

MARKETING MANAGEMENT IN TURKEY

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SECTION 1
BASICS OF MARKETING
MANAGEMENT IN TURKEY

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CHAPTER 1.1

INTRODUCTION

Selcen Ozturkcan and Elif Yolbulan-Okan

The twenty-first century has set the stage for global economic power to shift in favour of emerging countries. Emerging market economies have assumed a crucial role in becoming significant drivers of global growth since the turn of the millennium. Moreover, the ever-increasing complexity, fragility and transparency of the world economy has taken its toll, leading to intense suffering in developed countries, particularly on occasions of economic crises, while emerging countries enjoy high growth rates. According to the *Euromonitor International's* report, emerging economies are expected to grow approximately three times faster than the developed economies, which is to account for approximately 65% of the global economic growth by the year 2020. Economies of the emerging countries are expected to rapidly catch up, if not supersede, the progress of the developed countries by 2020. In a similar vein, the Turkish economy is expected to grow bigger than that of Italy by the year 2030 as forecasted in PWC's *The World in 2050* report.

Emerging countries are often associated with low per capita rapid growth, high volatility, low maturity and higher than average return in using economic liberalisation as their primary engine of growth (Hoskisson, Eden, Lau, & Wright, 2000). Low per capita income is particularly known as the key driving force of rapid growth in emerging countries. For instance, the economic growth observed in 2011 in developed countries and emerging countries was at the level of 1–2% and 3–4%, respectively. Higher growth rates were observed in emerging countries, which were defined by [Zou and Cavusgil \(2002\)](#) as the ‘countries that have low income but experience rapid economic growths’. Despite

the higher economic growth, emerging countries still involve certain challenges and risks associated with their uneven regional development, inequality, weak public governance and abundant environmental problems. Therefore, multinational companies aiming to enter and expand their businesses in emerging markets need to tackle unique challenges as well as promising opportunities.

The value of local information, findings and know-how are obvious in overcoming challenges involved with emerging markets. However, literature on emerging markets is yet to emerge to attract more academic research. This long overdue book aims to fill this gap by presenting fundamental marketing management topics with the lens on Turkey as an emerging country. Focus is dedicated to market potential with opportunities of marketing, standardisation and customisation possibilities. Findings presented about the Turkish market also provide insights into similar emerging markets with an opportunity to discuss common (mis)perceptions and (mis)conceptions.

Marketing Management in Turkey comprises nine chapters. The first chapter aims to define the marketing environment and marketing history of Turkey. During the early years of the establishment of the Republic of Turkey, capitalism, industrialisation, modern marketing and consumer culture have emerged as new concerns along with the adaptation of liberal policies. Later, economic, cultural, historical, social and political forces have further shaped the marketing landscape. The substantial development in manufacturing and increased foreign trade had major impact on the adaptation of modern marketing practices. Besides the dramatic shifts in political, economic and social environment in the last century, the global and local ups and downs in the new millennium also provide important reasons for thoroughly examining the Turkish marketing landscape. Chapter 1.2 titled 'From Bazaars to Digital Environment: A Short History of Marketing in the Turkish Context' provides an insight and a brief history regarding the development of the Turkish marketing context throughout the years. Next, in chapter 1.3, titled 'Business Ethics, Marketing Ethics, Consumer Ethics, Sustainable Consumption and Corporate Social Responsibility in Turkey', awareness and involvement levels about ethics and sustainability issues are discussed with real-life examples of the Turkish market and consumers to provide cultural differences.

In chapter 2, 'Turkish Market Insight' is examined in two sub-chapters. In addition to the impacts of global trends, such as green consumption and voluntary simplicity, the Turkish market also has its own trends shaped by the joint forces of East and West. These trends and the consumer culture in Turkey need to be understood carefully by international companies intending to do business in Turkey. Besides popular topics, such as consumption and satisfaction, more unconventional topics, such as the sharing economy, presents

a promising area to gain insight into the Turkish market. In chapter 2.1, titled 'The Sharing Economy in Turkey: A Marketing Perspective', the future of the sharing economy in Turkey is discussed, and success indicators in the Turkish market are compared and contrasted with that of the United States, the United Kingdom and Brazil. The second part of chapter, i.e. chapter 2.2, 'Analysis of the Turkish Market Research Industry: The Changing Role of the Researcher', intends to include marketing intelligence systems and opportunities to make use of big data in Turkey. The challenges and changes throughout the market research environment are examined and the new roles of researchers and new perceptions of the research industry are discussed thoroughly.

Chapter 3, 'A Review of Factors Affecting Turkish Consumer Behaviour' includes cultural, social, psychological and personal factors of Turkish consumers. As [Sandıkçı and Ger \(2002\)](#) state: 'Turkish consumptionscape is complex and multi-layered where different adaptations of the modern identity and modern consumption practices co-exist'. This highly dynamic nature of consumptionscape provides highly interesting and inspiring insights for other similar emerging countries. As a highly attractive market, recent trends in both business and consumer markets are very crucial for global firms aiming to adapt marketing strategies in Turkey.

Although many global economists have recognised substantial growth in the Turkish economy, only a few Turkish brands have been considered truly global. Recently, few Turkish brands such as THY (Turkish Airlines), Beko and Mavi Jeans have been flourishing, yet many (e.g. Simit Sarayı) are investing heavily in establishing emotional and functional connections with their international consumers. Lately, Turkey has initiated a programme called TURQUALITY to globalise its world-class domestic brands ([Sheth, 2011](#)). Thus, the attempts in building global Turkish brands and also success and failure stories in building and managing domestic brands would put forward valuable branding lessons for all emerging and developed countries that aim to enter these markets. In chapter 4, 'Building Brands in Turkey', three sub-chapters are included. In chapter 4.1, 'Consumer–Brand Relationships in Turkey', a comprehensive and well-informed analysis of the issues and practices involved in consumer–brand relationships in the Turkish marketing context is examined.

