

A Study on Factors Affecting Customers' Preferences of Cooperation System in Housing Finance

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Abstract

With this study, it is aimed to research Cooperation System, a long-term and interest-free housing finance system, and to determine the factors that affect customers' preferences regarding Cooperation system. Data, used in the study, have been acquired from customers, who bought housing with Cooperation System throughout Turkey, via survey method. To summary statistical findings with numeric representation, frequency (f) distribution of acquired data has been studied and afterwards, reliability tests of the scale, which has been prepared, have been carried out. After determining the dimensions of the study with factor analysis, with correlation analysis, the degree and direction of the relation among the study's components have been measured. Afterwards, relationship hypotheses between demographic features of customers and the factors of the study have been evaluated and interpreted with ANOVA. According to study findings, although it has been observed that five factors are effective in customers' Cooperation system preferences, no statistically significant difference has been detected between these factors that are detected (excluding education factor) and customers' demographic features. As a result of the study, it has been detected that demographic features are not indicative in the customers' Cooperation system preference.

Key words: Housing Finance, Cooperation System, Mortgage System and Interest-free Housing Finance System

JEL Classification: G32, C33

I. Introduction

As the issue regarding individuals' housing acquisition is a housing finance issue, this requirement has not turned into a housing demand for years. The housing finance issue of individuals with medium and low levels of income cannot be resolved for years due to housing cost, inflation, high-interest pressure and the non-suitability of finance markets to long-term payment systems in Turkey. In this sense, although different steps have been taken to solve housing issue in Turkey, permanent solutions towards housing finance, which has become chronic, have not been generated.

Inflation and high-interest rates in Turkey have postponed finding a government-supported solution for housing finance. As inflation and interest rates tend to decrease since 2002, markets and national economy have gained its ordinary course. Following this normalization, in the first quarter of 2007, Mortgage Law No. 5582 have allowed people buying housing in long-term. Due to the fact that this law provides mortgage-based housing finance (İFK) similar to mortgage and individuals' levels of income are low, aforementioned law has transformed housing requirement, which has not been translated into demand until that time. As housing finance has been provided for individuals with a specified level of income, albeit partially, the issue of housing has been solved. Mortgage, begun to be used after those legal arrangements, has begun to gain importance gradually.

The crisis, which has begun in US as a result of the failure of repayment of high-risk mortgage credits, used by consumers with low levels of income, has also affected European markets. As gap in housing occurs every year in Turkey, new housing will be built and as a result, the use of housing credit will also continue increasingly in the following years. As the

ratio of tenants in households is 31.6 per cent in Turkey, individuals will use housing credit instead of paying rent when suitable type of credit with low interests and long-term is implemented. The banks can only give long-term credit with low interest rates by procuring resources via making securitization, which is secondary market possibility in mortgage system.

As secondary markets have not been established in Turkey entirely, Cooperation System (ELBİSİ) generates a solution for capital shortage or finance requirement by organizing customers' own saving with a solidarity method via collective work. Cooperation System is a highly important finance alternative in terms of both allowing individuals owning a housing with long-term and suitable payment options and providing low-cost fund resources, indispensable for economy. ELBİSİ, which can be regarded as a different type of cooperative system, generates a solution for capital shortage by bringing together capital, in other words, it provides finance. This system has the possibility to be implemented in areas like cultivation, agricultures, livestock, tourism etc. In Cooperation System, by providing required finance with social cooperation and solidarity, capital shortage in housing sector can be solved. With this study, it is aimed to determine the factors that affect customers' preferences of Cooperation System, gaining importance in housing finance gradually. In the following part of the study, Cooperation System has been introduced and hypotheses have been established as a result of literature research and to test hypotheses, data collection tool has been developed; by informing about the universe and sampling of the study, the process of gaining data and analysis has been included.

II. Cooperation System

The Turkish word, “kooperatif” (cooperative), whose word origin is the French word “coopérative”, is the name given to the process of collective cooperation, known as collective work in Turkey, carried out according to specified rules, laws and organization officially. In other words, organizations with variable partners and variable capitals, founded by real and public legal entities and private institutions, municipalities, villages, associations and foundations, with the aim of protecting their partners specified economic benefits, especially their requirements, belonging to their profession and subsistence with their manpower and monetary contributions via mutual help, solidarity and warranty are called cooperative, possessing its legal entity. Cooperatives have social benefits like solidarity and satisfying common requirements together. In addition, it has cost-diminishing benefits like mass-production. In this sense, in mass housing projects, cooperative partners are generally people with same profession, and having regular and fixed income; these projects are based on improving their savings step-by-step in long-term. In this sense, Cooperation System can be regarded as an indirect cooperative system or a different type of cooperative system.

Cooperation System is an interest-free housing finance system. The system is a finance system, allowing individuals owning housing with solidarity (collective work) model. In mortgage system, finance is provided by primary and secondary markets. Cooperation system provides housing finance with regular savings of individuals, entered into the system. In other words, it brings customers, willing to buy housing together and provides that customers buy their own housing with their own savings. In addition, any kind of real estate, especially residence, parcel of land and workplace can be bought with Cooperation System.

In Cooperation System, housing units are not sold to customers. No housing credit from customers' own resources or secondary markets is provided for customers to buy housing. Cooperation System is to organize a system with solidarity and cooperation model. As the firm makes this organization, the firm gets organizational fee as its own business and profit

share. ELBİSİ is a different system from banks' housing credits and mortgage system. Customers, willing to own housing with Cooperation System, can own housing with a cost, lower than banks. The process of customers' housing acquisition with Cooperation System is given in Figure 1.

