of if the employees are not trained on how to use them and are not convinced to apply them. This is done through trainings and workshops, if looking more deeply, targeting at the culture of R&D organization implicitly. Considering the two cases, recruitment and continuance, puts emphasize on the inseparability of human resources practices from R&D management. These two should work hand in hand in order for the R&D organization to reach a higher level of performance.

The future research may be directed towards the apprehension of R&D culture in the organizations, how to make changes to it or how it is shaped from the very beginning. Being familiar with the culture might simplify human resources practices which then in return might affect the performance.

The second stream of research can be done on the concept of R&D need for leadership; how management and leadership in R&D are connected to each other or moving further back, poring over whether leadership is present in R&D organizations or not and if not, whether the need for its presence is felt in the organizations.

The third and last idea is to examine whether replacing the term "communication skills" with "virtual communication skills" may make a change in the direction of its relationship with R&D performance or not. It is expected that the virtual communication skills will affect the R&D performance positively if again not surprises us with the opposite result.

## REFERENCES

1. Abbey, A. and Dickson, J.W. (1983). "R&D work climate and innovation in semiconductor", *Academy of Management Journal*, Vol.26, No.2, 362-368.
2. Barney, J.B. (1991). "Firm resources and sustained competitive advantage", *Journal of Management*, Vol. 17, No.1.
3. Baysinger, B.D. and Hoskisson, R.E. (1989) "Diversification strategy and R&D intensity in multiproduct firm", *Academy of Management Journal*, Vol. 32, No.2, 310-332.
4. Baysinger, B.D., Kosnik, R.D. and Turk T.A. (1991). "Effects of board and ownership structure on corporate R&D structure", *Academy of Management Journal*, Vol .34, No.1, 205-214.
5. Boxall, P. F. (1996) "The strategic HRM debate and the resource-based view of the firm", *Human Resource Management Journal*, 6 (3), ss. 59-75.
6. Bremser, W.G. and Barsky, N.P. (2004). "Utilizing the balanced scorecard for R&D performance measurement", *R&D Management*, Vol. 34/3, 229-238.

7. Brown, W.B. and Gobeli, D. (1992). "Observations on the measurement of R&D productivity: A case study", *IEEE Transactions on Engineering Management*, 39, 4, 325-331.
8. Cooper, R.G. and Kleinschmidt, E. (1996). "Winning businesses in product development: The critical success factors", *Research Technology Management*, 39, 4, 18-29.
9. Greve, H.R. (2003). "A behavioral theory of R&D expenditures and innovations: Evidence from shipbuilding", *Academy of Management Journal*. Vol. 46, No.6, 685 - 702.
10. Griffin, A. and Page A.L. (1996). "PDMA success measurement project: recommended measures for product development success and failure", *The Journal of Product Innovation Management*, 13, 478-496.
11. Hitt, M. A., Ireland R.D. and Harrison, J.S. (1991). "Effects on acquisitions on R&D input and outputs", *Academy of Management Journal*, Vol 34, No 3, 693-706.
12. Hobday, M. (2000). "The project-based organisation: an ideal form for managing complex products and systems?", *Research policy*, 29(7), 871-893.
13. Hoegl, M. and Gemuenden, H.G. (2001). "Teamwork quality and the success of innovative projects: A theoretical concept and empirical evidence", *Organization Science*, 12(4), 435-449.
14. Hoegl, M., Weinkauff, K. and Gemuenden, H.G. (2004). "Inter-team coordination, project commitment and teamwork in multi-team R&D projects: A longitudinal study", *Organization Science*, 15(1), 38-55.
15. Hultink, E.J. and Robben, H.S.J. (1995). "Measuring new product success: The difference that time perspective makes", *The Journal of Product Innovation Management*, 12, 392-405.
16. Hoang, H. and Rothaermel, F.T. (2005). "The effect of general and partner-specific alliance experience on joint R&D project performance", *Academy of Management Journal*, Vol. 48, No.2, 332-345.
17. Javidan, M. (1998). "Core competence: What does it mean in practice?", *Long Range Planning*, Vol.31, No:1.
18. Jenster, P.V. and Pedersen, H.S. (2000). "Outsourcing-facts and fiction", *Strategic Change*, Vol.9, pp. 147-154.
19. Katila, R. and Ahuja, G. (2002). "Something old, something new: A longitudinal study of search behavior and new product introduction", *Academy of Management Journal*, 45(6), 1183-1194.
20. Keller, R.T. (1994). "Technology-information processing fit and the performance of R&D project groups: A test of contingency theory", *Academy of Management Journal*, Vol.37, No.1, 167-179.
21. Lee, P.M. and O'Neil H.M. (2003). "Ownership structures and R&D investments of U.S. and Japanese firms: Agency and stewardship perspectives", *Academy of Management Journal*. Vol.46, No.2, 212 - 225.
22. Lichtenberg, F. R. (2002) "Sources of U.S. longevity increase", 1960-1997, NBE. Working Paper, National Bureau of Economic Research, No: 8755.
23. Matheson, D. and Matheson, J. (1999). *Akıllı Örgüt*, Boyner Holding Publishing, İstanbul.
24. Meyer, M.H., Tertzakian, P. and Utterback, J.M. (1997). "Metrics for managing research and development in the context of the product family", *Management Science*, 43, 1,

- 88-111.
25. Prahalad, C.K. and Hamel, G. (1990). "The core competence of the corporation", Harvard Business Review.
  26. Saaty, T.L. (1986). "Axiomatic foundation of the analytic hierarchy process", Management Science, Vol: 32, No:7.
  27. Sanchez, R. and Henne, A. (1997). "Reinventing strategic management: New theory and practice for competence-based competition", European Management Journal, Vol. 15, No.3.
  28. Sargut, A.S. (2015). Lider Yöneticinin Benliğine Yolculuk, Beta Publishing, İstanbul.
  29. Schilling, M.A. and Hill, C.W. (1998). "Managing the new product development process: Strategic imperatives", The Academy of Management Executive, 12(3), 67-81.
  30. OECD Science, Technology and Industry Outlook 2014 [online] <https://anahtar.sanayi.gov.tr/tr/news/oecd-bilim-teknoloji-vesanayi-gorunum-raporu-2014/1905> (Accessed 2 August 2017).
  31. Ojanen, V. and Vuola, O. (2003). "Categorizing the measures and evaluation methods of R & D performance: A state-of-the-art review on R & D performance analysis", Lappeenranta University of Technology.
  32. Tipping, J. W. and Zeffren, Z. (1995). "Assessing the value of your technology", Research-Technology Management, 38, 22-39.
  33. Torkkeli, M. and Tuominen, M. (2002). "The contribution of technology selection to core competencies", International Journal of Production Economics, Vol: 77.
  34. Ulrich, W. and Dash, D. P. (2013). "Research skills for the future: Summary and critique of a comparative study in eight countries", Journal of Research Practice, 9(1), 1.
  35. Wernerfelt, B. (1984). "A resource-based view of the firm", Strategic Management Journal, Vol.5, No. 2.
  36. Wright, P. M., Dunford, B.B. and Snell, S.C. (2001). "Human resources and the resource based view of the firm", Journal of Management, Vol.27, ss. 701-721.
  37. Yaylalı M., Akan Y. ve Işık, C. (2010). "Türkiye'de Ar-Ge yatırım harcamaları ve ekonomik büyüme arasındaki eş bütünleşme ve nedensellik ilişkisi", Bilgi Ekonomisi ve Yönetimi Dergisi, Cilt: V Sayı: II.



# Passion

**Selcen Seda TÜRKSOY<sup>1</sup>**

**Özkan TÜTÜNCÜ<sup>2</sup>**

## CHAPTER 12

---

<sup>1</sup> Ege University, Cesme School of Tourism and Hotel Management

<sup>2</sup> Dokuz Eylul University, Faculty of Sport Sciences



## 1. PASSION CONCEPT

The passion concept has a long philosophical history. The common points of the concept that has been handled differently by many disciplines within the process are the commitment to the action, feeling an emotional bond about the action and the feeling of value. While passion was previously believed to cause someone to lose one's mind and control, Spinoza (1632-1677) asserts that the rational thoughts are expressed with the mind and the thoughts which cannot be explained by the mind are based on the passion. According to this perspective, passionate individuals are considered as passive and slaves of their passions. From another perspective, in his book 'The Passions of the Souls' (1649/1972), René Descartes (1596-1650) explains the passion as the strong feelings formed with positive inner behavior tendencies as long as the behavior can be explained with the mind (Vallerand et al., 2014).

The psychology science, on the other hand, explains the passion within the scope of the positive and negative dependency and creativeness as well as its incentive role (Vallerand et al., 2003; Houliort and Vallerand, 2003). Besides the studies on the passion at the workplace, the concept has been subject to the studies about attachment and extreme attachment (Dubé et al., 1997) within the scope of romantic relationships (Hatfield and Walster, 1978). When considered biologically, the passion is evaluated as an emotion that can be observed externally or is defined as a feeling that can be determined internally.

Passion is a strong feeling; it shows biological feature and it can be affected positively or negatively by the external environment (Topuz, 2014: 19). The conversion of an emotion or a behavior into passion is evaluated within the process and according to the study; it is possible for the action to convert into passion in three steps (Mageau et al., 2009; Vallerand et al., 2014):

- The action to be carried out is selected (This includes subjectivity and the pleasing action meeting the requirements of the person is chosen).
- In the second step, as the individual endeavors (energy, time etc.) for the selected action, he/she starts to value the relevant action. Increasing pleasure and the value formed along cause the development of the passion. This situation enables the individual to attach to the action intrinsically or extrinsically and to internalize the action.
- In the last phase, the action is internalized in accordance with the social situation and the personality structure of the individual. In a social environment supporting independence, an independent internalization process (harmonious passion) develops while in over-monitored environment controlled internalization process (obsessive passion) develops. When considered in terms of personality traits, the individuals with a more self-determined personality structure internalize the situation independently; and those who have controlled (who develop behavior due to interior or exterior pressures) personality structure experience a controlled internalization process.

Deci and Ryan (2000) put forward that they got attached to the actions they carried out with the hope of meeting basic psychological requirements of the individuals such as autonomy (the ability to initiate one's own behaviors personally), competence and relatedness (the feeling or desire to be attached to the other important people) (Vallerand et al., 2003). Passion, as the concept that is handled by many researchers in different ways, constitutes a motivational framework with cognitive, emotional and behavioral components. In this case, passion is a strong feeling the person has for the action (job etc.) that he/she loves, gives importance, spends time and energy on and defines himself/herself (Vallerand et al., 2003; Houliort et al., 2015). In literature, passion is discussed in



two different dimensions based on how the person internalizes the action with his/her self and identity: harmonious passion and obsessive passion.

### **1.1. Harmonious Passion**

In harmonious passion, the individual internalizes the action independently; this internalization creates a motivational effect on the person to realize the action willingly and generates willpower and personal support feeling to continue the action. The action happens in harmony with the individual's life (Vallerand et al., 2003). Harmonious passion is accepted as an independent acceptance behavior which directs the individual to carry out a pleasing action. In this circumstance, when the individual wants to carry out any action, even the challenging conditions cannot hinder it from happening and the individual behaves in the way he/she wants with his/her own willpower. Since the harmonious passion implies that the individual is only under his/her self control to carry out the action freely, he/she realizes the action with one's own will without being affected by the challenging conditions.

### **1.2. Obsessive Passion**

In obsessive passion, the internalization of the action happens through the interpersonal or personal pressures. It is because the acceptance to the action, self-esteem are associated with some conditions or the excitement experienced while carrying out the action becomes uncontrollable during the internalization process. The individual enjoys the action, yet feels oneself forced to carry out the action due to the intrinsic conditions (Vallerand et al., 2003).

Passion in the obsessive form turns into an internal pressure for the actualization of the pleasing action, and it is seen as the uncontrollable acceptance behavior of the action. Some researchers express this situation as obsession. In that case, the individual behaves out of one's self willpower to carry out the action. The passion converted into obsession cannot be controlled by the individual, and it is a matter of carrying out the wishes of the self or someone else. While it is the individual himself/herself who controls one's harmony passion against the work in harmonious passion, it is the work itself in obsessive passion and this situation can harm the individual's relationship with the others. Therefore, the harmonious passion produces positive outputs thanks to the emergence of the positive feelings and obsessive passion can cause negative outputs (Vallerand, 2010).

When the action is associated with some situations such as self-confidence, being socially accepted, uncontrollable excitement, the action will still be internalized by the individual but this internalization will cause obsessive passion (Vallerand et al., 2014). Since the association with the ego rather than the self-integrity is the subject matter, the individuals with obsessive passion usually experience anger, disappointment and conflicts in the other fields of life (Vallerand et al., 2014). While it is stated that the individuals having harmonious passion or obsessive passion are not more passionate when compared to one another, it is put forward that the difference is about the quality of the passion rather than the passion level. Hence the harmonious passion leads to a more free experience and obsessive passion means a more controlled experience in the action carried out (Vallerand et al., 2014).

## **2. APPROACHES PERTAINING TO PASSION VARIABLE**

### **2.1. Self Determination Theory**

Self Determination Theory (SDT) can be explained as the point of view explaining the psychological development, integrity and vitality as a lifestyle. SDT assumes that the individual develops especially as a curious, physically active and deep social creature

substantially. Inherent tendencies emerge in the individuals since infancy (in the required environments) in order to be interested in their inner and outer worlds, learn deeply and gain experience. These are the inherent tendencies to discover, manage and understand as related to the intrinsic motivation; active internalization and incorporation the social norms and regulations tendencies by the way of integration. SDT focuses on how these two rooted development processes progress best and their influence forms (Ryan and Deci, 2017: 4-5). In other words, the theory explains the behavior and development tendencies of the individual during the process; how and in what way the individual is affected by the social environment of which one is a part of and the individual's reaction to this. Also, the theory studies the effect level of the same and different social environments to the individuals and the exposure level of the individuals (Ryan and Deci, 2000).

The inner motivation requires these tendencies to meet such basic psychological requirements as autonomy (the ability to initiate one's own behaviors personally), competence (the desire to interact with the environment in an effective way) and relatedness (the feeling or desire to be attached to the other important people) for the internalization and integration with the society. Of these, meeting the psychological ones can be effective on the curiosity, creativity, productivity, performance and the growing compassion of the individual. According to the Self Determination Theory, when three basic requirements of the individual are met during a healthy development process, it is seen to contribute positively on the individual's strong-willed and quality motivation, activity continuity, performance increase, stability and creativity. When basic psychological requirements are met, the individuals' effort for the aim increases, they can use their capacities more productively and therefore their well-being level increases (Yarkin, 2013: 19).

When the autonomy, competence or relatedness requirements are met in the working life, the employees' intrinsic motivation will increase and thus it will lead to positive consequences regarding the working manner and behavior (Gagné and Deci, 2005). There is an inverse relationship between the meeting of these requirements and the unfavorableness at the work place (Bradley et al., 2012) and a positive relationship between meeting of these requirements and welfare at the work (Kasser and Ryan, 1999), intrinsic motivation (Deci and Ryan, 2000), higher performance (Baard et al., 2004) and optimism (Bradley et al., 2012).

### 3. PASSION AT THE WORKPLACE

The study of Vallerand et al. (2003) is taken as reference as the beginning of the literature studies pertaining to the passion in organizational meaning. The researchers who tested their own passion scale in sports or recreational activities (Vallerand et al., 2003), emphasize the importance of the passion in the organizations in their studies and test their research in terms of the organizational behavior (Houlfort and Vallerand, 2003). As a result of the analyses, the validity and reliability of the scale is found as to be on the acceptable level. In the other experimental studies carried out with the same purpose (Houlfort et al., 2015; Zigarmi et al., 2016; Marsh et al., 2013), it is stated that the passion scale can be applied in the organizations.

When the action is valued a lot, the work seems meaningful and important to the individual. The individual internalizes the work independently and this leads to harmonious work passion. Harmonious passion within the organization helps to get attached to the target in a decisive way and can create a new vision for the individual. However, since this situation may cause the individual to disregard other activities, it can also limit and narrow the viewpoint of the individual (Day, 2004, as cited in Topuz, 2014).

In obsessive passion situation, the work is again internalized by the individual but it

happens in a controlled way. Those who have obsessive passion exhibit a firmer attitude about their work. In other words, dependence is experienced (Vallerand et al., 2003). Individuals with obsessive passion experience anger, disappointment and conflicts in the other fields of life when they are not busy with their professional work. Obsessive passion prevents the individual from investing in the other fields of life, and forestalls the individual's chances of cognitive and behavioral enrichment and revival. Therefore, the outputs of two passions are different (Houlfort et al., 2015). While in the organizations, where the employees can make choices and their improvement is supported, the employees are allowed to develop harmonious passion; in the organizations in which the employees are forced or obligated to behave in a certain way, obsessive passion form is likely (Vallerand et al., 2014).

#### **4. FACTORS LEADING TO PASSION AT THE WORKPLACE**

It is emphasized that the social environment and the personality structure of the individual are effective during the conversion process of the feeling or behavior into passion. In a workplace environment supporting independency, independent internalization process (harmonious passion) is developed while in a controller workplace environment controlled internalization process (obsessive passion) is generated. The relationship between the two dimensional passion model (Houlfort and Vallerand, 2003), and leadership and organizational culture in the workplace environment is studied; and it is found out that while transformational leadership (supporting autonomy at the workplace and appreciating the behavior and thoughts of the employees) leads to harmonious passion, transactional leadership (controlling, correcting etc.) causes obsessive passion. When the relationship between the organizational culture and passion at the workplace is researched, mostly harmonious passion is seen in the businesses with clan organizational features (cooperation, attachment, improvement, communication) while in businesses with market organizational culture (rivalry, achievement-oriented, profiting) obsessive passion is observed (Vallerand et al., 2014: 100).

Taken into account in terms of personality traits, the employees with a more self-determined structure develop independent internalization (harmonious passion) while those with the controlled (developing behavior due to interior or exterior pressures) personality traits build controlled internalization (obsessive passion). In addition to these personality traits, it is found out that also the emotional intelligence of the employees along with their strength that makes them special can also be related to the passion. In the study based on the facts that the employees with positive emotional intelligence establishing more empathy, the awareness of the effect power, developing more independent behaviors, being more harmonious in terms of emotion and value etc., a positive relationship is determined between the emotional intelligence and harmonious passion (Houlfort and Rinfret, 2010). Forest et al., (2012), on the other hand, obtain a result as the employees who are aware of their strength and who can use it have an increased level of harmonious passion, and yet, they couldn't find any relationship with the obsessive passion.

#### **5. THE RESULTS OF THE PASSION AT THE WORKPLACE**

In literature, a positive relationship between the harmonious passion and mental health, flow, vitality and emotional attachment is determined while an inverse relationship is set between the obsessive passion and mental health and a positive poor relationship is set between the obsessive passion and the autotelic experience (gained continuity in the behavior) (Forest et al., 2011). Also, the mediation effect of the harmonious and obsessive passion is stated between the labor demand and burnout. It is found that the labor demands cause burnout and have no effect on the commitment. Labor resources can maintain commitment due to the mediation effect of the harmonious passion (Lavigne et al., 2014).

There are also studies carried out in the field of entrepreneurship due to the facts that passion empowers the creativity of the individual, its positive effect on motivating the employees, its effects on finding funds from the investors and its positive effects on finding and evaluating opportunities (Müceldili and Erdil, 2016: 21). Also, in the studies conducted by Bau and Locke (2004) and Bau et al. (2001), it is set forth that the entrepreneurship passion of the chief executive officers through objectives has a positive effect on the business growth or on increased performance.

On the other hand, the employees with harmonious passion show higher concentration compared to the ones with the obsessive passion (Vallerand et al., 2003). While harmonious passion affects the concentration and attention experience positively, these elements have an inverse relationship with the obsessive passion (Forst et al., 2011). Harmonious passion flow envisages the individual to completely concentrate on the work and obsessive passion doesn't lead to flow experience (Forest et al., 2011; Philippe et al., 2009).

Harmonious passion has an inverse relationship with feeling bad while affecting being psychologically good. Obsessive passion, on the other hand, has a positive relationship with feeling bad and doesn't have a relationship with being good or has an inverse relationship with it (Lavigne et al., 2012; Forest et al., 2011; Houliort et al., 2014, 2011). In the third study of Houliort et al. (2011), it is determined that obsessive passion causes feeling psychologically bad at the workplace environment and decreases positive feelings of the employees. Again, Forest et al. (2011) put forward that meeting basic requirements such as autonomy, competence and being dependent has a mediation effect between relatedness good and harmonious passion. Harmonious passion affects the flow positively and decreases exhaustion. However, obsessive passion increases emotional exhaustion (Lavigne et al., 2012).

Employee with the obsessive passion experience exhaustion due to the conflict between the work and the activities out of the work life; harmonious passion prevents inner conflict and leads to work satisfaction (Vallerand, 2010). The employees with the harmonious passion have an increased quality of relationship at the workplace environment. Individual with positive feelings can develop better relationships (Philippe et al., 2010). It is also ascertained that when passion and performance are taken into account, harmonious passion increases individual performance (Liu et al., 2011). In conclusion, when the conducted studies are analyzed, it is seen that while harmonious passion leads to positive organizational outputs, obsessive passion causes negative organizational relationships.

## 6. WORK ENGAGEMENT AND PASSION

In the literature review made regarding passion at the workplace, it is seen that work engagement is used as work attachment. In order to remove confusion about the concept, the relationship between the passion and engagement concepts will be evaluated briefly. In this context, the difficulty of defining work engagement and passion at the workplace and the difficulty in telling them apart are mentioned. The work engagement and passion concepts explain the effect of time and energy spent at work on the employees in cognitive and behavioral ways from motivational perspectives. Both concepts show similarities in terms of content and conceptualization and show common premise effects and results in the studies carried out at the workplace (Kocjan, 2015).

Kahn firstly mentioned about the concept of work engagement in his study in 1990. He addressed job roles in this study and mentioned about the work engagement of the individuals and personality integrity by explaining the personality integrity through role concept. In the same study, the personality integrity is defined as the realization of the job

roles by the individuals using their all selfness as physical, cognitive and emotional energy (Kahn, 1990). The components explaining the model are as follow:

- Physical: "I spend a lot of energy while working",
- Emotional "I put my heart on this work",
- Cognitive "I'm so involved in my work that I forget everything else" (May et al., 2004).

According to these components, it is possible to identify the work engagement as the individual's physical, cognitive and emotional manifest and fulfillment of the job roles (Ashforth and Humphrey, 1995). Engagement expresses the relationship between the employee and the work. Passion, on the other hand, "is a strong tendency towards an activity that the individuals favor, appreciate and spent their time, energy and event their monetary resources on" (Vallerand, 2008: 1).

When the work is appreciated a lot, it seems meaningful and important to the individual. When the individual internalizes the work independently, it leads to harmonious passion and this kind of internalization is resulted from the intrinsic and integrating tendencies of the individual. Since the individual support and willpower feeling are experienced while fulfilling the activity, the activity that the individual feels passion for has an important place in the identity of the individual but it is not destructive. Therefore, the individuals who have harmonious passion for their work have more positive experiences by acting more flexible, more sensitive and overt in the professional activities or their own work. In other words, it applies to how the activity the individual feels passion for or the other activities are integrated in the employee's life and its internalization process. In literature, there are empirical studies obtaining the result that work engagement and passion are two different concepts. Of these, in Ho et al. (2011)'s study it is emphasized that harmonious passion increases the employee's performance and this is enabled through the assimilation mediation effect of the employee.

Kojcan et al. (2015) evaluate the work engagement and passion concepts in different ways and they state that these concepts are related to yet independent from each other. Researchers assess the similarities and differences between the two concepts in diverse dimensions and show their results on a table (Table 1). In the table, the work engagement is compared with harmonious passion. When the focus of the work engagement is what the employee feels about the work, in harmonious passion not only the activity but also the relationship between the individual's private life and the activity and the individual's internalization are the points in question. The scope of the work engagement is about work; however, the activity doesn't have to be about work in passion. The premises of the work engagement are job resources, performance feedback and labor demand. The premises of harmonious passion are the choice and evaluation of the activity to be carried out and the autonomy.

	Work Engagement	Harmonious Passion
Focus	Feeling involved in the work, the dimensions constituting the basis of the relationship between the employee and the work, generally the conditions promoting the engagement	The relationship between the activity felt passion for and the other activities in the individual's life, and the internalization process of the activity in the individual's identity
Scope and Content	A multi-dimensional concept mainly about work	General one-dimensional concept about any kind of activity
Premises	Job resources (e.g. performance feedback, social /institutional support, autonomy), Labor demands	Activity choice and evaluation, autonomy support, Harmonious passion for the workplace: +Employment opportunities, -Labor demands
Results	Better welfare, better health, better performance etc.	Better welfare, health and performance
Motivational Base	High power of motivation to start out the work; Strong relationship with the intrinsic motivation	High power of motivation for the conversion of the activity into passion; Strong relationship with the intrinsic motivation
Internalization	conceptually Internalization an intrinsic element/way of engagement or its premise	The focus of the definition-passion, a feature defining itself
Relationship with the Flow Experience	The result of high engagement; assimilation in some conceptualizations, a flow dimension at the same time	The result of the harmonious passion.

Resource: Kocjan, 2015:247.

**Table 1.** Similarities and Differences between Work Engagement and Harmonious Passion

The results of both the engagement and passion are higher performance and the increase in the level of welfare. While the motivational base of the work engagement is the intrinsic motivation and the high motivation to start out the work, again high (intrinsic) motivation is required for the conversion of the activity into the passion in harmonious passion. High level of engagement leads to flow experience, also the result of the harmonious passion reveals the relationship with the flow experience.

## 7. STUDIES CONDUCTED PERTAINING TO THE PASSION

The increasing emphasis on the passion concept requires the evaluation of the studies conducted and their findings. In the studies about the internet emerging with the rapidly developing technology in the latest years and the games, in the researches carried out on the virtual chance games and gambling, passion takes a part. Apart from that, studies are done about passion and being passionate concerning the business management such as organizational behavior and entrepreneurship, recreational activities, participation in the sports types in the studies about education and different sides in accordance with it (spectator or supporter, technical chief and referee).

In Turkey, there are a very limited number of studies regarding the passion concept in social sciences field. Of these, Keleccek (2013), tested the "Passion Scale", developed by Vallerand et al. (2003) based on the two-dimensional passion model, on the university athletes receiving higher education. The study is about the engagement of the athletes with the activity, the processes effective in the continuity of the activity, defining the

moods caused by the facts and the activity, and addressing the relationship between the passion concept and other psychological factors (Keleşek and Aşçı, 2013: 81).

In the study carried out by Aydın et al. (2015), the effect of income, time and passion on the psychological well-being situation is analyzed. The variables effecting the psychological well-being situation are analyzed in two steps. In the study, it is firstly identified that the first variable affecting the psychological well-being situation is time and the second variable is the income. In the second step, it appears that harmonious passion, income and obsessive passion affect the psychological well-being situation. In the model it is determined that the time spent on riding a bicycle doesn't have any effect on psychological well-being situation (Aydın et al., 2015). Aside from this study, there are also studies on fine arts, philosophy and literature and these are mostly about the philosophical and psychological ways of the concept. A study about the concept in the tourism literature isn't encountered.

## REFERENCES

1. Ashforth, B. E. ve Humphrey, R. H. (1995). Emotion in The Workplace: A Reappraisal. *Human Relations*, 48: 97-125.
2. Aydın, İ., Çetinkaya, C. ve Tütüncü, Ö. (2015). Gelir, Zaman ve Tutkunun Psikolojik Olarak İyi Oluş Haline Etkisi. 3. Rekreasyon Araştırmaları Kongresi. 5-7 Kasım 2015. Eskişehir.
3. Baard, P. P., Deci, E. L. ve Ryan, R. M. (2004). Intrinsic need satisfaction: A motivational basis of performance and well-being in two work settings. *Journal of Applied Social Psychology*. 34: 2045–2068.
4. Bau, J. R. ve Locke, E. A. (2004). The Relationship of Entrepreneurial Traits, Skill, and Motivation to Subsequent Venture Growth. *Journal of Applied Psychology*. 89: 587-598.
5. Bau, J. R., Locke, E. A. ve Smith, K. G. (2001). A Multi-Dimensional Model of Venture Growth. *Academy of Management Journal*. 44: 292-303.
6. Bradley, C., Machi, T., O'Brien H., Morgen K. ve Ward K. (2012). Faithful But Different: Clinical Social Workers Speak Out About Career Motivation and Professional Values. *Journal of Social Work Education*. 48(3): 459-477.
7. Brown, T. A. (2006). Confirmatory factor analysis for applied research. New York: Guilford Press.
8. Day, C. (2004). A Passion For Teaching. London: Routledge Falmer.
9. Deci, E. L. ve Ryan, R. M. (2000). The “what” and “why” of Goal Pursuits: Human Needs and the Self-Determination of Behavior. *Psychological Inquiry*. 11: 227–268.
10. Dubé, L., Kairouz, S. ve Jodoin, M. (1997). L'engagement: un gage de bonheur? *Revue Québécoise de Psychologie*, 18: 211–237.
11. Forest J., Mageau G. A. Sarrazin C. ve Morin E. M. (2011). “Work is My Passion”: The Different Affective, Behavioural, and Cognitive Consequences of Harmonious and Obsessive Passion toward Work. *Canadian Journal of Administrative Sciences*. 28: 27–40.
12. Forest, J., Mageau, G. A., Crevier-Braud, L., Dubreuil, P., Bergeron, E. ve Lavigne, G. L (2012). Harmonious Passion as a Mediator of the Relation Between Signature Strengths' Use and Optimal Functioning at Work: Test of an Intervention Program. *Human Relations*. 65: 1233-1252.
13. Gagné, M. ve Deci, E. L. (2005). Self-determination theory and work motivation. *Journal of Organizational Behavior*. 26: 331–362.
14. Hatfield, E. ve Walster, G. W. (1978). A New Look at Love. MA: Addison-Wesley.
15. Ho, V.T., Wong, S.S. ve Lee, C.H. (2011). A Tale of Passion: Linking Job Passion and Cognitive



- Engagement to Employee Work Performance. *Journal of Management Studies*. 48(1): 26-47.
16. Houliort, N. ve Rinfret, N. (2010). Fovorer la Satisfaction au Travail des Direktuers Generauş du Reseau de la Sante et des Service Sociaux. in D. B. Raveleau ve F. B. Hassel (ed). *Management Humain des Organisations: Grandeurs et Miseres de la Fonctin de Dirigeant*. Paris: Editions L'Harmattan.
  17. Houliort, N. ve Vallerand, R. J. (2003). Passion atwork: Toward a new conceptualization. In S. W. Gilliland, D. D. Steiner ve D. P. Skarlicki (Eds. ). *Emerging Perspectives on Values in Organizations* (pp. 175–204). Greenwich, CT: Information Age Publishing.
  18. Houliort, N., Fernet, C., Vallerand, R. J., Laframboise, A., Guay, F. ve Koestner, R. (2015). The Role of Passion for Work and Need Satisfaction in Psychological Adjustment to Retirement. *Journal of Vocational Behavior*. 88: 84–94.
  19. Kahn, W. A. (1990). Psychological Conditions of Personal Engagement and Disengagement at Work. *Academy of Management Journal*. 33: 692-724.
  20. Kasser, V. M. ve Ryan, R. M. (1999). The Relation of Psychological Needs for Autonomy and Relatedness to Health, Vitality, Well-Being and Mortality in a Nursing Home. *Journal of Applied Social Psychology*. 29: 935–954.
  21. Kelecek S. ve Aşçı, F. H. (2013). Tutkunluk Ölçeği'nin Üniversite Sporcuları İçin Geçerlilik ve Güvenilirlik Çalışması. *Türkiye Klinikleri*. 5(2): 80-85.
  22. Kelecek, S. (2013). Sporcuların Tutkunluk Düzeylerinin; Optimal Performans Duygu Durumu, Gündüsel Yönelim ve Hedef Yönelimini Belirlemedeki Rolü. (Yayımlanmamış Yüksek Lisans Tezi). Ankara: Başkent Üniversitesi Sağlık Bilimleri Enstitüsü.
  23. Kocjan, G.Z. (2015). Disentangling the Overlap Between Employee Engagement and Passion. *Psihologijske Teme*. 24(2): 233-258.
  24. Lavigne, G. L., Forest, J. ve Crevier-Braud, L. (2012). Passion at Work and Burnout: A Two-Study Test of The Mediating Role of Flow Experiences. *European Journal of Work and Organizational Psychology*. 21(4): 518-546.
  25. Lavigne, G. L., Forest, J., Fernet, C. and Crevier-Braud, L. (2014), Passion at Work and Workers' evaluations of Job Demands and Resources: A Longitudinal Study. *Journal of Applied Social Psychology*. 44: 255–265
  26. Liu, D., Chen, X. ve Yao, X. (2011). From Autonomy to Creativity: A Multilevel Investigation of the Mediating Role of Harmonious Passion. *Journal of Applied Psychology*. 96: 295-309.
  27. Mageau G. A., Vallerand, R. J., Charest, J., Salvy, S., Lacaille, N., Bouffard, T. ve Koestner, R. (2009). On the Development of Harmonious and Obsessive Passion: The Role of Autonomy Support, Activity Valuation and Identity Process. *Journal of Personality*. 77: 601-645.
  28. Marsh, H. W., Vallerand, R. J., Lafreniere, M. A. K., Parker, P., Morin, A. J. S., Carbonneau, N. ve Paquet, Y. (2013). Passion: Does One Scale Fit All? Construct Validity of Two-Factor Passion Scale and Psychometric Invariance Over Activities and Languages. *Psychological Assessment*. 25: 796-809.
  29. May, D. R., R. L. Gilson ve Lynn M. H. (2004). The psychological conditions of meaningfulness, safety and availability and the engagement of the human spirit at work. *Journal of Occupational and Organizational Psychology*. 77: 11-37.
  30. Müceldili B. ve Erdil, O. (2016). Bireysel Yenilik ve Sorumluluk Alma: Tutkulu Olmak Önemli midir? Kongre Bildiri Kitabı (ss. 21-29). Düzenleyen: Sabancı Üniversitesi. 24. Ulusal Yönetim ve Organizasyon Kongresi. İstanbul. 29-31 Mayıs 2016.



31. Philippe, F. L., Vallerand, R. J., Houliort, N., Lavigne, G. L. ve Donahue, E. G. (2010). Passion for an Activity and Quality of Interpersonal Relationships: The Mediating Role of Emotions. *Journal of Personality and Social Psychology*. 98: 917-932.
32. Philippe, F., Vallerand, R. J. ve Lavigne G. (2009). Passion does Make a Difference in People's Lives: A Look at Well-Being in Passionate and Non-Passionate Individuals. *Applied Psychology: Health and Well-Being*. 1: 3-22.
33. Ryan, R. M. ve Deci, E.L.(2017). Self -Determination Theory Basic Psychological Needs in Motivation, Development, and Wellness-Determination Theory.
34. Topuz, R. (2014). Beden Eğitimi Öğretmenlerinin Öğretme Tutkusunu Etkileyen Faktörlerin İncelenmesi. (Yayımlanmamış Doktora Tezi). Ankara: Gazi Üniversitesi Eğitim Bilimleri Enstitüsü.
35. Vallerand, R. J. (2008). On the Psychology of Passion: In Search of What Makes People's Lives Most Worth Living. *Canadian Psychology*. 49: 1-13
36. Vallerand, R. J. (2010). On Passion for Life Activities: The Dualistic Model of Passion. In M. P. Zanna (ed). *Advances in Experimental Social Psychology*. 42: 97-193.
37. Vallerand, R. J., Blanchard, C., Mageau, G. A., Koestner, R., Ratelle, C., Léonard, M. Ve Marsolais, J. (2003). Les passions de l'âme: On obsessive and harmonious passion. *Journal of Personality and Social Psychology*. 85(4): 756–767.
38. Vallerand, R. J., Houliort N. ve Forest, J. (2014). Passion for Work: Determinants and Outcomes. *The Oxford Handbook of Work Engagement* (pp. 85-105). Editor Marylene Gagne. Oxford: Oxford University Press.
39. Yarkin, E. (2014). Temel psikolojik ihtiyaçların karşılanma düzeyinin ilişki doyum ve yaşam doyum düzeyine katkısının incelenmesi. (Yayımlanmamış Yüksek Lisans Tezi). İstanbul: Arel Üniversitesi Sosyal Bilimler Enstitüsü.
40. Zigarmi, D., Galloway, F. J. ve Roberts, T. P. (2016). Work Locus of Control, Motivational Regulation, Employee Work Passion, and Work Intentions: *Journal of Happiness Studies*. November.

# Demand Analysis Of The Usa's Meat Products: An Application Of Linear Approximate-Almost Ideal Demand System

**Filiz GÜNEYSU ATASOY<sup>1</sup>**

## CHAPTER 13

---

<sup>1</sup> Asst. Prof. Dr., Osmaniye Korkut Ata University



## 1. INTRODUCTION

Market planners, firms, product developers and policy makers need to evaluate the market potential of any kind of goods especially food, herbs, plants and any kind of products (Aslan et al. 2018; Atasoy et al, 2018). There are many different techniques which is used in the applied science to elicit future demand for products (Kefe and Turhan, 2017). Moreover, in the economy, forecasting demand is crucial for goods and researchers has been examining and estimating the demand of edible goods and other products. Therefore, the purpose of this study is estimating theoretical consistency of the supply and demand equations for chosen meat products. The data set is taken from United States department of Agriculture (USDA) and it includes yearly meat prices and quantities from 2000 to 2016. For analysis, Almost Ideal Demand System (AIDS) and Linear Approximate-AIDS (LA/AIDS) and the Rotterdam Model are applied. To analyze of the models SAS 9.4 is used and SAS codes for them is reported at the end of the study for future researches.

The Rotterdam model and LA/AIDS are commonly applied in consumer demand systems modeling. There are many studies in the literature uses these models for determination of true elasticities and forecasting for future demands. For instance, Barnett, and Seck, (2008) compares the Rotterdam Model and linear and nonlinear AIDS model. They uses Monte Carlo technique to determine which model performs better in terms of its ability to retrieve the true elasticities of demand. Their study results conclude that both the Rotterdam Model and nonlinear AIDS model perform well for elasticities of substitution. However, they stated that the Rotterdam Model deliver better results in terms of true elasticities. Muhammad and Jones, (2009) uses the Rotterdam Model to estimate catfish demand in the USA. The study's overall objective was to evaluate dynamic behavior in the consumption of catfish products. According to the dynamic Rotterdam model results, there was a significant competitive relationship between fresh and frozen catfish demand. Also, the true elasticities for fresh domestic catfish products and imports goods are complementary.

Furthermore, Ozelik and Sahinli (2009) applied AIDS model for estimation prices elasticities of 12<sup>1</sup> different commodity group in Turkey. The authors use a panel data set for analysis. The study results show a consistency with the economic theory according to implementation of the AIDS model on the data set. One of the most current studies about AIDS model is Rathnayaka et al. (2018). The authors implement AIDS, LA/AIDS and also Dynamic LA/AIDS model for analysis Sri Lankan consumption pattern. They examine 8 different commodities and study results are satisfied the demand theory hypothesis for all models. They concluded that LA/AIDS model is perform in terms of statistics and in the long-run consumer are more sensitive in prices changes.

All in all, these two models are very common in the literature for estimation and analyzing elasticities of different kind of products. Therefore, this study uses LA/AIDS model for determination of elasticities. Moreover, the Rotterdam model is also implemented in the same data set and results for both models are compared (Kefe et al, 2018). For this purpose, the data from USA's Department of Agriculture for beef, pork and poultry products are chosen

## 2. DATA AND METHOD

In this study LA/AIDS model and the Rotterdam Model is used for estimation consumer demand for meat products which are beef, pork and poultry in the USA. For this purpose, the data set is taken from the USDA. In the study for calculation of elasticities the

<sup>1</sup> These 12 commodities are follows; Food and non-alcoholic beverages, alcoholic beverages, clothes, housing, furniture, health, transportation, communication, entertainment, educational services, restaurants and other various services.

yearly price and quantities of the meat products are used. The Rotterdam Model is derived by Barten and Theil (1960, 1965 and 1979). The model considered a local flexible function form. It is developed primarily to test restrictions, although it is very popular in applied world of economics. The Rotterdam model can simply derive as follows;

Rotterdam Model is

$$R_i d\ln q_i = \sum \theta_{i,1} d\ln P_j + M_i d\ln(Y/P) \quad (1)$$

- It also may be written,

$$R_i d\ln q_i = \theta_{i,1} d\ln P_1 + \theta_{i,2} d\ln P_2 \dots + \theta_{i,n} d\ln P_n + M_i d\ln(Y/P) \quad (2)$$

- Budget share-weighted Hicksian Elasticity

$$\theta_{i,j} = R_i E_{i,j}^*$$

- Share-weighted Income Elasticity

$$M_i = R_i A_i$$

The detail information about the Rotterdam model is explained in Guneysoy Atasoy (2018) study. The methodology section mostly demonstrates LA/AIDS model which is given below.

### AIDS and LA/AIDS Models

It is developed by Deaton and Muellbaur (1980, pp:312-326). It gives an arbitrary first order approximation to any demand system and second order approximation to any cost function. It permits exact aggregation over consumers. The model has a functional form (semi-log) known to be consistent with household budget behavior and relatively simple to estimate. It also permits testing of the theory for instance, homogeneity, symmetry restrictions.

*True AIDS model;*

$$R_i = \alpha_i + \sum_{j=1}^n \gamma_{ij} \ln p_j + \beta_i \ln \left( \frac{Y}{P} \right) \quad i=1, 2, \dots, n \quad (3)$$

Where,

- $R_i$  is the budget share of  $i^{\text{th}}$  good,
- $\gamma_{ij}$  is the nominal price of good  $j$ ,
- $\ln Y$  is total expenditure
- $\ln P$  is the translog price index defined by the following function;

$$\ln P = \alpha_0 + \sum_{i=1}^n \alpha_i \ln p_i + 1/2 \sum_{i=1}^n \sum_{j=1}^n \gamma_{ij}^* \ln p_i \ln p_j \quad (4)$$

*LA/AIDS Model;*

$$\ln P = \sum_i R_i d\ln p_i \quad (5)$$

Elasticities	LA/AIDS	AIDS
Income (Ai)	$1 + \beta_i/R_i$	$1 + \beta_i/R_i$
Own Price Elasticities (Eii)	$-1 + \frac{\gamma_{ii}}{R_i} - \beta_i$	$-1 + \frac{\gamma_{ii}}{R_i} - \left(\frac{\beta_i}{R_i}\right) \cdot (\alpha_i + \sum_j \gamma_{ij} \ln p_j)$
Cross Price Elasticities (Eij)	$(\gamma_{ij} - R_j \beta_i)/R_i$	$\gamma_{ij}/R_i - \left(\frac{\beta_i}{R_i}\right) \cdot (\alpha_j + \sum_k \gamma_{ik} \ln p_k)$

**Table 1.** The difference between AIDS and LA/AIDS models in terms of Elasticities

### 3. ANALYSIS RESULTS

The equation system is estimated by Seemingly Unrelated Regression (SUR) and also homogeneity and symmetry are imposed. For brevity and clarity of the study not all SAS outputs are reported. I just reported necessary information and estimated elasticities. On the other hand, SAS codes are reported at the end of the study. It may guide to future researchers to estimation.

Considering the estimated parameter for beef equation, all of parameters are statistically significant except pork price. The intercept is 6.54 at the level of 1%. The coefficient of beef, pork and poultry prices are -0.086, 0.014 and 0.072 respectively. Since the pork price is not statistically significant, it cannot be mentioned about beef and pork are substitutes or complements. The coefficient of poultry price is positive and statistically significant, so beef and poultry are substitutes. When the poultry price goes up 1%, the budget share for beef increases 6.8%. The income coefficient is negative and statistically significant which implies the real income increases, the budget share for beef goes down.

Furthermore, the estimation of pork equation only intercept and real income are statistically significant at the level of 1%. When the real income rises 1%, the budget share of pork increases 34.5%. It implies pork is normal good which is logical. The beef and pork prices' coefficient are positive, so these goods are substitutes which is coherent in the real world. However, the coefficients are not statistically significant (at 5% level). Also, the parameter of poultry price is negative and it is also not statistically significant. Since beef, pork and poultry prices' coefficients are not statistically significant, they cannot be specified them.

If the explanatory power of these meat products is evaluated, R-square (R2) and adjusted R-squared (Adj-R2) for beef are 0.901 and 0.895. It means that around 90% of budget share change is explained by the change of all other variables namely, own price, pork and poultry prices and real income. Considering the pork equation, R<sup>2</sup> is 0.781 which means around 78% of budget share change for pork is explained by the changes of own price, beef and poultry prices and the real income. For both equation the R<sup>2</sup> and also adjusted R<sup>2</sup> is pretty high, so it can be concluded that their explanatory power is pretty high.

To examine the serial correlation problem, I also applied the Durbin-Watson test. The number of observations is 17 with the critical DW value at 5% level. The DW value is 0.065 and 0.068 for beef and pork equation, respectively. Also, the number of variables is 5 (k=5) and DL=0.67 and DU=2.10. Since the critical DW value smaller than DL, there is evidence for serial correlation.

Variable	Mean	Std Dev	Minimum	Maximum
BEEF_Q	75.17	6.91	63.500	87.800
PORK_Q	45.91	4.13	39.170	53.160
POULTRY_Q	49.65	11.14	33.790	68.150
BEEF_P	234.29	64.02	98.110	317.030
PORK_P	179.59	54.59	68.340	264.110
POULTRY_P	79.83	25.87	39.180	115.300

**Table 2.** The MEANS Procedure

Item	LA/AIDS Estimates of $e_{ij}$			$e_i$	$S_i$
	Beef Price	Pork Price	Poultry Price		
Beef	0.049	0.670	0.432	-1.217	0.582
Pork	-0.568	-1.412	-0.267	2.281	0.311
Poultry	-2.917	-1.913	-2.105	6.477	0.167
	The Rotterdam Estimates of $e_{ij}$			$e_i$	
Beef	-0.842	-0.061	-0.145	1.210	
Pork	-0.163	-0.913	-0.183	1.523	
Poultry	0.064	-0.071	-0.223	0.239	

**Table 3.** Elasticities For LA/AIDS and The Rotterdam Model

Estimated elasticities are represented in the Table-3 for LA/AIDS and the Rotterdam model. Own-price elasticities of beef, pork and poultry are 0.049, -1.412 and -2.105 in sequence. The own-price elasticities are expected negative which implies the quantity of demand of goods increase when goods price decrease. Therefore, all own-price elasticities come logical except beef since it comes positive. It is a contradiction of the reality since the beef known as a normal good, so it does not follow the results estimated by the Rotterdam Model. Income elasticity for beef is negative (-1.217), it means that if income increases 1%, the beef demand will decline 1.2%. It is another contradiction with the real-life considering beef is normal good. On the other hand, income elasticities of pork and poultry are positive and they are 2.281 and 6.477 respectively. Since these products are normal good, they are expected positive. Therefore, the income elasticities for pork and poultry are logical.

Furthermore, the cross-price elasticities pork and poultry is negative, so it implies that these goods are gross complements. It is not consistent with the real life since pork and poultry used as substitutes. The cross-price elasticities of beef-pork is positive, whereas pork-beef is negative. The cross-price elasticities for beef-poultry is positive, while the poultry-beef is negative. Therefore, these goods (beef-pork and beef-poultry) cannot be identified as gross complement or gross substitutes.

Considering the Rotterdam model's results, it comes much more logical since all cross-price elasticities are negative and income elasticities are positive. This means that these three products are normal goods. When the income increase, the demand of all products goes up, so it consistent with the real life. The income elasticities for beef, pork and poultry are 1.210, 1.523 and 0.239 respectively.

#### 4. CONCLUSION

In this study, AIDS, LA/AIDS and the Rotterdam models are used for estimation meat products elasticities in the U.S.A. The detailed information about the models are explained and also differences are given in the methodology section. The estimation of the elasticities and thereby the demands of these products are crucial. Considering it gives a perspective for future demand of these products to firms and policy makers.

All in all, the data set from 2000 to 2016 are used for analysis of the beef, pork, and poultry. Therefore, it can be concluded that the Rotterdam model results are much more coherent. It may reveal because the AIDS used the Stone's price index leads to a violation of the assumption of predetermined independent variables and AIDS involve the prices and quantities are jointly determined. Finally, the Rotterdam results does not reveal any serial correlation while AIDS results give the autocorrelation.

#### REFERENCES

1. Aslan, H., Taşçı, H., & Yildiz, B. (2018). The Effect of Logistic Service Quality and Logistic Information Technology on Logistics and Firm Performance. *Journal of Current Researches on Social Sciences*, 8(1), 343-358.
2. Atasoy, M., Anderson, C. J., & Atasoy, F. G. (2018). Evaluating the distribution of invasive woody vegetation around riparian corridors in relation to land use. *Urban Ecosystems*, 21(3), 459-466. <https://doi.org/10.1007/s11252-017-0729-3>.
3. Barnett, W.A. (1979). Theoretical foundations of the Rotterdam model. *Review of Economic Studies* 46: 109-30.
4. Barnett, W. A., & Seck, O. (2008). Rotterdam model versus almost ideal demand system: will the best specification please stand up? *Journal of Applied Econometrics*, 23(6), 795-824.
5. Deaton, A., & Muellbauer, J. (1980). An almost ideal demand system. *The American economic review*, 70(3), 312-326.
6. Guneyusu Atasoy, F. (2018). A Theoretical And Empirical Demand Analysis Of Chosen Products, Çukurova I. *Multidisipliner Çalışmalar Kongresi Tam Metin Kitabı*. ISBN 978-605-7923-36-3, Vol 1, pp:1100-1105 Available at: [https://docs.wixstatic.com/ugd/614b1f\\_dbd007c77f084f329f24d15670b231bd.pdf](https://docs.wixstatic.com/ugd/614b1f_dbd007c77f084f329f24d15670b231bd.pdf)
7. Kefe İ., & Turhan M.S. (2017). "Stratejik Performans Yönetiminin Finansal Olmayan Boyutları ve Çağdaş Yönetim-Maliyet Muhasebesi Yaklaşımları", Çukurova Üniversitesi Sosyal Bilimler Dergisi, 26:12-25.
8. Kefe İ., Kefe İ., and Tanış V.N. (2018). "Quality Costs: A Comparison Of Two Case Studies", in: Academician Publisher Scientific Researches Book, Yalçın A., Eds., Akademisyen Yayınevi, Ankara, pp.1-16.
9. Marsh, T. L., Schroeder, T. C., & Mintert, J. (2004). Impacts of meat product recalls on consumer demand in the USA. *Applied Economics*, 36(9), 897-909.
10. Muhammad, A., & Jones, K. G. (2009). An assessment of dynamic behavior in the US catfish market: An application of the generalized dynamic Rotterdam model. *Journal of Agricultural and Applied Economics*, 41(3), 745-759.



11. Rathnayaka, S. D., Selvanathan, S., Selvanathan, E. A., & Kler, P. (2018). Modelling Sri Lankan consumption patterns using error corrected LA-AIDS. *Economic Modelling*.
12. Ozcelik, A. and Sahinli, M. A. (2009). Estimating Elasticities with the Almost Ideal Demand System: Turkey Results. *The International Journal of Economic and Social Research*, 5(2), 12-23. Available at: <http://dergipark.gov.tr/download/article-file/69152>.
13. Theil H. (1965). The information approach to demand analysis. *Econometrica*, 33: 67-87.

## APPENDIX

### SAS Codes

```

data one; set meat;
e1=beef_q*beef_P;
e2=pork_q*pork_P;
e3=poultry_q*poultry_P;
q1=log(beef_q);
q2=log(pork_q);
q3=log(poultry_q);
p1=log(beef_P);
p2=log(pork_P);
p3=log(poultry_P);
etop=e1+e2+e3;
r1=e1/etop; *budget share*;
r2=e2/etop;
r3=e3/etop;
run;
proc print data=one; run;
data two; set one;
y=log(etop);
p=(r1*p1)+(r2*p2)+(r3*p3); *budget shares multiply by prices*;
W=y-p;
run;
proc print data=two; run;
proc syslin data=two sur;
beef: model r1=p1 p2 p3 w/dw;
pork: model r2=p1 p2 p3 w/dw;
SYMMETRY: SRESTRICT beef.p2=pork.p1;
HOMOGENEITY1: SRESTRICT beef.p1+beef.p2+ beef.p3=0;
HOMOGENEITY2: SRESTRICT pork.p1+pork.p2+pork.p3=0;
run;

```

# Three Basic Questions Of Endemism: Where, Why And How? The Relationship Between Turkey's Endemic Plants And Thornthwaite Climate Classification

**Çetin ŞENKUL<sup>1</sup>**

## CHAPTER 14

---

<sup>1</sup> Ast. Prof. Dr., Süleyman Demirel University



## INTRODUCTION

Factors such as topography, lithology, soil and human impact are effective in the distribution of plants (Fenu et al., 2014; Hugget and Cheesman 2002; Irl et al., 2015). However, the existence and distribution of plant taxa in the world is to a great extent driven by climatic variables (Essl et al., 2013). In addition, climatic changes occurring in a temporal process play an active role in the presence of plant taxa and their distribution patterns in both global and micro scale (Araújo and Rahbek 2006; Bellard et al., 2012; Essl et al., 2009; Loarie et al., 2009; Thuiller et al., 2005).

In the case of endemic plant taxa, understanding the relationship between endemic plants and climate has not only been a major challenge but also a significant issue since biogeography has come into existence (de Candolle, 1855; Crisp et al., 2001; Hermant et al., 2013; Lavergne et al., 2004; Wallace, 1855; Stebbins, 1980). In this context, measurements made to determine the climatic characteristics and the distribution of these measurements constitute an important basis for understanding the climatic characteristics of endemic plant taxa. Apart from these studies, climatic classifications formed using several climate variables (De Martonne 1942; Emberger, 1955; Köppen, 1918; Köppen and Geiger, 1954; Strahler, 1970; Thornthwaite, 1948; Trewartha, 1968) also provide an important opportunity to understand the climatic characteristics of endemic plant taxa. Among these climate classifications, which have a very complex structure, Thornthwaite classification is considered to reveal the climatic characteristics of any region better than other systems (Erinç, 1984).

Turkey constitutes one of the world's most attractive areas in terms of both plant endemism and microclimate diversity. There are many different habitats and many endemic plant taxa living in these habitats in Turkey. Turkey's richness in plant species has attracted the interest of many researchers and both the plant species and the endemic plant taxa of this country have been the subject of many researches (Baytop, 2004). Among these, the studies examining climatic characteristics of Turkey's endemic plant taxa remained limited (Avcı, 1993; 2005a; 2005b; Davis, 1965-1985; Davis et al., 1988; Ekim et al., 2000).

In establishing the relationship between endemic plant taxa and climatic variables, understanding the complex nature of climatic variables is of strategic importance to a great extent for the endemic plant taxa, which exist and develop in the climatic region. When the scientific literature in this context is examined, it is seen that the studies carried out so far only focus on climatic variables and classifications. However, the relationship between climatic classifications and endemic plant taxa has not been evaluated yet. For this reason, this study aims to investigate the relationship between the distribution of endemic plant taxa and Thornthwaite climate classes (precipitation effectiveness index, temperature effect index, drought-moistness conditions, marine-terrestrial conditions). For this purpose, the main research questions are as follows:

- a. How is the distribution of Turkey's endemic plant locations according to Thornthwaite climate classifications (precipitation effectiveness index, temperature effect index, drought-moistness conditions, marine-terrestrial conditions)?
- b. What kind of a relationship is seen between the spatial distribution of Turkey's endemic plant locations formed according to their intensity and Thornthwaite climate classes?
- c. What are the main characteristics of Turkey's endemic plant locations according to the Thornthwaite climate classes?

## Study Area

Having an average altitude of 1,141 m, Turkey is located at the intersection of the Caucasus, Mesopotamia and the Balkans (Fig. 1). Turkey is constituted of mountains (59%), plateaus (30%) and plains (11%). Its average elevation is high and there are significant differences in the distribution of this elevation among regions. Many factors such as its location, its high altitude above the sea level, the presence of mountain ranges parallel to the shores, proximity and distance to the sea, lead to the complex structure of climatic variables. The presence of large elevation differences between adjacent locations, in particular, causes local changes to occur and precipitation and temperature conditions to rapidly change in horizontal and vertical directions (Koçman, 1993). The fact that Turkey is under the influence of different air masses due to its location and that its topographical features vary, leads to a high level of climatic diversity in Turkey (Avcı and Avcı, 2014; Erinc, 1996; Koçman, 1993; Türkoğlu et al., 2016; Yılmaz and Çiçek, 2016; Yılmaz and Çiçek, 2018).

It is the intersection area of Iran-Turan, Mediterranean and Euro-Siberian Flora Regions. There are more than 12,000 plant taxa in this area and 3600 (Güner et al., 2012) of these plants are endemic. This endemic plant diversity corresponds to 1.3% of the world's total plant diversity (Türe and Böcük, 2010). There are not only a great deal of endemic plant species and sub-species in Turkey, but also genus level endemic plants such as *Cyathobasis*, *Tchihatchewia*, *Physocardamum*, *Thurya*, *Oreopoa*, *Pseudophleum*, *Dorystaechas* (Güner et al., 2012).



Figure 1. Study area

## Methodology

In this study, a sequential method sequence was performed respectively. Firstly the lists of endemic plant taxa are formed based on the works titled “Red Book on Plants of Turkey” (Ekim et al., 2000) and “List of Turkey’s Plants-Vascular Plants” (Güner et al., 2012). The spatial information regarding the location, such as place, direction, distance and elevation, of the endemic plant taxa in the list were obtained from Flora of Turkey of the East Aegean Islands (Davis, 1965-1985; Davis et al., 1988; Güner et al., 2000) and other sources (Özhatay et al., 2006; 2009; 2011; 2013; 2015). The obtained location information was found by making use of Google Earth software and entered as digital latitude-longitude (coordinate) points. Coordinate points have been transferred into geographical data base by using Geographic Information System (GIS) software (Şenkul and Kaya, 2017) for their transformation, and the vector layer (Yılmaz

and Çiçek, 2016) of Thornthwaite climate classification is added to the same database. These layers stored in geographic information systems were matched with Spatial Join Tools. The 4 indices of the Thornthwaite climate classification (precipitation effectiveness, temperature effect, drought-moistness and potential evaporation indices) and their values were determined for each endemic location and entered into the database. In this way, the climatic classes of endemic locations were identified according to the 4 indices, and these classes and the number of endemic locations were explained by using descriptive statistics.

## Results

### Distribution of the Endemic Plant Locations in Turkey According to Precipitation Effectiveness Index

According to precipitation effectiveness index, all climate classes except arid climate type among all 9 precipitation effectiveness classes have a share of distribution in Turkey (Yılmaz and Çiçek, 2016). 64.5% of Turkey consists of arid-semihumid and semihumid areas. The climate class with the lowest share is the perhumid areas, which correspond to 0.3% of Turkey (Fig. 2, 3).

According to the distribution of endemic taxa in Turkey, endemic plant locations are mostly seen in areas having humid climate conditions. These areas constitute 26.5% of Turkey and there are 38.8% endemic plant locations in these areas. Other important areas for Turkey are the ones within the semihumid class. Semi-humid areas are seen throughout 31.6% of Turkey and they host 32.9% of Turkey's endemic plant locations. The climatic class with the lowest share of endemic plant locations is the perhumid areas with 0.3% area and 1.2% endemic locations.

While perhumid areas occupy less space in Turkey (0.4%), according to arithmetic density, endemic locations are mostly seen in these areas with 4.0 endemic locations per 100 km<sup>2</sup> (Fig. 4). One of the most important areas according to arithmetic density is the humid areas, where there are 1.7 endemic locations per 100 km<sup>2</sup>. And those with the least endemic locations per 100 km<sup>2</sup> is the semi-arid areas, which have 0.4 endemic plants.

According to Thornthwaite precipitation effectiveness index, arid, semihumid and humid areas are seen in almost every region of Turkey. The fact that these areas cover vast regions in Turkey, is effective in the existence of endemic plant locations in these areas. Indeed, 56.5% of endemic plant locations are within these two climate classes. Areas such as the Salt Lake environs, Sultan Mountains and Ilgaz Mountains, which are located in the interior region of Turkey, are important areas with respect to the endemic plants in this climate class. Although they constitute a modest portion of Turkey's total surface area, mountainous areas such as Eastern Black Sea Mountains and Uludağ in the West that are perhumid and important for endemic locations according to arithmetic density, are rich in terms of endemic locations.

