

## **AN EVALUATION OF CREDIT CARD USE IN TURKEY IN TERMS OF FOOD EXPENDITURES**

### ***TÜRKİYE'DE KREDİ KARTI KULLANIMININ GIDA HARCAMALARI AÇISINDAN DEĞERLENDİRİLMESİ***

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#### **ABSTRACT**

Today, a credit card is an essential tool in our lives. Both the number of people who use a credit card and the number of business concerns which accept them increase day by day. Consumers prefer to use credit card for their expenditures; thus, they are more inclined to buy. Credit card heads the list of the most effective payment methods of the digital transformation in the sense of payment in Turkey. According to the data obtained as a result of the card monitor research conducted for 2017 by the Interbank Card Center of Turkey (ICC), 68% of the Turkish population preferred credit card as the method of payment. According to the data from the ICC for December 2018, there were 66.304.603 credit card users in Turkey. For the same year, the number of internal transactions was 347.249.317, and the transaction amount was 70.439 million Turkish Liras.

According to the data on household consumption expenditures for 2017 published by the Turkish Statistical Institute, the expenditures on housing and rent had the highest share (24.7%), followed by the expenditures on food and non-alcoholic beverages (19.7%). To the expenditures on food and non-alcoholic beverages, the Central-East Anatolian Region allocated the highest share (27.1%), while the Istanbul Region allocated the lowest share (15.5%). Between 2008 and 2017, the highest increase in the expenditures on food and non-alcoholic beverages was seen in the Central-East Anatolian Region (23%).

According to the ICC's statistical data, the amount spent by consumers on food using a credit card increased substantially (42.74%) between 2014 and 2018. The use of credit cards for food expenditures grows year by year, indicating that people meet their needs for food by borrowing. For this reason, this study investigated the share of food and non-alcoholic beverages in consumption expenditures in Turkey and the status of credit card use in such expenditures. The primary purpose of the study was to set forth credit card use in Turkey and its share in food expenditures and to offer solutions. For statistical data analysis, the period of 2009-2018 for household consumption expenditures of the Turkish Statistical Institute and that of 2014-2018 of the ICC were taken as the basis and given in tables.

**Key words:** Credit card, food expenditures, consumption expenditures, Turkey.

#### **ÖZET**

Günümüzde hayatımızın vazgeçilmezleri arasında yer alan kredi kartları, her yıl daha çok kullanıcının cüzdanına girmekte ve daha fazla işyerinde kabul görmektedir. Tüketiciler, harcamalarında kredi kartı kullanımını tercih etmekte ve bu nedenle daha fazla satın alma eğilimi göstermektedirler. Türkiye'de ödeme anlayışındaki dijital dönüşümün en etkili ödeme yöntemlerinin başında kredi kartı gelmektedir. Bankalararası Kart Merkezi (BKM), kart monitör araştırmasının 2017 yılı verilerine göre Türkiye nüfusunun % 68'i ödeme yöntemi olarak kredi kartını tercih etmektedir. 2018 yılı Aralık ayı BKM verilerine göre Türkiye'de toplam 66304603 kredi kartı kullanıcısı bulunmaktadır. Aynı yıl yurtiçi toplam 347249317 adet işlem, 70439 milyon TL işlem tutarı gerçekleşmiştir.

TÜİK hane halkı tüketim harcamaları 2017 yılı verilerine göre; konut ve kira harcamaları % 24.7 ile ilk sırada, gıda ve alkolsüz içecekler harcamaları ise %19.7 ile ikinci sırada yer almaktadır. Gıda ve alkolsüz içecekler harcamalarında, Ortadoğu Anadolu Bölgesi % 27.1 ile en yüksek bölge, İstanbul Bölgesi ise %15.5 ile en düşük bölge durumundadır. 2008-2017 yılları arasında gıda ve alkolsüz içecek tüketim harcamalarında en fazla artış, % 23 ile Ortadoğu Anadolu Bölgesinde gerçekleşmiştir.