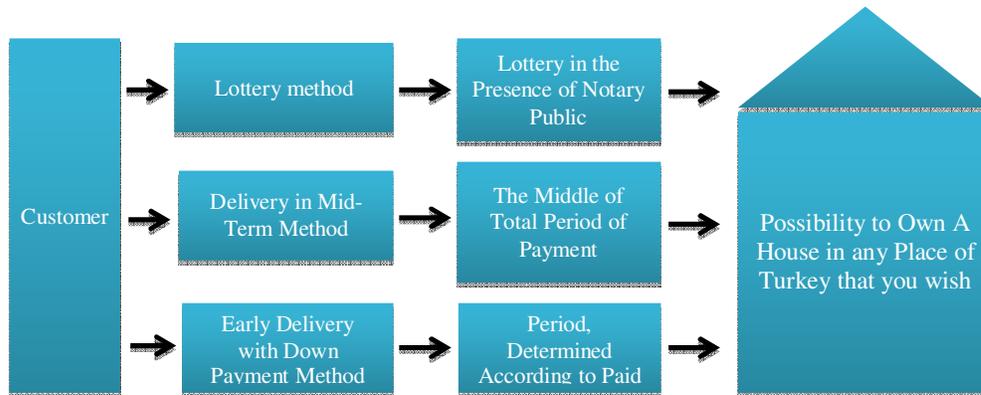


Figure 1: The Process of Cooperation System

With Cooperation System, a person, willing to buy housing or real estate, firstly determines for how much money s/he wants to buy real estate. S/he makes her/his choice among available options of lottery, mid-term or with down payment. According the value of housing or real estate, s/he chooses, s/he pays an organizational fee, which means service fee, to the firm. The value of housing may be split into payments from 60 months until 120 months according to payment conditions of the person. The number of instalments that has been chosen is the number of people in this group at the same time. In other words, when customers want to buy housing units with Cooperation System, for every one hundred people, registered to the system, a group of one hundred people is established. With the payments, made to the system, money as much as the cost of one housing or real estate is collected every month. This money, which has been collected, is used to buy housing or real estate for one person with lotteries, carried out in the presence of notary, every month. Customers, who have received their housing units, help other customers in the group, who will receive their housing after them, by making some more payment. To avoid that people, buying their housing units in the first place to be advantageous and people, buying their home, in the last months to be disadvantageous, people, who buy their home, help people in the group, who will buy their home after them, in the form of rent allowance. Thus, together with rental allowances that s/he pays, people make payment for housing a little more than its original value. Among customers, the ones, who buy their housing units in the last periods, buy their home to a lower price as they receive help from customers, who buy their housing units before them. Instalments of customers, receiving their housing in a later period, diminish in a specified ratio every month. In other words, customers, who buy their housing early, are advantageous as much as customers, who buy their housing in a later period. In other saying, balance with the customer, buying her/his home at first, and the customer, buying lastly, has been maintained in this way.

When customer's house is won in the notary lottery in a later date, the value of house in the future will most probably be higher than its value today. Cooperation System suggests two different methods to cover the gap that has occurred. The first of them to save rental allowances that will be made to the customer until s/he gets her/his house in a separate account. With this method, on the day, when s/he receives her/his house, s/he can add saved rent allowances to the total amount that s/he plans to buy a house and can buy a house with a

higher price. The second method is when we assume that customer's income also increases in the upcoming years, s/he can increase the price of instalments, in other words, increases the price of housing, s/he plans to buy.

II.1. Features of Cooperation System

In Cooperation System, housing procurement transactions do not require detailed procedure. Banks demand many documents from customers in accordance with legislation. Many customers cannot receive credit from customers as they abstain from these transactions, required by legislation, or as they cannot fulfil those transactions. Most importantly, families with low income cannot submit payroll to banks. Some workers' actual salaries are not indicated but lower amounts are indicated in payrolls officially. Thus, either those people cannot submit payrolls at all or their payrolls are not sufficient to obtain credits. In the firm that implements ELBİSİ, such transactions are not implemented. ELBİSİ has an individual and flexible structure. With this system, customer, willing to own housing, decides for how much money s/he wants to buy housing and for how many months s/he will pay instalments herself/himself without paying delay interest and interest.

For individuals with different levels of income, cooperation system provides suitable choices, suitable for their own budgets. With cooperation system, customers, willing to own housing, can buy any house for sale, which s/he prefers, in any place in Turkey. In Cooperation System, instalments are paid between 1st and 20th of each month. In case customers fail or delay to pay monthly instalments that they have to pay, delivery time is postponed as long as the number of months, when instalments are not paid, or a small amount of delay penalty is applied for unpaid instalments. In this system, a customer, who has received her/his house can pay off her/his debt whenever s/he wants. During this transaction, s/he is not required to pay any additional amount. As title deed of housing unit, which has been bought, is on behalf of customer, the customer has the right to economize on this real estate as s/he desires. S/he can rent housing or s/he may use in another way. Cooperation system works with mortgage-backed system. Mortgage-backed system means that non-saleable annotation shall be added on title deed records of any customer, who has received her/his house, until customer's debt has been completed. The firm, implementing cooperation system, shall add non-saleable annotation to housing unit, delivered, until the debt of person, who has received her/his house, has been completed. With this method, rights of all customers, benefiting from the system, are protected. In obligatory cases (where customer is in long-term financial difficulty/or will go into financial difficulty), customer may leave the system. In case of leaving, s/he can leave the system by getting all instalments and down payment that s/he has paid to the system until that day. However organizational/participation fee that customers pay when they enter into the system is not returned to customers, who leave the system. If customer has difficulty in paying instalments or has faced financial problems for a few months, firstly s/he may decrease the amount of instalments. If this method does not meet customer's requirement, s/he may freeze her/his instalments. Delivery shall be postponed for how many months customer freezes her/his months. In separation process, repayment to customer is made between 3 months and 6 months on a day that will be determined by Cooperation System. The amount of instalments decreases as the customer gets some amount of allowance until s/he receives her/his house. When a customer buys her/his house, the amount of instalments that s/he will pay increases a little and then is fixed due to rental allowances that s/he will pay to people, who will buy housing later. Thereafter there will be no increase until the completion of debt and payment continues as a fixed amount. On delivery date of housing, customer shall have no expenditure other than title deed costs and addition of non-saleable annotation to title deed.