Competitive dynamics of Turkey as an emerging market need to be analysed by evaluating export, import and production capacities of Turkish manufacturing and service companies. Second part, chapter 4.2, titled 'Competitive Dynamics in Turkey', aims to guide multinational companies and entrepreneurs in Turkey by explaining the competitive environment in the country.

In recent years, the branding concept has been applied to cities and regions. Chapter 4.3, 'Place Marketing in Turkey', examined place branding

campaigns in Turkey with regard to the role of social media, culture, movies, mega-sports events and slow city concept via provided examples.

In chapter 5, the rise of experientialism in retail industries is studied, and the social aspects of experiences are discussed in the context of third place experiences. Chapter 5.1, titled ‘Experience Consumption in Turkey’ aims to show how experientialism is adapted within the Turkish marketing context by providing some empirical findings.

Along with the global advancements in technology, the one-size-and-one-type-fits-all approach in supply chain is becoming obsolete. Examples provided give insights on how the Turkish marketing landscape copes with this trend, which necessitates faster, leaner and more responsive strategies. In chapter 6.1, titled ‘The Birth of Omni-Channel Marketing and New Dynamics of Consumers’ Approach to Retail Channels’, the latest trends in marketing channels are discussed with regard to emerging digital technologies and relevant success factors, challenges and opportunities in implementing the related omni-channel strategies. Several omni-channel initiatives from Turkey are reported.

Regarding the conventional media in Turkey, TV advertising is yet to hold the majority share of the industry’s revenue stream. A creative advertising festival named ‘The Crystal Apple Award’ has been organised for more than 30 years, while Effie competitions exist for performance-based indicators. Both indicate high devotedness of Turkish advertising and marketing professionals. Besides the promising advertising landscape, Turkey has also its special limitations related with its social, legal and cultural sub-differences. The advertising and digital market is booming in Turkey. According to PwC’s *Global entertainment and media outlook 2014–2018* report, Turkey is the second-largest Internet advertising market in Europe. Social life, business and marketing arena are highly affected by the Turkish consumers’ high Internet access ratio. Unlike many other countries, recent technology enables Turkey to evolve as an online trendsetter market within its region. Thus, this chapter focuses on the digital revolution in Turkey, with its impact on marketing practices.

Moreover, controversial advertising practices related to religiosity, gender, stereotyping, sexuality, obscenity and violence need a deeper investigation. In chapter 7, there are three sub-chapters on the Turkish way of marketing communication. In chapter 7.1, ‘IMC: Integrated Marketing Communication’, the IMC concept in Turkey is elaborated upon and a worldwide popular case of ‘Nusret’ is provided as an example. This case provides insight into creativity in advertising coupled with modern integrated marketing communication methods. Next, contemporary ways of using traditional mass advertising based on Turkish brand experiences are discovered. Chapter 7.2 titled ‘Is the Advertisement Really Dead? A Case Study of Filli Boya,’ points out how TV

advertisement, a so-called ‘traditional and boring’ communication tool, can still be effective when creatively integrated into the contemporary marketing philosophy.

Increase in the number of media channels, having too many product options to choose from, and the massive amount of advertisement pieces lead the way to the success of word of mouth. Recent developments in technology and increase in the number of social media tools and users place more emphasis on the Word of Mouth Marketing (WOMM) than ever. In chapter 7.3, ‘Word-of-Mouth Marketing,’ the key points of WOMM are summarised and a roadmap for successful WOMM applications is provided. In this chapter, several best practices from the Turkish marketing context are examined.

Chapter 8.1, titled ‘A Survey of Marketing Management for the Video games Industry in Turkey’ analyses the marketing management practices with regard to the videogames industry in Turkey. Research on the videogame industry in Turkey is very scarce despite the large size of the videogame production industry. This chapter aims to contribute to the literature and identify the extended value chains by defining the critical success factors peculiar to the local environment.

Technology continues to assume an important role in changing lives of consumers with its swift introduction of new developments. Chapter 8.2, titled ‘Marketing in Cooperation with Technology to Form New Directives in Consumer Life’, provides three consecutive stages to explain ongoing digitalisation with regard to marketing science and information technology.

The last section of the book covers two chapters aiming to discuss more unconventional topics such as luxury marketing and consumer resistance. Consumers are increasingly getting more powerful than ever. Their responses to political, social, environmental and economic issues are getting harsher in the new world order. Although Turkey is a predominantly Muslim yet secular and democratic country, religion started to play a more important role in Turkish consumption culture only in the 1980s (Sandıkçı and Ger, 2009). Therefore, both global and local cultural/political changes, rather than economic necessities, can be examined in terms of motivations for anti-consumerism (Yolbulan Okan, Ozaykun, & Beser Gol, 2014). In chapter 9.1, titled ‘When Delights Turn Bitter: Consumer Resistance in Turkey’, the consumer resistance in the Turkish marketing context is discussed by providing a multitude of perspectives to explore antecedents, performance and outcomes of resistant behaviour in an emerging economy.

According to McKinsey’s recent report, luxury sales in Turkey have increased by 37% from 2008 to 2012, while the luxury market is expected to reach \$5.4 billion as of 2018. Thus, motivations behind luxury consumption

deserve a careful investigation for developing appropriate branding strategies. Cultural heterogeneity studies on compulsive buying tendencies and antecedents of luxury consumption of Turkish consumers underline inspiring results for marketing practitioners. In chapter 9.2, titled ‘The Mystique of Luxury Products’, the definition of luxury marketing, the classification of luxury goods, the requirements of luxury marketing mix (product, price, distribution and promotion) and applied strategies are examined.

