CONTEMPORARY BUSINESS AND ECONOMIC ISSUES

EDITOR

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PREFACE

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CHAPTER 1

A STUDY ON INSTITUTIONAL QUALITY INDEX IN DEVELOPED COUNTRIES: THE CASE OF G-7 COUNTRIES[1]

Necip DÜNDAR[2]

INTRODUCTION

Institutions are made up of human-designed constraints that built economic, political, and social interactivity. Institutions comprise formal rules (laws, constitutions, property rights) and informal restrictions (sanctions, taboos, rules of behavior and customs). Throughout history, institutions have been designed by human to minimize uncertainty in exchange and create order (North, 1991), while the good quality of the institutions encourages creativity, economic growth and development, institutions with bad quality create an environment that negatively affects the economic course (Butkiewicz and Yanikkaya, 2006).

As a concept, institutional quality is handled in a broad scope that includes many political, economic or social elements such as individual rights, property rights, freedom of the press, freedom of expression, freedom of business, and government regulations. According to Krause (2009), the concept of institutional quality is both formal or informal rules of a game that supports greater integration and cooperation among individuals in the society and enables them to achieve their own goals without interfering with others' livelihoods. According to Rodrik (2004), there is widespread consensus among economists that the quality of institutions is the key to welfare models prevailing around the world. Developed countries are countries where property rights are secure, the rule of law is effective, private incentives are compatible with social goals, monetary and fiscal policies are based on strong macroeconomic institutions, political rights and civil liberties are strong. On the other hand, poor countries, stand out as countries where these reg-

Making cross-country institutional quality comparisons can be taken as a reference for policymakers. On the other hand, due to the relationship between institutional quality and economic performance or welfare level, policies to strengthen institutional quality should not be abandoned. In addition, making a similar analysis for other developed, developing, or underdeveloped countries or country groups such as the G-7 and making comparisons between these countries will contribute positively to related literature.

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CHAPTER 2

THE ASSOCIATION BETWEEN TAX AVOIDANCE AND CORPORATE GOVERNANCE: AN EMPIRICAL ANALYSIS

Ahmet ÖZCAN[1]

INTRODUCTION

Tax avoidance has become an important issue for policymakers, managers and society over the last two decades. Firms try to design their tax planning that enables them to minimize tax burden. Taxes are the primary source of governments' revenue. Tax avoidance is believed to be wealth transfer from government to firms and has positive impacts on firm value (Chen et al., 2014). Tax avoidance is not costless. When engaging in tax avoidance, firms incur implementation cost and face risk of punishment. In some situations, firms that fail to properly design tax avoidance strategies may even lose their reputation and investor confidence.

Managers are responsible for operational activities and prominent strategic decision-making processes throughout the firm (Park et al., 2016). Tax avoidance is one of the managerial decisions. Rationally, managers strive to minimize tax burden of the firms as possible as they can. That is why managers pay close attention to tax avoidance strategies that influence taxable income. It is worth mentioning that tax avoidance strategies vary according to industry, organizational structure, human capital and tax law.

Most of the studies focus on the developed economies, evidence on the relationship between tax avoidance and corporate governance variables in developing economies is limited. The main objective of the present study is to shed light on how corporate governance mechanisms influence tax avoidance efforts of firms operating in the developing economy. Using a sample consisting of 72 firms listed on Borsa Istanbul in the period between 2017 and 2021, the empirical analysis revealed that board size, audit firm, firm size, and leverage have statistically significant impacts on sample firms' tax avoidance policies. Institutional ownership,

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CHAPTER 3

EXPLORING THE QUALITY DIMENSIONS OF CHATBOTS FROM THE USER PERSPECTIVE: EVIDENCE FROM THE BANKING SECTOR

Gözde TANRIKULU[1]
Banu DEMİREL[2]