Tüketicilerin yapmış oldukları harcamalarda BKM istatistik verilerine göre, gıda harcamalarındaki kredi kartı kullanım tutarı 2014-2018 yılları arasında % 42.74 ile ciddi bir artış göstermiştir. Gıda harcamalarındaki kredi kartı kullanımının her geçen yıl artış göstermesi, beslenme ihtiyacının borçlanma yoluyla karşılandığının bir göstergesi niteliğindedir. Bu nedenle çalışmada, Türkiye'de tüketim harcamalarında gıda ve alkolsüz içeceklerin yeri ve bu harcamalardaki kredi kartı kullanımının durumu incelenmiştir. Çalışmanın temel amacı, Türkiye'deki kredi kartı kullanımı ve gıda harcamalarındaki yerini ortaya koymak, sorunlara ilişkin çözüm önerileri getirmektir. İstatistik veriler incelenirken, TÜİK hane halkı tüketim harcamalarının 2008-2017 dönemi ve BKM'nin 2014-2018 dönemi esas alınmış ve çizelgeler halinde sunulmuştur.

**Anahtar Kelimeler:** Kredi kartı, gıda harcamaları, tüketim harcamaları, Türkiye.

## 1. INTRODUCTION

The use of credit cards is on the rise both in Turkey and all over the world along with the development of technology. Credit cards are one of the most common methods of payment people use to purchase the goods and services they need in their daily life (Karacan, R., 2017). They also allow for purchasing goods and services without any need for cash and paying at a later date as well as preventing informal economy. Today, however, credit cards are among the reasons why consumers borrow. The irresponsible use of credit cards and the insufficient level of income give rise to more borrowing in developing countries such as Turkey.

The first credit card in Turkey was issued by Setur Inc., a subsidiary of the Koç Group, in 1968, and credit card use has increased year by year since then. Turkish people mostly used cash as the main instrument of payment until 1990s. However, towards the mid-1990s, credit cards became widespread and started to replace cash in purchasing (Tuğay and Başgöl, 2007).

Credit cards are of importance for the retail industry. The card payment systems in the retail industry have priority in competitive differentiation through loyalty programs. Turkey is one of the top countries in the world in terms of the number of POS terminals and credit cards, indicating the importance of credit cards for the retail industry. According to a study carried out in 2014, Turkey was above the OECD average in the number of credit card users, of all developing countries, Turkey, Argentina and Brazil led the list, and more than 20% of the adult population used credit cards in Turkey, Argentina and Brazil (Kunt et al., 2014). The advantages offered by credit cards to consumers such as debt rescheduling, installment, payment by points, discounts and promotions encourage customers to hold multiple credit cards (Can, 2013). Nowadays, the presence of a credit card in the wallet makes credit cards more important than cash.

Many studies conducted on the use of credit cards in Turkey have shown that consumers use credit cards in meeting their basic needs not because credit cards release them from the cost of carrying cash, but because credit cards serve as an instrument of borrowing and allow for more consumption (Özkul and Tapçın, 2010; Büyükakın et al., 2011; Can, 2013; Özaydın et al., 2014; Merdan and Okuroğlu, 2016; Korur and Kimzan, 2016; Yüksel and Yüksel, 2016; Karacan, 2017; Kendirli et al., 2017; Merdan, 2017; Denk et al., 2018; Duramaz et al., 2018; Önder, 2018; Öndeş et al., 2018). There are several studies on the use of credit cards by consumers in the world (Wickramasinghe et al., 2009; Ching and Hayashi, 2010; Ekici and Dunn, 2010; Karbasivar and Yarahmadi, 2011; Gathergood, 2012; Arango et al., 2015; Fulford, 2015;; Basnet and Adansovu, 2016; Agarwal et al., 2018; Keys and Wang, 2019, Liqiong et al., 2019). The recent growth in the share of expenditures on food made by consumers by credit card in consumption expenditures has given rise to the need for studies intended to analyze the subject and develop solutions.