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CHAPTER 1.2

FROM BAZAARS TO DIGITAL ENVIRONMENT: A SHORT HISTORY OF MARKETING IN THE TURKISH CONTEXT

Eda Aylin Genc and Metehan Igneci

ABSTRACT

The introduction of consumer products can be traced back to the invention of the wheel, and after the first invention, humankind discovered that what can be consumable is marketable. Therefore, it is safe to suggest that the development of marketing, in thought and practice, has always been hand-in-hand with the evolution of humankind. Modern Turkey or Anatolia, one of the cradles of civilisation located in the Fertile Crescent or, in other words, Old Mesopotamia, has always been the centre of trade and marketing. As an emerging economy, Turkey has a lot to combine the ways of western practices with market dynamics unique to her, whereas authors find the development of marketing practices in Turkey exceptionally interesting. Therefore, this chapter aims to provide an insight and a brief history regarding the development of the Turkish marketing context throughout the years. We believe that this contribution will be helpful to those who are

interested in the development of marketing in an emerging economy in an academic fashion, as well as for those who are attracted to follow the footprints of the modern era's business environment.

Keywords: Marketing management; marketing history; Turkish marketing practices; marketing in an emerging economy

INTRODUCTION

This chapter tries to discuss the development of marketing thought in Turkey in a chronological flow. Development of marketing thought has always been connected to historical, social, political, technological and economic factors, so we have tried to mention all the important points that have affected the emergence and application of marketing models. Understanding and analyzing the history of marketing in Turkey is of relevance for a couple of reasons. Turkey is considered to be on the path of making a transition to a modern industrial economy (Karaduman & Vohra, 2015). Turkey has economic and political influence of power not only in the Mediterranean but also in the West Asian and Middle East regions. Besides having a high potential in terms of market attractiveness for foreign investors, foreign operations and foreign direct investments (FDIs), Turkish Multinational Corporations (here after MNCs) are steadily increasing in different parts of the world. Turkey is a unique case to analyse in terms of the marketing thought and trends perspective with its positive foreign investment climate and opportunities, well-developing marketing orientation and structure of consumption based on new trends, values and shopping patterns (Bilgin, Sriram, & Wührer, 2004).

The contemporary, or most commonly used, understanding of marketing originated in the 20th century Western culture. Marketing is considered to be a dynamic concept that requires constant adaptation of firms and their applications to the needs and desires of the consumers. In fact, this understanding of marketing was already rooted in Turkish culture long before. As a matter of fact, the traditional trade manners were based mostly on customer hospitality, service and satisfaction by responding to customer need as a priority. Turkish merchants have developed marketing practices that have been always somewhat unique. Most of the Turkish trade shops carry a motto that puts customer in front and says 'Müşteri Velinimetimizdir' (Customer is the benefactor). With time, Turkey started learning modern concepts of business

from the Western world. However, as discussed and explained below, it gradually had its own unique ways of managing marketing activities.

One of the main turning points for Turkish marketing history were the 1980s. By the adaptation of neoliberal policies by both government and society itself, introduction phase of foreign trade investment is accelerated, which resulted in enhanced information flow that changed marketing practices. Interestingly, all of these developments in business and marketing understanding occurred in parallel with the world. There are many companies in Turkey which follow and implement marketing-oriented management philosophy (ensuring consumer satisfaction with the profitability of the firm), although not in all sectors. Old school production or sales orientation is still prevalent in some sectors (such as iron and steel, construction, etc.). Apart from explaining the historical phases of Turkish marketing, we try to discuss and suggest that a strategic vision is needed for an MNC wishing to enter the Turkish market.

Introduction of consumer products can be traced back to the invention of the wheel, and after the first invention, humankind realised that what is consumable is marketable. Therefore, it is safe to suggest that development of marketing, in thought and practice, has always been hand-in-hand with the evolution of humankind. Modern Turkey, or Anatolia, one of the cradles of civilisation located in the Fertile Crescent, or in other words Old Mesopotamia, has always been the centre of trade and marketing.

The classical historical approach suggests that the geopolitics of Turkey have been always significantly important. The majority of all essential trade roads to the West, the lifeblood of global trade, long before globalisation was introduced, have passed through these lands. Even though empires collapsed and trade roads have changed; the importance of marketing has never decreased in this part of the earth. In order to survive within an environment that was fiercely competitive even in past eras, marketing has been a tool for creating competitive advantage. Turkish merchants have developed marketing practices that have been always somewhat unique when compared with stereotypical cultural schools mainly due to a multicultural context of geography and interaction with other nations.

Even though multinational bazaars were so intense and merchants and goods from all around the world could be found in the big cities of imperialist era, establishment of modern Turkey and grounds for a protective closed economy (etatism) have been a somewhat of setback in developing modern marketing practices within the country. However, this etatist economy was necessary for a young republic to flourish. The etatist economic principles that were utilised/implemented during the era of 1923–1950 became a powering tool for the Turkish economy. The military coup in 1980 and the introduction

of neoliberal policies in Turkish society encouraged and alternated marketing practices. Although winds of globalisation in the 1990s have presented new ways of marketing practices to Turkey, the country is still tirelessly trying to catch the schools of modern marketing that have emerged long before in the West.

Turkey as an emerging economy still has a lot to combine the ways of Western practices with her unique market dynamics, and we find the development of marketing practices in Turkey exceptionally interesting. Therefore, this chapter aims to provide an insight and a brief history regarding the development of the Turkish marketing context. We believe that this contribution would be helpful to those who are interested in the development of marketing in an emerging economy from an academic fashion, as well as for those who are attracted to follow the footprints of the modern era's business environment.