In addition, surety bond belonging to firm is given to customer or surety bond of banks, with which the firm has an agreement, is given to customer. The firm secures itself with the contract that it makes with customers (Eminevim, www.eminevim.com, Access Date: 02.02.2014).

II.2. Methods of Cooperation System

In Turkey’s conditions, the way to buy a housing unit on immediate delivery is to use credit or to buy for cash. In Turkey, the number of people, who can buy a housing unit for cash, is limited. When a credit is used, the cost of housing unit increases. Customers, willing to own housing unit with ELBİSİ, can own housing with three different methods. These are delivery with lottery method, delivery in mid-term method and early delivery with down payment method. In table 1, sample cost comparison of Cooperation System methods are given.

Table 1: Sample Cost Comparison of Cooperation System Methods

Price of Housing: 100.000 TL	Lottery Method	Lottery Method (With Down Payment)	Delivery in Mid-Term Method	Early Delivery with Down Payment Method
Amount of Down Payment	0 TL	20.000 TL	-	20% Down Payment 20.000 TL
No of Instalments	It shall be paid for 0-120 Months 100 Months Terms	It shall be paid for 0-120 Months 100 Months Terms	It shall be paid for 0-120 Months 100 Months Terms	It shall be paid for 100 Months Terms
Organizational Fee and Other Costs	6,195% 6.195,00 TL For 100 Months Terms	6,195% 6.195,00 TL For 100 Months Terms	6,49% 6.490,00 TL For 100 Months Terms	6,49% 6.490,00 TL For 100 Months Terms
Amount of Instalments	1.000 TL and shall continue to decrease until delivery. As of delivery, it shall be 1,275.00 TL	800 TL and shall continue to decrease until delivery. As of delivery, it shall be 1.020,00 TL	1.000,00 TL	800,00 TL
Date of Delivery	If we assume that lottery is won in 11 th Month, Delivery in 11 th Month At the Earliest Delivery in 54 th Month At the Latest	If we assume that lottery is won in 12 th Month, Delivery in 1 st Month At the Earliest Delivery in 36 th Month At the Latest	51 st Month	41 st Month
Total Cost	First Delivery 11. Month: 129.723, 93TL	1. Month: 128.270,00 TL 12. Month: 124.734,29 TL	106.490 TL	106.490

References: Eminevim, www.eminevim.com, [Access Date: 02.02.2014].

III. Literature Review

In his study, titled “Housing Investments and Finance Methods in Turkey”, Kırık Kalafat (2009) mentions about the absence of housing finance method, suitable for Turkey. In the study, it has been stated that every country has a unique housing finance system. It has been stated that housing demand is made via central administrations and public sector and in some countries; public sector has only supervision duty.

Gülşen (2008) mentions about positives aspects of mortgage law. It is stated that mortgage is the most important model, implemented successfully worldwide, however, the system incorporates some risks. It is also determined that main reasons about late appearance of long-term credits like mortgage in Turkey’s agenda is high interest rates.

Ayrıçay and Yıldırım (2007) have examined models of finance via housing capital markets following legal arrangements, made in 2007. In the study, it is drawn attention to the fact that the use of futures contracts, based on new investment tools that shall occur in secondary markets, for speculative purposes has to be followed up strictly.

Dolun (2007) has emphasized that for mortgage-based housing finance system to become operative, required institutions, legal infrastructure have to be established and stable environment has to continue. In Öztürk (2008), housing issue in Turkey has been handled and the reasons of housing issue and issues that it brings together have been examined. In the study, it has been found that when required conditions are provided in Turkey, mortgage system is a system that would facilitate housing owning, improve building quality, provide that properties are recorded and revive construction sector and economy.

Erdönmez (2007) has found that main problem of housing policies arises from finance problem. It is stated that solving housing finance issue with financial methods would provide positive contributions to economic development and planned urbanization.

In Ersan's (2008) study, the importance of mortgage system and its feasibility in Turkey has been handled. It has been concluded that with the development of assessment and rating firms, the system will operate more effectively and those firms will bring respectability and reliability to the system.

Özkurt (2007) carried out a study, called "Housing Sector in the Economy of Turkey: Its Development and Alternative Finance Models. In the study, it has been found that the development of real estate and construction sector in Turkey is under the influence of general economic development. It has been concluded that as mortgage system can guarantee demand towards housing with instalment payment and cheap prices, it is popular fairly.

Çapri (2010) has analysed housing credit contracts and finance leasing contracts between consumer and housing finance institution towards owning housing. As a result of the study, deficiencies in legal arrangement regarding Housing Finance System Law No. 5582 have been mentioned. Çirasunlar (2011) has made a study on The Establishment of Leasing Contract, Made for Housing Finance and Its Legal Character. As a result, it has been stated that leasing contracts, stipulated for housing credits, where ownership and the right of use belong to consumer, shall not be sufficient as in those contracts, ownership belongs to renter and the right of use belongs to tenant; a legal arrangement in this manner is required apparently. Addressing housing issue and finance, Cebe (2007) has suggested Turkey a model for mortgaged housing credits and markets. Işık (2010) has found that housing credits are affected from interest rates, income levels of individuals and international and national economic fluctuations.

Bank (2006), has informed about and evaluated draft law, prepared for establishment of housing finance system in Turkey. Bank has stated that although current interest rates have decreased compared to previous years, they are still high for housing finance. Bank has stated that in case inflation rates increase in the upcoming period, current value of cash flows, belonging to housing credit receivables that shall be obtained in long-term shall decrease. He has also warned that this situation shall constitute a risk element in terms of housing finance institutions and investors.

