



**T.C.**  
**BURSA ULUDAĞ ÜNİVERSİTESİ**  
**SOSYAL BİLİMLER ENSTİTÜSÜ**  
**İŞLETME ANABİLİM DALI**  
**YÖNETİM VE ORGANİZASYON BİLİM DALI**

**INSTITUTIONALIZATION OF A PRACTICE IN AN  
ORGANIZATIONAL FEILD: INSTALLMENT PAYMENT WITH  
CREDIT CARD PRACTICE IN TURKISH RETAIL INDUSTRY**

**YÜKSEK LİSANS TEZİ**

**Mhd Fadi HAJABDULKADER**

**BURSA 2023**





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## ÖZET

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### **BİR PRATIĞİN KURUMSALAŞMASI: TÜRK PERAKENDE ALIŞVERİŞ SEKTÖRÜNDE KREDİ KARTINA TAKSİTLİ SATIŞ PRATIĞİ ÖRNEĞİ**

Bu çalışmanın amacı, Türk perakende alışveriş sektöründe “taksitli alışveriş” pratiğinin alanda kurumsallaşıp kurumsallaşmadığını araştırmaktır. Bu minvalde çalışmada; i) “taksitli alışveriş” pratiği alanda bir norm haline gelmiş midir? ii) taksitli satış yapmayan satıcı, tüketicinin gözünde meşru mudur? sorularına yanıt aranacaktır. Bu kapsamda, çalışmada öncelikli olarak literatür incelemesi yapılarak; Kurumsal Teori temel alınarak yeni bir pratiğin ne olduğu, yeni bir pratiğin örgütsel alanda nasıl yayıldığı ve kurumsallaştığı açıklandıktan sonra bir saha çalışması tasarlanmıştır. Veriler 142 katılımcıdan anket kullanılarak elde edilmiştir. Bulgular; (a) Taksitli satış pratiğinin bir norm olarak tercih edilmekte ve beklenmekte olduğunu (b) taksitli satış yapmayan satıcıların meşruiyetlerini kaybettiklerini göstermektedir.

**Anahtar Sözcükler:** Kurumsal teori, yeni pratik, bir pratiğin kurumsallaşması, bir pratiğin yayılması, pratiklerin meşrulaşması, normlar, taksitli ödeme.

## ABSTRACT

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### **INSTITUTIONALIZATION OF A PRACTICE IN AN ORGANIZATIONAL FEILD: INSTALLMENT PAYMENT WITH CREDIT CARD PRACTICE IN TURKISH RETAIL INDUSTRY**

The aim of this study is to examine whether instalment payment practice institutionalizes in the Turkish retail shopping industry. In this context, research questions have been developed to answer: If the sellers that make business cash in advance or credit card payment without installment lose their legitimacy in the eye of customers in the retail shopping industry? Thus, if customers stop buying from these sellers assuming that their practice is not comply with the ‘legitimated/taken for granted practice’?

Having explained what novel practice is, and how a practice diffuses and institutionalizes organizational fields based on Institutional Theory, a field study was conducted. Data were obtained from 142 respondents by using a questionnaire. Findings show (a) installment sales practice is preferred and expected as a norm. (b) Sellers who don’t allow this practice lose their legitimacy.

**Key Words:** Institutional theory, novel practice, the institutionalization of a practice, diffusion of a practice, taken for granted, legitimated practice, norms, instalment payment.

## TABLE LISTS

**Page No:**

Table 1: Purchasing volume of domestic use of domestic credit cards during the period 2013-2021 .....	14
Tabel 2: Descriptive Statistical Analysis Results of the Sample Group .....	16
Tabel 3: Agreement about necessary of practice .....	17
Tabel 4: Descriptive Statistical Analysis Results of the Sample Group .....	17
Tabel 5: Descriptive Statistical Analysis Results of the Sample Group .....	18
Tabel 6: Descriptive Statistical Analysis Results of the Sample Group .....	18
Tabel 7: Thoughts about reluctant sellers .....	18
Tabel 8: Thoughts about Customer satisfication .....	19
Tabel 9: Thoughts about customers loyalty .....	19
Tabel 10: Benefits of credit card instalment option .....	19
Tabel 11: Test result of Homogeneity for question No:7 .....	20
Tabel 12: Anova test result for question No:7 .....	20
Tabel 13: Test result of Homogeneity for question No:8 .....	20
Tabel 14: Anova test result for question No:8 .....	21
Tabel 15: Test result of Homogeneity for question No:9 .....	21
Tabel 16: Anova test result for question No:9.....	21
Tabel 17: Multiple Comparisons test result for question No:9 .....	22
Tabel 18: Test result of Homogeneity for question No:10 .....	23
Tabel 19: Anova test result for question No:10 .....	23
Tabel 20: Test result of Homogeneity for question No:11 .....	23
Tabel 21: Anova test result for question No:11 .....	24
Tabel 22: Multiple Comparisons test result for question No:11 .....	24
Tabel 23: Test result of Homogeneity for question No:12 .....	25
Tabel 24: Anova test result for question No:12 .....	25
Tabel 25: Test result of Homogeneity for question No:13 .....	26
Tabel 26: Anova test result for question No:13 .....	26

## CONTENTS

<b>ÖZET</b> .....	<b>i</b>
<b>ABSTRACT</b> .....	<b>ii</b>
<b>TABLE LISTS</b> .....	<b>iii</b>
<b>INTRODUCTION</b> .....	<b>1</b>

### CHAPTER 1

#### RESEARCH DESIGN

1. OBJECTIVE AND SCOPE OF THE RESEARCH .....	3
2. THEORETICAL FRAMEWORK OF THE RESEARCH .....	3
3. DEVELOPING RESEARCH QUESTIONS .....	3

### CHAPTER 2

#### LITERATURE REVIEW

1.THE DIFFUSION OF PRACTICE IN THE ORGANIZATIONAL FIELD FROM AN INSTITUTIONALIST PERSPECTIVE .....	7
1.1. Main Arguments of Institutional Theory .....	7
1.2. Organizational Practice .....	9
1.3. Institutionalization, The Institutionalization of A Practice .....	10
2. CREDIT CARD INSTALMENT APPLICATION AS AN ORGANIZATIONAL PRACTICE .....	12
2.1. Definition .....	12
2.2. History (In The World and Turkey) .....	12
2.3. Empirical Findings Showing That It Is Institutionalized In Turkey .....	14