DEVELOPMENT OF TURKISH MARKETING SCENE

Globalisation significantly affects today's marketing practices, yet marketing is neither a contemporary nor a forgotten term but a re-emerged one. As it is stated at the beginning of this chapter, the Turkish marketing scene cannot be by the establishment of contemporary liberal policies and the considerable effect of globalisation that have spread like wildfire after the collapse of two polarised world orders.

The Turkish education system, as well as the academic environment, are pretty certain about the geopolitical importance of Turkish borders, to the extent that it has become a cliché. Nevertheless, one cannot neglect the fact of Turkey being the border between Asia and Europe. Accordingly, most of the trade routes that have been established since the start of the civilisation have passed through Anatolia. Constantinople, here after Istanbul, the capital of Ottoman Empire was the main attraction point of the first wave of globalisation between 1870 and 1914 (Hopkins, 2002). Keeping this in mind, it is also fiercely defended by certain political groups that capitulation and the flood of foreign goods into the Ottoman market were the nails in the coffin of Ottoman Empire (Orcan, 2008). This chapter will not substantiate or refute the effects of capitulation and the flooding of the market with foreign products, yet it is important to understand the developments of the era.

The literature regarding the development of marketing practices in Turkey is rare and limited, but Kose's (2008) study delivers efficient insights and an enormous contribution to those who are interested in the Ottoman business environment. Accordingly, it was not only the Ottoman market that was

affected by the influx of foreign goods but even the biggest empire of the time, the British Empire, needed to take steps to protect local commodities against the flood of Germany-originated products.

Before moving into the transformation of oriental bazaars into digital marketplaces, singling out a specific date as the beginning of an epoch for marketing practices would be a milestone to refer to. Finding a specific starting point will be quite difficult due to controversial history revolving around the issue. Nevertheless, the following section will try to analyse and understand the development of marketing thought in Turkey by taking the starting point as the downfall of Ottoman Empire.

DOWNFALL OF THE OTTOMAN EMPIRE AND PRE-REPUBLICAN ERA

Evaluating the performance of foreign brands active in the Ottoman markets without considering the economic and political structure of the Ottoman Empire will cause the researcher to miss many insights about the marketing practices. Therefore, this part starts by summarising the Ottoman political and economic situation between 1870 and 1914, at the time of first wave of globalisation.

Starting with the 1770s, the Ottoman official budget started to experience huge deficits, which peaked particularly during the 1830s. As a response, Sultan Mahmud II issued the biggest debasement rate that the Ottoman Empire has ever experienced since the foundation of the Empire as chiefdom in Anatolia. Every Ottoman citizen, regardless of their religion or nationality, was affected by this financial decision. Although Sultan Mahmud always wanted to transform the ancient Janissary army with a new Westernised military approach, the position grew grim. On the other hand, even though debasement increased revenues in the short term, it direly hurt international trade and the political stability of the Empire ([Pamuk, 2001](#)).

In order to pay the costs of Crimean War, the Ottoman Empire approached Western countries for financial support, which resulted as the start of long-lasting praxis that hastened the downfall of the Empire. The power lost due to borrowing allowed Western countries to invade the borders of the Ottoman Empire as desired, whereas dominions, such as Bulgaria, gained their freedom ([Kongar, 2016](#)). While other Balkan territories were on the verge of separation, the Ottoman Empire continued to lose both financial and production powers. Eventually, the Empire failed, and John Russell in 1853 coined the term 'sick man of Europe' ([De Bellaigue, 2001](#)).

In the light of this economic and political structure of the time, it is hard to follow the birth of the domestic marketing scene. Companies, particularly from continental Europe and Great Britain, were active within the national Ottoman market. *Annuaire Oriental*, one of the major sources regarding the activities of Western companies within the borders of Ottoman Empire, issued yellow page advertisements of companies particularly active in the rich turfs of Istanbul such as Beyoğlu and Pera, although the wants, needs and tastes of regular cities of the Ottoman Empire were also reported and documented (Kose, 2008).

Kupferschmidt (2007) studied the activities of Singer sewing machine's history within the Ottoman borders as one of the first mass-produced consumer goods marketed all over the world. In a sense, this machine may be the first product that has been consumed by many households spreading all over the globe, even before McDonald's was founded (Davies, 1976; Godley, 2001; Kose, 2007).

Apart from the flow of foreign products into the markets of Istanbul, Egypt, Smyrna and other trade centres of the Empire, there was a societal change in the capital owners as well. As the powers of Sultan and his national subjects decreased, capital started to become more 'cosmopolitan'. Capital owners of European and Levantine descent, supported by the Ottoman elite bureaucrats, attracted foreign brands. Nestlé, as a pioneering multinational company in the Ottoman Empire, became active. The activities of Nestlé of that time provide important insights in the development and emergence of marketing activities within the Ottoman Empire of the considered era with limited resources.

According to Kose (2007), Nestlé agents were directly involved in activities with pharmacists in Istanbul. This makes an impression that direct marketing with respect to modern terminology was the most active method, although distribution channels in other big cities were established. Nevertheless, it is safe to suggest that the efficient and effective way to reach the consumer was by using newspaper advertisements. Nestlé was advertising in newspapers that were active in local environment, such as the ones in Thessaloniki, or in well-known local European newspapers of that time, such as the *Levant Herald*.