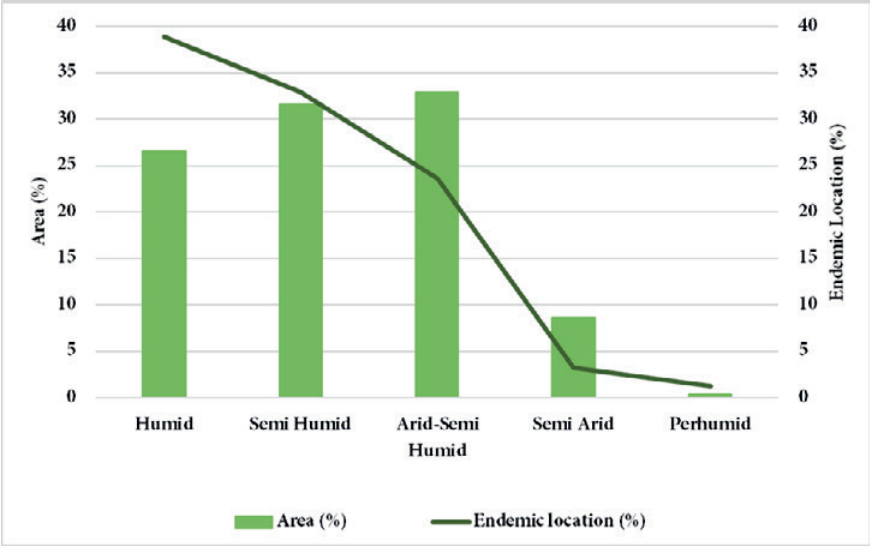


Figure 2. The distribution of endemic locations according to precipitation effectiveness index

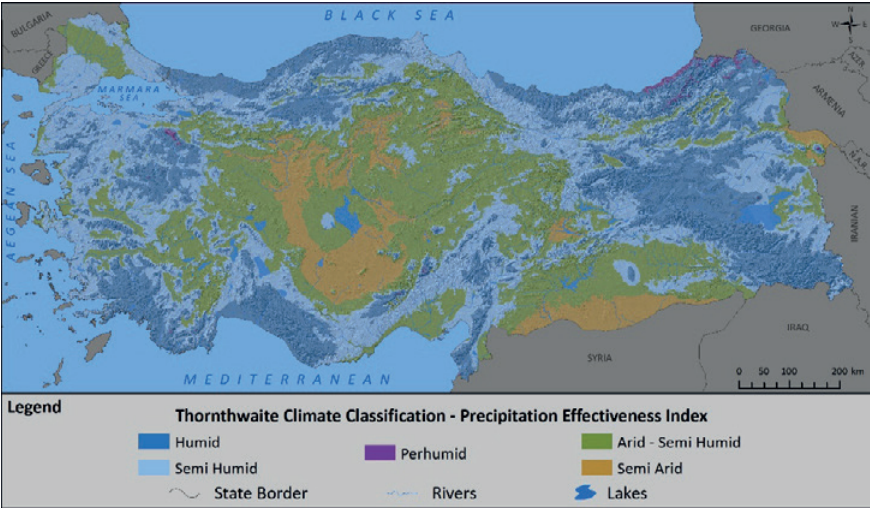
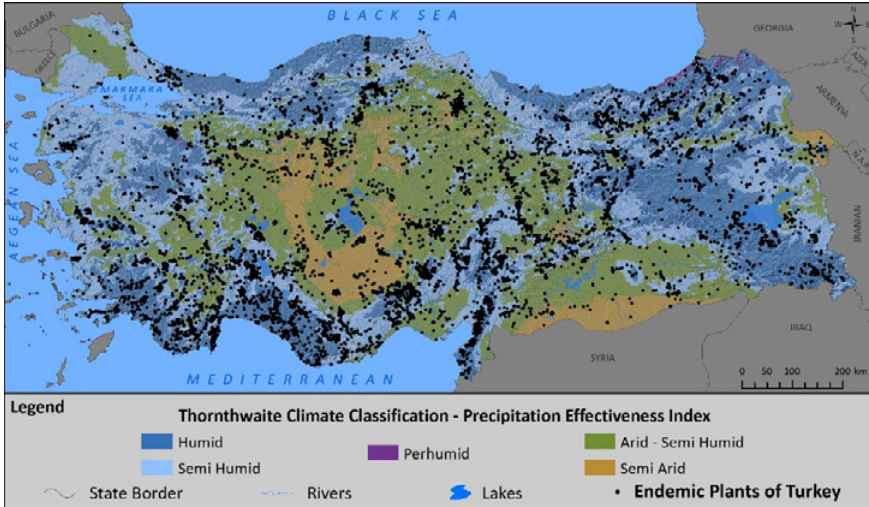


Figure 3. Thornthwaite precipitation effectiveness classes of Turkey



**Figure 4.** The distribution of Turkey's endemic plant locations according to Thornthwaite precipitation effectiveness classes

### The Distribution of Turkey's Endemic Plant Locations According to Temperature Effect Index

The Thornthwaite temperature effect index is calculated based on the annual total potential evaporation value (Yılmaz ve Çiçek, 2016). Yılmaz and Çiçek's study determined 8 temperature effect classes, and found out that the climate class known as frost does not exist and the tundra class barely exists in Turkey (Fig. 5, 6).

The most widespread areas in Turkey are those within the mesothermal climate class with 47.4%. The fact that these areas cover a wide range of space is also effective in the distribution of endemic plant locations and 48.4% of endemic locations are within these areas. Another area where endemic plant locations are intense is the second-degree microthermal areas with 19.8% and there are 27.5% endemic plant locations in this climate class (Fig. 7). The areas with the first-degree microthermal conditions cover less space in Turkey with 0.8%. The number of endemic plant locations in these areas is 1.5%.

In first-degree mesothermal areas (47.4%) which cover the most space in Turkey's surface area according to arithmetic density, there are 1.2 endemic locations per 100 km<sup>2</sup>. There are 0.06 endemic plant locations per 100 km<sup>2</sup> in megathermal and tundra areas (0.06), which occupy less space in Turkey's surface area. The climate class with the most endemic plant locations according to arithmetic density is the first-degree microthermal areas. In these areas, there are 2.1 endemic plant locations per 100 km<sup>2</sup>.

According to temperature effect classification, those areas that have the characteristics of first-degree mesothermal and second-degree microthermal conditions are intense in Turkey with 67.2%. First-degree mesothermal areas are seen in almost every region of Turkey. The inland plains, plateaus and some mountainous regions as well as the northern mountainous areas of Turkey are to a great extent within this class. Among these areas, particularly Turkey's inland Salt Lake environs and southwest Teke peninsula and its vicinity are really important areas for endemic plant locations. The second-degree microthermal areas are common mostly in mountainous areas in the northeastern and eastern parts of Turkey, in particular. Among these areas, those which have the most endemic plants are Ilgaz Mountains and Eastern Black Sea Mountains in the north and the mountainous areas in the north and northeast.



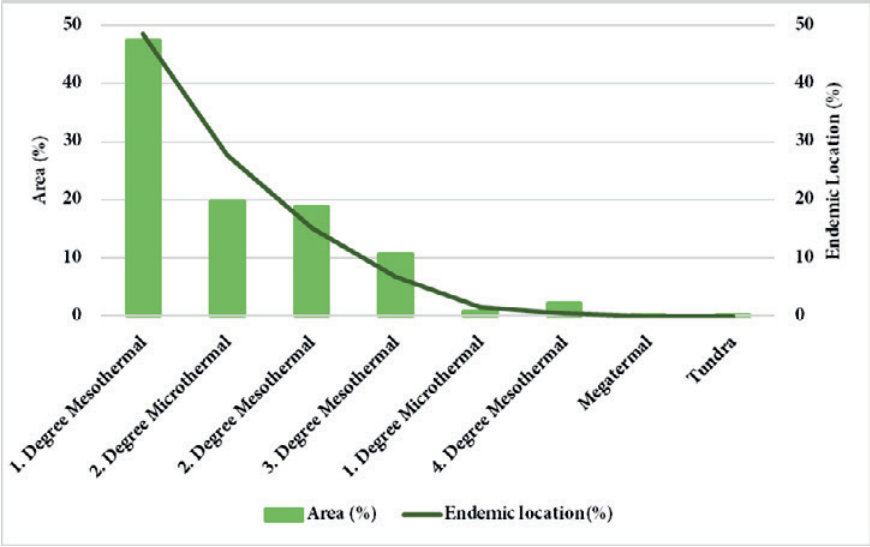


Figure 5. The distribution of endemic plant locations according to Thornthwaite temperature effect classification

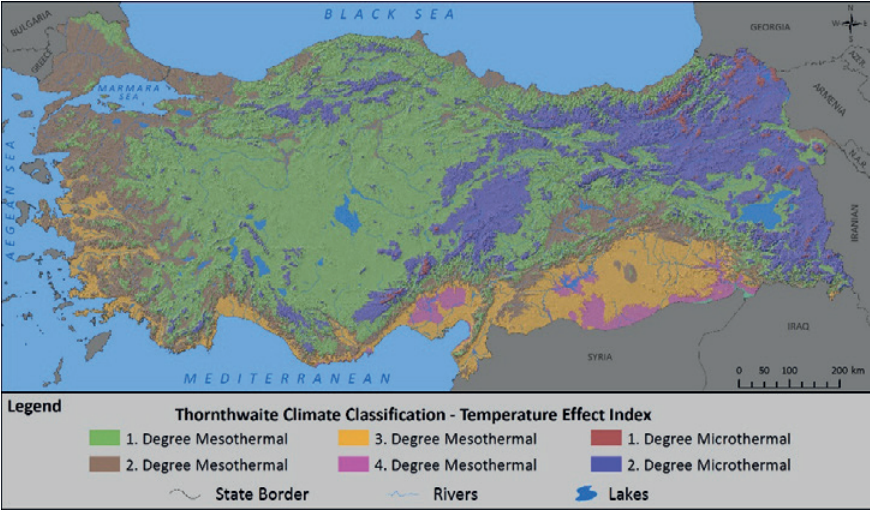
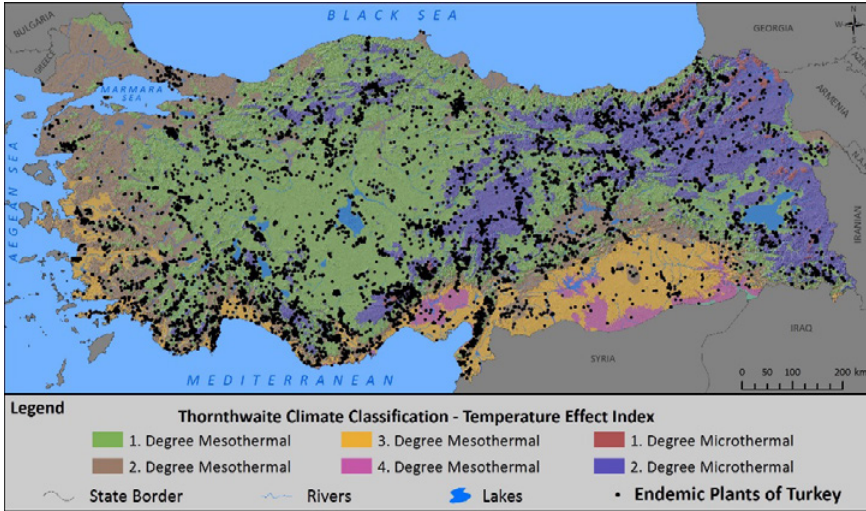


Figure 6. Thornthwaite temperature effect classification of Turkey's



**Figure 7.** The distribution of endemic plant locations according to Thornthwaite temperature effect classification

### The Distribution of the Turkey's Endemic Plant Locations According to Drought-Moistness Index

In order to measure Thornthwaite drought-moistness degree, drought index is calculated for humid climates and moistness index for arid climates (Yılmaz and Çiçek, 2016). This index is based on the status of the area in the precipitation effectiveness index. Humid areas constitute 56.4% and arid areas 43.6% of Turkey (Yılmaz and Çiçek, 2016) (Fig. 8, 9).

With respect to the distribution of endemic plant locations, the endemic locations are mostly present at those areas which suffer severe water shortage in the summer. These areas are seen in 41.0% of Turkey and 57% of endemic locations take place in these areas. Other important areas where endemic locations are present are the areas with moderate water surplus in winter and the portion of endemic locations in these areas is 12.7%. The areas where endemic locations are found the least are the regions that have no or less water shortage and the number of endemic locations in these areas is 8.7%.

In the areas that have severe water shortage in the summer, which cover vast amounts of land in Turkey (41.0%), there are 1.6 endemic plant locations per 100 km<sup>2</sup> according to arithmetic density. Although they are covering less amount of land in Turkey (13.4%), there are 1.1 endemic locations in those areas with moderate water shortage in the summer according to arithmetic density. According to arithmetic density, endemic plant locations remain below 1 in other climatic classes (moderate water surplus in winter 0.9, severe water surplus in winter 0.7, no or less water shortage 0.8 endemic locations) (Fig. 10).

Those areas having severe water shortage in summer covers the largest part of Turkey, and they were seen in most of the eastern mountainous regions, the Mediterranean and Aegean coastal zones and the mountainous areas behind them. In areas of this climatic class, endemic plant locations are also intense. Areas such as the Mediterranean coasts and the Akdağlar Mountains, Bey Mountains, Tahtalı Mountains that lie behind them, the Sultan Mountains and the Dedegöl Mountains in the interior regions, the Van Lake and the Nemrut Mountain in the east are within this climate class and they are intense in

terms of endemic plants. Those areas with no or less shortage of water are located in the mountainous areas in the northeast and the plains and the plateaus in the interior regions of Turkey. Among these, especially the North Anatolian Mountains are important with respect to endemic plant locations.

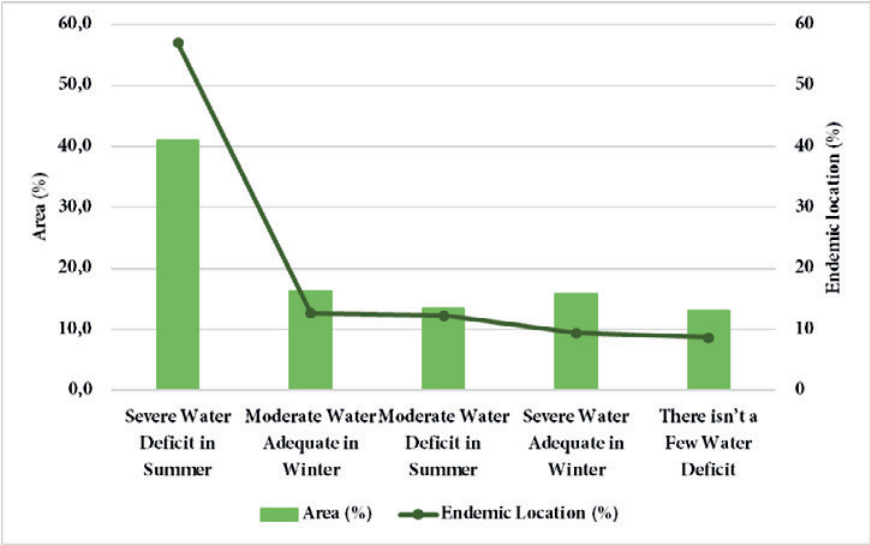


Figure 8. The distribution of endemic plant locations according to Thornthwaite drought-moistness classification

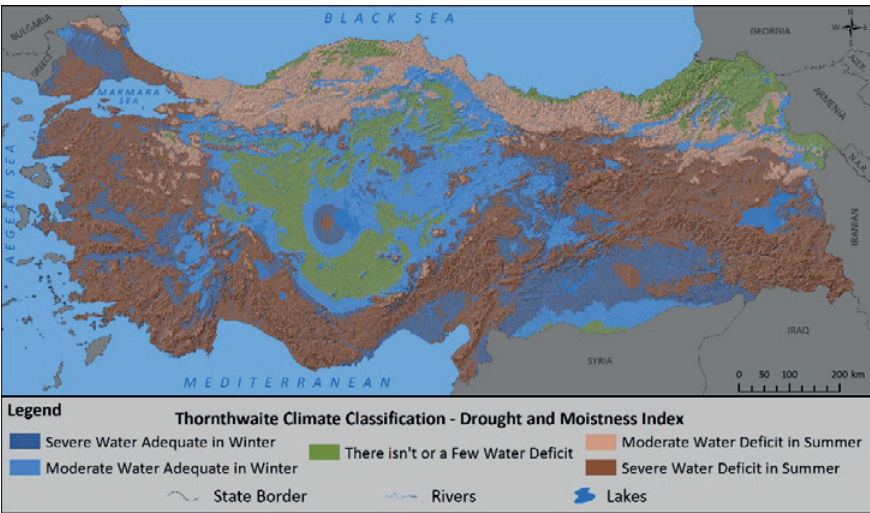
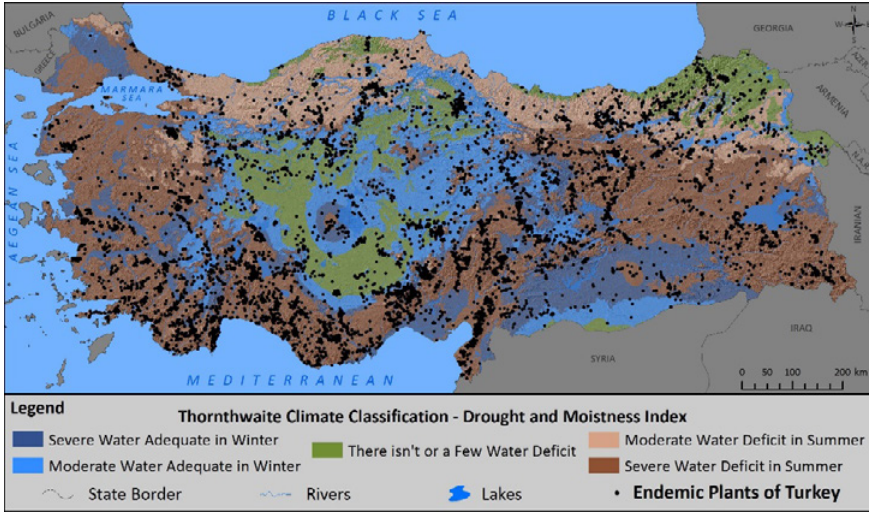


Figure 9. Thornthwaite drought-moistness classification of Turkey



**Figure 10.** The distribution of Turkey's endemic plant locations according to Thornthwaite drought-moistness classification

### The Distribution of Turkey's Endemic Plant Locations According to Potential Evaporation Index

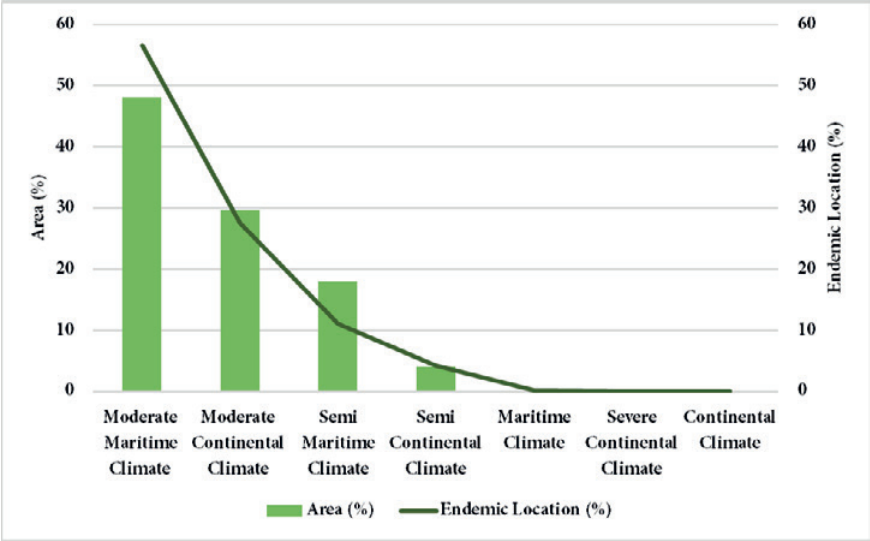
Potential evaporation is calculated by proportioning the potential evaporation of the hottest three months to annual potential evaporation (Yılmaz and Çiçek, 2016). According to this, there are 7 different climate classes in Turkey ranging from the most marine to the most terrestrial areas (Yılmaz and Çiçek, 2016) (Fig. 11, 12).

56.6% of endemic plant locations are in the areas within mild marine climate class in Turkey. Another important area for endemic plant locations is the areas where mild terrestrial effect is observed and 27.6% of endemic locations are found in these areas. The areas with the least endemic locations are terrestrial areas. Terrestrial areas correspond to 0.03% of Turkey and include 0.11% of endemic plant locations (Fig. 13).

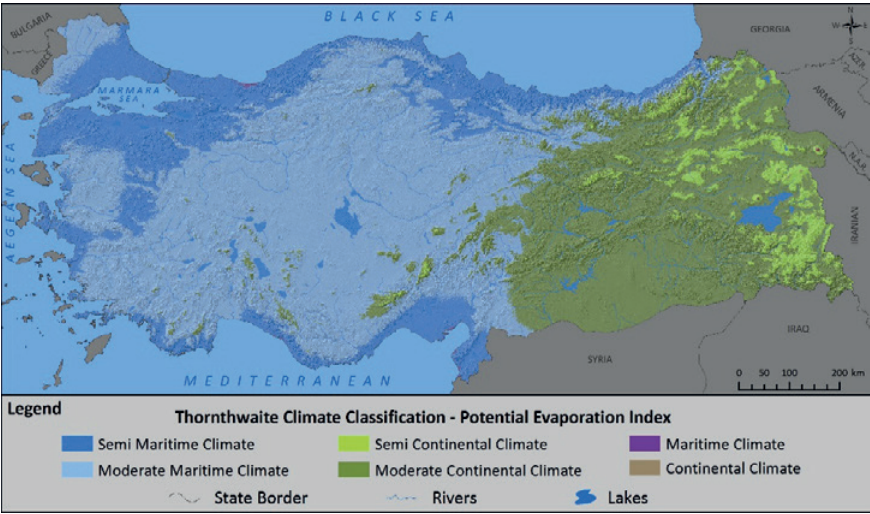
In the areas within mild marine class which cover the most space in Turkey, there are endemic locations at a rate of 1.4 per 100 km<sup>2</sup> according to arithmetic density. According to arithmetic density, endemic plant locations take the least space in semi-marine climate class. These areas are seen in 17.9% of Turkey and they host 0.7 endemic locations per 100 km<sup>2</sup>.

The areas with the largest coverage according to potential evaporation in Turkey are the areas known as mild marine and mild terrestrial. Those areas that belong to this climate class are found in 77.8% of Turkey. Mild marine areas cover a large part of inland regions in Turkey. The mountainous areas such as the Sultan Mountains, Murat Mountain and Ilgaz Mountain are located in the mild marine areas and constitute the areas where endemic locations are intense. The mountainous areas in Turkey's eastern region as well as the high mountainous areas in the northeast have the characteristics of mild terrestrial conditions. The mountainous areas such as the Eastern Black Sea Mountains and the Munzur Mountains, which have these conditions are important areas for endemic plant locations. The area separating the mild marine and mild terrestrial areas is the high mountain ranges called Anadolu Diagonal. This area of encounter is one of the important areas where endemic plant locations are intense.

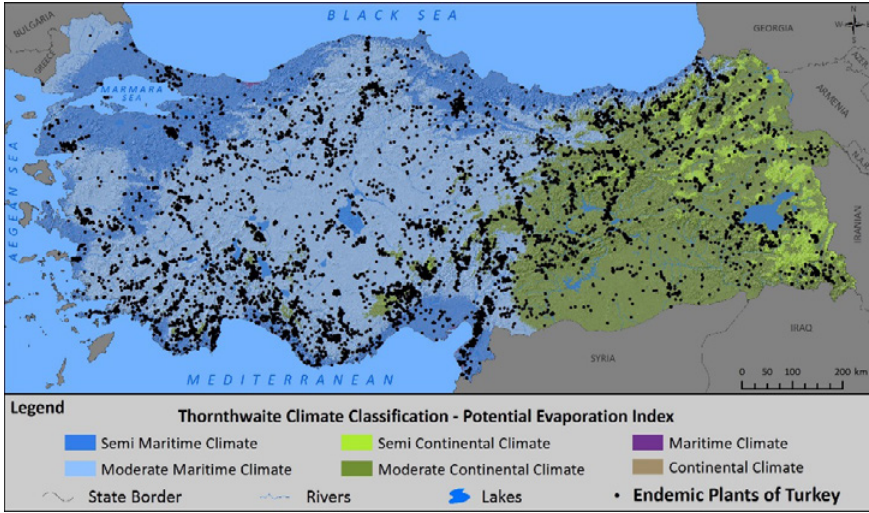




**Figure 11.** The distribution of endemic plant locations according to Thornthwaite potential evaporation classes



**Figure 12.** Thornthwaite potential evaporation classes of Turkey



**Figure 13.** The distribution of Turkey's endemic plant locations according to Thornthwaite potential evaporation classes

## Discussion

The 4 indices of Thornthwaite climate classification, namely precipitation effectiveness, temperature effect, drought-moistness and potential evaporation indices, as well as the classes they belong to are evaluated separately. Each of these indices was evaluated in terms of the area covered by their classes and the number of endemic locations within these areas. However, a combination of 4 indices and their classes is required for Thornthwaite climate classification to precisely characterize the climate of an area. At this point, the map of integrated climate classes that is the raw form of the data was used, and the climatic classes with which 4 indices and classes were evaluated together were determined.

The distribution of endemic locations on 4 separate indices and their classes is also evaluated through integrated climate classes. According to this analysis, there is at least 1 endemic location in 114 of the 233 different integrated climate classes seen in Turkey. However, 9677 endemic locations do not show a regular distribution within 114 different integrated climate classes. The standard deviation value of these classes, which have an average of 85 locations, is 162.

The most striking distribution is seen in 4 integrated climate classes covering 3/1 of endemic locations. These classes show the characteristics of (A) Semihumid-First-Degree Mesothermal-Severe Water Shortage in Summer-Mild Marine, (B) Humid-First-Degree Mesothermal-Severe Water Shortage in Summer-Mild Marine, (C) Arid-Semihumid-First-Degree Mesothermal-Moderate Water Surplus in Winter-Mild Marine and (D) Humid-Second-Degree Microthermal-Severe Water Shortage in Summer-Mild Terrestrial climates.

It is seen that 4 integrated climate classes cover an area of 21.9% in Turkey and they host 33.2% of endemic locations in total. The areas of each class in Turkey are 5.7%, 3.0%, 10.2% and 3.0% and their endemic numbers are 10.1%, 9.2%, 8.4% and 5.5% respectively. According to these ratios (A) Semihumid-First-Degree Mesothermal-Severe Water Shortage in Summer-Mild Marine, (B) Humid-First-Degree Mesothermal-Severe Water Shortage in Summer-Mild Marine, and (D) Humid-Second-Degree Microthermal-Severe

Water Shortage in Summer-Mild Terrestrial climate classes have more endemic locations in proportion to the area they occupy. And (C) Arid-Semihumid-First-Degree Mesothermal-Moderate Water Surplus in Winter-Mild Marine climate class hosts less endemic plants than the areas it occupies relative to other climate classes. According to arithmetic density values, this situation was determined by finding 2.2, 3.8, 1.0 and 2.3 endemic locations per 100 km<sup>2</sup>, respectively.

In other integrated climate classes, these values are irregularly distributed with a rapid decline. Therefore, these integrated climate classes with 3/1 of endemic locations are important.

As a result, the fact that there are a total of 233 different Thornthwaite climate classes in Turkey brings about diversity of climates, habitats and ecosystems and thus makes each corner of Turkey different from others. Factors such as the presence of high altitude differences in short distances, high mountainous areas and the degree of split play an important role in the high climate diversity. This situation has thus played an active role in the presence of endemic plant taxa in different natural environment conditions (3200 endemic plants), and in the increase and distribution of the number of endemic taxa locations (9200 locations).

### Information

We would like to thank Dr. Erkan Yılmaz and Prof. İhsan Çiçek, faculty members at the Department of Geography of Ankara University's Faculty of Language, History and Geography, for sharing the database of the Thornthwaite climate classification studies on Turkey.

### REFERENCES

- Araújo, M.B., Rahbek, C. (2006). How Does Climate Change Affect Biodiversity?, Science, Vol 313, 1396-1397.
- Avcı, M., Avcı, S. (2014). İklim. Şu eserde: Güner, A. ve Ekim, T. (edlr.). Resimli Türkiye Florası, Cilt 1. Ali Nihat Gökyiğit Vakfı, Flora Araştırmaları Derneği ve Türkiye İş Bankası Kültür Yayınları, İstanbul.
- Avcı, M. (1993). Türkiye'nin Flora Bölgeleri ve "Anadolu Diagonali"ne Coğrafi Bir Yaklaşım. Türk Coğrafya Dergisi, 28, 225-248.
- Avcı, M. (2005a). Çeşitlilik ve Endemizm Açısından Türkiye'nin Bitki Örtüsü. İstanbul Üniversitesi Edebiyat Fakültesi Coğrafya Dergisi, 13, 27-55.
- Avcı, M. (2005b). "Türkiye Bitki Örtüsünün Çeşitlilik ve Endemizm Açısından Bir Değerlendirmesi", Ulusal Coğrafya Kongresi 2005 (Prof Dr. İsmail Yalçınlar Anısına 29-30 Eylül 2005), Bildiri Kitabı (Ed. S. Avcı ve H. Turoğlu): 73-85, İstanbul.
- Baytop, A. (2004). Türkiye'de Botanik Tarihi Araştırmaları, TÜBİTAK Yayınları, Akademik Dizi 3.
- Bellard, C., Bertelsmeier, C., Leadley, P., Thuiller, W., Courchamp, F. (2012). Impacts of climate change on the future of biodiversity. Ecol Lett 15:365-377
- de Candolle, M.A. (1855). Géographie botanique raisonnée ou exposition des faits principaux et des lois concernant la distribution géographique des plantes de l'époque actuelle. Librairie de Victor Masson, Paris.
- Crisp, M.D., Laffan, S., Linder, H.P. and Monro, A. (2001), Endemism in the Australian flora. Journal of Biogeography, 28: 183-198. doi:10.1046/j.1365-2699.2001.00524.x
- Davis, P.H. (1965-1985). Flora of Turkey and the East Aegean Islands, 1-9. Edinburgh, UK: Edinburgh University Press.
- Davis, P.H., Mill, R. R. and Tan, K. (1988). Flora of Turkey and the East Aegean Islands,

- Vol 10. Edinburgh,UK: Edinburgh University Press.
15. De Martonne, E. (1942). Nouvelle carte mondial de l'indice d'aridité. *Annales de Géographie*, 241-250.
  16. Ekim, T., Koyuncu, M., Vural, M., Duman, H., Aytaç, Z., Adıgüzel N. (2000). *Türkiye Bitkileri Kırmızı Kitabı (Eğrelti ve Tohumlu Bitkiler)*, Ankara, Türkiye Tabiatını Koruma Derneği-Van Yüzüncü Yıl Üniversitesi.
  17. Emberger, L. (1955). Une classification biogéographique des climats. *Rev. Trav. Lab. Bot. Fac. Sci. Montpellier*, 7, 3-43.
  18. Erinç, S. (1984). *Klimatoloji ve Metodları*. İstanbul Üniversitesi Yayınları, No:3278. Deniz Bilimleri ve Coğrafya Enstitüsü Yay. No:2, İstanbul: Gür-Ay Matbaası.
  19. Erinç, S. (1996). *Klimatoloji ve metodları* (4. Baskı). İstanbul: Alfa Basım Yayım Dağıtım.
  20. Essl, F., Moser, D., Dirnböck, T., Dullinger, S., Milasowszky, N., Winter M., Rabitsch, W. (2013). Native, Alien, Endemic, Threatened, and Extinct Species Diversity in European Countries, *Biological Conservation*, 164, 90-97.
  21. Essl, F., Staudinger, M., Stöhr, O., Schratt-Ehrendorfer, L., Rabitsch, W., Niklfeld, H. (2009). Distribution patterns, range size and niche breadth of Austrian endemic plants. *Biological Conservation*, 142, 2547-2558.
  22. Fenu, G., Fois, M., Cañadas, E.M., Bacchetta, G. (2014). Using Endemic-Plant Distribution, Geology and Geomorphology in Biogeography: The Case Of Sardinia (Mediterranean Basin), *Systematics and Biodiversity*, 12 (2): 181-193.
  23. Güner, A., Aslan, S., Ekim, T., Vural, M., and Babaç, M.T., (edlr.) (2012). *Türkiye Bitkileri Listesi Damarlı Bitkiler, Nezahat Gökyiğit Botanik Bahçesi Botanik Bahçesi ve Flora Araştırmalı Derneği Yayını, Flora Dizisi 1*, İstanbul.
  24. Güner, A., Özhatay, N., Ekim, T., Başer, K.H.C. (2000). *Flora of Turkey and the East Aegean Islands, Supplement II*, Vol. XI., Edinburgh: Edinburgh University Press.
  25. Hermant, M., Prinzing, A., Vernon, P., Convey, P., Hennion, F., (2013). Endemic species have highly integrated phenotypes, environmental distributions and phenotype-environment relationships, *Journal of Biogeography*, 40, 1583-1594.
  26. Hugget, R., Cheesman, J.E. (2002). *Topography and Environment*, Prentice Hall, Harlow.
  27. Irl S.D.H., Harter D.E.V., Steinbauer M.J., Puyol, D.G., Fernández-Palacios J.M., Jentsch A, Beierkuhnlein C. (2015). Climate vs. topography-spatial patterns of plant species diversity and endemism on a high-elevation island. *Journal of Ecology*, 103(6), 1621-1633.
  28. Koçman, A. 1993. *Türkiye İklimi*, EÜ Basımevi, İzmir.
  29. Köppen, W. (1918). Klassifikation der Klimate nach Temperatur, Niederschlag und Jahresablauf (Classification of climates according to temperature, precipitation and seasonal cycle). *Petermanns Geogr. Mitt*, 64, 193-203.
  30. Köppen, W., Geiger, R, (1954). *Klima der Erde (Climate of the earth)* Wall Map. Gotha: Klett-Perthes.
  31. Lavergne, S., Thompson J.D., Garnier E., Debussche M. (2004). The biology and ecology of narrow endemic and widespread plants: a comparative study of trait variation in 20 congeneric pairs. *Oikos*, 107, 505-518.
  32. Loarie, S.R., Duffy, P.B., Hamilton, H., Asner, G.P., Field, C.B., Ackerly, D.D. (2009). The velocity of climate change, *Nature*, Vol 462, 1052-1057.
  33. Özhatay, N., Kültür, Ş. (2006). Check-list of additional taxa to the supplement Flora of



- Turkey III. TURK J BOT 30:281-316.
34. Özhatay, N., Kültür, Ş., Aslan, S. (2009). Check-list of additional taxa to the supplement Flora of Turkey IV. TURK J BOT 33:191-226.
  35. Özhatay, N., Kültür, Ş., Gürdal B. (2013). Check-list of additional taxa to the supplement Flora of Turkey VI. İstanbul Ecz. Fak. Derg. 43:33-82.
  36. Özhatay, N., Kültür, Ş., Gürdal, B. (2015). Check-list of additional taxa to the supplement Flora of Turkey VII. İstanbul Ecz. Fak. Derg. 45:61-86.
  37. Özhatay, N., Kültür, Ş., Gürdal, M.B. (2011). Check-list of additional taxa to the supplement Flora of Turkey V. TURK J BOT 35:589-624.
  38. Stebbins, G.L. (1980) Rarity of plant species: a synthetic viewpoint. *Rhodora*, 82, 77-86.
  39. Strahler, A.N. (1970). *Principles of Physical Geology*. New York: John Wiley Sons.
  40. Şenkul, Ç., Kaya, S. (2017). Türkiye endemik bitkilerinin coğrafi dağılışı. *Türk Coğrafya Dergisi*.
  41. Thornthwaite, C.W. (1948). An Approach toward a Rational Classification of Climate. *Geographical Review*, 38(1), 55-94.
  42. Thuiller, W., Lavorel, S., Araújo, M.B., Sykes, M.T., Prentice, I.C. (2005) Climate change threats to plant diversity in Europe. *Proc Natl Acad Sci USA* 102:8245-8250
  43. Trewartha, G.T. (1968). *An introduction to climate*. New York: McGraw-Hill.
  44. Türe, C., Böcük, H. (2010). Distribution patterns of threatened endemic plants in Turkey: A quantitative approach for conservation. *J Nat Conserv. (Publication of European Center for Nature Conservation.)*18:296-303.
  45. Türkoğlu, N., Aydın, O., Duman, N., Çiçek, İ. (2016). Türkiye’de yağışın farklı mekânsal enterpolasyon yöntemleriyle karşılaştırılması. *Journal of Human Sciences*, 13(3), 5636-5659. doi:10.14687/jhs.v13i3.4173
  46. Wallace, A.R. (1855). On the law which has regulated the introduction of new species. *Annals and Magazine of Natural History*, Series 2, 16, 184-196.
  47. Yılmaz, E., Çiçek, İ. (2016). Türkiye Thornthwaite iklim sınıflandırması. *Journal of Human Sciences*, 13(3), 3973-3994. doi:10.14687/jhs.v13i3.3994
  48. Yılmaz, E., Çiçek, İ. (2018). Türkiye’nin detaylandırılmış Köppen-Geiger iklim bölgeleri. *Journal of Human Sciences*, 15(1), 225-242. doi:10.14687/jhs.v15i1.5040

# The Place Of Media Economics In The Economic Theory

**Mihalis KUYUCU<sup>1</sup>**

## CHAPTER 15

---

<sup>1</sup> Dr., İstanbul Aydın University



## INTRODUCTION

Media is an essential sector in national economies thanks to the task of conveying information and visual entertainments to their audience. Media is an organization producing contents as based on accurate information and conveying these contents to people. People approach this industry to get information in various fields including politics, economy, finance, magazine, and sports. Indeed it is not possible to place a limit on the subjects that can be conveyed to people. Producing content is a professional business, and it requires a serious approach to it. Because of this, this industry has some business standards and some legal regulations (Allen, Connolly & Hargraves, 2017). Media is an important sector involving all the parties in society; therefore, it is crucial how media is managed in a country. Media companies do not produce only profit for its owners but also a high political power, and high influence on their societies (Hoskin, McFadyen & Finn, 2004). Thus, while assessing the media industry, it has to be differentiated from the stereotype companies analyzed in microeconomics. Media is also relevant to macroeconomics because this industry might produce a tremendous power to influence macroeconomic variables thanks to the role of expectations in macroeconomic policies.

Media economics is a scientific effort for developing an understanding of a media company management, and media industry (or market). The idea of the free media industry has been one of the leading indicators of democracy in many countries, and even it is considered as a measure of development in a country (de Zuniga, Barnide & Scherman, 2016). On the other side, many states have controls on the media industry and, even further, it is possible to see that many governments are in media business by using some resources to run a state media block including radio, television, and even sometimes some journals and newspapers. Thus, the understanding media industry is quite challenging and economic can assist us to develop a proper understanding of the media industry (Hoskin, McFadyen & Finn, 2004).

### What is Media Economics?

Media plays a vital role in societies. It is closely related to the national economy, national politics, and development of a nation. The main reason behind this is that media plays an essential mediating role between politicians, citizens, companies, and other parties in a society and if this function does not work efficiently, there might be severe organization and coordination problems. Thus, the most important task assigned to the media industry is to convey accurate information to all the parties in society. Media selects potentials contends and produce news from them to disseminate among people through some publications, television, radio, and internet nowadays. The products of media are not solid things like other industries. Indeed it is information. As the most common and comprehensive way of conveying information, the media serves companies to advertise their products and some politicians convey their messages to people. These services provide some funding opportunities for media companies (Cowen 2019b).

Considering that there is a large number of media companies in a country, there exists a media industry, and most commonly state regulates this industry, and there is a media group owned by the state in many countries. Subsequently, even though, as a part of freedom of speech, media should be free, there is no full freedom in any country. Depending on the democratic development level of a country, media companies might have relatively larger freedom area. The media industry has a high competition even though there exists some tight legal regulations and state is active in this industry because the demand for information is endless and producing information might be achieved at relatively lower costs as compared to the production of other solid products (Allen, Connolly & Hargraves, 2017). By using a simple camera, it is possible to produce news.

Thus, the atomicity assumption about this industry is correct.

Media can generate some income, and even it might provide a high profitability rate as dependent on the cost of content production. Sometimes, it becomes possible to minimize the content production cost to a very low-level thanks to the conditions in a country. For instance, if there exist active civilians in a community, these individuals carry all the essential news around them to media companies to create an influence on their society and media companies avoid the cost of reaching this news. Thus, media companies have the potential to grow rapidly.

Although media is responsible for conveying true information to its audience, there is no guarantee for the non-deviant media industry. In some countries, political power is highly connected with media. In other words, one can use media to produce a high level of political power. It is easy to observe that, especially following the most recent global financial crisis, the political leaders who won the elections in the different countries are using media power to achieve their political goals. Even further, some leaders with a high tendency to become a dictator can abuse the political power produced by the media. Thus, media industry produces some services entirely different from other service industries. The other industries produce some service and products those can efficiently be priced in their markets. However, political pricing power generated by media industry is not something measurable.

Competition in the media industry is also different from other industries. The main reason behind this is that being a press professional does not require some specific diploma or educational background. Anyone who can observe, write and organize things can be easily a professional press person. Also, accessing information to produce content is possible for everybody. Even nowadays, we observe that people use their smartphones and some other technological tools efficiently to report some news on their social media accounts (Koçak, 2017). Considering that accessing information and reporting news cannot be limited thanks to the highly developed telecommunication technologies and social media, the competition will always be high in this industry.

Another important issue about the media industry is large media companies consisting of many other media companies inside them. Maybe it is better to call them as media groups. These media groups provide many various services under their holding umbrella, and that provides these groups with huge profits and high political power. Thus, they can influence the political settings in their countries while they attract the attention of companies to collect their advertisements. Considering that large companies prefer working with the groups having substantial political power, these media groups can provide many different services for multinational companies producing in their countries. As known, for increasing market power, advertisement plays an essential role. For instance, a company might create a positive image for their products through massive advertising, and that makes an essential contribution to its competitiveness. On the other side, some media groups merge with other groups to reach relatively higher power in their markets or their countries (Bukovina, 2016). In general, this might be considered as forming a media cartel, but it is possible to see this fact in many developing countries. Even further, purchasing a media group is considered as transferring some political power to some other parties in a country. Subsequently, merges of media groups, purchases of media groups and some other financial and economic actions need to be analyzed how media industry works and how media industry influences national economies (OuYang, Xu, Wei & Liu, 2017).

Globalization has created some new conditions for us nowadays, and it is quite easy to reach information and people all around the world. For instance, an individual living in Morocco can easily connect with another individual living in France, and they can share

various things including starting a serious relationship. According to some researchers, increasing opportunities for people to communicate freely without spending much might decrease the power of traditional media. For instance, most of the people read online newspapers, and many newspapers stop printing because the demand for printed media is very weak. Thus, globalization has changed a lot in the media industry, and it seems like that this change is continuing. However, the concept of media is not changing because the essential part of media is not being a printed publication but conveying information to people. Although all the people have access to the internet and there is a high level of interaction between individuals living in different countries, there still exists a significant problem for them. How to confirm any information or news they receive from their resources.

Although the form of conveying information to people is changing due to rapidly advancing technologies, the main problem regarding information which determines essential things in our lives is still the same. That makes it necessary to produce reliable or trustable information for everybody. The global economy has entered a new age following the most recent global financial crisis when the conventional economic policies could not create the desired results and a transformation of the global economy, and national economies have been experienced at the current time (OuYang, Xu, Wei & Liu, 2017). Subsequently, the media industry will face a transformation, and the behaviors of media companies and the relationships regarding media industry are expected to be transformed into a new form under the advanced technological conditions.

Consequently, understanding behaviors of media companies, their relations with their audience, the changes in the characteristics of audience and media companies, the relations between media companies, and the influence of state regulations on media industry are some of the essential subjects those needed to be understood. Media economics allows us to use some tools used in economics to understand all these facts about the media industry (Allen, Connolly & Hargraves, 2017). Although the concept of media economics as a subfield of economics differ from other economic subfields, using some methods used in economics is quite useful.

### **The concept of Media Economics**

There exist many printed books and some other publications giving information about media economics, and some of them are arranged as exactly looking like an "Introduction to economics" book with the same content with an economics book. It might be acceptable because media economics do assess similar content to understand the media industry. However, it is also possible to create a publication specific to the media industry, and this approach might be relatively more useful for readers. The second approach is relatively more preferable for people because people like getting practical information quickly instead of making long searches to understand something practical.

For a relatively more practical analysis of media economics concept, understanding market structure of media industry and competition, production of content and production costs, publishment and distribution costs, understanding demand for media contents, advertisement and media production, and political economy of media are essential concepts to be understood under the title of media economics. Considering that the media industry produces more than some contents for news including political power, media economics has to develop some explanations for all the outputs of the media industry. The media industry is one of the most influential sectors influencing all the others because it is closely related to national politics, cultural development, and public issues. For instance, a well-behaved media industry can develop a strong opponency against a government and even further it might reshape the political structure in a country. Subsequently, while analyzing this industry, it is essential this fact into account to understand the utility of

consumers and gains of producers in the media industry.

The market structure of the media industry looks close to perfect competition as mentioned before in this paper because there exists a high level of atomicity and anyone willing to produce news contend can do this easily. However, real-life examples do not confirm the existence of perfect competition in the media industry in many countries. The main reason behind this is the cost of distribution of printed media products and some other political reasons. Also, it is possible to claim that size matters in the media industry to maximize profits and other outputs of this industry. Subsequently, mostly it is possible to observe that some large media groups get the largest shares from the market and the small media companies can find an opportunity to survive at the local level, and they face many challenges to be national. Thus, the media industry has an oligopoly market structure in many countries, and it seems like that mostly these large media groups make a hidden agreement between themselves. In other words, oligopolist media groups prefer playing a cooperation game in the market, and they share the market as dependent on their powers.

Size matters in the media industry because being able to produce much various news contends and being able to reach a large number of people determine the power of a media group. Therefore, the scale of the economy is an essential issue in the media industry. The scale of the economy means further than minimizing production costs, and it provides a high potential to produce political power. Thus, almost all the media groups tend to get large. The massive media groups can serve strong political groups and a mutual gain for political parties, and media groups would be created.

Production and costs are among the essential concepts of media economics. Producing contend might be costly or very cheap while costs of publishment and distribution of printed journals and newspapers are not cheap and only large media groups can handle these services. Printing national newspapers and distributing to a country is quite costly. Thus, a natural oligopoly develops in this meaning. Distribution is an essential function in the media industry because distribution service might be serving many various printed publication producing companies. Even academicians publish some books, and they use the distribution services of these large media groups. The function of distribution makes a difference in the media industry, and only fewer media groups can create the necessary infrastructure for distribution services. The high cost of distribution builds an entry barrier for small media companies because they cannot afford to build a distribution function and secondly they need to get permission from the large media groups to distribute their publishments. Subsequently, if no legal regulations are forcing large media groups to allow small companies to distribute their publications, a natural oligopoly might come into life quickly.

Another important issue is the influence of the advancing communication technologies on the media industry. Internet and social media allow small companies and even individuals to deliver their news content to people easily and almost freely (Koçak, 2017). However, considering that every press professional or media company needs some income to sustain their activities, and small companies might have difficulty to get some advertisements from other industries, internet, and other digital communication technologies might not provide satisfactory infrastructure for small companies. However, there are some new methods used to generate income on online platforms. For instance, some democracy advocating people financially support some small media companies to raise the voice of poor people or people who are politically discriminated. Also, social media is a place where opponent media companies use actively, but only fewer of them can sustain their activities.



The advertisement is one of the most important terms for media companies. Indeed, advertisement means income for media companies. Making an income analysis of a media company is similar to analyzing advertisement for a media company. An advertisement is an essential tool for marketing professionals, and the primary goal of an advertisement is to inform people about some specific products. Companies pay some to media companies to advertise their products. Companies form a set of criteria to pick a media organ to advertise their products. One of the main criteria is the rating of media organs while the audience group a media organ reach. For instance, placing an advertisement on a finance journal reaches a group of elite people with relatively higher income, and if an advertisement is ordered to a sports journal more concentrated on football, it reaches a group of male audience. For picking a media organ to advertise a product correctly, it is essential to understand which audience groups with some specific characters would be interested in the advertised products.

Finally, the media industry is not like other product and service industries. There is a big discussion about real sectors and monetary sectors in the history of economic thoughts, and nowadays, a similar discussion can be developed for media economics because it has a strong influence on the competition in all the markets today thanks to the strong influence of advertising on competition and political power produced. As known, when the macroeconomic monetary values change in a national economy, the real production capacity becomes influenced. Similarly, a change in the advertisement spending in a national economy might reshape the market structures in this economy. Similarly, if a large media group is concentrated on producing political power instead of maximizing its profits, this political power might reshape the legal framework shaping the competition conditions in the national economy (OuYang, Xu, Wei & Liu, 2017). Giving many different examples in this meaning is possible. Therefore, media economics has the potential to be an influential subfield of economics.

Another critical issue is about management of expectations in a national economy and its close relation to the media industry. Expectations in a national economy might create essential results regarding the implementation of macroeconomic policies. The media industry is closely related to the creation of expectations in a national economy. If national media companies are pessimistic about the future, it might influence people, and the desired results from the implemented macroeconomic policies might not be received. A pessimistic media does not mean a manipulation all the time. Some political issues might be creating a pessimism in media, and there might be some other reasons for pessimism other than this an intention of manipulating markets and national economy (Jung, 2009). Another critical issue is about the tendencies media industry creates. Fashion is an essential example of creating tendencies among people or some magazine news about famous people can create some new consumer behaviors or lead consumers to use some unique products. Therefore, media has the power of influencing expectations and tastes. In this meaning, it is possible to create some macroeconomic and microeconomic aspects of media economics.

In conclusion, media economics includes many concepts in it relevant to macroeconomics and microeconomics. It has influences on consumer behaviors, and it is possible to use some microeconomic tools to understand how media companies behave. Similarly, media groups can create some essential changes in macroeconomic variables and even in a macroeconomic setting while macroeconomics can be used to analyze the media industry (Compaine, 2014). Therefore, while studying media economics, it is possible to consider it like monetary economics. Monetary values have similar relations. Also, media economics is expected to develop while communication technologies are advancing. Traditional media is being transformed into new media using high technology nowadays.

## History of Media Economics

Media economics was not defined in the early ages of the development of the science of economics while the first economists were aware of the influence disseminating some information regarding economics. Their primary analyses were printed in some books or some other journal-like publications in their times. Thus, they were aware of the influence of information dissemination in society. Following the first economists, Jonathan Swift and Samuel Johnson studied on the economics of publications. They concentrated on the printed materials in their times. Their analysis includes the sustainability of publishing business, and they served the owners of publication houses by providing them with counseling services. Only, they started the most basic media economics in the 18th century (Cowen 2019b).

Harold Innis, a Canadian professor of political economy, studied on communication theory. He gave the first clues of the complicated relations between economic and non-economic variables. According to him, economists should have studied the relations between different sciences and economics and also there exist many non-economic variables influencing economic variables (Innis, 2019). Starting from this point, he spent effort for developing an understanding of the followings: How communication is developed in a society, how communication turns into a media industry, and how media industry makes a contribution to social welfare and economic development (de Zuniga, Barnide & Scherman, 2016). He also mentions that the media industry might have some bias and become a political tool. Innis develops an idea of media economics and becomes of the first academicians giving clues about media economics.

Eric Havelock gives ideas about media ecology. According to him, communication develops an ecology among people, and this ecology builds up culture, economic relations, and other social facts among us. The technological advancement influences media ecology and other things in our lives. He provides some essential information in the mid of 20th century about a media economics (Gibson, 2015). Marshall McLuhan is another important philosopher spent effort for developing media theory. McLuhan and Havelock have made an essential contribution to the development of media ecology, and their ideas were about the relationship between media and economy in some aspects (Feuerherd, 2017). Communication is an essential human activity on all the social and economic developments, and media plays a vital role in communication (Carey, 1998).

Following the ideas of previous philosophers, Ronald Coase studied the economics of radio and economics of payola. Radio was popular before the 1980s, and many young musicians would like some radio channels to play their songs so that they could become popular singers. Thus, a new system was built, and singers or music companies were paying radio channels to play their , and this was called as Payola. Coase studied the economics of payola, and he made essential contributions to the sciences of economics and media economics (Compaine, 2014). Payola was a sign of consumer preferences according to him, and he developed his consumer behavior theory and advertising theory as based on the economics of payola. His contributions to economic theory and media economics started new discussions among economists. In the 1990s, the discussion of cultural relations and their influences on economic relations (Cowen, 2019a). Media economics has been an essential component of this discussion because media has simulated the cultural interactions between parties. Thus, the influence of media on cultural and economic interactions have been an interesting study area for researchers.

Nowadays, media economics is an essential subfield of economics. There is a large group of economists, and some other researchers are working on this subfield research area. Today, economists are using datasets produced from traditional media and social media for understanding consumer behaviors (Koçak, 2017). The mainstream economic

approach defenders were not using non-economic data before this period, and media economics has made an essential contribution to the development of empirical economics (Compaine, 2014). Today, economists can produce data from printed media and social media (Koçak, 2017). Even further, big data analysis has opened a new dimension in economics. By analyzing large datasets, it becomes possible for reaching more detailed information about consumer behaviors and a relatively more complexed microeconomic theory is developed nowadays.

Media economics was based on the traditional media organs before the 2000s, and nowadays, the advancement of communication technologies and social media, media economics has become more critical (Bukovina, 2016). Especially considering that most of the human interactions are occurring on the internet and social media, it is important to observe these behaviors online (Compaine, 2014). Offline and online relations are reshaping human behaviors and consumer behaviors. Also, the dissemination of information has been transformed into a relatively more complicated form nowadays. Thus, it is possible to claim that media economics will be providing us with more promising data and information in the close future for producing economic information. Even further, consumer behaviors will be relatively more predictable and creating more tailor-made economic policies will become possible.

### **Specifications of Media Economics**

Media economics is newly developing subfield of the science of economics. Considering that, media economics have developed more in the last two decades, it has much distance to go. The ways of communication are changing between people and media is one of the most common ways of communicating today. Television is still an influential media organ, and it is being transformed into new forms today while radio has lost its importance today. Measuring or estimating the total value of media and entertainment industry at the global level is a very challenging task to complete because it has reached a peak at the current time. There are thousands of newspapers, radios, television channels, online channels, and online publications including magazines and academic journals. PwC estimates that the value of the global market is around 2 trillion USD, and only the value of online media in the US is around 37 million USD in 2017 (Bond, 2013). The US market is the largest one in the world because the American cultures have been imposed to almost all the countries, and the American movies, television shows, academic journals, and many others are very influential in the world. 1.7 billion people have purchased movie tickets in the US in 2017, considering that the Hollywood movie has been experiencing a low productivity level in the last decade, this statistic indicates the potential size of the media and entertainment market (DellaVigna & Ferrara, 2019).

The internet technology has increased the variety of media services, and today it is possible to find many online streams providing access to movies, television shows, live broadcasting, and many other services. Even individuals can quickly establish their online television channels and stream whatever they would like to show to people. It seems like the development of media thanks to the advancing technologies will be limitless, and the value of the media market is expected to increase in time.

Media economics include some essential subjects today including some microeconomic and macroeconomic aspects. The increasing interaction between individuals globally might bring some transformations to the global economy shortly. For instance, up-to-now, capital could move freely at the worldwide level while workers could not migrate to the other countries freely. However, nowadays, although workers still need a visa and some financial power to go to other countries, the internet and social media technologies allow workers to see and learn about others all around the world. In today's world, learning new things and gaining some new skills is relatively more straightforward.

Media economics is mainly accepted as a subfield of economics studying how media companies work, how media companies produce contents, how media content is demand and some other main questions. However, media economics is a study field dealing with social media and its influences on national economies, learning opportunities through traditional media, internet, and social media, influences of media on macroeconomic and microeconomic variables through creating impacts on expectations, consumer taste and fashion (Bukovina, 2016). Subsequently, media economics is a new subfield for economists to develop and it has potential similar to monetary economics. The main reason behind this idea is that the media has a strong influence on everything in our lives. For instance, while deciding on purchasing something, it is possible to see the reviews of the individuals living in other countries in seconds. Thus, media economics might be relevant to many different study fields.

Big data analysis promises significant potential for media economics. People are leaving their thoughts and critiques about everything on social media and a vital information source about individual preferences becomes available for researchers. In the past, the researchers were spending years to observe people and collect data about their behaviors. Traditional media raises some important subjects or make some subject important, and almost every individual on social media sites and the internet discusses these subjects. New research technologies, especially the ones using artificial intelligence, can make some text monitoring and analysis by using big data and extensive mapping of consumer behaviors and preferences become possible. By using some geographical information systems, econometrics, and statistics, very detailed analysis can be implemented, and detailed information can be derived easily. Subsequently, it becomes possible to produce very well-designed marketing strategies or some other business policies.

While determining the specifications of media economics, it is essential to understand the unlimited structure of this study field. New technologies will increase the speed of communication in the world, and media economics will have a larger area for research. Thus, while giving information about media economics, it is important to say that there is no limit as far as people still communicate with each other for researches regarding media economics.

### **The Difference of Media Economics from the Mainstream Economic Theory**

The mainstream economic theory is based on an equilibrium idea. There exist some endogenous variables influencing economic decision-making processes directly while there are some other exogenous variables. Media might be considered as something external or endogenous regarding the criteria of mainstream economics. A classic approach would assess media economics is an effort for understanding how media companies work and how demand and supply reach an equilibrium in the market. If the media industry would produce solid goods or some certain services people could pay and purchase, following the mainstream economic theory to understand the media industry would be understandable. However, media is not a pure market, and it includes various externalities, and it does produce things that might be considered as things much further than regular goods and services.

Production of news content and dissemination of information through printed traditional media, social media and internet media are one side of the medallion in media economics. People would like to hear news from the parties they are interested in including state, international relations, local happenings, famous people in their lives, sports, and many other things. These people form a demand for news content, and they become willing to pay some money for this. Purchases of newspapers, journals and other printed media, and payments made for watching cable tv and other video services are classical

examples. These people demand news content and entertainment because they gain some utility. On the other side, news content producers, media companies create organizations to supply news contents. They have production costs, and they implement some policies dealing with their production technologies and competing in their markets. Starting from this point, it is possible to use all techniques used in the mainstream economics theory including analyses of production costs, production technologies, market structures, competition strategies, equilibrium, long-run, and short-run issues and many other subjects. However, there is a blind point in media economics: media produces political power and media can be very influential in markets, national economies, and even the global economy. Thus, using traditional microeconomic and macroeconomic models cannot generate the desired analyses for media economics, and it is evident that there exists a distinct difference between traditional economic theory and media economics.

For improving media economics, a set of relatively more complicated general equilibrium models have to be produced. Micro-based macroeconomic models, simultaneous equations and some other methods used in the advanced economic theory might be helpful. An essential problem regarding media economics is how to measure some productions. Media can produce political power by implementing some policies in their process of news production. Measuring direct costs is easy because they are recorded physically. Estimating alternative (hidden or shadow) costs is an essential problem in the mainstream economic theory, and the worse situation exists in media economics. Even further, determining alternatives in media economics is a relatively more complicated process. Without making a proper selection of alternatives, it does not become possible to develop a model for understanding what happens in the media industry.

On the other side, measuring the utility of demanders as related to the use of media services is quite complicated because there is more than direct relations between producers and demanders. It should be considered as mutual interactions with many parties in the media industry while thinking how the links work. Media industry might influence and change expectations in a national economy. Another important fact, many of the politicians responsible for managing their domestic economies have social media accounts, and most of them use social media actively. It is possible to list the reasons behind how the media industry might influence national economies and the global economy. Therefore, while modeling media industry, taking many aspects of media industry into account is needed.

The mainstream economic theory has been enhanced by endogenous economic growth models in the last decades, and relatively more number of economic and non-economic variables as explanatory in the economic models. It seems like media economics will bring more cultural and social non-economic variables into the science of economics. Even further, big data gathered from social media and internet media can give us some new variables based on real human interactions. Considering that it is possible to gather big datasets, the results of analyses might give statistically more robust results.

In conclusion, media economics have the potential to make some radical changes in economics thanks to the opportunities provided by new technologies. Indeed, media has had an essential influence on the people; however, it was not possible to measure its influence and, nowadays, highly advanced technologies have provided better opportunities for us in this meaning. So instead of concentrating on the differences between media economics and economics, it is more important to understand how to improve our knowledge by using these new opportunities.

## CONCLUSION

It is not possible to claim an absolute beginning for media economics when media is considered as communication and interaction between individuals. Taking the fact that consumer behavior is influenced by communication with other consumers into account, media disseminates information gathered from communications between individuals, politicians, and nations and media has an essential influence on economic behaviors. On the other side, the media might influence expectations. Subsequently, media economics is closely related to microeconomic analysis and macroeconomic analysis. However, there is an essential difference between the mainstream economic theory and media economics because media economics provide an information abundance thanks to highly advanced communication and internet technologies nowadays, complicated relations between economic variables and media, and media can produce political power.

While analyzing the media industry, it is possible to use the traditional methods used in the science of economics while media economics cannot be limited to these methods. Social media and internet have enhanced social interactions to the global level, and there exists a relatively faster communication between people. In other words, there are no limits for communication nowadays, and that increase the influence of media on the national economies and the global economy.

In conclusion, media economics, by the provision of some highly detailed information about consumer tendencies produced from big data sets and the influences of media on expectations, has a vast potential to reshape the mainstream economic theory. Media has new meaning nowadays thanks to globalization, new advanced communication technologies, and new research methods using high technology, and it opens a large field of research for media economics.