Berbercuma (2010) has suggested a model for the implementation of mortgage system in Turkey. Berbercuma has asserted that beginning to implement the system after required conditions have been met and suitable environment has been prepared shall provide great contribution to Turkey's economy and finance requirement of individuals. In addition, he has

mentioned that with the demand that shall arise for securitized credits, there shall be hot money flow into markets.

Kabataş (2007) has warned about the requirement to consider other effects, especially the country's macroeconomic conditions, while making legislative arrangements. Kabataş has stated that in conclusion, mortgage system shall make positive contributions to finance and real estate sectors. In addition, he has stated that proper operation of mortgage system shall also be closely related with the accuracy of valuations, made for real estates. In his study, called Cooperation System from Models, Alternative to Bank Credits, Tekerlek (2013) has concluded that Cooperation System is a promising system, implemented successfully.

IV. Method

Sixty thousand people, benefiting from Cooperation System, constitute universe of the study. Sampling is chosen from universe. In choosing sampling, in direct proportion to the subject of the study, customers, participated to the system throughout Turkey, are used. A questionnaire is carried out on a sample group, chosen randomly and accepted to participate to questionnaire, between March 10 and June 26 2014. To improve validity and reliability of study, incomplete questionnaires are not taken into assessment. 688 people have participated to questionnaire, however 416 people has completed without any deficiency. After prior review, 405 questionnaires are found appropriate for analysis. In the study, a research model, aiming to obtain information, being definitive and determining situation, is used. In the study, whether demographic features and ELBİSİ's structures and services, it has provided, affect customers' Cooperation System preferences have been tested with statistical methods.

IV.1. Criteria Variables and Hypothesis of Study

In line with the study's objectives, variables, affecting customers' ELBİSİ preferences are analysed in two groups as dependent variable and independent variable. The first group consists of 6 questions regarding demographic features (independent variables like gender, marital status, age, level of education, level of income and profession) of customers, preferring ELBİSİ. Behavioural variables forms second group. In the study, to measure customers' attitudes towards ELBİSİ preferences, 41 judgments (dependent variable) have been determined. Those judgements, which have been determined, are prepared according to 5-point likert scale.

It is argued that after detecting weak aspects of housing finance system that ELBİSİ provides its customers with Study Model, by strengthening those weaknesses, individuals' preference of ELBİSİ would be developed. Within the scope of this model, which has been argued, hypotheses, established to test whether there is a significant relationship between demographic features of customers and the structure of the firm, implementing ELBİSİ and the services, provided by this firm, are given in Table-2.

Table 2. Hypothesis of Study

H₀ There is no significant relationship between customers' demographic features (independent variables) and factors, affecting their ELBİSİ preference (dependent variables).

H₁ There is a significant relationship between customers' demographic features (independent variables) and factors, affecting their ELBİSİ preference (dependent variables).

V. Analysis of Study Data and Findings

V.1. Descriptive Analysis

Demographic features like gender, age, marital status, level of education, profession and level of income of Cooperation System customers, who have filled up questionnaire within the scope of the study, are analysed under this headline and data are shown in Table 3.

Table 3: Demographic Features of Customers (n: 405)

Gender		Frequency	%
	Male	355	87.7
	Female	50	12.3
Marital Status		Frequency	%
	Married	371	91.6
	Single	34	8.4
Age		Frequency	%
	18-25	11	2.7
	26-35	221	54.6
	36-45	139	34.3
	46-55	30	7.4
	56 and more	4	1.0
Educational Level		Frequency	%
	Primary School	22	5.4
	Secondary School	24	5.9
	High School	71	17.5
	College	66	16.3
	Bachelor's	181	44.7
	Master's	41	10.1
Monthly Income Level (TL)		Frequency	%
	0 - 845 TL	9	2.2
	846 - 1.850 TL	68	16.8
	1.851 - 2.850 TL	149	36.8
	2.851 - 3.850 TL	101	24.9
	3.851 - 4.850 TL	44	10.9
	4.851 TL and more	34	8.4
Profession		Frequency	%
	Public Sector	201	49.6
	Private Sector	106	39.5
	Craftsmen	15	3.7
	Self-employed	11	2.7
	Retired	3	0.7
Total		405	100.0

V.2. Factor Analysis

Before making factor analysis, the internal consistency [Cronbach's Alpha (x)] of the questionnaire, used in the study, is calculated as 0.949. As the value of Cronbach's Alpha is higher than 0.70, the questionnaire, conducted for determining factors that affect customers' Cooperation System preferences and which includes 41 judgments, have been accepted as reliable. In factor analysis findings; considering that KMO (Kaiser-Mayer-Olkin) sampling adequacy is 0.949, Barlett's test is $p < 0.00$, it is indicated that data are suitable for factor analysis. Questions, grouped according to Varimax rotation results, are consolidated according to received answers and subject to reliability analysis. Results of Barlett Test of Sphericity and KMO (Kaiser-Mayer-Olkin) measure of sampling adequacy are given in Table 4.

Table 4: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		,949
Bartlett's Test of Sphericity	Approx. Chi-Square	11152,785
	df	820
	Sig.	,000

When factors that have come up as a result of factor analysis and sub-variables that those factors include are evaluated, it is observed that customers, who have participated, have been under the influence of 5 factors more or less. As a result of the study, factors that are effective on the customers' preference of Cooperation System are given in Figure 2.