According to the ICC's statistical data on the expenditures made by consumers, the amount paid by credit card for food increased considerably (42.74%) between the years of 2014 and 2018. That the use of credit cards in the expenditures on food increases with every passing year is an indication that the need for food is fulfilled by borrowing. For this reason, this study was conducted to investigate the share of food and non-alcoholic beverages in consumption expenditures in Turkey and the status of credit card use in such expenditures. The primary purpose of the study was to present the share of food and non-alcoholic beverages in consumption expenditures in Turkey and the status of credit card use in such expenditures and offer solutions to existing problems. The main materials of the study included the data on household consumption expenditures for the period of 2009-2018 by the TurkStat and the statistical data for the period of 2004-2018 by the ICC as well as the findings of previous studies. The data obtained following percentage and index calculations was presented in tables.

## 2. THE STATUS OF CONSUMPTION EXPENDITURES IN TURKEY

The TurkStat conducts Household Budget Surveys to determine the consumption expenditures made by households within a specific period of time. The distribution, by expenditure groups, of household consumption expenditures between the years of 2009 and 2018 suggests a significant change in the share of the expenditure groups of housing and rent, food and non-alcoholic beverages, and transportation, with a more limited change in the share of other groups. Of all expenditure types, the expenditures on food and non-alcoholic beverages had the second highest distribution ratio (20.3%) following the expenditures on

housing and rent (Table 1). The product group with the highest expenditure amount in the share of 20.3% of the expenditures on food and non-alcoholic beverages was bread and cereals (5.29%), followed by vegetables (4.31%) and meat (4.03%), respectively. According to the results obtained from researches, 20%-25% of income is allocated to food consumption in Turkey on average (Akbay, 2006). The food consumption structure in Turkey changes along with economic developments. This trend of change is seen for the most part in out-of-home food consumption. In Turkey, compared to total food expenditures, out-of-home food consumption expenditures get more and more important. The share of out-of-home food consumption in total food expenditures is 9% (Akbay, 2005).

**Table 1: The Distribution of Household Consumption Expenditures by Expenditure Types for 2009-2018(%)**

Expenditure Type	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Food and non-alcoholic beverages	23.0	21.9	20.7	19.6	19.9	19.7	20.2	19.5	19.7	20.3
Alcoholic beverages, cigarette and tobacco	4.1	4.5	4.1	4.2	4.2	4.2	4.2	4.4	4.5	4.0
Clothing and footwear	5.1	5.1	5.2	5.4	5.3	5.1	5.2	5.2	5.0	4.8
Housing and rent	28.2	27.1	25.8	25.8	25.0	24.8	26.0	25.2	24.7	23.7
Furniture, household appliances, home care services	6.2	6.3	6.4	6.7	6.6	6.8	6.1	6.3	6.3	6.5
Health	1.9	2.1	1.9	1.8	2.1	2.1	2.0	2.0	2.2	2.2
Transportation	13.6	15.1	17.2	17.2	17.4	17.8	17.0	18.2	18.7	18.3
Communication	4.2	4.1	4.0	4.0	4.0	3.7	3.7	3.7	3.4	3.8
Entertainment and cultural activities	2.6	2.8	2.7	2.7	3.1	3.0	2.9	2.8	2.7	2.9
Education services	1.9	2.0	2.0	2.0	2.4	2.4	2.2	2.3	2.3	2.3
Restaurants and hotels	5.2	5.4	5.7	5.7	5.9	6.0	6.4	6.4	6.2	6.5
Various goods and services	4.0	3.7	4.3	4.3	4.3	4.3	4.3	4.2	4.4	4.9

Source: [http://www.tuik.gov.tr/PreTablo.do?alt\\_id=1012](http://www.tuik.gov.tr/PreTablo.do?alt_id=1012)

The distribution, by income groups, of household consumption expenditures is given in Table 2. The share of expenditures on food, classified as necessity goods, in total consumption varies greatly not only in total but also by income brackets. As can be seen in the Table, the expenditures made by the 1<sup>st</sup> 20% on food and non-alcoholic beverages proportionally decreased from 13.5% to 12.9% in the period of 2009- 2018 across Turkey. During the same period, the highest increase in the expenditures on food and non-alcoholic beverages was encountered in the 2<sup>nd</sup> 20% (from 16.5% to 17.7%). The distribution of consumption expenditures by income groups demonstrates that, as the level of income increases, the share of expenditures on necessity goods declines, while the share of expenditures on services grows (Yükseler, 2014). The rise in household income level led to an increase in the expenditures on luxury goods and services. The consumer loan facilities provided by banks are also considered to have an effect on the increase in question.