## REFERENCES

1. Allen, H., Connolly, S., & Hargreaves Heap, S. (2017). Media pluralism: What matters for governance and regulation?. *Journal Of Media Economics*, 30(2), 47-64. doi: 10.1080/08997764.2017.1364257
2. Bond, P. (2013). Study: Global Media Industry Poised to Top \$2 Trillion in 2016. Retrieved from <https://www.hollywoodreporter.com/news/study-global-media-industry-poised-562694>
3. Bukovina, J. (2016). Social Media and Capital Markets. An Overview. *Procedia - Social And Behavioral Sciences*, 220, 70-78. doi: 10.1016/j.sbspro.2016.05.470
4. Carey, J. (1998). Marshall McLuhan: Genealogy and Legacy. *Canadian Journal Of Communication*, 23(3). doi: 10.22230/cjc.1998v23n3a1045
5. Compaine, B. (2014). Media Economics in Four Observations. *Journal Of Media Economics*, 27(2), 113-115. doi: 10.1080/08997764.2014.904594
6. Cowen, T. (2019). *Economics of Payola* [Video]. Retrieved from <https://www.mruniversity.com/courses/economics-media/economics-payola>
7. Cowen, T. (2019). *History of Media Economics* [Video]. USA: MRU University.
8. de Zúñiga, H., Barnidge, M., & Scherman, A. (2016). Social Media Social Capital, Offline Social Capital, and Citizenship: Exploring Asymmetrical Social Capital Effects. *Political Communication*, 34(1), 44-68. doi: 10.1080/10584609.2016.1227000
9. DellaVigna, S., & Ferrara, E. (2019). Economic and Social Impacts of the Media. Retrieved from <https://www.nber.org/papers/w21360>

10. Feuerherd, P. (2017). The Mystical Side of Marshall McLuhan. Retrieved from <https://daily.jstor.org/the-mystical-side-of-marshall-mcluhan/>
11. Gibson, T. (2005). Epilogue to Plato: The Bias of Literacy. *Proceedings Of The Media Ecology Association*, 6, 1-17. Retrieved from [http://www.media-ecology.org/publications/MEA\\_proceedings/v6/Gibson.pdf](http://www.media-ecology.org/publications/MEA_proceedings/v6/Gibson.pdf)
12. Hoskins, C., McFadyen, S., & Finn, A. (2004). *Media economics* (1st ed., pp. 1-16). Thousand Oaks: Sage Publications.
13. Innis, H. (2019). The Bias of Communications & Monopolies of Power. Retrieved from <https://www.media-studies.ca/articles/innis.htm>
14. Jung, H. (2009). Information Manipulation Through the Media. *Journal Of Media Economics*, 22(4), 188-210. doi: 10.1080/08997760903375886
15. Koçak, N. (2017). Social and Individual Impacts of Social Media and Its Interactions with Traditional Media. *International Journal Of Communication And Media Science*, 4(2), 1-7. doi: 10.14445/2349641x/ijcms-v4i2p101
16. OuYang, Z., Xu, J., Wei, J., & Liu, Y. (2017). Information Asymmetry and Investor Reaction to Corporate Crisis: Media Reputation as a Stock Market Signal. *Journal Of Media Economics*, 30(2), 82-95. doi: 10.1080/08997764.2017.1364256





# The Changing Role Of Monetary Policy On Financial Stability After The Global Financial Crisis

**Ali İLHAN<sup>1</sup>**

## CHAPTER 16

---

<sup>1</sup> Res. Assist. Dr. in the Department of Economics at Tekirdag Namık Kemal University, Tekirdag, Turkey



## 1. INTRODUCTION

The view adopted by policy makers and academicians during the pre-global financial crisis period was to carry out a monetary policy independent of issues related to financial stability. The inflation targeting proposed by the New Neoclassical Synthesis, which represented the consensus within the highly contrasted macroeconomic theories in certain periods, was essentially focused on minimizing the production-inflation variability as a monetary policy strategy. It was considered that monetary policy would contribute to financial stability through the stabilization of production and inflation. Financial variables were only taken into account due to the information they contained regarding the inflation expectations. Central banks did not respond to fluctuations in asset prices and potential bubbles in a reactive manner. Policy responses were received only after the bubbles burst, with the intention to establish economic stability.

In terms of financial stability, while the only role of central banks, which focused on price stability through a narrow perspective under the influence of the dominant view, was to exercise the function of being the lender of last resort, the task of ensuring financial stability was assigned to a separate prudential supervision and surveillance authority. The safety of individual institutions and markets were focused on through the prudential regulations and supervisions aimed at ensuring financial stability, and the macroeconomic and systemic consequences of financial intermediation and regulations were neglected.

Along with the global financial crisis, acknowledging the fact that price stability does not guarantee financial stability led to the reassessment of the role of monetary policy in financial stability. In this respect, the understanding that financial cycles were different concepts than the business cycles and the new monetary transmission mechanisms that were defined revealed the fact that monetary policy should take the concerns related to financial stability into account as well as addressing new trade-offs. Furthermore, the inclusion of credit frictions and financial intermediaries within traditional macroeconomic models facilitated the analysis of augmented monetary rules.

Given the scope above, the aim of this study is to reveal the changes in the monetary policy stance towards financial stability during the post-crisis period. In this framework, the study is intended to explain the factors that cause such change and reveal the theoretical background of macroprudential policy through stating the boundaries of monetary policy in achieving financial stability.

The study consists of seven sections. The following section focuses on the channels of monetary transmission defined in the post-crisis period and explains the effects of the risk-taking channel on the optimal policy response. In the subsequent two sections, evaluations on the monetary policy stance towards financial variables were discussed theoretically based on the traditional reactive-proactive policy debate and based on augmented monetary policy rules. Then, financial cycle was introduced, and its features were presented. The study was concluded following the section that provides the lessons learned from the crisis and the issues of consensus.

## 2. THE CHANGING NATURE OF MONETARY TRANSMISSION MECHANISMS

Monetary transmission mechanisms affect the real economic activities, inflation and financial stability through various channels and ensure that monetary policy achieves its ultimate goals. However, monetary transmission mechanisms were intensively criticized due to the deterioration in the functioning of the transmission channels during the global financial crisis. It was observed that conventional channels of monetary transmission associated financial frictions with the behaviour of the borrowers and neglected the

credit supply effects inflicted by the possessed incentives for the financial intermediaries (Kokores, 2015:7-78). In this context, the fact that channels of monetary transmission were inadequate in predicting and explaining the crisis accelerated the efforts to identify additional channels.

During the post-crisis period, channels of monetary transmission such as *risk-taking channel*, *signal effects of monetary policy* and *the breaking herd behaviour* were defined in order to increase the effectiveness of the monetary policy (Detken, et al. 2010:321). However, among these channels, only the presence of risk-taking channel could be demonstrated through empirical studies. Such studies concluded that financial intermediaries increased loans to risky borrowers in an environment with low interest rates, and such conclusion was highly consistent with theory (Paligorova and Jimenez, 2012:25; Kokores, 2015:78).

According to C. Borio and H. Zhu (2008), risk-taking channel indicates the risk perception regarding the changes in the policy interest rates, thus the related effects on the pricing of assets, risk levels in portfolios and funding types. Risk measures tend to vary procyclically, i.e. to be comparatively low during economic expansions and to be comparatively high during economic downturns. This arises because, to a degree that depends on the estimates of probabilities of default, loss given default, asset and default correlations as well as volatilities tend to decline in good times and to rise in bad times.

The risk-taking channel, which constitutes an important component of the financial cycle, becomes operational through three different mechanisms. The first mechanism is related to the *impacts of interest rates on valuation, incomes and cash flows*. Correspondingly, the interest rates become effective on the asset and liability management of investors. For instance, a decrease in interest rates leads to a decrease in the risk perceptions of financial intermediaries and an increase in risk tolerance through increasing incomes and profits as well as the asset and collateral values. Moreover, the decrease of measured volatility in emerging markets encourages investors to allocate their resources to risky assets. This mechanism, similar to the traditional financial accelerator mechanism<sup>1</sup>, reveals the stronger effects of the financial accelerator. While economic units are considered risk-free or risk-averse within the framework of the traditional financial accelerator, one of the most important factors of the risk-taking channel is the change in the stance of economic agents towards risk during credit cycles. The changing risk tolerances over time cause the change in risk pricing and the strengthening of procyclical effects in credit markets.

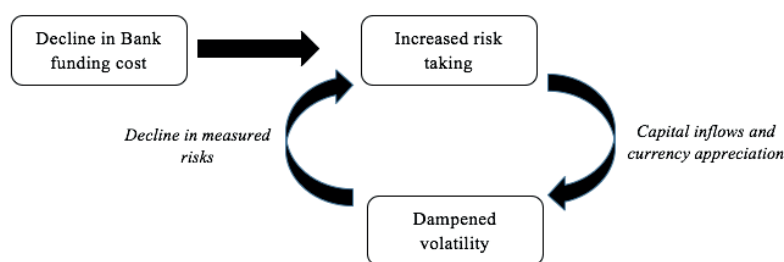
The second mechanism that activates the risk-taking channel is related to *the predictability of the central bank policies*. For instance, transparency regarding the future decisions of monetary policy decreases risk premiums and increases risk-taking through reducing the uncertainties about the future. Similarly, market participants tend to take further risks when a negative shock, which threatens the stability of the system, is encountered, since they expect a decrease in the interest rates, based on the reaction function of the central bank (Borio and Zhu, 2012: 243-244).

The third mechanism, as the result of the first two mechanisms, is *the search for yield of financial intermediaries*, as proposed by R. G. Rajan (2005). Accordingly, when interest rates decrease, financial intermediaries seek to raise their profitability through investing in high-yield assets or through increasing the leverage level. The compensation of increase

<sup>1</sup> According to the financial acceleration mechanism, internal developments within the credit market lead to the strengthening of shocks and their spread to macroeconomics. For instance, an increase in interest rates causes a decrease in the net worth of borrowers. Such circumstance increases the possibility of the expected default and causes borrowers to narrow their investment volumes and apply borrowing constraints. The decreased asset prices due to the decrease in investments decrease investments and net values through the acceleration effect. The presence of a financial accelerator causes a stronger impact of spending and production when a possible shock is encountered (Bernanke, et al. 1999: 1345).

in asset purchases and the yield loss due to the decrease in the interest rate via risky assets leads to a decrease in the systematic risk premiums and the increase in the risks taken (Bauer, et al. 2016:16).

V. Bruno and H. S. Shin (2015) found that the risk taking channel is a powerful determinant of leverage, thereby acting as the linchpin in the propagation of global liquidity. They constructed a theory of the risk taking channel in which banks intermediate dollar funds to local borrowers who hold local currency assets. Accordingly, the leverage is rising in the extent of expected currency appreciation. So, expected currency appreciation is a key driver of the fluctuations in leverage. For instance, an expansionary shock to US monetary policy leads to an increase in cross-border banking capital flows and an increase in the leverage of international banks. Such an increase in capital flows is associated with an appreciation of the US dollar. Figure 1 depicts the interaction between currency appreciation and leverage.



**Figure 1.** Feedback Created by Currency Appreciation in the Presence of the Risk-Taking Channel

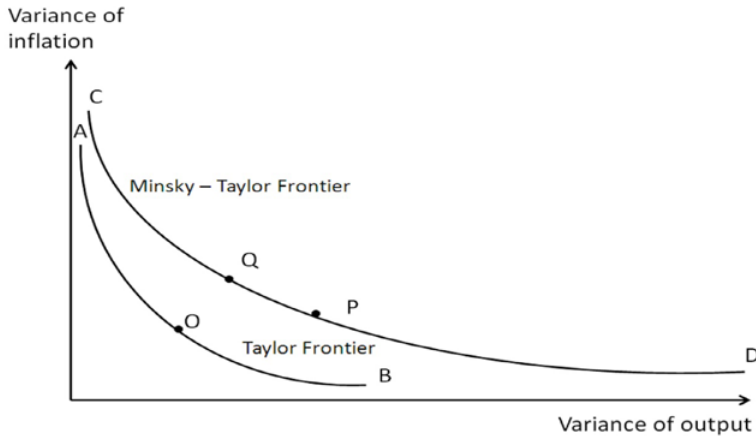
**Source:** Bruno and Shin (2013).

A distinctive feature of the risk-taking channel is that currency appreciation can fuel capital inflows rather than stem them. As currency appreciation strengthens local-borrower balance sheets and creates further slack in lending capacity for banks, thereby stimulating further inflows (Bruno and Shin, 2013).

According to M. King (2012), an effectively operating risk-taking channel causes the financial cycle to be strongly influenced by the monetary policy, especially in low interest rate environments, thus, leads to possible trade-offs between monetary and financial stability. Failure to take financial instability into account in the presence of a risk-taking channel causes quite an optimism in policy authorities regarding the changes in the production-inflation variability.

The Taylor Curve<sup>2</sup> indicated as AB in Figure 2 presents various combinations for the policy authorities regarding the trade-offs between the production-inflation variability. The chosen optimal point on the Taylor Curve shapes the policy response of the central bank against possible shocks. On the other hand, Taylor Curve takes only the supply and demand shocks are into account and ignores the financial frictions. Such circumstance leads to over-optimism, hence, financial risks, especially during periods of stability, for the monetary authorities that determine the policy response according to the optimal combination of the Taylor Curve. In this context, traditional Taylor Curve must be replaced by the “Minsky-Taylor Curve”, which takes financial instability shocks into account.

<sup>2</sup> According to Taylor, the trade-off between inflation and production in the short term, based on sticky wages and prices, is replaced by inflation and production variability in the long term. In this direction, Taylor describes the trade-off relationship between inflation and production, by using the “Taylor Curve” (Taylor, 1993:21-22).



**Figure 2.** The Minsky-Taylor Frontier

Source: King (2012)

The Minsky-Taylor Curve, presented in the figure above, reflects the misperceptions, financial cycles and search for yields in the markets. The long-term production variability for an inflation variability level is higher in the Minsky-Taylor Curve indicated by CD than the Taylor Curve indicated by AB. For instance, in a circumstance where financial instability is not taken into account, the policy response is determined through the trade-off relationship at point O on the AB curve. However, trade-off relationship occurs at point P on the CD curve in real-life, where financial instabilities exist. Such condition causes a change in the optimal policy response and the response occurs at point Q on the CD curve (King, 2012:5-9).

### 3. POLICY RESPONSE TO FINANCIAL VARIABLES

It could be observed that the discussions in literature on the role of monetary policy in ensuring financial stability were shaped based on the central banks' stance towards the asset price bubbles.<sup>3</sup> On the one hand, there exists a traditional view advocating that monetary policy should not interfere with the potential asset price bubbles and that the costs occurring due to the explosion of the bubble should be interfered through aggressive monetary expansion (Bernanke and Gertler, 1999; Greenspan, 2002; Gilchrist and Leahy, 2002; Posen, 2006; Kohn, 2006; Svensson, 2010). On the other hand, there is an alternative view that suggests proactive monetary policy against the formation of asset price bubbles (Cecchetti et al. 2000; Borio, 2007; Taylor, 2009; Curdia and Woodford, 2009; Woodford, 2012). Table 1 presents the contents of the discussion between the two views.

<sup>3</sup> It is possible to evaluate such condition as a natural result of asset prices being the fundamental factor in monetary transmission mechanisms (Mishkin, 2011:59).

	Reactive Policy Response (Clean Up)	Proactive Policy Response (Lean Against the Wind)
Ability of policy makers to identify bubbles <i>ex-ante</i>	Virtually impossible, can't know more than the market	Difficult but no harder than for other policy objectives
Does price stability guarantee financial stability?	Yes, but even if not, it's the best contribution policy can make	No, it can even amplify financial instability
Welfare losses associated with pre-emptive tightening	Prohibitively high	Less than allowing bubbles to grow larger and then burst
Is monetary policy effective in dampening asset booms?	No, too blunt and low pass-through	Yes, even if just a verbal commitment
Are the clean-up costs of bursting bubbles manageable?	Yes with an aggressive and swift policy response	Can be too large to contain if the bubble expands unchecked
Welfare-enhancing objective function to include:	Only consumer prices	Consumer prices and financial stability variables
Underlying tendency of asset price movements	Mostly efficient, rational, self-correcting and thus stabilizing	Often inefficient, irrational, self-reinforcing, destabilizing
Moral hazard risk	Unavoidable	Mitigated

**Table 1.** “Clean Up” vs. “Lean Against the Wind” Debate

Source: Jones, (2015:8)

**i. Reactive Policy Response:** The main argument of the view that the monetary policy should not react to the developments in asset prices, also known as the “Greenspan Doctrine” or “Jackson Hole Consensus”<sup>4</sup>, stems from the difficulties encountered in defining *ex-ante* for asset price bubbles. Bubbles occur when asset prices indicate significant and permanent deviations from core values. Based on the effective market hypothesis, the central bank, which has no advantage towards the financial market participants, is not capable of determining the basic values of the asset prices in a punctual and accurate manner (Bernanke, 2002; Greenspan, 2002).

According to the approach that advocates reactive policy response, it is not possible to safely burst these bubbles via monetary policy, even though the bubbles were timely defined. It is not effective to respond the high appreciation of the asset prices through small increases in the interest rate. Sharp increases in interest rates, which are required to control the bubble, could as well cause serious damage to the real economy (Bernanke, 2002). In addition to this, interest rates increase might not be effective in preventing the formation of bubbles. The increase in interest rates could lead to an increase in the expected returns from bubble-driven assets and enlargement of the bubbles (Mishkin, 2011: 60).

The reactive policy supporters claim that monetary policy is a blunt tool for fighting asset price bubbles. Central banks could directly influence a small portion of the capital

<sup>4</sup> Mishkin (2011:60) describes this approach as the “Greenspan Doctrine” since the former president of FED, A. Greenspan, defended the reactive policy response strongly. On the other hand, Issing (2011:5) calls this approach as the “Jackson Hole Consensus”, since it was frequently defended in Jackson Hole Symposiums and represented the orthodoxy in the pre-crisis period.

markets through open market operations and short-term interest rates. Therefore, beyond affecting the asset price bubbles, a possible increase in interest rates could cause seriously harm the sectors without financial imbalances. Moreover, it is not possible to mention a mechanical connection between the monetary conditions and the behaviour of investors (Posen, 2006:114).

**ii. Proactive Policy Response:** The alternative view, strongly supported by the Bank for International Settlements (BIS) economists, was founded on the need to endure present production losses in order to achieve production gains through reducing the costs and/or probability of the potential future banking crises<sup>5</sup> (Borio, 2016:2). Accordingly, a monetary policy that does not react against asset price bubbles renders the control of future costs difficult (Jones, 2015:12).

According to those who advocate pre-emptive tightening against asset price bubbles, a rough information is sufficient for policy authorities to intervene in financial imbalances (Käfer, 2014:162). The difficulties associated with defining bubbles on time should not lead policy-makers to avoid responsibility. In general, policy authorities do not have full knowledge regarding their decisions. Estimating natural interest rate or potential production level is more difficult than predicting risk premiums in financial markets (Blanchard, 2000:7).

A pre-commitment by the central bank to implement the traditional lender of last resort role in order to reduce the risk of systemic crisis following the burst of asset bubbles could result with the problem of moral hazard. An asymmetric policy response of the central bank towards asset price cycles could cause the investors to act imprudently during the expansion periods. In this respect, a symmetrical policy response towards asset price cycles is more appropriate for providing the investors with suitable incentives and for balancing risk assessments (Roubini, 2006:101-102).

During the pre-global financial crisis period, a consensus was observed around the traditional view of reactive policy response both between academicians and policymakers. The issues related to asset prices and financial stability were defined as detrimental and distracting elements for the credibility for the monetary policy, which was firmly focused on price stability (Williams, 2014:2). Even the Federal Reserve (FED), which does not explicitly implement the inflation targeting regime, issues regarding financial stability were rarely discussed in monetary policy meetings (Fligstein, et al. 2014:5).

However, the macroeconomic policy framework of the Great Moderation period was re-evaluated due to the crisis and the tendency was towards the alternative view that supported the proactive policy response. FED chairman J. Yellen (2009), one of the strong proponents of the traditional view, stated that alternative opinion should be taken into consideration given the concrete and tragic consequences of the exploded housing price bubble. Yellen, who stated that the prudential tools that were relatively targeted towards the monetary policy could be more effective in combating cyclical risks that might pose a threat to financial stability, left a margin for the direct utilization of monetary policy in achieving the financial stability targets (Yellen, 2014:59). In this respect, despite the strengthening of the proactive policy response argument during the post-crisis period, it was not possible to say that reach to a consensus on which policy or policy combinations should be provided.

#### 4. AUGMENTED POLICY RULES

<sup>5</sup> Given the fact that the alternative view was supported more in Europe compared to the US, B. Jones (2015) defines this approach as the “Basel Consensus”. Moreover, E. Başçı (2012) calls this approach the “Ingves Doctrine” with reference to S. Ingves, who was the implementer of the alternative view during the pre-crisis period, the president of Riksbank and the chairman of the Basel Committee.



It was observed that the financial frictions were not included in the dynamic stochastic general equilibrium (DSGE) models, frequently used in the policy analysis of the central banks, until the crisis. The models only focused on the specification of the real economy and the financial sector, which was considered to have nothing to do with the macroeconomic stability in a low inflation environment, was neglected (Viziniuc, 2015:455). Although there existed several studies that took the financial frictions into account, these studies focused on the behaviour of the borrowers and the demand side of the credit channel, where both constituted only a part of the problem, and that there was no clear role assigned for financial intermediation. The inclusion of financial frictions, which strengthen the effects of non-financial shocks on the aggregate demand, affected the size of the optimal monetary response, yet did not qualitatively alter the response and create new trade-offs. Such circumstance caused the no need for alternative policy instruments (Chang, 2014:20).

On the other hand, the crisis revealed that credit supply effects based on the behaviour of financial intermediaries played a vital role in macroeconomic fluctuations. The empirical studies concluded that loosening the credit conditions during the pre-crisis period strengthened cyclical fluctuations and tightening during the post-crisis period caused sharp decreases at the level of production (Gilchrist, et al. 2009; Adrian and Shin, 2010; Ciccarelli et al. 2010). However, there emerged a need to model financial intermediation in order to understand the unconventional policies that supported financial intermediation through various ways (liquidity injections, asset changes, changes in capital adequacy) (Chang, 2014:22). Therefore, the studies conducted via DSGE models, which included friction that prevented effective credit supply and financial intermediation, increased rapidly during the post-crisis period (Woodford, 2010:25).

The studies that employed the augmented DSGE model analyzed the effectivity of different policy combinations such as the standard monetary policy rule, augmented monetary policy rule, the combination of standard or augmented rule with macroprudential instruments on different shocks such as financial, efficiency and supply shocks. Accordingly, it was concluded that the augmented policy rule with financial variables exhibited a better performance compared to the standard rule (Curdia and Woodford, 2009; Lambertini et al. 2011; Woodford, 2012; Bofinger et al. 2013; Gambacorta and Signoretti, 2013; Levine and Lima, 2015; Ma and Zhang, 2016, Buffie et al. 2018).

However, the studies also presented that the macroprudential tools had a welfare enhancing effect in controlling the financial cycle and reducing risk premiums and volatility, and the type of shocks were found to be effective on the performance of the policy rule. Accordingly, it was concluded that the augmented interest rate rule, supported by the macroprudential instruments, was more effective than the standard or augmented monetary policy rule, when financial shocks were encountered (Kannan et al. 2012; Beau et al. 2012; Lambertini et al. 2013; De Paoli and Paustian, 2013; Tayler and Zilberman, 2014).

## 5. THE IMPORTANCE OF THE FINANCIAL CYCLES

It is not a right approach to consider not including financial factors in the cyclical fluctuations models during the period before the global financial crisis as the evidence of financial issues not being influential in shaping the views of economists on macroeconomic activities. However, no significant shocks were experienced during the “*Great Moderation*” period and this outcome strengthened the dominant view that financial stability could be accomplished through attaining the goal of price stability. Moreover, the global financial crisis indicated that macro-financial imbalances could create serious threats even in the presence of low inflation and stable growth rates and emphasized the significance of

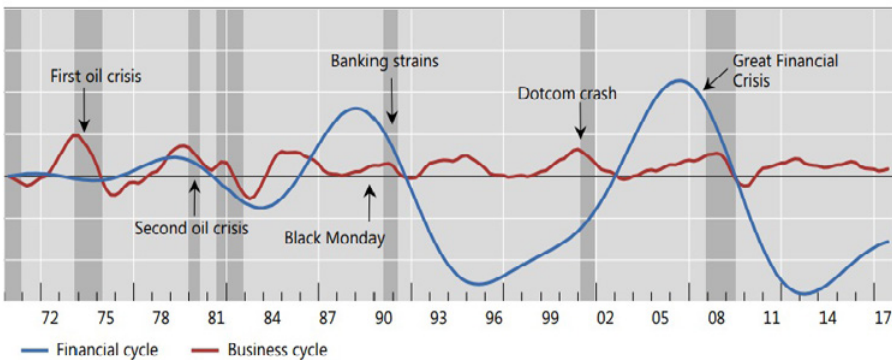
financial factors in understanding the cyclical fluctuations. In this respect, the role of the financial cycles in the cyclical fluctuations during the post-crisis period was acknowledged and the number of studies on financial cycles considerably increased (Ma and Zhang, 2016:502-503).

Financial cycles occurs depending on two related factors. The first factor is the result of a natural tendency for irrational exuberance which surfaces a result of the raised expectations of investors radically regarding the revenues given the scientific discoveries or technological advances. The second factor stems from the fact that the ability of financial intermediaries to transform the expected increases in future revenues -through credit generation- to current revenue leads to financial expansion. The transfer capacities of financial intermediaries, in other words, the forms of funding, are known to be more dangerous than irrational exuberance. Asset price bubbles, which are financed by excessive leverages or maturity conversions, could lead to devastating systemic consequences on the economy once the financial cycle reverses (Praet, 2016).

It is not possible to state that there exists a consensus on the definition of financial cycles, yet. However, C. Borio (2012) defines the financial cycle as the situation where self-reinforcing mutual interactions between financial perceptions, risk-based stance, risk and value cause expansions -which would result in contraction- in the conjuncture. Correspondingly, mutual interactions reinforce the possibility of significant financial deterioration through strengthening economic fluctuations. Therefore, it is possible to state that financial cycle is similar to the *procyclicality* in the financial system (Borio, 2012:2).

Given the fact that studies on financial cycles are scarce in literature and there exist challenges in defining the financial cycle, the choice of variables for the evaluation of cycles also exhibited diversities (Drehmann et al. 2012:3). GDP is considered as the most accurate variable in reflecting the economic activities in the analysis of the business cycle. On the other hand, different variables such as loan growth, loan/GDP ratio, housing and stock prices could be preferred for the analysis of the financial cycle (Claessens et al. 2011; Drehmann et al. 2012; Strohsal et al. 2015; Koopman et al. 2016; Galati et al. 2016).

The most prominent feature of the financial cycles is that they last longer than the business cycles. While a standard business cycle could last between 6 to 8 years, the duration of a financial cycle could be between 10 to 20 years depending on the structure of the economy. Such condition could be interpreted as a natural consequence of defining financial cycles through the medium-term changes in variables such as credit and real estate prices (Drehmann et al. 2012:19; Filardo et al. 2018:2)



**Graph 1.** Financial Cycle and Business Cycle

**Source:** (Drehmann et al. 2012:19; Filardo et al. 2018:3).

Graph 1 depicts the relationship between the business cycle and the financial cycle in the US between the years 1960 and 2017. The blue line in the graph indicates the financial cycle obtained by the combination of credit and real estate prices, the red line indicates the business cycle obtained via GDP and the grey bars indicate the recession periods calculated by the National Bureau of Economic Research (NBER).

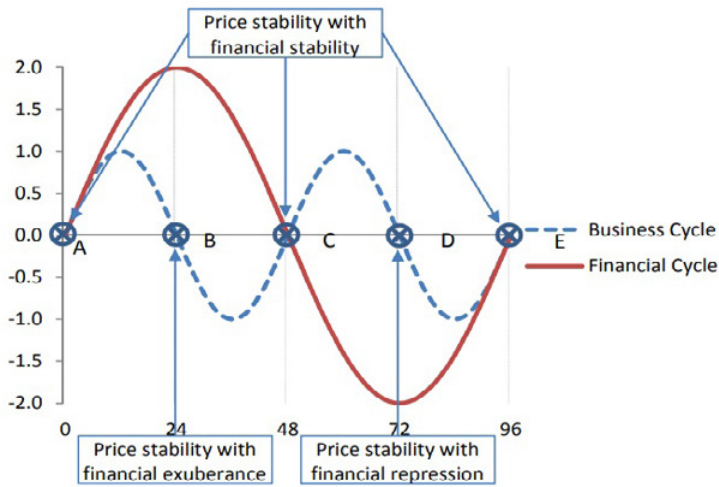
As seen in the graph, the duration and magnitude of the financial cycle is relatively larger compared to the business cycle. Moreover, the contraction process of the financial cycle lasts longer compared to the business cycle. While the duration of recessions in a business cycle does not exceed 1 year, the recessions in the financial cycle could extend beyond 5 years. The fact that the contraction in the financial cycle in Japan continues since the peak reached in 1992 is one of the most striking examples for this situation (Drehmann et al. 2012:19).

The magnitude and duration of financial cycles could vary based the policy regimes in effect. Financial liberalization wave, commenced in the mid-1980s, weakened credit constraints and increased self-reinforcing interactions between risk and value perception, risk-based stance and funding conditions, and procyclicality in the financial system. However, the impossibility to implement a tight monetary policy in the presence of a monetary policy regime, which only focuses on the control of medium-term inflation, causes unrestrainable financial cycles (Borio, 2012:6). During the 1960s and early 1970s, the stop-and-go strategy adopted for the monetary policy prevented the strengthening of financial cycles and policy changes increased elasticity through weakening the anchors of the financial system.

As well as the policy regimes, supply-based positive developments could also have an impact on the financial cycle. In 1990s, positive supply shocks such as developments in the information technology and globalization of the real economy increased the growth potential and the credit volume and caused a downside pressure on prices. Such condition decreased the room for maneuver for monetary policies, which would be used to control the financial cycle (Drehmann et al. 2012:20-21).

The duration and magnitude of financial cycles in different segments of the financial system could differentiate from each other. In a study conducted by S. Claessens et al. (2011), which focused on 21 developed countries for the period of 1960 to 2007, cycles regarding the loans, housing and stock prices were separately analyzed. Consequently, it was concluded that the average contraction period for each financial cycle lasted 4 quarters, and the increases in stock prices continued for 22 quarters, housing prices continued to increase for 14 quarters and the credit volume for 8 quarters. It is possible to argue that such outcomes could be evaluated as the natural consequence of the high volatility of stock prices compared to credit and house prices. On the other hand, a similar differentiation, as in periods, was experienced in the magnitudes of the financial cycle. A typical credit shrinkage led to an average 4% decrease in the loan volume, while housing and stock prices decreased by 6% and 24%, respectively.

Acknowledging that price stability in goods and services markets does not guarantee stability in asset markets during the period after the global financial crisis is a natural consequence of the fact that the business cycle and the financial cycle are two different concepts. During the periods when the link between the financial cycle and the business cycle is interrupted, monetary policy experiences a significant dilemma (Constancio, 2015). Desynchronization between two cycles leads to monetary policy instruments insufficient to achieve price stability and financial stability simultaneously. Graph 2 presents this situation.



**Graph 2.** The Synchronization between Financial Cycle and Business Cycle

**Source:** (Fahr and Fell, 2017:335).

As seen in the Graph 2, the region between B and C, a situation where the business cycle is contracting (i.e. output is below potential) while the financial cycle above neutral, such that financial imbalances are building up, a conflict of objectives inevitably arises if the only policy instrument available is the interest rate: an increase of interest rates aimed at moderating the build-up of financial imbalances would likely risk a fall in inflation below the price stability objective. Between C and D, a situation where the business cycle is above neutral but the financial cycle is below neutral, a lowering of interest rates to curb the contraction of the financial cycle could stoke up risks for the price stability objective. In this figure, only in regions near A and E are the two objectives likely to be aligned, which is only about one quarter of the entire time period depicted on the Figure (Fahr and Fell, 2017:336).

When monetary policy, stuck between two different reactions, possibly favors the business cycle, in which real variables such as production, employment and inflation are included (Constancio, 2015). In this context, it is possible to state that monetary policy alone is not sufficient for controlling the financial cycles.

## 6. LESSONS FROM THE CRISIS AND THE ISSUES OF CONSENSUS

While the global financial crisis accelerated the search for a new macroeconomic policy framework, it also led to learn of important lessons on monetary policy and financial stability and reopened specific previously agreed issues for discussion. It is possible to list the lessons learned from the crisis as follows.

Financial disruptions has non-linear and long-lasting negative effects on macroeconomics. Financial disruptions is not inherently linear due to the adverse feedback loops. A contraction in economic activities due to the decrease in asset values could become a cycle. However, deleveraging in the financial system takes time and the effects of financial disruptions on economic activities could remain longer (Mishkin, 2012: 3-5; Brunnermeier et al. 2012).

In the macroeconomic models used for policy estimation and analysis, it is essential to take the frictions and disruption occurring due to financial intermediaries into account.

The inclusion of financial intermediation in the models resulted in the need for alternative policy instruments (Bean et al. 2010:317-318; Chang, 2014:20-26).

Long-term price stability should be considered as the primary objective of monetary policy. However, price stability is necessary for financial stability, yet is insufficient. Contrarily, during the periods with trend levels in inflation and production, the insensitivity of the policy makers to the risks originating from financial disruptions could lead to self-reinforcing increases in asset prices and credit volume<sup>6</sup> (Bean et al. 2010:318-319; Blanchard et al. 2010:7; Mishkin, 2012:6; IMF, 2013:7; Carney, 2013:22).

Low interest rates are capable of encouraging economic units in taking excessive risks through monetary transmission mechanisms. The valuation effects of monetary policy in the risk-taking channel and the search for yields lead to internal increases in the risks taken by economic units during low interest periods (Borio and Zhu, 2008, Mishkin, 2012:6-7).

The negative effects of the uncontrolled growth of asset price bubbles on economy are significantly higher than perceived. Therefore, it is essential to re-evaluate monetary policy stance towards asset prices (Jones, 2015:14).

The financial cycle is a concept different than the business cycle and increases the possibility of financial disruptions through strengthening economic fluctuations. However, especially during financial instability, the interrupted link between the financial cycle and the business cycle supports the fact that price stability is not capable of ensuring financial stability. Therefore, alternative policy combinations are required for controlling the financial cycle (Borio, 2012; Constancio, 2015, Fahr and Fell, 2017).

## 7. CONCLUSION

The global financial crisis proved that the traditional macroeconomic policy framework was insufficient for preventing financial imbalances. Therefore, the role of monetary policy in ensuring financial stability was re-evaluated through new monetary transmission channels and the augmented macroeconomic models.

Despite the different views on whether financial stability variable should be included in the reaction function of the monetary policy, a consensus was reached that a proactive stance should be adopted against financial imbalances. However, there exist debates through which policy or policy combination the proactive policy responses should be delivered.

Besides the limitations and negative side effects of monetary policy in ensuring financial stability, considering financial cycles as a separate concept from the business cycles resulted with the tendency of the policy authorities in expanding their tool sets. In this context, the macroprudential policies defined in order to control the systemic risks and reinforce the resilience of the financial system constitute the basic building block of policy frameworks during the post-crisis period.

## REFERENCES

1. Adrian T. and Shin H. S. (2010). "The Changing Nature of Financial Intermediation and the Financial Crisis of 2007-09", Federal Reserve Bank of New York Staff Reports, No. 439.
2. Başçı, E. (2012). "Opening Speech" İstanbul Finance Summit, İstanbul, September 24.
3. Bauer, G., Pasricha, G., Sekkel, R. and Terajima, Y. (2016). "The Global Financial Cycle, Monetary Policies and Macroprudential Regulations in Small, Open Economies", Bank of Canada Staff Working Paper, No. 38.

<sup>6</sup> Brunnermeier and Sannikov (2014) refer to this situation, in which low external risks cause an increase in internal risks, as the "volatility paradox".

4. Bean, C., Paustian, M., Penalver, A. and Taylor, T. (2010), "Monetary Policy After the Fall" Macroeconomic Challenges: The Decade Ahead, Symposium Proceedings Federal Reserve Bank of Kansas City, Jackson Hole, August 26-28.
5. Beau, D., Clerc, L. and Mojon, B. (2012). "Macro-Prudential Policy and the Conduct of Monetary Policy", Banque de France Working Papers, No. 390.
6. Bernanke, B. S., Gertler, M. and Gilchrist, S. (1999). "The Financial Accelerator in a Quantitative Business Cycle Framework", Handbook of Macroeconomics, (ed.) J. B. Taylor-M. Woodford, Elsevier Science B.V., 1341-1393.
7. Bernanke, B. S. (2002). "Asset Prices "Bubbles" and Monetary Policy", Before the New York Chapter of the National Association for Business Economics.
8. Blanchard, O. (2000). "Bubbles, Liquidity traps and Monetary Policy. Comments on Jinushi et. al, and on Bernanke", <http://economics.mit.edu/files/718>, (10.01.2019).
9. Blanchard, O., Dell'Ariccia, G. and Mauro, P. (2010). "Rethinking Macroeconomic Policy", IMF Staff Position Note, No. 03.
10. Bofinger, P., Debes, S., Gareis J. and Mayer, E. (2013). "Monetary Policy Transmission in a Model with Animal Spirits and House Price Booms and Busts", Journal of Economic Dynamics & Control, Vol. 37, 2862-2881.
11. Borio, C. (2007). "What Can (Macro-) Prudential Policy do to Support Monetary Policy", BIS Working Papers, No. 242.
12. Borio, C. and Zhu, H. (2008). "Capital Regulation, Risk-Taking and Monetary Policy: A Missing Link in the Transmission Mechanism?", BIS Working Papers, No. 268.
13. Borio, C. and Zhu, H. (2012). "Capital Regulation, Risk-Taking and Monetary Policy: A Missing Link in the Transmission Mechanism?", Journal of Financial Stability, 8(4), 236-251.
14. Borio, C. (2012). "The Financial Cycle and Macroeconomics: What Have We Learnt?", BIS Working Papers, No. 395.
15. Borio, C.. (2016). "Towards a Financial Stability-Oriented Monetary Policy Framework?", Central Banking in Times of Change, Conference on the occasion of the 200th anniversary of the Central Bank of the Republic of Austria, Vienna, September 13-14.
16. Brunnermeier, M. K. and Sannikov, Y. (2014). "A Macroeconomic Model with a Financial Sector", American Economic Review, 104(2), 379-421.
17. Brunnermeier, M. K., Eisenbach, T. M. and Sannikov Y. (2012). "Macroeconomics with Financial Frictions: A Survey", NBER Working Paper Series, No. 18102.
18. Bruno, V. and Shin, H. S. (2013). "Global factors in capital flows and credit growth", <https://voxeu.org/article/global-factors-capital-flows-and-credit-growth> (26.01.2019)
19. Bruno, V. and Shin, H. S. (2015). "Capital flows and the risk-taking channel of monetary policy", Journal of Monetary Economics, Vol. 71, 119-132.
20. Buffie, E. F., Airaud, M. and Zanna, F. (2018). "Inflation targeting and exchange rate management in less developed countries", Journal of International Money and Finance, Vol. 81, 159-184.
21. Carney, M. (2013). "Monetary Policy After Fall", Eric J. Hanson Memorial Lecture.
22. Cecchetti, S. G., Genberg, H., Lipsky, J. and Wadhwani, S. (2000). "Asset Prices and Central Bank Policy", Geneva Reports on the World Economy 2, Information Press, Oxford.



23. Chang, R. (2014). "Rethinking Monetary Policy After the Crash", Proceedings of the First Annual Conference of the Bilateral Assistance and Capacity Building for Central Banks Programme: Geneva Graduate Institute of International Development Studies, 11-29.
24. Ciccarelli, M. Maddaloni, A. and Peydro, J. L. (2010). "Trusting the Bankers, A New Look at the Credit Channel of Monetary Policy", ECB Working Paper Series, No. 1228.
25. Claessens, S., Kose, M. A. and Terrones, M. E. (2011a). "Financial Cycles: What? How? When?", IMF Working Paper, No. 76.
26. Constancio, V. (2015). "Financial Stability Risks, Monetary Policy and the Need for Macro-Prudential Policy", Warwick Economics Summit, Warwick, February 13.
27. Curdia, V. and Woodford, M. (2009). "Credit Spreads and Monetary Policy", NBER Working Paper Series, No. 15289.
28. De Paoli, B. and Paustian, M. (2013). "Coordinating Monetary and Macroprudential Policies", Federal Reserve Bank of New York Staff Reports, No. 653.
29. Detken, C., Gerdesmeier, D. and Roffia, B. (2010). "Interlinkages between Money, Credit and Asset Prices and their Implications for Consumer Price Inflation: Recent Empirical Work", Enhancing Monetary Analysis, (ed.) Lucas D. Papademos-Jürgen Stark, ECB, Frankfurt, 307-327.
30. Drehmann, M. Borio, C. and Tsatsaronis, K. (2012). "Characterising the Financial Cycle: Don't Lose Sight of the Medium Term!", BIS Working Papers, No. 380.
31. Fahr, S. A. and Fell, J. (2017). "Macroprudential policy – closing the financial stability gap", Journal of Financial Regulation and Compliance, 25(4), 334-359.
32. Filardo, A., Lombardi, M. and Raczko, M. (2018). "Measuring financial cycle time", BIS Working Papers, No. 755.
33. Fligstein, N., Brundage, J. S. and Schultz, M. (2014). "Why the Federal Reserve Failed to See the Financial Crisis of 2008: The Role of "Macroeconomics" as a Sense making and Cultural Frame", IRLE Working Paper, No. 111.
34. Galati, G., Hindrayanto, I., Koopman, S. J. and Viekke, M. (2016). "Measuring Financial Cycles with a Model-based Filter: Empirical Evidence for the United States and the Euro Area", DNB Working Paper, No. 495.
35. Gambacorta, L. and Signoretti, F. M. (2013). "Should Monetary Policy Lean Against the Wind? An Analysis Based on a DSGE Model with Banking", Banca D'Italia Working Papers, No. 921.
36. Gilchrist, S. and Leahy, J. (2002). "Monetary Policy and Asset Prices", Journal of Monetary Economics, 49(1), 75-97.
37. Gilchrist, S., Yankov, V. And Zakrajsek, E. (2009). "Credit Market Shocks and Economic Fluctuations: Evidence From Corporate Bond and Stock Markets", NBER Working Paper Series, No. 14863.
38. Greenspan, A. (2002). "Opening Remarks", Rethinking Stabilization Policy, A Symposium Sponsored by Federal Reserve Bank of Kansas City, Wyoming, August 29-31, 1-10.
39. IMF. (2013). "The Interaction of Monetary and Macroprudential Policies".
40. Issing, O. (2011). "Lessons for Monetary Policy: What Should the Consensus Be?", IMF Working Paper, No. 97.
41. Jones, B. (2015). "Asset Bubbles: Re-thinking Policy for the Age of Asset Management", IMF Working Paper, No. 27.

42. Käfer, B. (2014). "The Taylor Rule and Financial Stability – A Literature Review with Application for the Eurozone", *Review of Economics*, Vol. 65, 159-192.
43. Kannan, P., Rabanal, P. and Scott, A. M. (2012). "Monetary and Macroprudential Policy Rules in a Model with House Price Booms", *The B.E. Journal of Macroeconomics*, 12(1), 1-42.
44. King, M. (2012) "Twenty Years of Inflation Targeting", The Stamp Memorial Lecture Speech, October 9.
45. Kohn, D. (2014). "Institutions for Macroprudential Regulation: The UK and the U.S.", April 17. <https://www.brookings.edu/on-the-record/institutions-for-macroprudential-regulation-the-uk-and-the-u-s/>. (22.01.2019).
46. Kokores, I. (2015). "Lean-Against-the-Wind Monetary Policy: The Post-Crisis Shift in the Literature", *SPOUDAI Journal of Economics and Business*, 65(3-4), 66-99.
47. Lambertini, L., Mendicino, C. and Punzi, M. T. (2013). "Leaning Against Boom-Bust Cycles in Credit and Housing Prices", *Journal of Economic Dynamics & Control*, Vol. 37, 1500-1522
48. Levine, P. and Lima, D. (2015). "Policy Mandates for Macro-Prudential and Monetary Policies in a New Keynesian Framework", *ECB Working Paper Series*, No. 1784.
49. Ma, Y. and Zhang, J. (2016). "Financial Cycle, Business Cycle and Monetary Policy: Evidence From Four Major Economies", *International Journal of Finance & Economics*, Vol. 21, 502-527.
50. Mishkin, F. S. (2011). "How Should Central Banks Respond to Asset-Price Bubbles? The "Lean" versus "Clean" Debate After the GFC", *Reserve Bank of Australia Bulletin*, June, 59-70.
51. Mishkin, F. S. (2012). "Central Banking After the Crisis", 16th Annual Conference of the Central Bank of Chile, Santiago, November 15-16.
52. Paligorova, T. and Jimenez, J. A. S. (2012). "Monetary Policy and the Risk-Taking Channel: Insights from the Lending Behaviour of Banks", *Bank of Canada Review*, Autumn, 23-30.
53. Posen, A. S. (2006). "Why Central Banks Should Not Burst Bubbles", *International Finance*, 9(1), 109-124.
54. Praet, P. (2016). "Financial Cycles and Monetary Policy", *International Monetary Policy Panel*, Beijing, August 31.
55. Rajan, R. G. (2005). "Has Financial Development Made the World Riskier?", *NBER Working Paper Series*, No. 11728.
56. Roubini, N. (2006). "Why Central Banks Should Burst Bubbles", *International Finance*, 9(1), 87-107.
57. Strohsal, T., Proano, C. R. and Wolters, J. (2015). "Characterizing the Financial Cycle: Evidence from a Frequency Domain Analysis", *Deutsche Bundesbank Discussion Paper*, No. 22.
58. Svensson, L. E. O. (2010). "Inflation Targeting" *NBER Working Paper Series*, No. 1665.
59. Tayler, W. And Zilberman, R. (2014). "Macroprudential Regulation and the Role of Monetary Policy", *Dynare Working Papers Series*, No. 37.
60. Taylor, J. B. (1993). "Discretion versus policy rules in practice", *Carneige-Rochester Conference Series on Public Policy*, No. 39, 195-214.
61. Taylor, J. B. (2009). "The Financial Crisis and the Policy Responses: An Empirical Analysis of What Went Wrong", *NBER Working Paper Series*, No. 14631.



62. Vizinuc, M. (2015). "Survey on Financial Market Frictions and DSGE Models", *International Journal of Economics and Financial Issues*, 5(2), 454-460.
63. Williams, J. C. (2014). "Financial Stability and Monetary Policy: Happy Marriage or Untenable Union?" *FRBSF Economic Letter*, June 9.
64. Woodford, M. (2010). "Financial Intermediation and Macroeconomic Analysis", *Journal of Economic Perspectives*, 24(4), 21-44.
65. Woodford, M. (2012). "Inflation Targeting and Financial Stability", *NBER Working Paper Series*, No. 17967.
66. Yellen, J. L. (2009). "A Minsky Meltdown: Lessons for Central Bankers", *Meeting the Challenges of the Financial Crisis*, 18th Annual Hyman P. Minsky Conference on the State of the U.S. and World Economies, New York City, April 16-17.
67. Yellen, J. L. (2014). "Monetary Policy and Financial Stability", 2014 Michel Camdessus Central Banking Lecture, IMF, Washington D. C., July 2.



# Health Communication Campaign As A Tool In Health Promotion

**Banu KUMBASAR<sup>1</sup>**

## CHAPTER 17

---

<sup>1</sup> PhD. Istanbul University-Cerrahpasa, Faculty of Health Sciences, Department of Health Management

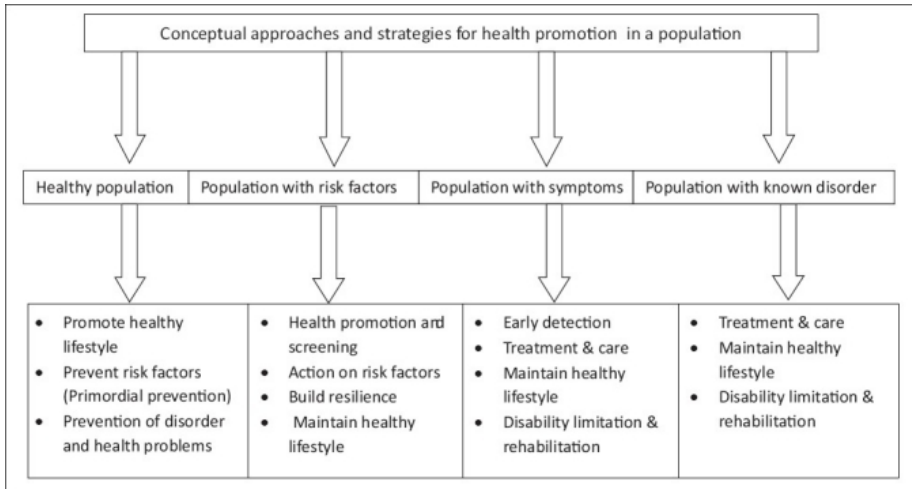


## HEALTH PROMOTION

Before embarking on health promotion, it is essential to identify what should be the target for change: health. In order to do this, it is necessary to understand the definition of health. World Health Organization's definition of health is "a state of complete physical, mental and social well-being and not merely the absence of disease". If health is to mean anything beyond the absence or the cure of disease, then health promotion should have as its primary foci of activity the emotional, social, spiritual and societal aspects of everyday life. Health promotion programmes aimed at communities, rather than individuals, it is helpful to be clear about the definition of community. Community is defined as "dynamic systems with inherent strengths and capabilities that can be influenced and supported in ways that will improve health". This definition is useful as it sets out the key assumptions made in attempts to improve the health of a community (Lucas & Lloyd, 2005):

- That the community has the latent potential for improved health
- That this potential can be realised by intervention

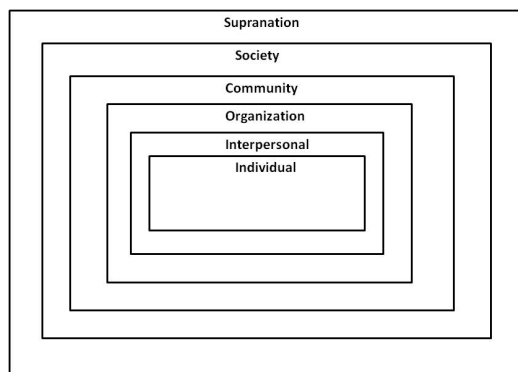
Health promotion is not a new concept. The fact that health is determined by factors not only within the health sector but also by factors outside was recognized long back. The term "Health Promotion" was coined in 1945 by Henry E. Sigerist, the medical historian, who defined the four major tasks of medicine as promotion of health, prevention of illness, restoration of the sick and rehabilitation. His statement that health was promoted by providing a decent standard of living, good labor conditions, education, physical culture, means of rest and recreation and required the coordinated efforts of statesmen, labor, industry, educators and physicians. It found reflections 40 years later in the Ottawa Charter for health promotion. Sigerist's observation that "the promotion of health obviously tends to prevent illness, yet effective prevention calls for special protective measures" highlighted the consideration given to the general causes in disease causation along with specific causes as also the role of health promotion in addressing these general causes. The conceptual framework in Figure 1 summarizes the approaches to health promotion. It looks at the need of the whole population. The population for any disease can be divided into four groups a) healthy population, b) population with risk factors, c) population with symptoms and d) population with disease or disorder. Each of these four population groups needs to be targeted with specific interventions to comprehensively address the need of the whole population. In brief, it encompassed primordial prevention for healthy population to curative and rehabilitative care of the population with disease. Primordial prevention aspires to establish and maintain conditions to minimize hazards to health. It consists of actions and measures that inhibit the emergence and establishment of environmental, economic, social and behavioral conditions, cultural patterns of living known to increase the risk of disease (Kumar & Preetha, 2012).



**Figure-1.** Conceptual Approaches for Health Promotion (Kumar & Preetha, 2012)

WHO's approach that considered health promotion as a "unifying concept for those who recognize the need for change in the ways and conditions of living, in order to promote health". It would be entirely logical to identify health promotion as any measure which promotes health. It is, however, reasonable to assume that health promotion should refer only to planned activities (Tones & Tilford, 2001).

The socioecologic model which has been used extensively in health promotion and is consonant with and encompassed by systems thinking continues to be an underpinning for Intervention Mapping. Health is defined as an instrumental value in service of a full gratifying life that includes both individual and structural levels. Health is viewed as a function of individuals and of the environments in which individuals live; including family, social networks, organizations, communities and societies. Individual behavior is influenced by factors at these various environmental levels (Bartholomew, Parcel, Kok, Gottlieb & Fernandez, 2011).



**Figure 2.** Ecological Approach in Health Promotion (Bartholomew et al., 2011)

Since before the development of the mass media, communication campaigns have been regarded as central in educating and persuading the public to take action to ameliorate disease and promote health. In the past twenty years especially, a great deal has been learned about public health campaigns and the roles of the mass media in successful and not-so-successful efforts to prevent disease and to promote health (Mittelmark, 1999). So that, health communication campaigns are essential tools in health promotion.

## HEALTH COMMUNICATION

Health communication is a relatively young field, Kreps, Bonagura and Query trace its origins from the "humanistic psychology movement" beginning in 1950s associated with the work of Carl Rogers, Jurgen Ruesch and Gregory Bateson. The 1960s and 1970s saw a convergence in the fields of psychology, medical sociology and medicine that produce two distinct tracts in "proto-health communication", healthcare delivery and health promotion. In contrast, the health promotion branch grew out of the communication field's long-time focus on media in communication and was concerned with "the development, implementation and evaluation of persuasive health communication campaigns to prevent major health risks and promote public health". In 1993, the director of the Centers for Disease Control and Prevention, William Roper, formalized the agency's definition of health communication as "the crafting and delivery of messages and strategies, based on consumer research, to promote the health of individuals and communities" (Parvanta, Nelson, Parvanta, & Harner, 2011).

An understanding of health communication requires reflection on the literal meaning of the word communication. Communication is defined in this way: "1.Exchange of information, between individuals; 2.Message-a spoken or written message; 3.Act of communicating; 4.Rapport-a sense of mutual understanding; 5.Access-a means of access or communication (Schiavo, 2011). Communication is the means by which such information is imparted and shared with others. In other words communication is the transfer of information between a source and one or more receivers; a process of sharing meanings, using a set of common rules (Berry, 2007). Communication refers to the transmission or exchange of information and implies the sharing of meaning among those who are communicating. Communication serves the purposes of: 1) initiating actions, 2) making known needs and requirements, 3) exchanging information, ideas, attitudes and beliefs, 4) engendering understanding, 5) establishing and maintaining relations (Thomas, 2006). Communication is essentially a process that consists of the following main elements (Berry, 2007):

1. Two or more communicators(i.e. a source and a receiver)
2. A message (the content of the communication)
3. The medium or the particular means of conveying the message, with the three main types being presentational (e.g. books, photos) and technological (e.g. television)
4. The channel (i.e. what connects the communicators and accommodates the medium; e.g. vocal-auditory, gestural-visual)
5. A code (i.e. system of meaning shared by a group)
6. Noise (this is not just mere sounds but includes any interference with the success of the communicative act)
7. Feedback
8. The context in which the interaction occurs

In fact, all of these meanings can help define the modalities of health communication programs. As with other forms of communication, health communication should be

based on a two-way exchange of information that uses a “common system of signs and behaviors”. It should be accessible and create mutual feelings of understanding and sympathy among members of the communication team and intended audiences (Schiavo, 2011). The National Cancer Institute and The Centers for Disease Control and Prevention defined health communication as “the study and use of communication strategies to inform and influence individual and community decisions that enhance health” (Arkin, 2009). Population health addresses a number of individual health behaviors. Communication is a key public health tool to affect these behaviors. This point was emphasized by Robert Hornik in his 2014 keynote address to a National Academy of Sciences workshop on “Communicating to Advance the Public’s Health”. According to Hornik; health communication should not focus on population outcomes or on categories of behaviors but rather on individual behaviors (Parvanta, Nelson & Harner, 2017).

Health communication campaigns can be designed to inform, influence and motivate institutional or public audiences. Health communication program can a) increase awareness of a health issue, problem or solution, b) affect attitudes to create support for individual or collective action, c) demonstrate or illustrate skills, d) increase demand for health services, e) remind about or reinforce knowledge, attitudes or behavior (Arkin, 1989).

## HEALTH COMMUNICATION CAMPAIGNS

As the prevention of chronic conditions is increasingly recognized at European level as a salient public health issue, the design and roll out of concerted public health communication campaigns addressing risky health behaviors must be adapted to the specificities of a multinational setting (Rodrigues, Schulmann & Ilinca, 2015). Mass media campaigns to promote healthy behaviors and discourage unhealthy behaviors have become a major tool of public health practitioners in their efforts to improve the health of the public. Large amounts of money, time, and effort are poured into mass media campaigns, both local and national in scope, each year in various attempts to get the public to eat healthy, get moving, stop smoking. However, past experience has shown us that the success of these. Media is increasingly being used in creative ways to present health information and to stimulate awareness, attitude change and behavior change (Randolph & Viswanath, 2004). Health communication campaigns typically have interpersonal and community components as well, and in the more sophisticated campaigns these various elements are carefully interwoven through an overall strategic design. A campaign can be defined as having four essential ingredients (Becker, Rogers & Sopory, 1992):

1. a campaign is purposive and seeks to influence individuals
2. a campaign is aimed at a large audience
3. a campaign has a more or less specially defined time limit
4. a campaign involves an organized set of communication activities

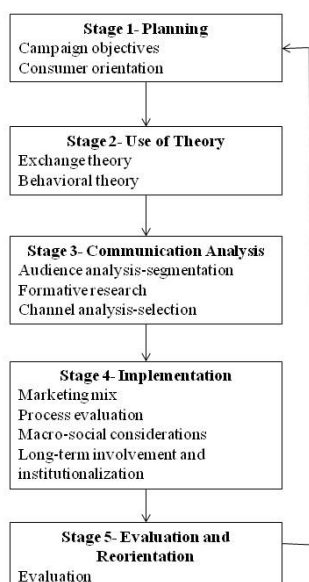
Health communication campaigns can be defined as purposive attempts to inform or influence behaviors in large audiences within a specified time period using an organized set of communication activities and featuring an array of mediated messages in multiple channels generally to produce noncommercial benefits to individuals and society (Atkin & Rice, 2012). A communication campaign has been defined as an intervention that intends to generate specific outcomes or effects, in a relatively large number of individuals, usually within a specified period of time through an organized set of communication activities (Rogers & Storey, 1987). Health communication campaigns are usually designed (Crawford & Okigbo, 2014):

1. to influence people’s beliefs and actions toward their health or the health of others.



2. for specific target audiences or groups and hardly for the entire population.
3. for implementation within a particular span of time.
4. to be integrated with various media and other communication efforts to educate an audience about a health related topic.

Effective health communication campaigns often employ a wide range of message strategies and communication channels to target high-risk populations with information designed to educate, motivate and empower risk reduction behaviors. Strategic Health Communication Campaign Model includes five major stages. This model developed by Maibach, Kreps and Bonaguro is a synthesis of models, principles and theories. The Strategic Health Communication Campaign Model identifies communication strategies that incorporate multiple levels and channels of human communication. The model suggests that a wide range of different messages and campaign strategies targeted at several audiences will help to be employed to influence health knowledge, beliefs, values and behaviors (Bensley & Brookins-Fisher, 2009; Maibach, Kreps & Bonaguro, 2014).



**Figure 3.** The Strategic Health Communication Model (Bensley & Brookins-Fisher, 2009)

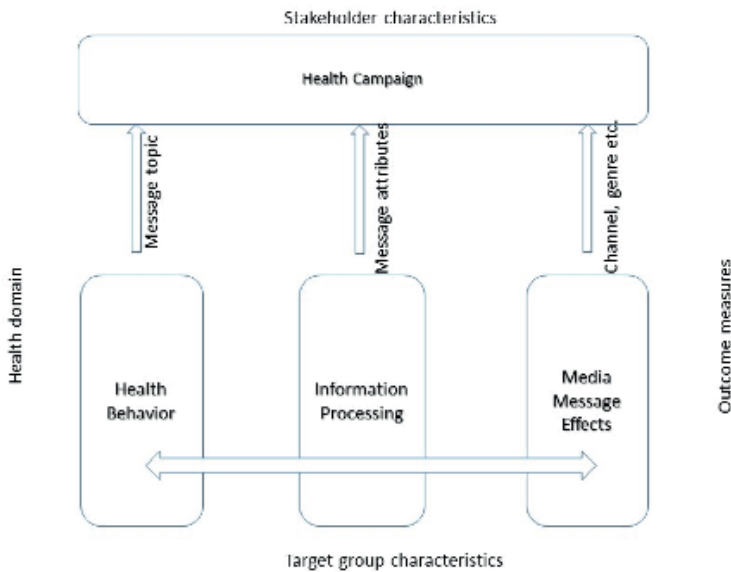
**Stage 1- Planning:** The planning stage of the Strategic Health Communication Model includes two major issues: i) setting clear and realistic objectives ii) establishing a clear consumer orientation to make sure the campaign reflects the priority audience's specific concerns and cultural perspectives. In setting clear and realistic campaign objectives, health needs and deficits should be evaluated to improve public health. A consumer orientation means the whole campaign is designed from the unique cultural perspective of the priority audience. Understanding the unique characteristics and needs of priority audiences as well as the best strategies is important for the campaign (Bensley & Brookins-Fisher, 2017). Members of the target audience must be involved in developing message strategies. The audience must be monitored to ensure that communication efforts continue to meet the needs to identify any new or changing needs to which future messages can be targeted (Maibach, Kreps & Bonaguro, 2014).