After some time, newspaper advertising was so effective and efficient that many local producers came to a point of bankruptcy. For example, nearly 1,500 businesses operating in the Bursa region closed their doors, as they could not compete with foreign products. Another interesting example from the Ottoman era regarding marketing practices is the war for 'fez.' Fez was the hat of that era particularly worn by the Muslim population. Referred to

as the first positioning and creating brand loyalty practice in the Ottoman history through press advertisements, national producer 'Feshane' had issued a newspaper advertisement that discredited foreign products in the market. Even though the national producer lost this effort to gain the upper hand against the foreign fez in the market, this provided an important insight for researchers who were interested in the emergence of marketing in Turkey (Cakir, 2004). The following section will follow the footprints of marketing in Turkey with the foundation of the modern Republic.

REPUBLICAN OR SINGLE PARTY ERA

The young Turkish Republic founded by Mustafa Kemal Atatürk, who governed the country till his passing in 1938, basically inherited a ruined economic and political structure in the ashes of the Ottoman Empire. Ottomans were on the losing side in World War I, and the Empire was shared as a spoil among the victors of the war. 1923 was a cornerstone for all the people living within the historic Ottoman borders. Political stability had been somewhat sustained following the proclamation of the Republic and the establishment of a parliamentary system; Atatürk's existence as the president at that time was also a major contributing factor to the political strength of young republic.

According to Bugra (1994), only 264 industrial initiatives were active between 1913 and 1915 that employed more than 10 workers. As stated above, the governing body of the Empire was not successful either in protecting local producers or in paying institutional debts. What was not done by the Empire was immediately done by the Republic. A law had been issued in order to increase the local production by allying with the private sector. But, it is hard to say that this policy was fruitful. It was seen in 1930 that the progress was not as visible as expected and the desired support wasn't acquired via private investments (Yamak, 2006). Literature is ultimately limited about the marketing practices that happened between 1923 and 1930. In addition to this, at a time when the literacy rate had nearly dropped to 11% in the aftermath of the alphabet reform, it was understandable that some of the footprints of the Turkish business environment could not be traced. Although it should be added that the alphabet reform was immensely successful in the long run, it could be said that the efficiency of newspaper advertisements decreased during this time.

Separating the Atatürk period into two is a common practice in the Turkish economic literature. The period between 1923 and 1929 is mentioned as the 'liberal era', while 1930–1938 is described as the 'etatism era'. Following the

Great Depression of the United States, the liberal motives were abandoned and relationships with the Soviet Union were strengthened. Problems in the US economy influenced prices of Turkey's main export products, that is, tobacco and cotton, whereas the debts inherited from the Empire were other factors that led the emergence of etatist practices (Takim & Yilmaz, 2010).

So, it could be said that the etatist movement, from an economic perspective, paved the way for the domination of marketing campaigns of the products that were produced by the government. As aforementioned, it is hard to come across an academic study that investigated the marketing practices of that period, but Akcura's (1994) book provides a case study of Aspirin's journey to promote the product between 1925 and 1944. Another controversial source of information is the modern criticism from certain politically-influenced newspapers regarding the marketing campaigns to encourage state-produced alcohol usage issued in the 1930s.

POST-WAR YEARS FOR TURKEY

Observations to this point revealed that developments regarding the marketing in Turkey cannot be explained without considering the macro political changes both domestic and global. The end of World War I was the time of bottom-up changes in the Turkish context, while the aftermath of World War II was a little bit different. Turkey was not actively involved in the War, but was affected indirectly. Following the War's end, a new political era for the Turkish society emerged. Transformation to a multi-party system was achieved, and the first general elections gave birth to new form of marketing: political marketing.

The marketing history of Turkey in the 1950s can be observed through political campaigns. Turkey missed being an early bird in using television, and it took another decade to jump on the bandwagon; radio stayed as a primary source of information. Controlled by the government, radio was mostly confined to notify society about the developments in Ankara, the seat of the government. While rest of the world was dominated by the emergence of television, Turkey was still limited to brochures and newspaper advertisements that were trying to increase the demand for certain products.

Meanwhile, political reform caused an unorthodox revolution regarding marketing in Turkey. Campaigns carried out by the Democrat Party were the first aggressive implementation of political marketing. Their slogan 'Yeter! Söz Milletindir!' (Enough! People have the word) was considered as one of the most effective and efficient marketing slogans in the history of marketing

within the country. Accordingly, with the accurate implementation of their marketing message, the Democrat Party in 1950 won the election with a landmark difference (Duman & Ipeksen, 2013). Even though Turkish context was lacking the influence of television, the idea of the 1950s marketing plan was fiercely effective regarding political marketing. As demand was booming after World War II and a new Fitzgerald-like consumption period had emerged, information became essential (Fitzgerald, 1925).

Turkey's first television broadcast was aired in 1969, and similar to other nations, this medium transformed society (Zorlu, 2003). Even though television was not active for all day long and broadcasts were limited, a regular household in Turkey was spending their nights in their living rooms in front of a television. So, the flow of information increased. Turkey's first television marketing advertisement was aired in 1972. Because of excess demand between 1950 and 1970, marketing focus was primarily on differentiation. Companies were trying to segregate themselves through sentimental techniques, as the market was full of similar products.

On the other hand, examples of localisation strategies can be traced in the 1970s. Joint alliances between Fiat-Murat via Koç Group and Renault-Reno relationships, either to obtain the know-how or contracts to assemble the majority of products within the Turkish borders could be considered as one of the first glocalisation campaigns of Turkey. This strategy increased the effectiveness of the sales by changing the original product name to attract domestic consumers with a domestic name and create nation-wide demand.