### CHAPTER 3

#### ANALYSIS OF CREDIT CARD INSTALLMENT SALES PRACTICE IN THE RETAIL SHOPPING SECTOR

1. RESEARCH PROCEDURE .....	15
1.1. Questionnaire Design .....	15

1.2. Data Collection And Method .....	15
2 . RESEARCH QUESTIONS.....	15
3. DATA ANALYSIS .....	16
4.FINDINGS .....	27
CONCLUSION AND DISCUSSION:.....	28
LIMITATIONS OF THE RESEARCH AND SUGGESTIONS FOR FUTURE STUDIES .....	29
REFERENCES.....	30
APPENDIX .....	34

## INTRODUCTION

Institutional change studies identified various ways of organizational field changes process. (Dacin et al. 2002: 50) presented an approach to change in the organizational field described as " (1) changes in relations among existing organizations, (2) change in boundaries of existing organizations, (3) the emergence of new populations, (4) changes in field boundaries, and (5) changes in governance structures" Hinings and Reay (2003:304) put a model to describe organizational field changes as " (1) pressures for changes; (2) the sources of new practices from institutional entrepreneurs ; (3) the process of deinstitutionalization and reinstitutionalization; (4) the dynamics of deinstitutionalization and reinstitutionalization; and (5) reinstitutionalization and stability". Dorado (2005) argues, institutional change varies based on the three factors identify: agency, resource mobilization, and opportunity.

Numerous studies highlighted the role of actors in institutional change (Scott 2001; Maguire and Hardy 2008; Reay and Hinings 2009). Actors that leverage the field include corporations, government, professional and trade associations, and special interest groups (Scott 2001). Changes in organizational fields are "actor-centric" (Maguire and Hardy 2008). Dimaggio (1988), considers as the foundation of the concept of *Intuitionnal entrepreneur*. As (Dimaggio 1988: 14) "New institutions arise when organized actors with sufficient resources (Intuitionnal entrepreneurs) see in them an opportunity to realize interest that they value highly". From this point of view, lots of studies highlighted the role of individual actors in institutional change (Maguire and Hardy 2007; Battilana 2011, Battilana 2015; Boxenbaum and Battilana 2005; Battilana 2006; Roulet et al. 2019). The role of institutional entrepreneurs (purposeful actors) was studied extensively in all aspects.

Ansari and Phillips (2011) argue, attention was not given to the concept of "unorganized groups" in the organizational field change, these groups through their daily activities can lead to change in the organizational field and can innovate practices. They describe how micro-level practices of unorganized groups (customers) can lead to change in the organizational field, their results shows non organization groups establish and publish new application from their everyday innovative activities.

From this point of view, the researcher submit arguments in four steps: First, to understand and evaluate the concept of practice in organizational fields, the researcher analyze the creation of this concept within the scope of institutional theory from an institutionalist perspective and presents research questions. Second, the researcher summarize the historical development of Installment payment practice in the Turkish retail industry and describe research procedure. Third, the researcher elucidate findings. Fourth, the researcher conclude with an explanation of findings.

# **CHAPTER 1**

## **RESEARCH DESIGN**

### **1. OBJECTIVE AND SCOPE OF THE RESEARCH**

As Ansari and Philips (2011) argue, activities at the micro level of this unorganized group of actors can lead to the creation of new activities aimed at modifying the field. Drawing on (Ansari and Philips 2011) I argue the important role of non-organized actors (buyers) in diffusing and innovating of installment payment practice in the Turkish retail shopping industry.

This study analyzes installment payment practice in the Turkish retail shopping industry from an institutional perspective. It is explained how new practice institutionalizes as a norm in the field and makes a change.

### **2. THEORETICAL FRAMEWORK OF THE RESEARCH**

The institutional theory emerged in the 1970s to describe how organizations are convenient against their environment (societal, state, national, and global). Institutional pressures drive organizations to adapt to changes in their environment.

Most institutional change studies describe field change as pressure for change, the deinstitutionalization and the reinstitutionalization process (Hinings and Reay, 2003). Another study paid attention only for the important role of effective influencers in the process of organizational change -the role of institutional entrepreneurs- (Dimaggio 1988; Battilana 2011; Boxenbaum and Battilana 2005; Battilana 2006; Roulet et al. 2019). The role of non-organized actors has been neglected by many studies (Ansari and Philips, 2011)

### **3. DEVELOPING RESEARCH QUESTIONS**

Although there are many studies examining retail market preferences and buying behaviors in the Turkish retail shopping industry, it has been found that studies in this field have focused their attention on research from a marketing point of view. The researcher conducted this study based on Institutional Theory perspectives, after reviewing the relevant literature, the first research question mentioned below was developed:

## **Q1: Does installment payment practice institutionalize in the Turkish retail shopping industry?**

Suchman (1995:574) defines Legitimacy as "generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions".

"Legitimacy is a central concept in organizational institutionalism" (Deephouse and Suchman 2008:49). Meyer and Rowan (1977) consider that organizational success depends on factors other than effective coordination and control of productive activities, Meyer and Rowan argue ,organizations that exist in highly developed institutional environments and succeed in becoming a par with these environments gain legitimacy and resources to survive. Ruef & Scott (1998) clarify that the precedents for legitimacy differ, depending on the nature of the institutional environment as well as the organizational function to which it is legitimized.

Suchman (1995) described three legitimacy types as (a) pragmatic legitimacy, (b) moral legitimacy and , (c) cognitive legitimacy.

**Pragmatic legitimacy:** the key factor for pragmatic legitimacy is the organization and its audiences. Audiences can be a wider range of political, economic, or social interconnections. In this context, three Pragmatic legitimacy variants are described as: (a) Exchange legitimacy, (b) influence legitimacy, (c) dispositional legitimacy.

- Exchange legitimacy supports a regulatory policy based on the expected value of that policy for a given set of constitutive.
- Influence legitimacy emerges when an organization integrates its components into its policy making structures or adopts its component performance standards.
- Dispositional legitimacy, audiences often interact towards organizations as individuals sharing same attitudes, goals, characteristics, values, traditions, and customs. These subjective traits may be necessary in extrapolating positive evaluations of specific regulatory actions into generalized perceptions of organizational legitimacy.

**Moral legitimacy:** Moral legitimacy considers a positive normative assessment of an organization and its activities. In contrast to pragmatic legality, moral legitimacy is "socially influential", dependent not on judgments about whether a particular activity

benefits the audiences, but on judgments about whether the activity is "the right thing to do". In this context, moral legitimacy takes four types of structures as: (a) consequential legitimacy, (b) procedural legitimacy, (c) structural legitimacy, (d) personal legitimacy

- Consequential legitimacy: audiences evaluate organizations by what they achieve. If organizations achieves match audiences beliefs and goals it gets legitimacy.
- Procedural legitimacy: organizations get moral legitimacy by adopting socially acceptable methods and procedures.
- Structural legitimacy: audiences evaluate the organization as valuable and worthy of support because it is a structural characteristic that falls within an ethically favorable taxonomic category.
- Personal legitimacy: organizations get legitimacy because of its individual leaders personal characteristics.