**Stage 2- Use of Theory:** Use of theory is an essential strategy in order to increase the effectiveness and efficiency of a strategic health communication campaign (Rossmann, 2015).

*Social Exchange theory* is one of the most influential conceptual paradigms for understanding behavior. Theories of social exchange view social life as a series of transactions. Social exchange transactions involve the exchange of some resource between two or more parties. These exchanges are viewed as interdependent in the sense that the behavior of one party is contingent on the actions of another. A basic tenet of social exchange is that an offer of a benefit generates an obligation to reciprocate in kind. Theories of social exchange highlight three central principles (Rogelberg, 2007):

1. Interdependent transactions are defined by rules or norms of Exchange.
2. Social exchange quality is defined by the attributes of the resources being exchanged.
3. Social exchanges evolve into relationships among the parties involved.

*Behavioral theory* includes human behavior. Theories of human behavior and communication processes enable campaign planners to predict, explain and prescribe strategies for influencing risky health behaviors. Behavioral theories provide insights into health behaviors at the individual, organizational and societal levels. Individual level theories include social learning, expectancy, information processing, risk perception and decision making. Organizational level theories describe the diffusion of innovations through networks of organizations. Societal level theories such as agenda setting, spiral of silence, theories about public opinion and theories about the effects of the information environment (Maibach, Kreps & Bonaguro, 1993).



**Figure 4-** Use of Theory in Health Communication Campaign (Rossmann, 2015)

**Stage 3- Communication Analysis:** Communication analysis begins with target audience and continues with channel selection. Segmentation and targeting involve a three-stage process: i) creation of segments, ii) evaluation of segment attractiveness, iii) selection of segments to target (Paul, 2011). Target audience analysis seeks to achieve four objectives: i) the identification of optimal target audiences or segments, ii) some

assessment of the amenability to influence of that audience, iii) identification of the best process to influence that audience, iv) identification of triggers to cause measurable change in the audience (Paul, 2011). The goal of segmentation is to identify distinct groups of people who are like each other in key ways and therefore are liable to respond to particular messages similarly. Segments may be based on many factors such as the following (Weinreich, 1999):

1. Geographic: size of city/county, residential density, climate
2. Demographic: age, gender, income, occupation, education, race/ethnicity, language etc.
3. Physical/medical: medical history, family history, health status, risk factors, illnesses or disorders
4. Psychographic: lifestyle, personality characteristics, values, social norms etc.
5. Attitudinal: attitudes, opinions, beliefs etc.
6. Behavioral: frequency of behavior, health related activities, media habits etc.

Channel selection must be based on several criteria: the purpose of a campaign, positions held by receivers, media usage traits of intended audiences and financial considerations. In the context of other features involved in the general development of a campaign strategy, these factors serve as the basis on which to select appropriate media channels (Selnow & Crano, 1987). Many channel options exists, including the following (Kreps, Barnes, Neiger & Thackeray, 2009):

- Interpersonal channels: Face to face or one on one interactions.
- Small group channels: Small number of person, often organized to receive educational messages.
- Organizational channels: Institutions or agencies that communicate messages to their members.
- Mass media channels: Mass reach media, including messages communicated via radio, television, newspapers, magazines, billboards etc.
- Community channels: A catchall category for channels that are not organizational in nature, such as community messengers, community events, schools, libraries etc.
- Technology channels: The internet, interactive websites etc.

**Stage 4- Implementation:** There are many issues to be considered in campaign implementation (Maibach, Kreps & Bonaguro, 1993; Kreps, Barnes, Neiger & Thackeray, 2009; Schultz & Barnes, 1995):

*Marketing mix* is a key element of the social marketing process that suggests that health communication goals should be pursued in a fashion similar to the marketing of consumer products. Marketing mix refers to establishing a clear set of campaign activities and media that promote objectives audience members can adopt with minimal economic or psychological costs that are presented in an attractive manner likely to reach the target audience and provide audience members with information about how, when and where they can access campaign information and programs.

*Strategy* is another issue to be identified in campaign implementation. Another way to explain strategy in a campaign is to see the whole “team what direction the campaign is going to take. It points he way in terms of what is important, what messages, information, benefits need to came through, what is valuable and what must be done if the campaign is to succeed”. It should be identified to modify the health problem. It also involves creating messages to support the strategy. The strategy selected influences the type of message the target audience will receive. Messages involve key points that will prompt the audience

to an intended reaction. A message is more likely to be effective if it possesses specific characteristics that appeal and relate to its audience.

**Stage 5- Evaluation:** Evaluation addresses the effectiveness of the campaign, once it has been developed and delivered to the audience (Selnow & Crano, 1987). In this stage, planners monitor the progress of campaign messages and products to determine the extent to which the campaign objectives are being achieved. Evaluations provide data that answer such questions as what proportion of the target audience was exposed to the campaign messages, how many times the average audience member was exposed to the messages, and how audience members who were exposed reacted. Evaluation is an essential stage of campaign implementation to identify potential problems with campaign strategies (Maibach, Kreps & Bonaguro, 1993).

In the view of such information; one tool to change the dietary behaviors of a large number of people is to conduct communication campaigns. Communication campaigns are an organized communication activity, directed at a particular population for a particular period of time, to achieve a particular goal. The term “*campaign*” includes organized, communication-based *interventions* aimed at large groups of people and *social marketing* efforts that include communication activities. Health communication campaigns have promoted a wide variety of health behaviors, including seat belt use, dietary change, medication use, exercise, dental care, social support, substance use prevention and cessation, family planning, use of health services, and testing and screening for diseases (Snyder, 2007).

## REFERENCES

1. Arkin E.B. (1989). *Making Health Communication Programs Work*. US:Department of Health and Human Services, Public Health Service, National Institutes of Health National Cancer Institute.
2. Arkin E.B. (2009). *Making Health Communication Programs Work*. US:Department of Health and Human Services, Public Health Service, National Institutes of Health National Cancer Institute.
3. Atkin C.K. & Rice R.E. (2012). Theory and Principles of Public Communication Campaigns. In R.E. Rice & C.K. Atkin (Eds.) , *Public Communication Campaigns*. USA:Sage.
4. Bartholomew L.K., Parcel G.S., Kok G., Gottlieb N.H. & Fernandez M.E. (2011). *Planning Health Promotion Programs: An Intervention Mapping Approach*. USA:John Wiley&Sons.
5. Becker T.E., Rogers E.M. & Sopory P. (1992). *Designing Health Communication Campaigns: What Works?*. USA:Sage.
6. Bensley R.J. & Brookins-Fisher J. (2009). *Community Health Education Methods*, USA:Jones & Bartlett Learning.
7. Berry D. (2007). *Health Communication Theory and Practice*. USA:Open University Press.
8. Crawford E.C. & Okigbo C.C. (2014). Strategic Communication Campaigns. In C.C. Okigbo (Ed.) , *Strategic Urban Health Communication*, USA:Springer.
9. Kreps G.L., Barnes M.D., Neiger B.L. & Thackeray C.R. (2009). Health Communication. In R.J. Bensley & J. Brookins-Fisher (Ed.) , *Community Health Education Methods*, USA:Jones&Bartlett.
10. Kumar S. & Preetha G.S. (2012). Health Promotion: An Effective Tool for Global Health, *Indian Journal of Community Medicine*, 37(1): 5-12.

11. Lucas K. & Lloyd B. (2005). *Health Promotion: Evidence and Experience*. USA:SAGE.
12. Maibach E.W., Kreps G.L. & Bonaguro E.W. (1993). Developing Strategic Communication Campaigns for HIV/AIDS Prevention. In S.C. Ratzan (Ed.) , *AIDS:Effective Health Communication for 90s*. USA:Routledge.
13. Maibach E.W., Kreps G.L. & Bonaguro E.W. (2014). Developing Strategic Communication Campaigns for HIV/AIDS Prevention. In S.C. Ratzan (Ed.) , *AIDS:Effective Health Communication for 90s*. USA:Routledge.
14. Mittelmark M.B. (1999). Health Promotion at the Communitywide Level: Lessons from Diverse Perspectives. In N. Bracht (Ed.) , *Health Promotion at the Community Level*. USA:SAGE.
15. Parvanta C.F, Nelson D.E. & Harner R.N. (2017). *Public Health Communication Critical Rules and Strategies*. USA:Jones & Bartlett Learning.
16. Parvanta C., Nelson D.E., Parvanta S.A., & Harner R.N. (2011). *Essentials of Public Health Communication*. USA:Jones & Bartlett Learning.
17. Paul C. (2011). *Strategic Communication: Origins, Concepts and Current Debates*, USA:Praeger.
18. Randolph W., Viswanath K. (2004). Lessons Learned from Public Health Mass Media Campaigns: Marketing Health in a Crowded Media World, *Annu. Rev. Public Health*, 25:419-437.
19. Rodriguez R., Schulmann K. & Ilinca S. (2015). Challenges to Public Health Communication Campaigns in Multinational Settings: A European Perspective, *European Journal of Public Health*, 25(3):95-96.
20. Rogelberg S.G. (2007). *Encyclopedia of Industrial and Organizational Psychology*, USA:SAGE.
21. Rogers E.M. & Storey J.D. (1987). Communication Campaigns. In C.R. Berger & S.H. Chaffee (Ed.) , *Handbook of Communication Science*, USA:SAGE.
22. Rossmann C. (2015). Strategic Health Communication: Theory and Evidence Based Campaign Development. In D. Holtzhausen & A. Zerfass (Ed.) , *The Routledge Handbook of Strategic Communication*, NY:Routledge.
23. Schiavo R. (2011). *Health Communication from Theory to Practice*. USA:Jossey-Bass.
24. Schulz B.E. & Barnes B.E. (1995). *Strategic Brand Communication Campaigns*. USA:MacGraw-Hill.
25. Selnow G.W., & Crano W.D. (1987). *Planning, Implementing and Evaluating Targeted Communication Programs: A Manual for Business Communicators*, USA:Quorum.
26. Snyder L.B. (2007). Health Communication Campaigns and Their Impact on Behavior, *Journal of Nutrition Education and Behavior*, 39(2):32-40.
27. Thomas R.K. (2006). *Health Communication*. USA:Springer.
28. Tones K. & Tilford S. (2001). *Health Promotion: Effectiveness, Efficiency and Equity*. UK:Nelson Thornes.
29. Weinreich N.K. (1999). *Hands on Social Marketing: A Step by Step Guide*, USA:SAGE.



# Individual Belonging And Innovative Performance In Organizations

**Ergün KARA<sup>1</sup>**

## CHAPTER 18

---

<sup>1</sup> Assist. Prof. Dr., Osmaniye Korkut Ata University, Faculty of Economics and Administrative Sciences, Department of Business Administration.





## 1. INTRODUCTION

In the face of ever-increasing and changing competition conditions in the business world, companies in many business areas create competitive advantage through innovation. Recent studies have proved how important innovative ideas and changes are for businesses and managers (Caldwell and O inReilly, 2003:497). The organizations that follow the innovative ideas and make their first applications are generally the organizations that have been leading the market for a long time. Such organizations are called aggressive innovative organizations. Innovative organizations that imitate and act defensively participate in the sanctions of innovative ideas at the end of certain periods. But the results encountered in such cases do not meet the qualifications sought and can come with unpredictable results. The global competitive advantage is directly proportional to the assimilation of innovative ideas (Duru & Balkis, 2015:124). Innovation has an indispensable role in many of today's industries.

It is not only the success of the organization that the employees have strong qualifications and carry the desired characteristics. The feeling of belonging to employees as well as being qualified by the employees, also affects the success rate of the institution in a high amount. The success of employees when they come together with the sense of belonging towards the institution and their qualifications can be achieved. The strong relationship between employees and the organization is important in adopting organizational goals and values and developing long-term business relations. An employee with a feeling of belonging towards the institution can easily identify his identity with the identity of the organization and does not hesitate to make sacrifices on behalf of the institution. In this case, employees' organizational goals and values to adopt, to achieve their goals in the organization to do their best to continue their belonging in the organization and the corporate commitment to the foreground brings to the fore.

With the increasing level of competition in business and working life, innovation provides many competitive advantages to many business areas and firms. Recent studies have proved how important innovative ideas and changes are for businesses and managers (Ting, 2012, p.60). The organizations that follow the innovative ideas and make their first applications are generally the organizations that have been leading the market before. Such organizations are called aggressive innovative organizations. Innovative organizations that imitate and act defensively participate in the sanctions of innovative ideas at the end of certain periods. But the results encountered in such cases do not meet the qualifications sought and can come with unpredictable results. The global competitive advantage is in direct proportion to the assimilation of innovative. In other words, innovation plays an important role.

Innovations and inventions are needed for all organizations involved in the competitive environment in a market. The importance of the mental process has increased especially in the production stage. In addition, the majority of enterprises compare the rapid development of technology as a result of mental processes and the shortening of their product and service life. The terms innovation and creativity are semantically different. The concept of creativity can be expressed as creative ideas and ideas to be implemented in order to benefit the organization. The concept of innovation covers namely innovation, incorporates group work, collective thinking and organizational responsibilities and carries a more organizational meaning (Karaata, 2012:2).

The companies have followed the innovative policies and have an understanding of the importance of their employees to act with innovative ideas and they have become more aware of the technological developments in the recent years. In this way, businesses and employees can find new methods to solve problems, market new goods and services, produce new business ideas that may be useful, and apply new management policies

(Hagedoom & Cloudt, 2003:1375). Successful cost management is essential to the stability and long-term health of any business, as it provides guidelines and systems for the optimal use of resources and highest level of quality and productivity at the lowest possible cost (Kefe et. al, 2018).

## 2. LITERATURE REVIEW

After examining the relevant literature, dimensions of the concept of innovative behavior emerged. These are expressed as resistance to change, openness to experience, risk taking and idea leadership.

Innovations in the literature have been subjected to many different classifications according to their degrees, fields and characteristics. According to the degree of change and difference, innovation is generally classified as radical and incremental. Radical innovations are the result of radical ideas, with great advances in which products, services or methods have not been tried before. Incremental innovations occur as a result of a series of step-by-step studies involving a number of development and improvement activities. In the literature, managerial and technical innovation has been differentiated. While technical innovations are the innovations in the technical system of the organization and related to the priority business activities of the organization, the managerial innovation is the innovations in the social system of the organization. In today's world, where the phenomenon of globalization is increasingly felt by businesses, it is one of the main conditions for enterprises to gain competitive advantage over their competitors. In other words, it can easily be said that innovation constitutes the driving force of both businesses and countries to be competitive (Vargo et. al, 2015:64).

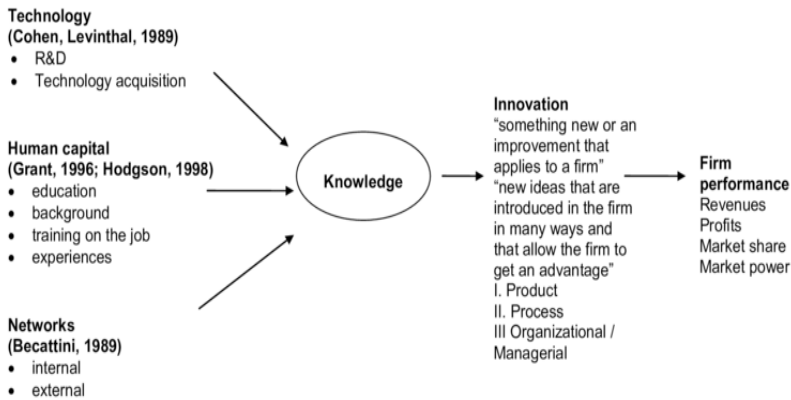
Organizational performance refers to a whole as an indicator of success determined by different factors. Thus, when an organization refers to its periodic or integrated performance, it should be understood that all of the factors contributing to this performance or affecting it in some way are expressed simultaneously. Organizational performance is not an abstract concept, but rather the ultimate outcome of the whole of material and human beings that represent more than that of the organization (Shin&Kondrad, 2017:974).

Various innovations (product, process, marketing, organizational) applied in enterprises have a direct impact on the performance of the business which can be measured by performance indicators and they can improve the performance of the enterprise in a number of ways. The impact of innovations on operational performance can range from sales to market share and profitability of production and efficiency (Harmancioğlu, 2012:2). In this respect, it can be said that innovations also affect the innovativeness, marketing and production competencies, which affect not only financial indicators but also financial returns of enterprises.

It can be asserted that there is a significant relationship between the enterprises aiming at providing the appropriate conditions and increasing the performance of the enterprise. In particular, innovations are developed and patented, and finally the success of innovative products offered to the market ensures that the innovation performance of the enterprise is high. On the other hand, product innovations focusing on the development of new products allow to increase the production performance. However, it will not be wrong to say that innovations will lead to successful marketing function and hence marketing performance. Finally, it is clear that all innovations will significantly affect the financial performance of the enterprise. Although there is a positive trend in financial performance, especially for successful innovative studies, it should not be overlooked that unsuccessful innovations can have serious consequences that could lead to the disappearance of the enterprise (Yavuz, 2010:145).

If employees share information and best practices with each other, this improves the innovative performance of the employee who acquires knowledge and makes it easier for both to produce new ideas and to put these ideas into practice. Therefore, the enterprise can develop innovative behavior on an individual basis by encouraging such interactions among employees. Another issue that needs to be considered about the impact of human resources on innovation performance is innovative business behavior. This behavior reflects the tendency of employees to innovate, such as improving their way of doing business, communicating with colleagues, using technology and developing new products. On the whole, flexible work design increases employees' innovative business behavior (Taşgıt&Demirel, 2016:325).

In the study of Demirel&Taşgıt, the innovation process of IT companies producing software products was divided into four stages: Idea Generation Stage, Trial Version Phase, Full Version Phase and Sales Stage. The questions for each phase were directed to the participants and it was tested whether the questions related to the findings could be used as an indicator of innovation performance for IT enterprises. Number of ideas implemented in a year are two indicators that can be used to measure the innovation performance of IT enterprises. The use of these indicators will help businesses systematically monitor the process of generating ideas. The Utilization Level of Knowledge is an important indicator for companies to give a general idea of the use of information stock and can be used in performance measurement (Taşgıt&Demirel, 2016:328).



**Figure 1.** A framework of the innovative capability (Farrace&Mazzotta, 2011:12)

Roberts and Amit (2003) state that the success of the organization is related to the history of innovation activities rather than the introduction of new products and processes. Therefore, it can be argued that longitudinal examination of innovation is more explanatory in terms of seeing the performance relationship. Therefore, the use of case-based longitudinal analysis in the study should be considered as a correct approach because it is a method that reaches the purpose of the study (Wagner, 2012:38). Koufteros states that the products will be more successful in meeting current customer expectations thanks to the frequent innovations in organizations (Yavuz, 2010:153). Because with the innovations developed, different target groups can be addressed and there is a positive relationship between the frequency of these innovations and the possibility of meeting customer expectations and providing customer satisfaction.

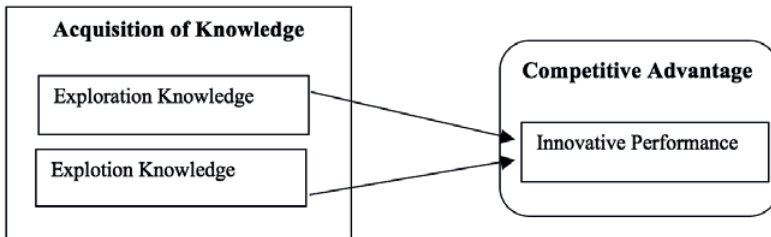
### 3. THEORETICAL FRAMEWORK

#### 3.1. Innovative Performance

Innovation is derived from the word *innovare* which means renewal in Latin (Gündoğdu, 2012: 299). The commercialization of a new idea is accepted as innovation. According to the Oslo Manual published by OECD & Eurostat, innovation should create a new or substantially modified product, process or organizational structure for the enterprise. Innovation is also the name given to the whole process from the emergence of the idea to the commercialization (Suurna & Kattel, 2010:647).

Businesses do not lag behind the technology by means of innovation and they form customer loyalty by responding correctly to changing customer needs and requests (Brown, 2013:28). Again, innovative businesses grow more and more profit than others (Alptekin, 2011). In addition, enterprises are turning to innovation in order to open up new markets, to make growth sustainable and to protect their current income (Kalay&Kızıldere, 2015:37).

Innovation is divided into subcategories according to its field and degree. When we look at the innovation classes according to the field, the product innovation, which is the first of these classes, is the type of innovation defined as introducing a new product or significantly differentiating an existing product. Process innovation, which is another class, is accepted as innovations in production processes in order to produce the existing product at a cheaper price (Coşkun et. all, 2013). Another subclass, organizational innovation, is the innovation on the concepts of working within the enterprise, management of the enterprise.



**Figure 2.** Knowledge and Innovative Performance (Palmer, 2016)

According to the degree of innovation; radical innovation is defined as the creation of a product that is new to the industry, while incremental innovation is expressed as an innovation towards the development of the existing product or for the creation of a new product only for the enterprise (Parida et. all, 2012:283).

One of the approaches frequently used in the operationalization and measurement of the innovative performance concept is the five dimensional organizational innovative performance measurement. Researchers have studied five dimensions: organizational innovative performance, product innovation, market innovation, process innovation, behavioral innovation and strategic innovation. Product innovation describes the perceived innovation, originality and uniqueness of products (De Massis et. all, 2015:2). Perceived innovation takes place in two ways through the eyes of customers and the firm (Xenikou, 2017:1754). The significance of the product is evaluated in an innovative manner. The significance of the product is related to the usefulness of a new product by the customer.

Process innovation, production and management processes to develop new production methods that can be used, management approaches and describes the discovery of new technologies. Process innovation is the development of the production method and aims to reduce the cost and increase the quality (Chan & Vasarhelyi, 2018:272).

Behavioral innovation occurs at the level of individual, team and management. New ideas and innovation in all levels of innovation is provided to create the innovative culture (Zacher&Rosing, 2015: 54).

Strategic innovation is the ability of an organization to provide innovative products and to evaluate external opportunities in time to explore new markets and sectors and to prepare appropriate internal resources. For this purpose, organizations have to use information effectively as a strategic resource (Gupta et. all, 2016:5672).

The effect of individual adaptation to the structures in the academic world based on the adaptation of the environment is studied by taking into consideration the innovation process and by means of questionnaires. It was revealed that the development of individual sense of belonging was influenced by environmental factors and at the same time, it was argued that the academic individuals who had a sense of individual belonging were more successful than the other observation group (Duru&Balkis, 2015:128).

In a study paper, the critical levels of the relationship between individual belonging and innovative performance were investigated. Innovative performance and individual belonging has proven effective for performance-based success (Möller, 2012: 119).

### 3.2. Individual Belonging

The concept of belonging, sometimes referred to as emotion, is used in cases of belonging to a person, community or object. The state of belonging may also refer to different terms such as being related and being a member. The meaning and emotion attributed to the concept of belonging can vary according to the place of use and the personal characteristics of the person. This shows that the concept of belonging is part of the person's personality. The concept of belonging, which is an expression of human relations with other individuals and communities in society, has a great effect on creating common consciousness. The basic condition of the sense of belonging is to have common values and skills with other people. Among the types of belonging, the most type of corporate belonging was examined ( Baer et. all, 2015:205).

The concept of perceived belonging is that the employee sees himself / herself as a part of the organization. In other words, it is a measure of how much an individual feels connected to the organization to which it is attached. As the perceptual belonging of the organization strengthens, the bond that the individual establishes with the organization becomes stronger. This concept, which is used in many organizational contexts, positively contributes to the organization because it measures the sense of belonging to the organization. Perceived belonging refers to the sense of acceptance and acceptance of individuals in the organization and, in a way, determines the identity of the organization member in the organization. Belonging has a place at Abraham Maslow defined a hierarchy of needs.

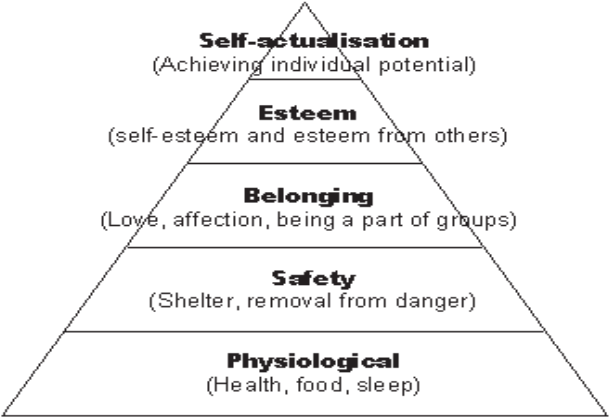


Figure 3. Maslow Hierarchy (McLead, 2007:3)

As a result of the analyzes, it was found that providing information transfer and individual belonging stage for the new product development phase were the main factors and it was concluded that they were the reasons for each other (Harmancioğlu, 2012:24).

*Individual belonging and Innovation ;*

- Make each employee believe in change,
- Transformation of faith to desire,
- Support of the request,
- Trust in ourselves,
- Reinforcing the trust of our employees,

What would make you feel like you belong at the company where you work?

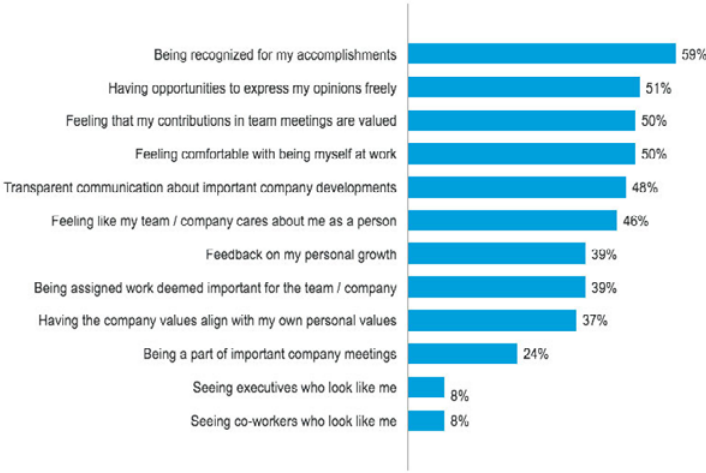


Figure 4: Rate of Belonging Company (Linkedn, Huppert, 2017).

In-house internal communication strengthens the sense of trust and solidarity. A strong Orientation and Work Program should be implemented for newly recruited Personnel. The employee wants to trust his company and his superiors. Also if processes such as Performance Management, Remuneration system, Promotion etc. are not run through a system that works correctly, employees feel that they have been wronged and not treated fairly.

#### **4. THE RELATIONSHIP BETWEEN INDIVIDUAL BELONGING AND INNOVATIVE PERFORMANCE**

Knowledge is closely related to the concept of intellectual capital as a source of competitive advantage. Although business processes, capabilities and relationships are an intellectual capital element, they are also a whole. Innovative products and services can be reached at the rate of knowledge. The knowledge-based competitive advantage, due to this particular position with intellectual capital, is the source of innovation and deserves to be a theory on which research can be built. Structural capital and customer capital are also the elements of abstract intellectual capital. It ensures the regular operation of the processes and systems of the companies and regulates the relations between the customers and the employees. In this respect, these two elements are responsible for innovative performance as much as human capital (Donate & Pablo, 2015:360). It was concluded that the measurements made within the framework of innovation were more successful and that performance measurement criteria were more effective especially in the scope of services (Karaata, 2012:14).

The institution wants to keep its employees within the organization, who have the qualifications given by the institution. If employees' perceptions of belonging are high, they do not intend to leave the organization and long periods remain dependent on the institution. In addition, employees with high corporate belonging attract more customers to their interest in the organization; the institution contributes to the organization in terms of potential customer and corporate image. Within the framework of sustainable relations, it has been concluded that individuals or institutions should have a sense of individual belonging first for innovative behaviors (Birdi et al, 2016:32).

According to the perceived degree of belonging in the organization, the individuals used by the insider and the outsider organization characterize whether they feel belonging to the organization. Insider expression is used for those who feel themselves in and as part of the organization, while outsider is used for those who feel the opposite. This distinction is rarely used in businesses, but it is thought that it is not socially beneficial for the members who are seen as outsiders to use themselves because they do not see them belong to the organization. Because it is important to feel low or high sense of belonging to the organization, members of the organization's behavior and the benefits it does not distinguish (Cook et. al, 2017). Regardless of the employees' working times or the place in the hierarchy of the organization, it is thought that there will be no difference between the members' perceptions of belonging in an organization that provides equal resources to all members of the organization. In some organizations, due to their role in the hierarchy, the leadership and leader positions which can change the sense of individual belonging to the members of the organization can cause the person to feel himself or herself as a member of the organization. Organizations can send different training programs, opportunities and promotions to their employees and send signals that can increase their sense of belonging to the organization (Lai et al, 2016:91).

Signs that reveal the individual's belonging to the organization are seen in organizational socialization processes. In the initial recruitment process, the employees are able to get their first impression of how they are treated and they also have their



psychological contracts. The perception of the relationship between the employee and the business is highly flexible and influenced by the socialization processes.

The companies have followed the innovative policies and have an understanding of the importance of their employees to act with innovative ideas and they have become more aware of the technological developments in the recent years. In this way, businesses and employees can find new methods to solve problems, market new goods and services, produce new business ideas that may be useful, and apply new management policies (Çalışkan, 2013:88). As long as employees complete each other's inadequacies and cover the needs of one another, their interaction in organization survives (Aslan And Uçar, 2015).

The changes experienced as a result of innovative movements and policies do not have the same effect on company employees and members of the organization. Positive, negative, active and passive reactions of individuals can be different from each other. These behaviors, which appear as reflex to refuse new responsibilities and aims, can be expressed as working order and not wanting to work together with colleagues. Reaction to change and rejection of new ideas damage the organization's formation and restructuring efforts, and thus negatively affected processes adversely affect the future of the organization (Clark and Koonce, 1998:14).

Theory of human capital, it is stated that employees invest in education and skills development with the expectation of benefits that benefit them as well as for the organization. In accordance with the theory, participation in training programs and investing in the personal development sense in the sense that the employees support the enterprise, high individual belonging. And it leads to successful innovation (Becker, 1964:280).

In the face of increasing competition, which makes itself felt more and more with globalization, the need for change and innovation in order to protect the assets of the companies and to differentiate them has begun to make the issue of innovation more important. For this reason, innovation activities in the manufacturing industry, which constitute a large part of the industrial sector which is a key sector in production, constitute the subject of recent studies (Gond et. al, 2016:455).

Innovation management is a process that requires effort and attention. For this, opportunities and threats should be evaluated and an effective innovation strategy should be determined. More importantly, it is necessary to establish an appropriate culture of tolerance within the organization that is tolerant, risk-taking, rewarding achievements, customer-oriented, open to learning, continuous communication and information flow (McGuirk, 2015:967). In particular, information flow and collaboration are among the factors within the innovation system, and more importantly, it allows for further development of innovation activities. At this point, the high level of personal belonging of the employees is in favor of the company.

Positive and negative thoughts left by the relationship between the employees and the organization and the experiences can change the perceived belonging rate of the organization individuals. With the increase in the performance of the members and their supported perceptions, the performances of the members are affected and their output levels are increasing. The concept of perceived belonging, which is defined as an indicator of the relationship between the employee and the organization, refers to the feeling of belonging that encourages them to discover ways to increase the well-being of themselves and the organization. During this research, employees are expected to exhibit innovative behaviors (Herrera, 2015:1468).

It is imperative to take into account the characteristics such as making the employee valuable, reinforcing the sense of belonging and being away from mobbing-maltreatment.



Otherwise, the employee cannot be directed to innovation. Innovation develops in the appropriate environment and climate.

## 5. DISCUSSION AND CONCLUSION

Within the organizational factors necessary for innovation, technology, management support and private firm design are considered, but it has been revealed that individual information, that is, human capital is the primary source of innovation. Human capital is composed of knowledge, skills and capabilities and has a close relationship with the company's products and services. The positive effect of human capital on innovation is proportional to the value and uniqueness of the information that constitutes human capital.

In the face of increasing and changing competition conditions in the business world, companies in many business areas create competitive advantage through innovation. Recent studies have proved how important innovative ideas and changes are for businesses and managers. The organizations that follow the innovative ideas and make their first applications are generally the organizations that have been leading the market for a long time. Such organizations are called aggressive innovative organizations. Innovative organizations that imitate and act defensively participate in the sanctions of innovative ideas at the end of certain periods. But the results encountered in such cases do not meet the qualifications sought and can come with unpredictable results. The global competitive advantage is directly proportional to the assimilation of innovative ideas.

It is not only the success of the organization that the employees have strong qualifications and carry the desired characteristics. The feeling of belonging to employees as well as being qualified by the employees, also affects the success rate of the institution in a high amount. The success of employees when they come together with the sense of belonging towards the institution and their qualifications can be achieved. The strong relationship between employees and the organization is important in adopting organizational goals and values and developing long-term business relations. An employee with a feeling of belonging towards the institution can easily identify his identity with the identity of the organization and does not hesitate to make sacrifices on behalf of the institution. In this case, employees' organizational goals and values to adopt, to achieve their goals in the organization to do their best to continue their belonging in the organization and the corporate commitment to the foreground brings to the fore in innovation process.

The understanding of source-based competition explains that imitation of human, organization and relationship-related assets cannot be made and this will provide a unique competitive advantage to businesses. Values obtained from these intangible assets are related to human capital and structural capital and intellectual capital. It has been seen that intellectual capital has an impact on the company's innovative performance within the resource-based competition approach.

As a result of the innovative performance, it is concluded that all internal and external developments must be realized cumulatively and in particular, internal development should first take place.

## REFERENCES

1. Alptekin, D. (2011). Toplumsal aidiyet ve gençlik: üniversite gençliğinin aidiyeti üzerine sosyolojik bir araştırma (Doctoral dissertation, Selçuk Üniversitesi Sosyal Bilimleri Enstitüsü).
2. Aslan, H. & Uçar, M. (2015). The Effect Of Organizational Justice On Turnover Intentions: A Field Study In Gazinatep. Journal of Social Sciences Research, Vol.9, No: 3.

3. Brown, M. (2013). Y Kuşığı inovasyon araştırması. Deloitte Eğitim Vakfı.
4. Baer, M., Evans, K., Oldham, G. R., & Boasso, A. (2015). The social network side of individual innovation: A meta-analysis and path-analytic integration. *Organizational Psychology Review*, 5 (3), 191-223.
5. Becker, G. S. (1964). Human capital. New York: Columbia University Press
6. Birdi, K., Leach, D., & Magadley, W. (2016). The relationship of individual capabilities and environmental support with different facets of designers' innovative behavior. *Journal of Product Innovation Management*, 33 (1), 19-35.
7. Caldwell, D. F., & O'reilly, C. (2003). The determinants of team-based innovation in organizations. *Small Group Research*, 34(4), 497-517. doi: 10.1177/1046496403254395
8. Cook, S., Komissarov, S., Murray, B., & Murray, J. (2017). Predictors for Growth Mindset and Sense of Belonging in College Students.
9. Coşkun, S., Mesci, M., & Kılınc, İ. (2013). Stratejik Rekabet Üstünlüğü Sağlama Aracı Olarak İnovasyon Stratejileri: Kocaeli Otel İşletmeleri Üzerine Bir Araştırma. *Abant İzzet Baysal Üniversitesi Sosyal Bilimler Enstitüsü Dergisi*, 28 (28), 101-132.
10. Chan, D. Y., & Vasarhelyi, M. A. (2018). Innovation and practice of continuous auditing. In *Continuous Auditing: Theory and Application* (pp. 271-283). Emerald Publishing Limited.
11. Çalışkan, A. (2013). İç odaklı örgüt kültürünün yenilikçi davranışa etkisinde personel güçlendirmenin aracılık rolü. "İş, Güç" Endüstri İlişkileri Ve İnsan Kaynakları Dergisi, 15 (1), 88-112. doi: 10.4026/1303-2860.2013.0221.x
12. Clark, J., & Koonce, R. (1998). Hayatta kalanlar. Executive Excellence Publishing, 14.
13. De Massis, A., Frattini, F., Pizzurno, E., & Cassia, L. (2015). Product innovation in family versus nonfamily firms: An exploratory analysis. *Journal of Small Business Management*, 53 (1), 1-36.
14. Duru, E., & Balkis, M. (2015). Birey-çevre uyumu, aidiyet duygusu, akademik doyum ve akademik başarı arasındaki ilişkilerin analizi. "Ege Eğitim Dergisi", 16 (1), 122-141.
15. Donate, M. J., & de Pablo, J. D. S. (2015). The role of knowledge-oriented leadership in knowledge management practices and innovation. "Journal of Business Research", 68 (2), 360-370.
16. Farrace, S., & Mazzotta, F. (2011). Bivariate Probit Models for Analysing how "Knowledge" Affects Innovation and Performance in Small and Medium Sized
17. Gond, J. P., Cabantous, L., Harding, N., & Learmonth, M. (2016). What do we mean by performativity in organizational and management theory? The uses and abuses of performativity. *International Journal of Management Reviews*, 18 (4), 440-463.
18. Gupta, S., Malhotra, N. K., Czinkota, M., & Foroudi, P. (2016). Marketing innovation: A consequence of competitiveness. *Journal of Business Research*, 69 (12), 5671-5681.
19. Gündoğdu, M. Ç. (2012). Re-thinking entrepreneurship, intrapreneurship, and innovation: A multi-concept perspective. *Procedia-Social and Behavioral Sciences*, 41, 296-303.
20. Hagedoorn, J., & Cloudt, M. (2003). Measuring innovative performance: is there an advantage in using multiple indicators?. *Research policy*, 32 (8), 1365-1379.
21. Harmancıoğlu, Nühket (2012). "İnovasyon Süreci: Yeni Ürün Geliştirmede İnovasyon Literatürünün Teorik Meta Analizi". *Journal of Entrepreneurship and Innovation Management*, 1 (1), 1- 29.

22. Herrera, M. E. B. (2015). Creating competitive advantage by institutionalizing corporate social innovation. *Journal of Business Research*, 68 (7), 1468-1474.
23. Kalay, F., & Kızıldere, C. (2015). Türk İşletmelerinin İnovasyon Performansını Etkileyen Faktörler Üzerine Bir Araştırma. "*ODÜ Sosyal Bilimler Araştırmaları Dergisi*" (ODÜSOBİAD), 5 (13), 36-63.
24. Karaata, E. S. (2012). Bazı İnovasyon ve Bilgi Ekonomisi Performans Ölçümlerinde Türkiye'nin Konumu. TÜSİAD Sabancı Üniversitesi Rekabet Forumu, No: 2012-1
25. Kefe, İ. Kefe, İ. & Tanış, V. N. (2018). Quality Costs: A comparison Of Two Case Studies, Akademisyen Publisher Scientific Research Book, Economic end Administrative Sciences, Volume II.
26. Lai, J., Lui, S. S., & Tsang, E. W. (2016). Intrafirm knowledge transfer and employee innovative behavior: The role of total and balanced knowledge flows. *Journal of Product Innovation Management*, 33 (1), 90-103.
27. Linkedn, H. (2017). <https://business.linkedin.com/talent-solutions/blog/company-culture/2017/employees-share-what-gives-them-a-sense-of-belonging-at-work>
28. McGuirk, H., Lenihan, H., & Hart, M. (2015). Measuring the impact of innovative human capital on small firms' propensity to innovate. *Research Policy*, 44 (4), 965-976.
29. McLeod, S. (2007). Maslow's hierarchy of needs. *Simply Psychology*, 1. <http://changingminds.org/explanations/needs/identity.htm> )
30. Möller, C., (2012). Critical Success Factors for Innovative Performance of Individuals. *Journal of Lund Institute of Technology Division of Production Management*.
31. Parida, V., Westerberg, M., & Frishammar, J. (2012). Inbound open innovation activities in high-tech SMEs: the impact on innovation performance. *Journal of small business management*, 50 (2), 283-309.
32. Palmer, K. (2016). <https://slideplayer.com/slide/8789746/> )
33. Suurna, M., & Kattel, R. (2010). Europeanization of innovation policy in Central and Eastern Europe. *Science and Public Policy*, 37 (9), 646-664.
34. Shin, D., & Konrad, A. M. (2017). Causality between high-performance work systems and organizational performance. *Journal of Management*, 43 (4), 973-997.
35. Taşgit, Y. E., & Demirel, O. (2016) İnovasyon Süreci Performansı Ölçüm Kriterlerini Nitel Bir Araştırma İle Belirleme: Bilişim Sektöründen Bulgular.
36. Ting, K. S. (2012). How Accumulation Of Intellectual Capital Of Ic Design Firms Listed In Taiwan Impacts Organization Performances: Organizational Learning Capability As The Mediator. *Journal Of Global Business Management*, 8 (1), 60-73.
37. Vargo, S. L., Wieland, H., & Akaka, M. A. (2015). Innovation through institutionalization: A service ecosystems perspective. *Industrial Marketing Management*, 44, 63-72.
38. Wagner, S. M. (2012). Tapping supplier innovation. *Journal of Supply Chain Management*, 48 (2), 37-52.
39. Xenikou, A. (2017). Transformational leadership, transactional contingent reward, and organizational identification: the mediating effect of perceived innovation and goal culture orientations. *Frontiers in psychology*, 8, 1754.
40. Yavuz, Ç. (2010). İşletmelerde inovasyon-performans ilişkisinin incelenmesine dönük bir çalışma. "*Girişimcilik ve Kalkınma Dergisi*", 5 (2).
41. Zacher, H., & Rosing, K. (2015). Ambidextrous leadership and team innovation. "*Leadership & Organization Development Journal*", 36 (1), 54-68.



# Value Chain In Customer Relations Management

**Tolga ŞENTÜRK<sup>1</sup>**

## CHAPTER 19

---

<sup>1</sup> Dr., Izmir Katip Celebi University, Media and Communication Department



## 1. SATISFYING THE CUSTOMERS

Nowadays, if companies want to be successful, they should be customer focused and offer more value to their customers. Customer-oriented companies focus on customer development and design marketing strategies and tend to offer more value to their customers (Figure 1). They should be able to adapt not only to production but also to building customer relations. Even the world's most successful marketing department can not market a low-performance product. Each department must act jointly to create a higher customer value. Companies should understand the importance of marketing. BP manager Sir John Browne says that they have been performing more than 10 million transactions with more than 100,000 employees in more than 100 countries each day and each action is a kind of marketing activity. (Kotler et al., 2004). When customers are not satisfied with the enterprises, they display two kinds of behavior. The first of these is the customer group reporting the problems to the enterprise, the second group customers prefer to remain silent instead of reporting their problems (Ak., 2006). If the complaints are notified, the enterprise has the chance to learn the situation and improve its relations with the customer in the long term. But if the customers remain silent, the enterprise is doomed to lose them (Barlow, 1996). Not only the unsatisfied customer informs the company of this situation, but also gives the company the opportunity to see their own structure from the eyes of the customer, while at the same time creating the opportunity to learn about the mistakes that could not have been realized otherwise. In such a case, the customer complaints would have remained unanswered. These are considered as the enterprise defects against customers. The fact that enterprises deal with the problems and reduce these defects by 5% annually brings additional profit between 25% and 85% (Berry, 1995). This results in a 20% reduction in customer complaints and a 10% reduction in costs (Furlong, 1995).

Some of the enterprises believe that they're ensuring the customer satisfaction by keeping the record of the complaints, but studies reveal that when customers are not happy with their purchases about 25 percent of the time, only about 5 percent make complaints. The other 95 percent either think that complaining is not worth trying or don't have any idea about how or to whom to complain. They just stop buying (Kotler and Keller, 2012:131).

Among the customers who make a complaint, 54 percent to 70 percent will purchase from the organization again if their complaint is solved. The number increases to 95 percent if the customer witnesses that the complaint is solved as soon as possible. Customers whose complaints are adequately solved talk to an average of 5 people about the satisfactory service they received.

The average dissatisfied customer, on the other hand, complains to 11 people (Sullivan, 2008). If each of these tells to others, the number of negative complaints may spread significantly.

To decrease this figure, the company must (Kotler and Keller, 2012:139:

1. Determine and measure the retention rate. For a magazine, subscription renewal rate is a good measure of retention. For a college, it could be first- to second-year retention rate, or class graduation rate.
2. Classify the causes of customer attribute and determine those that can be handled well. Not much can be done about customers who depart from the territory, but much can be done about those running away from poor service, poor products or extreme prices.
3. Compare the lost customer's lifetime value with the costs of decreasing the defection rate. If the cost of defection is lower than the lost earnings, pay for trying to keep the

customer.

The company's handling of customer complaints quickly will also reduce the complaints in the future. As the enterprise corrects its mistakes, the number of complaints are reduced. The enterprises should improve their performance levels with the aim of outperforming competing enterprises. Considering the drawbacks of having an unsatisfied customer, it's essential that marketers are concerned with negative experiences adequately (Vence, 2006). In addition to this, these procedures can support improving customer's goodwill (Arnold, 2004; Vence, 2003):

1. Provide a 7-day, 24-hour toll-free hotline (by phone, fax, or e-mail) to listen, list and take action for customer complaints.
2. Communicate with the customer who make the complaint quickly. When the company fail to reply as soon as possible, More dissatisfaction might appear and pave the way for negative complaints.
3. Accept the liability for the customer's dissatisfaction; don't criticize the customer.
4. Hire employee who are empathic for the customer service.
5. Solve the complaint quickly for the customer's happiness. Some customers do not expect compensation as an indication of being cared by the company.

One way to increase performance levels is to establish close relations with customers and create customer loyalty to the enterprise (Bejou, 1998). The failure of most companies to respond to customer requests creates new opportunities for marketers. NatWest Bank saw a deepening gap between customer expectations and the service provided and hired more than 6000 personnel and saved people from the machines that responded to them (Kotler et al., 2004).

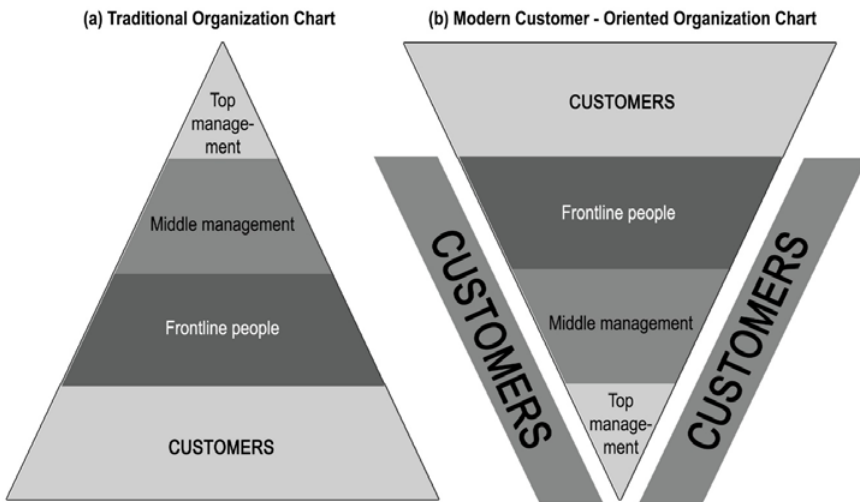


Figure 1. Kotler and Keller, 2012:124

## 2. CUSTOMER RELATIONS MANAGEMENT

Customer Relations Management is the process of carefully managing detailed information about individual customers and all customer "touch points" to maximize loyalty (Reinartz et al., 2004). Customer satisfaction will provide profitable customer relations. Failure to satisfy the customer will prevent repurchases and the customer will



defame the product for others. On the other hand, the company has lots of stakeholders, including employees, dealers and suppliers. Funding more to improve the customer satisfaction might divert the money from increasing the satisfaction of other “partners.” Actually, the company should struggle to ensure a high level of customer satisfaction at the same time submitting acceptable levels to other stakeholders, considering the total resources (Johnson and Gustafsson; 2000).

Customer relationship management application is a marketing approach that has been started to be implemented by many companies today. Customer relationship management provides the enterprises with significant gains, especially in terms of achieving competitive advantage (Kotler and Keller, 2012:126). In today's contemporary marketing concept, the main purpose of the enterprise as the reason for existence is dominated by the understanding that it serves the customer. In this marketing concept, the concept of customer is considered not only as a goal but also as a partner. Today's new customer structure comprehends a more free, more participatory, more selective, more sensitive situation. Under these conditions, the method to satisfy the customers is to have an effective and bidirectional interaction with them (Peppers and Rogers, 2001).

Technological developments and changes in the structure of competition are among the factors influencing the emergence of this new customer structure. In today's business world where the speed of change increases and its quality changes, customers are affected by this change. Today's new customer model demands not only high quality and affordable products and services, but also different products and services that make a difference. In order to meet these expectations of the customers, the enterprises had to move from the product-centric system to the customer-centric system (Kotler et al., 2004).

The on going relationship, loyalty and increasing purchasing behavior of the customers are the values that will protect the companies in strong competition conditions. Customer Relationship Management (CRM) deals with these relationships, which are required to continue with the customers operationally and analytically. In this way, although it appears to be an information technology-oriented concept, CRM is a new management philosophy. In this management philosophy, dominated by a customer-oriented marketing approach, long-term customer relations and loyalty are targeted. Providing a strong connection with the customers is the aim of all marketers and also the way to long-term marketing success. That retention-building activities ensure financial and social gains, or structural bonds (Palmatier et al., 2006). Enterprises that wish to create these bonds should have specific plans (Kotler and Keller, 2012:141):

- Develop advanced products, services, and experiences for the target market.
- Have cross-departmental involvement for coordinating the customer satisfaction and retention process.
- Manage the “Voice of the Customer” to secure their reported and unreported requirements in business settlements.
- Organize database of information on individual customer requirements, choices, links, purchase frequency, and satisfaction.
- Make it available for customers to access to company employees and give feedback on their requirements, impressions, and complaints.
- Evaluate the potential of frequency programs and club marketing programs.
- Provide award systems for the outstanding employees.
- In this context, an ethically more healthy alternative is produced for the sales-focused marketing approach. Considering the diversity and intensity of the ethical dilemmas (Nalbantoglu, 2018a) and marketing behaviors that are concentrated in today's commercial life and marketing activities (Nalbantoglu, 2018b), the importance of

customer relationship management, which expresses a customer-focused approach, becomes more and more apparent.

## 2.1. Customer Relations Management (CRM) Process

In general, the CRM process consists of four phases. These stages can be summarized as follows (Demir and Kirdar, 2007):

**a. Customer Selection :** At this stage; the steps include identifying the target audience, making the segmentation and positioning studies for the target audience, developing the campaigns suitable for the positioning data and determining the marketing communication strategies.

**b. Customer Acquisition:** The main purpose of this universe is sales. At this stage, needs analysis, creation of offers and preliminary demands and sales are included.

**c. Customer Protection:** The aim is to connect the customer to the organization, to keep it in the organization and to ensure the continuity and loyalty of the relationship. For this stage, marketing efforts such as order management, organization of demands, problem management should be developed.

**d. Customer Deepening:** At this stage, steps are taken to increase the loyalty and profitability of an acquired customer and to increase their share in customer spending. "Share of wallet (SOW)" is one of the concepts that are questioned for this phase. The goal is to provide new benefits from the relationship with which continuity is achieved. Customer needs analyzes and cross-selling campaigns are recommended for this phase.

The characteristics of an ideal CRM system can be listed as follows (Yereli, 2001);

- Giving customers the opportunity to use the desired access environment,
- Remembering each customer's contact with the past business,
- Creation of all this interaction and communication as an automation chain,
- Enabling the different departments in the company to be compatible with this automation chain and ensuring the coordinated work with each other,
- Realization of the interaction and applications used in a manner that will fit with the main, final objectives of the enterprise.

### a. Identifying the Customer Value and Satisfaction

The main question for the salesperson should be: "how do customers indicate their preferences? The customers prefers the marketing offer which provides the best value for themselves. Customers create value expectations and act accordingly. They then compare the submitted value with the expected value. Thus, they have an idea about re-purchasing (Kotler et al., 2004).

Let's try to explain the value of the customer through an example and assume that a farmer tries to choose between Massey Ferguson or a local tractor manufacturer. The farmer who compares the two tractors, sees that Massey Ferguson is more reliable, durable and had better performance. It also has superiority in terms of customer service. He also sees that Massey Ferguson's staff is more knowledgeable and solution oriented. And finally, the firm's reputation is added to the evaluation. In this case Ferguson offers more customer value totally. So, in this case, does the customer choose Ferguson? Not exactly. The customer will also look at the total cost of this tractor. He will compare the prices first and then look at the time, energy and physical costs. However, this approach has been found to be too logical by some marketers. For example, if Massey Ferguson sales staff say that their products offer the highest customer value and the domestic tractor requires a lot of maintenance and consuming a lot of fuel, will the farmer still buy the other tractor? If the farmer does, we can call this behavior as not seeking for value. We can

also say that the farmer gives importance to cheapness or that he can not afford it and he is even the friend of domestic tractor dealer.

Customer satisfaction can be explained by the difference between the expected performance of the product and the actual performance (Kotler P. , 2000). But how do consumers shape their expectations? This is shaped by the previous experiences of the consumer, friend groups, the information given and promises made by the firm and marketers. Marketers should pay attention to creating expectations at the right level. High expectations that can not be met lead to customer dissatisfaction. For example, the Holiday Inn Hotel promised its customers that there will be no organizational disturbances with the “no surprises” campaign. However, this was a failure and customer dissatisfaction eventually arose (Kotler et al., 2004).

Today’s successful companies increase customer expectations. Because these companies know that they will face the possibility of not being preferred in the future as long as they provide the same level of satisfaction. In a study conducted in the fast-moving consumer goods sector, 44% of the customers who said they were satisfied with the products they used were found to change their products later. Besides, the rate of changing the producers of high satisfaction consumers is low. For example, a study showed that 75% of Toyota users were satisfied with their products and that they were considering to buy a Toyota again (Kotler et al., 2004).

Once customers are satisfied, they tend to be customers of the company for a long time, they can become customers of different products produced by the company and speak highly of the product to their acquaintances. Today’s leader companies follow customer expectations. They try to measure customer satisfaction with the perceived company performance.

For example, a company introduced new products to consumers and reached 80% customer satisfaction. The product was put on the market, but a bad sales performance emerged. Researchers later learned that a competitor’s customer satisfaction success was 90%. And in the following period, they were informed that the satisfaction level in the relevant sector was by 95% (Kotler, 2000). As can be seen in the example, better satisfaction of the customers can be offered by the competitors. The importance of satisfied customers for companies can be listed as follows (Kotler et al., 2004):

- They remain long-term clients.
- They are less sensitive to price,
- They also show interest in additional products over time,
- They give positive messages about the company and the product.

In Turkey, the companies producing customer-centric strategy and renewing their corporate culture and technology see CRM as a competitive advantage in business and have begun to implement CRM applications at the same time with the global market since the 1990s. The first number in the CRM Turkey has started to become increasingly popular with the growing lines of 444 and 800 call centers. In this period, CRM applications started to enter our lives, mainly in retail banking, stock market, internet and campaign lines. Because of their easy accessibility, convenience and generally being problem-free, these services have quickly become addictive (Ozkan, 2001: 16).

Among these applications, club style gained great importance. In this type of CRM applications where all customers who call a call center in the club format are considered as free members and health services, psychological counseling and information services are provided to these members (Uylum, 2000: 6).

### 2.3. Offering Customer Value and Satisfaction

What do you need to produce and deliver customer value? To answer this, “value chain” and “value presentation system” should be explained. The value chain is a main tool that identifies the ways to generate more customer value (Kotler et al., 2004).

The value chain affects enterprises at two levels as macro and micro. First one is to introduce the industry framework in which the enterprise operates; the second is the identification of the processes within the enterprise itself. (Rainbird, 2004: 343) The industrial value chain begins with the value chain of raw material suppliers; from there to the end of production and then the products produced by the end customers reach the value chain. All these links set out the conditions that determine the status of enterprises within the industry.

Companies have always focused on the product in terms of ensuring customer satisfaction. But customer satisfaction is also dependent on other rings of the value chain. Support activities occur in all of these core activities. For example, Technological Development and Human Resource Management emerges in each key activity. Within the framework of the value chain, companies should evaluate each value-generating activity in terms of cost and performance. In addition, the competitors’ cost and performance should also be evaluated by benchmarking. Companies will have a competitive advantage as long as they perform these specific activities better than their competitors.

Within the framework of competitive advantage, companies also search the value chains of their suppliers, intermediaries and customers, rather than their own value chains. Nowadays, most companies have solidarity with other members of the value chain to develop a system of customer value presentation.

### 1.4. Customer Value Presentation System

The customer value presentation system is the system in which the value chain of the company, the agent, the supplier and the customer are mobilized to deliver value to the customer (Kotler et al., 2004). Companies have seen their suppliers and distributors as cost elements and competitors. But nowadays they choose their partners carefully and carry out common profitability strategies. In today’s market, competition will not only rise between the competitors themselves, but also between the value-added systems created by each. Enterprises that want to achieve fixed or growing profitability are choosing not only for competing companies but also for customer power in the face of increasing customer power and reinterpreting their value chains accordingly (Slywotzky, 1998: 12).

The value chain may include collaborations that do not result in the merger of firms, but for long-term partnerships. However, such coalitions should involve the coordination or sharing of the value chain by the cooperation partners. The target of the value chain framework is to maximize the value presentation while minimizing costs. The value chain defines all operations (such as production, procurement, distribution and consumption) required from the conceptual design of a product or service to the final consumer. For the first time, “Value Chain Model” which was introduced to the literature by Michael Porter (1985), a professor at Harvard University, has found itself in practice both in theory and in practice.

The main activities of the model, which consists of two main parts, are input logistics, operations (process), output logistics, marketing, sales and services, while its supporting activities are composed of company infrastructure, human resources management, technology development and procurement (supply) rings. After Porter’s work, many researchers and academicians have used the framework of this model to identify the unique technological and economic operations of a business or industry and to determine the critical connections between each operation, and have used the model as a powerful

analysis tool in strategic planning of organizations for nearly two decades. After the identification of these operations, managers can focus on their main competitiveness and determine their position within the industry (Eraslan et al., 2008).

In order for a company to be considered successful, it must be able to offer its customers value, that is, to find a way to help them solve a business that their customers consider as important. This is essential for competition, development and survival. Porter defines the value chain as the most fundamental tool for systematically examining all operations carried out in the integration process, which a company sees as a key factor in gaining competitive advantage. In other words, the value chain is a method of separating the company's operations as operations of strategic importance and understanding the effects of these operations on cost and value. The value chain is a systematic method of examining the development of a competitive advantage. In this respect, the model is used as a useful analysis tool for identifying the main competency areas of a firm and determining the operations that are effective in gaining competitive advantage. Supply chain and the value chain concepts can create confusion. While the value chain is defined as the management approach where all the rings in the chain have to add value to the product or the service and the member not adding value is eliminated, the supply chain is defined as the necessary information systems including the supply of raw materials, stock control, order management, distribution, delivery of the product to the customer (Eraslan et al., 2008).

Within the framework of this new vision, marketing is accountable for creating a superior value presentation system to reach the target audience. Today's marketers should not only think about how to sell the products, but also promote the development of products, how to coordinate with other departments, and how external partnerships can be realized.

The Customer Value Presentation System is the system in which the value chain of the company, intermediary, supplier and customer is mobilized to offer value to the customer. In order to achieve competitive advantage, companies need to pay attention to the value chains of their suppliers, their distributors and beyond their value chains. Today, an increasing number of companies cooperate with other members of the supply chain to develop the performance of the customer value presentation structure (Kotler et al., 2004).

## 2.5. Total Quality Management (TQM) and Innovation

TQM is a form of management that prioritizes the continuous development of processes, customer satisfaction and participation of all employees. Developing products and quality should be a company's top priority. In terms of being not only profitable, but also in the race, companies are required to implement TQM. G.E manager John Welch says that quality is the biggest guarantee for customer loyalty, the biggest defense force in terms of international competition and the company's only way to maintain growth and gain (Kotler et al., 2004).

Quality is the ability of a product or service to satisfy the needs. The company also shares its responsibility to provide the highest quality goods and services. Since marketing and total quality management target customer satisfaction, marketing has a large share in all processes. In a quality-oriented firm, marketing has two types of responsibility (Kotler, 2000):

1. Marketing management is a shareholder in the formulation of strategies and policies that manage resources and ensure quality excellence.
2. In addition to product quality, marketing should carry out every marketing activity in high quality.

Marketing has many roles in quality programs (Kotler et al., 2004; Kotler and Keller, 2012):

1. It should correctly identify the systems and needs and communicate with the costumers in the right way and help in product design and planning.
2. Marketing should ensure that orders are delivered to customers on time and correctly. Technical, training and insurance services should be checked correctly.
3. It should also establish a connection with the customers after sales and measure their satisfaction.
4. It should investigate the customers' ideas about products and their development demands.

Total Quality Management (TQM) has a key role in creating customer satisfaction. TQM is the business of everyone, such as marketing. Marketers who are not aware of the importance of quality improvement, get out of circulation like whips used in carts. The days of functional marketing have ended. We no longer need to see ourselves as market researches, advertisers, direct markers, marketing strategists, but as customer satisfaction producers (Mele, 2007).

The purpose of any commercial enterprise is to produce value by producing more valuable goods and services than the cost of required inputs. According to the theory of economics, there are three different ways to generate value: to maintain this by creating a position advantage, to have high-quality resources, to develop them and to apply for innovation.

