

Chapter 1

Measuring Financial Literacy of the Housewife to Generate Marketing Strategies

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ABSTRACT

This chapter evaluates the financial literacy of the housewife by analyzing a survey of a minimum of 204 housewives in Turkey. Findings from the 25 questions of the survey show housewives in Turkey generally have Turkish Lira deposits but also have a low tendency to spend. It was found that the financial literacy of housewives was low. In this context, it will be appropriate to increase this literacy through general education. In this way, housewives will be able to better evaluate their savings and the financial system of the country will work more effectively.

INTRODUCTION

The effectiveness of financial markets is important for the macroeconomic performance of countries. Financial markets bring together those who own and who need funds. This provides significant benefits to both parties (Horioka & Niimi, 2019; Lyons et al., 2019). Those who have funds can earn income through this system. On the other hand, those who need the fund can access this fund more easily thanks to the financial markets. In sum, financial markets accelerate the flow of funds in the country. In this way, investments in the country increase and new employment opportunities emerge (Morgan et al., 2019; De Bock et al., 2019). As a result, the country can develop more easily and quickly in economic terms.

Financial markets have been experiencing a significant change especially in recent years. The most important source of these changes is accepted as technological developments. This has made it easier

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for investors to access financial products. In the previous period, investors who wanted to buy foreign currency had to go to a certain location and physically receive it (Bharucha, 2019; Xue et al., 2019; Dinçer et al., 2018a,b,c; Hsiao et al., 2019). However, nowadays, this process can be realized over the internet in a very short time. Furthermore, since the foreign currency was directly transferred to the investor's account, they did not have to go to the bank branches to deposit their money (Jennings et al., 2019; Dinçer et al., 2019a,b,c; Shi et al., 2019). This has contributed significantly to the development of financial markets.

With the developing technology, financial products have diversified. While this has many benefits, there are also some risks. It is not easy for anyone in the country to understand complex financial products (Gorbachev & Luengo-Prado, 2019; Fornero & Prete, 2019). There are two different drawbacks of this issue. Persons who are not fully familiar with the products will not want to use them. Consequently, financial products will not be actively used (Dinçer & Yüksel, 2018a,b). On the other hand, there is a possibility that people who use complex financial products without knowing it will suffer serious losses (Zou & Deng, 2019; Dinçer et al., 2019d,e; Rakow, 2019). For example, some individuals and companies suffered serious losses because they did not fully understand financial derivative products (Kalkavan & Ersin, 2019; Oktar & Yüksel, 2016).

In this process, the level of financial literacy of the public plays an important role. Financial literacy can be defined as the level of knowledge of individuals regarding financial matters. In this context, issues such as how people use their money and which products they invest when are considered under financial literacy (Ćumurović & Hyll, 2019; Mancebón et al., 2019). The person with a high level of financial literacy will make the right financial decisions and this will contribute positively to his budget. On the other hand, if everyone makes the right financial decisions, the financial development of the country will increase (Kuntze et al., 2019; Custódio et al., 2019). Therefore, financial literacy is considered to have quite consequences for both individuals and the national economy.

The aim of this study is to determine the level of financial literacy of housewives in Turkey. In this context, a questionnaire consisting of 25 different questions was used. The questionnaire was completed by 204 different households. According to the results of this study, it can be possible to understand the effects of financial literacy on investment decisions. Owing to this situation, new marketing strategies can be recommended to attract the attention of the housewives. The most important difference of this study compared to others is that it focuses on a specific group such as housewives. In this context, it is thought to make an important contribution to the literature.

LITERATURE REVIEW

The issue of financial literacy is very important for the effectiveness of the financial system in the country. Therefore, this subject has been handled by many researchers in different aspects in the literature. Under this heading, some studies examining the issue of financial literacy will be included. These studies were kept up-to-date and reviewed in good indexes such as SSCI and Scopus. Almenberg and Dreber (2015) examined whether financial literacy in Sweden varies by gender. While analyzing financial literacy, mainly the stock market has been studied. On the other hand, in this study, survey management was used as research management. With this method, data of 1300 randomly selected samples were examined. The most important finding of the study is that the difference in the participation rate between women and men decreases. In addition, another finding was that women's financial literacy rates increased. All good

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