



## **THE IMPACT OF FINANCIAL CRISIS ON CONSUMERS, RESULTS FROM AD-HOC QUESTIONS**

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Abstract

Ad-hoc questions were integrated to the Consumer Survey as of November 2008 to follow up the expectations and reactions of consumers in Turkey about the global financial crisis.

To measure the perceptions/expectations of consumers and their reactions towards the economic crisis, expectations for how the crisis would influence Turkey as well as the consumers / their families, things consumers expect to happen due to the crisis in Turkey and for themselves / their families, whether they have limited their expenditures, and if so, which expenditures were limited were questioned.

Consumer Confidence Index had already taken a downward trend since August 2008, hitting its lowest in November 2008 as the reflections of news related with clash of major banks and companies in USA & Europe were welcomed in Turkey by sharp falls in stock exchange index and rapid depreciation of Turkish Lira to the highest of last six years. Results of crisis related questions were also parallel to this negative trend, with majority of consumers (81% in Nov'08) believing that the crisis would affect Turkey in a negative way, with highest concern about increasing unemployment and inflation, similar to the banking crisis in 2001. Parallel to this, majority (74% in Nov.'08) also had negative expectations for their families, especially in terms of reduced expenditures and a family member lay off. 77% of consumers have limited their expenditures due to the crisis, where food, clothes and energy expenditures were cut at the highest rate.

Negative expectations about the crisis decreased slightly after March'09, parallel to the increase in Consumer Confidence Index, but up to date, majority still have negative expectations. Another increase in negative expectations might be expected in Autumn 2009.

About the survey: GfK Türkiye conducts the Consumer Survey on a monthly basis in 26 provinces of Turkey with a sample representative at NUTS 1 level (both urban and rural) by the CATI method. 1,100 interviews with persons 15+ are conducted every month. Quota sampling is utilized to represent the general population.