Innovation is defined as a new blend of resources that responds to the market that has not yet been met and produces more value than the cost of necessary resources to be used. The way to demonstrate value in this approach is not to have a valuable source or a position to be defended, but to effectively manage the uncertainty inherent in trying something new. For example, The Royal Dutch/Shell Group has pioneered scenario analysis, which improves representations of a firm's possible future using opinions about forces driving the market and different doubts. Managers think through each scenario with the question, "What will we do if this comes to life?" adopt one scenario as the most likely, and see the signals that may prove or disprove it (Shoemaker, 1995).

In this approach, a vigilant manager or entrepreneur notices a gap in the market. This gap may have the potential to use a new technology to optimize or improve a customer segment or existing product that has not been adequately put into service till the date. The administrator or entrepreneur prepares a plan to fill the gap and brings the resources (eg, cash, people, technology) together needed to take advantage of the opportunity (see table 1). Since the plan is untested in the past, it also has ambiguities: it can be understood that the apparent gap does not exist, that the plan is ineffective, or too early or too late (Aboulnasr et al, 2008; Berry et al., 2006; Heerde et al., 2004).



The 12 Dimensions of Business Innovation		
Dimension	Definition	Examples
Offerings (WHAT)	Develop innovative new products or services.	<ul style="list-style-type: none"> <li>• Gillette MACH3 Turbo Razor</li> <li>• Apple iPod music player and iTunes music service</li> </ul>
Platform	Use common components or building blocks to create derivative offerings.	<ul style="list-style-type: none"> <li>• General Motors OnStar telematics platform</li> <li>• Disney animated movies</li> </ul>
Solutions	Create integrated and customized offerings that solve end-to-end customer problems.	<ul style="list-style-type: none"> <li>• UPS logistics services Supply Chain Solutions</li> <li>• DuPont Building Innovations for construction</li> </ul>
Customers (WHO)	Discover unmet customer needs or identify underserved customer segments.	<ul style="list-style-type: none"> <li>• Enterprise Rent-A-Car focus on replacement car renters</li> <li>• Green Mountain Energy focus on "green power"</li> </ul>
Customer Experience	Redesign customer interactions across all touch points and all moments of contact.	<ul style="list-style-type: none"> <li>• Washington Mutual Occasio retail banking concept</li> <li>• Cabela's "store as entertainment experience" concept</li> </ul>
Value Capture	Redefine how company gets paid or create innovative new revenue streams.	<ul style="list-style-type: none"> <li>• Google paid search</li> <li>• Blockbuster revenue sharing with movie distributors</li> </ul>
Processes (HOW)	Redesign core operating processes to improve efficiency and effectiveness.	<ul style="list-style-type: none"> <li>• Toyota Production System for operations</li> <li>• General Electric Design for Six Sigma (DFSS)</li> </ul>
Organization	Change form, function, or activity scope of the firm.	<ul style="list-style-type: none"> <li>• Cisco partner-centric networked virtual organization</li> <li>• Procter &amp; Gamble front-back hybrid organization for customer focus</li> </ul>
Supply Chain	Think differently about sourcing and fulfillment.	<ul style="list-style-type: none"> <li>• Moen ProjectNet for collaborative design with suppliers</li> <li>• General Motors Celta use of integrated supply and online sales</li> </ul>
Presence (WHERE)	Create new distribution channels or innovative points of presence, including the places where offerings can be bought or used by customers.	<ul style="list-style-type: none"> <li>• Starbucks music CD sales in coffee stores</li> <li>• Diebold RemoteTeller System for banking</li> </ul>
Networking	Create network-centric intelligent and integrated offerings.	<ul style="list-style-type: none"> <li>• Otis Remote Elevator Monitoring service</li> <li>• Department of Defense Network-Centric Warfare</li> </ul>
Brand	Leverage a brand into new domains.	<ul style="list-style-type: none"> <li>• Virgin Group "branded venture capital"</li> <li>• Yahoo! as a lifestyle brand</li> </ul>

**Table 1.** "The twelve dimentions of bussniness innovation". (Sawhney et al., 2006)

By producing value through innovation, companies have a weapon to survive in intense competition. In this way, they are able to achieve a vision, increase the brand value, increase the market share, come to the forefront in profitability and cost saving. Innovation has a very important place in the value chain, as the innovative approach to the work of each member of the value chain in the value presentation system will trigger developments that will increase the value of the entire chain (Srinivasan et al., 2009; Sorescu and Spanjol; 2008).

### 3. VALUE CHAIN IN CUSTOMER RELATIONS MANAGEMEN

The main goal in customer relationship management is to create value for the customer. While the product was at the core of the customer value chain in the past, today the value chain moves beginning from the customer. The value chain includes all production and service operations where a service or product goes from conceptual development to the end product or service process. The value chain analysis provides important support to decision makers in order to see the positions of economically important industries in the face of global competition and to take strategic decisions such as which operations to develop in order to gain a competitive advantage or which operations to be directed out

of the company.

In this context, the way to reach the customer is the long-term and healthy relationships established with the customer. As a result, the strategies that the company has been following for their customers also change. In parallel with the changing strategies, the organizational structures of the enterprises have to be rearranged. In today's enterprises, the ones that determine the organizational structures are the customers. In competitive markets that increase their severity, enterprises that form the organizational structures to meet the demands of the customers and who can give the fastest and most appropriate response to the customer's demands can be successful. With the new organizational structure, customers are included in this new organizational structure. Moreover, it is seen that the hierarchy levels also decrease in this new organizational structure.

As in previous periods, the main factor that creates added value for enterprises in all sectors is customer requirements. Today, the success of a business is determined by how well it recognizes its customers, how successful it is in transforming the potential in the market into a customer, and its performance in retaining the customer. In this context, to define the sector in the healthiest way, to understand the requirements and to distinguish the types of customers is the basic rule of all marketing and sales techniques.

Nevertheless, one of the most important characteristics that distinguishes successful enterprises from other enterprises is to take the opinion of the customers with the employees in developing their products and services. The basic strategy of customer relationship management should be to develop a real customer profile and try to be informed about all the values and requirements of the customers. In today's contemporary marketing concept, the main purpose of the enterprise is to serve the customers. It is thought that the enterprise gain will be the result of this understanding. Again, this marketing approach recognizes that all enterprise activities should start with the determination of the wishes and desires of the customers and that the demands and expectations of the customers should be met in the fastest and most effective way and even the expectations of the customers should be exceeded.

Today, when the world is experiencing the process of change very quickly, it becomes increasingly difficult to compete with traditional business methods and to satisfy the customers. Nowadays, customer-centric thinking is a must for the enterprises that want to make their way to the forefront in the competition. Customer-centered thinking is based on the ability to build the entire business design of the enterprises within the framework of the customer's existing priorities and changing preferences. The important point here is based on listening and understanding the customers (Kırım, 2001: 151).

While thinking about taking the customer to the center, managers need to reverse the traditional value chain. The traditional value chain starts with the resources of the enterprises, in other words, the capital. Afterwards, inputs and other raw materials are added. Then it comes to the product or service, the channels and finally the customer. This value chain starts with the assets of the enterprise, then converts it into products or services that meet the customer's wishes. In a strategy locating the customer in the centre, the process starts with the customer and eventually extends to the existence of the enterprise which means its basic strength. In this way of thinking, the client's needs and priorities are focused. Then, the ways which meet these needs and priorities in the best way are defined (Slywotzky & Morrison, 2000: 22-23).

Enterprises mainly invest in Supply Chain Management, Human Resources Information Systems, Enterprise Resource Management Planning and Customer Relationship Management. A common feature of these activities that concentrates on specific parts of the value chain is that they are process-oriented. For example; CRM means that an enterprise establishes its processes in relations with its customers by satisfying the



customers. Likewise, the return of all the activities described above as a value in the customers of the enterprise depends on the best practice of the related structure (software and processes) by the practitioners. In this context, it is possible to say that the above activities are accompanied by an intellectual capital which does not appear, but allows the production of the original value in the background. In this context, intellectual capital refers to the experiences and experiences of an enterprise and employees. In the value chain, units of sales and distribution channels, which have a strategic importance, are an extension of the enterprise and represent the brand of the enterprise. Customers and end users constitute the last and most important element of the value chain (Çiçek, 2006:5).

## REFERENCES

1. Aboulnasr, K., Narasimhan, O., Blair, E., & Chandy, R. (2008). Competitive Response to Radical Product Innovations, *Journal of Marketing* 72 pp. 94–110.
2. Akdin, F. The Place and Importance Of The Customer Relationship Management In Logistical Competition. *Dokuz Eylül University Business Administration Department of Marketing*.
3. Arnold, C. (2004). Global Perspective: Synovate Exec Discusses Future of International Research, *Marketing News*, May 15, p. 43
4. Barlow, J., & Moller, C. (1996). *A complaint is a gift: using customer feedback as a strategic tool*. Berrett-koeehler publishers.
5. Bejou, D., & Palmer, C. (1998). *Trust, Ethics And Relationship Satisfaction, International Journal of Bank Marketing*. USA: MCB University Press.
6. Berry, L. (1995). Relationship Marketing of Services-Growing Interest, Emerging Perspectives. *Journal of the Academy of Marketing Science*, 236-245.
7. Berry Leonard L., Venkatesh Shankar, Janet Parish, Susan Cadwallader, and Thomas
8. Dotzel, (2006). "Creating New Markets through Service Innovation," *Sloan Management Review*, Winter: 56-63.
9. Çiçek, E. (2006). Müşteri İlişkileri Yönetimini Uygulama Sürecinde Başarıyı Etkileyen Faktörler. *Selçuk Üniversitesi Karaman İktisadi ve İdari Bilimler Dergisi*, 61-72.
10. Demir, F. O., & Kırdar, Y. (2007). Customer Relations Management (CRM). *Review of Social, Economic and Business Studies*, 293-308.
11. Eraslan, İ. H., Kuyucu, A., & Bakan, İ. (2008). Değer Zinciri Yöntemi ile Türk Tekstil ve Hazır Giyim Sektörünün Değerlendirilmesi. *Afyon Kocatepe Üniversitesi İ.İ.B.F Dergisi*, 307-332.
12. Furlong, C. B. (1995). *Marketing For Keeps Building Your Business by Retaining Your Customers*. John Wiley&Son Inc.Canada.
13. Johnson, M. D., & Gustafsson, A. (2000). *Improving Customer Satisfaction, Loyalty and Profit*, San Francisco: Jossey-Bass.
14. Kırım, A. (2001). *Strateji ve Bire-Bir Pazarlama CRM*. İstanbul: Sistem Yayıncılık.
15. Kotler, P. (2000). *Marketing management*. Prentice Hall: Millenium Edition.
16. Kotler, P., Wong, V., Saunders, J., & Armstrong, G. (2004). *Principles of Marketing*. England: Prentice Hall, Harlow.
17. Mele Cristina, (2007). "The synergic relationship between -TQM and marketing in creating customer value", *Managing Service Quality: An International Journal*, Vol. 17 Issue: 3, pp.240-258, <https://doi.org/10.1108/09604520710744281>
18. Nalbantoglu, A. (2018a). The Effect Of Ethics On Management And Ethical Dilemmas Encountered In Enterprises. *Journal of Economics and Management Research*, 78-99.

19. Nalbantoglu, A. (2018b). Current Problems And Applications In Marketing Ethics. *Journal Of Social And Humanities Sciences Research*, 4249-4264.
20. Palmatier, R. W. (2006). Returns on Business-to-Business Relationship Marketing Investments: Strategies for Leveraging Profits. *Marketing Science*, September-October, 25, s. 477-493.
21. Peppers, D., & Rogers, M. (2001). One-to-One B2B: Customer Development Strategies for the Business-to-Business World, New York: Doubleday.
22. Porter, M. (1985). *Competitive advantage: creating and sustaining superior performance*. Newyork: FreePress.
23. Rainbird, M. (2004). A Framework for Operations Management: The Value Chain. *International Journal of Physical Distrubition&Logistics Management*, 337-345.
24. Reinartz, W., Kraft, M., & D. Hoyer, W., (2004). The Customer Relationship Management Process: Its Measurement and Impact on Performance, *Journal of Marketing Research* 61, August, pp. 293-305.
25. Paul, J. H. Shoemaker, (1995), "Scenario Planning: A Tool for Strategic Thinking," Sloan Management Review, Winter, pp. 25-40.
26. Sawhney, M., Wolcott, R. C., & Arroniz, I. (2006). The 12 Different Ways for Companies to Innovate, MIT Sloan Management Review, p. 78. by Massachusetts
27. Sorescu, A.B., Spanjol, J. (2008). Innovation's Effect on Firm Value and Risk: Insights from Consumer Packaged Goods, *Journal of Marketing* 72, pp. 114-32
28. Sullivan, E. (2008). Qual Research by the Numb3rs, *Marketing News*, September, 1.
29. Slywotzky, A. (1998). The profit zone: Managing the value chain to create sustained profit growth. *Emerald Group Publishing, Limited*, 26 (3), 12.
30. Slywotzky, A. J., & Morrison, D. J. (2000). *Kar bölgesi: stratejik iş tasarımı yarının karlarını nasıl oluşturur?* Sistem Yayıncılık.
31. Srinivasan, S., Pauwels, K., Silva-Risso, J., & Hanssens, D. M. (2009). "Product
32. Innovations, Advertising and Stock Returns," *Journal of Marketing* 73 (January 2009), pp. 24-43
33. Vence, D. L. (2006). In an Instant: More Researchers Use IM for Fast, Reliable Results, *Marketing News*, March 1, pp. 53-55.
34. Vence, D. L. (2003). Global Consistency: Leave It to the Experts, *Marketing News*, April 28, p. 37.
35. Yereli, A. N. (2001). Müşteri İlişkileri Yönetimi (CRM) ve Günümüz Türkiye'sindeki Yeri. *Yönetim ve Ekonomi*, 30-40.
36. Van Heerde, H. J., Mela, C. F., & Manchanda, P. (2004). The Dynamic Effect of Innovation on Market Structure, *Journal of Marketing Research* 41pp. 166-83.

# Total Quality Management, Internal Marketing And In- House Public Relations

**Ayşegül NALBANTOĞLU<sup>1</sup>**

## CHAPTER 20

---

<sup>1</sup> Öğrt. Gör., İzmir Katip Çelebi Üniversitesi Sürekli Eğitim Merkezi



## 1. TOTAL QUALITY MANAGEMENT

Because the concept of quality is used for different situations, different definitions and interpretations have emerged. There is no single definition of quality accepted in today's business world. The meaning of quality from "qualis" word in Latin is "characteristic". Quality generally refers to the difference of an organization, event, product, service, process, person, outcome or activity from similar ones. The concept of quality has been developed in time and especially in the framework of Total Quality Management philosophy and it can be defined in different ways. Quality can be defined briefly as suitability for use, suitability for the purpose, consumer satisfaction or compliance with requests. The most common definition is "conformity to the conditions". According to this definition when the conditions are fulfilled, quality is achieved. When they are not fulfilled, poor quality occurs.

With the globalization, which is one of the most important developments of the twentieth century, our world has become a small village and many world brands have become available from the nearest stores. This process has resulted in the destruction of trade boundaries by geographical boundaries, especially with the contribution of e-commerce. This has made the conditions of increasing competition, which have been felt for half a century, more difficult. The organizations that want to take part in this race have to accept quality as a basic philosophy, to emphasize customer satisfaction and while doing so, they also have to reduce the unit costs as much as possible. TQM has emerged as an extension of this process. In order to survive under these intense competition conditions, organizations need to implement processes that will ensure that both employees (domestic customers) and customers (external clients) are satisfied in the best way (Naktiyok & Küçük, 2003).

According to another definition, total quality management is a management philosophy that shares the common goal, working as a team, creating the highest values for the customers, supporting change, rewarding creativity, taking the power from people and defending the excellence of all employees (Gunnar, 1994: 18).

It is no longer a time when an enterprise that is not very productive can continue to maintain its existence thanks to customer loyalty. Nowadays it is not enough to work well, the focus should be on the concept of quality. As a result of the studies carried out on business management since 1950s, Taylorism and Fordism increasingly lost its importance, American and Japanese scientists contributed to Total Quality Management which was born as a new management philosophy (Şimşek, 1998). In the 1950s and 1960s, the work of scholarships such as Kaon Ishikawa removed the quality issue from being a statistical practice, and with the emergence of the environment described as globalization, it became the responsibility of all the company's employees who guided all business activities.

Quality is a level of satisfaction of the needs of a product or service and is divided into two as "**quality of performance**" and "**quality of conformance**" (Kotler et al., 2004). The quality of performance is the degree to which a product fulfills its functions, while the quality of conformance is defined as the degree of perfection of the product or service, as well as the consistency between product and performance perception. The factor that is mostly taken into account in defining the quality phenomenon is the degree of fulfillment of the expectations of external customers. However, the phenomenon of quality comes to life with the happiness of the customer, employer and employee cycle. In this framework, Total Quality Management (TQM) and internal marketing concept have a very important place in marketing.

Total Quality Management is a business management model that focuses on quality

and is based on the participation of all employees, aiming to achieve customer satisfaction with long-term goals, to obtain benefits for employees and society (Kocamış, 2016). Total quality management is a management approach developed primarily for the private sector. However, it was later argued that this management approach could be applied to all organizations in micro or macro scale.

As the name implies, total quality management is a management philosophy that aims to increase the quality in the organization. In this respect, an important dimension of total quality management is the importance given to "information and analysis" (Aktan, 1999). In this new management approach, it is aimed to improve the quality by collecting data and making statistical analyzes. It is argued that not only the quality of the product and service offered but also the improvement of the management, human and process quality, achieves success and high performance in the organization. It is emphasized that the product and service quality can be achieved with the support of the leading and senior management and the efforts of well-trained "quality" manpower in the organization. In this new management approach, it is argued that the organization is a whole and all elements of this whole (manager, employees, structure, system, process, machinery, equipment, environment etc.) should be in high quality (Aktan, 2001).

The quality circle was developed by K. Ishikawa. The aim is to ensure that participation and quality are spread to all employees. Thus, the quality event is no longer a statistic application. It has turned into a philosophy that is effective in a wide range of areas, from determining employee behavior to identifying the methods of doing business.

Total quality philosophy aims to provide a **customer-oriented** management approach and activities in line with the wishes and expectations of the customers in the organization. For this reason, enterprises should be able to determine the clear and confidential expectations of customers in order to sell their products. All employees are expected to participate in the right to respond to these expectations. The concept that stands out in this context is total participation management. In this management approach, importance is given to cooperation and communication between managers and employees at all levels. Total participation management is also called **synergistic management** (Aktan, 2012).

Flexibility is advocated in working life in total quality management. While the traditional management approach is based on promotion, seniority and position or title, the total quality management approach is based on clear and fair recruitment criteria, the rise and wage policy is based on the characteristics and performance of managers and employees. In the total quality management approach, great importance is given to the recognition and rewarding of success and high performance. At the core of this model lies the goal of success in employee satisfaction and impact on society. In line with this goal, success can be achieved by directing policies and strategies, employees, resources and processes with an appropriate leadership approach. Thus, business results can reach perfection (Aktan, 2001). Internal marketing is an approach that can be used to manage and mobilize all these internal customer processes.

## 2. TOTAL QUALITY MANAGEMENT (TQM) AND INTERNAL MARKETING

If we look at the current developments and changes in the past, it is seen that the approach that the marketing strategies in the past are only for external customers has been highly revised and that the majority of enterprises are starting to take into account the applicability of the marketing strategies for the company employees, in other words internal customers. This is an important step in the general sense. This is because the adoption of the policy of outreach after testing the accuracy of the decisions made by domestic customers will bring advantages to the enterprises in terms of time, cost, prestige and many more. In addition, if there are any mistakes, the possibility of

increasing the chance of the enterprises to eliminate their mistakes is seen as another positive factor. Because of the reasons stated, successful companies prior to reaching their customers, prioritize the satisfaction of their employees by driving their employees to use the products they produce. The goal of internal marketing is to organize the company activities in a way that will satisfy the needs of both internal and external customers, with the aim of providing all employees of the firm to satisfy the external costumers by using internal communication and other motivating elements (Yapraklı & Özer , 2001)

Through internal marketing activities the enterprises provide information to the employees about the vision, mission and future plans of the corporations, invest in employees to achieve these goals, provide them with the necessary training and development opportunities, support the career goals of the employees if the employees make the necessary efforts, reward the employees as a result of fair performance evaluation systems and internal formal and informal communication networks (Taskin and Yeni, 2016: 2). Internal marketing describes investing in quality and performance of the employees. Enterprises should educate and motivate employees effectively and ensure that each one of them supports the staff in contact with the customer as a team. Internal marketing is the activities that focus on gaining and maintaining customer-oriented employees. In this context, making the customers happy can be ensured by the means of satisfied internal costumers. The motto of this marketing approach is “**satisfied employee, satisfied customer**”. In other words, internal marketing efforts provide an appropriate climate for effective marketing behavior.

The purpose of internal marketing is to increase the organizational commitment of qualified employees in the organization, to increase the motivation between management and employees, to adopt quality and appropriate management understanding for competitive service delivery in changing economic, political and technological environment and to increase efficiency. The ultimate goal in total quality management is; to increase the profit and market share of the enterprise by maximizing external customer satisfaction. The first action to be taken for this purpose is to create a process in which the employees are satisfied. The way to create this environment (Çoban, 2004);

- To employ talented employees,
- To increase the harmony and cooperation among employees,
- To strengthen internal communication,
- To maximize external customer satisfaction by directing employees to customer orientation.

Therefore, the way to create an environment in which employees are satisfied is to perceive them as customers and to adopt marketing practices for domestic customers. The main purpose of internal marketing is to provide external customer satisfaction. Because the focus of enterprises' activities is the external customer. By ensuring this satisfaction, it will increase the likelihood of customer loyalty and the ability to resell the enterprise, resulting in an increase in enterprise profitability and market share.

As in external marketing, marketing mix in internal marketing consists of product, price, promotion and distribution. In general, it is important to consider the expectations and needs of the employees in the design of the product itself, to increase the job satisfaction and motivation (Kotler and Keller, 2012) Pricing in internal marketing describes the remuneration of employees. Fair pricing is an important element in pricing considering the factors such as labor and time.

Implementation of a skill-based share compensation system within the scope of Total Quality Management (TQM) gives more positive results in terms of internal customer satisfaction. The promotion can be defined as internal marketing, informing activities

such as training methods for human resources, trainings, applications, notice boards, advertisements, and finally, the place of distribution in internal marketing can be defined as places such as seminars, conferences and meetings where spatial marketing practices are presented to employees (Kavak and Yuce, 2017: 03).

In distribution decisions, conferences and meetings where internal marketing practices are announced can be considered as places, third parties such as consultants and educational institutions used in the delivery of training programs can be considered as channels. In the context of TQM, the distribution structure should be established by taking internal customer satisfaction into account. Thus, fair distribution of operational opportunities and financial support will be ensured and this action will contribute significantly to internal customer satisfaction. There are important questions to be asked before starting the internal marketing practices to be carried out in enterprises (Ay and Kartal, 2003: 17).

- Who will apply internal marketing to whom?
- Will the whole organization or a department within the organization manage the application?
- Will all employees or a specific group or department be targeted?

Human resources managers, senior executives and marketing managers are the main contributors to internal marketing practices. Department managers, training managers, branch managers and group managers are also involved in the process. Continuous management support is needed for the internal marketing program to be effective. In addition, there is a need for inter-functional coordination, especially between human resources and marketing departments. Thus, the internal marketing plan can be integrated into the enterprise's normal marketing plan. If a high level of success is desired, it should be carried out gradually and at small scale across the organization.

Successful internal marketing programs have several benefits for businesses. These benefits can be listed as follows (Kotler and Keller, 2012):

- Employee loyalty increases,
- The rate of withdrawal decreases,
- The low turnover rate of work force, recruitment, training costs, faulty product / service delivery saves money for the enterprise,
- Service quality is increased,
- Employee satisfaction increases (Employee satisfaction naturally affects external customer satisfaction),
- Reaction to change in the organization is decreased (Internal marketing helps to create an organizational culture in which the need for change is understood and accepted).

An example of these benefits is the Swedish international shipping company Stena Line, founded in 1962 (Kotler et al., 2004):

In 1987, Sweden's 7th largest service exporter, the company lost its revenues from free shop sales as Sweden entered the EU in 1995. These sales were the most important part of the company's profits. They also had many customers who travel to benefit from these free shops. In order to compensate for these losses, the company began to organize flights to the Netherlands and the UK and invested in modern ships. They set themselves a goal to be the first choice of their customers in freight and passenger transportation. In order to achieve this goal, they attempted to provide an attractive service delivery. The services were correctly aligned to segmented customer groups. The staff spent a lot of effort to be friendly and positive. To this end, an attractive personnel policy was created,



where employees were motivated and provided high quality service. The necessity of marketing-oriented approach was understood and customer relations programs, personnel training and internal marketing strategies were applied in this direction. Studies were started to be conducted every year in order to measure the approach of the personnel to the work and the organization. Training and development courses were used as a tool to increase employee confidence and knowledge. Internal marketing tools were used to share necessary and important information with staff. In addition, an autonomy philosophy was implemented in which each manager could determine his / her marketing and service policies. In 2003, there was a 5% increase in the number of passengers and cargo carried and also in profitability. On some ships, letters of compliments appeared more than complaint letters.

Depending on all this, it is necessary to express the following fact: It will be possible to provide functionality to the internal marketing activities and to achieve the desired result by enabling total quality applications in the human resources process. Because the total quality management is a management approach containing the aims and tasks directing the employees, leadership approach affecting the employees of the organization in a positive way, motivation factors to activate the employees and common culture unifying the employees in the same belief, behaviour and values (Dündar & Fırlar, 2006).

## 2.1. Public Relations and Internal Marketing

Undoubtedly, the most important element that keeps the institutions alive is the employees. Brands and institutions should understand the importance of ensuring that they are able to retain their employees first in order to achieve sustainable quality in the targeted services and to stand out in the sectoral competition. If happy external stakeholders are targeted, then happy internal stakeholders (employees) should be created first. In this process, public relations and marketing departments have important duties.

In an increasingly competitive environment today, enterprises have begun to pay more attention to marketing and public relations activities in order to sell their goods and services, to have a good image in the eyes of customers and to cope with possible crises (Göksel and Yurdakul: 2007: 86). Contemporary enterprises strive to grasp and benefit from the scientific and practical value of both disciplines. Today, there are budgets of up to hundreds of billions of dollars in the world in both areas and these budgets continue to increase.

In the literature, there are those who consider marketing and public relations activities as two separate functions of enterprises, and there are also those who consider it as a sub-title of the promotion, which is a member of the marketing mix (4P) like Kotler and many authors. But there is a point that everyone accepts here that public relations is a discipline that carries out activities to help marketing and has an important role in achieving business objectives (Şentürk, 2010: 169).

Today, the scope of public relations is not only to communicate between the public and the business, to introduce the business, to adopt, to create a company image. Public relations directs the environment in which it communicates through the image to purposeful perceptions (Şentürk and Ay; 2008: 91). It has also become an important element of public relations marketing. Moloney (2000) points out that there is an increase in the use of public relations by marketers, and the reason for this is that the level of education of the customers begins to rise and the advertising alone is not sufficiently convincing. Harris (1998) (Harris & Kotler) states in his book *Public Relations* that Value is now almost impossible to determine where public relations begin and where advertising starts, and that consumers are not as smart as to be aware or opposed to product positioning through

public relations. In this context, public relations promotes the exchange relations in the field of marketing communication, including marketing activities, and tries to attract and satisfy customers on a sustainable basis in order to realize the economic objectives of an organization. Therefore, public relations and marketing in the promotion of institutions and products now have a closely intertwined nature and they have close relations with each other (Çamdereli, 2000: 32-33).

The marketing and public relations disciplines, which have an important cooperation in terms of external customers, increase and deepen the size of their cooperation with internal marketing and internal public relations concepts when there are internal customers in question. Although the internal communication departments in order to increase employee satisfaction are newly established in the enterprises, it is seen that these processes were managed by the public relations and human resources departments in the previous periods. While public relations processes are changing and developing rapidly with the developments in technology, managerial approaches have adapted to this change.

When considered as a humanitarian process in a fundamental sense, management should be able to act efficiently by providing cooperation and coordination among all employees in the institution in order to fulfill the corporate objectives and objectives at the desired high level (Göksel 2010: 11). Organizations, like living things, have to communicate effectively with the internal and external environment in order to maintain their existence. Considering that the main function of communication is the harmonization and coordination, the success in the activities aimed at both organizational adaptation and coordination, as well as external adaptation and information entry are kept in an effective organizational communication (Karaçor and Şahin 2004: 100). It is also unlikely that an organization which has bad relations with its own staff will establish an effective and successful public relations (Kazancı, 1997: 252). **Internal communication** is based on accuracy, and it is a form of communication that requires continuity between employees and management, which requires a continuing communication (Canöz 2010: 80).

Today, internal communication is required to increase productivity, quality service, to create a positive perception of the public and to reach qualified employees (Peltekoglu, 2016: 510). Employees should be informed by the organization about the objectives, history and values of the organization. One of the most basic steps for the employees to become a valuable brand is the effective internal communication performance (Kadıbeşgil, 2012: 176).

It is the fact that a systematic, regular and rational information flow is important in organizational communication (Yatkin, 2006: 383). Findings from many scientific studies in the field of communication show that there is an important relationship between how organizational communication is applied and personal satisfaction of the employees, self-esteem and feeling of corporate belonging (Ergüden 1992: 34). In terms of employee satisfaction, the effectiveness of communication for the organization is important. To improve this activity, managers need criteria to support and improve organizational communication. These can be defined as researching how individuals communicate better, concentrating in areas where conflicts and communication are needed, sharing with others to strengthen the creative abilities and behaviors that are possessed (Halis, 2000: 228-229).

A good in-house public relations work is required to demonstrate good management. It is known that the positive relations developed by the employees of the enterprise will also have a positive effect on the relations with the outside of the institution. It should not be expected that an institution that cannot meet the needs, problems and expectations of its own internal customers in other words employees, will be efficient.

The enterprises that have turned to a customer-oriented approach and focusing on the customer have discovered a very important fact at this point: It is not possible to satisfy the customer without satisfying the employees. The way to please the customer is through the employees. However, an employee who is satisfied and has a high level of satisfaction can show the highest performance and efficiency and can increase the satisfaction level of the customers by producing the highest quality products or services. This discovery paves the way for enterprises to adopt employee focus after customer focus. This new human-oriented approach necessitates employee satisfaction for customer satisfaction (Özel, 2012: 4). In communication with internal customers and thus coordination, corporate applications can be used as promotional tools such as corporate newspaper and news boards, interactive communication such as workshops, monetary and non-monetary awards and competitions, and employee satisfaction can be increased through these means.

This satisfaction is also an important argument for the ethical performance of the enterprises. Economic life away from ethical values poses a danger to public life. In order for conscience to take place in the conscience of responsibility, the value must be persistently kept awake. This may be possible only by the existence of an organized group that reminds the responsibilities and the fact that this group tries to dominate the ethics based on human value rather than the value of the commodity (Şentürk, 2007: 42). The establishment of this organized structure that will create an ethical climate in enterprises will also emerge as a result of internal marketing and internal public relations activities.

The change in the place and effects of the organizations in the society in recent years and the increase in the expectations of the society has changed the view of ethical values. Due to the future concerns of the employees which are career targets, the organizations, which have become more flexible due to reasons such as the application of unconditional obedience to the enterprises, the working conditions created by the extreme competition between the employees, the continuous change process in the economy, the restructuring of the enterprises, it also affected the point of view (Şentürk; 2010: 165). Employee dissatisfaction, inadequacy in internal communication and internal organization conflicts are the processes that directly affect the success of internal public relations activities. In this context, internal public relations and employee satisfaction can be described as a cycle based on mutual commitment.

## **2.2. Internal Marketing, In-house Public Relations and Quality Relation**

In order for the enterprises to work effectively, it is necessary to know exactly what is done in the institution. No matter how well an organization is organized, if there is no effective communication with the employees, co-operation and communication for clearing the objectives fail (Gürgen, 1997: 33). What employees say about an organization is based on their experience, and even more effective in publicity programs and contributes to the dissemination of a positive image to a wider audience. For example; If it is assumed that five hundred people work in an enterprise and that each individual has a family of four, and that this individual is in contact with an average of five people, the enterprise can be considered to have a group of ten thousand at a time (Karpas, 1999: 101). Therefore, employees who have valuable ideas and who work as a good partner in creating the desired corporate image and communicate with the understanding of honesty will be a good ambassador to the external target groups of the institution. The spiritual happiness and loyalty of the employees play an important role in creating a positive image in the eyes of the external target group (Güzelcik, 1999: 197). In order to create an ideal relationship between the management of the organization and its employees, there should be regular communication based on accuracy (Okay, 2002: 288).

Kadıbeşgil (2012: 185) built the road map on corporate communication on five basic steps. These five basic steps are:

- Establishing a stakeholder map in line with the business objectives determined by the enterprise.
- Identifying issues such as time management and communication issues during the production of formal messages.
- The importance of the values and culture of the organization for the whole of the employees and their importance in communication and relationship management.
- Evaluation of the performance of the communication processes taking place in the institution.

The optimization of all these communication processes has a direct and very close relationship with the functioning of internal marketing processes. An effective in-house public relations activity is indispensable for internal marketing activities based on ensuring customer satisfaction through employee satisfaction. The smooth management of these two functions in the enterprise increases the performance and product-service quality in all business processes including production and marketing. For this reason, the close connection between quality-oriented and customer-oriented is tied to the close relationship between internal public relations and internal marketing. These three concepts, namely internal marketing, internal public relations and total quality management, provide internal customer and thus external customer satisfaction, and provide the necessary support to demonstrate the level of performance required by enterprises. Nevertheless, these three concepts play a vital role in the realization of the customer-oriented philosophy, which is a modern marketing and business approach.

For the accomplishment of internal marketing philosophy, special attention and focus are required. The whole organization has to implement internal marketing approach and also organizational culture and management have to support it, the philosophy itself should be aligned with external marketing strategy and organizational goals, and employees should understand their importance for the customers. Internal marketing should be considered as a management philosophy, rather than a short-term activity in order to give importance to the customers. It should really be the intersection of some business areas and methods, such as strategic management, quality management, human resource management, corporate communications and customer relationship marketing (Sincic & Poloski Vokic, 2007).

The point that needs to be reached according to all these points is that the most important factor affecting the quality is the knowledge and skill level of the employees, because the existence of the human phenomenon is inevitable in every step of the management and production. Because motivation is a process that activates the person and directs them to use their potential power. This result also draws attention to the necessity of working in a team from the management to the employees in the capture of quality. Otherwise, it will not always be possible to carry out continuous and timely production at reasonable cost. In order to prevent the formation of the above mentioned results, it is necessary to encourage voluntary participation in the studies on total quality management in enterprises. For this,

- First of all, making job description in line with a clear purpose,
- Preparation of a suitable floor for life-long learning,
- Considering employees' ideas,
- Creation of a communication environment that will make the employees' activities effective,

- An appropriate structure is required for autocontrol to function.

As a conclusion, expecting managers to direct employees at every point should be considered as a wrong trend in the enterprises. In order to ensure that an opposite approach is made operational in the enterprise, it is necessary to create an environment that enables employees to be more sensitive to the problems of the system and to encourage them to take steps towards a solution (Dündar & Fırlar, 2006).

## REFERENCES

1. Aktan, C. C. (1999). Türkiye’de Toplam Kalite Yönetiminin Kamu Sektöründe Uygulanmasına Yönelik Öneriler. *Türk İdare Dergisi*, 1-13.
2. Aktan, C. C. (2001). *Yolsuzlukla Mücadele Stratejileri*. Ankara: Hak-İş Yayınları.
3. Aktan, C. C. (2012). Total Quality Management in Organizations. *Journal of Organization and Management Sciences*, 1309-8039.
4. Ay, C., & Kartal, B. (2003). İçsel Pazarlama Literatür İncelemesi. *Marmara Üniversitesi S.B.E. Öneri Dergisi*, 15-25.
5. Canöz, K. (2010). *Sağlık Kuruluşlarında Halkla İlişkiler Uygulamaları*. Konya: Palet Yayınları.
6. Çamdereli, M. (2000). Ana Çizgileriyle Halkla İlişkiler. *Çizgi Yayınları*.
7. Çoban, S. (2004). Toplam Kalite Yönetimi Perspektifinde İçsel Pazarlama Anlayışı . *Erciyes Üniversitesi İktisadi ve İdari Bilimler Fakültesi Dergisi*, 85-98.
8. Dündar, P., & Fırlar, B. (2006). İçsel Pazarlama ve Toplam Kalite Yönetimi “Türkiye’deki Ulusal Basın İşletmelerinin Değerlendirilmesine Yönelik Bir Araştırma” . *Bilig/Türk Dünyası Sosyal Bilimler Dergisi*, 131-153.
9. Ergüden, A. (1992). Örgüt İçi İletişim: Sistem Yaklaşımı. *Kurgu Dergisi*, 11-40.
10. Göksel, A. B. (2010). *Stratejik Halkla İlişkiler Yönetimi*. Ankara: Nobel Yayın Dağıtım.
11. Göksel, A. B., & Yurdakul, N. (2007). *Temel Halkla İlişkiler Bilgileri*. İzmir: E.Ü İletişim Fakültesi Yayınları.
12. Gunnar, J. (1994). Toplam Kalite Yönetimi,. *Dünya Gazetesi*.
13. Gürgen, H. (1997). *Örgütlerde İletişim Kalitesi*. Der Yayınları.
14. Güzelcık, E. (1999). *Küreselleşme ve İşletmelerde Değişen Kurum İmajı*. İstanbul: Sistem Yayıncılık.
15. Halis, M. (2000). Örgütsel İletişim ve İletişim Tatminine İlişkin Bir Araştırma. *İktisadi ve İdari Bilimler Dergisi*, 217-230.
16. Harris, T. L., & Kotler, P. (1998). *Value-added public relations: The secret weapon of integrated marketing*. Chicago: NTC Business Books.
17. Jim, B. (2003). *Essentials of Marketing Communications*. Essex Prentice Hall.
18. Kadıbeşegil, S. (2012). *Şimdi Stratejik İletişim Zamanı*. İstanbul: MediaCat Kitapları.
19. Karaçor, S., & Şahin, A. (1999). Örgütsel İletişim Kurma Yöntemleri ve Karşılaşılan İletişim Engellerine Yönelik Bir Araştırma. *SÜ İİBF Sosyal ve Ekonomik Araştırmalar Dergisi*, 97-117.
20. Karpat, I. (1999). *Bankacılık Sektöründe Örneklerle Kurumsal Reklam*. İstanbul: Yayınevi Yayıncılık.
21. Kazancı, M. (1997). *Kamuda ve Özel Sektörde Halkla İlişkiler*. Ankara: Turhan Kitapevi.
22. Kocamış, T. U. (2016). Toplam Kalite Yönetimi (TKY) ve İç Denetimin TKY’deki Rolü. *İstanbul Üniversitesi Sosyal Bilimler Dergisi*, 1-21.

23. Kotler, P., & Armstrong, G. (2004). *Marketing*. Praha.
24. Kotler, P., & Harris, T. (1998). Value-added Public Relations: The Secret Weapon of Integrating Marketing. *NTC Publishing*.
25. Kotler, P., & Keller Kevin. (2012). *Marketing management*, 1. Lane.
26. Moloney, K. (2000). *Rethinking Public Relations- The Spin and the Substance*. Routhledge.
27. Naktiyok, A., & Küçük, O. (2003). Küçük Ve Orta Büyüklükteki İşletmelerde (KOBİ) Toplam Kalite Yönetimi (TKY) Kritik Faktörlerinin Örgütsel Performans Üzerine Etkileri. *Erciyes Üniversitesi İktisadi ve İdari Bilimler Fakültesi Dergisi*, 43-65.
28. Okay, A. (2002). *Halkla İlişkiler Kavram Strateji ve Uygulamaları* . İstanbul: Der Yayınları.
29. Özel, E. (2012). Yazılı basın işletmelerinin içsel pazarlama sürecinde çalışan memnuniyeti, Yayınlanmamış Doktora Tezi. *Sosyal Bilimler Enstitüsü, İzmir*.
30. Özkır, A. (2007). Kent Parkları Yönetim Modelinin Geliştirilmesi. *Ankara Üniversitesi Fen Bilimleri Enstitüsü Yayınlanmamış Doktora Tezi*.
31. Peltekoğlu, F. B. (2016). *Halkla İlişkiler Nedir?* . İstanbul: Beta.
32. Senturk, T. (2007). A study on the conflict between Dogan and Uzan media groups in terms of public relations ethics. *Journal of Communication, Theory and Research*.
33. Senturk, T., & Ay, C. (2008). The Ethical Boundaries of Public Relations. *Celal Bayar University Institute of Social Sciences*, 81-97.
34. Senturk, T., Ay, C., Nardalı, S., & Kartal, B. (2010). *Pazarlama Yönlü Halkla ilişkiler ve Etik*. Ankara: Detay Yayıncılık.
35. Sincic, D., & Poloski Vokic, N. (2007). Integrating internal communications, human resource management and marketing concepts into the new internal marketing philosophy. *FZG working paper series 12* , 1-13.
36. Şimşek, M. (1998). Kalite yönetimi. *Marmara Üniversitesi Teknik Eğitim Fakültesi Yayınları* , 11(3).
37. Taskin, E., & Yeni, Z. (2016). A Study To Determine The Effects Of Organizational Commitment On The Internal Marketing Activities. *The Journal of the Faculty of Economics and Administrative Sciences of Kastamonu University*, 11.
38. Yapraklı, Ş., & Özer, S. (2001). *Çağdaş Pazarlamada Yeni Bir Yaklaşım "İçsel Pazarlama"*. İstanbul: Pazarlama Dünyası.
39. Yatkın, A. (2006). Hizmet Verimliliğinin Artırılmasında Halkla İlişkilerin, Örgütsel İletişimin Rolü ve Önemi (Elazığ Belediyesi Örneği). *2. Ulusal Halkla İlişkiler Sempozyumu*, (s. 369-386). Kocaeli.
40. Yuce, A., & Kavak, O. (2017). The Influence of Internal Marketing Activities on Organizational Commitment and Turnover Intention. *Balkan and Near Eastern Journal of Social Sciences*, 3:3.

# The Role Of Accounting In The Corporate Governance

**Seyhan ÖZTÜRK<sup>1</sup>**

## CHAPTER 21

---

<sup>1</sup> Assist. Prof., Seyhan ÖZTÜRK, Kafkas Üniversitesi, İİBF, İşletme Bölümü





## INTRODUCTION

Gaining importance and recognition in each day both in national and international arenas, the notions of institutionalization, corporate governance, or governance are taking their places both in the academic and business worlds. It is observed that corporate governance causes important changes and developments in business managements. These developments and changes are initially seen in the accounting units and their accounting practices. The relation of the accounting practices and corporate governance emerges in the process of reporting of the information related with the firm, and it becomes important for this information to be clear, comprehensible, credible, reliable, timely, and accessible. The transparency, accountability, equality, and responsibility, which are the basic principles and building blocks of the corporate governance, are not only important and efficient for the business management culture but also for the public opinion.

The accounting professionals have important responsibilities and tasks in order for the corporate governance to healthily function as a bridge between the stock owners and shareholders, who are called as interest groups. While the accounting professionals perform their tasks in line with the legal regulations, they also provide the basis for a simple implementation of the corporate governance.

## 1. CORPORATE GOVERNANCE

The notion of the corporate governance, which regulates the relations among the interest groups that the firms interact with, is of vital importance for the enterprises owing to its close relationship with the accounting.

### 1.1. The Notion of the Corporate Governance

Management, in general, is fulfilling the activities such as planning, organizing, executing, coordinating, and controlling for reaching certain objectives. A more specific term, corporate governance, is also related with how to satisfy the interests of the interest groups and how to reflect them to the organizational objectives in addition to fulfilling all of the abovementioned activities (Çonkar et al., 2011: 84). Additionally, the act of management has some functions regulating the behaviors of enterprises in financial and economic decision making processes. Therefore, it is expected from the quality of corporate governance to influence the economic activity outputs in a positive way. In a sense, corporate governance is a basic structure for controlling the principles of the enterprise, its intended objectives, and performance (Karamustafa et al., 2009:102).

In the strict sense, it is possible to define the corporate governance as the set of principles that regulates the relationships between the enterprise management and stockholders/shareholders (Aktan, 2013: 150). In a broader sense, corporate governance stands for all of the procedures, methods, human resources, and measurements that provide the balance between the economic objectives and social objectives together with the organizational objectives of the enterprise and the objectives of the employees (Aysan, 2007: 18).

Called as the “Corporate Governance” in English, this notion basically intends to manage the enterprises so as to provide the highest possible gain to the shareholders and other interest groups (Pamukçu, 2011: 134).

Focusing on the top management, management control, and business performance, the corporate governance represents the relationship system between the enterprise owners and the top management (Gürbüz & Ergincan, 2004: 6).

It is observed that corporate governance has triple tasks as aiming at ensuring the top management to assume a functional structure complying with the organizational targets,

leading the management activities of the managers, as well as preparing the grounds for a balance between the auditors and auditing activities (Pulaşlı, 2003: 5).

Corporate governance helps the accounting unit to perform particularly its reporting activity in a reliable manner by ensuring the competence and efficiency of the internal control structure, by increasing the productivity and reliability of the independent auditing functions, and by increasing the quality, transparency, and reliability of the financial reports (Rezaee, 2005: 290).

Additionally, seen as a factor vital for the economic growth and financial stability, corporate governance ensures the development of institutional culture based on a balance established among the enterprise owners, their representatives, and interest groups (Aguilera, 2005: 39).

Being conscious of the liabilities for the relevant parties about the economic and commercial activities, corporate governance stands for to increasingly maintain the productivity and value of the enterprise. Additionally, it emerges as a system, which reaches predetermined objectives about the partners, stock holders, and employees, and which, while doing this, performs legal and ethical activities for these relevant parties (Dinç & Abdioğlu, 2009: 159-160).

With a broad perspective, corporate governance, briefly, is a notion including but not limited to the management functions. It involves the productive functioning of a firm as well, ensuring the firm to attract financial resources and human resources without damaging the interests of the beneficiaries and the public. By this means, it is accepted as a combination of laws/regulations that will ensure stability by creating economic gains in the long term and relevant voluntary private sector implementations. Corporate governance briefly provides the following advantages to the enterprises (Çonkar et al., 2011: 84-85):

- Attracting the capital and human resources,
- Displaying an efficient performance,
- Reaching the objectives timely and efficiently,
- Comprising the laws, regulations, and private sector implementations in order to fulfill the legal obligations and social expectations.

## 1.2. Importance and Objectives of the Corporate governance

The worst result for the investors of an enterprise is making loss or bankruptcy of the enterprise. The meanings of such a result for the other interest groups can be listed as the default risk of the received or assumed loans as a result of being unable or falling short to fulfill the assumed obligations, problems in purchasing goods and services, and losses or dissatisfactions of vendors and purchasers. The importance of the corporate governance emerges exactly at this point, by completely, accurately, and transparently informing the interest groups apart from the partners about the enterprise and precisely providing all of the information needs about the enterprise (Kaya, 2014: 15). In addition to that, in the face of the changes taking place in the international markets the enterprises that want to survive and continue their existences had to keep pace with these changes and had to embrace the corporate governance. The corporate governance has been an important notion and an approach for the nations, states and enterprises; the motives behind this fact are that borders have been removed, competition has gained a global dimension, and thus, financial actors will be influenced from all kinds of risky and negative impacts at a similar rate. Therefore, implementation of an understanding of generally accepted corporate governance is of vital importance for the enterprises in order to meet the needs of their shareholders, and to gain an advantage over global competition with financial policies and

strategies by ensuring the reliability (Abdioğlu, 2007: 13).

The real importance of corporate governance, which is of vital significance for the enterprises, emerges from its objectives. These objectives can be listed as follows (Dölen, 2012: 11):

- Prevention of arbitrary use of power and authority by the top management of the enterprise,
- Protection of the investor rights,
- Fair and equal treatment to the stock holders of the enterprise,
- Protecting and providing guarantee for the rights of the stakeholders that are directly associated with the enterprise,
- Public disclosure of and transparency about the operations and financial status of the enterprise,
- Clearly determining the responsibilities of the board of directors of the enterprise,
- Decreasing the agency cost,
- Ensuring the return of the profit gained by the enterprise to the sharers, and in more general terms, to all of the stakeholders in proportion to their shares,
- Preventing the threat of senior partners seizing the minority shares,
- Building trust for the institutional investors making long term investments and decreasing the cost of capital,
- Attempting to control the conflict of interests between the capitalists and the decision making professionals by setting up rules.

### 1.3. Principles of the Corporate Governance

Corporate governance has become a notion that is being discussed both in national and international arenas. It is because the efforts of enhancing corporate governance gained momentum in many countries in an attempt to remove the impacts of crises in the global economy (Çonkar et al., 2011: 82). In this context, the negative impacts are attempted to be removed by embracing and developing the principles of the corporate governance.

These mentioned corporate governance principles can be listed and explained as follows (Kaderli & Köroğlu, 2014: 23-24):

- **Transparency:** Explaining accurate, sufficient, comprehensible, and timely information about the stockholding structure, corporate governance, and financial performance of the enterprises.
- **Accountability:** Defining the rules and responsibilities of the management in a loud and clear manner, and watching the parallelism of the interests of enterprise management and stockholders.
- **Responsibility:** Ensuring the compliance of enterprise operations and behaviors to the relevant legal regulations, and additionally, to the social ethical values.
- **Fairness:** Protecting the rights of the stockholders including the minority and foreign stockholders, and ensuring the applicability of the contracts signed up with the suppliers.

## 2. RELATION BETWEEN THE CORPORATE GOVERNANCE AND ACCOUNTING

Accounting can be defined as determining the value change in either the resources or the assets of the enterprise as a result of its certain operations emerging from the decisions taken by the enterprise, and also as transforming these into data that are ready to be used in new decision making processes. In the most classical definition, accounting can be explained as the science, which records, classifies, summarizes, reports, and analyzes the results of the financial events or transactions (Atabey & Parlakkaya, 2001: 6-7).

The most important feature of accounting is the recording of the data without putting them to change. Accounting objectively documents and records the transactions as they are, which are about the changes in the structure of the economic and financial structure of the enterprise (Kutlu, 2008: 54). Therefore, transparency and impartialness is in the nature of accounting.

Accounting profession is a continuous field of occupation for the individuals, who presents accurate, loud and clear, and reliable information about the financial status of the enterprises to the public or to all of the relevant parties serving for the public weal (Güneş & Otlı, 2003: 111). Therefore, different from many occupations, accounting has a special task and responsibility towards the public.

The enterprises are expected not only to create accurate and reliable accounting records, but also to present the information needed by the relevant parties in a clear manner within the sense of obligation. On the other hand, interest groups of different enterprises in different locations make their investments based on financial reporting comparisons. In order for these comparisons to be made in a healthy way, the financial reports are needed to be transparent, reliable, comparable, accountable, and based on sense of obligation. At this point, accounting becomes an important means in preparing the financial reports in line with the desired criteria and complying with this understanding. Therefore, the expectations of the enterprises from the accounting can only be met through an understanding of corporate governance imbedded in the structure of the enterprises (Dursun, 2014: 30).

Corporate governance, which is influential in regulating the relationships between the interest groups and the enterprise, is a process which is dependent on accounting. It is because corporate governance mechanisms such as board of directors and auditing committee, which play a role in materializing the understanding of corporate governance, perform their functions based on the support of accounting.

Corporate governance implementations, which will ensure long term profitable and healthy growth and continuation of the enterprises, are generated from and maintained by corporate governance mechanisms through the information provided, to a large extent, by accounting (Dinç & Abdioğlu, 2009: 166).

What evaluate the operations, plans, objectives, productivities, and performances of the enterprises and what control these at the last stage are the implementations based on corporate governance. As per accounting, which brings the information to the relevant places at the right time, it is a vital means for establishment, adoption, development, and generalization of corporate governance implementations. In order for the benefit of production of information to be at the highest level, it is necessary for the information to be produced reliable, timely, and in a way that meets the requirements. The modern characteristics and significance of accounting implementations emerge through reporting, in this regard, it is of vital importance that these pieces of information are reliable, comprehensible, and accessible. Corporate governance can only gain strength through an accounting infrastructure under these conditions (Aysan, 2007: 19).

With an efficient corporate governance implementation in the enterprises, it is simp-

lified to build trust in favor of the enterprise and to decrease the cost of capital for the investors, and profitability of the enterprise increases to a large extent together with the performance of the enterprise (Metiner, 2006).

There is a close relationship between the efficient corporate governance and the accounting system of the enterprise. In fact, the main reason behind the financial negativities of the enterprises is accepted as the failures in corporate governance (Demir & Sezgin, 2014: 209-210).

Success of the enterprises, their ability to comply with the developments in the world, and ability of their top management to take right decisions depend on the existence of an efficient accounting system. The basic point on the relation between accounting and corporate governance is about the design of the relation among the investor, management of the enterprise, and the public. Acting with an understanding of corporate governance, the management of an enterprise not only attempts to increase their gains in the operations of the enterprise, but also takes measurements in order for all of the investors in the public to gain more profits. It is natural that these measurements take place within the framework of transparency accountability, responsibility, and fairness principles. In this regard, preparing reliable future strategic plannings for the firms, ensuring their long term profitability and implementation of efficient corporate governance are only possible through accounting (Dursun, 2014: 31).

In addition to all abovementioned points, it is observed that there is a similarity between the accounting and corporate governance in terms of the adopted rules and principles as well. It is seen that the notions of accounting profession such as independence, secrecy, public weal, and objectivity originated from the same source with the principles of the corporate governance. At this point, the compliance with the principles and control of this compliance become important. It is also observed in the following table that the rules of conduct determined as the regulation to be obeyed by the accounting professionals are similar to the principles of the corporate governance (Dölen, 2012: 123-124):

Corporate Governance Principles	Accounting Profession Rules
Fair treatment	Independence
Public disclosure and transparency	Honesty and impartiality
Accountability	Behaving in conformity with the standards
Responsibility	Conformity with the accounting principles
	Secrecy
	Conditional payment
	Behaviors incompatible with the professional dignity
	Advertising ban
	Commission and expert fee
	Professional title and corporatization
	Sanctions about professional ethic

**Table 1.** Corporate Governance Principles and Rules of Accounting Profession

In order for the enterprises to continue their commercial and economic activities, it is necessary to have a powerful financial structure and an efficient accounting system. In order to have a powerful financial structure, the opportunity to use only domestic resources has decreased and the conditions have become more difficult than before. On the other hand, besides the domestic resources, the opportunity to find new resources in the

developing global world has been increased. Naturally, the enterprises have to express themselves as comprehensible, honest, transparent, and satisfactory in order to access to new financial resources. The enterprises that can promote themselves as required, that can gain the confidence and arouse the interest of investors are among the ones, which can apply the principles of the corporate governance. This, in turn, supports the enterprises in access to new resources with lower cost and cheaper price (Ari, 2007: 90). The most important corporate governance principle is the transparency. Provided that the relevant interest groups can access necessary information at the right time, and necessary satisfaction is assured, the most appropriate settings are ensured (Kaya, 2014: 97).

Within the framework of the technological and structural developments in the global competition atmosphere, in line with the increasing need of communication skill and computer skill, the investment-demand to the capital markets has increased. On the other hand, accounting scandals in big companies decreased the confidence in accounting and financial information, and the confidence in accounting had serious damages in the eye of the public. The financial statements and reports prepared by accounting are the important sources of information for decisions taken about enterprises. Since the annual results of operations of enterprises are reflected in the financial statements, it is of strategic importance for the accounting units to prepare and present healthy, accurate, and reliable reports in terms of the principle of public disclosure (Uyar, 2008: 2).

There is a positive and powerful relation between the results of a stable corporate governance implementation and a well-functioning accounting system. It is because successful corporate governance can only be achieved through the information produced from a well-organized accounting system. Additionally, there is a statistically positive and powerful relationship between the principles of the accounting and corporate governance. In this context, a successful and efficient corporate governance and solution for possible problems in an enterprise can only be achieved through due importance given to accounting (Abdioğlu, 2007: 159).

The continuous functioning of well-organized corporate governance and taking sound decisions can only be achieved through a reliable flow of information. An important and a large part of this information is the financial information. Therefore, an accounting system that is functioning efficiently and producing reliable information is accepted as the most important building block in order for the corporate governance to have a robust and reliable infrastructure. It is because majority of the information that all of the interest groups need are produced through accounting (Kaya, 2014: 101).

As the conclusion, establishing and developing an understanding of efficient corporate governance is possible, to a large extent, through compliance of accounting professionals to the corporate governance principles. Accounting profession, which functions considering the corporate governance principles, directly makes contribution to the corporate governance activities (Dölen, 2012: 125).

### 3. CONCLUSION

Although the corporate governance principles, which, as a set of rules, basically regulate the relationships among the relevant interest groups of the enterprise, slightly vary across countries and enterprises; fairness, transparency, accountability, and responsibility principles are basically accepted. In order for a better implementation of corporate governance, it is widely accepted in national and international arenas, and all of the countries have completed and continue to legislate relevant regulations.

On the other hand, exact, accurate, complete, timely, and reliable transfer of financial information and reports to the relevant parties is of vital and strategic importance for the continuity of the enterprise operations. At this point, transparency principle steps

in, which is the basic of the corporate governance principles. Sufficient and appropriate implementation of this principle is the indicator of the fact that the corporate governance is implemented at an appropriate level as well.

Considering the corporate governance and accounting at the same pot, it is observed that they influence each other mutually and positively. Moreover, the contribution of both of the notions to each other positively influences the efficiency of implementation, enterprise productivity, profitability, and the value. The information obtained from the accounting is used in both measuring the results of management activities and in measuring the results of principles of the understanding of corporate governance implementation. In brief, accounting and corporate governance are in a mutual interaction and union of force for an efficient management. Therefore, it is necessary for the enterprises, which intend to continue their lives in the long term, to give due importance to the understanding of corporate governance. In this purpose, they need to ground on a robust accounting infrastructure and to adapt their employees and organizational culture to this.

## REFERENCES

1. Abdioğlu, H. (2007), İşletmelerde Kurumsal Yönetim Anlayışı Kapsamında İç Denetimin Rolü ve İMKB-100 Örneği, Marmara Üniversitesi Sosyal Bilimler Enstitüsü, Doktora Tezi, İstanbul.
2. Aguilera, R. (2005). "Corporate Governance and Director Accountability: An Institutional Comparative Perspective", *British Journal of Management*, Vol:16
3. Aktan, C. C. (2013). "Kurumsal Şirket Yönetimi". *Organizasyon Ve Yönetim Bilimleri Dergisi*, Cilt 5, Sayı 1, ISSN: 1309 -8039
4. Arı, M. (2007), Finansal Raporlamaya Olan Güvenin Arttırılmasına Yönelik Yaklaşımlar, Yayınlanmamış Doktora Tezi, İstanbul.
5. Atabey, A. & Parlakkaya, R. (2001). Ticaret ve Muhasebe Belgeleri, Ankara: Nobel Yayın Dağıtım.
6. Aysan, M. A. (2007). "Muhasebe Ve Kurumsal Yönetim". *Muhasebe ve Finansman Dergisi*, (35), 17-24.
7. Çonkar, K., Elitaş, C., & Atar, G. (2011). "İMKB Kurumsal Yönetim Endeksi'ndeki (Xkury) Firmaların Finansal Performanslarının Topsis Yöntemi İle Ölçümü Ve Kurumsal Yönetim Notu İle Analizi". İstanbul Üniversitesi İktisat Fakültesi Mecmuası, 61(1), 81-115.
8. Demir, Ö., & Sezgin, E. E. (2014). "Kurumsal Yönetim Anlayışında Muhasebenin Yeri ve Önemi: TRB1 Bölgesinde Yapılan Bir Uygulama". *The Journal of Academic Social Science Studies*, (28), 207-223.
9. Dinç, E., & Abdioğlu, H. (2009). "İşletmelerde Kurumsal Yönetim Anlayışı Ve Muhasebe Bilgi Sistemi İlişkisi: İMKB-100 Şirketleri Üzerine Ampirik Bir Araştırma". *Balikesir University Journal Of Social Sciences Institute*, 12(21).
10. Dursun, M. K. (2014), Türkiye'de Kurumsal Yönetim İlkelerinin Muhasebe Bilgi Sistemine Etkileri: Bist-100 Endeksindeki Şirketlerde Uygulama, Yayınlanmamış Yüksek Lisans Tezi, İnönü Üniversitesi, Sosyal Bilimler Enstitüsü, Malatya.
11. Dölen, T. (2012). Muhasebe Meslek Mensuplarının Kurumsal Yönetim Konusundaki Sorumlulukları, Selçuk Üniversitesi Sosyal Bilimler Enstitüsü, Doktora Tezi, Konya.
12. Güneş, R. & Otlı, F. (2003) "Muhasebe Uygulayıcılarının Sosyal Sorumluluk Anlayışı Üzerine Bir Araştırma", *Muhasebe ve Bilim Dünyası Dergisi*, Cilt:5, Sayı:2
13. Gürbüz, A.O. & Ergincan, Y. (2004). Kurumsal Yönetim: Türkiye'deki Durumu ve Geliştirilmesine Yönelik Öneriler (1. Baskı). İstanbul: Literatür Yayıncılık



14. Kaderli, Y., & Köroğlu, Ç. (2014). "İşletmelerde Muhasebe Bilgi Sistemi İle Kurumsal Yönetim Anlayışı Arasındaki İlişki". *Journal of Accounting & Finance*, (63).
15. Karamustafa, O., Varıcı, İ., & Er, B. (2009). "Kurumsal Yönetim Ve Firma Performansı: İMKB Kurumsal Yönetim Endeksi Kapsamındaki Firmalar Üzerinde Bir Uygulama". *Kocaeli Üniversitesi Sosyal Bilimler Enstitüsü Dergisi*, (17), 100-119.
16. Kaya, M. (2014). Kurumsal Yönetim İlkelerinin Muhasebe Mesleki Etik Kuralları Açısından Değerlendirilmesi, Yayınlanmamış Yüksek Lisans Tezi, Sakarya Üniversitesi, Sosyal Bilimler Enstitüsü.
17. Kutlu, H. A. (2008). Muhasebe Meslek Ahlakı, Ankara: Nobel Yayınları
18. Metiner, B., (2006). "Kurumsal Yönetim İlkeleri Doğrultusunda Halka Açık Şirketlerde İdeal Yönetim Kurulunun Yapılanması", Yüksek Lisans Tezi, Marmara Üniversitesi, İstanbul.
19. Pamukçu, F. (2011). "Finansal Raporlama İle Kamuyu Aydınlatma Ve Şeffaflıkta Kurumsal Yönetimin Önemi". *Muhasebe ve Finansman Dergisi*, (50), 133-148.
20. Pulaşlı, H. (2003). Corporate Governance, Ankara: Banka ve Ticaret Hukuku Araştırma Enstitüsü.
21. Rezaee, Z. (2005), "Causes, Consequences, and Deterrence of Financial Statement Fraud", *Critical Perspectives on Accounting*, 16 (3), 277-298.
22. Uyar, S. (2008), Lehman Brothers ve Küresel Finansal Krizin Ardından Kurumsal Yönetim ve Denetim Çıkış Yolu Olabilir mi?, <http://www.muhasabetr.com/13.01.2019>.