**Cognitive legitimacy:** while pragmatic legitimacy based on interest and moral legitimacy based on evaluation, it has been noted that cognitive legitimacy based on cognition. In this context, two different types are particularly important: legitimacy based on comprehensibility and legitimacy based on taken for granted.

- Comprehensibility: To get legitimacy, the activity of the organization must fit into the reality experienced in the daily life of audiences. Thus, society is assumed to be a chaotic epistemological environment in which audiences must strive to arrange their experiences into coherent and comprehensible accounts. Organizational activity must be known, meaningful and acceptable otherwise due to repeated mistakes, omissions, and distractions it will collapse.
- Taken for granted: in contrast to comprehensibility , taken-for-granted legitimacy reflect a more appropriate perception of cognitive coherence, and integrative change. Thus, chaotic are brought under control and transformed it into a set of subjectives that overwhelms the possibility of difference. Accordingly, organization's activities cannot be conceived of in another way. "this kind of taken-for-grantedness represents both the most subtle and the most powerful source of legitimacy identified to date. If alternatives become unthinkable, challenges become impossible, and the legitimated entity becomes unassailable by construction. " (Suchman 1995:583)

Based on these theoretical determinations, the second research question mentioned below was developed:

**Q2: In the retail shopping industry do sellers who do not offer payment with installment lose their legitimacy in eyes of customers? Thus, do customers will stop buying from these sellers assuming that their practice is not comply with the ‘legitimated/taken for granted practice’?**

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **1.THE DIFFUSION OF PRACTICE IN THE ORGANIZATIONAL FIELD FROM AN INSTITUTIONALIST PERSPECTIVE**

To understand and evaluate the concept of practice in organizational fields, it is necessary to analyze the foundation of this concept and how developed within the scope of institutional theory from an institutionalist perspective. For this purpose, institutional theory, the concept of organizational practice, Institutionalization, and the institutionalization of practice will be explained in this chapter.

##### **1.1. Main Arguments of Institutional Theory**

Defining institutions, according to Scott (1995: 235), there is "no single and universally agreed definition of an 'institution' in the institutional school of thought." Scott (1995:33; 2001:48) emphasizes that: "Institutions are social structures that have attained a high degree of resilience. [They] are composed of cultural-cognitive, normative, and regulative elements that, together with associated activities and resources, provide stability and meaning to social life. Institutions are transmitted by various types of carriers, including symbolic systems, relational systems, routines, and facts. Institutions operate at different levels of jurisdiction, from the world system to localized interpersonal relationships. Institutions by definition connote stability but are subject to change processes, both incremental and discontinuous."

The institutional theory emerged in the 1970s to describe how organizations are convenient against their environment (societal, state, national, and global). The institutional theory describes how organizations occur and change, thus it gives an explanation of how organizations influence and adapt to their environment. "Institutional theory provides strong arguments about why and how organizations do the things they do" (Oliver 2016: 4). According to Scott (2008:), the institutional theory is "a widely accepted theoretical posture that emphasizes productivity, ethics, and legitimacy."

Meyer and Rowan (1977) argue, "institutional myths" admitted organizations to obtain or maintain legitimacy in the institutional environment. Organizations espouse the

"vocabularies of structure" dominant in their environments such as procedures, specific job titles, and organizational roles. The adoption and prominent display of these institutionally-acceptable "trappings of legitimacy" help maintain an aura of organizational action based on "good faith". Legitimacy in the institutional environment helps ensure organizational survival.

Institutional pressures drive organizations to adapt to changes in their environment. (DiMaggio and Powell 1983) Identified three pressures for institutional isomorphic change to occur. These pressures are: a) Coercive isomorphic b) Mimetic isomorphic c) normative isomorphic. The resource of coercive pressure is legal mandates or the leverage of the organizations they rely on. The resource of mimetic pressures is to transcribe successful models that arise during high uncertainty. The resource of normative pressures is the similar attitudes and mechanisms of professional groups and associations brought into the firm through hiring practices. Scott (1995) pays more attention to pressures of homogenization, he describes three "pillars" of institutions, defined as: regulatory, cultural-cognitive, and normative. (Tolbert and Zucker, 1996) explain institutionalization processes as coercive pressures on organizations help to adapt to new structures. In regards to adaption to institutional pressures for change ,it was noted that not all organizations adapt to pressures in the same ways (Oliver 1991).

New institutionalism concept emerged in 1991 by DiMaggio and Powell. "The new institutionalism in organization theory and sociology comprises a rejection of rational-actor models, an interest in institutions as independent variables, a turn toward cognitive and cultural explanations, and an interest in properties of supra-individual units of analysis that cannot be reduced to aggregations or direct consequences of individuals' attributes or motives" (DiMaggio and Powell, 1991: 8)

According to most institutional theories, actors (individuals or organizations) are react toward organizations built in much spacious environments (Meyer 2007). With the progress of studies in the field of institutional theory, attention has been given to the critical role of entrepreneurs as key factors for institutionalization through their social role in the organization (Tolbert et al., 2011). With the evolution of the concept of institutional theory, attention has been paid to behavioural theory. It has been observed

that the organizational change processes achieved through behavioural theory are influenced by the institutional context (Wezel and Saka-Helmhout, 2006).

The constant attention with institutional theory over time, with the goal of addressing the problems/limitations of theoretical formulations and providing explanations for institutions, has generated new concepts: Institutional logic and Institutional work. Institutional Logic concept emerged in 1991 by Friedland & Alford and later in 1999 by Thornton and Ocasio. According to Friedland and Alford (1991:243): "Institutions are supraorganizational patterns of human activity by which individuals and organizations produce and reproduce their material subsistence and organize time and space. They are also symbolic systems, ways of ordering reality, and thereby rendering the experience of time and space meaningful". Thornton and Ocasio (1999: 804) define institutional logics as "the socially constructed, historical patterns of material practices, assumptions, values, beliefs, and roles by which individuals produce and reproduce their material subsistence, organize time and space, and provide meaning to their social reality".

