

Consumption Behavior in Turkey during the Pandemic Recession

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Abstract:

This paper provides an extensive analysis of consumer behavior during the COVID-19 pandemic in Turkey by using weekly aggregated and sub-sector credit and debit card spending data from March 2014 to December 2020. At an aggregated level, we show that consumption decreases significantly at the early stage of COVID-19; however, it recovered faster compared to the currency and debt crisis in 2018. We also show responses of spending in sub-sectors by categorizing them into four groups according to the severity of the impact of the COVID-19 shock. To highlight the underlying reasons for structural change in consumer behavior, we estimate the model with the unemployment-related search using Google Trends data. The estimated model exhibits strong evidence for fear of job loss at aggregated level data.

Keywords: COVID-19, Google trends, interrupted time series analysis, consumption

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