# Erzurum In The XIXth Century In the Context of Foundation – City Relation (According to Foundation Certificate-Charters)<sup>1</sup>

Ümit KILIÇ<sup>2</sup>

Fatih ÇİÇEK<sup>3</sup>

## CHAPTER 22

<sup>1</sup> This study is an extended version of the oral presentation, which was presented at XVIIIth Turkish Congress of History.

<sup>2</sup> Doç. Dr., Atatürk Üniversitesi, Edebiyat Fakültesi, Tarih Bölümü/ERZURUM

<sup>3</sup> Arş. Gör., Erzincan Binali Yıldırım Üniversitesi, Fen-Edebiyat Fak. Tarih Bölümü/ERZİNCAN



## INTRODUCTION

Foundations, which help us to understand the social and economic life of the period both in Islamic Law in general sense and in Turk-Islam civilization specifically, are important institutions. The foundations in Ottoman society provided the organization of social life, architecture of cities, development of education and cultural life, improvement in health services and many more. Thanks to the foundations, Ottoman Society made a progress in terms of social, religious, economic and cultural aspects. The foundations were established via given goods with the aim of providing service for people's benefit and continuance of it regularly. Throughout the history, using the foundations, benefactors took social, religious, economic and cultural services to places where the governments could not reach. In this paper it was aimed to examine the social and economic influence of foundations on Erzurum which was an Ottoman Empire state in the 19<sup>th</sup> century. The study will be carried on about 50 endowments belonging to 19<sup>th</sup> century and firstly some information will be given about the types of foundations in Erzurum, kinds of endowed real estate and movable properties and how the foundations were managed. Secondly, physical structures such as mosque, madrasah, and covered bazaar that are mentioned in the endowments will be determined. Thirdly, name of families and people who endowed movable and real estate properties will be given in table. In the last part, the economic and social influence of foundations which were established in Erzurum in the 19<sup>th</sup> century will be evaluated according to the endowments. The study will be supported with maps and visuals. The main source of the study is endowment but it is also be enriched with the documents of other works. In terms of local history studies, It was aimed in this paper to contribute to this field of study by revealing the relations of the 19<sup>th</sup> century foundations with Erzurum.

### Foundations (Waqfs)

Foundation means standing, stance and stay in its lexical meaning in Turkish. In addition to its different legal definitions, foundations can be defined as institutions established by rich people for God's sake and of which income is assigned to poor people or to religious and social institutions that serve for public welfare<sup>1</sup>.

Foundations played an important role in shaping the Turkish city and rural life in Seljuk and Ottoman's period, especially their influences on social and economic life were great. In Turkish-Islamic geography physical and socio-economic structures of cities were the works of foundations. It was found that rural locations were also in close relationship with the foundations in addition to the cities. Religious institutions such as mosque, prayer room, Islamic monastery; educational institutions such as madrasah and library; commercial institutions such as inn and caravansary; health and social institutions such as hospital and imaret; public service structures such as: road, bridge and fountain were all provided to society in cities thanks to the foundations. Although some activities related to the foundations were seen in Turkish culture from the Central Asia, it was together with the acceptance of Islam which encourages helping each other that the big development of foundations started. The activity areas of the foundations became larger gradually and the organizational structures of the foundations were shaped in Early Turk-Islamic states. Further, the foundations reached every part of the country and provided different public

<sup>1</sup> Ziya Kazıcı, Osmanlı Vakıf Medeniyeti, Bilge Yayınları, İstanbul 2003, s.33-34., Muhammed b. Ebî Sehl Ahmed es-Serahsî, el-Mebsût XII Cilt, s.27., Nazif Öztürk, Elmalı M. Hamdi Yazır Gözüyle Vakıflar, Türkiye Diyanet Vakfı Yayınları, Ankara 1995, s.28 Ömer Hilmi Efendi, *İthaf-ül Ahlâf fî Ahkam-il Evkaf*, İkbal Matbaacılık, Ankara 1977., VGM. D. 594/240/180

services to all Ottoman Public through the established institutions and given services<sup>2</sup>.

The aim of this study is to examine the foundations which were established in Erzurum in 19<sup>th</sup> century in the context of relation between the foundations and city. The study involves thirty endowments which include registered and established foundations in 19<sup>th</sup> century.

### Foundations in Erzurum and Their Activities in the Field of Public

Ottomans were formed and developed as a continuum of Anatolian Seljuk Empire on the legacy of them. Therefore, the Ottomans benefitted widely from very rich organizations and institutes of earlier Islamic and Turk-Islamic states. Thus, the foundations, of which legal principals were determined in Abbacies period, spread to every part of Islamic and Ottoman world. It is possible to see this spread, which is in parallel with the political and economic development of Islamic society, everywhere from Mawara'un -nahr to the coast of Atlantic Ocean. Many religious and charity facilities such as prayer room, shrine, Islamic monastery, madrasah, schools, bridges, irrigation canals, hospitals, caravansaries, imaret, baths etc were built thanks to the foundations<sup>3</sup>. In this context, city of Erzurum, which was a center of beylerbeylik in administrative organization of Ottoman Empire, was replete with foundations and their services.

### Activities in the Field of Education

When educational services carried out by the foundations in Erzurum were focused, the followings were found in the endowments; a construction of a madrasah, financial aid to officials, building up a library, protection of books and financial aid to the expenses of madrasah.

In this connection, in the first endowment dated 18<sup>th</sup> Shawwal 1218 (15<sup>th</sup> March 1800), a person named Es-seyyid Eş-seyh Ömer Effendi endowed a newly built madrasah, located near Erzurum Ayas Pasha Mosque, on condition that children would study (Talim-i sıbyan) there. According to foundation conditions, those who teach in the madrasah would be given 40 kurus as an income and they would say Fatiha sure every morning for him and his family. It was also laid down as a condition that the one who would say this pray would also be given 5 kurus annually<sup>4</sup>.

In an endowment dated 23<sup>rd</sup> Muharram 1227 (7<sup>th</sup> February 1812), it was found that Ümmügülsüm Hanım, the wife of late el-hâc Mehmed Aga who was one of the residents of Muftu Efendi Neighbourhood, endowed three smithies in Gölbası Bazaar in the baileys of Erzurum. One of the conditions she laid down to the foundation was that ten kurus would

<sup>2</sup> Mehmet Zeki Pakalın, *Osmanlı Tarih Deyimleri ve Terimleri Sözlüğü*, Milli Eğitim Basımevi, İstanbul 1993, 3. Cilt, sayfa 577, Ferit Devellioğlu, *Osmanlıca – Türkçe Ansiklopedik Lügat*, Aydın Kitabevi, Ankara 2013, s.1365., Şemseddin Sami, *Kamûs-ı Türkî (Latin harfleriyle)* İdeal Kültür Yayıncılık, İstanbul 2012s.1158, Şemseddin Sami, *Kamûs-ı Türkî*, İkdâm Matbaası, Dersaadet 1317., 1496, James W. Redhouse, *Müntahabât-ı Lügat-i Osmâniyye*, Türk Dil Kurumu, Ankara 2016, s.525., Ziya Kazıcı, *İslâm Medeniyeti ve Müesseseleri Tarihi*. İstanbul 2003. s.278.

<sup>3</sup> Fuat Köprülü, "Vakıf Müessesesinin Hukuki Mahiyeti ve Tarihi Tekâmülü", *VD. c. II* Ankara 1940, s.12., Mustafa Cezar, *Typical Commercial Buildings of the Ottoman Classical Period* TİŞ. Yay. İstanbul 1983, s.265., Halim Baki Kunter, "Türk Vakıfları ve Vakfiyeleri", *VD. s.I*, Ankara 1938, s.106., Ali Himmet Berki, "Vakıfların Tarihi, Mahiyeti, İnkişafı ve Tekâmülü, Cemiyet ve Fertlere Sağladığı Faideler." *VD. c.VI*. İstanbul 1965. s.12–13

<sup>4</sup> Vakıflar Genel Müdürlüğü Arşivi (General Directorate of Foundations Archive) Abbreviation (VGM); Defter No (File No) (text to be used in this way VGM. D.) VGM. D. 600/252/317

be given to teacher of the school in Mumcu Neighbourhood<sup>5</sup>.

In another endowment dated 2nd Receb 1269 (11<sup>th</sup> April 1853), el-Hac Mehmed Ağa bin Ali who resided in Mumci-i Ulya Neighbourhood of Erzurum endowed a teahouse in an area named Erzincan Kapı, a grocery shop near Old Court, another grocery shop which was next to old court and lamp shop, another lamp shop which was next to Gümrükçüler ruins, a foundation house and a soup kitchen, a real estate consisting of a wooden house, a barn under a terrace and a backyard which inherited from his ancestors in Kemhan neighbourhood. According to the conditions of foundation, these estates would be rented out and from the rental income, firstly the endowed estates would be repaired and with the rest of the income 10 kurus oil for lighting would be given annually to Kanpan Mosque. Further, it was also stipulated to the foundation that ten kurus would be given for the expenses of the madrasah located in Mumcu-I Ulya (Above) Neighbourhood<sup>6</sup>.

In another endowment dated 15<sup>th</sup> Şaban 1301 (10<sup>th</sup> June 1884) related to education trader el-Hac Muhammed Dede Salim Ağa bin Muhammed who was one of the residents of Ömer Ağa neighbourhood of Erzurum endowed the following estates; textile (bezzaz) shops in Örtülü Bazaar in an area named Gürcü Kapı, other textile shops in Nazik Bazaar, two-storey houses and gardens in Ömer Ağa neighbourhood, barber and blacksmith shops in Mahallebaşı Bazaar, two shops which were adjoint to each other and a textile shop opposite Habip Baba Shrine, two tailor shops which were adjoint to each other, cotton shops consisting of three shutters (sections), four copper shops which were adjoint to each other, two shutters (sections) tinsmith shops, nine shutters (sections) copper shops opposite the other copper shops, herbalist shops and another shop in Örtülü Bazaar in Gürcü Kapı, two shops adjoint to each other and a tailor shop around Tebriz Kapı Mal square, an inn and a hayloft, a paint shop and a two-storey two rooms in Boyahane, a tailor shop next to the inn and other shops and other real estates in various places of Erzurum. According to education-related conditions of the foundation;

- Books which were in Pervezoglu house in Erzurum would be brought to Zeynel Mosque Şerif-I Library and the expenses of the library would be met.
- Ali Efendi bin Muharrem who was a mudarris in Zeynel Mosque Şerif house would be given five hundred kurus annually in reply to his job as a teacher and warden.
- The mudarris who would be hafiz in this library would record the books in two notebooks in order not to lose or waste them and he would keep one of these notebooks and the other would be given to foundation administration.
- Sürmeli el-Hac hafız Mehmed Emin Efendi who was a teacher of children residing in Bab-I mecidiye would be given one Lira-i Osmanî annually for his teaching services would be given to foundation administration<sup>7</sup>.

### Activities in the Field of Urbanization

It was found that activities in order to meet some public needs such as transportation, fountain, water supply and its sanitary distribution were also common in city of Erzurum.

### Construction of Bridge and Road

In an endowment dated 1235 (1820); late el-Hac Ahmed Ağa whose nick name was Kağızmanlı got a wooden bridge built using wood and stone materials near Tebriz Kapı opposite the house where he resided. He endowed some of his real estates together with a

<sup>5</sup> VGM. D.2171/18/27

<sup>6</sup> VGM. D. 2171/269

<sup>7</sup> VGM. D. 586/151/145 (This foundation is referred to as Hacı Dede Ağa Foundation)

lime shop and a candle shop for the repair and expenses of this bridge<sup>8</sup>.

In another endowment dated 15<sup>th</sup> Saban 1301 (10<sup>th</sup> June 1884); Meskhetian el-Hac Muhammed Dede Salim Ağa bin Muhammed who was a trader in Ömer Ağa neighbourhood endowed some shops and businesses and he laid the condition that some part of the rental income of these estates would be used to repair water jump and bridge in Erzurum plain<sup>9</sup>.

### Fountain

One of the most important services of foundations is to provide drinking water and tap water to the cities. Accordingly, in Erzurum how the foundations were built was understood thanks to the endowments. In an endowment dated 15<sup>th</sup> Saban 1217 (11<sup>th</sup> December 1802) which was related to the foundation, it is inferred that Es-seyyid Eş-şeyh Ömer Efendi endowed a madrasah near Ayas Pasa Mosque on condition that children would study there. According to the conditions of the foundation 5 kurus would be given annually to the repairman who was responsible for the repair and care of the fountain built in a village named Gircinkos by Es-seyyid Eş-şeyh Ömer Efendi<sup>10</sup>.

In 18<sup>th</sup> Shawwal 1218 (31<sup>st</sup> January 1804) dated endowment it was stated that Ahmed Ağa bin Mehmed Ağa who was a resident in Erzurum Kavak Neighbourhood endowed his one shutter shop located in Nazik Bazaar in the bailey of Erzurum. According to the conditions of the foundation; the shop would be rented out and its expenses and repair would be met from its rental income, also 5 kurus would be given annually for the repair and repairman of the fountain that Ahmed Ağa bin Mehmed Ağa built in Kavak Neighbourhood<sup>11</sup>.

In 23<sup>rd</sup> Muharrem 1227 (7<sup>th</sup> February 1812) dated endowment; Ümmügülsüm Hanım who was the wife of late el-hâc Mehmed Ağa and resided in Müftü Efendi neighbourhood in Erzurum laid the condition that some of the rental income of her estates, which she endowed, would be used to repair the fountain in her neighbourhood and another fountain in Dere neighbourhood, also twenty kurus would be given annually to the repairmen of these fountains<sup>12</sup>.

In an endowment dated 17<sup>th</sup> Ramadan 1242 (14<sup>th</sup> April 1827) it was found that Mehmed Efendi bin Mustafa Efendi, one of the residents of Karakilise Neighbourhood endowed the following estates; cobbler's workshop, polishing workshop, lighter shop in inner square, a tobacco shop in Ayas Pasa street, two draper shops which were adjoint to each other in Nazik Bazaar, a smithery in İlyas Pasa Bazaar, a candle shop next to Mehmet Emin Efendi's furniture shop in Tebriz Kapı near Menzil Inn and total seven shutters (sections) shops. According to the conditions of the foundation shops and the candle shop would be rented out by the foundation administration and their rental income firstly the repair expenses of these shops and candle shop would be met. Further, the rental income would be spent for the repair of a waterpipe fountain and its waterways which was built by Mehmet Efendi's father and next to his house in his neighbourhood<sup>13</sup>.

In 27<sup>th</sup> Receb 1269 (6<sup>th</sup> May 1853) dated endowment; eş-şeyh Hüseyin Ruhi Efendi bin Hafız Hasan Efendi bin Musa Efendi who was a resident of Hasan Bahri neighbourhood, one of the sheikhs of Kadiri sect and was in İstanbul when the foundation was registered, laid the condition that part of the income of his endowed estates would be used for the

<sup>8</sup> VGM. D. 618/1/80/61

<sup>9</sup> VGM. D. 586/151/145

<sup>10</sup> VGM. D. 600/252/317

<sup>11</sup> VGM. D.2152/78

<sup>12</sup> VGM. D. 2171/18/27

<sup>13</sup> VGM. D. 2152/116

repair and expenses of fountain, water pipe and Ali Pasa water channel which were in use of his Islamic monastery in Erzurum<sup>14</sup>.

### Water Transfer Services

One of the most common needs of the cities in Ottoman Empire was the use of clean drinking water. Therefore, supplying clean drinking water to cities was among the most important functions of foundations throughout history. As it was understood from 19<sup>th</sup> century endowments, the care and repair of water ways including the water source and its fountain in order to supply water to the cities was an essential duty of the foundations. Those who care and repair the waterways were called water traveler or water-bearer. Those people were given some money from the income of foundations according to the services they gave.

In an endowment dated 17<sup>th</sup> Ramadan 1242 (14<sup>th</sup> Nisan 1827); It was stated that Mehmed Efendi bin Mustafa Efendi, one of the residents of Karakilise Neighbourhood in Erzurum, endowed the following estates; a shoe maker shop, a polishing shop, a lighter shop, in Ayas Pasa street a tobacco shop, in Nazik Bazaar two draper shops which were adjoint to each other, a smithery shop in İlyas Pasa Bazaar, in Tebriz Kapi a candle shop and other seven shutters shops. According to the conditions of the foundation; shops and the candle shop would be rented out by the administration of the foundation and with their rental income these shops would be repaired at first. The waterways of the fountain in Inner Square of the citadel would be repaired with the rest of the rental income and water-bearer of the fountain would be given five kurus annually<sup>15</sup>.

In an endowment dated 1235 (1820) it was stipulated that water channel, which came from Soğukçermik village to Erzurum and carried amount of two pipes water, ruined so some part of income would be spent for the repair of it from its source until where it reached in the city and its water-bearer would also be given some money annually<sup>16</sup>.

In another endowment dated 29<sup>th</sup> Cemâziye'l-evvel 1263 (9<sup>th</sup> April 1853); el-hac Yusuf Ağa bin Mehmed who resided in Cami-I Kebir Neighbourhood in Erzurum endowed a candle shop and his own shop which was located between Tebriz Kapi and Erzurum wall and there were shops belonging to Emin Pasa foundation near it. It was stipulated that his shop and the candle shop would be rented out and their rental income would be used for the expenses and repair of these shops at first. Further, from the rest of the income thirty kurus would be given annually to water-bearer of the fountain which was located in front of the Twin Minarets Madrasah<sup>17</sup>.

### Activities in the Field of Religion

One of the most remarkable things about the 19<sup>th</sup> century endowments in Erzurum is that majority of endowers laid the condition that cattle or small cattle would be bought in certain days with the rental income of endowed estates and these animals would be given to the poor people in Feast of Sacrifice. Further, it was also one of the conditions of the foundations to buy some flour, oil and honey in order to get halva made and distribute it to the poor people.

In an endowment dated 13<sup>th</sup> Muharram 1220 (13<sup>th</sup> April 1805); A former Erzurum Aga named Osman Ağa, who resided in Cafer Efendi neighbourhood in Erzurum, endowed a house with three gates, a wooden house with two rooms, a kitchen, a yard, two cellars and the portion of that house which reserved for men. Firstly the repair and the other

<sup>14</sup> VGM. D. 582/176/117

<sup>15</sup> VGM. D. 2152/116

<sup>16</sup> VGM. D. 618/1/80/61

<sup>17</sup> VGM. D. 2152/75

expenses of the estate would be met with their rental income. Then, it was also stipulated that every year three *kiyye* honey and oil would be bought in some specific days (*eyyâm-ı mu'tâdede*) and halva would be prepared using them and the halva would be distributed in Konk Village Mosque in Erzurum. Also, another condition was that; every year in the Feast of Sacrifice (*îd-i dahiâda*) one small cattle would be sacrificed and its meat would be given to the poor people<sup>18</sup>.

In an endowment dated 17<sup>th</sup> Cemaziye'l-evvel 1243 (6<sup>th</sup> December 1827); Nurullah Ağa bin Mehmet bin Abdullah, one of the residents of Kadana Neighbourhood in Erzurum endowed his moiety which included a 18-room inn, four fabric wardrobes, a tea-house, a barn and its equipments in Zahir square outside Gurcu Kapı. This inn would be rented out by the administration of the foundation and with some of its rental income three small cattle would be sacrificed every year in the Feast of Sacrifice and their meat would be given to the poor people for the sake of his late father and late two siblings. Also, in some specific days halva would be made using three batman (an old weight unit in Ottoman period) honey and high quality flour (*dakik-i Has*) and it would be distributed to the poor people<sup>19</sup>.

Late el-Hac Ahmed Ağa from Kagitman who founded a foundation in 1235 (1820) stipulated to the foundation that every year a small cattle would be sacrificed and its meat would be given to the poor people, further, in some certain days using six *kiyye* honey, six *kiyye* oil and high quality flour halva would be made and distributed to the poor people<sup>20</sup>.

According to the foundation which was founded in 7<sup>th</sup> Cemâziye'l-ahîr 1241 (18<sup>th</sup> December 1825); İsmail bin Ahmed, who resided in Mehdi Abbas neighbourhood in the bailey of Erzurum, endowed an estate consisting of a soup kitchen, a house, a cellar, a two-storey hayloft, a barn and two dooryards to Mehdi Abbas foundation near Narmanlı Mosque. Also, he endowed the usage income of following properties; four cushions of which twenty batman (8 kg) was wool, a big carpet, four small carpets, four rugs, nine pillows, six quilts, two mattresses, two cushions, a kile (40 litre) and forty *kiyye* (1280 gram) copper household goods and twelve *kiyye* iron tools. İsmail bin Ahmed laid the condition that using the income of the foundation, a sheep would be bought every year in the Feast of Sacrifice and it would be sacrificed and its meat would be given to the poor people for his own sake. Also, in some specific days, halva would be prepared and distributed to the poor using some honey and high quality flour (*Dakik-i Has*)<sup>21</sup>.

According to an endowment dated 17<sup>th</sup> Saban 1245 (12<sup>th</sup> February 1830); Abdurrahman Ağa, who was one of the residents of Erzurum Veysi Efendi Neighbourhood and soldiers of Ottoman army, died in Revan in an accident. 30 years before his death, when he was mentally and physically healthy, endowed his estates except for those which belonged to his family in his inheritance. One of the conditions he laid to the foundation that every year a specific amount of oil, honey and flour would be bought and halva would be made in order to give it to the poor people. Another condition was that every year cattle would be bought and sacrificed the Feast of Sacrifice and its meat would be distributed to the poor people<sup>22</sup>.

Fatima bint-i Abdullah nam hatun, one of the residents of Kasım Pasa Neighbourhood in Erzurum endowed her estates in the same neighbourhood consisting of a soup kitchen, a wooden room, a grand saloon, a barn and a yard in 29<sup>th</sup> Şaban 1257 (16<sup>th</sup> October 1841).

<sup>18</sup> VGM. D. 2152/78

<sup>19</sup> VGM. D.2171/18/27

<sup>20</sup> VGM. D. 618/1/80/61

<sup>21</sup> VGM. D. 2152/108

<sup>22</sup> VGM. D. 2152/50



The estates would be rented out and the rental income would be firstly used for the repair and other expenses of the estates. With the rest of the income halva would be in some specific days (eyyam-ı mu'tadele) using three kıyye (1280 gram) oil and honey and it would be given to the poor people<sup>23</sup>.

### Enlightening of Mosques

Almost all of the foundations registered in Erzurum in 19<sup>th</sup> century used some part or all of their income for the enlightening of mosques. The enlightening of mosques was usually enabled using tallow oil<sup>24</sup>, making candle in chandler's shop or using enlightenment oil in oil-lamps<sup>25</sup>. In the following endowments it was examined in detail how the enlightenment job was carried out:

According to the foundation which was established in 18<sup>th</sup> Shawwal 1218 (31<sup>st</sup> January 1804); Ahmed Aga bin Mehmed Ağa who resided in Kavak Neighbourhood in Erzurum, endowed one shutter (section) shop in Nazik Bazaar in the bailey of Erzurum. According to the conditions of the foundation it was stipulated that the shop would be rented out and using its rental income firstly the expenses and repair of the shop would be met also, every year nine kıyye enlightening candle would be produced and used for the enlightening of Kavak Mosque<sup>26</sup>.

In another endowment dated 7<sup>th</sup> Rabiü'l-ahir 1223 (14<sup>th</sup> May 1808) a woman named el-hac Güldeste binti Abdullah, a resident of Müftü Efendi Neighbourhood in Erzurum, came to the court and declared that she endowed her two-section mill in Mördülük village in Erzurum. She laid the condition that the endowed mill would be rented out; using its rental income firstly its repair and other expenses would be met. Further, every year in some specific days (eyyam-ı mutadele) enlightenment oil would be bought and given to Kara Kullukçu Mosque in Erzurum for its enlightenment<sup>27</sup>.

According to the foundation which was established in 27<sup>th</sup> Ramadan 1228 (23<sup>rd</sup> September 1813); oil-lamps were produced for the iron chandelier consisting of 360 oil-lamps in Lala Pasa Mosque in Erzurum and the oil needed for all these oil-lamps were also met by the foundation, as well.

After Mehmet Emin Pasa was appointed to Tokat who was one of the former governors of Erzurum, endowed the following estates to a mosque in Mördülük village; smithery and locksmith shops in Erzurum Gölbaşı, a teahouse in and a cobbler's workshop in cobbler's Bazaar, an inn and another teahouse, a shop near citadel gate in Tebriz Kapı, another teahouse in Fragrance Bazaar and a barber's shop in Erzincan Kapı, in total fifteen properties. The abovementioned shops would be rented out by the appointed administration of the foundation. He stipulated to the foundation that firstly the repair and other expenses of the shops would be met using its rental income. Further, the oil needed for the iron chandelier with 360 oil-lamps, which I had it made in Lala Pasa Mosque, would be given every year from the beginning till the end of Ramadan including Ramadan Bairam days. If any of the oil-lamps got loss or broke down it would be changed with a new one and 40 kurus would be given annually to the cleaner who was responsible for that job. Also, 30 kurus would be given annually to the person who supervised the enlightenment job. What is more, the oil needed for the fifteen oil-lamps which I gave to Mosque in Mumcu Neighbourhood would be given every year from the beginning till the end of Ramadan including Ramadan Bairam days and if any of the oil-lamps got loss or broke down it would

<sup>23</sup> VGM. D. 2152/102

<sup>24</sup> VGM. D. 581/5/7

<sup>25</sup> VGM. D. 2152/50

<sup>26</sup> VGM. D. 2171/273

<sup>27</sup> VGM. D. 601/122/153

be changed with a new one<sup>28</sup>.

According to the foundation which was established in 17<sup>th</sup> Cemâziye'l-evvel 1243 (6<sup>th</sup> December 1827); Nurullah Ağa bin Mehmet bin Abdullah, one of the residents of Kadana Neighbourhood in Erzurum endowed moiety of his property in Zahir square outside Gurcu Kapi consisting of an 18-room inn, four fabric wardrobes, a teahouse and a barn. This inn would be rented out by the administration of the foundation and firstly the repair and other expenses of the inn and other estates would be met using their rental income, then using the rest of the income, every year a six kıyye candle would be made and given to Kadana Mosque<sup>29</sup>.

Abdurrahman Ağa, who was one of the residents of Erzurum Veysi Efendi Neighbourhood and soldiers of Ottoman army, died in Revan in an accident. 30 years before his death, when he was mentally and physically healthy, endowed his estates except for those which belonged to his family. One of the conditions of the foundation was that every year an eight kıyye candle would be made and given to Veysi Efendi Mosque<sup>30</sup>.

According to the foundation established in 7<sup>th</sup> Shawwal 1229 (22<sup>nd</sup> September 1814); Ali bini Hasan bin Âmil, one of the residents of Topçuoğlu Neighbourhood in Erzurum, endowed the following estates: A house with a fountain in it located in Gürcü Kapı Grand Tanner, a garden consisting of mulberry trees, apple trees, pear trees and grape vines together with their fresh fruit, a house, a barn and a warehouse in Maşkinis Village Filük hamlet. He laid the condition that these endowed estates would be rented out annually and fresh fruit would be sold. Firstly, the repair and other expenses of the estates would be met using the income, then using the rest of the income a candle made of one batman oil would be made and given to Gürcükapı Mosque in Erzurum for its enlightenment<sup>31</sup>.

In 15<sup>th</sup> Safer 1253 (21<sup>st</sup> May 1837), Hatice binti Mustafa, a resident of Yoncalık-ı Süflâ Neighbourhood endowed an estate in the same neighbourhood and next to the Osman Pasa mansion, the estate included a soup kitchen, a room, a wooden cellar, another room, wooden woodshed, two two-storey rooms, a hayloft, a portion of a house reserved for women, a barn and a yard. He also endowed a mill in Ergemansur village. It was stipulated that these properties would be rented out by the administration of the foundation and firstly, the repair and other expenses of the estates would be met using the rental income. Further, every year two kıyye candle would be made for the enlightenment in some specific days and one of them would be given to Yoncalık-ı Ulya Mosque and the other to Cennetzade Mosque in Yoncalık-ı Süflâ<sup>32</sup>.

According to another foundation established in 7<sup>th</sup> Cemaziyelahir 1241 (18<sup>th</sup> December 1825); İsmail bin Ahmed, who resided in bailey of Erzurum in Mehdi Abbas Neighbourhood in Erzurum, endowed an estate Mehdi Abbas Foundation. Two sides of the estate were next to Narmanlı Mosque and included a soup kitchen and a house in the same neighbourhood, a cellar, a hayloft, a barn and two backyards. He also stipulated that every year candle would be made of 2 kurus oil and the candle would be given to Abrinis Mosque for its enlightening<sup>33</sup>.

### Money Foundations

In the 19<sup>th</sup> century, it was found that some foundations lent some of their income to re-

<sup>28</sup> VGM. D. 2171/18/27

<sup>29</sup> VGM. D. 596/235/203

<sup>30</sup> VGM. D. 2152/50

<sup>31</sup> VGM. D. 582/2/489/363

<sup>32</sup> VGM. D. 2152/137

<sup>33</sup> VGM. D. 618/80/61

liable people or to other people whose guarantors were reliable under the name of eleven and a half for ten. Although any kind of interest is prohibited in Islamic Law<sup>34</sup>, especially after 16<sup>th</sup> century some important and well-known ulamas of the period such as İbn-i Kemal, Çivizade, Ebusuud Efendi gave a fatwa that the foundations could charge interest in some specific rates so that the foundations could protect the value of their money against inflation and the merchants could run their businesses<sup>35</sup>. In the endowments expressions such as “murabaha”, “riba”, “istirba” ve “nemâ” were used regarding lending at interest<sup>36</sup>. In this context, the lending activities of the foundation in Erzurum in 19<sup>th</sup> century were examined in the following endowments.

According to a foundation which was established in 15<sup>th</sup> Sa’ban 1301 (10<sup>th</sup> June 1884); trader el-Hac Muhammed Dede Salim Ağa bin Muhammed who was a Meskhetian Turk and a resident of Ömer Aga Neighbourhood in Erzurum, endowed the following estates: Clothes shop in Örtülü Bazaar in Gürcü Kapı, clothes shop in Nazik Bazaar, two-storey houses and gardens in Ömer Aga Neighbourhood, barber’s shop and blacksmith shops in Mahalle Başı Bazaar, two shops which were adjoint to each other opposite Habip Paşa Shrine, one shutter draper shop, two tailor’s shops which were adjoint to each other, three shutters thread chooser shops which were adjoint to each other, four shutters copper-smith shops which were adjoint to each other, two shutters tinsmith shops, nine shutters coppersmith shops opposite the other coppersmith shops, fragrance shops and another one shop in Gürcü Kapı inside Örtülü Bazaar, two shops which were which were adjoint to each other in Tabriz Kapı around Mal Square, one shutter tailor’s shop, two other shops which were adjoint to each other, an inn, a hayloft, a paint shop, two rooms, a tailor’s shop next to the inn in Boyahane and some other shops and various estates in different places of Erzurum. According to the lending at interest condition of the foundation after using some of the income of the foundation for the repair and other expenses of the endowed estates, the administration of the foundation would lend some money at interest with eleven account to reliable people or those whose guarantors were reliable<sup>37</sup>.

In an endowment dated 15<sup>th</sup> Safer 1253 (21<sup>st</sup> May 1837); Hatice bint-i Mustafa, who resided in Yoncalık Süflâ neighbourhood in Erzurum, endowed an estate which was near Osman Pasa Mansion and consisted of a soup kitchen with a room, wooden cellar, a wooden woodshed, two two-story rooms, a hayloft and a room reserved for men, a barn and a backyard in the same neighbourhood and a mill in the Ergemansur village. It was stipulated to the foundation that these estates would be rented out by the administration of the foundation and from the rental income, firstly the repair and other expenses of the endowed estates would be met. Every year two kıyye candle would be made for the enlightenment and one kıyye would be given to Yoncalık-ı ulya Mosque and the other to the Yoncalık-ı süflada Cennetzade Mosque. Further, the rest of the money would be lent at interest with 11.5 interest rate to reliable people or those whose guarantors were reliable and the income of that money would be used for the foundation<sup>38</sup>.

Es-Seyyid Mehmed Efendi bin Osman ibni’l-Hac Mehmed, who was a resident of Dere-i Kebir village in Erzurum endowed 800 kuruş as the capital when he was a guest in Şehzade Sultan Mehmed grand madrasah in 18<sup>th</sup> Safer 1261 (26<sup>th</sup> February 1845). According to the conditions of the foundation this amount would be lent at interest with eleven and a half for ten account by the administration of the foundation to reliable people

<sup>34</sup> Holly Quran, Bakara 275

<sup>35</sup> Dr. Tahsin Özcan, *Osmanlı Para Vakıfları: Kanûni Dönemi Üsküdar Örneği*, Türk Tarih Kurumu basımevi, Ankara 2003, s. 10-14

<sup>36</sup> Şemseddin Sami, *Kamûs-ı Türkî (Latin harfleriyle)* İdeal Kültür Yayıncılık, s.1158 İstanbul 2012

<sup>37</sup> VGM. D. 586/151/145

<sup>38</sup> VGM. D. 2152/137

or those whose guarantors were reliable<sup>39</sup>.

According to the foundation which was established in 27<sup>th</sup> Receb 1269 (1<sup>st</sup> December 1852); eş-şeyh Hüseyin Ruhi Efendi, who was from Hasan Basri Neighbourhood in Erzurum, one of the sheikhs of Kadiri Sect and lived in İstanbul, endowed the following estates to Kadiri dervish lodge; a big hayloft in Hasan Bahri Neighbourhood which belonged to him, a room next to it, total six rooms; four wooden rooms and a two-storey rooms outside the hayloft for the poor dervishes' accommodation, two barns, another hayloft, a toilet, two houses, a kitchen, a hammam, a water pipe drinking water from Ali Paşa water and a dining hall. According to the conditions of the foundation, the administration of the foundation, using the income coming from the endowed estate, would lend the money at interest in eleven and a half for ten account in order to meet the needs of the Kadiri lodge and its members and to keep Kadiri sect activities continue everyday in the evening and in the morning<sup>40</sup>.

## RESULT

Throughout the history, foundations have had a crucial function to carry out social services. In our research it was found that the foundations, which were established in Erzurum in 19<sup>th</sup> century, provided many public services for the society in the city. When the variety of endowed estates and properties of the foundations were taken into consideration, it was clear that the foundations, which were established in that period, affected the economy of the city in many ways. The businesses rented by the foundations supported the financial organization both in terms of physical needs and finance in the concept of producer and consumer relation in the city. The foundations established in the 19<sup>th</sup> century had many important effects in terms of carrying out social services. The contributions, social cooperation and employment provided by the foundations to the needers in the society helped balance the social structure. It was found in our studies that the foundations had great contributions in supplying water and its distribution in the 19<sup>th</sup> century. The construction, repair and care of the fountains, water channels from the spring till the houses were mostly carried out by the foundations. Construction of madrasas, meeting the expenses of the madrasas, building libraries, protection of books and financial aid to madrasa workers showed the important role of the foundations in the field of education. When the contributions of the foundations to the religious issues were studied, it was found that generally every foundation undertook the enlightening of mosques. For example, for Lala Paşa Mosque, a foundation had an iron chandelier made consisting of 360 oil-lamps and the other foundation provided candles and oil for it. Another religious service provided by the foundations was that, they generally bought big or small cattle, sacrificed them and gave their meat to the poor for the sake of endowers themselves or for their families.

The service of the foundations for urbanization and public welfare was usually the construction of fountain and bridge. Another function of the foundations in Erzurum was that they lent money at interest.

Foundations' lending money at interest was a common case in Ottoman Empire since 15<sup>th</sup> and 16<sup>th</sup> centuries. To sum up, it was found in this study that the foundations established in Erzurum had activities almost all the areas of life in order to meet the needs of individuals and the society.

<sup>39</sup> VGM. D. 581/168/183

<sup>40</sup> VGM. D. 582/176/117

Order	Types of Endowed Properties	Archieve Document Number
1	Aba Maker's Shop	VGM. D. 618/1/80/61
2	Barn	VGM. D. 596/235/203
3	Animal Feed Shop	VGM. D. 618/1/80/61
4	Land	VGM. D. 618/1/80/61
5	Soup Kitchen	VGM. D. 2152/102
6	Garden	VGM. D. 2152/50
7	Grocery	VGM. D. 618/1/80/61
8	Barber's Shop	VGM. D.2171/18/27
9	Draper's Shop	VGM. D. 586/151/145
10	Paint Shop	VGM. D. 586/151/145
11	Dervish Lodge (Belonging to Kadiri Sect)	VGM. D. 582/176/117
12	Mill	VGM. D. 601/122/153
13	A Two-Storey House	VGM. D. 2152/78
14	Bakery Shop	VGM. D. 618/1/80/61
15	Shoemaker's Shop	VGM. D. 2171/18/27
16	Cotton Shop	VGM. D. 586/151/145
17	Inn	VGM. D. 586/151/145
18	Teahouse	VGM. D. 2171/18/27
19	Tinsmith Shop	VGM. D. 586/151/145
20	Lime shop	VGM. D. 618/1/80/61
21	Bridge	VGM. D. 618/1/80/61
22	Rifle Shop	VGM. D. 618/1/80/61
23	Store	VGM. D. 586/151/145
24	Madrasa	VGM. D. 600/ 252/317
25	Small Inn	VGM. D. 2171/18/27
26	Hayloft	VGM. D. 2152/50
27	Candle Shop	VGM. D. 2152/75
28	Cash Money Capital	VGM. D. 581/168/183
29	Blacksmith Shop	VGM. D. 586/151/145
30	Coppersmith Shop	VGM. D. 586/151/145
31	Watchmaker's Shop	VGM. D. 618/1/80/61
32	Soap Maker's Shop	VGM. D. 618/1/80/61
33	Hayloft	VGM. D. 586/151/145
34	Textile Shop	VGM. D. 609/288/337
35	Straw shop	VGM. D. 581/5/7
36	Tailor's Shop	VGM. D. 586/151/145

**Table 1.** Types of Endowed Properties

Order	Neighborhood Name	Archieve Document Number
1	Kavak Neighborhood	VGM. D. 2171/273
2	Cafer Efendi Neighborhood	VGM. D. 2152/78
3	Müftü Efendi Neighborhood	VGM. D.601/122/153
4	Mumcu Neighborhood	VGM. D.2171/18/27
5	Dere Neighborhood	VGM. D.2171/18/27
6	Topçuoğlu Neighborhood	VGM. D.582/2/489/363
7	Çukur Neighborhood	VGM. D. 594/240/180
8	Teymur Ayak Mahalle	VGM. D. 618/1/80/61
9	Mehdi Abbas Neighborhood	VGM. D. 2152/108
10	Kara Kilise Neighborhood	VGM. D. 2152/116
11	Kadana Neighborhood	VGM. D. 596/235/203
12	Bakırcı Neighborhood	VGM. D. 2152/128
13	Veysi Efendi Neighborhood	VGM. D. 2152/50
14	Kasım Beşe Neighborhood	VGM. D. 581/5/7
15	Hasan Basri Neighborhood	VGM. D. 2171/271
16	Mahmudiye Neighborhoodnde	VGM. D. 2171/271
17	Yoncalık Süflâ Neighborhood	VGM. D. 2152/137
18	Yeğen Ağa Neighborhood	VGM. D. 609/288/337
19	Kâsım ppasa Neighborhood	VGM. D. 2152/102
20	Cami-İ Kebir Neighborhood	VGM. D. 2152/75
21	Mumci-İ Ulya Neighborhood	VGM. D. 2171/269
22	Kemhan Neighborhood	VGM. D. 2171/269
23	Emin Kurbu Neighborhood	VGM. D. 2171/269
24	Derviş Ağa Neighborhood	VGM. D. 2152/98
25	Murat Paşa Neighborhood	VGM. D. 618/92/71
26	Zağaracı Neighborhood	VGM. D. 593/10/10
27	Abdurrahman Ağa Neighborhood	VGM. D. 698/21/33
28	Ali Paşa Neighborhood	VGM. D. 2171/8/11
29	Kavak Neighborhood	VGM. D. 2171/8/11
30	Köse Ömer Ağa Mahalle	VGM. D. 2171/8/11
31	<b>Şeyhler</b> Neighborhood	VGM. D. 2152/123

Table 2. Neighborhoods of the city

Order	Mosques	Archieve Document Number
1	Ayas Paşa Mosque	VGM. D. 600/ 252/317
2	Kavak Mosque	VGM. D. 2171/273
3	Karakullukçu Mosque	VGM. D. 601/122/153
4	Cafer Efendi Mosque	VGM. D. 2152/78
5	Derviş Ağa Mosque	VGM. D. 2171/18/27
6	Lala Paşa Mosque	VGM. D. 2171/18/27
7	Hörcü Mehmed Paşa Mosque	VGM. D. 681/80/61
8	Namirvanlı (Narmanlı) Mosque	VGM. D. 681/80/61
9	Gürcü Kapı Mosque	VGM. D. 681/80/61
10	Kurşunlu Mosque	VGM. D. 681/80/61
11	Lale Mosque	VGM. D. 2152/116
12	Kadana Mosque	VGM. D. 2152/128
13	Cennetzâde Mosque	VGM. D. 2152/128
14	Yenikapı Mosque	VGM. D. 2152/50
15	Üveys Efendi Mosque	VGM. D. 2152/50
16	Kasım Paşa Mosque	VGM. D. 581/5/7
17	Yoncalık-ı Ulya Mosque	VGM. D. 2171/271
18	Yeğen Ağa Mosque	VGM. D. 609/288/337
19	Cami-i Kebir Mosque	VGM. D. 2152/75
20	Kanpan Mosque	VGM. D. 609/297/353
21	Ahmed Ağa Mosque	VGM. D. 618/92/71
22	Murad Paşa Mosque	VGM. D. 618/92/71
23	Çırçır Mosque	VGM. D. 609/287/337
24	Gürcü Mehmed Paşa Mosque	VGM. D. 609/287/337
25	Salihîye Mosque	VGM. D. 609/287/337
26	Abdurrahman Ağa Mosque	VGM. D. 698/21/33
27	Şeyhler Mosque	VGM. D. 2152/123

Table 3. Mosques

Order	Bazaars	Archieve Document Number
1	Nazik Bazaar	VGM. D. 2171/273
2	Gülahmed Bazaar	VGM. D. 601/123/153
3	Haffaflar Bazaar	VGM. D.2171/18/27
4	Ayas Paşa Bazaar	VGM. D. 618/1/80/61
5	Sipahi Bazaar	VGM. D. 618/1/80/61
6	Kazzazlar Bazaar	VGM. D. 618/1/80/61
7	Erzincan Bazaar	VGM. D. 618/1/80/61
8	İlyas Paşa Bazaar	VGM. D. 2152/116
9	Gölbaşı Bazaar	VGM. D. 609/288/337
10	Örtülü Bazaarı	VGM. D. 586/151/145

Table 4. Bazaars

## REFERENCES

### The Books of General Directorate for Foundations (ANKARA)

#### Number of Foundation Certificate-Charters / WAQFIYYAS

1. VGM. D. 2152/116
2. VGM. D. 600/ 252/317
3. VGM. D. 2152/128
4. VGM. D. 2152/50
5. VGM. D. 2152/78
6. VGM. D. 2171/273
7. VGM. D. 581/168/183
8. VGM. D. 581/5/7
9. VGM. D. 594/240/180
10. VGM. D. 596/235/203
11. VGM. D. 601/123/153
12. VGM. D. 618/1/80/61
13. VGM. D.2171/18/27
14. VGM. D.601/122/153
15. VGM. D. 2152/102
16. VGM. D. 2152/108
17. VGM. D. 2152/123
18. VGM. D. 2152/137
19. VGM. D. 2152/50



20. VGM. D. 2152/75
21. VGM. D. 2171/269
22. VGM. D. 2171/271
23. VGM. D. 2171/8/11
24. VGM. D. 581/5/7
25. VGM. D. 582/176/117
26. VGM. D. 586/151/145
27. VGM. D. 593/10/10
28. VGM. D. 609/288/337
29. VGM. D. 618/92/71
30. VGM. D. 698/21/33
31. VGM.D. 2152/116
32. VGM. D.582/2/489/363
33. VGM. D. 2171/273
34. VGM. D. 594/240/180
35. VGM. D. 618/80/61

### Other Works

1. Ahmet Akgündüz, *İslam hukukunda ve Osmanlı Tatbikatında Vakıf Müessesesi*, Osmanlı Araştırmaları Vakfı, İstanbul 1996.
2. Bahaeddin Yediyıldız, "Vakıf", *İslâm Ansiklopedisi*, Milli Eğitim Bakanlığı, Eskişehir 1997.
3. Bahaettin Yediyıldız, "Vakıf", *Diyanet İslam Ansiklopedisi*, Türkiye Diyanet Vakfı Yayınları, İstanbul 2012.
4. Nazif Öztürk, *Elmalı M. Hamdi Yazır Gözüyle Vakıflar*, Türkiye Diyanet Vakfı Yayınları, Ankara 1995.
5. Nazif Öztürk, *Türk Yenileşme Tarihi Çerçevesinde Vakıf Müessesesi*, Türkiye Diyanet Vakfı Yayınları, Ankara 1995.
6. Tahsin Özcan, *Osmanlı Para Vakıfları: Kanûnî Dönemi Üsküdar Örneği*, Türk Tarih Kurumu basımevi, Ankara 2003.
7. Ferit Devellioğlu, *Osmanlıca – Türkçe Ansiklopedik Lügat*, Aydın Kitabevi , Ankara 2013,
8. Hacı Mehmet Günay, "Vakıf" *Diyanet İslâm Ansiklopedisi*, Türkiye Diyanet Vakfı Yayınları, İstanbul 2012
9. James W. Redhouse, *Müntahabât-ı Lügat-i Osmâniyye*, Türk Dil Kurumu, Ankara 2016.
10. Holly Quran
11. Mehmet Zeki Pakalın, *Osmanlı Tarih Deyimleri ve Terimleri Sözlüğü*, Milli Eğitim Basımevi, İstanbul 1993.
12. Muhammed b. Ebî Sehl Ahmed es-Serahsî, *el-Mebsût*, XII Cilt. Çağrı Yayınları, İstanbul 1983.
13. Mehmet Fuad Köprülü, *İslâm ve Türk Hukuk Tarihi Araştırmaları ve Vakıf Müessesesi*, Akçağ Yayınları, Ankara 2005.

14. Ömer Demirel, *Osmanlı Vakıf Şehir İlişkisine Bir Örnek: Sivas Şehir Hayatında Vakıfların Rolü*, Türk Tarih Kurumu Yayınları, Ankara 2000.
15. Ömer Hilmi Efendi, *İthaf-ül Ahlâf fî Ahkam-il Evkaf*, İkbal Matbaacılık, Ankara 1977.
16. Ömer Lütfi Barkan, *Hüdâvendigâr Livası Sayım Defterleri*, Türk Tarih Kurumu Yayınları, Ankara 1988.
17. Şemseddin Sâmî, *Kamûs-ı Türki*, İkdâm Matbaası, Dersaadet 1317.
18. Ziya Kazıcı, *Osmanlı Vakıf Medeniyeti*, Bilge Yayınları, İstanbul 2003.

# An Assessment Of Perception Management With Regard To Turkish Public Administration In The Virtual Public Field

**Emrah ARĞIN<sup>1</sup>**

## CHAPTER 23

---

<sup>1</sup> Research Assistant Dr. Firat University, Faculty of Communication, Elazig/Turkey



## ENTRY

As a global network system, Internet technology has become widespread worldwide after the second half of the 20th century. Thanks to this technology, the time and space boundary, which is an important determinant of the communication process, has disappeared and it has become easier for people to transfer information from one place to another at any time. Nowadays, there is a communication environment in which all information exchange is provided quickly and easily, users at very distant points can come together in a virtual environment and can share content and data with each other. In this new era, which is expressed by concepts such as the network society and information age, the communication medium is a reflection of real life. These communication environments accompany people from citizenship services to economic activities, from social relations to interpersonal communication and act as a vehicle for these actions.

In this new era, where communication technologies are highly developed and new communication channels are spreading, people's news exchange, communication culture and behavior are affected. Especially with the new communication technologies, people's behavior habits and the behavioral habits of the society are changing. In recent years, social media tools, which have a very widespread use rate globally, provide a communication medium where everyone can contribute, unlike traditional media. At the same time, social media tools allow users to participate in all communication processes.

Thanks to social media, all users have easy, fast and instant communication facilities, but they are also open to any kind of message. Social media, where information is available to spread quickly and easily, gives all actors the opportunity to reach their target audience, to influence their perceptions and to shape their behaviors. Especially in the information age, where information is as important and effective as the least physical power and possibilities, communication environments such as social media are very important in terms of influencing people's perceptions and getting ideas and action on a certain subject. In these environments, it offers the opportunity to share infinite number of information without being censored and to have unlimited access to information.

These environments offer an infinite number of information sharing and unlimited access to information without any censorship. The public sphere, where discourses and actions exist, and the areas where everyone can take part, are transformed into virtual public spaces with new communication environments (Çötel, 2017: 11). In these areas, which express a public structure where the boundaries between the public sphere and the private sphere existed are obscured, even civil and political society have intervened and emerged as virtual social spaces (Güler, 2018: 43). When these areas are considered in the context of new communication environments, it has gained a structure that is open, accessible and impacted by the external public as well as the public. Therefore, the use of social media tools in the context of perception management has become very important within the framework of the new public management approach. Situations such as the legitimacy crisis experienced by the state and the fact that the traditional management approach is far from citizen-oriented management necessitated perception management within the scope of stakeholder-oriented communication activities along with the understanding of governance (Çakır, 2015: 290).

In this study, the perception management function of the social media which provides almost all the relations of the present day and creates a virtual public space and provides the dissemination of all kinds of political discourse and actions and the dissemination of them are examined.

Social media, which is a virtual and mediated view of the public space with the reflection of all life, has become an important tool of perception management with these

features. These new communication environments enable access to all public spaces through the global network. In this way, the protection of the internal public against such methods as propaganda, psychological warfare, information warfare, public relations and public diplomacy which are also applied in these environments are important as a public policy. In the study of perception management by giving examples of the use of public space in a virtual context, the situation in Turkey assessed and recommendations will be presented.

## 1. SOCIAL MEDIA

Social media, one of the most common communication media, is the platform where users can easily share their thoughts and feelings. In these environments where mutual interaction is possible, social relations are easily established and developed. At the same time, although there is no face-to-face communication, mutual relations are carried out through social media and people can interact with each other by sharing them anywhere and anytime (Koç, 2017: 1). In this respect, social media is capable of being involved in all communication processes between people as a result of developing information and communication technologies.

Social media tools are one of the newest and most widely used communication environments. The social media, which is developed through the Web 2.0 technology from the advanced versions of the Internet, is defined as “platforms where people create online profiles, share their interests, write, connect with friends and strangers” (Özen, 2012: 18). According to another definition, social media which is an application that enables the exchange of different ideas and experiences on public web pages and places the cyber world in the middle of our lives rapidly; is the new face of communication in which individual and group interactions are combined (Weinberg, 2009: 1).

In social media environments where it is possible to read, watch, listen and share different types of content and share them with other users, there is a technology dominated by convergence. In this technology, different media environments can coexist in the same environments (Jenkins, 2004: 33-43). For this reason, with the convergence feature of social media, users can create different media environments and share their own produced and previously produced content with other users. However, this aspect of social media interacts with the ‘Prosumer’ concept, which Toffler presents with a combination of ‘producer’ and ‘consumer’ concepts (2008: 335-348). The individual, who is the only consumer in the traditional media, has turned into a producing and consuming position with social media and has become a consuming one.

The most important difference that distinguishes social media from other communication environments is that it plays an active role in the production and distribution of content in these environments. Another feature of social media is that all users have access to the profiles they have created. In this way, social media users can send messages to each other without having to be physically together and they can communicate each other. Moreover, both the production and distribution of these messages are free of charge. Therefore, it is considered that these classes, which are not privileged in any class, can share all kinds of messages with others, and this is an effective tool in mobilizing the masses and creating public opinion (Başbüyük, 217: 53). In this context, in public space that is transformed by social media, people can form a public opinion by merging around an idea and social movements can emerge as a result of occurrences. Especially the Arab Spring in the Middle East in recent years, Wall Street in the US and Gezi Park events in Turkey, even not start directly with the organization in social media has accelerated in these environments and has become widespread.

## 1.2. Features of Social Media

Social media, which is one of the applications of Internet technology, is separated from the traditional media in many aspects and carries the users from the passive position to an active sender-receiver. The user can now be both a producer and distributor of their contents. The five features of social media that enable users to be active in Internet-based communication processes can be listed as follows (Mayfield, 2008: 5):

**Participants:** The most important feature of the user on social media is that they can actively participate in all communication processes and provide feedback to the messages they receive.

**Openness:** Social media platforms make users an active actor and provide access to all content and provide feedback to them.

**Conversation:** While traditional media stands out with one-way communication, there is a two-way communication on social media. Users may interact with each other or with a group

**Community:** It is very easy to form and organize communities on an idea and action in social media. In this way, it becomes faster and easier to organize and spread ideas and actions.

**Connectedness:** Another feature of social media is its ability to link to all content.

When we look at the characteristics of social media, there is a communication process different from the traditional media. In this new communication process, social media applications enable the user to interact with all kinds of information and interact with other users. Cakmak (2014: 67) lists the characteristics of social media as follows:

- They are suitable for interaction. Users can communicate with each other instantly. It provides both simultaneous and nonsynchronous communication. All users can participate in the communication process without limits.
- Users can generate content independently. Social media is an alternative media for individuals or communities who cannot find a place in traditional media.
- Accessibility is easy. It is possible to access all types of applications and content from any point on the earth where the Internet connection is provided.
- Even if filtering is possible for exceptional cases, the censorship and the boundary is very small
- In these environments, an organized and institutional structure is not needed for an action-oriented communication strategy. Individual can be effective in these environments by oneself.

Although social media environments and traditional media environments are similar they offer very different features. When social media and traditional media are examined comparatively, some differences have emerged.

Traditional Media	Social Media
It is difficult to update and replace.	It can be updated and changed quickly and easily.
Interpretation is not limited and instantaneous.	It allows unlimited and instant comments.
Measurement is limited and delayed.	Unlimited and instant measurement can be made.
Archiving and access to the archive is difficult and costly.	Archiving is easy and accessible.
Traditional media tools are not flexible.	Social media is quite flexible. A message can be shared on all social media tools.
It is published with an organization.	It is possible to publish individually.
Feedback and sharing is very difficult.	The interaction with sharing and participation is high.
Control is easy and frequent due to the channels used.	Because it is instantaneous, control is difficult and provides freedom.

**Table 1.** Comparison of Traditional Media and Social Media Characteristics**Source:** (Stokes, 2013: 368)

When the differences in Table 1 are examined; they are tools that are inflexible, difficult to update, subject to frequent inspections, limited interpretation, in need of an organization, difficult to archive and costly. On the other hand, social media can be broadcasted very quickly without the need of any organization, and these publications are easy to update, allowing unlimited and instant feedback.

Considering the characteristics of both Mayfield (2008: 5) and Stokes (2013: 368) and Cakmak (2014: 67), it is seen that the communication process that takes place in social media is a significant player in the production, transmission and re-acquisition of the content. In addition, social media may allow users to access all kinds of content, but may also be considered independent of a particular authority. This aspect of social media coincides with the change of power (BigBrother), which, with consumer capitalism, imposes restrictions restricting individual freedom and, if these limits are exceeded, have the power of punishment. Bauman (2015: 64) points out that this change leads to the disappearance of public perception, which limits individuals' freedom and that leads to a specific orientation and that the illusion of freedom in the war between "security" and "freedom" emerges.

There are also different basic building blocks that make up the social media. In a study by Kietzman and others (2011), they discussed these elements of social media in seven groups: identity, conversation, sharing, position, relations, reputation and communities. The identity element deals with the way in which users display their identities and how they speak in the chat category. Sharing is the category in which users share what content they share. In the position element, users can see each other's positions, in the relationships category determine whether the relationships are formal or informal. In terms of reputation, the criteria of the reliability of users are laid out, it is clear that groups of all kinds can be formed in groups. According to the social media practices used, the dominant direction of these elements varies. While the number of followers on Twitter and the number of feedback received by the shares affected the reputation, it is more important to maintain more recent relations or establish new relations on Facebook.



## 2. PERCEPTION AND PERCEPTION MANAGEMENT

### 2.1. Perception and Perceiving

The term of perception in Western languages is the meaning of perception. In Turkish this term derives from the root of perceive. The perception, which is simply to transfer the objective world through subjective senses to subjective consciousness (Özer, 2012: 148), is defined by İnceoğlu (2004: 72) as sensory information about abstract-concrete objects in our external world. Another aspect of perception is the effectiveness of interpreting external data with the senses of feeling together with the five senses. Through perception, people make sense of the stimuli in the external world; know the objects through the senses it creates or reminds, in short, comprehend or realize something (Pustu, 2017: 311).

Perception is also a state of being aware of the events and the people around them. Individuals, through their senses, produce a product by processing what they receive from the outside world. This process is called perceiving and the resulting product is called perception. If messages are meaningful to the individual, the perception is generated if the messages are meaningful and the perceiving takes place consciously. Perception is the process of interpreting, evaluating, understanding, and consciously creating a mental integrity (Tutar, 2015: 186). Perception is generally defined as learning the existence and properties of the external world through the senses (Hacıkadıroğlu, 1984: 186). In this respect, it can be argued that perception is the beginning and perceiving is the process, and in the end of this process an image of people in the outer world is formed. In this respect, it can be asserted that perception is the beginning and perception is the process, and at the end of this process, there is an image in the people who are in the outside world. At the same time, the perception shaped by values, norms and rituals is the factor that directly affects the end of the perceiving process.

However, it is stated that perception is formed in two ways as perception based on mental perception and experience. It is developed with sensory organs in the sense of experience based on experience, seeing, hearing, touching, sniffing and taste. Mental perception; it is related to knowing things and is said to be expressed as the sixth sense (Bakan ve Kefe, 2012: 23). This mental process can be exposed to many factors. Individual and environmental factors may cause differences in the perception process. As a result, it is a social and psychological phenomenon, so that the perception can be controlled and controlled by external stimuli.

### 2.2. Perception Management

With the communication age, diversification of information sources and easy access of individuals to information have been very important to lead the target groups to certain attitudes through persuasion and conviction. For this purpose, perception management, or so-called perception management strategies are the main methods. The understanding of perception management has gained considerable importance in creating public opinion or directing public opinion due to the fact that the formation of negotiation environments together with the virtual public space is fast and easy, because it does not recognize the time-space boundary. Today, the main methods applied by political powers and civil society to provide legitimacy and to be visible in public are perception management activities.

Perception management, which is an important tool in social, political and cultural sense, has increased its importance with changing power concept. Throughout history, hard power is an important weapon in the struggles between the powers; nowadays intelligent power a combination of hard - soft power, has gained importance. Now, the

struggles are realized through the perceptions accompanied by the information and those who successfully carry out the perception management which is the totality of the convincing and convincing activities prevail in these struggles (Pustu, 2017: 310). From this point of view, perception management is seen as an important element for the states in terms of directing other communities in the virtual public sphere and gaining visibility and legitimacy in the internal public.

Perception management was first introduced by the US Department of Defense as a concept and defined as follows; 'Selected information and indicators are directed towards the goals of the creator of the information, the intelligence systems of the foreign masses, their intelligence and objective goals, as well as their decision-makers. In different methods, perception management consists of reflecting the facts, hiding, cheating and psychological operations' (Dictionary of Military and Associated Terms. US Department of Defense, 2005). According to another definition in the literature related to the concept, perception management is to develop and supervise the external information flow in order to obtain non-vague information in a broader framework and with more functionality (Saydam, 2006: 81).