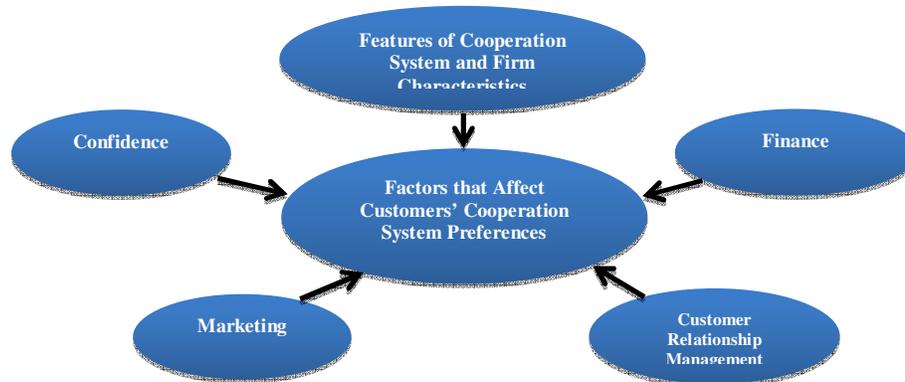


Figure 2. Factors that Affect Customers' Cooperation System Preferences

Significant 5 factors that explain 61,053 % of total variance have been acquired with factor analysis. Factor loads, eigenladens, variance percentages and Cronbach's Alpha coefficients of factors that have been obtained are given in Table 5,6,7,8,9.

Table 5. Factor Loadings that Affect Customers' Cooperation System Preferences

FACTOR 1: Features Of Cooperation System and Firm Characteristics					
	Eigen value	% of Variance	Alpha Coefficient	Mean	Factor Loads
	14,550	40,418	0,948	4,721	
19	The fact that cooperation system is a reliable housing finance system affects my preference.				,844
12	The fact that firm, providing housing finance, keeps its promise affects my preference				,807
16	The presence of a department, where demands and complaints can be made to, affects my preference.				,778
17	Reaching customer services in short period of time affects my preference.				,754
15	Easy finance transactions and completing those transactions in short time affects my preference.				,743
22	The System's being in operation for many years and functioning seamlessly affects my preference.				,706
39	The fact that the system provides alternative term options affects my preference.				,701
35	The fact that contractual articles are sufficiently clear and legal affects my preference.				,671
31	The fact that the system provides the possibility to own housing in a province that I like affects my preference.				,665
18	The fact that the institution has an extensive branch network throughout Turkey affects my preference.				,664
34	Cooperation system's providing low-cost housing finance affects my preference.				,654
33	The availability of freezing option when instalments are not paid affects my preference.				,648
27	The fact that there is no obligatory mid-term payment in cooperation system affects my preference.				,629
29	The availability of delivery of housing in mid-term delivery option in the system affects my preference.				,582
28	The fact that the system provides consultancy via tools like internet, telephone affects my preference.				,574
30	Determining the order of housing delivery with lottery in the presence of notary affects my preference.				,511
11	Corporate confidence affects my preference of housing finance system.				,479
37	The fact that the system pays rent allowance until the customer owns a house affects my preference.				,469
7	Primarily I prefer interest-free system in my housing finance transactions.				,461

First factor is “Features of Cooperation System and Firm Characteristics”. This factor, having 0.948 reliability (Cronbach’s Alpha) in itself, consists 19 variables, explaining 40,148 % of total variance. Variables that constitute factor represent characteristics of Cooperation System and the firm, implementing the system. “Cooperation system is a reliable housing finance system” variable (factor loading 0,844) provides the greatest contribution to the factor. Factor loadings, belonging to this factor, mount 45 %.

Table 6. Factor Loadings of Confidence Factor, Affecting Customers’ Cooperation System Preferences

FACTOR 2: Confidence					
	Eigen value	% of Variance	Alpha Coefficient	Mean	Factor Loads
	3,141	8,725	,887	4,502	
32	Cooperation system is a reliable housing finance system.				,788
26	After I registered with this system, my satisfaction has improved and I have said that I am glad to be registered.				,744
21	I can conveniently recommend cooperation system to others.				,743
20	Cooperation system is not a housing finance system with risk.				,718
38	Cooperation system has more individual and flexible payment conditions.				,687
41	Sales representatives of cooperation system are intimate and friendly.				,670
40	When I first heard Cooperation System, I registered with the system without hesitation.				,466

Second factor is, “Confidence”. This factor consists 7 variables. This factor, having 0,877 reliability within itself, explains 8,725 % of total variance. “Cooperation system is a reliable housing finance system” variable (factor loading 0,788) provides the greatest contribution to this factor.

Table 7. Factor Loadings of Finance Factor, Affecting Customers’ Cooperation System Preferences

FACTOR 3: Finance					
	Eigen value	% of Variance	Alpha Coefficient	Mean	Factor Loads
	1,703	4,729	0,771	4,563	
6	Cooperation system is different from housing finance system with interest.				,832
4	Cooperation system participation bank is different from housing finance systems.				,809
3	Cooperation System is an interest-free housing finance system				,722
5	Cooperation System is a model, alternative to housing finance system with interest				,549

Third factor is, “Finance”. This factor consists four variables, having 0,771 reliability within themselves. Factor explains 4,729 % of total variance. All variables are expressions regarding that Cooperation System is interest-free. “Cooperation System is different from housing finance system with interest” variable (factor loading 0,832, provides the greatest contribution the factor.

Table 8. Factor Loadings of Marketing Factor, Affecting Customers’ Cooperation System Preferences

FACTOR 4: Marketing					
	Eigen value	% of Variance	Alpha Coefficient	Mean	Factor Loads
	1,486	4,126	,793	4,273	
23	The fact that acquaintances, friends and relatives work in the institution affects my preference.				,744
25	The fact that the system’s promotion and advertisements continue without interruption affects my preference.				,717
24	The fact that the system is informing and directive affects my preference.				,675

Fourth factor is “Marketing”. Marketing factor consists three variables, having 0,793 reliability within themselves. This factor explains 4,126 % of total variance. “The fact that

acquaintances, friends, fellows and relatives work in the organization affect my preference” variable (factor loading 0,744) provides the greatest contribution to the factor.