TURKISH MARKET UNDER NEOLIBERAL INFLUENCE

The roots of neoliberalism first found a chance to emerge in Turkey in the years of Turgut Ozal. Neoliberalism emphasises the transformation of state powers through the alternation of current strategies on finance and market processes, and retires itself from etatist control policies through privatisation (Harvey, 2006). The Ozal-led government in Turkey is the follower and implementor of the laissez-faire movement that started to dominate the global political scene after many failed left-winged revolutionary moves in the 1970s. While Ozal might seem to be a technocrat, he was also a reformist politician who opened the way for international trade and FDI with the implementation of 24 January 1980 legislation (Onis, 2004).

It is impossible to separate the rise of marketing as a primary weapon of business environment and neoliberal policies as a world-dominating power. Ozal tried to open up a globalised business environment for Turkish market by inviting global brands and encouraging the export of local products to other countries. When one explores his decisions as an undersecretary in 1980, a clear view of a neoliberalist direction that Turkey was being steered towards could be seen (Demirtas Bagdonas, 2012; Ozkan & Foster, 2005). The understanding of marketing as an important asset and accepting it as a scientific concept of business in Turkey also coincided with the 1980s era. While in previous years fundamental sciences had attracted students and academicians, business education started to grow rapidly, particularly after the 1980s, as new business lines emerged with new state policies. Therefore, the 'real' marketing era in Turkey started after the saturation of neoliberalist policies, with Turkey taking its role to the global arena.

Apart from accepting marketing as a science destined to develop within the business environment, marketing practices were enhanced in this era. Following the implementation of neoliberal policies and attracting foreign investments introduced new products and services to Turkish environment. As 'product' progressed, the marketing mix developed simultaneously. Introduction of global brands that have been active in other parts of the world for many years brought new marketing strategies that the Turkish market needed for adapting to its new global partners. Stranded with the limits of direct marketing techniques and using newspaper advertisements as a medium of marketing strategy, these new approaches enriched the horizon of the Turkish marketing scene. Although Turkey's unique geographical and cultural values certainly provided fresh insights into practice, liberal policies adopted during the 1980s had political, social and economic consequences. The decrease in the agricultural workforce, migrations to cities and other European countries, especially Germany, spread of mass communication tools, the emergence of citizens as consumers on a global level, and advancements in advertising industry initiated the emergence of consumer culture (Başfirinci, 2011; Orçan, 2008).

One of the prominent and progenitor studies in literature regarding the marketing practices in Turkey is Ugur Yavas' (1983) comparison about the data collection of foreign and Turkish companies operating in Turkey. His study suggests that foreign companies were carrying out the lessons learnt from the science of marketing that had already been developed in their home countries, while Turkish companies were highly oriented towards the return of investment. Foreign companies primarily focused on competitors' actions, forecasting and cost of productivity, while Turkish counterparts were trying

to benefit from the increased market share. The primary difference existed in regularity. While foreign companies were constantly repeating their research activities, it was a one-time event for most of the Turkish firms.

Yavas' (1983) forecasts regarding the following decades were on the spot. He was the first to envision and ensure that there was a possibility of a bright future for marketing in Turkey. The first indications came in the 1990s with the adaptation of foreign products into the Turkish society. The passion for difference without considering other factors had substituted itself with quality, performance and concerns of design. As competition in the market and the socio-economic welfare increased in the society, consumer concern started to shift towards buying the right product at the right time; thereby differentiation strategies started to become popular. Naturally, corporations began to focus on their promises in their marketing communications. The chain-breaking development in marketing practices for Turkey was, in fact, the introduction of privately owned TV channels. Scientific studies have enormously served the intellectual segment of Turkish society, particularly the business elites who are mostly university graduates. Nevertheless, what brought marketing to the general public is the television. Since its slow introduction in the 1970s, television became an integral piece of household equipment as time passed, thanks to neoliberal policies.

Some may suggest that the current status of marketing practices are still lagging behind the rest of the world, but, in fact, combination of unique historical values with modern trends are producing important results.

NEW MILLENNIA AND THE DIGITAL ERA

The importance of marketing started to be felt heavily after the implementation of neoliberalist policy and the dissemination of foreign investments in Turkish industries. Although embracing branches of social sciences, such as business studies, as essential educational material also helped and enhanced the development of marketing practices in Turkey, the reshaping of the Turkish business environment is directly related to transformations in higher education (Usdiken, 2009). Former patrons were uneducated capital owners and provincial people who benefitted from the first-move advantage and supported by the newly established Republic. But after the 1980s, the importance of education was understood by society, and higher education became a determinant in competition.

The traditional image of a 'marketer' was not so. People still remember the warning notices that prohibit the entrance of a salesman to apartments. People thought marketers were disturbing, blood-sucking comen, only

working to get people's hard-earned money by selling products that would be of no use to them. Altered perceptions about the practices in the routine course of life were felt in the academic literature as well. [Torlak's \(2001\)](#) book has studied very comprehensively the ethics and morality of marketing, while [Tek and Ozgul's \(2005\)](#) study of the principles of modern marketing escalated the literature. It can be suggested that years following the millennium were the age of value creation for both Turkish marketers and marketing practices.

One of the ultimate changing mechanisms that caused alterations in marketing models was caused by the forces of globalisation that gave rise to the emergence of knowledge-based economies. The service sector and trade in services became engines for growth, particularly in developing economies such as Turkey. This led to the application and need for marketing-mix models (4Ps) to extend to 7Ps model.

The definition of information age or information society is not the topic of this chapter, but the coming of the information age in full power directly affects the context of this section. When things started to become connected through various channels and concepts such as e-society, e-marketing, e-commerce and pretty much anything with an 'e' was introduced, marketing changed its 'place' as well. From political environment to tourism industry ([Pirnar, 2005](#)), transactions moved in electronic environment as demanded by the information society.