As can be understood from the definitions, perception management includes all the activities carried out to influence the target group in the desired direction. This includes public diplomacy, psychological operations and all kinds of misleading activities. Although the expression of perception management sounds more innocent than some other concepts such as operation and propaganda, it has a great importance because of its meaning and area of influence.

### 2.3. Perception Management Strategie

The concepts and contents used in perception management have been developed and renewed over time. For example, one of the most important tools of perception management is propaganda. However, it is seen that psychological warfare emerged as an advanced concept including propaganda. Not all propaganda is psychological warfare, but every psychological war is also a propaganda. It is a war of knowledge, a concept that transcends the psychological struggle in perception management and emerges in the last stage of the 20th century and settles in the 21st century. Perception management from propaganda to knowledge is one of the most important tools of politics (Özdağ, 2017: 20). In this sense, on the basis of propaganda, psychological warfare and information war trio, perception management has taken its present form.

1) *Propaganda*: The use of propaganda goes back to the beginning of the human civilization. Propaganda was initially described as providing prejudiced ideas and ideas to spread through lies and deception. Propaganda word changes over time; it began to imply mass suggestion or influence produced by the manipulation of symbols and the psychology of the individual. Propaganda is simply the transmission of an idea by means of the efficient use of images, slogans and symbols that affect prejudices and emotions (Güdüm, 2014: 153-154). To this end, it is ensured that people who listen to that call adopt the idea as their own.

The basis of propaganda is to convince. Advertising is an indispensable element for a propaganda to be successful (Aksakal, 2015: 168). Considering the persuasion feature of mass media, it is inevitable for public institutions to realize their communication in this way.

2) *Psychological Operations*: The psychological operation is the whole of the activities of the target audience that it has chosen in the political, military, economic, sociological and ideological fields in order to change the emotions, thoughts and attitudes of the target group in order to realize their national interests (Karataş, 2008: 2). It is aimed to change or to manage thoughts in psychological operations.

Today, when the knowledge is used as the greatest power, the aims of psychological operations are of greater importance (Tarhan, 2003: 23). Psychological operations aim to enable other countries or people to manage other people through psychological effects through perception.

3) *Disguised Operation and Information Operation*: Disguised operation and information operations are defined as government agents secretly influencing the politics of another state and directing it in the desired way. The success of the implicit operations is related to the extent to which the organizers of the operations will participate in these activities. These individuals are generally divided into three groups: those purchased with money, those who are employed for ideological reasons and those who are forced to do so (Özarslan, 2014: 53). While implicit operations are generally contrary to the rules of democratic law and international law, it is argued that it is preferable because it is less risky than hot war.

Using information systems; social media is an important area of use in the information wars activities carried out by using tactics such as storing, learning, directing / manipulating and persuading. In particular, it is seen that social media is actively used in learning, manipulating and persuading activities. Today, social media platforms are used more and more intensively to communicate between people. With the widespread use of social media, the privacy of people or the privacy of their private lives changes scope (Başbüyük, 2014: 57).

For all these efforts, the aim is to convince and persuade and the forms of communication activities vary. However, both the open and participatory nature of the virtual public space, where social media is the main tool, and its interactive structure, provide sufficient grounds for the easy implementation of all of these efforts.

### 3. VIRTUAL PUBLIC REALM

The public realm, first put forward by the German thinker Jürgen Habermas in 1962, became widespread after the 1980s. By definition, it refers to the areas where individuals talk, discuss and present their ideas about the state and do not encounter any restrictions in making them, and that public opinion can be published publicly (Onat, 2013: 12). From this definition, when the concept of public is called, it should not only come to mind that the community formed by individuals (Çöteli, 2017: 1). In other words, the public expresses the unity of individuals who negotiate around a certain idea and who can express their convictions clearly to all public without any pressure or censorship.

After industrialization, a transformation has occurred in the structure of public space. In time the activity environments like cinema, theater, newspaper, etc. caused the boundaries between the public space and the private space to become clearer. The most important factor in this case is the increase of the effect of the mass media and the emergence of democratization (Akt. Çöteli, 2017: 2). With this structural transformation of the public sphere, the idea of public opinion has become widespread and individuals have reached an atmosphere of opposition to political authorities.

The public realm, which expresses public spaces, has changed with every new communication technology. The definition and idea of the Public Space defined by Jürgen Habermas in the middle of the 20th century has changed and expanded with each new means of communication and new invention. In an environment where Castells (2013) conceptualizes as a network society, opposition movements are gaining a global dimension in a short time. Likewise, a global movement can gain a local dimension in a short time. The ideas of Castells and Habermas's public realm are similar; but Castells' definition includes the idea of a public sphere that takes into account the global aspect of new communication technologies. This conception points to the virtual public space in

which the boundaries of the public realm are expanded.

In order to understand the phenomenon of virtual public realm, it is necessary to understand globalization in the context of new media and global communication in this context. In the new era, the global nature of the means of communication has changed the time and space relations in people and made them very close (Bauman, 2010: 89). Hence, the virtual public realm has taken the feature of being the local of the public sphere, and has reached a dimension where all the communities can reach each other. However, the public has reached a structure where it crosses all boundaries without being bound to a place / country.

The most important factor in the emergence of virtual public space is the Internet, the most important invention of the new communication age, and social media, one of its applications. Because through social media, individuals have the opportunity to publish their opinions and experience them on a global scale (Koçak, 2012: 33). Thanks to these communication environments, the public space, which is open to everyone, provides a democratic space that allows equal, free and negotiation to all individuals.

There are also differences between the virtual public realm and the real public realm due to their use. In real public realm, the use of space is a prerequisite for the formation of a public opinion. In the virtual public realm, the formation of public opinion is made possible by the nature of the communication that is foreseen by social media platforms. In social media, individuals develop discourses without the need for physical participation to create public opinion on a topic and share these discourses with all users without recognizing the internal and external public boundaries.

The fact that individuals share their ideas without any particular censorship and authority pressure in the virtual public sphere points to the libertarian side of these areas. The most important factor in this situation is the participatory, interactive, open and accessible features of social media environments (Çakmak, 2014: 67; Akt. Vural ve Bat, 2010: 3352). However, there is a possibility that social movements in the real public sphere will be faced with the physical power of the state authority. In the virtual public sphere, legal sanctions and regulations such as restriction on internet access, closing of accounts can be seen. These cases illustrate the possible risks and disadvantages of two public space structures.

#### **4. USING THE PERCEPTION MANAGEMENT IN THE VIRTUAL PUBLIC REALM**

In the process of perception management, first of all, the steps of analyzing the target audience to be guided in a certain direction, revealing their strengths and weaknesses and determining their sensitive points are followed. As a result of these steps, by evaluating the results obtained, the message strategy for the characteristics of the target group is determined, and the discourses on the goals and objectives are developed. In order to achieve the purpose of the discourses determined in this direction, virtual realities must be created. For this purpose, new communication tools are included in this process, making it difficult for the target group to distinguish between reality and fiction (Öksüz, 2013: 13)

Social media offers access to information, producing new content, and sharing content with everyone. In this sense, social media is a very functional tool for creating virtual reality and convincing and directing the masses in the desired direction. Every information that is generated and published in these tools has the potential to spread globally and to reach out to the masses.

Another area that the virtual public sphere has affected and transformed in the new age

of communication is the field of public administration. In particular, within the framework of the concept of good governance, the concept of government-oriented management has shifted from a citizen-centered management approach. With this transition, social media tools that provide all kinds of communication opportunities have been very important. (Telli, 2012: 108).

It is now common for states to use perception management in a variety of areas and even to establish a public policy on this issue. Together with the virtual public space, it has become open to the access and effect of all the communities on the world. The US Department of Defense has taken measures against the possibility that Al Qaeda, which it considers as a danger to internal public opinion, conducts perceptions management through social media. In this direction, it is possible to establish instant messaging, fast and easy dialogue via the Twitter platform @ThinkAgain\_DOS, which implements a communication activity that refutes the ideas of this organization and enters into a one-to-one dialogue with the members of this organization in order to break the power of misguidance.

Perception management efforts have been proposed especially for the purpose of establishing citizen satisfaction by providing social cooperation and participation in internal security services. These services emphasized the importance and impact of correct awareness of society in achieving stability and success (Özer, 2012). From this point of view, it should not be ignored that the perception management strategies for the virtual public space can be developed for internal security services, and thus, by providing the right information and social cooperation, the success of the security services will be ensured and the good governance understanding will be developed.

There are also striking examples of the use of social media platforms in the context of security services and detection management. For example; a police unit serving in the US city of Atlanta, Atlanta, used social media tools and took into account complaints from the public. Moreover, it prevented the misconduct of the forensic cases by the effect of the national and local press. A murder incident that occurred in front of a school and perceived as socialshooting under the influence of the press has transformed the public perception into a common sense of murder by the effective use of the social media platform of this police unit (Çalı ve Altunbaş, 2012: 5)

## 5. AN EVALUATION WITH REGARD TO TURKISH PUBLIC ADMINISTRATION

In Turkey, social media tools are used widely and intensively. According to a report 'Digital in 2018 in Western Asia' released by the organization called Wearesocial and Hootsuite in January 2018, 67 percent of Turkey's population (54.3 million) are connected to the internet and 63 per cent (51 million) is actively uses social media mediums. According to the same report, 54 percent of the population (44 million) is actively using social media platforms via mobile vehicles. Moreover, Turkey's most popular social media tools in the same report, Youtube, Facebook, Instagram and Twitter is ranked as<sup>1</sup>.

In Turkey, social media is such a dense and widespread use; it makes these environments very important in terms of the formation of virtual public space and as a tool in perception management. According to the new public management and governance approach on which citizenship focus is based, these environments are an effective tool in terms of ensuring participation in the decision-making and management process in public administration. At the same time, transparency and accountability, which are two other important elements of governance, are also provided by these tools to be very effective and

<sup>1</sup> For detailed information; <https://wearesocial.com/blog/2018/01/global-digital-report-2018>. (Erişim Tarihi: 08.06.2018)

easy. The availability of social media in terms of accessibility makes it easy for everyone to be open to use and to ensure interaction, transparency and accountability.

The report 'A Partner as Citizenship' presented by OECD in 2011, the participation of citizens in the management process was stated as a necessity. Within the scope of this report; it was emphasized that active participation should be made in informing, negotiating and determining the political agenda (OECD, 2011). Examining the issues addressed by this report, the effect of virtual public space on good governance is seen and it is revealed that perception management is a necessity for the citizen to participate in management.

Some countries around the world have developed policies with the aim of creating an open, transparent and accessible state perception or strengthening the existing perception by using social media platforms of public institutions. The General Services Administration Handbook for Social Media, which was published in 2009 in US, is one of the most striking steps taken in this regard. Similarly, serious trainings are also given in the UK on social media for the police. At the same time, a study conducted in the US found that people use social media applications in natural disaster situations and trust in these environments to help them. Due to this situation, the US Red Cross Society has already prepared programs for natural disaster situations and adopted a proactive management approach for such crisis situations (Telli, 2012: 114).

Social media, after it has become widespread in the world of public policy, Turkey has begun to use virtual public space. The use of social media in Turkish public administration for the purpose of promotion, participation, information and feedback is mentioned for the first time in the Information Society Strategy and Action Plan ( Republic of Turkey Ministry of Development, 2015) In this action plan, it is seen that social media will be used more for public relations than perception management strategies and thus, it is expected that citizens' perception of the state will be improved.

Almost all of central and local administrative organizations with affiliates in Turkey have an account on social media platforms. It is seen that public institutions share their duties and responsibilities in social media environments. The accounts are particularly focused on the activities of senior executives and their explanations on a topic. Although all public institutions share content related to their duties and senior executives, it cannot be seen that they interact with citizens. This suggests that continued in the virtual environment of traditional understanding of bureaucracy in Turkey. When we look at the statistics of public institutions and organizations on Twitter which is a popular social media tool, it is seen that the interaction rate of all accounts is below 1 percent (Öztürk, 2017). From this point of view, it can be determined that social media is not used for interaction purposes in Turkish public administration and therefore there is no perception management approach towards citizen satisfaction and the formation of a transparent government image with the citizenship.

The use of social media tools for perception management in the virtual public sphere is very effective in some areas in the Turkish public administration. For example, public institutions, whose field of activity is public diplomacy in the form of a perception management strategy<sup>2</sup>, share the activities within the framework of their duties and responsibilities with internal and external public opinion. At the same time in the accounts of these organizations, specific issues of Turkey for the purpose of publicity and information is shared with the public through public spotlight and graphics. In this respect, it can be said that virtual public spaces are tried to be used effectively for public

<sup>2</sup> Prime Ministry Press and Information General Directorate, Prime Ministry Public Diplomacy Coordination Office, TİKA, Prime Ministry Overseas Turks and Related Communities Presidency, etc. organizations.



diplomacy in Turkish public administration.

It is very important to use perception management to ensure cooperation and participation in security services. At the same time, it is important in this context that social events are organized in virtual public spaces with the change of public space. It is possible to direct the social movements, especially in the countries, because they are open to the influence of external public opinion. In such cases, it is inevitable to experience irreparable situations. Therefore, use of social media accounts in an interactive way of law enforcement agencies in Turkey and citizens must adopt an approach that takes into account the notice. Despite this situation, the General Directorate of Security and the Gendarmerie General Command do not take into account the notifications made via social media tools. However, the General Directorate of Security emphasizes that the notifications in social media accounts should be made to the 155 Police Notice Line or to the In the light of all these, it is observed that the use of social media in the context of security services in terms of perception management is insufficient in Turkish public administration notification section of the General Directorate of Security on the official website<sup>3</sup>. A similar application takes place on the official web site of the Gendarmerie General Command<sup>4</sup>, but only in the social media accounts of this organization users are directed to 156 Headlines.

## CONCLUSION AND RECOMMENDATIONS

With the development of new communication technologies, it has changed the habits of communication of individuals, the structure of communication activities and the people's perspective on communication. Social media has brought individuals into a position to produce content only from passive recipients exposed to messages, to share content with everyone and to communicate with other users. This situation has created a democratic communication environment that makes interaction possible for everyone.

Social media, which transformed the one-way communication structure of traditional media into a structure that enables bidirectional communication and interaction, has similarly altered the structure of public space. The public space, which has become widespread by traditional mass media, has become a virtual public space with new means of communication. The most distinctive feature of virtual public spaces is that they are open to the access and influence of all the communities on a global surface. A local issue in the virtual public sphere can be moved to a global dimension; a global issue can be localized.

Thanks to social media, which is a global communication environment and changes all communication habits, the creation of virtual public space has made it important to change and direct the perceptions of the masses in terms of management. Since the virtual public space is open to all, it is very important to direct these areas. In a time when the virtual public space is in question, the creation of public opinion or the protection of public opinion is a matter for the states. For this purpose, the use of perception management in the virtual public sphere and the effective implementation of the elements of openness, participation and accountability envisaged by governance are very important for public administrations.

In this study prepared within the framework of these thoughts, the importance of perception management in the virtual public sphere emerged by social media, which has become a part of daily life, has been put forward for public administration and an evaluation has been made in the case of Turkish public administration. In the first three chapters of the study, social media, perception management and virtual public space are

<sup>3</sup> <https://www.egm.gov.tr/Sayfalar/Ihbar.aspx>

<sup>4</sup> <https://vatandas.jandarma.gov.tr/156IHBAR/form/frm156GD.aspx>

discussed in order to reveal the conceptual perspective. The fourth part of the study is the use of perception management in virtual public space. This section includes how and for what purpose management of perception is used in the virtual public sphere. In the fifth chapter, in the context of the virtual public sphere in the Turkish public administration, the main subject of the study, the traces of the perception management efforts were searched and the activities in this direction were evaluated.

As a result of the study, Turkish public administration, information and communication technologies that complimented for this purpose, rather the widely used social media in Turkey has reached the conclusion that is also used by public institutions and organizations. Although the social media tools are used by all public institutions, it can be determined that the concept of virtual public space is not sufficiently established, so that the perception management activities are not carried out sufficiently in virtual environments by considering the new public management and good governance understanding. In this case, efforts should be made at the institutional level for the use of social media tools to protect the internal public opinion against external threats and to create a positive perception of the citizen towards the state. At the same time, public policies should be developed and institutional structures that implement strategic objectives should be established.

## BİBLOGRAFY

- AKSAKAL, T., (2015). Etkili Kamusal Halkla İlişkiler Bağlamında Sosyal Medya Kullanımı ve Türkiye’de Youtube’nin Kapatılması Örneği, Ali Büyükaslan, Ali Murat Kırık, (Ed.), Sosyalleşen Olgular Sosyal Medya Araştırmalar 2 içinde, (1. baskı), Çizgi Kitabevi Yayınları, 159-190, Konya.
- BAŞIBÜYÜK, Oğuzhan (2017). “Algı Yönetimi ve Bilgi Savaşlarında Sosyal Medyanın Rolü”, Bilal Karabulut (Ed.), Algı Yönetimi. Alfa Yayınları, 2. Baskı, İstanbul.
- BAKAN, İ. ve İ., KEFE, (2012). “Kurumsal Açından Algı ve Algı Yönetimi”, Kahramanmaraş Sütçü İmam Üniversitesi İktisadi ve İdari Bilimler Fakültesi Dergisi, 2, (1), ss. 19-34.
- BAUMAN, Zygmunt (2015). Bireyselleşmiş Toplum, Yavuz Alagon (Çev.). Ayrıntı Yayınları, 3. Baskı.
- BAUMAN, Zygmunt (2010) Küreselleşme: Toplumsal Sonuçları. Abdullah Yılmaz (Çev.). 3. Baskı, İstanbul: Ayrıntı Yayınları.
- BERGER, John (2014). Görme Biçimleri. Metis Yayınları, 20. Baskı.
- CASTELLS, Manuel (2013). Enformasyon Çağı: Ekonomi, Toplum ve Kültür: Ağ Toplumunun Yükselişi. Ebru Kılıç (Çev.). Cilt 1, İstanbul: İstanbul Bilgi Üniversitesi Yayınları.
- ÇAKMAK, Veyssel (2014). “İletişim Kaygısının Sosyal Medya Kullanımı Üzerine Olan Etkisi: Üniversite Öğrencileri Üzerine Örnek Olay İncelemesi”, Yayınlanmamış Doktora Tezi. Selçuk Üniversitesi Sosyal Bilimler Enstitüsü. Konya.
- ÇAKIR, Mukadder (2015). İnternette Gösteri ve Gözetim – Eleştirel Bir Okuma. Ütopya Yayınevi, 1. Baskı.
- ÇALI, Hasan Hüseyin; ALTUNBAŞ, Fuat (2012). “Güvenlik Hizmetlerinde Yönetişim Aracı Olarak Sosyal Medya Platformları”. EKEV Akademi Dergisi, Yıl 16, Sayı 50.
- ÇEVİK, Abdulkadir (2013). “Önleyici Unsur Olarak Algıların Kontrolü”. Ahmet Yalçinkaya (Ed.), Algılama Yönetimi. Bahçeşehir Üniversitesi Yayınları.
- ÇÖTELİ, Sami (2017). Sanal Kamusal Alan ve Toplumsal Hareketler – Sibermekanlara Çağrı. İstanbul: Kriter Yayınları, 1. Baskı.
- GÜLER, Rıza (2018). Stratejik İletişim – Güvenlik Odaklı Algı Yönetimi Paradigmaları. Ankara: Karakum Yayınları, 1. Baskı.
- HACIKADİROĞLU, V., (1984). Algılamanın Anatomisi, Ayer, A.j., Broad, C. D. vd.,



- (Ed.), Algılama Duyma ve Bilme İçinde, (1. baskı), Metris Yayınları, 186-227, İstanbul
15. İNCEOĞLU, Metin (2004). Tutum, Algı, İletişim. Elips Kitap, 1. Baskı.
  16. JENKINS, Henry (2004), "TheCulturalLogic of Media Convergence", International Journal of CulturalStudies. Volume (1), pp. 33-43. (www.sagepublication.com)
  17. KARATAŞ, İ., (2008). İletişim Anlamında Psikolojik Savaş ve Propaganda (Yayımlanmamış Yüksek Lisans Tezi) Gebze Yüksek Teknoloji Enstitüsü Sosyal Bilimler Enstitüsü Strateji Bilimi Ana Bilim Dalı, Gebze.
  18. KIETZMANN, Jan H.; HERMKENS, Kristopher; McCARTHY, IanP.; SİLVESTRE, Bruno S. (2011). "Socialmedia? Getserious! Under standingthefunctionalbuildingblocks of socialmedia", Business Horizons. 54, pp. 241 - 251.
  19. KOÇAK, Gizem N. (2012). Bireylerin Sosyal Medya Kullanım Davranışlarının ve Motivasyonlarının Kullanımlar ve Doyumlar Yaklaşımı Bağlamında İncelenmesi: Eskişehir’de Bir Uygulama. Yayımlanmamış Doktora Tezi, Anadolu Üniversitesi Sosyal Bilimler Enstitüsü.
  20. ÖZDAĞ, Ü., (2017). Algı Yönetimi: Propaganda Psikolojik Savaş Örtülü Operasyon ve Enformasyon Savaşı, (7. Baskı), Kripto Basım Yayım Dağıtım Ltd. Şti., İstanbul.
  21. OECD (2011). The Call For Innovativeand Open Government: An Overview of Country Initiatives". OECD, Paris. [www.oecd.org/governance/thecallforinnovativeandopengovernmentanoverviewofcountryinitiatives.htm](http://www.oecd.org/governance/thecallforinnovativeandopengovernmentanoverviewofcountryinitiatives.htm). (Erişim Tarihi: 08.06.2018)
  22. ONAT, Nazım (2013). Kamusal Alan ve Sınırları. İstanbul: Durakİstanbul Yayınları.
  23. KOÇ, Halil İbrahim (2017). Sosyal Medya ve Narsisizm Kültürü. Yayımlanmamış Yüksek Lisans Tezi, Sakarya Üniversitesi Sosyal Bilimler Enstitüsü.
  24. MAYFIELD, A., (2008), What is social media?, <[http://www.icrossing.co.uk /fileadmin/uploads/eBooks/What\\_is\\_Social\\_Media\\_iCrossing\\_ebook.pdf](http://www.icrossing.co.uk/fileadmin/uploads/eBooks/What_is_Social_Media_iCrossing_ebook.pdf)>23.09.2017.
  25. ÖKSÜZ, Harun (2013). "Algı Yönetimi ve Sosyal Medya". İdarecinin Sesi Dergisi, Mayıs-Haziran, ss. 12 – 15.
  26. ÖZEN, İşvecan Nur (2012). İletişim Bilimleri Bağlamında Sosyal Medya ve Sosyo-Kültürel Değişim. Yayımlanmamış Yüksek Lisans Tezi, Marmara Üniversitesi Sosyal Bilimler Enstitüsü.
  27. ÖZER, Mehmet Akif (2012). "Bir Modern Yönetim Tekniği Olarak Algılama Yönetimi ve İç Güvenlik Hizmetleri". Karadeniz Araştırmaları Dergisi. Sayı 33, ss. 147 – 180.
  28. ÖZTÜRK, Ender (2017). Türkiye’de Kamu Kurum ve Kuruluşlarının Twitter Karnesi. [www.teknolojioku.com/sosyal-medya/turkiyede-kamu-kurum-vekuruluslarinin-twitter-karnesi-5a28fcbc18e540630d1e10c0](http://www.teknolojioku.com/sosyal-medya/turkiyede-kamu-kurum-vekuruluslarinin-twitter-karnesi-5a28fcbc18e540630d1e10c0). (Erişim Tarihi: 08.06.2018)
  29. PUSTU, Yusuf (2017). "Algı Yönetimi: Kavramsal ve Teorik Bir Bakış Açısı". Bilal Karabulut (Ed.), Algı Yönetimi. Alfa Yayınları, 2. Baskı.
  30. SAYDAM, Ali (2006). İletişimin Akıl ve Gönül Penceresi Algılama Yönetimi. Rota Yayınları, 2. Baskı.
  31. STOKES, R., (2013), eMarketing the Essential Guide to Marketing in a Digital World, (5. Baskı)
  32. TARHAN, N., (2003), Psikolojik Savaş: Gri Propaganda, (5. Baskı), Timaş Yayınları, İstanbul.
  33. T.C. Kalkınma Bakanlığı (2015). 2015 – 2018 Bilgi Toplumu Stratejisi ve Eylem Planı. Türkiye Cumhuriyeti Kalkınma Bakanlığı Bilgi Toplumu Dairesi, Mart 2015. [www.bilgitoplumustratejisi.org/tr/doc/8a9481984680deca014bea4232490005](http://www.bilgitoplumustratejisi.org/tr/doc/8a9481984680deca014bea4232490005). (Erişim Tarihi: 08.06.2018)

34. TELLİ, Azime (2012). "İnternet ve Sosyal Medyanın Dünyada ve Türkiye'de Kamu Yönetimlerinde Kullanımı: Devlet 1.0 Anlayışından Devlet 2.0 Anlayışına Geçiş", Edibe Sözen (Ed.), Hepimiz Globaliz Hepimiz Yereliz – Gutenberg Galaksi'denZuckerbergGalaksi'ye. Alfa Yayınları, 1. Baskı, ss. 99 – 125.
35. TUTAR, H., (2015). Davranış Bilimleri, (2. baskı), Seçkin Yayıncılık, Ankara.
36. TOFFLER, Alvin (2008). Üçüncü Dalga.İstanbul: Koridor Yayıncılık.
37. US Department of Defense(2005), Dictionary of MilitaryandAssociatedTerms. <https://www.thefreedictionary.com/Perception+management>. (Erişim Tarihi: 05.06.2018)
38. VURAL, Beril Akıncı; BAT, Mikail (2010). "Yeni Bir İletişim Ortamı Olarak Sosyal Medya: Ege Üniversitesi İletişim Fakültesine Yönelik Bir Araştırma", Yaşar Üniversitesi Dergisi. 20 (5), ss. 3348 - 3382.
39. WEINBERG, Tamar (2009).The New Community Rules: Marketing On The Social Rules.O'Reilly Media, USA.
40. "Digital in 2018 in Western Asia". wearesocial.com/blog/2018/01/global-digital-report-2018. WeAre Social andHootsuit. (Erişim Tarihi: 08.06.2018)

# The Main Factors Of Women To Be An Entrepreneur And The Problems Encountered In The Practice: The Case Of Female Pharmacists In Konya

**Adnan ÇELİK<sup>1</sup>**

**Hale ÇAKIR<sup>2</sup>**

## CHAPTER 24

---

<sup>1</sup> Prof. Dr., Department of Business, FEAS, Selcuk University, Turkey

<sup>2</sup> Master Candidate, Institute of Social Sciences, Selcuk University, Turkey



## 1. INTRODUCTION

In the context of the historical development of entrepreneurship, the changes and practices that come into the agenda after 1990s are undeniable. In particular, the development of internet and communication, the questioning of women's rights, the increase in women's entrepreneurship, regional integration and globalization trends, intercultural interaction, the increase of international strategic cooperation and the emergence of new management techniques and tools have begun to affect our country as well as the world (Çelik, 2018: 21-23). Women entrepreneurs are an important factor in the growth of society. Women entrepreneurs are needed in the establishment of enterprises and in the continuation of activities, creation of employment and economic independence. Half of our country's population is women. Benefiting from the knowledge, skills and experiences of this population constituting the potential labor force is a significant gain for the society. If women entrepreneurs are in working life, the country will become more economically efficient. In addition to such macro benefits, women's entrepreneurship also has special benefits for women. Women have the opportunity to express themselves better through their initiatives.

"The Main Factors of Women to Be an Entrepreneur and the Problems Encountered in the Practice: The Case of Female Pharmacists in Konya" this study consisted of two parts. In the conceptual framework of theoretical knowledge, entrepreneurship and women's entrepreneurship, the main factors leading women to be entrepreneurs and the problems faced by women entrepreneurs are included. The methodology part consists of the research hypothesis, the scope and method of the research, and the findings and analysis. The study was terminated by result and evaluation.

## 2. LITERATURE REVIEW

### 2.1. Entrepreneurship and Women Entrepreneurship

Entrepreneurship has been on the agenda of societies in the process from the past to the present. It is a tool that enables the development of societies, creating jobs, making innovations and developing technology. With a better understanding of the importance of today, many studies have been started to be done especially recently (Kaygın and Güven, 2013: 1). Entrepreneurship is the process of recognizing business opportunities, conducting an proper risk management to evaluate these opportunities, and using communication and management skills (İrmiş and Özdemir, 2011: 139). Entrepreneurship is a process of exploration and uncertainty (Hulbert vd., 2013:295). Entrepreneurs can be from every age group, every income level, every race and every gender. Training and experience may differ from each other. In order to be a successful entrepreneur, some basic personal traits should be exhibited. Creativity enables the development of new products and new ways to achieve the job. It is the driving force of innovation and development. To think outside the stereotypes and to learn and to question. Self-confidence develops through assuming uncertainty and necessary risks. Self-confidence gives the entrepreneur the ability to listen to others without being confused by others and without fear of the eye. Leadership is to create certain rules and to set goals according to those rules. It means to follow the rules and to see that success will be achieved (Basar, 2013: 5).

It is not possible to make a single definition about entrepreneurship. This shows that entrepreneurship is a constantly changing phenomenon. Entrepreneurship consists of many components that vary according to the environment. Entrepreneurship provides an important solution to the unemployment problem in a society as well as an important factor in economic growth. The entrepreneur, by combining the unused production resources in the economy in an innovative way, contributes to the increase in production. Within

this context, the entrepreneur is the economic actor who creates benefits in society. The entrepreneur accelerates the process of the emergence, dissemination and practice of new ideas, and also increases the productivity in the sectors using technologies and accelerates economic growth as it creates rapidly growing sectors. Therefore, entrepreneurs are key to the organization of economic activities, job creation and production activities (Güleç, 2011: 3).

Socio-cultural structure, economic preferences, education level, increasing level of welfare, entrepreneurship culture which has developed together with many innovations in the same field has ceased to be the only male-dominated concept and has entered into the fields of women's work. It is not surprising that more than half of the world's population consists of women. There has been a significant increase in the classical duties, roles and responsibilities of women in the recent years until the industrial revolution. There are significant changes in the social status and roles of women who were previously restricted as home or handiwork (Kaygın and Güven, 2013: 50-51).

Women entrepreneurs are women who play an important role in interacting and adapting to the wider socio-economic, financial and support areas of society. This means an act of business ownership and job creation that economically empowers women (Muhumad, 2017: 175).

Women entrepreneurs are more determined and tolerant than other women because they tend to take on more risks and are more willing to control their own destinies (Keskin, 2014: 72).

Women entrepreneurs offer jobs for themselves and the people they employ. Privately in the development of local economies, generally the creation of women entrepreneurs in the development of the country's economy is very important (Öztürk and Arslan, 2016: 6).

## **2.2. The Main Factors That Lead Women To Be Entrepreneurs**

Factors such as women's reluctant to work for salaries and wages, the need to have economic independence, and their willingness to contribute to the house budget are among the important factors that lead women entrepreneurs to entrepreneurship. Due to the problems brought by the gender factor, the female entrepreneurs are attempting to establish their own business due to the reasons mentioned above (Özyılmaz, 2016: 41-42).

The main factors that lead women to entrepreneurship are as follows (Şahin, 2006 45-46): "-Who wishes to fulfill their occupations or want to work independently in any enterprise, -The first place in the employment of men in some branch of activity due to the value judgments of the society, -Reaching more comfortable living standards and social status, -Women wanting to taste the sense of achievement, -A desire to contribute to the home budget".

The factors that direct women to entrepreneurship can be addressed in various dimensions. While negative factors push women to entrepreneurship, positive factors attract women to entrepreneurship. Economic necessity, inadequate income from the work of only one member of the family, negative working conditions, wage difference between male and female employees, income inequality, glass ceiling syndrome (invisible artificial obstacles arising from behavioral and organizational prejudices that prevent women from reaching top management positions) such factors are considered as pushing factors. Factors that attract women to entrepreneurship; increasing satisfaction with life, tangible freedom, self-fulfillment need, ambition, experience, interest in an area, social goals, need for flexible working hours, personal development and desire to be satisfied from work, desire to control their own destiny (Keskin, 2014: 74).

Almost all of the factors that direct women to entrepreneurship are common but can be seen in differences according to cultural conditions. Therefore, the cultural structure of the society has an undeniable effect in the formation of the entrepreneurial spirit. The level of economic development in a society is closely related to the spirit of entrepreneurship (Durak, 2011: 195). In developed countries, factors leading women to entrepreneurship seem to have attracted factors, in developing countries, the factors that push women to entrepreneurship are more pushing factors (Dzisi, 2008: 78).

### 2.3. Problems Encountered By Women Entrepreneurs

Women entrepreneurs face obstacles and challenges that they face during their entrepreneurial activities (Davis, 2011: 1). Access to finance, work-life balance, and the value judgment of the society against women's business are some of the problems faced by women entrepreneurs (Isatou, 2018: 15). The main problems faced by women entrepreneurs can be explained as follows:

- **Education and lack of experience:** One of the biggest problems faced by women and men entrepreneurs in their attempts is the need for education. This difference is due to the fact that female entrepreneurs have less experience or have been employed in different sectors (Carrier, Julien and Menvielle, 2008: 47). According to Soysal's (2010) study, lack of information is one of the most important problems that women entrepreneurs face in establishing their businesses.
- **Social Role:** Women, who participate in working life, have to continue their job as a wife and motherhood. The value judgments of the society and the responsibilities brought by the working life make it difficult for a woman to balance the family and working life. Even if the woman works the chores and taking care of the child is usually belong for her. This situation can drag women entrepreneurs into role conflict and may have a negative effect on their success (Özyılmaz, 2016: 57). Flexible working hours are very important for women, allowing them to balance work and family demands (Kepler vd., 2007:6-7).
- **Financial Challenges:** Financial challenges are one of the most important problems facing women entrepreneurs. Most entrepreneurs provide their businesses with personal savings or funds that they inherit from their parents (Isatou, 2018: 15). Since entrepreneur women do not have financial records to document their financial credibility, they have problems with lender institutions. Lending institutions' work experience, market conditions and many women entrepreneurs have to be inadequate about such issues and mostly have to get the support of their husbands or use their own personal savings (Doğramacı, 2006: 39).

## 3. METHODOLOGY

### 3.1. Research Objective

The aim of this study is to reveal the demographic characteristics of the female pharmacists operating in the province of Konya, the ways to establish their businesses, the reasons for being a pharmacist, the difficulties they encounter when establishing and conducting their business, and the information about their businesses. The results of the research are aimed to contribute to the similar researches to be made later on in addition to revealing the profile of female pharmacists in Konya.

### 3.2. Research Hypotheses

H1: Is there a child? Do you carry out chores and get support for child care? Is there a relationship between the question?

H2: There is a meaningful difference between the marital status and the total score for the reasons that affect you in becoming a pharmacist.

H3: There is a meaningful difference between the start of business life and the total score of the importance of the properties to be a successful pharmacist.

### 3.3. Scope and Method of Research

The female entrepreneurs included in the study are female pharmacists operating in Selcuklu, the central district of Konya. The sample of the study consisted of 131 female pharmacists. A total of 88 recycled questionnaire form were evaluated.

In order to determine the questions in the questionnaire prepared in order to realize the objectives of the research, the related literature and the studies conducted in this regard have been taken into consideration. (for example; Zeynep Gökal; The Motivation Factors of Women Entrepreneurs in Turkey, Şakir Dansık; Entrepreneurship Profile in Turkey, Figen Çavdaroğlu; Women's Entrepreneurship, Ebru Sipahi; Turkey Entrepreneurship and Women Entrepreneurs A Research on Ozden Ozdemir; Women In Working Life, Ayşen İncioğlu; Problems of Women in Working Life and an Application in Banking Sector, Münevver Katkat; Place and Rise of Woman in Working Life, Hatun Ufuk; Socio-Cultural and Economic Profile of Women Entrepreneurs. The questionnaire questions were prepared based on the factors that should be considered in the preparation of the questionnaire form, which was determined by Halil Seyidoğlu, Kemal Kurtuluş, Remzi Altunışık et al., Turker Baş and Tuncer Tokol. This questionnaire was revised according to female pharmacists.

## 4. FINDINGS AND DISCUSSION

### 4.1. Demographic Characteristics of Participants

65 (73.8%) of the participants were born in Konya. Of the subjects, 76 (86.4%) had a bachelor's degree, 11 (12.5%) had a master's degree, and 1 (1.1%) had a PhD. 75 Pharmacists (85.2%) have foreign language and 13 (14.8%) have not foreign language. It is observed that most of the female pharmacists who participated in the study had a foreign language level. This is due to the English language education at the university. A significant majority (56 people) of the participants are married. While 24 female pharmacists stated that they were single, 4 people stated that they were widowed and 3 people stated that they were divorced. 10% of the spouses of the married female pharmacists were civil servant, 3,4% were employee, 15,3% were self-employed, 3,4% were artisan and craftsman, 6,8% were employer, 8,5% were retired, 52.5% of them are other (manager, academician, pharmacist, etc.).

The majority of female pharmacists (48.39%) work in the same profession with their spouses. 22.8% of the participants had one child, 59.6% had 2 children, 15.8% had 3 children, 1.8% had 4 or more children. This situation; the female pharmacists participating in the research can give an idea that the child is not an obstacle in maintaining their social status. A significant majority of participants seem to be primarily responsible for child care and work. However, 51.43% of female pharmacists declared that they had received cleaner support. The female pharmacists who participated in the study stated that they continued their chores and pharmacy activities.

10 of the female pharmacists who participated in the study had a job before they became pharmacists. According to the data in the table, 60% of the female pharmacists who participated in the study worked as civil servants, 10% of them worked as employee and 3% of them worked in the same jobs. On the other hand, the number of pharmacists who did not work in any job that previously brought income is 78. 62.5% of the participants



were in business for 8 years or more, 9.1% for 5-7 years, 22.7% for 2-4 years, 5.7% for 1 or less years get into the act in business life.

#### 4.2. Entrepreneurship Characteristics and Analysis of Other Findings

A significant number of female pharmacists (71.6%) who participated in the study decided to be a pharmacist “to do their profession”. The most important factors underlying women’s pharmacy activities are; the aim of the study is to make the profession, for economic independence, to embark on business life and to realize the ideal. This can be interpreted as the pharmaceuticals activity of female pharmacists is not a necessity. The opening funds providing status of the participants in the survey is shown in Table 1.

<i><b>What was the source of your fund?</b></i>	<i><b>Number (n)</b></i>	<i><b>Percentage (%)</b></i>
Personal-family savings	72	81,8
Going into debt a friend(s)-relative(s)	5	5,7
Using bank credits	9	10,2
Unrequited support	1	1,1
Other	1	1,1

**Table 1.** Distribution of Female Pharmacists According to Providing the Fund They Need

According to Table 1, 81.8% of the participants seem to benefit from “personal-family savings” in order to provide the fund they need while performing their activities. Table 2 and the following description relate to the distribution of problems encountered when opening a workplace.

<i><b>Did you have problems establishing your business?</b></i>	<i><b>Number (n)</b></i>	<i><b>Percentage (%)</b></i>
Yes	64	72,7
No	24	27,3

**Table 2.** Problems Faced By Female Pharmacists in Establishing Their Business

The distribution of the problems encountered by the female pharmacists participating in the study according to the importance level was as follows: At the beginning of the problem, the rents are high with 71.9%. In addition, “appropriate location selection” (57.8%), “unrecognized in the market” (40.6%), “bureaucratic procedures” (31.3%) and the “appropriate personel supply” (46.9%) are stated as other problems. Participants reported relatively less difficulties in the problems of “family problems” (65.6%), “inexperience” (29.7%) and “appropriate material supply” (10.9%).

Table 3 shows the status of participants pose an obstacles other responsibilities in their lives.

<i><b>How does being a pharmacist pose an obstacle to other responsibilities in your life?</b></i>	<i><b>Number (n)</b></i>	<i><b>Percentage (%)</b></i>
No, it does not pose an obstacle	43	55,84
I’m disrupting my work at home	5	6,49
I can’t spare some time to my wife-family-children	4	5,19
I can’t spare myself time	25	32,47

**Table 3.** The Status of Obstacles to the Participants Other Responsibilities in Their Lives.

As can be seen in Table 3, 55.84% of the female pharmacists participating in the study stated that being a pharmacist did not pose an obstacle for other responsibilities in their lives.

The distribution of the problems encountered by the female pharmacies in the study according to the significance level revealed remarkable results. When the problems faced during the activities of the participants are ranked according to their importance, they are the first with "tax payments" (68.8%). The problems encountered by the female entrepreneurs participating in the research; "market stagnation" (55%), "debt payments" (48.8%), "bureaucratic obstacles" (46.3%), "non-borrowing" (8.8%), "problems with personnels" (31.3%), "problems with customers" (32.5%), "inexperience" (3.8%), "hardware, equipment, delivery of goods, etc." (7.5%), "family relations" (7.5%), "extreme fatigue" (45%) with significance level play a part the Table 17. Besides, the high degree of importance of the tax payments element in terms of female pharmacists participating in the research may enable us to conclude that female pharmacists are worried about the material risk factors.

Table 4 relates to the impact and analysis of pharmacists and women on employees.

<i><b>How does being a female pharmacist affect your relationships with your employees?</b></i>	<i><b>Number (n)</b></i>	<i><b>Percentage (%)</b></i>
Positive affect	23	26,4
Negative affect	12	13,8
I do not feel affected	52	59,8

**Table 4.** Distribution of Female Pharmacists According to Their Effects on Women

According to the results obtained from the table, 26.4% of the female pharmacists who participated in the study thought that being a woman had a "positive effect" on their relations with their employees, 13.8% of a section thought that "negatively affects", 59.8% of the part thought "does not affect". In this case, it was understood that the female pharmacists operating in the province of Konya had no effect on their working life.

According to the participants, the distribution of the properties of pharmacists according to their significance level is also important. Participants must have the characteristics according to the significance level of pharmacists distribution results in line with the "communication skills" (84.1%) stated that as a very important factor. "Education" (80.7%); "self-confidence and courage" (77.3%); "patience and tolerance" (76.1%) were followed.

Significance level of expectations from the government of the participants are shown in Table 5 and the responses were analyzed.

<i><b>Do you have any expectations from your government?</b></i>	<i><b>Number (n)</b></i>	<i><b>Percentage (%)</b></i>
Yes	77	87,5
No	11	12,5

**Table 5.** Distribution of the State of Participants Expected by Severity Rating

When female pharmacists ranked according to the severity of expected tax benefits from the government to bring the highest (88.3%), respectively. From this rate, it can be said that female pharmacists have problems in tax payments. Otherwise, the "reduction of bureaucratic procedures" (79.2%); "providing technical support" (58.4%); the "development of competition conditions" (48.1%) are among the expectations from the state.

12.5% of the female pharmacists participating in the study stated that they were members of any non-governmental organization. 87.5% of the members do not have any membership.

According to the results of the distribution of the future plans of the female pharmacists according to the severity level of the study, female pharmacists find the plan "to be permanent in the sector" (80.7%) as very important in the future plans. "Increasing profitability" (73.9%) "product and service diversification" (60.2%) have a very important place in the future plans of female pharmacists.

The opinions of the participants about their work and family life are as in Table 6.

<i><b>Has being a pharmacist affected your roles negatively as a woman?</b></i>	<i><b>Number (n)</b></i>	<i><b>Percentage (%)</b></i>
Yes	18	20,5
No	70	79,5
<i><b>Can you give yourself enough time?</b></i>	<i><b>Number (n)</b></i>	<i><b>Percentage (%)</b></i>
Yes	39	44,3
No	49	55,7
<i><b>Are you experiencing stress due to work and family life?</b></i>	<i><b>Number (n)</b></i>	<i><b>Percentage (%)</b></i>
Yes	67	77,0
No	20	23,0

**Table 6.** Distribution of Participants According to Thoughts on Work and Family Lives

As seen from the table, as a result of the opinions of the female pharmacists participating in the research about their family and work lives; it was concluded that being a pharmacist at 79.5% did not adversely affect female roles. In this context, it is concluded that the female pharmacists participating in the research, their roles in pharmacy and their other roles in social life can be carried out in a positive way. 55.7% of female pharmacists stated that they could not spare enough time to them. In this context, we observe that the activities of the female pharmacists participating in the study in their working lives occupy an important part of their time. 77% of the female pharmacists who participated in the research stated that they experienced stress caused by work and family life and caused us to understand that female pharmacy could cause a stressful study and family life.

The impact on the emotional aspects of working life of the participants are shown in Table 7.

<i><b>As a female pharmacist, has your emotional side prevented you?</b></i>	<i><b>Number (n)</b></i>	<i><b>Percentage (%)</b></i>
Yes	50	56,8
No	38	43,2

**Table 7.** Distribution of Emotional Aspects of the Participants According to Their Effects on Work Lives

When the distribution of the emotional aspects of the female pharmacists according to the effect of pharmacy activity on the research is examined; It was observed that the emotional aspects (56.8%) had an effect on pharmacy activities (43.2%) did not affect on pharmacy activities. In this case; the majority of female pharmacists who participated in the study can be interpreted as being unable to keep away the emotional factors required by being a woman to the pharmacy.

Table 8 contains information on image and self-confidence development.

<i>As a female pharmacist, do you think that your personal image and self-confidence grow better than before (before pharmacy)?</i>	<i>Number (n)</i>	<i>Percentage (%)</i>
Yes	81	92,0
No	7	8,0

**Table 8.** Distribution of Women Pharmacists’ Image and Their Confidence by Development Status

As can be seen from Table 8, 92% of female pharmacists stated that their image and self-confidence were positive after they became pharmacists. The percentage of those who think that entrepreneurship does not have a positive effect on their image and personal development is 8%.

4.3. Test Results for Hypotheses

Tests and hypotheses about the female pharmacists participating in the study are as follows. “Chi-square test” was used to test hypotheses.

H1: Is there a child? Do you carry out chores and get support for child care? Is there a relationship between the question?

			Do you take chores support and support for child care?					Total
			I'm not getting support	I'm getting cleaning support.	I'm getting family support.	I'm getting carer sup- port	Both carer support and I'm getting cleaning support	
Is there a child?	Yes	Number (n)	9	26	6	6	5	52
		Percentage (%)	52,9%	72,2%	100,0%	100,0%	100,0%	74,3%
	No	Number (n)	8	10	0	0	0	18
		Percentage (%)	47,1%	27,8%	0,0%	0,0%	0,0%	25,7%
Total Percentage (%)		Number (n)	17	36	6	6	5	70
		100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	
PearsonChiSquare/ p			10,019 / 0,040					

Is there a child? Do you carry out chores and get support for child care? Is there a relationship between the question? There is a relationship between the question ( $p = 0.040 < 0.05$ ). When the table is examined, it is seen that those who have children have more support.

H2: There is a meaningful difference between the marital status and the total score for the reasons that affect you in becoming a pharmacist.

The total score of the factors affecting you as a pharmacist	N	AVERAGE	STANDARD DEVIATION	F	Sig.
Single	24	35,20	1,15	1,418	0,243
Widow	4	30,00	4,06		
Dicorved	3	32,66	2,90		
Married	56	35,44	0,70		

There are no significant differences between the factors that affect you when you are a pharmacist and your marital status ( $p = 0.243 > 0.05$ ). Regardless of the marital status, the total score averages of the factors that affect you, regardless of marital status, do not change.

H3: There is a meaningful difference between the start of business life and the total score of the importance of the properties to be a successful pharmacist.

To be a successful pharmacist, the importance of the features required to be a total score	N	AVERAGE	STANDARD DEVIATION	F	Sig.
1 year and less	5	21,40	6,49	1,511	0,218
2-4 years	20	27,80	2,84		
5-7 years	8	29,00	2,34		
8 years and above	55	20,76	2,24		

There is no significant difference between the starting date of the work life and the total importance of the characteristics that should be possessed in order to become a successful pharmacist (since  $p = 0.218 > 0.05$ ). Regardless of the study year, the total score average does not change in terms of the characteristics that must be possessed to be a successful pharmacist.

## 5. CONCLUSION AND RECOMMENDATIONS

Women have begun to feel more and more in economic life. The desire to have social status is an important motivation factor. In addition, economic return targets are also considered by considering both individual and family institutions. There are now a significant number of women entrepreneurs in every field. It is not essential for women to be financially dependent on an employer or to be dependent on working for a certain fee. They have the desire to have more flexible working hours and, when they have the opportunity to become the boss of their own business. In order to achieve this, they are completing the necessary training infrastructure and increasing their personal and family savings.

There are a number of problems that concern not only women entrepreneurs, but all entrepreneurs. Issues such as the problems that may be caused by external environment, technological developments, financial bottlenecks, human resources problems, bureaucratic difficulties, lack of incentives and support can always be the agenda. Although not applicable to every woman who wants to be an entrepreneur, it may be necessary to overcome some obstacles arising from issues such as social acceptance, cultural adaptation, family and child variables across women.

In this study titled "The Main Factors of Women To Be An Entrepreneur and The Problems Encountered in The Practice: The Case of Female Pharmacists In Konya" the profiles of female pharmacists in the province were first revealed and their demographic and general characteristics were evaluated. Then the entrepreneurial characteristics and

other findings were analyzed. Finally, the test results of the hypotheses are explained. In general, it has been argued that female pharmacists face some problems while starting their own business, they have problems about capital and there are some problems between the value judgments of the society and the necessities of female pharmacy. The majority of the female pharmacists who participated in the study were determined to be permanent in the sector, to increase their profitability and to improve the quality in the future plans. When the study is applied in different provinces, similar results can be achieved and different results may arise due to socio-cultural structure and regional development. In order to make generalization, it is beneficial to apply a questionnaire with a high representation power throughout the country.

## REFERENCES

- Altunışık, R. vd. (2010). *Sosyal Bilimlerde Araştırma Yöntemleri*. Sakarya: Sakarya Yayıncılık.
- Ayşen İ. (2001). Kadının Çalışma Yaşamındaki Sorunları ve Bankacılık Sektöründe Bir Uygulama, Yayımlanmış Yüksek Lisans Tezi, Anadolu Üniversitesi Sosyal Bilimler Enstitüsü, Eskişehir.
- Baş, T. (2001). *Anket*. Ankara: Seçkin Yayıncılık.
- Berfuİ. (2010). *Girişimcilik Sürecinde Kadın Girişimcilerin Karşılaştıkları Sorunların Analizi: Kagider Örneği*, Ankara: Adalet Yayınevi.
- Carrier, C. P., Julien, A. And Menvielle, W. (2008). Gender in Entrepreneurship Research: A Critical Look at the Literature. (in) *Women Entrepreneurship and Social Capital: A Dialogue and Construction*, Eds. Aaltio, I. K. and P. S. Elisabeth. Copenhagen: Copenhagen Business School Press.
- Çelik, A. (2018). *Uygulamalı Girişimcilik: Hayaller Gerçek Olsun*. Konya: Eğitim Yayınevi.
- Davis, A. (2011). Rural and Urban Women Entrepreneurs: A Comparison of Service Needs and Delivery Methods Priorities. *Journal of Business Science and Applied Management*, 6(2), 1-16.
- Doğramacı B. (2006). Kadınları Girişimci Olmaya Yönelten Nedenler ve Giresun Örneği, Yayımlanmış Yüksek Lisans Tezi. Sakarya Üniversitesi Sosyal Bilimler Enstitüsü, Sakarya.
- Durak, İ. (2011). Girişimciliği Etkileyen Çevresel Faktörlerle İlgili Girişimcilerin Tutumları: Bir Alan Araştırması. Çanakkale Onsekiz Mart Üniversitesi, Yönetim Bilimleri Dergisi, 9(2).
- Dzisi, S. (2008). Women Entrepreneurs in Small and Medium Enterprises (SMEs) in Ghana. Unpublished Doctorate Thesis, Faculty of Business and Enterprise, Swinburne University of Technology, Victoria, Australia.
- Ebru, S. (1997). Türkiye’de Girişimcilik ve Kadın Girişimciler Üzerine Bir Araştırma. Yayımlanmış Yüksek Lisans Tezi. İstanbul Üniversitesi Sosyal Bilimler Enstitüsü, İstanbul
- Figen, Ç. (1996). Kadın Girişimciliği. Yayımlanmış Yüksek Lisans Tezi. Gazi Üniversitesi Sosyal Bilimler Enstitüsü, Ankara.
- Güleç, S. (2011). Kadın Girişimciliği-Karaman Örneği, Yayımlanmış Yüksek Lisans Tezi. Karamanoğlu Mehmetbey Üniversitesi Sosyal Bilimler Enstitüsü, Karaman.
- Halil S. (1995). *Bilimsel Araştırma ve Yazma El Kitabı*, İstanbul: Güzem Yayınları.
- Kurtuluş, K. (1998). *Pazarlama Araştırmaları*, İstanbul: Avcıol Basım Yayın.
- Hatun, U. (1997). Kadın Girişimcilerin Sosyo-Kültürel ve Ekonomik Profili, Yayımlanmış Yüksek Lisans Tezi, Ankara Üniversitesi Fen Bilimleri Enstitüsü, Ankara.

17. Hulbert, B., Gilmore, A. And Carson, D. (2013). Sources of Opportunities Used By Growth Minded Owner Managers of Small and Medium Sized Enterprises, *International Business Review*, 22, 293-303.
18. Isatou, C. (2018). Investigating The Challenges And Motivation Of Women Entrepreneurs in The China. Unpublished Master Thesis, İstanbul Commerce University, Graduate School of Social Sciences Department of Business Administration, İstanbul.
19. İrmış, A. ve Özdemir, L. (2011). Girişimcilik ve Yenilik İlişkisi, *Yönetim Bilimleri Dergisi*, 9(1), 137-161.
20. Kaygın, E. ve Güven, B. (2013). *Farklı Boyutlarıyla Kadın Girişimcilik*. İstanbul: Veritaş Akademi.
21. Kepler, E., Shane, S., and Heights, S. (2007). Are Male and Female Entrepreneurs Really That Different? SBA Office of Advocacy Working Paper, Small Business Research Summary, No.309, September.
22. Keskin, S. (2014). Türkiye’de Kadın Girişimcilerin Durumu. *Girişimcilik ve Kalkınma Dergisi*. 9(1), 72.
23. Kurtuluş K. (1989). İşletmelerde Araştırma Yöntem Bilimi. İstanbul: İstanbul Üniversitesi İşletme Fakültesi Yayını, No.210.
24. Mehmet B. (2013). Girişimcilik ve Girişimcilik Süreçleri. (içinde) *Girişimcilik*. Ünite:1. Eskişehir: Anadolu Üniversitesi Yayını.
25. Mehta, A. and Mehta Mukund C. (2011). Rural Women Entrepreneurship in India: Opportunities and Challenges. International Conference on Humanities, Geography and Economics. Pattaya December, 313-315.
26. Muhumad, A. (2017). Challenges and Motivations of Women Entrepreneurs in Somali Region of Ethiopia, *Sosyoloji Konferansları*. 54(2016-2) , 169-198.
27. Münevver K. (2000). Kadının Çalışma Hayatındaki Yeri ve Yükselişi. Yayımlanmış Yüksek Lisans Tezi, Atatürk Üniversitesi Sosyal Bilimler Enstitüsü, Erzurum.
28. Özden Ö. (1996). Çalışma Yaşamında Kadın. Yayımlanmış Yüksek Lisans Tezi, Kocaeli Üniversitesi Sosyal Bilimler Enstitüsü, Kocaeli.
29. Öztürk, M. D. ve Arslan İ. K. (2016). Türkiye’de Kadın Girişimcilik: Kadınları Girişimciliğe Yönelten Faktörler, Karşılaştıkları Sorunlar ve Çözüm Önerileri İstanbul Ticaret Üniversitesi, *Dış Ticaret Enstitüsü, Working Paper Series*, 21.
30. Özyılmaz, A. M. (2016). Türkiye’de Kadın Girişimciliği ve Girişimci Kadınların Karşılaştıkları Sorunlar Üzerine Bir Araştırma. Yayımlanmış Yüksek Lisans Tezi, Nevşehir Hacı Bektaş Veli Üniversitesi, Nevşehir.
31. Soysal, A. (2010). Kadın Girişimcilerin Özellikleri, Karşılaştıkları Sorunlar ve İş Kuracak Kadınlara Öneriler: Kahramanmaraş İlinde Bir Araştırma. *Eskişehir Osmangazi Üniversitesi İİBF Dergisi*, 5(1), 71-95.
32. Soysal, A. (2010). Türkiye’de Kadın Girişimciler: Engeller ve Fırsatlar Bağlamında Bir Değerlendirme, *Ankara Üniversitesi SBF Dergisi*, 65(1), 83-114.
33. Şahin, E. (2006). Kadın Girişimcilik ve Konya İlinde Kadın Girişimcilik Profili Üzerine Bir Uygulama. Yayımlanmış Yüksek Lisans Tezi, Selçuk Üniversitesi, Sosyal Bilimler Enstitüsü, Konya.
34. Şakir D. (2001). Türkiye’de Girişimcilik Profili. Yayımlanmış Yüksek Lisans Tezi, Selçuk Üniversitesi Sosyal Bilimler Enstitüsü, Konya.
35. Tuncer T. (1996). *Pazarlama Araştırması*, 8.Basım, Bursa: Uludağ Üniversitesi Güçlendirme Vakfı Yayını.
36. Zeynep, G. (2000). Türkiye’deki Kadın Girişimcilerin Motivasyon Faktörleri. Yayımlanmış Doktora Tezi, Siyasi Bilimler Fakültesi, Ankara.





# Social Entrepreneurship

**Mehtap ÖZTÜRK<sup>1</sup>**

**Elwis CUNGU<sup>2</sup>**

## CHAPTER 25

---

<sup>1</sup> Ress. Asst. Dr., Selçuk University

<sup>2</sup>



The time in which we currently live and will keep on living is a period of changes, which are complete, deep and quick. They happen in all circles and regions of human movement and life. Notwithstanding their causes, they are all structural changes whose results are essentially economic in their nature. The most recent three decades have been described by a rather noteworthy increase in entrepreneurial activities, which is the reason they are regularly alluded to as “the age of entrepreneurship”, “entrepreneurial revolution” and “entrepreneurial renaissance”. Enthusiasm towards the role of entrepreneurship in the economic improvement has affected the advancement of social entrepreneurship over the most recent couple of decades. Thus, the entrepreneurial culture has additionally spread to the social segment. Progressively higher expectations are being determined to social entrepreneurship regarding tending to the requirements in the social division and accomplishing socio-economic security. Social entrepreneurship suggests innovative and financially sustainable activities focused on social issues. However, its commercial activities don't really need to match with the social mission; rather, their purpose is to create financial resources to implement social objectives. Thus, social entrepreneurship can include a fairly wide scope of business and organizations – extending from those which create their own profit to those which get assets for different organizations that satisfy the social mission.

### 1.1. Definition of Social Entrepreneurship

Today with social and financial disparity developing worldwide numerous individuals are connected to thought that is conceivable to work together on a human scale that is conceivable to profit and accomplish something useful for the community. That thought is called social entrepreneurship (Peredo and McLean, 2006: 56). Social entrepreneurship is the making of reasonable financial structures, relations, foundations, associations and practices that yield and continue social advantages (Fowler, 2000: 649).

Social entrepreneurship can be approximately characterized as the utilization of innovative conduct for social finishes instead of for benefits goals, or then again, that profit created are utilized to assist an explicit impeded gathering from the product (Hibbert et al., 2002: 288). Social entrepreneurship alludes to the identification, assessment, and abuse of chances that outcome in social esteem. Opportunity mindfulness and acknowledgment mirror an entrepreneur's capacity to recognize when either supply or interest for an esteem making item or administration exists. Social entrepreneurship is inventive, social esteem making movement that can happen inside or over the not-for-profit, business, or government sectors. Social entrepreneurship probably includes applying another innovation or approach with an end goal to make social esteem (Certo and Miller, 2008: 267).

The social entrepreneur is a mission-driven person who utilizes a lot of entrepreneurial practices to convey a social incentive to the less favored, all through an innovatively arranged element that is financially independent, independent, or supportable (Abu-Saifan, 2012: 25). The possibility of “social entrepreneurship” has struck a responsive rope. It is an expression appropriate to our occasions. It joins the energy of a social mission with a picture of efficient order, advancement, and assurance ordinarily related with (Dees, 2017: 36).

In any case, numerous ideas, for example, social entrepreneurship, social entrepreneur or social enterprise are utilized to depict a field of research that has as of late come into official or basic use. A survey of the quickly extending writing on those themes recommends that meanings of every one of these terms are as yet being created and are in no way, shape or form concurred upon. Social entrepreneurship has turned out to be inclusive to the point that it currently has a huge tent into which all way of socially useful exercises fit (Brouard and Larivet, 2010: 29). Social enterprise is new and creative way to

deal with business social commitment and social administrations. Today there are various associations working worldwide that we call social enterprises. Its work is charged at market rates and it produce profit. What makes it a business in a human scale is how benefit is used (Peredo and McLean, 2006: 56).