INTRODUCTION

Chatbots, also referred to as chatter robots, are software programs that interact with humans via a messaging application (Ciechanowski et al., 2019). These software agents are capable of communicating with humans using their native languages (Følstad & Brandtzaeg, 2017). Additionally, chatbots can respond to inquiries sent by humans via text or voice communications. They are also an excellent technique to increase productivity and save employee expenses due to their 24-hour response capabilities. Chatbots are used to assist humans with a variety of activities in a variety of services (Kumar et al., 2016). By 2023, it is estimated that the use of conversations in the retail, banking, and health sectors would save businesses 11 billion dollars per year. Additionally, cost reductions can be achieved through time savings in customer service. Businesses and consumers are anticipated to save more than 2.5 billion hours in these areas by 2023. Additionally, in 2022, the success rate of chatbots servicing the banking sector will climb to 93% (Juniper Research, 2018).

According to Luo et al. (2019), customers consider chatbots to be less knowledgeable and empathetic. Thus, when the identity of the chatbot is exposed to customers prior to the interaction, purchasing rates decline. Disclosing the chatbot's identity following the conversation can minimize these negative consequences. On the other hand, Fiore et al. (2019) and Rapp et al., (2021) argue that the transparency of a chatbot—a chatbot must indicate that it is not communicating with a human, but with a robot—is a necessary condition for the emulation of trust

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This study is intended to provide three outcomes. To begin, the results are expected to contribute to the conceptualization and operationalization efforts of chatbot quality assessments from a user viewpoint by serving as one of the pioneering attempts to provide an empirical foundation for a future model. The second point is examining the dimensions may drive future research to develop a robust quality evaluation tool or methodology which in turn may boost customer experience on banking chatbots. The third outcome is the identification of the quality attributes that should be improved to increase the level of customer experience with the chatbots in Turkey.

This research is conducted in Izmir, Turkey; therefore, the findings can't be generalized. The study provides insight into quality dimensions pertaining to the banking sector's chatbots. Subsequent studies can be conducted in different regions or countries, different sectors, with varying research techniques.

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CHAPTER 4

EXAMINATION OF CONSUMER PURCHASING BEHAVIORS AND CHANGES IN MARKETING STRATEGIES OF BUSINESSES DURING THE COVID-19 PANDEMIC PROCESS

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INTRODUCTION

The COVID-19 virus, first identified in the 1960s, resurfaced on December 31, 2019 in Wuhan, China's Hubei region, with infectious and deadly properties. To defend against the virus and prevent its spread, all nations took different precautions, including canceling scientific meetings, sports contests, theater performances, and concerts, as well as suspending instruction at schools and universities (Öztunç, 2021). It has caused sectors, businesses and individuals to new behaviors that offer practical and solutions in adapting to the process. Consumers who can make much more realistic decisions before the start of COVID-19, restrictions that are expected to last for a few more years triggered by the COVID-19 process, and repetitive restrictions, fear and panic affect people psychologically, whether they will be brought under control in the future (Kayabaşı, 2020). Conflicting statements made by almost all health institutions have caused severe psychological traumas on societies, and consumers, who cannot make a clear decision about what to do, have minimized their consumption expenditures for a certain period of time, except for their obligatory basic needs. It is observed that most of the people, along with this process, generally turn to online shopping to meet their needs. The reality that technology is an indispensable necessity of life, the shift of commerce to the virtual environment, a significant part of business owners have started to take steps to strengthen their trade infrastructure in the electronic environment and to meet the demands from here. In the coming period, we may witness that consumers make their needs from the internet or virtual stores instead of traditional commerce (Yavuz, 2020). Along the global epidem-

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characteristics of their own products. This will make firms more competitive and raise their preference coefficients.

Businesses should deliver their thoughts to customers in as few words and as clearly as possible. The message in their advertising should be clear and concise, with no superfluous words or sentences.

Consider yourself a responsible individual with the ability to assist millions of others. Then behave in accordance with the shared interests of business and society.

Businesses must understand how their advertisements are received. A single incorrect statement may have a long-term negative impact on brand image.

The significance of accurately forecasting market performance has been demonstrated time and again. We also propose retesting creatives used previous to COVID-19 to verify they are still successful and relevant while avoiding misleading findings.