Information society invested heavily in the change in the nature of 'place' in the marketing mix. Earlier, the Turkish marketing industry was slow to catch up with the developments of the Western world, but the same could not be said for the progress that transformation has brought to information society. Even though it is also naïve to pronounce a full-scale of modern requirements, Turkey is on the right track. The Turkish e-marketing industry has started to flourish. Regarding the data from BKM (Interbank Card Centre), the total value of domestic e-transaction in January 2016 was approximately 33 million Turkish Liras (1 TL = 2.96 USD). This demand has produced successful Internet marketing brands such as Markafoni, Trendyol, Gittigidiyor, etc., that have attracted foreign investors.

As the use of new medium technologies has emerged, the need for marketing departments to utilise them effectively became pivotal. In order not to lag behind the improvements in the contemporary marketing world, Turkish marketing practices have included almost instantly the social media usage in their portfolios. It is no secret that social media usage takes up quite a bit of time in each individual user's day. Considering a social media application without a marketer would be naïve. In order to promote products and services effectively without limitation of physical place is a gigantic advantage.

In a way, Facebook and Twitter carried a whole marketplace to electronic environment and this has been followed by Instagram. According to a report presented by Digitalajanslar (2017), entitled ‘Statistics of Internet and Social Media Usage in Turkey’, Facebook holds the highest number of users among the social media platforms. Report reveals that 48 million people are active on the internet as social media users of 71 million mobile subscribers in Turkey. In a country where 60% of the population is an Internet and social media user, it would be safe to suggest that the future of marketing practices in Turkey lies in the development of social media marketing (Barutcu & Tomas, 2013).

On the other hand, the e-trade volume of Turkey has reached TL17.5 billion, and grew 34% between 2013 and 2016 (TUSIAD, 2017). Regarding the data from ETID, 77% of the shopping from e-trade websites comes from the Marmara, Inner Anatolia and Aegean regions. It is expected by academicians that by 2020, the Turkish e-trade volume will pass 40 billion TRY barrier. In addition to this, it is important to underline the fact that introduction of smartphones and tablets has increased the e-trade volume significantly (Bulut, Iğneci, & Okur, 2014).

One of the most trending topics discussed in Turkish marketing research literature is neuromarketing. Primarily aimed to open up a black box in the minds of consumers to understand and affect the purchasing decisions, its application to new marketing research companies is being discussed. Even though the topic itself attracts many Turkish academicians (Tulin, 2008; Tuzel, 2010; Ulman, Cakar, & Yıldız, 2015), implementation of this practice is still rare.

As stated, the development of marketing practice in Turkey escalated quickly, particularly after the implementation of neoliberal policies. So to say, various forms of marketing practices are being implemented in everyday life in the market. Things considered as impracticable are now not lagging behind. Many bloggers are earning via affiliate marketing alliances, while micro-marketing is the backbone of reaching the young Internet-using consumer segment.

ADAPTATION OR CUSTOMISATION OF UNIQUE MARKET CHARACTERISTICS IN AN EMERGING MARKET: TURKISH CASE

Over the last 20 years, emerging markets, such as China, Brazil, Mexico, Indonesia, Russia and Turkey, have become influential players in the world

economy due to their unprecedented growth rates, structural changes and significant market transformations. These developing markets have become attractive strategic destinations for direct investments for MNCs. There is a considerable amount of academic research that has attempted to understand the attractiveness of these markets. Most of these studies have explained this market success of growth as linked to neoliberal models of development, economic potential of their geographies and resource-based explanations. But still there is a lack of clear evidence in academic literature focusing on the effect of unique market characteristics' influence on MNC marketing strategy adaptation (Christiansen, 2013). Accordingly, Kamal (2011, p. 21) points out the lack of research in this area and states: 'Specific research into emerging markets is necessary since unique characteristics of developing economies may prove many of the findings in developed economy settings invalid in an emerging market setting'.

Turkey has been known as one of the biggest emerging markets featuring some important characteristics regarding its geographical location, cultural and linguistic closeness to Central Asian, European and Middle Eastern markets (Christiansen, 2013). Moreover, it is the only country that signed the EU Customs Union agreement without becoming a member – a situation which made Turkey a more interesting economy than other emerging markets. This aforementioned agreement with the EU opened up the Turkish market for EU manufacturers and conditions of agreement are being negotiated that will enable Turkish firms to expand the rate of export.

According to the World Bank (2017) report; Turkey is among the world's leading producers of agricultural products, textiles, motor vehicles, construction materials, ships and other transportation equipment. Turkey has a dynamic industry and services infrastructure in addition to a wide and young market compliant with the consumption trends of the EU. According to Christiansen (2013, p. 237), Turkey has competitive market components such as 'business sophistication, innovation, institutional infrastructure in the public industry and institutional governance performance in private sector were evaluated as more satisfactory'.

Nevertheless, Turkey is seen to be poor in terms of intangible asset ownership (intellectual property rights, registered trademarks and ownership of unique brands), railway network and port quality and prevalence of information and communication technology (WB Report Turkey, 2015). Turkey is particularly specialised in producing a high volume of products at lower costs rather than creating unique brands, knowledge, technology and know-how. All these unique market characteristics have created a competitive advantage for Turkey and brought the market to an attractive level of investment for MNCs.

The ability to market internationally has become the most significant asset in today's globalised markets. Most of the MNCs are in need of expanding their opportunities outside their domestic markets, and when firm plans to grow across new markets, it strives towards a global path in marketing its assets. Understanding the market is the primary step that should be taken in today's global markets. While firms are aiming to become global, marketing their goods and services on an international basis with suitable targeting and positioning of the company's goods becomes essential, and it is this situation where international marketing abilities are developed.