Institutional work concept emerged in 2006 by Lawrence & Suddaby. Institutional work describes as "the broad category of purposive action aimed at creating, maintaining, and disrupting institutions and businesses ." (Lawrence and Suddaby 2006:217)

Through theoretical framework, the interest in institutional theory to explain the change and adaptation of organizations still ongoing and evolving over time. Studies in this scope started to explain external component affecting organizations (Meyer and Rowan 1977, DiMaggio and Powell 1983, Tolbert and Zucker, 1996, Oliver 1991) , and with the development and depth of studying for the concept of institutional theory, attention was paid to the internal factors (Meyer 2007, Tolbert et al 2011). According to what has been studied, I expect the emergence of new concepts for the interpretation of institutional theory within future studies.

## **1.2. Organizational Practice**

Although the organizational practice concept is used in literature, it has not been comprehensively defined by researchers. (Kostova 1999)

Szulanski (1996:28) defines organizational practices as "the routine use of organizational knowledge". Relying on institutional theory organizational practices

define as "an organization's routine use of knowledge for conducting a particular function that has evolved over time under the influence of the organization's history, people, interests, and actions. " (Kostova and Roth 2002:216).

"Practices reflect the shared knowledge and competence of the organization; they tend to be accepted and approved by the organization's employees and to be viewed as the taken-for-granted way of doing certain tasks" (Kostova 1999:309). Although the organizational practice illustrates the institutional context through its social position "deeply ingrained in, and reflect a widespread understanding of social reality [and are] enforced by public opinion, by the views of important constituents, by knowledge legitimated through the educational system, by social prestige, by the laws" (Meyer & Rowan, 1977: 343), researchers have recently argued that organizational practices vary and are numerous, it may be formal or informal. It may be related to the internal activities of the organization or it may be related to external activities. Some refer to certain functions, some are specifics in goal, and some reflect general objectives. Some include written roles for organizational behaviours and some are not. (Kostova 1999)

Through this theoretical framework, organizational practice has two dimensions:

a) Internal dimension, b) External dimension

- The internal dimension of organizational practice is represented by Internal business regulations as organizational actions towards employees that affect positively or negatively employee relationships, interactions, accomplishments and loyalty to the organization.

- The external dimension of organizational practice is represented by External work regulations as organizational actions towards its' environment. For example, suppliers, customers, stakeholders, society organizations, products and services.

### **1.3. Institutionalization, The Institutionalization of A Practice**

"Institutionalization is both a process and a property variable. It is the process by which individual actors transmit what is socially defined as real and, at the same time, at any point in the process the meaning of an act can be defined as more or less a taken-for-granted part of this social reality" (Zucker 1977:728)

Tolbert and Zucker (1996) provide an outline for the process of institutionalization. They proposed three phases for institutionalization: 1) pre-institutionalization, 2) semi-institutionalization, 3) full institutionalization of a practice. The first phase (pre-institutionalization) is described as few adopters and unawareness of the practice. In the second phase (semi-institutionalization) the practice is not extent widespread and got limited admission, but it is not an old phenomenon. In the third phase (full institutionalization) the practice has "become taken for granted by members of a social group as efficacious and necessary" (Tolbert & Zucker, 1996: 179).

Conversion success defines "the degree of institutionalization of the practice at the recipient unit" (Kostova 1999:311). Accordingly, four phases of the transfer process are described as "initiation, implementation, ramp-up, and integration" (Szulanski 1996:28)

- The initiation phase is the need to carry out the transformation process as a response to organizational events, the aim is to find solutions for an organizational problem which can lead to gaining knowledge.
- The implementation phase starts with a follow-up decision for the initiation phase. Within this phase, the use of the acquired knowledge begins.
- The ramp-up stage begins after the acquired knowledge has been used.
- The integration phase begins after the desired results are obtained through the routine use of the acquired knowledge.

Numerous studies in the institutionalization field highlighted the phenomenon of practice adoption (Tolbert & Zucker, 1996; Kostova and Roth 2002; Kostova 1999). Although there are different responses to practice adoption (Tolbert & Zucker, 1996), it has been noticed that practice adoption affects by three factors" dependence, trust, and identity" (Kostova and Roth 2002). Implementation and internalization describe as two phases of practice adoption.

Implementation describes external reactions and activities that needed to be taken toward the practice. Internalization describes the internal reactions represented by individuals' acceptance and their commitment to the practice. (Kostova and Roth 2002, Kostova 1999).

## **2. CREDIT CARD INSTALMENT APPLICATION AS AN ORGANIZATIONAL PRACTICE**

### **2.1. Definition**

Installment purchase means using credit to purchase products or services by dividing purchase cost into a series of installments. There are many different payment options for buyers to arrange their purchasing payment like: cash, checks, debit cards, credit cards, mobile payments, electronic bank transfers. “Bank cards have been perhaps the most studied of all consumer payment systems” (Hirschman 1979:59). From this point of view I argue, credit card instalment considers as the most affordable way to buy from customers perspectives.

(Hirschman 1979) describes five main factors that influence the choosing decision of alternative credit card payment systems:

- (1) Features and characteristics of buyers (age, religion, gender, lifestyle and income)
- (2) Features and characteristics of purchased product (luxury products, stable products)
- (3) Features and characteristics of credit card payment systems
- (4) Features and characteristics of the well-known payment systems that are used in the place of purchase.
- (5) Features and characteristics of the state in which the purchase was made.

### **2.2. History (In The World and Turkey)**

Installment payment plans found at colonial times in one form or another, but they really took off during the 1920s.

At that time, installment buying was rather rudimentary. Consumers would make an agreement with a shop owner to pay the full cost of a new sofa, automobile, or cleaning product with smaller, regular payments. (<https://gocardless.com/en-us/guides/posts/the-evolution-of-installment-financing/> 01.11.2022)

The emerge of credit cards in 1894 by US-based hotels operating in the tourism industry , is a major turning point in the history of Installment payments . In the following years, it was given by various oil companies and department stores to control the accounts of their employees and customers. (Yilmaz, 2000:84).

The person who designed the credit card, which was initially limited to a certain region or service, as a payment tool, is a US credit expert named Frank McNamara. McNamara, who invited his customer to dinner in 1950, realized that when he wanted to pay that there was no money with him, he signed the back of his business card and decided to design a payment tool where consumers could spend without carrying cash. This plastic card, which he named "Diners Card", inspired by the meal he ate with his customer, is the first credit card that is not limited to a certain region and service, and can also be used in many businesses (BKM:1997:2).

In the USA, in 1951, banks began to work on issuing credit cards, and in 1958, credit cards issued by Bank of America and Chase Manhattan Bank (Amex) began to be used in the market. In the same year, the credit card was known as Visa and in 1966 Mastercard was issued by banks located in California. (Teoman, 1996:16).