Businesses should make their customers feel sympathetic and helpful during difficult times. They should be able to sympathize with their consumers.

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CHAPTER 5

A RESEARCH ON CHANGING HOUSING PREFERENCES WITH THE COVID-19 PANDEMIC: GRAY RELATIONAL ANALYSIS TECHNIQUE

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INTRODUCTION

Housing is an asset that is preferred sometimes for consumption purposes and sometimes for investment purposes and meets the need for shelter, which is one of the basic needs of people in the most general sense. Housing preferences change and develop over time depending on the economic, social, cultural, geographical and demographic factors of each country (Aliefendioğlu and Tanrıvermiş, 2015). With the changing production paradigms and consumption habits in the 20th century, the lifestyles of societies have also changed. Urbanization, which is presented as a symbol of development, has led to a significant increase in the rate of residential user mobility. While the decrease in the preferences of living in rural areas and the increase in the demand for life in the urban area, the migration to the city affected the formation of new textures in the urban space, while the lifestyles of the people began to change with it (Haksever and Markoç, 2020). However, in the pandemic process that started in the city of Wuhan, China in December 2019, with the Covid-19 virus and still has unending effects, housing preferences have entered a different trend. The difficulty of fighting the pandemic by living in crowds in urban life has led people living in city centers to live away from the city.

The increase in the "secondary housing" trend, which was observed in almost all parts of the world during the pandemic period, was also experienced in Turkey. The concept of "secondary housing" refers to houses that people use for short periods of time at various times of the year, apart from their permanent homes. These residences are more specialized with names such as weekend house, summer house, vineyard house, country house, village house, mountain house, farm house. It has been observed that the use of secondary housing has increased with

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addition to the gray relational analysis method in housing preferences or similar issues, productivity and performance measurement can be performed between preferences with methods such as analytical hierarchy method, TOPSIS, data envelopment analysis.

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CHAPTER 6

DEEP LEARNING APPLICATIONS IN SALES FORECASTING

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1. INTRODUCTION

Sales forecasting has always been of utmost importance to companies almost in all industries. Many forecasting techniques have been developed and applied by companies for various industries and time spans. Already in 1980s, most of the managers considered sales forecasting to be critical to companies' success since it provided an important input into planning process. Sales forecasting were used mostly for production planning but also for budget, strategic, marketing, inventory, and logistic planning. Regression, simulation, time series analysis and computer models integrated to companies' operational systems were the mostly deployed techniques for sales forecasting (Mentzer & Cox, 1984). Forecasting methods ranged from surveys of salesforce, customers, and industry to econometric models. Many companies used several forecasting models simultaneously in order to improve the forecast accuracy (West, 1994). Sales forecasting was considered to be a business process as well as choosing the right techniques and tools for the matter. Hence companies were supposed to employ dedicated units for sales forecasting (Mentzer et al.,1997). Sales organizations in companies generally used judgmental assessments based on past experiences and but operations are more based on quantitative data. However, when forecasting sales these quantitative and qualitative data were rarely interrelated. Sanders and Ritzman (2004) developed a framework to address this issue. They proposed four methodologies for combining judgmental and quantitative assessments for forecasting. They also pointed out that success of these methodologies was dependent on the structure of the organization although each methodology had its advantages.

Since the accuracy of sales forecasting had been becoming crucial with the growing competence, more sophisticated methods were developed and applied. Using time series and cross-sectional methods independently for sales forecasting

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learning model captured by the survey, the reason being that LSTM overcomes the technical difficulties of classical RNNs. LSTM is implemented in many sales forecasting applications as a single model or in combination with other machine learning techniques. Another type of RNN, GRU, which has a simpler structure and computational advantage over LSTM, has been reported to have similar performances to LSTM. Relatively new ensemble algorithms like GBM and XGboost have become considerably popular and the number of their implementations are to be expected to rise.

Research reviewed in this survey report that deep learning models achieve superior performances against classical time series analysis and classical machine learning models in general. However, it should be noted that there is no model, which is appropriate for all kind of applications and the research for better machine learning models in sales forecasting will continue as it will in other fields.

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