**Table 2: The Distribution of Household Consumption Expenditures by Income Groups for 2009-2018 (%)**

Expenditure Type	1 <sup>st</sup> 20%		2 <sup>nd</sup> 20%		3 <sup>rd</sup> 20%		4 <sup>th</sup> 20%		5 <sup>th</sup> 20%	
	2009	2018	2009	2018	2009	2018	2009	2018	2009	2018
Food and non-alcoholic beverages	13.5	12.9	16.5	17.7	19.9	19.6	22.4	22.0	29.1	27.8
Alcoholic beverages, cigarette and tobacco	12.2	11.4	15.4	15.5	20.5	20.9	22.8	23.9	29.1	28.3
Clothing and footwear	7.9	7.7	11.8	12.9	16.7	17.1	21.6	24.4	41.9	38.0
Housing and rent	9.6	12.1	15.0	16.2	19.4	18.5	23.2	21.7	32.7	31.5
Furniture, household appliances, home care services	7.6	8.4	13.0	13.2	18.1	16.3	22.6	23.7	38.8	38.5
Health	10.5	9.5	14.9	11.9	15.3	15.2	22.4	21.6	37.0	41.8
Transportation	5.0	4.7	9.1	11.0	14.9	15.7	23.5	25.3	47.5	43.4
Communication	7.6	7.6	11.7	12.8	16.9	18.2	24.3	25.8	39.5	35.7
Entertainment and cultural activities	5.5	6.6	8.4	10.0	15.3	15.4	24.2	19.7	46.6	48.4
Education services	3.2	2.0	4.9	5.6	11.9	9.7	19.7	19.2	60.4	63.7
Restaurants and hotels	5.4	6.0	10.7	11.9	16.5	15.9	23.3	22.1	44.1	44.0
Various goods and services	6.5	5.9	11.0	9.7	15.6	18.9	23.3	20.3	43.7	45.3

Source: [http://www.tuik.gov.tr/PreTablo.do?alt\\_id=1012](http://www.tuik.gov.tr/PreTablo.do?alt_id=1012)

Table 3 shows the distribution, by expenditure groups, of average monthly household consumption expenditures per household and per (equivalent) capita. The total amount of average monthly household consumption expenditures was 3816 Turkish Liras in 2017 but increased to 4446 Turkish Liras in 2018. In 2018, 900 Turkish Liras (20.24%) of the total amount were allocated to food and non-alcoholic

beverages. The expenditures on housing and rent had the highest share (23.66%) with 1052 Turkish Liras, while that on health had the lowest share (2.20%) with 98 Turkish Liras. The average per capita household consumption increased by 17.19% from 2017 to 2018 and reached 442 Turkish Liras. The highest rate of change in the average monthly household consumption expenditures per household was encountered in the expenditures on communication (24.11%).

**Table 3: The Distribution of Average Monthly Consumption Expenditures per Household and per (Equivalent) Capita by Expenditure Groups (%), Turkey, 2017, 2018**

Expenditure Type	Average monthly expenditure per household (TRL)		% Change	Average monthly expenditure per (equivalent) capita (TRL)		% Change
	2017	2018		2017	2018	
Food and non-alcoholic beverages	753	900	16.33	366	442	17.19
Alcoholic beverages, cigarette and tobacco	170	176	3.41	83	87	4.60
Clothing and footwear	190	214	11.21	92	105	12.38
Housing and rent	941	1052	10.55	457	516	11.43
Furniture, household appliances, home care services	240	287	16.38	116	141	17.73
Health	84	98	14.29	41	48	14.58
Transportation	715	813	12.05	347	399	13.03
Communication	129	170	24.11	63	84	25.00
Entertainment and cultural activities	104	128	18.75	51	63	19.04
Education services	87	101	13.86	42	49	14.29
Restaurants and hotels	235	290	18.97	114	142	19.71
Various goods and services	168	216	22.22	81	106	23.58