Europe recognized the credit card after 1960, In France, Card Blanche was widely used after the 1970s. Credit cards were introduced for the first time in Switzerland in 1972 and in Germany in 1975. Later, the EuroCard center was established in Brussels and Master Card and Visa Card started to be used all over the world. Credit card applications have also started in Japan, Hong Kong, Singapore, Malaysia, Thailand, the Philippines and Russia since the 1990s (BKM:1997:2).

Diners Club (1968) consider as first credit cards at Türkiye. After Diners Club, Türk Ekspres Aviation and Tourism Limited company entered the market with "American Express" cards. After 1975, Eurocard, Mastercard and Access credit cards entered the market. Beginning in 1980, banks also started to use credit cards. The opening of Visa's Turkey Office in 1984 increased the momentum. The first ATM was put into service in 1987. As of 1988, debit cards, bill payments and investment products started to be offered within the scope of retail banking. In 1990, BKM A.Ş. (Interbank Card Center) was established. With the expenditures made in the 1990s, earning points and the use of these points in the form of product selection from the catalogues began. The first electronic POS Terminal in Turkey was put into use in 1991. In 1993, Europay/MasterCard Turkey office was opened and the increase in cards gained momentum. In 1997 first co branded credit card was emerged. In 1998 Cem Boyner created from his idea a business practice

called *Advantage Card*, allowed customers to buy in instalment without using a credit card.

Since the beginning of the 1990s, the cards issued by the major credit card institutions in the world have been widely used in recent years and have replaced cash and other forms of payment in Turkey as well as all over the world.

### **2.3. Empirical Findings Showing That It Is Institutionalized In Turkey**

For studying the phenomenon statistically, the researcher used the results and statistical information from Interbank Card Center that shows the purchasing volume of domestic use of domestic credit cards during the period 2013-2021. The following table shows results:

Tabel: 1 Purchasing volume of domestic use of domestic credit cards during the period 2013-2021

Year	Total in million Turkish lira
2013	379.124,11
2014	420.974,98
2015	477.426,37
2016	523.506,29
2017	590.484,60
2018	699.378,77
2019	820.234,85
2020	938.921,58
2021	1.371.982,59

Source: <https://bkm.com.tr/yerli-kredi-kartlarinin-yurt-ici-kullanimi/> Date of access: 11.04.2022

From the previous table we can divided purchasing volume to three stages:

- First stage (2013,2014 and 2015), only few consumers are relying on credit cards to finance their purchases.
- Seconde stage (2016,2017 and 2018), consumers has limited acceptance to rely on their purchases by using credit cards.
- Third stage (2019,2019 and 2021) , due to the intense competition in the credit card industry, marketing activities have increased the use of credit cards among customers which has made the use of financing purchases through credit cards widely, effective and necessary which indicates the acceptance of this practice as taken-for-granted. This is consistent with what we have found in the literature , Tolbert and Zucker (1996) three phases for institutionalization.

## **CHAPTER 3**

### **ANALYSIS OF CREDIT CARD INSTALLMENT SALES PRACTICE IN THE RETAIL SHOPPING SECTOR**

#### **1. RESEARCH PROCEDURE**

##### **1.1. Questionnaire Design**

In regards to measuring legitimacy for instalment payment practice users, the questionnaire involves 13 questions used. Questions focus on installment practice users' perspectives and their attitudes towards sellers whom participate in this practice. In addition, the Likert scale is used to ask respondents to express their agreement or disagreement with a particular topic or situation.

##### **1.2. Data Collection And Method**

This study concerns on quantitative research (Denzin ve Lincoln, 2005: 4; Yin, 2011). Data were collected from 142 respondents questionnaires in Turkey. An online survey was conducted to obtain data from people who have been experienced practicing shopping by instalment in the retail sector. A questionnaire was developed by using Google online forms. Data collected through social media platforms : LinkedIn, Twitter, WhatsApp groups, Facebook groups and personal email accounts for asking participants to fill questionnaire form.

#### **2 . RESEARCH QUESTIONS**

After reviewing relevant literature, the research questions mentioned below are developed:

Q1: Does installment payment practice institutionalize in the Turkish retail shopping industry?

Q2: In the retail shopping industry do sellers who do not offer payment with installment lose their legitimacy in eyes of customers? Thus, do customers will stop buying from these sellers assuming that their practice is not comply with the 'legitimated/taken for granted practice'?

### 3. DATA ANALYSIS

Data analyzed by using editing and coding applied accordingly to SPSS statistics program rules. Exploratory Data Analysis used to summarize collected data by using graphics and statistics graphs /charts. Summary measures were used to provide compact descriptions of study variables. The following figures graphically show the result of data analysis.

Tabel 2: Descriptive Statistical Analysis Results of the Sample Group

VARIABLE		N	%
What is your gender?	Female	65	45,8
	Male	77	54,2
What is your Marital status?	Single	55	38,7
	Married	87	61,3
How old are you?	18-26 years old	18	12,7
	27-40 years old	84	59,2
	41-60 years old	40	28,2
What is your education?	Primary education	4	2,8
	Secondary education	17	12
	Associate's Degree	21	14,8
	Bachelor's Degree	72	50,7
	Master's Degree	27	19
What is your profession?	Doctorate Degree	1	0,7
	An employee in Private sector	105	73,9
	An employee in Public sector	6	4,2
	Working independently	9	6,3
	Student	11	7,7
	Retired	2	1,4
What is your monthly income?	Other	9	6,3
	Less than 5.000 TL	26	18,3
	5.000 TL – 7.500 TL	35	24,6
	7.500 TL – 10.000 TL	35	24,6
	10.000 TL – 12.500 TL	16	11,3

	12.500 TL – 15.000 TL	11	7,7
	More than 15.000 TL	19	13,4

In this study respondents 54.2% male and 45.8% female. The most of respondents are married (61.27%). The most of respondents (44.9%) are between 27-40 years old. The most of respondents have finished University (50.70%) and Master's Degree (19.01%) The most of respondents work in private sector (73.94%). The most of respondents earn between 5000TL-10.000 TL monthly.