Table 9. Factor Loadings of Customer Relationship Management Factor, Affecting Customers’ Cooperation System Preferences

FACTOR 5: Customer Relationship Management (CRM)					
	Eigen value	% of Variance	Alpha Coefficient	Mean	Factor Loads
	1,099	3,053	,609	4,374	
9	The fact that sales representative has an intimate attitude, is knowledgeable and good-humoured affects my preference.				,677
8	Physical appearance of cooperation system branch affects my preference.				,638
10	Marketing methods of cooperation system do not disturb customer.				,518

Fifth factor is “Customer Relationship Management”. Factor consists three variables, having 0, 609 reliability within themselves. It factor explains 3,053 % of total variance. “Sales representative’s sincere attitude and his/her being knowledgeable and good-humoured, affect my preference” (factor loading 0,677) variable has been the variable, making the greatest contribution to the factor. When variables regarding factors are analysed, they support assessments regarding customers’ Cooperation System preferences in general.

V.3. Mean and Standard Deviations of Customers’ Attitudes Towards ELBİSİ preference

In the assessment of the level of importance that customers, taking part in the questionnaire, gave to dependent variables while they prefer ELBİSİ, 5-point likert scale has been used. Standard deviation, average, factor loading, t and p value of factors, being effective in customers’ ELBİSİ preference, are shown in table 10 respectively.

Table 10. Mean and Standard Deviations of Attitudes of Customers, Taking Part in the Questionnaire, Towards Their Cooperation System Preferences (n=405)

	Judgment N	Variables	Std. Deviation	Mean	t Sig. (2-tailed)	P
Factor 1: Features of Cooperation System and Firm Characteristics	19	The fact that cooperation system is a reliable housing finance system affects my preference.	0.56	4.85	173.853	,000
	12	The fact that firm, providing housing finance, keeps its promise affects my preference	0.55	4.85	176.879	,000
	16	The presence of a department, where demands and complaints can be made to, affects my preference.	0.64	4.71	147.294	,000
	17	Reaching customer services in short period of time affects my preference.	0.63	4.72	150.214	,000
	15	Easy finance transactions and completing those transactions in short time affects my preference.	0.72	4.71	130.298	,000
	22	The System's being in operation for many years and functioning seamlessly affects my preference.	0.62	4.80	154.448	,000
	39	The fact that the system provides alternative term options affects my preference.	0.61	4.76	155.320	,000
	35	The fact that contractual articles are sufficiently clear and legal affects my preference.	0.70	4.73	135.439	,000
	31	The fact that the system provides the possibility to own housing in a province that I like affects my preference.	0.66	4.79	145.383	,000
	18	The fact that the institution has an extensive branch network throughout Turkey affects my preference.	0.68	4.67	137.210	,000
	34	Cooperation system's providing low-cost housing finance affects my preference.	0.68	4.74	139.960	,000
	33	The availability of freezing option when instalments are not paid affects my preference.	0.69	4.74	137.536	,000
	27	The fact that there is no obligatory mid-term payment in cooperation system affects my preference.	0.77	4.67	120.795	,000
	29	The availability of delivery of housing in mid-term delivery option in the system affects my preference.	0.85	4.50	105.665	,000
	28	The fact that the system provides consultancy via tools like internet, telephone affects my preference.	0.76	4.56	120.750	,000
	30	Determining the order of housing delivery with lottery in the presence of notary affects my preference.	0.82	4.65	112.873	,000
	Factor 2: Confidence	11	Corporate confidence affects my preference of housing finance system.	0.70	4.74	135.466
37		The fact that the system pays rent allowance until the customer owns a house affects my preference.	0.92	4.53	98.532	,000
7		Primarily I prefer interest-free system in my housing finance transactions.	0.55	4.88	177.736	,000
32		Cooperation system is a reliable housing finance system.	0.74	4.66	126.125	,000
26		After I registered with this system, my satisfaction has improved and I have said that I am glad to be registered.	0.91	4.55	100.388	,000
21		I can conveniently recommend cooperation system to others.	0.77	4.63	120.900	,000
20		Cooperation system is not a housing finance system with risk.	0.85	4.38	103.134	,000
Factor 3: Finance	38	Cooperation system has more individual and flexible payment conditions.	0.73	4.69	128.583	,000
	41	Sales representatives of cooperation system are intimate and friendly.	0.76	4.62	121.913	,000
	40	When I first heard Cooperation System, I registered with the system without hesitation.	0.92	3.95	86.285	,000
	6	Cooperation system is different from housing finance system with interest.	0.76	4.68	123.451	,000
	4	Cooperation system participation bank is different from housing finance systems.	0.92	4.54	98.661	,000
Factor 4: Marketing	3	Cooperation System is an interest-free housing finance system	0.85	4.54	101.774	,000
	5	Cooperation System is a model, alternative to housing finance system with interest	1.05	4.48	85.730	,000
	23	The fact that acquaintances, friends and relatives work in the institution affects my preference.	1.18	4.07	69.020	,000
Factor 5: Customer Relationship Management	25	The fact that the system's promotion and advertisements continue without interruption affects my preference.	0.90	4.27	95.387	,000
	24	The fact that the system is informing and directive affects my preference.	0.83	4.46	107.108	,000
	9	The fact that sales representative has an intimate attitude, is knowledgeable and good-humoured affects my preference.	0.80	4.62	116.132	,000
	8	Physical appearance of cooperation system branch affects my preference.	1.14	4.01	70.436	,000
	10	Marketing methods of cooperation system do not disturb customer.	0.81	4.48	110.259	,000
Group Average				4,589		

V.4. Correlation Analysis

To study relationships between variables, before hypothesis of relationship between factors, affecting customers' demographic characteristics and their cooperation system preferences, correlation analysis has been implemented. In factor analysis, after factors of study have been established, statistical hypothesis has been established by importing correlation values among variables of research. Results of correlation analysis between customers' demographic characteristics (independent variables) and factors, affecting customers' ELBİSİ preferences are given in table 11.