Source: [http://www.tuik.gov.tr/PreTablo.do?alt\\_id=101](http://www.tuik.gov.tr/PreTablo.do?alt_id=101)

### 3. CREDIT CARD USE IN TURKEY

Numerous services are put to use by the banking sector as the sector keeps up with the developing technology. Credit cards top the list of the applications intended to enable consumers to make use of banking services in a fast and efficient manner. With the emergence and spread of credit cards, it has become possible to spend only by presenting a credit card for purchasing and making payments, without need for any cash (Korur and Kimzan, 2016).

Credit cards are now one of the essentials of the shopping world, and the number of credit card users increases with every passing year. The rate of people regarding cash as the most preferred method of payment in purchasing decreased from 35% in 2015 to 27% in 2017. As a consequence, 27% of the monthly purchasing amount is now paid in cash and 73% by credit card (ICC, 2017). The number of credit cards in Turkey increased from 57 million in 2014 to 66.3 million in 2018, accounting for an increase of 14.02%. During the same period, the number of debit cards witnessed an increase of 27.92% (Table 4). The increase in the number of credit cards and debit cards continues year by year because both credit cards and debit cards enable their users to spend without need for cash.

**Table 4: The Number of Card Payment Instruments by Years in Turkey**

Year	Number of POS Terminals (1000 units)	Number of ATMs (1000 units)	Number of Credit Cards (1000 units)	Index (2014=100)	Number of Debit Cards (1000 units)	Index (2014=100)
2014	2191	45	57005	100.00	105513	100.00
2015	2158	48	58215	102.07	112383	106.11
2016	1746	48	58795	103.04	117011	109.83
2017	1656	49	62453	108.72	131593	119.82
2018	1586	51	66304	114.02	146375	127.92

Source: <https://bkm.com.tr/pos-atm-kart-sayilari/>

According to the ICC's Periodic Data for 2018, in the domestic transactions with domestic credit cards between the years of 2014 and 2018, both the number of transactions and the volume of transaction increased by 39.06% and 66.61%, respectively (Table 5). The volume of transaction was 699378 million Turkish Liras for purchasing and 75352 million Turkish Liras for cash advance. According to the ICC's data for 2018, 32% of credit card users used their credit cards for the transactions in the amount of 11 TRL to 20 TRL, while it was only 3% for those of 500 TRL and above. In recent years, consumers tend to have not cash but credit cards in their wallets. For this reason, credit cards are used even more in lower expenditure amounts. In his study on the role of credit cards in consumer financing, Çavuş (2006)

suggested that the majority of expenditures fell under basic needs and credit cards were used intensively in short-term purchasing transactions.

**Table 5: Domestic Transactions with Domestic Credit Cards by Years in Turkey**

Year	Number of Transactions (1000 units)				Volume of Transaction (million TRL)			
	Purchase	Cash Advance	Total	Index (2014=100)	Purchase	Cash Advance	Total	Index (2014=100)
2014	2686955	81420	2768375	100.00	420974	44020	464994	100.00
2015	2891409	86696	2978105	107.57	477426	54322	531748	114.35
2016	3071150	90330	3161480	114.19	523506	64979	588485	126.55
2017	3342000	97397	3439397	124.23	590484	67207	657691	141.44
2018	3751571	98306	3849877	139.06	699378	75352	774730	166.61

Source: <https://bkm.com.tr/yerli-kredi-kartlarinin-yurt-ici-kullanimi/>

The number of online shopping sites increases gradually both in Turkey and all over the world and mobile applications gather pace with the development of technology, encouraging consumers to shop online. Consumers prefer shopping online with the thought that online shopping is easier and more affordable. For this reason, the volume of online transactions with credit cards increases every year. As is seen from the ICC's Periodic Data for 2018, the volume of domestic transactions with domestic credit cards was 37255 million Turkish Liras in 2014 and reached 122845 million Turkish Liras in 2018 with an increase of 329.74% (Table 6). Both the number and volume of online shopping transactions are expected to increase in the coming years.