Tabel 3: Agreement about the necessary of practice

**I consider making instalments via credit cards in retail shopping as a " necessary practice"**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	5	3.5	3.5	3.5
Disagree	13	9.2	9.2	12.7
Neither agree nor disagree	10	7.0	7.0	19.7
Agree	52	36.6	36.6	56.3
Strongly agree	62	43.7	43.7	100.0
Total	142	100.0	100.0	

Tabel 4: Agreement about purchasing from stores that do not gives instalments option

**I do not buy from stores that do not make instalments via credit cards**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	18	12.7	12.7	12.7
Disagree	55	38.7	38.7	51.4
Neither agree nor disagree	27	19.0	19.0	70.4
Agree	32	22.5	22.5	93.0
Strongly agree	10	7.0	7.0	100.0
Total	142	100.0	100.0	

Tabel 5: Thoughts towards retail stores which sell cash in advance

**I feel angry against retail stores which sell cash in advance**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	22	15.5	15.5	15.5
Disagree	54	38.0	38.0	53.5
Neither agree nor disagree	21	14.8	14.8	68.3
Agree	32	22.5	22.5	90.8
Strongly agree	13	9.2	9.2	100.0
Total	142	100.0	100.0	

Tabel 6: Thoughts about stores which sell cash in advance

**I think retail stores which sell cash in advance have bad intentions**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	27	19.0	19.0	19.0
Disagree	70	49.3	49.3	68.3
Neither agree nor disagree	22	15.5	15.5	83.8
Agree	16	11.3	11.3	95.1
Strongly agree	7	4.9	4.9	100.0
Total	142	100.0	100.0	

Tabel 7: Thoughts about reluctant sellers

**I see retail stores which sell cash in advance as reluctant sellers**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	19	13.4	13.4	13.4
Disagree	46	32.4	32.4	45.8
Neither agree nor disagree	16	11.3	11.3	57.0
Agree	50	35.2	35.2	92.3
Strongly agree	11	7.7	7.7	100.0
Total	142	100.0	100.0	

Tabel 8: Benefits of credit card instalment option

**I think that the instalment application to the credit card makes the life of the consumer easier**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	3	2.1	2.1	2.1
	Disagree	12	8.5	8.5	10.6
	Neither agree nor disagree	12	8.5	8.5	19.0
	Agree	64	45.1	45.1	64.1
	Strongly agree	51	35.9	35.9	100.0
	Total	142	100.0	100.0	

Tabel 9: Thoughts about customer loyalty

**I think the credit card instalment application enriches the customer**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	21	14.8	14.8	14.8
	Disagree	59	41.5	41.5	56.3
	Neither agree nor disagree	19	13.4	13.4	69.7
	Agree	28	19.7	19.7	89.4
	Strongly agree	15	10.6	10.6	100.0
	Total	142	100.0	100.0	

Tabel 10: Thoughts about purchasing power

**I think the credit card instalment application increases the purchasing power of the customer**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	13	9.2	9.2	9.2
	Disagree	20	14.1	14.1	23.2
	Neither agree nor disagree	16	11.3	11.3	34.5
	Agree	69	48.6	48.6	83.1
	Strongly agree	24	16.9	16.9	100.0
	Total	142	100.0	100.0	

Through results of the analysis, there is a difference between means on the specific same topic, to find out whether there is a statistical significance for this difference or not, one-way analysis of variance will use. For this test there is two hypothesis:

H0: There is no difference between the means.

H1: There is a significant difference between at least two means.

Tabel 11: Test result of Homogeneity for question No:7

I consider making instalments via credit cards in retail shopping as a " necessary practice"

Levene Statistic	df1	df2	Sig.
.892	5	136	.489

Sig = 0.489 > 0.05 , Levene statistic accept the null hypothesis: there is no difference between the means.

Tabel 12: Anova test result for question No:7

**ANOVA**

I consider making instalments via credit cards in retail shopping as a " necessary practice"

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	8.090	5	1.618	1.375	.238
Within Groups	160.058	136	1.177		
Total	168.148	141			

Sig = 0.238 > 0.05 , There is no difference between the means, no need to do multiple comparisons test.

Tabel 13: Test result of Homogeneity for question No:8

I do not buy from stores that do not make instalments via credit cards

Levene Statistic	df1	df2	Sig.
.421	5	136	.833

Sig = 0.833 > 0.05 , Levene statistic accept the null hypothesis: there is no difference between the means.

Tabel 14: Anova test result for question No:8

**ANOVA**

I do not buy from stores that do not make instalments via credit cards

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	12.534	5	2.507	1.940	.092
Within Groups	175.754	136	1.292		
Total	188.289	141			

Sig = 0.092 > 0.05 , There is no difference between the means, no need to do multiple comparisons test.

Tabel 15: Test result of Homogeneity for question No:9

I feel angry against retail stores which sell cash in advance.

Levene Statistic	df1	df2	Sig.
.808	5	136	.546

Sig = 0.546 > 0.05 , Levene statistic accept the null hypothesis: there is no difference between the means.

Tabel 16: Anova test result for question No:9

**ANOVA**

I feel angry against retail stores which sell cash in advance

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	23.610	5	4.722	3.360	.007
Within Groups	191.122	136	1.405		
Total	214.732	141			

Sig = 0.007 < 0.05 , There is difference between the means. The multiple comparisons test is needed.

Tabel 17: Multiple Comparisons test result for question No:9

**Multiple Comparisons**

Dependent Variable: I feel angry against retail stores which sell cash in advance.

LSD

(I) What is your monthly income?	(J) What is your monthly income?	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Less than 5.000 TL	5.000 TL – 7.500 TL	-.12857	.30692	.676	-.7355	.4784
	7.500 TL – 10.000 TL	-.64286*	.30692	.038	-1.2498	-.0359
	10.000 TL – 12.500 TL	-.81250*	.37667	.033	-1.5574	-.0676
	12.500 TL – 15.000 TL	-.04545	.42639	.915	-.8887	.7978
	More than 15.000 TL	.50000	.35779	.165	-.2076	1.2076
5.000 TL – 7.500 TL	Less than 5.000 TL	.12857	.30692	.676	-.4784	.7355
	7.500 TL – 10.000 TL	-.51429	.28338	.072	-1.0747	.0461
	10.000 TL – 12.500 TL	-.68393	.35775	.058	-1.3914	.0235
	12.500 TL – 15.000 TL	.08312	.40976	.840	-.7272	.8935
	More than 15.000 TL	.62857	.33781	.065	-.0395	1.2966
7.500 TL – 10.000 TL	Less than 5.000 TL	.64286*	.30692	.038	.0359	1.2498
	5.000 TL – 7.500 TL	.51429	.28338	.072	-.0461	1.0747
	10.000 TL – 12.500 TL	-.16964	.35775	.636	-.8771	.5378
	12.500 TL – 15.000 TL	.59740	.40976	.147	-.2129	1.4077
	More than 15.000 TL	1.14286*	.33781	.001	.4748	1.8109
10.000 TL – 12.500 TL	Less than 5.000 TL	.81250*	.37667	.033	.0676	1.5574
	5.000 TL – 7.500 TL	.68393	.35775	.058	-.0235	1.3914
	7.500 TL – 10.000 TL	.16964	.35775	.636	-.5378	.8771
	12.500 TL – 15.000 TL	.76705	.46431	.101	-.1512	1.6853
	More than 15.000 TL	1.31250*	.40224	.001	.5171	2.1079
12.500 TL – 15.000 TL	Less than 5.000 TL	.04545	.42639	.915	-.7978	.8887
	5.000 TL – 7.500 TL	-.08312	.40976	.840	-.8935	.7272
	7.500 TL – 10.000 TL	-.59740	.40976	.147	-1.4077	.2129
	10.000 TL – 12.500 TL	-.76705	.46431	.101	-1.6853	.1512
	More than 15.000 TL	.54545	.44913	.227	-.3427	1.4336
More than 15.000 TL	Less than 5.000 TL	-.50000	.35779	.165	-1.2076	.2076
	5.000 TL – 7.500 TL	-.62857	.33781	.065	-1.2966	.0395
	7.500 TL – 10.000 TL	-1.14286*	.33781	.001	-1.8109	-.4748
	10.000 TL – 12.500 TL	-1.31250*	.40224	.001	-2.1079	-.5171
	12.500 TL – 15.000 TL	-.54545	.44913	.227	-1.4336	.3427