Table 11. Results of correlation analysis between customers’ Demographic Characteristics (independent variables) and the factors, affecting customers’ ELBİSİ preferences (n:405)

FACTORS	Correlation	Gender	Marital Status	Age	Education	Profession	Monthly Income
The Firm’s and the System’s Properties Confidence	Correlation	0,37	0,32	0,011	-0,010	-0,075	0,060
	p	0,463	0,527	0,819	0,834	0,133	0,231
Finance Marketing	Correlation	-0,009	0,033	0,74	-0,165**	0,040	-0,057
	p	0,850	0,502	0,137	0,001	0,418	0,251
Customer Relationship Management (CRM) The Firm’s and the System’s Properties	Correlation	0,030	0,036	0,006	-0,104*	0,062	0,020
	p	0,542	0,468	0,909	0,036	0,213	0,688
Confidence Finance	Correlation	0,036	0,058	0,011	-0,064	-0,028	-0,015
	p	0,467	0,247	0,823	0,197	0,579	0,765
Marketing	Correlation	0,096	0,046	0,019	-0,091	-0,086	-0,034
	p	0,54	0,358	0,709	0,067	0,085	0,500

Values, found statistically significant according to Pearson Correlation have been determined with *p<0,005, **p<0,001.

Findings regarding correlation analysis between factors regarding ELBİSİ preferences and customers’ Demographic Characteristics are given in table 12 in summary.

Table 12. Summary of Findings Regarding Correlation Analysis between Demographic Characteristics and Factors, Affecting Cooperation System Preferences

	FACTORS	CHARACTERISTICS OF FACTOR
1	The Firm’s and the System’s Properties	No significant relationship between variables has been found.
2	Confidence	It is observed that there is inversely significant relationship between Level of Education [-0,165**, p=0,001]. This group consists customers with high level of education.
3	Finance	It is observed that there is inversely significant relationship between Level of Education[-0,104*, p=0,036]. This group consists of customers with high level of education.
4	Marketing	No significant relationship between variables has been found.
5	Customer Relationship Management (CRM)	No significant relationship between variables has been found.

By importing correlation values among variables, statistical hypothesis has been established. To test statistical hypotheses, ANOVA test and post hoc (tukey) test has been made. It has been observed that results of correlation analysis and findings, acquired as a result of testing hypotheses are in the same direction. In the following part of the study, relationship hypotheses, developed in line with the study’s objectives, being tested with the one-way analysis of variance (ANOVA) have been included.

V.5. The Effect of Customers’ Demographic Characteristics on Their Cooperation System Preference

In variance analysis, by addressing groups as a whole, a general conclusion with regard to whether there is a difference between them or not has been drawn (Baş, 2008: 142). ANOVA test can be used in situations, where there is minimum one independent variable. ANOVA test will help to analyse individual and collective effects of ANOVA test’s independent variables on dependent variables (Hair v.d., 2003: 543).

In line with the study’s objectives, a hypothesis has been developed to test whether there is a significant difference between demographic characteristics (age, education, profession, gender and marital status) of customers, preferring Cooperation System and factors, affecting customers’ Cooperation System preference or not. To determine whether there is a significant difference is shown in the level of 0,05 significance for those hypotheses, developed, or not,

the one-way analysis of variance (ANOVA) has been implemented for study data. Tested with this method, Ho hypothesis, stating that group averages are equal to each other, in other words, there is no significant difference between effects of factor levels, H1 hypothesis, stating that group averages are not equal, in other words, there is significant difference between effects of factor levels shall be accepted (Nakip, 2003: 352).

To determine whether customers' Cooperation System preferences show significant difference according to their demographic characteristics or not, variable analysis has been applied to study data and they are compared statistically. To determine from which of these two groups of variables, the difference has been arisen, Post Hoc (tukey) test has been implemented. Customers' demographic characteristics have been accepted as independent variable and factors, affecting individual customers' Cooperation System preference, have been accepted as dependent variable. The results of the test, made with the one-way analysis of variance, are given in table 13.

Table 13. The Effect of Customers' Demographic Characteristics' on Their Cooperation System Preference

Demographic Features	Gender		Age		Education		Monthly Income		Profession		Marital Status	
	f-value	p	f-value	p	f-value	p	f-value	p	f-value	p	f-value	p
The Firm's and the System's Properties												
Confidence	0.539	0.463	0.941	0.440	2.784	0.017	1.127	0.345	1.342	0.246	0.402	0.527
Finance	0.036	0.850	0.972	0.423	3.310	0.006	0.558	0.732	1.229	0.294	0.452	0.502
Marketing	0.373	0.542	0.963	0.428	1.647	0.146	0.667	0.649	1.148	0.334	0.527	0.468
Customer Relationship Management (CRM)	0.529	0.467	0.261	0.903	0.818	0.538	0.187	0.967	1.411	0.219	1.344	0.247
The Firm's and the System's Properties	3.740	0.054	0.447	0.775	2.472	0.032	1.608	0.157	1.293	0.266	0.847	0.358

ANOVA findings are as follows: Customers' ages are divided into 5(five) groups as 18-25, 26-35, 36-45, 46-55 and 56 and over. As a result of this analysis, statistically in the customers' preference of Cooperation System, no difference has been determined according to age. Thus, it is understood that there has been no significant difference between the age of customers, preferring Cooperation System and factors, affecting their Cooperation System preference.