**Table 6: Domestic Transactions with Domestic Credit Cards in Online Card Payment Transactions by Years in Turkey**

Year	Number of Transactions (1000 units)		Volume of Transaction (million TRL)	
	Domestic Transactions	Index (2014=100)	Domestic Transactions	Index (2014=100)
2014	181919	100.00	37255	100.00
2015	219713	120.77	50682	136.04
2016	256452	140.97	63478	170.38
2017	320748	176.31	90943	244.10
2018	430804	236.81	122845	329.74

Source: <https://bkm.com.tr/mektupla-telefonla-siparis-ve-e-ticaret-islemleri/>

Table 7 shows the number of retail customers with unpaid consumer loans and credit card debts between the years of 2013 and 2018 based on the number of credit cards. The number of retail customers with unpaid credit card debts decreased from 915691 in 2013 to 806709 in 2018. However, the number of retail customers with unpaid consumer loans increased considerably (40%) between 2013 and 2018, suggesting that consumers applied for loan to pay their credit card debts but defaulted on their consumer loans. In their study, Yüksel and Yüksel (2016) suggested a similar situation; they performed a Pearson correlation analysis to determine the correlation between the increase in the number of credit cards and the amount of non-performing debts and found a positive correlation between them. As is seen, paying off credit card debts through borrowing serves only to postpone payment for a certain period of time.

**Table 7: The Number of Credit Cards, Consumption Expenditures (Monthly) and the Number of Retail Customers with Unpaid Credit Card Debts for 2013-2018**

Year	Number of Credit Cards (1000 units)	Consumption Expenditures (Monthly) (million TRL)	Index (2013=100)	Number of Retail Customers with Unpaid Credit Card Debts <sup>(1)</sup>	Index (2013=100)	Number of Retail Customers with Unpaid Consumer Loans <sup>(1)</sup>	Index (2013=100)
2013	56835	52655	100.00	915691	100.00	644920	100.00
2014	57005	60866	115.59	1018576	111.23	669383	103.79
2015	58215	66407	126.11	1002518	109.48	725278	112.46
2016	58795	75951	144.24	975015	106.47	727268	112.76
2017	62453	87886	166.90	875465	95.60	750201	116.32
2018	66304			806709	88.09	902918	140.00

Source: <https://www.riskmerkezi.org/tr/istatistikler/23>

(1) The number of individuals with non-performing consumer loans or credit card debts for the relevant year.

#### 4. THE STATUS OF EXPENDITURES ON FOOD IN CREDIT CARD USE IN TURKEY

Increasing population and rural-urban migration are among the main factors determining the consumption structure of Turkey. The consumers who migrate to the city become wage earners in the sense of disposable income, and the consumption patterns of the city lead consumers to use credit cards and other consumer loans (Özkul and Tapşın, 2018). Thus, the areas of credit card use by consumers continuously expand. According to the ICC's data on the distribution by sectors of the domestic transactions with domestic credit cards between the years of 2014 and 2018, the highest increase occurred in direct marketing, car rental, and contractor services. The volume of transaction in the expenditures on various food increased by 74.66% from 28623 million Turkish Liras in 2014 to 49993 million Turkish Liras in 2018 (Table 8). The expenditures on food increased on a regular basis between 2014 and 2018. In Turkey, bread and cereals are the most consumed types of food, followed by vegetables and meat. It is thought to play a role in consumers' preference to use credit cards instead of cash for their food expenditures as in the case of other expenditures. The recent increase in the number of online food ordering sites has led to a rise in the rate of credit card use in online food ordering; it was 8% in 2015 and reached 14% in 2017. The increase in the number of consumers who order food online brings along an increase in both convenience food consumption and credit card use. However, if made without considering the level of income, such expenditures promote consumption and give rise to borrowing.