Some of factors sig value  $< 0.05$  this means there is a statistically significant difference between these factors , which is low monthly income and high monthly income as table show.

Tabel 18: Test result of Homogeneity for question No:10

I think retail stores which sell cash in advance have bad intentions.

Levene Statistic	df1	df2	Sig.
.994	5	136	.424

Sig = 0.424  $> 0.05$  , Levene statistic accept the null hypothesis: there is no difference between the means.

Tabel 19: Anova test result for question No:10

**ANOVA**

I think retail stores which sell cash in advance have bad intentions

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	9.671	5	1.934	1.753	.127
Within Groups	150.103	136	1.104		
Total	159.775	141			

Sig = 0.127  $> 0.05$  , There is no difference between the means, no need to do multiple comparisons test.

Tabel 20: Test result of Homogeneity for question No:11

I see retail stores which sell cash in advance as reluctant sellers.

Levene Statistic	df1	df2	Sig.
1.564	5	136	.174

Sig = 0.174  $> 0.05$  , Levene statistic accept the null hypothesis: there is no difference between the means.

Tabel 21: Anova test result for question No:11

**ANOVA**

I see retail stores which sell cash in advance as reluctant sellers

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	26.458	5	5.292	3.817	.003
Within Groups	188.528	136	1.386		
Total	214.986	141			

Sig = 0.003 < 0.05 , There is difference between the means. The multiple comparisons test is needed.

Tabel 22: Multiple Comparisons test result for question No:11

**Multiple Comparisons**

Dependent Variable: I see retail stores which sell cash in advance as reluctant sellers.

LSD

(I) What is your monthly income?	(J) What is your monthly income?	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Less than 5.000 TL	5.000 TL – 7.500 TL	-.21978	.30483	.472	-.8226	.3830
	7.500 TL – 10.000 TL	-.04835	.30483	.874	-.6512	.5545
	10.000 TL – 12.500 TL	-.70192	.37411	.063	-1.4417	.0379
	12.500 TL – 15.000 TL	.46853	.42348	.271	-.3689	1.3060
	More than 15.000 TL	.87045*	.35535	.016	.1677	1.5732
5.000 TL – 7.500 TL	Less than 5.000 TL	.21978	.30483	.472	-.3830	.8226
	7.500 TL – 10.000 TL	.17143	.28145	.543	-.3852	.7280
	10.000 TL – 12.500 TL	-.48214	.35531	.177	-1.1848	.2205
	12.500 TL – 15.000 TL	.68831	.40697	.093	-.1165	1.4931
	More than 15.000 TL	1.09023*	.33551	.001	.4267	1.7537
7.500 TL – 10.000 TL	Less than 5.000 TL	.04835	.30483	.874	-.5545	.6512
	5.000 TL – 7.500 TL	-.17143	.28145	.543	-.7280	.3852
	10.000 TL – 12.500 TL	-.65357	.35531	.068	-1.3562	.0491
	12.500 TL – 15.000 TL	.51688	.40697	.206	-.2879	1.3217
	More than 15.000 TL	.91880*	.33551	.007	.2553	1.5823
10.000 TL – 12.500 TL	Less than 5.000 TL	.70192	.37411	.063	-.0379	1.4417
	5.000 TL – 7.500 TL	.48214	.35531	.177	-.2205	1.1848
	7.500 TL – 10.000 TL	.65357	.35531	.068	-.0491	1.3562
	12.500 TL – 15.000 TL	1.17045*	.46115	.012	.2585	2.0824

	More than 15.000 TL	1.57237*	.39950	.000	.7823	2.3624
12.500 TL	Less than 5.000 TL	-.46853	.42348	.271	-1.3060	.3689
- 15.000	5.000 TL – 7.500 TL	-.68831	.40697	.093	-1.4931	.1165
TL	7.500 TL – 10.000 TL	-.51688	.40697	.206	-1.3217	.2879
	10.000 TL – 12.500 TL	-1.17045*	.46115	.012	-2.0824	-.2585
	More than 15.000 TL	.40191	.44607	.369	-.4802	1.2841
More than	Less than 5.000 TL	-.87045*	.35535	.016	-1.5732	-.1677
15.000 TL	5.000 TL – 7.500 TL	-1.09023*	.33551	.001	-1.7537	-.4267
	7.500 TL – 10.000 TL	-.91880*	.33551	.007	-1.5823	-.2553
	10.000 TL – 12.500 TL	-1.57237*	.39950	.000	-2.3624	-.7823
	12.500 TL – 15.000 TL	-.40191	.44607	.369	-1.2841	.4802

Some of factors sig value  $< 0.05$  this means there is a statistically significant difference between these factors , which is low monthly income and high monthly income as table show.

Tabel 23: Test result of Homogeneity for question No:12

I think the credit card instalment application enriches the customer.

Levene Statistic	df1	df2	Sig.
1.053	5	136	.389

Sig = 0.389  $> 0.05$  , Levene statistic accept the null hypothesis: there is no difference between the means.

Tabel 24: Anova test result for question No:12

**ANOVA**

I think the credit card instalment application enriches the customer.

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.996	5	.199	.125	.987
Within Groups	216.983	136	1.595		
Total	217.979	141			

Sig = 0.987  $> 0.05$  , There is no difference between the means, no need to do multiple test.

Tabel 25: Test result of Homogeneity for question No:13

I think the credit card instalment application increases the purchasing power of the customer.