Social enterprises don't serve to expand the abundance of their shareholders. They work so as to add to social uniformity and enhance the living states of individuals in the community. Generated benefit is reinvested in the business or in acknowledging social objectives like employment creation, social inclusion, cultural needs, health care and safeguarding of the environment (Perrini and Vurro, 2006: 57). The idea of social enterprise has moved toward becoming settled in business. Famous and in addition insightful books and articles are expounded on the attributes of associations thought to take part in social business enterprise. It holds a place in the educational programs of driving business colleges, and it is the subject of various expert and scholastic gatherings. There are affiliations committed to contemplating and executing social enterprise, and there are various sites on which one may progress toward becoming familiar with the idea and get data or potentially exhortation on putting into it practice (Peredo and McLean, 2006: 56). The idea of social entrepreneurship, since quite a while ago sacred with regards to business and economic ventures, has been progressively connected to the setting of social issue solving. The difficulties of finding powerful and manageable answers for some social issues are generous, and arrangements may require huge numbers of the fixings related with fruitful development in business creation. But answers for social issues, for example, supportable easing of the heavenly body of wellbeing, training, monetary, political and social issues related with long haul neediness, frequently request basic changes in the political, financial, and social frameworks that support current stable states (Alvord and Brown, 2004: 260). According to recent research, social entrepreneurship has been accepting more noteworthy acknowledgment from people in general area, and in addition from scholars. On the other hand, empowering social entrepreneurship initiatives has been at our legislatures' motivation for some time now. Social entrepreneurship has, no less than, two principle preferences that legitimize this specific intrigue. To start with, its inventiveness in treating social issues, which are winding up increasingly mind boggling, has been perceived by various researchers. Second, this creative innovating practice bears the upside of obscuring conventional limits among private and open areas, which brings forth half and half ventures guided by techniques of twofold esteem creation – social and financial (Bacq and Janssen, 2011: 373).

## 1.2. Social Entrepreneurship-A History of the Concept

Social entrepreneurship was basically first coined in 1980 and the late 1990s its acknowledgment in scholarly and non-scholastic circles started to quicken (Welsh and Krueger, 2012: 274). The starting points of the field return to 1983 when Young composed on 'innovative nonprofit entrepreneurs' in the lines of Schumpeter's origination. Another early commitment to the field of social entrepreneurship was Waddock and Post's (1991) who distributed a short paper on the point in 1991. Nonetheless, aside from this disengaged early research, the ideas of social entrepreneurship were not utilized before the 1990s. The term 'social entrepreneurship' developed in the scholarly world in the late 1990s in the US and UK (Bacq and Janssen, 2011: 375). The point of view of social entrepreneurship changes broadly among academics and additionally specialists in the USA. There are checked contrasts in what social entrepreneurship incorporates, as well as where it is going. Some consider it to be the future friend in need the appropriate response among Generation X to "have any kind of effect" and the market analysts' answer for the stream down economy that never has occurred. While all the exposure is uplifting news for social entrepreneurship, a lucid and usually acknowledged comprehension of the expression

"social entrepreneurship" still does not exist (Welsh and Krueger, 2012: 281). The idea of social entrepreneurship has a long history in the business research. A noteworthy subject has been the formation of significant worth through development. Non-profit organization may make business auxiliaries and use them to produce work or income that fills their social needs, or profit organizations may give a portion of their benefits or compose their exercises to serve social objectives. These activities use assets produced from effective plug exercises to progress and support their social exercises (Alvord et al., 2004:263-264). Social entrepreneurship, a bizarre contact point among entrepreneurship, innovation and social change, has been progressively catalyzing the enthusiasm of academics, companies, and the business banter for about 10 years. Consideration is extending exponentially with a variety of productions. Master of Business Administration center and elective courses and scholastic research fixates unequivocally centered around profound examination of the social entrepreneurship wonder. There are additionally various innovative and steady performing artists, for example, specific counseling groups, social financial speculators, etc (Perrini and Vurro, 2006: 57).

In any case, while the writing has become fundamentally in the course of the most recent couple of decades, a significant discussion stays in the conceptualization of the social entrepreneurship build. Social entrepreneurship remains a rising yet not well-characterized concept. An agreement is rising that understanding social entrepreneurship and social entrepreneurs is important. It has likewise been recommended that social entrepreneurship results in an association accomplishing a supportable upper hand, enabling it to accomplish its social mission (Weerawardena and Mort, 2006: 21). It is said that social entrepreneurship is developing as an inventive methodology for managing complex social needs, particularly despite lessening open funding. Social entrepreneurship may call for very extraordinary models of assessment when contrasted and standard types of business enterprise. On the off chance that there is motivation to trust that social entrepreneurship is a promising instrument for tending to social needs, it might call for included help as enactment and different sorts of social approach (Peredo and McLean, 2006: 56-57). The expression "social entrepreneurship" has developed as another mark for portraying crafted by network, deliberate and open associations, and in addition private firms working for social as opposed to revenue driven destinations. Social entrepreneurship has its beginnings in the eighteenth and nineteenth hundreds of years when humanitarian entrepreneurs and industrialists like Robert Owen, exhibited a worry for the welfare of representatives by enhancing their working, training and social lives. From that point forward, social entrepreneurship has been related with network venture and improvement, instruction, holy places, foundations, the not-revenue driven division and willful associations (Shaw and Carter, 2007: 419).

The procedure by which researchers are attempting to set up social entrepreneurship as an authentic field of concentrate nearly looks like the advancement of the field of business entrepreneurship. Although today it is progressively perceived that thoughts, innovation, and opportunity are not the select area of business people, we need applied and exact research to discover whether social entrepreneurship is a subset of 'customary' entrepreneurship, or whether it is an autonomous field of study. It could be contended that social entrepreneurship only gives an alternate (social) setting in which to look at innovative wonders (Mair, 2006: 89). Social entrepreneurship must be seen as a procedure by which innovative methodologies are utilized to address a social problem, and similarly vital, as a procedure of exploring social and institutional boundaries to a market/network. At last, regardless of whether social entrepreneurs find a chance or not, relies upon their own and work understanding and on the attributes of the market/network they need to enter (Mair, 2006: 92).

### 1.3. Social Entrepreneurship: A Multidimensional Model

A few researchers consider social entrepreneurship as a multi-dimensional develop. Social entrepreneurship prompts the foundation of new social enterprises and the proceeded with advancement in existing ones and conceptualize social entrepreneurship as a multi-dimensional develop including the articulation of innovatively virtuous conduct to accomplish the social mission, an intelligible solidarity of direction and activity even with good multifaceted nature, the capacity to perceive social esteem making openings and key basic leadership qualities of innovativeness, proactiveness and risk-taking. The procedure of social entrepreneurship is identified with numerous variables, for example, the individual social entrepreneur, social and institutional environments (Jiao, 2011: 132). As of late, there has been an upsurge of intrigue in social entrepreneurship driven by a few changes happening in the aggressive condition looked by nonprofit associations. Today NonProfits are working in a profoundly aggressive condition that is portrayed by expanding needs in their objective networks, and a for the most part more tightly subsidizing condition with developing rivalry for contributors and awards (Weerawardena and Mort, 2006: 21).



**Figure 1.** Multidimensional Model of Social Entrepreneurship

**Reference:** Weerawardena and Mort, 2006: 32.

Notwithstanding support from such non-profit organizations as research organizations and establishments, open help from government organizations are likewise incredibly critical to advance social entrepreneurship. Social entrepreneurs take care of monetary issues as well as make social effect, similarly as business visionaries make budgetary wealth. Both gain their very own commitment to the ground of humanity. Government subsidizing to the welfare part forcefully diminished, while advertise disappointment drove to expanding weight for nonprofit organizations to give open services. With the decline out in the open financing and progressively exceptional rivalry in gaining admittance to these assets, philanthropic associations confront solid interest and strain to enhance their operational proficiency through business forms and concentrated innovation so as to give better open administrations. This is likewise a main thrust of social entrepreneurship activities (Jiao, 2011: 138-139). The Innovation School of thought centers around the social entrepreneurs as people who handle social issues and address social issues in an creative way. According to one late examination, the school is centered around setting up new and better approaches to address social issues or address social issues. Social entrepreneurs do as such by either building up a charitable endeavor or

an enterprise. This school of thought on social enterprise is established in the group of information of business enterprise on the disclosure, evaluation, and misuse of chances (Hoogendoorn et al., 2010: 9). Social entrepreneurship is receptive to and compelled by environmental dynamics. Social entrepreneurship endeavors to accomplish social esteem creation through the presentation of inventiveness and proactiveness. Social entrepreneurship endeavors to accomplish social esteem creation through the showcase of hazard management. Social entrepreneurship is receptive to and compelled by the requirement for authoritative sustainability. Social entrepreneurship is receptive to and obliged by the social mission (Weerawardena and Mort, 2006: 31). Social enterprises try to accomplish a specific social target or set of goals through the closeout of items and additionally benefits, and in doing as such means to accomplish budgetary supportability free of government and different benefactors. Social enterprises along these lines share the quest for income age with associations in the private part and in addition the accomplishment of social (and natural) objectives of not-for-profit organizations. So, they obscure the limits between the private and nonprofit sectors (Di Domenico et al., 2010: 683). The social enterprising association's reaction to environmental complexity and disturbance has been contended to make the requirement for inventiveness, proactive conduct and hazard the board. These are the center drivers of the entrepreneurial venture. Social entrepreneurial not-for-benefits effectively seek after ingenuity in every aspect of social esteem creation. Specifically, gathering pledges and administration conveyance that are basically critical for their development especially inside a focused domain (Weerawardena and Mort, 2006: 29). Social entrepreneurship that prompts noteworthy changes in the social, political and financial settings for poor and minimized gatherings; at the end of the day, social entrepreneurship that prompts social transformation. Successful social entrepreneurship activities can take something like three forms, including building nearby abilities to unravel problems, providing "packages" expected to take care of basic issues, and building neighborhood developments to manage other incredible actors. Successful social entrepreneurship includes advancements that prepare existing resources of underestimated gatherings to enhance their lives. Also social entrepreneurship activities underline orderly learning by people and by the association, on the off chance that they work on a vast scale (Alvord et al, 2004: 263,270,271). Social entrepreneurship is additionally seen as a reaction to the subsidizing issues of non-benefits and also to the budgetary dangers they are taking (Bacq and Janssen, 2011: 374).

Social entrepreneurs are first determined by the social mission of making preferable social incentive over their rivals which results in them displaying innovatively virtuous conduct. Furthermore, they display a decent judgment, a lucid solidarity of direction and activity notwithstanding multifaceted nature. Thirdly, social business visionaries investigate and perceive chances to make better social incentive for their customers. At long last, social entrepreneurs show creativity, proactiveness and chance taking affinity in their key basic leadership (Sullivan Mort et al., 2003: 82). Social entrepreneurs assume the job of progress specialists in the social area, by receiving a mission to make and support social esteem and perceiving and determinedly seeking after new chances to serve that mission. Also they take part in a procedure of consistent advancement, adjustment, and learning, acting intensely without being constrained by assets right now close by, and showing an increased feeling of responsibility to the voting public served and for the results made (Dees, 2017: 38). The social entrepreneur at that point is one who is socially innovatively virtuous, and whose mission is to make social incentive for the social association with which they are associated. Social enterprise display not just a scope of general temperance, for example, respectability, sympathy, compassion and trustworthiness yet in addition explicit excellencies fitting to the social enterprising setting, for example, an unflinching confidence in the intrinsic limit surprisingly to

contribute genuinely to monetary and social advancement; a driving enthusiasm to get that going; a reasonable however inventive position to a social issue (Sullivan Mort et al, 2003: 83). What business entrepreneurs are to the economy, social entrepreneurs are to social change. They are the determined, innovative people who question the present state of affairs, abuse new opportunities, refuse to surrender, and redo the world for the better. Social entrepreneurship is a procedure that is an impetus for social change to address critical social needs that isn't ruled by money related advantages for entrepreneurship. Social entrepreneurship is interesting from different types of entrepreneurship in light of the fact that higher need is given to social esteem and improvement that catches financial value. Social entrepreneurship is one of a kind and is one "types of a sort genus entrepreneur". What separate them are the particular missions that evaluate openings in an unexpected way (Welsh and Krueger, 2012: 282).

#### **1.4. Characteristics of Social Entrepreneurship**

Numerous attributes and practices of social entrepreneurs reflect those of business people working only revenue driven targets, including their drive, assurance, aspiration, charisma, leadership, the capacity to impart vision and rouse others and their most extreme utilization of rare assets. It tends to be contended nonetheless, that while social and business entrepreneurs share numerous comparable qualities, the two can be recognized in various ways (Shaw and Carter, 2007: 422). Social entrepreneurs are mission-driven. They are committed to serve their central goal of conveying a social incentive to the underserved. They demonstration innovatively through a mix of attributes that set them apart from different kinds of business people. Social entrepreneurs act inside innovatively arranged associations that have a solid culture of advancement and transparency (Abu-Saifan, 2012: 25). The moral qualities that direct social entrepreneurs help guarantee that open cash is well spent, thoughts are not debased by personal stakes and that they are completely dedicated to crafted by their undertaking. Besides, their destinations and mission recognize social entrepreneurs. While business entrepreneurs may seek after benefit or investor value, social entrepreneurs are driven by an emphasis on meeting social targets. Thirdly, a few scientists have recommended that development is a key normal for social entrepreneurs (Shaw and Carter, 2007: 422).

#### **1.5. Social Entrepreneurship and Innovation**

Social entrepreneurship, an unordinary contact point among entrepreneurship, innovation and social change, has been progressively catalyzing the interest of academics, organizations, and the business banter for about a decade. At first can be expected that social entrepreneurship develops as anything besides a 'one-way wonder' elite to the charitable part, rather it infers a between inter-sectorial dynamic: social entrepreneurship in a perfect world separation limit lines among authoritative bunches, arranging themselves as mixture hierarchical forms. These are portrayed by adjusted and blended conduct, a solid entrepreneurial orientation or more each of the, an irrefutable highlight on social innovation (Perrini and Vurro, 2006: 57-59). Social entrepreneurs are inventive. They break new ground, grow new models, and pioneer new methodologies. In any case, development can take numerous structures. It doesn't require developing something entirely new; it can just include applying a current thought recently or to another circumstance. Social entrepreneurs require not be inventors. They just should be innovative in applying what others have designed. Their advancements may show up by their way they structure their center projects or by their way they collect the assets and store their work. On the funding side, social entrepreneurs search for inventive approaches to guarantee that their endeavors will approach assets as long as they are making social value (Dees, 2017: 41). Specifically, understanding of innovation as self-association makes



a rich road from which to investigate social entrepreneurship and innovation. Social entrepreneurial acts create in an unconstrained procedure with innovation rising up out of the endogenous novelty-creating, self-sorting out demonstrations of social entrepreneurs. Social entrepreneurship can be comprehended as unique social change coming about because of advancement which appears as new mixes. These new blends come to fruition through the formation and reformation of collaborating groups occupied with creation; these gatherings are socially and verifiably arranged, attributing themselves related ways of life as they are credited by others, crosswise over restricted or endorsed limits (Tapsell and Woods, 2008: 26,27,32).

Social entrepreneurship goes further, proactively adding to social change and innovation inside a few activity fields from social comprehensiveness to work creation; and improvement and poverty decrease, both locally and with a worldwide situated perspective. Additionally, if social entrepreneurship was viewed as a unimportant development inside the nonprofit sector, it would lose that character of innovativeness in managing complex social issues and would just qualify as an instrument in the service of the procedure of philanthropic enterprising (Perrini and Vurro, 2006: 61-63). Various specialists underline the role of innovation in a social entrepreneurial organization recognize the three variables of inventiveness, proactiveness and risk taking as integral to social entrepreneurship. A few scientists have pushed social entrepreneurship as a halfway answer for the requirement for radical welfare change, as an approach to meet social and different requests through social innovations driven by ambitious individuals (Weerawardena and Mort, 2006:25). This readiness to innovate is a piece of the usual way of doing things of social entrepreneurs. It isn't only a one-time burst of creativity. It is a ceaseless procedure of investigating, learning, and moving forward. Obviously, with innovation comes vulnerability and danger of disappointment. Social entrepreneurs will in general have a high resilience for vagueness and figure out how to oversee dangers for themselves as well as other people. They treat disappointment of a venture as a learning knowledge, not an personal tragedy (Dees, 2017: 41). The improvement of the economy in general is a marvel developing based on the cooperation among the different parts. This communication can empower entrepreneurial activity as innovation to rise in the field of social entrepreneurship. Social entrepreneurship can be comprehended as dynamic change coming about because of innovation which appears as the presentation of new blends. Innovation rises up out of the novelty-creating, self-sorting out demonstrations of social entrepreneurs who are a piece of coordinating gatherings. Complex systems are additionally versatile in that on-screen characters can learn and grow new systems of activity (Tapsell and Woods, 2010: 541-543). The extraordinary job of social innovations may play in disturbing rivalry in the more noteworthy market as an expanded number of social ventures compete in the for-profit sector. Others incorporate supporting as well as giving to social causes, innovations planned to address social needs and strategy making intended to achieve social change. Differences in national political structures affect social entrepreneurship viability and performance, and also other striking national dimension results like innovation and new venture creation. Social Entrepreneurship is seen as a key methods by which such associations can improve their capacity to include an incentive through advancement and business sharp (Short et al., 2009: 175-184).

An expansive meaning of social entrepreneurship alludes to innovative activity with a social goal in either the for-profit sector, or in the corporate social entrepreneurship or in the non-profit sector. Social entrepreneurship includes the activities and procedures attempted to find, define and exploit opportunities so as to upgrade social wealth by making new pursuits or overseeing existing associations in an inventive way, and this definition features innovation at the center of the process. The focal driver for social entrepreneurship is the social issue being tended to in an innovative and entrepreneurial

way. Social enterprises handle a wide scope of social and environmental issues and work in all parts of the economy with a view to social value and wealth creation (Chell et al, 2010: 485-486). The after effects of social innovation – new thoughts that address neglected issues – are surrounding us. Social innovation isn't one of a kind to the non-benefit area. It can likewise be driven by politics and government, markets, developments, and by social ventures (microcredit and magazines for the homeless). A considerable lot of the best innovators have figured out how to work over the limits between these segments and innovation flourishes best when there are viable partnerships between little associations and social entrepreneurs which can develop thoughts to scale (Mulgan et al., 2007: 4-5). Besides, social innovation assumes a definitive job in economic development. Past advances in healthcare and the spread of new advances like the vehicle, power or the web, depended as much on social development as they did on innovation in technology or business. Today there are signs that social innovation is ending up considerably progressively essential for economic development. This is incompletely on the grounds that a portion of the boundaries to enduring development must be overwhelmed with the assistance of social innovation, and somewhat as a result of rising requests for kinds of economic development that upgrade instead of harm human connections and prosperity (Mulgan et al, 2007: 5).

Social entrepreneurship shares its business partner's solid strain toward innovation through a progressing change-accommodating orientation and the capacity to find neglected requirements and entrepreneurial opportunities. In specific, a social entrepreneur's past close to home experience joins with social needs, 'gaps between socially alluring conditions and the current reality', social resources, and change to stimulate entrepreneurial thoughts or innovations for social effect. There are three noteworthy sorts of social advancement. The first, building local capacity, alludes to the likelihood of improving local conditions by offering capacity to underused nearby capacities. The second comprises of disseminating a package of innovations through the reconfiguration of items, assets and the board rehearses into structures that fit better with nearby specificities. Thirdly is socially innovative, the likelihood to contribute in building a development, offering voice to minimized gatherings (Perrini and Vurro, 2006: 64-66). Social entrepreneurship described results, for example, social effect, or the manners by which social ventures offer back to the network, for example, innovation and job creation. Like entrepreneurship in the business division, social entrepreneurship can allude to either new venture creation or entrepreneurial process innovation. Innovation is a key forerunner to change and is fundamental for the proceeded with accomplishment of an association. Innovation is a key topic in social entrepreneurship research, however more exertion is expected to manufacture social entrepreneurship-related innovation theory (Short et al., 2009: 168,169,175). The aftereffects of social innovation are all around us. Social innovations are innovative activities and services that are persuaded by the objective of meeting a social need and that are dominantly created and diffused through associations whose basic roles are social. This separates social innovation from business innovation which are commonly spurred by benefit augmentation and diffused through associations that are fundamentally inspired by profit amplification. Technology has a conclusive task to carry out – however so will social innovations which help to change behaviour. Yet there is an amazing shortage of genuine examination of how social innovations is done and how it tends to be upheld (Mulgan et al, 2007: 5-9).

Social enterprises are likewise faced with the challenge to look for business answers for social issues and progress toward becoming and remain maintainable in the event that they are to convey most extreme incentive along each of the three parts of the 'triple main concern' (social, environmental and financial) as per which they are characterized. So as to do that social enterprises need to encourage innovation as a reaction to the difficulties they

are confronting. This would incorporate innovation in outlook, behaviours, strategy and operations. The current exceptional issue has planned to address, in more detail, different viewpoints that characterize innovation for social enterprise from various between disciplinary and diverse points of view (Chell et al, 2010: 488). Perceiving the distinctions of social enterprises from their commercial counterparts, as a piece of this collaborative process, numerous social enterprises can take advantage of the assets and connections of built up enterprises and public sector associations so as to seek after collaborative social innovation for sustainable growth (Chell et al, 2010: 490). Furthermore, given that social entrepreneurs champion an assortment of social innovations that are not generally known, all things considered, they will confront a risk of freshness in their endeavors to present social change. Given this liability, authenticity is likely a basic asset required for the achievement of these social ventures (Dacin et al, 2011: 1208).

## REFERENCES

1. Abu-Saifan, S. (2012). Social entrepreneurship: definition and boundaries. *Technology Innovation Management Review*, 2(2), 22-27.
2. Alvord, S. H., Brown, L. D., & Letts, C. W. (2004). Social entrepreneurship and societal transformation: An exploratory study. *The Journal of applied behavioral science*, 40(3), 260-282.
3. Bacq, S., & Janssen, F. (2011). The multiple faces of social entrepreneurship: A review of definitional issues based on geographical and thematic criteria. *Entrepreneurship & Regional Development*, 23 (5-6), 373-403.
4. Brouard, F., & Larivet, S. (2010). Essay of clarifications and definitions of the related concepts of social enterprise, social entrepreneur and social entrepreneurship. In *Handbook of Research on Social Entrepreneurship*, (Ed.) A. Fayolle and H. Matlay, Edward Elgar, UK, 29-56.
5. Certo, S. T., & Miller, T. (2008). Social entrepreneurship: Key issues and concepts. *Business Horizons*, 51(4), 267-271.
6. Chell, E., Spence, L. J., Perrini, F., & Harris, J. D. (2016). Social entrepreneurship and business ethics: Does social equal ethical?. *Journal of Business Ethics*, 133(4), 619-625.
7. Dacin, M. T., Dacin, P. A., & Tracey, P. (2011). Social entrepreneurship: A critique and future directions. *Organization Science*, 22(5), 1203-1213.
8. Dees, J. G. (2017). The Meaning of Social Entrepreneurship. In *Case Studies in Social Entrepreneurship and Sustainability*, (Ed.) M. Pirson, Greenleaf Publishing, Routledge, USA, 34-42.
9. Di Domenico, M., Haugh, H., & Tracey, P. (2010). Social bricolage: Theorizing social value creation in social enterprises. *Entrepreneurship Theory and Practice*, 34(4), 681-703.
10. Fowler, A. (2000). NGOs as a moment in history: beyond aid to social entrepreneurship or civic innovation?. *Third World Quarterly*, 21(4), 637-654.
11. Hibbert, S. A., Hogg, G., & Quinn, T. (2002). Consumer response to social entrepreneurship: The case of the Big Issue in Scotland. *International Journal of Nonprofit and Voluntary Sector Marketing*, 7(3), 288-301.
12. Hoogendoorn, B., Pennings, E., & Thurik, R. (2010). What do we know about social entrepreneurship: An analysis of empirical research, *International Review of Entrepreneurship*, 8(2), 1-39.

13. Jiao, H. (2011). A conceptual model for social entrepreneurship directed toward social impact on society. *Social Enterprise Journal*, 7(2), 130-149.
14. Mair, J. (2006). Introduction to part II—Exploring the intentions and opportunities behind social entrepreneurship. In *Social entrepreneurship*, (Ed.) J. Mair, J. Robinson & K. Hockerts, Palgrave Macmillan, London, 89-94.
15. Mulgan, G., Tucker, S., Ali, R., & Sanders, B. (2007). *Social Innovation: What It Is, Why It Matters and How It can be Accelerated*. London: The Young Foundation. Retrieved: [http://eureka.sbs.ox.ac.uk/761/1/Social\\_Innovation.pdf](http://eureka.sbs.ox.ac.uk/761/1/Social_Innovation.pdf).
16. Peredo, A. M., & McLean, M. (2006). Social entrepreneurship: A critical review of the concept. *Journal of World Business*, 41(1), 56-65.
17. Perrini, F., & Vurro, C. (2006). Social entrepreneurship: Innovation and social change across theory and practice. In *Social entrepreneurship*, (Ed.) J. Mair, J. Robinson & K. Hockerts, Palgrave Macmillan, London, 57-85.
18. Shaw, E., & Carter, S. (2007). Social entrepreneurship: Theoretical antecedents and empirical analysis of entrepreneurial processes and outcomes. *Journal of Small Business and Enterprise Development*, 14(3), 418-434.
19. Short, J. C., Moss, T. W., & Lumpkin, G. T. (2009). Research in social entrepreneurship: Past contributions and future opportunities. *Strategic Entrepreneurship Journal*, 3(2), 161-194.
20. Sullivan Mort, G., Weerawardena, J., & Carnegie, K. (2003). Social entrepreneurship: Towards conceptualisation. *International Journal of Nonprofit and Voluntary Sector Marketing*, 8(1), 76-88.
21. Tapsell, P., & Woods, C. (2010). Social entrepreneurship and innovation: Self-organization in an indigenous context. *Entrepreneurship and Regional Development*, 22(6), 535-556.
22. Weerawardena, J., & Mort, G. S. (2006). Investigating social entrepreneurship: A multidimensional model. *Journal of World Business*, 41(1), 21-35.
23. Welsh, D. H., & Krueger, N. (2012). The evolution of social entrepreneurship: what have we learned?. *Journal of Technology Management in China*, 7(3), 270-290.

# **The Relationship Between Consumer Rights Conscious Level and Saving Behavior: an Study on Vocational High School Students**

**Gülden GÖK<sup>1</sup>**

## **CHAPTER 26**

---

<sup>1</sup> Öğr. Gör.Dr.,



## I. INTRODUCTION

According to the Law No. 6502 on Consumer Protection, "Consumer is real or legal person acting for non-commercial or non-professional purposes". Consumer is a person who buys and uses the goods in order to satisfy his / her individual needs. (Yavuz, 2010:17).

The concept of consumer appears in every period of history. In the past, consumers were called "buyers". Nowadays, the word "consumer" has gained the meaning of the person who consumes with the effect of various stimuli (Odabaşı ve Glfidan, 2016).

Nowadays, the developments in technology and communication opportunities have increased the production, it made possible for a wide variety of goods in the markets. Therefore, today's consumers change their consumption habits compared to the past and demand more goods. On the other hand, it is not possible to say that hundreds of goods in the market have undergone adequate supervision and do not threaten the health and safety of the consumer. In a free market economy, in order to affect consumers, companies use various advertising techniques consequently it cause more consumption. Some companies, aiming to sell their goods as soon as possible and make a good profit, may ignore robustness, health, safety etc. issues and this leads to consumer complaints. Because of this, conscious consumption habits have become more and more important and consumers who do not acquire them may experience victimization.

Consumers were protected and strengthened against sellers in every period of the history. In ancient Egypt, for example, the Pharaohs intervened in the organizations of economic life, in particular the ruling class for the control of weight and length measures, and said that if there was a fraud in the weight of the commodity, it had a great punishment both in this world and in the other world (Poroy, 1978:518). The kingdom of Mezopotamia, Babylonian, Sumerians, Hittites, ancient Greeks and Egypt and the Roman Empire, and in the Ottoman Empire, fraudulent and unhealthy goods were prohibited in the sale and the sellers were banned in various ways. In the kingdom of Mezopotamia, the King Hamurabi Laws in Babylon, some methods were used to determine the prices according to another product such as wheat and barley. Ceiling price, price setting: quality, weight and measure control were some applications. Manufacturers who were found not to comply with the rules during the production phase were punished. If death has occurred due to production-related reasons, all kinds of penalties were imposed. In Sumerians, Hittites, ancient Greek and Egypt and Roman Empire, it was forbidden to sell mixed, fraudulent and health-harmful goods and those who sold them were punished in various ways (Bayhan, 24). In Roman law, all kinds of lawlessness committed by sellers or consumers were punished, including the prohibition of trade profession, confiscation of the products and in some cases the death penalty (May, 2012: 12).

Until Century XIX , consumers in the Ottoman Empire were protected by guilds (Çadırcı, 1991:123; Ekinci, 1990). The principles of these professional organizations were based on religious foundations. They aimed to ensure that their members functioned honestly in accordance with religious beliefs, morals, professional rules and traditions. Another goal was to protect professionals and consumers. The guilds were controlling whether the production was in line with the guild standards, the quality of the production, a fair price for consumers. Thus, they indirectly contributed to the protection of consumers (Gle, 1983; Deryal ve Korkmaz, 205:7).

The first development of consumer rights and consumer protection in the modern sense began in 1870, after a new law "Deceiving consumers by using postal administration was considered a crime", was enacted in the USA (Akipek, 1999:85). In 1833, the importation of unhealthy tea and low-quality food was prohibited. In 1890, Sherman Antitrust Law,

was enacted to prevent unfair competition and unification of firms in trade. The National Consumers League was founded in 1891 in New York. The second consumers union was founded in 1936. In 1967, Consumers Education and Association, another association of consumers seeking consumer rights through litigation, was established in the United States (Aslan, 2015: 36; Akipek, 1999: 85; Budnitz, 2009: 2).

US President John F. Kennedy first outlined a vision of consumer rights in a special message to Congress on 15 March 1962 (the day we now celebrate World Consumer Rights Day). Kennedy stated that consumers also have rights, that these rights need to be handled within the scope of human rights and that consumer rights must be protected by the state (Ede ve Calcich, 1999: 113-122)<sup>1</sup>. The key consumer rights that Kennedy emphasized for the first time in his speech at the US Congress:

- The right to protect the security and health of the consumer,
- The right of the consumer to be informed,
- The choice, the right to choose,
- the right to be heard, the right of investigation (Ede and Calcich, 1999: 113-122; Skinner, 1990, 673).

These rights were then developed by the EU and identified as five basic consumer rights. These five key consumer rights have been revised by the IOCU, the International Organization of Consumer Associations (IOCU), founded in 1960 by the US, UK, Belgian, Dutch, and Australian consumer unions. These rights have also been adopted by the United Nations and have evolved into universal consumer rights. Those Universal Consumer rights are (<http://www.consumerssa.com/consumer-rights/>):

The right to satisfaction of basic needs - to have access to basic, essential goods and services: adequate food, clothing, shelter, healthcare, education and sanitation.

The right to a healthy environment - to live and work in an environment which is non-threatening to the well-being of present and future generations.

The right to safety - to be protected against products, production processes and services that are hazardous to health or life.

The right to be heard - to have consumer interests represented in the making and execution of government policy, and in the development of products and services.

The right to redress - to receive a fair settlement of just claims, including compensation for misrepresentation, shoddy goods or unsatisfactory services.

The right to be informed - to be given the facts needed to make an informed choice, and to be protected against dishonest or misleading advertising and labelling.

The right to consumer education - to acquire knowledge and skills needed to make informed, confident choices about goods and services, while being aware of basic consumer rights and responsibilities and how to act on them.

The right to choose - to be able to select from a range of products and services, offered at competitive prices with an assurance of satisfactory quality.

After the adoption of these universal rights, the need for consumer protection has been accepted by all countries of the world and countries have introduced various laws in this direction and paved the way for consumer protection.

In our country, The Law on the Protection of Consumers No. 4077, issued on 23.02.1995, was published in the Official Gazette on 8.09.1995. This law has been prepared by taking into account the European Union directives on consumer protection.

<sup>1</sup> <https://docassas.u-paris2.fr/nuxeo/site/esupversions/b5f38345-d5aa-4a52-8a5d-09f9d98511fc>



Later, this law was revised on 7.11.2013 as Law on Protection of Consumers 'numbered 6502 and published on the Official Gazette on 28.11.2013 and entered into force on 28 May 2014. The fact that a law is in force does not mean that it is known and practiced by all members of the society. It is important to inform and educate the society on this subject(Hayta, 2009). The awareness of individuals about these rights provided by law, contributes to the rational behavior of the consumer in terms of warranty, repair, replacement and return of the goods in case of purchased goods are defective. If consumers who are aware of their rights do not lose their income due to defective goods, they can allocate a share of their income to their savings. As it is known, the most important obstacle to growth and development in developing countries is the insufficient level of domestic savings. For this reason, some countries tries to obtain necessary financing for development from abroad. This situation causes negativities in the countries economies and gradually increases the dependence on foreign countries. Domestic savings, especially individual savings, are of great importance in overcoming this. After the 2001 crisis, macroeconomic policies implemented in Turkey's economy, increased the growth rate but could not provide a significant increase in personal savings rate (Erkiletlioğlu ve Gül,2011). Therefore, one of the suggestions for increasing savings is the reduction of excessive consumption expenditures.(Kalkınma Bakanlığı,ÖİK,2019-2023).

University youth is in the first years of being a consumer. They usually use credit cards, most of them rent a house with their friends, consume as much as a family. It is important that these young people, who are our hopes for the future, should be fully equipped about consumer rights. It is also vital for the country's economy that whether they take up positive saving behavior or not.

In this context, this study aims to determine the consumer rights awareness level and saving behaviors of the students in Banking, Foreign Trade, Office Management and Public Relations Department of Selçuk University Vocational School.

## 2. LİTERATR

In some studies in the literature, it was concluded that the level of awareness of the consumer rights of young people is low.

ner et al. (2007), in two high schools in Ankara, in a study conducted with 353 students, in order to evaluate the consumer rights knowledge and attitudes of high school students, students' consumer rights were found to be low.

**Ersy and Nazik (2006)**, in Ankara, in a study conducted to determine consumer awareness of adolescents, it was found that female students are more conscious than male students, students whose family has higher monthly income was found to be more conscious consumers than other students.

**Makela and Peters (2004)**, in a study conducted to determine the role of consumer education in the formation of consumer awareness in young people, 3107 secondary school students' knowledge of consumer rights and responsibilities were measured. As a result of the research, female students were more conscious than male students and 80% of the students stated that they knew eight basic universal consumers.

**Babaoğlu and Srgit (2010)** conducted a study to question the level of knowledge about the Law on Protection of Consumers No. 4077. The level of knowledge for this law was found to be 45.8%, which was 69.9% for university and higher education.

**Gkdeniz et al. (2012)**, did a study with Kırıkkale University Faculty of Economics and Administrative Sciences students. In this study, whose name is "Individual Factors Affecting Customer's Tendency to Complain to the Company ", it is determined that the conscious consumers who are aware of their legal rights are more likely to make complainment than others.

**Ali, P., et al. (2014)** in their study on the determination of consumer rights for young people in Austria, found significant differences in the levels of consumer rights of 207 Austrian students aged between 16 and 27 years. In addition, it is found out that a significant number of students had no self confidence in using consumer rights.

According to the study “Turkey-Saving Trends” made by the ING bank in Turkey, it has been found that the 25-34 age group is the most saving age group. (ING Bank, 2016 yılı 3. Çeyrek sonuçları).

A study made by Erdem (2017), “ Factors That Affecting Households Savings in Turkey “ it is found that the level of education is a positive impact on savings, the savings rate has a steady increase with the level of education.

**Sabri and Macdonald (2010)**, in a study conducted in Malaysia, observed that as the students’ financial literacy levels increased, their tendency to savings increased.

### 3. PURPOSE AND METHODOLOGY OF THE RESEARCH

#### 3.1. Purpose of the Research

This study aims to determine the consumer rights knowledge and awareness levels of the students in the Vocational High School of Selçuk University, to investigate saving trends and to determine the relationship between consumer awareness and savings. For this purpose, a questionnaire was applied to the students randomly selected in the Office management, Banking, Foreign trade and Public relations departments of Vocational High School( WHS)of Selçuk University.

#### 3.2. Materials and Methods

The universe of the study is the students of Vocational High School in the campus area of Konya Selcuk University. Simple random sampling technique was used to find out how many students would be surveyed. A questionnaire consisting of 20 multiple-choice questions was applied to 201 (two hundred one) students according to the calculated sample volume (n). First 4 questions of the survey are about the demographic information of the students. The questions in the second part of the questionnaire were taken from “Consumer Rights Knowledge and Awareness Level Research Questions” developed by Gül den Gök for her doctoral thesis. These questions are multiple choice questions. The third part of the questionnaire consisted of 6 questions designed to obtain data about savings habits and preferences of the participating students in the survey. Each correct answer was evaluated as 5 points, and CRALP (Consumer Rights Awareness Level Point) was calculated for each student over 100 points. Since these scores are not suitable for normal distribution, nonparametric tests were used in the analyzes. The data were evaluated with SPSS 17 package program by using Kuruskal Wallis or Mann Whitney U test for the comparison of the mean of the independent groups. Chi-Square method was used for the analysis of categorical data. Other methods such as frequency distribution and correlation analysis were also used.

#### 3.3. Hypotheses

For the general purposes of the research, the following hypotheses are to be sought:

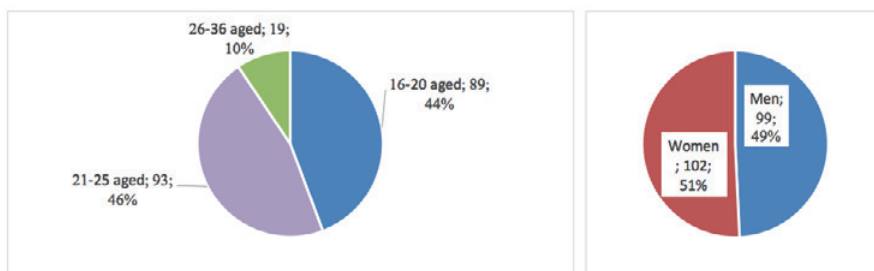
**H1. Students’ Consumer Rights Awareness Level Points (CRALP) does not differ according to age, gender, monthly average income or departments.**

**H2. Students’ Consumer Rights Awareness Level Points (CRALP) does not show significant differences according to whether they make regular savings or not.**

**H3. There is no significant difference between students’ savings habits and savings preferences as to monthly income or gender.**

## 4. RESULTS

### 4.1. Demographic Features



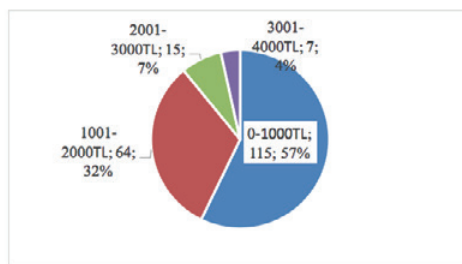
**Graph 1- 2.** Age and gender distribution of the students

90% of the students are in the 16-25 age range. The ratio of female to male is approximately equal.

Departments	Number of students
Banking	51
Office Management	50
Foreign Trade	49
Public Relations	51

**Table 1.** Departments of students

The students who attended the survey were selected in equal numbers.



**Graph-3.** Distribution of students to monthly income groups

89% of students have monthly income of 2000TL or under. Only 4% of them said that they have 3000TL or more income.

### 4.2. Consumer Rights Awareness Levels of Students

CRALP was calculated for each student by calculating the points they received from the questions to measure consumer rights awareness levels. Accordingly, the average awareness level of the consumers was found to be 46%. This score, which is below 65%, indicates that students' level of awareness is far from the desired level.

The conformity of the scores to the normal distribution was tested with Kolmogorov-Smirnov and Shapiro-Wilk tests and it was found that the data did not conform to normal distribution. For this reason, nonparametric tests were used in intergroup analysis. The

scores were examined according to gender, age, departments and monthly income groups and it was found that the averages of these groups had no significant differences. Some of these statistics are given in the following tables:

Departments	Students (N)	Avarage CRALP	Std. Deviation	Income groups	N	Average CRALP	Std. Deviation
Banking	51	42%	16%	0-1000 TL	115	46%	16%
Office management	50	48%	15%	2001-3000 TL	64	46%	15%
Foreign trade	49	47%	16%	3001-4000 TL	15	43%	16%
Public relations	51	46%	15%	4000 TL over	7	50%	15%
Total	201	46%	16%	Total	201	46%	16%

**Table 2 - 3.** CRALP distribution of students by monthly income groups and departments

This result that “the CRALPs of the students about consumer rights did not make a significant difference on gender, age, departments, monthly income groups” was interpreted as the fact that these factors have no effect on consumer rights awareness level of students. The 46% awareness point average revealed the fact that all of the students need neccessary information and raise awareness about consumer awareness.

As a result, in terms of the hypotheses of the study “H1: The Consumer Rights Awareness Level Points (CRALP) of the students does not differ according to gender, age, departments or monthly income.” hypothesis is accepted.

#### 4.3. Investigations on Students’ Savings Habits

In the study, whether students make savings regularly or not, whether students accept savings as a long- life habit or not, and which percentage of their monthly income they save, were also investigated.

Results about the questions of students’ saving habits are :

- The question “Do you make savings regularly?” was answered as “Yes” at 53.2% and “ No” at 46.8% of the students. There was no significant correlation in the analysis between groups like departments groups, age groups, gender groups and monthly average income groups. This data is interpreted that these factors have no effect on saving.
- With question 16, “Do you think saving would be a life-long habit for you?” students were asked . “ Yes” or “ No” responses of them were analyzed according to their gender and monthly average income. There was no significant relation between these groups according to Chi-square analysis. On the other hand, there was a significant correlation between students ‘ responses and their departments or age groups (since Chi-square = 0,021< 0.05). The related data is in the following tables.

16-Do you think saving would be a life-long habit for you?					
Age groups		Yes	No	Hesitant	Total
Aged 16-20	Number	62	15	9	86
	%	72,1%	17,4%	10,5%	100,0%
Aged 21-25	Number	53	31	5	89
	%	59,6%	34,8%	5,6%	100,0%
Aged 25-36	Number	11	3	4	18
	%	61,1%	16,7%	22,2%	100,0%
Total	Number	126	49	18	193
	%	65,3%	25,4%	9,3%	100,0%

**Table 4.** Answers of age groups to the question 16

As can be seen from the table that more than 65% of the students answered “Yes” to the question 16. The ratio of those who say “Yes “ is above 50% in all age groups. In the 21-25 age group, the percentage of those who say “No” is twice as much as the other groups.

16-Do you think saving would be a life-long habit for you?					
Departments		Yes	No	Hesitant	Total
Banking	Number	32	19	0	51
	%	62.70%	37.30%	0.00%	100.00%
Office managements	Number	38	5	7	50
	%	76.00%	10.00%	14.00%	100.00%
Foreign trade	Number	31	10	6	47
	%	66.00%	21.30%	12.80%	100.00%
Public relations	Number	25	15	5	45
	%	55.60%	33.30%	11.10%	100.00%
Avarages	Number	126	49	18	193
	%	65.30%	25.40%	9.30%	100.00%

**Table 5.** Answers to question 16 of the students

Chi-square 0,021<0,05

As can be seen from the table that 76% of the students of Office managements department answered “Yes” to the question 16. The ratio of those who say “Yes “ is lowest (56% )in Public relations departments. Banking students have no hesitation about savings. That was another interesting result of this research.

- iii. As a result of the analysis of the question “17- How many percent of your monthly income can you save?” there was meaningful relation between “Yes” or “No” answers according to departments of the students and saving rates of the students. Related data is in the table below.

17.How many percent of your monthly income can you save?							
Departments		No	less than %10	%10- %20	%20- %50	more than %50	Total
Banking	Number	16	13	15	6	1	51
	%	31,4%	25,5%	29,4%	11,8%	2,0%	100,0%
Office managements	Number	13	12	8	15	2	50
	%	26,0%	24,0%	16,0%	30,0%	4,0%	100,0%
Foreign trade	Number	17	14	15	1	2	49
	%	34,7%	28,6%	30,6%	2,0%	4,1%	100,0%
Public relations	Number	27	6	12	6	0	51
	%	52,9%	11,8%	23,5%	11,8%	0,0%	100,0%
Avarages	Number	73	45	50	28	5	201
	%	36,3%	22,4%	24,9%	13,9%	2,5%	100,0%

**Table 6.** Answers to question 17 of the students as to departments

Chi-square = 0,009<0,05

Nearly 50% of the students stated that they could save 20% or less. 30% of Office management students said that their savings rates are between 20% and 50%. It was found that approximately 53% of the students in the Public relations department cannot save money.

- iv. 18th question was about “students reasons for not saving”. The following data were obtained from the questionnaire:

Students reasons for not saving	Number	%
I don't have enough income	49	24,4%
I have debts	19	9,5%
I don't want to make any effort	18	9,0%
I don't trust banks	6	2,98,%
I don't need to save money	3	1,5%
I don't know how to use my savin	6	3,0%
Other	3	1,5%

**Table 7.** Reasons of the students

As it can be seen from the table, approximately one fourth of the students stated that they could not save because they did not have enough income and they considered this as an obstacle. Other important reasons were to be indebted and not to be willing to make savings.

Chi-square analysis on these results revealed that there was a significant relationship between the students' departments and the reasons (Chi-square = 0.004 <0.050). The following table shows this data.

Departments		I don't have enough income	I have debts	I don't want to make any effort	I don't trust banks	I don't need to save money	I don't know how to use my savings	Others	Total
Banking	Number	12	5	3	0	2	1	2	25
	%	48,0%	20,0%	12,0%	0,0%	8,0%	4,0%	8,0%	100,0%
Office managements	Number	9	1	3	1	0	1	1	16
	%	56,3%	6,3%	18,8%	6,3%	0,0%	6,3%	6,3%	100,0%
Foreign trade	Number	17	11	0	1	0	1	0	30
	%	56,7%	36,7%	0,0%	3,3%	0,0%	3,3%	0,0%	100,0%
Public relations	Number	11	2	12	4	1	3	0	33
	%	33,3%	6,1%	36,4%	12,1%	3,0%	9,1%	0,0%	100,0%
Avarages	Number	49	19	18	6	3	6	3	104
	%	47,1%	18,3%	17,3%	5,8%	2,9%	5,8%	2,9%	100,0%

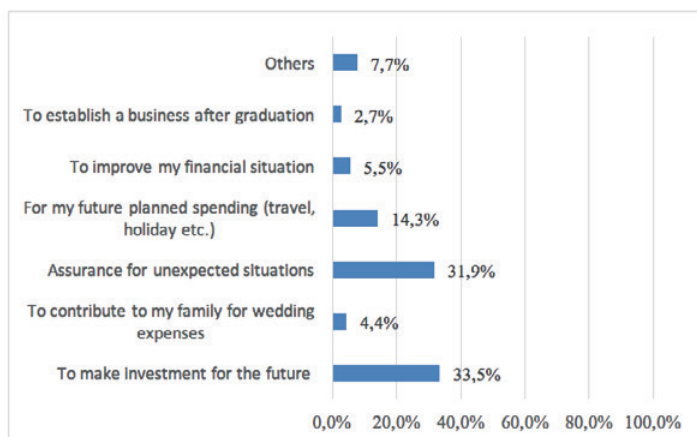
**Table 8.** Reasons of the students according to departments

Chi-square = 0,004 <0,05

As it can be seen from the table, almost half of the students (47.1%) on average pointed out that the lack of income as the main reason for not making savings. In this sense, the highest rates were found in Foreign Trade and Office Management departments and the lowest rate was in Public Relations section. The rate of students who can not save due to debt was 18,3% . In the Public Relations section, the rate of those who do not have an effort to make savings is calculated as 36,4%.

- v. Student responses to the question 19 - For what purpose do you save money?, were examined according to age groups, gender groups, departments or income groups.

No significant relationship was found between these groups and saving purposes. The saving purpose of the students is given in the graph below.



**Graph-4.** Answers to the question “For what purpose do you make saving?”

“To make investment for the future”, “Assurance for unexpected situations” and “For my future planned spending (travel, holiday etc.)” were students’ prominent goals for saving.

- vi. The students were asked 20.question : “20 - Which areas do you want to save? ” and their answers were examined according to groups by age, department etc. As a result of the analyzes, no significant relationship was found between age, gender and departments but it was found that there was a significant relationship between the monthly average income groups and savings areas (Chi square = 0,028 <0,05). Following table displays related data:

Income groups		Mattress saving	Deposit account(foreign currency)	Gold account	Deposit account(TL)	Drawing account(TL)	Stocks or bonds	Others	Total
0-1000TL	Number	41	18	25	5	7	0	18	114
	%	36,0%	15,8%	21,9%	4,4%	6,1%	0,0%	15,8%	100,0%
1001-2000TL	Number	18	10	19	3	1	0	13	64
	%	28,1%	15,6%	29,7%	4,7%	1,6%	0,0%	20,3%	100,0%
2001-3000TL	Number	5	3	5	0	1	1	0	15
	%	33,3%	20,0%	33,3%	0,0%	6,7%	6,7%	0,0%	100,0%
3001-4000TL	Number	2	2	1	2	0	0	0	7
	%	28,6%	28,6%	14,3%	28,6%	0,0%	0,0%	0,0%	100,0%
Total	Number	66	33	50	10	9	1	31	200
	%	33,0%	16,5%	25,0%	5,0%	4,5%	,5%	15,5%	100,0%

**Table 9.** Saving areas of the students according to monthly income

Chi square = 0,028<0,050

According to the data in the table, the favorite area of 36% of the students in the income group 0-1000TL was Mattress savings. It is seen from the table that the students in the highest income group(3001-4000TL) use 3 savings areas with equal ratios (28.6%): Mattress saving, Deposit account (TL) and Deposit account(foreign currency). The most popular savings areas for students with monthly income between 2001-3000TL were: Mattress savings and gold account.

As a result, among the 200 students who answered this question, the favorite saving areas were Mattress savings, gold accounts and deposit account(foreign currency).

In terms of the hypothesis of the study, “H3. There is no significant difference between students’ savings habits and savings preferences as to monthly income or gender.” was rejected.

#### 4.4. The Relation Between Regular Saving Habits and Consumer Rights Awareness Levels of The Students

In order to investigate the hypothesis “H2. Students’ Consumer Rights Awareness Level Points (CRALP) does not show significant differences according to whether they make regular savings or not.”, two groups were formed. First group contained the students who had regular saving habits and second contained those who did not. Students’ Consumer Rights Awareness Level Points (CRALP) averages of these two groups were compared with Mann Whitney U test and it was found that the averages of these two groups were significantly different. The analysis is given in the following table:

	Number	CRALP	Std. Deviation
Yes	107	48,00%	14,70%
No	94	43,00%	16,30%
Avarage	201	45,70%	15,60%

**Table 10.** CRALP of the students according to saving habits

( $p=0,037<0,050$ )

In the analysis with Mann Whitney U test, it was found that there was a significant difference between the students with regular savings habits and those who were not. ( $P = 0.037 < 0.05$ ). As can be seen from the table, the CRLAP of the students who make regular savings is calculated as 5 points higher than the other group. This result is interpreted that if efforts are conducted to increase consumer rights awareness level of students, this will have a positive effect on saving habits of them. This result suggests that students with regular savings habits will have higher consumer awareness than those who do not.

On the other hand, “To what extent do you save your monthly income?” question was analyzed according to student responses. That is, it was investigated that students who saved higher percent of monthly income had higher CRLAPs or not. According to the results of Kruskal Wallis test, it was revealed that students with high monthly savings rate doesn’t have higher consumer rights awareness level ( $p > 0.05$ ).

## 5. RESULTS, DISCUSSION AND SUGGESTIONS

Consumer rights awareness levels, saving trends and the relation between saving trends and consumer rights awareness level of the students of vocational high schools in main campus of Selçuk University were investigated in this research. The following results were obtained, comments and suggestions are made:

The average Consumer Rights Awareness Level Score (CRALP) was calculated as 46%. This level, which is considerably below 65% success level, has been interpreted as students have not enough knowledge and awareness about consumer rights.

It was found that gender, age, department or monthly income did not have a significant effect on CRALP, so this result reflects low education level about consumer rights of the students. For this reason, it is suggested that consumer rights education should be taken into consideration for all students.

It was calculated that 53.2% of the students made regular savings. This ratio was found to be quite satisfactory. On the other hand, 65.3% of the students stated that they



intend to make life-long savings. This data is interpreted as the rate of savings of students could be up to 65%.

According to answers of the students of the question "Do you make regular savings?", there is no meaningful relationship between the age, genders or monthly average income groups with "Yes" or "No" answers. So it is commented that regular saving is not depend on students' differences.

As to departments the most eager group to make life-long savings was Office management students and the lowest rate was in Public Relations students. The percentage of the students that consider life-long savings was the highest among students aged 16-20 (72.1%), as the other age groups had close percentages.

It was found that 22.4% of the students saves 10% and 24.9 % of the students saves 20% of their monthly average income. Saving percentages had meaningful relation with the departments is another result of the survey.

The main reasons that students thought as an obstacle to saving were: "I don't have enough income", "I have debts" and "I don't want to make any effort to save money". In the analysis, a significant relation was found between these obstacles and Foreign Trade and Banking students, consequently it was found that the debt ratios of these students were quite high compared to other departments. This data was excluded from the evaluation because of abnormal distribution in the randomly selected sample.

The objectives of savings of the students as to priority: "Investment for the future", "Assurance for unexpected situations" and "For my future planned spending (travel, holiday etc.)." Students' most preferred savings areas have emerged as Mattress savings, Gold accounts and Deposit account (foreign currency). This data is interpreted as the students directing their savings to the areas that are more easy to convert into cash.

The reasons that students think as an obstacle to saving were: "not having enough income", "because I have debts" and "I don't want to make any effort to save money". In the analysis, a significant relation was found between these obstacles and Foreign Trade and Banking students, consequently it was found that the debt ratios of these students were quite high compared to other departments. This data was excluded from the evaluation because of abnormal distribution in the randomly selected sample.

The objectives of savings of the students according to priority: "Investment for the future", "Assurance for unexpected situations" and "for holidays, travel etc." No significant relationship was found between students' groups and saving purposes. So it is commented that demographic differences make no effect on students' saving purposes.

It was found that there was a relationship between income groups and savings areas, of the students. Mattress savings and Gold account were primary saving areas of the students and it is commented that students prefer to keep their investments ready for immediate needs.

The students who said "I make regular savings" had higher CRALPs than the students who said "I didn't". 5% difference in CRALPs between students with regular savings and others is considered to be very important since the average of students was low (46%). It is commented that increasing the consumer awareness of the students will make positive effects on savings. On the other hand, it is found that students who had higher saving percentages did not have higher CRALPs. This is interpreted as the awareness of consumer rights poses a positive impact on savings, but it does not necessarily mean that students who have higher saving percentages have higher consumer rights awareness.

## REFERENCES

1. Akipek,Ş.,(1999)."Trk Hukuku ve Mukayeseli Hukuk Aısından Tketici Kredisi,

Seçkin Yayınları, Ankara.

2. Ali, P.,& Anderson,M.,E.,&McRae,H.C.,& Ramsay,I.,(2014), "Consumer Rights Awareness Of Young Australians" Social Science Researchh Network, Competition and Consumer Law Journal, Vol. 22, No. 2, pp. 126-150, November [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2520332](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2520332) E.T.12.09.2017.
3. Aslan,Y.,(2015). "6502 Sayılı Kanuna Göre Tüketici Hukuku,Ekin Yayınevi,5. Baskı,Bursa
4. Budnitz,M.,E, (2009)."The Development Of Consumer Protection Law,The Institutionalization of Consumerism, And Future Prospects And Perils, Gorgia State University Law Review, Vol,26,Iss, 4, Article ,2.
5. Bayhan,V.,(2011). Tüketim Toplumunda Bireyin Ontolojik Mottosu :“Tüketiyorum Öyleyse Varım” <http://dergipark.ulakbim.gov.tr/iusoskon/article/viewFile/1023011361/1023010621>
6. Babaoğlu,M., ve Sürgit,B., (2010), "Tüketicinin Korunması ve Tüketici Haklarına İlişkin Bilinç Düzeyi Araştırması Raporu," Tüketici Çevre ve Eğitim Vakfı, Birinci Basım,Mart,Ankara, s. 42-71.
7. Çadırcı, M. (1991). Tanzimat Döneminde Anadolu Kentlerinin Sosyal ve Ekonomik Yapıları, TTK Basımevi, Ankara.
8. Deryal,Y.,&Korkmaz,Y.,(2015).Tüketici Hukuku Ders Kitabı, Adalet Yayınevi, 3.Baskı,Ankara.
9. Ede, F.O. ve Calcich, S.E. (1999), "African American Consumerism: An Exploratory Analysis and Clasification", American Business Review, 17 (1):113-122.
10. Ekinci,Y.,(1990). Ahilik ve Meslek Eğitimi, MEB Yayınları,No: 862, Bilim ve Kültür Eserleri Dizisi, No.132, İstanbul.
11. Ersoy,S., ve Nazik,H.,N.(2006)."Ergenlerde Tüketicilik Bilinç Düzeyi Üzerine Bir İnceleme" Selçuk Üniversitesi Sosyal Bilimler Enstitüsü Dergisi, S.16, s.313-329.
12. Gökdeniz,İ.,&Durukan,T.,& Bozacı,İ.,(2012). "Müşterinin Firmaya Şikâyet Etme Eğilimini Etkileyen Bireysel Faktörler Üzerine Uygulamalı Bir Çalışma"Aksaray Üniversitesi İktisadi ve İdari Bilimler Fakültesi Dergisi,C.4,S.1,ISSN 1308-7525,s.1-20.
13. Göle, C.,(1983). Ticaret Hukuku Açısından Aldatıcı Reklâmlara Karşı Tüketicinin Korunması, Ankara: Banka ve Ticaret Hukuku Araştırma Enstitüsü Yayınları.
14. Hayta, A.B.(2009). "Sürdürülebilir Tüketim Davranışının Kazanılmasında Tüketici Eğitiminin Rolü, Ahi Evran Üniversitesi", Eğitim Fakültesi Dergisi, 10, ( 3), 43-151.
15. Kayalı,F.(2008). "Tüketicinin Korunması Ve Tüketici Hakları Konusundaki Bilgi Düzeyinin Tüketicinin Korunmasındaki Rolü" Balıkesir Üniversitesi, Sosyal Bilimler Enstitüsü İşletme Anabilim Dalı, Yüksek Lisans Tezi, Balıkesir.
16. Makela,C.J., ve Peters, S. (2004). Consumer Education: Creating Consumer Awareness Among Adolescents in Botswana " International Journal of Consumer Studies, 28(4).
17. May, H.,(2012). "La protection du consommateur des services bancaires et des services d'assurance", Université Panthéon-Assas école doctorale de droit privé, Université libanaise école doctorale de droit et des sciences politiques, administratives et économiques Thèse de doctorat en droit soutenue le 10 décembre 2012.
18. Odabaşı,Y, ve Gülfidan,B.,(2016). Tüketici Davranışı,İstanbul, Mediacat Akademi.
19. Poroy, R., (1979)."Tüketicinin Korunmasına İlişkin Bazı Özel Hukuk Sorunları" Arslanlı'ya Armağan.
20. Skinner, J.S., (1990). Marketing, Boston: Houghton Mifflin Company.

21. ner, S.,; Acar S.; Alp A.,S.; Simavlı, H.,; Maunsour,N.; El-Hatou,H.; Nprevista,E.; Kayıkıcıođlu,E.;Gler,.(2007).“ Lise đrencilerinin Tketicici Hakları Konusunda Bilgi ve Tutumlarının Deđerlendirmesi” Toplum Hekimliđi Blteni, Cilt 26, Sayı 2, Mayıs-Ađustos 2007, s.16-2
22. Yavuz, Nihat (2010), đretinin ve Uygulamanın Işıđında Tketicinin Korunması Hakkında Kanun řerhi, Adalet Yayınevi, Ankara

### İnternet Kaynakları

1. <http://www.sbb.gov.tr/ozel-ihhtisas-komisyonu-raporlari/#1540024439304-a1816e9a-4191E.T.11.9.2018>
2. <http://iibfdergi.aksaray.edu.tr/index.php/asuiibfd/article/view/63/70E.T.22.9.2018>
3. <http://www.resmigazete.gov.tr/eskiler/2013/11/20131128-1.htm1.10.2018>
4. <http://www.tupadem.hacettepe.edu.tr/http://www.consumersinternational.org/who-we-are/consumer-rights/> 7.10.2018
5. <http://www.tukcev.org.tr/8-temel-tuketici-hakki>27.10.2018
6. [http://frc.ch/wp-content/uploads/2010/10/03\\_1Droits%20et%20devoirs%20du%20consommateur.pdf](http://frc.ch/wp-content/uploads/2010/10/03_1Droits%20et%20devoirs%20du%20consommateur.pdf) 11.9.2018
7. [http://dspace.balikesir.edu.tr:8080/xmlui/bitstream/handle/123456789/1989/F%C3%BCsun\\_Kayal%C4%B1.pdf?sequence=1&isAllowed=y](http://dspace.balikesir.edu.tr:8080/xmlui/bitstream/handle/123456789/1989/F%C3%BCsun_Kayal%C4%B1.pdf?sequence=1&isAllowed=y) 1.10.2018
8. <https://docassas.u-paris2.fr/nuxeo/site/esupversions/b5f38345-d5aa-4a52-8a5d-09f9d98511fc> 28.10.2018





