**Table 8:** Domestic Transactions with Domestic Credit Cards by Sectors

Sector	Volume of Credit Card Transactions by Selected Sectors (million TRL)					
	2014	2015	2016	2017	2018	Index (2014=100)
Car Rental	928	1275	1481	1923	2644	284.91
Car Rental/Sales/ Service/Parts	14698	17894	20027	23676	27905	189.86
Petrol Stations	45774	45395	46623	54376	68598	149.86
Private Pension	0	3731	6870	7316	7950	-
Various Food	28623	32239	35839	41399	49993	174.66
Direct Marketing	1073	1297	1355	3585	9152	852.94
Education/Stationary	10474	12604	13982	16078	19028	182.67
Electric & Electronic Goods, Computers	32714	33987	33288	34998	40808	124.74
Clothing and Accessory	33803	38293	40950	45449	53962	159.64
Airlines	7816	9158	9460	11888	15549	198.94
Service	27438	26176	26701	33004	46941	171.08
Government/Tax Payments	0	9959	17001	19736	22839	-
Accommodation	8361	9993	9815	11538	13844	165.58
Club/Association/Social Services	2375	2785	3072	3184	3106	130.78
Casino	406	437	442	537	1009	248.52
Jewelry	9826	10052	9220	9733	11045	112.41
Markets and Shopping Centers	80008	94624	102605	111532	125378	156.71
Furnishing and Decoration	19004	20125	21271	23546	26552	139.72
Contractor Services	3322	3984	5044	6426	8601	258.91
Health/Health Products/Cosmetics	14002	16742	18752	21057	26088	186.32
Travel Agencies/Forwarding	11563	14328	14433	17243	20173	174.46
Insurance	21762	22693	28401	29402	34119	156.78
Telecommunication	15481	14712	15947	15366	18932	122.29
Building Supplies/Hardware/Hard Goods	20462	22827.42	22725	25775	31429	153.60
Food	12276	15043.72	16987	20487	25579	208.37
Other	10961	10485.22	11778	16129	14436	131.70

Source: [https://bkm.com.tr/secilen-aya-ait-sektorel-gelisim/?filter\\_year=2018&filter\\_month=1&List=Listele](https://bkm.com.tr/secilen-aya-ait-sektorel-gelisim/?filter_year=2018&filter_month=1&List=Listele)

#### 5. CONCLUSION AND RECOMMENDATIONS

This study was carried out in an effort to investigate the share of food and non-alcoholic beverages in consumption expenditures in Turkey and the status of credit card use in such expenditures, and it was found that households used credit cards to meet their basic needs. The use of credit cards for the expenditures on food and non-alcoholic beverages increases year by year. The prohibition on purchasing food on installments, which was introduced in 2013, does not seem to have much effect on credit card spending. This result is thought to be caused by the long-term consumer loan facilities provided by banks in response to the relevant legislative amendment. It is seen that the insufficient level of household income leads consumers to use credit cards. The expenditures irresponsibly made by credit card by consumers

without taking the level of income into consideration affect food consumption and lead to more borrowing in developing countries such as Turkey.

Credit cards serve as not only an instrument of payment but also a financial instrument providing loan facilities to consumers and, in this context, play a significant role in consumers' economic decisions. They affect consumers' spending habits and may cause consumers to spend far beyond their level of income. The use of credit cards grows as more people adopt e-commerce, mobile marketing, virtual grocery stores, etc.

In Turkey, the increase in the use of credit cards by consumers for online food ordering and for purchasing food from grocery stores is an indication that the need for food is fulfilled by borrowing. The proper use of credit cards makes life quite easier, while their irresponsible use may pose a great economic danger. In order to prevent any adverse effects of credit cards on their budget, people should be careful not to spend beyond their level of income in meeting their basic needs. If used irresponsibly, credit cards cannot go beyond creating new generations in debt. To this end, it is necessary to raise the awareness of consumers of credit card use, demonstrate that paying off credit card debts through loans is a temporary solution, and provide consumer awareness training.

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