Levene Statistic	df1	df2	Sig.
.353	5	136	.880

Sig = 0.880 > 0.05 , Levene statistic accept the null hypothesis: there is no difference between the means.

Tabel 26: Anova test result for question No:13

**ANOVA**

I think the credit card instalment application increases the purchasing power of the customer

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4.337	5	.867	.598	.701
Within Groups	197.163	136	1.450		
Total	201.500	141			

Sig = 0.701 > 0.05 , There is no difference between the means, no need to do multiple test.

#### **4.FINDINGS**

The obtained results through the analysis of the questionnaire show that : the most of respondents (43.66%) consider making instalments via credit cards in retail shopping as a " necessary practice". Most respondents (38.73%) have no issue buying from stores which not make instalment options, while (22.54%) of respondents refuse to buy from these stores. Most respondents (38.03%) don not feel angry against retail stores which sell cash in advance, while (22.54%) of respondents feel angry from these stores. The most respondents (49.30%) refused to consider that there is bad intentions in retail stores which sell cash in advance. Respondents differ on whether retail stores which sell cash in advance are as reluctant sellers or not.

Through results of the analysis, there is a difference in attitudes on the specific same topic. To explain these different in attitudes between respondents, analysis of variance used, in scientific research it is consider as one of the laboratory tests that are used to compare means. It is a test that is used in statistical analysis in many academic research, to obtain a decision whether there is differences between means or lack thereof, in order to identify what makes a mean different from other means. Thus, it was investigated whether monthly income was the main determinant of attitudes. Monthly income was considered as the independent variable and opinion as the dependent variable. The test result shows that different attitudes are related to monthly income. High-income respondents because of their purchasing power, tend to buy cash in advance without the need for installments , which explains the difference in their attitudes from low-income respondents in some situations.

## CONCLUSION AND DISCUSSION:

Literatures highlighted on the role of actors for institutional change as Entrepreneurs and neglected the role of unorganized individuals (Ansari and Phillips 2011). Through the results that I reached in this study I realized that there is an important and effective role for these un-organized groups, which I named, according to the subject of the study "the buyers", in creating and adopting a new concept that leads to a change in the field. For most survey participants installment payment option it is preferred and expected as a norm, which indicates the acceptance of this practice as taken-for-granted. This change has led to the emergence of a new pattern which is the acceptance of the sellers to the idea of selling in installments. Many retail stores adopt installment practice without the presence of laws from the state mandating it, which indicates the acceptance of this practice as taken-for-granted. In addition, a new concept has emerged for this practice, "*shopping loan installment service*", this indicates that this process was recognized as an essential part of the sales process and was therefore institutionalized in Turkey. Thus, it led to emergence of new entrants in the feild (banks as our case) to facilitate installments practice, banks has now an important role in providing installments option although some sellers do not provide this service.

Although there is a number of stores at retails market that do not allow the possibility of selling in installments, they are still present in the market because of high-income individuals. In contrast the method of payment affect their commercial activities as the majority of individual people in society consider installment payment practice as "necessary practice" and refuse to buy from stores not allowed this practice. This point of view consist with the literature highlighted on legitimacy. If organizations achieves match audiences beliefs and goals it gets legitimacy (Suchman 1995). Through the results that I reached in this study I realized that installment payment in retails sector is socially acceptable practice, sellers who do not offer payment with installment lose their legitimacy in eyes of customers.

## **LIMITATIONS OF THE RESEARCH AND SUGGESTIONS FOR FUTURE STUDIES**

This study aims to understand how the process of installment sales practice was established and institutionalized in Turkey. No more information is available on what the actors who played a role in institutionalizing this process have done. And there is almost no information about the actors, especially in the early stages of the institutionalization process. Therefore, the main limitation of the research is that it attempted to arrive at general judgments with the scarce information obtained about what the actors do. A study can be conducted to determine the stage of institutionalization.

In addition, this study higlighted on installment payment practice in the retail shopping industry. There is no enough information about why seller who do not offer payment with installment still exsit in the market . A study can be conducted to determine factors that give such sellers their legitimacy.

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## APPENDIX

Bursa Uludag University Institute of Social Sciences, Department of Management and Organization, This study is carried out in the Master's Program for academic purposes.

This study aims to investigate whether the practice of “shopping in instalments” in the Turkish retail shopping sector is institutionalized in the field.

Q1. What is your gender?	
Female	<input type="checkbox"/>
Male	<input type="checkbox"/>

Q2. What is your Marital status ?	
Single	<input type="checkbox"/>
Married	<input type="checkbox"/>

Q3. How old are you?	
18-26	<input type="checkbox"/>
27-40	<input type="checkbox"/>
41-60	<input type="checkbox"/>
61-80	<input type="checkbox"/>
Older than 80	<input type="checkbox"/>

Q4. What is your education?	
Primary education	<input type="checkbox"/>
Secondary education	<input type="checkbox"/>
Associate's Degree	<input type="checkbox"/>
Bachelor's Degree	<input type="checkbox"/>
Master's Degree	<input type="checkbox"/>
Doctorate Degree	<input type="checkbox"/>

<b>Q5. What is your profession?</b>	
An employee in Private sector	<input type="checkbox"/>
An employee in Public sector	<input type="checkbox"/>
Working independently	<input type="checkbox"/>
Student	<input type="checkbox"/>
Retired	<input type="checkbox"/>
Other	<input type="checkbox"/>

<b>Q6. What is your monthly income?</b>	
Less than 5.000 TL	<input type="checkbox"/>
5.000 TL – 7.500 TL	<input type="checkbox"/>
7.500 TL – 10.000 TL	<input type="checkbox"/>
10.000 TL – 12.500 TL	<input type="checkbox"/>
12.500 TL – 15.000 TL	<input type="checkbox"/>
More than 15.000 TL	<input type="checkbox"/>

	<b>Strongly agree</b>	<b>Agree</b>	<b>Neither agree nor disagree</b>	<b>Disagree</b>	<b>Strongly disagree</b>
<b>QUESTION NO:7. I consider making instalments via credit cards in retail shopping as a " necessary practice"</b>					
<b>Q8. I do not buy from stores that do not make instalments via credit cards.</b>					
<b>Q9. I feel angry against retail stores which sell cash in advance.</b>					
<b>Q10. I think retail stores which sell cash in advance have bad intentions.</b>					

<b>Q11. I see retail stores which sell cash in advance as reluctant sellers.</b>					
<b>Q12. I think the credit card instalment application enriches the customer.</b>					
<b>Q13. I think the credit card instalment application increases the purchasing power of the customer.</b>					