Customers' level of education is classified as primary school, secondary school, associate degree, bachelor's degree and master's degree. In the factor of the firm's and the system's characteristics, it is observed in tukey test data that there is a statistically significant difference between bachelor's – master's degree groups. While customers with bachelor's degree have given high points to this factor, including the cooperation system's and the firm's characteristics, customers with master's degree have given low points to this factor. Firms, practicing cooperation system, may develop alternative studies towards individuals with master's degree according to level of education findings. It is observed in tukey test data that in the preference of cooperation system, there is a significant difference between customers with master's degree and customers with primary school education level. According to findings, it is observed that customers trust Cooperation System less than graduates of primary school, secondary school, high school and people with associate's degree. Thus it can be asserted that individuals' level of confidence decrease as their level of education increase. In the customers' preference of cooperation system, a statistically significant difference has been determined according to customers' level of education. Thus, it is understood that there is a significant difference between level of education of customers' preferring cooperation system and factors, affecting their preference of cooperation system.

Professional status of customers has been classified as public sector, private sector, craftsmen, retired and housewives. As a result of this analysis, no statistically significant difference has been detected according to profession in the customers' preference of cooperation system. Thus, it is understood that there has been no significant difference between profession of customers' preferring ELBİSİ and factors, affecting their Cooperation system preference.

Customers' levels of income have been classified as 0-845 TL, 846-1.850 TL, 1.851-2.850 TL, 2.851-3.850 TL, 3.851-4.850 TL and 4.851 TL and over. As a result of analysis, no difference according to level of income has been detected in the customers' preference of ELBİSİ statistically. Customers' genders are classified as man and woman. In the customers' preference of ELBİSİ, no difference can be detected statistically.

Customers' marital status are classified as married and single. In the customers' preference of ELBİSİ, no difference has been determined according to marital status statistically.

From findings of study, it has been found that customers' demographic characteristics (excluding their level of education) do not affect their ELBİSİ preferences. The acceptance/rejection status of relational hypothesis, tested with variance analysis, is given in Table 14 in summary.

Table 14. In the Customers' Preference of Cooperation System, Hypothesis Status of Relationships between Their Demographic Characteristics and The Study's Factors

No	FACTORS	Acceptance and Rejection Status of Hypotheses					
		Age	Level of Educatio	Profession	Monthly income	Gender	Marital Status
1	The Firm's and the System's Properties	Rejected	Accepted	Rejected	Rejected	Rejected	Rejete
2	Confidence	Rejected	Accepted	Rejected	Rejected	Rejected	Rejete
3	Finance	Rejected	Rejected	Rejected	Rejected	Rejected	Rejete
4	Marketing	Rejected	Rejected	Rejected	Rejected	Rejected	Rejete
5	Customer Relationship Management	Rejected	Accepted	Rejected	Rejected	Rejected	Rejete

As can be seen in table 14, statistically significant relationships have been detected between “the Firm's and the System's Properties”, “Confidence”, “Finance”, “Marketing” and “Customer Relationship Management” factors and the level of education, included in customers' demographic characteristics. As the function of cooperation system is shaped according to demographic characteristics of customers' preferring the system, tendency and possibility of Cooperation system to be preferred by potential customers arise. Thus, the hypothesis of “H₁: There is a significant relationship between customers' demographic characteristics (independent variables) and factors, being effective on customers' Cooperation System preferences” has been accepted.

VI. Conclusion and Recommendations

With this study, it is aimed to research the relationship between customers' demographic characteristics and their reasons to prefer Cooperation System. 405 questionnaire forms, selected randomly, included to the scope of study from questionnaires, which have been conducted to customers, included to Cooperation System throughout Turkey and being within the scope of the sampling, have been assessed.

Considering study findings, as result of the questionnaire, conducted to determine factors, affecting Cooperation system preferences, it has been found out that there is no relationship

between customers' demographic characteristic and their ELBİSİ preferences (excluding level of education). The point value of factors has come out to be at high levels in all factors. This indicates that customers have adopted ELBİSİ and their satisfaction from the system is at high levels. Thus, it can be asserted that firm managers have analysed factors, affecting preferences of target group well.

In the light of study findings, the fact that customers' demographic characteristics do not show difference by factors indicates that the firm has to develop strategy on five main factors, affecting customers' cooperation system preferences rather than demographic characteristics. The reason of customers' preferring Cooperation System is that the firm has developed an interest-free finance model (system) by considering customers' sensitivities. Therefore while determining their marketing mix decisions, firm managers have to consider five factors, affecting Cooperation System and variables, constituting these factors.

For ELBİSİ to continue with strength, it is required that the system is institutionalized, gains more reliable structure, expands its target group and increases its number of customers, establishes loyal customers and adopts more professional customer relationship management (CRM). To increase number of customers, loyal customers have to established and in terms of expanding target group, factors, affecting customer preferences, have to be analysed better. In line with wishes and requirements of customers, marketing strategies have to be developed. In other words, methods to make customers loyal customers have to searched and measures to prevent that customers from choosing other housing acquisition finance tools have to developed.

Housing finance is a fact, concerning all segments of society. Therefore an active marketing method has to be followed up by the firm to make introduction and to reach for customers with sensitivities (interest etc.) and customers, using other housing finance. ELBİSİ has to strengthen itself in the competition environment in the market and to ensure its sustainability. Therefore the system's properties and the firm's characteristics, constituting the most important factor in customers' preference, have to be analyzed well and innovation work has to be carried out. Yet, accordingly, "customer relationship management", one of the factors, being effective on customers' ELBİSİ preferences, is important in new generation marketing strategies. The firm has to establish a professional CRM department under its own body.

As a result of socio-economic developments, customers' demographic characteristics (income, education etc.) also change. Following up customer profiles, changing towards this continuous development, closely carries great importance. To survive and to be successful in the future, too, businesses have to change their marketing decisions in a way keeping up with changes in market conditions.

In this study, only the opinions of customers, preferring ELBİSİ, have been included. In the study that shall be carried out later, a study can be made on individuals, not included to the system (not using ELBİSİ). In fact, questionnaires can be conducted in countries, where mortgage is implemented or in several countries of the world, differences, arising from effects in cultural and socio-economic structure can be compared.

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Footnote:

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