Today's scientists and thinkers accept and insist on one truth regarding the adaptability of marketing thought models; that it is wrong to compare development plans of advanced industrialised economies with those of developing countries or apply them as they are. What is needed for an MNC that wants to operate in a developing market is understanding macro and micro conditions; its economic, social and historical stages initially and then an in-depth analysis of its own conditions to choose the most effective and appropriate plan suitable for its conditions; in a way, the customisation of marketing models.

Generally speaking, in advanced countries, there is an environment of conscious buyers' and sellers' market in which a mass production – mass consumption system and breakout competition – takes place. In Turkey, such an environment is still developing and the necessary conditions of this environment have not been steadily rooted and advanced. What is needed for a firm that wants to operate in the Turkish market is a customised marketing model.

Due to globalisation of capital, operations and profits, there has been an increasing interest in the strategic decision-making regarding marketing mix. One of the most debated strategic decision-making centres is, whether it is more appropriate to pursue a marketing strategy based on standardisation or adaptation of various marketing mix elements. There is a consensus that standardisation is the use of the same marketing programme in different countries (Jain, 1989; Levitt, 1983; Ozsomer & Simonin, 2004). On the other side, adaptation can be defined as the extent of marketing mix elements for external markets in order to adjust to differences in the environment, consumer behaviours and competitiveness. Thus, adaptation means the use of specific strategies for different countries or regions.

Studies about standardisation started in the 1960s; Elinder (1965) was the first to analyse the standardisation of promotion, and since then the main interest has focused on the communication and product elements of the marketing mix.

Incorrect adaptation or non-customised implementation of marketing models causes firms to be unable to accomplish their objectives. For instance,

in a situation where an MNC from an advanced economy faces low market penetration, low market share and low profitability in emerging markets, failure of the firm was often attributed to market difficulties rather than to firm's incompetency in realising its objectives in the emerging market it wanted to operate (Wührer, Bilgin, & Karaosmanoğlu, 2011). Dawar and Chattopadhyay (2002) explain this not-fit situation of an MNC as related to emerging markets' structural differences and the traditional 'copy and paste' marketing strategies. It will not work in these business settings unless they are customised to the market conditions of the country. Successful MNCs that can understand and analyse new markets tend to design strategies on a regional basis (Wuhrer et al., 2011).

Analysing and understanding a new market in which the MNC wants to operate requires an in-depth analysis of the country. In the case of Turkey, a country which is still classified as a developing country due to its relatively low human development criteria (UNDP, 2005), with positive reforms and economic and socio-cultural improvements in recent years, it still struggles with serious levels of unemployment, high interest and inflation rates, and high levels of public sector debt. Compared to some developed countries, Turkey's high potential industry, destination management skills and the growth performance is much better in terms of value and volume. Due to its high potential in its industry, destination management skills the growth performance in terms of value and volume is much better when compared to some developed countries (Tosun, Okumus, & Fyall, 2008). All these factors affecting the Turkish market should be considered and the choice of marketing management philosophy should be customised to the needs of the market by the MNC that wants to operate in Turkey.

Following development in the areas of economics and business practices, the marketing thought is considered to have evolved during five distinct concepts and eras which don't have precise but have approximate dates: production era (1870–1930), product era (1930–1940), selling era (1940–1950), customer era (1950–1970) and societal era (1970–). It would be a fallacy to view these eras in order. The order and applications of these marketing philosophies have not been in sequence for each market. They have been altered or adapted according to the market characteristics in which they operate. Understanding evolutionary eras in a chronological order may give an impression that all organisations and/or markets go through these eras (Tosun, Okumus, & Fyall, 2008). An organisation operating in the service business can start with consumer-oriented philosophy. But it would be misleading to presume that all companies should be following this evolutionary process from production to societal orientation. Organisations and destinations should be following different orientations based upon their management philosophies and

the conditions under which they operate (Tosun, Okumus, & Fyall, 2008). What should be noted are economic conditions and business policies, country-specific conditions, changes in the pattern of tourism demand for a country and structure of international tourism industry – all these influence marketing orientations of a company in a developing country.

CONCLUSION AND FUTURE DIRECTIONS

This chapter attempted to review the history of marketing thought in Turkey in a chronological flow by pinpointing important social, technological, political and economic turning points. The literature on the history of marketing thought in Turkey is so scarce that we believe this chapter to be the first step towards encouraging more research in this area. Marketing thought in Turkey is a unique case to analyse in terms of its unique market dynamics. Turkey's unique geographical and cultural values have provided fresh insights into the practice of marketing. Most of the literature on the Turkish business market is critical of the current whereabouts of marketing theories and practices in Turkey, and stresses that the country is still lagging behind the world. However, we suggest that the combination of unique historical values embedded in Turkey and modern trends enhanced by global partners are producing interesting customised marketing models. Given the fact that the subject of the study is so scarce and limited in the Turkish marketing literature, we hope that this study would be a pioneering research undertaken in this area. More in-depth analysis of the Turkish marketing scene should be developed to investigate further areas.

Nowadays, the business environment is again feeling the winds of change, as Industry 4.0 is being felt in major markets. The transformation of business systems from barter to steam engine, then with the introduction of electricity and mass production, wage dependency and domination of organisations started. Modern times are expecting remote-controlled robotic systems that will decrease human intervention in doing business. It is a certainty that Industry 4.0 will enhance the production capabilities of organisations while improving supply chain systems. Smart factories that will rise with the implementation of Industry 4.0 principles will create a new era that will be discussed in terms of human–machine interaction. It is also expected that production through smart factories would provide a different kind of products and services that would most likely need different marketing paradigms (Gorecky, Schmitt, Loskyll, & Zühlke, 2014, Lee, Bagheri, & Kao, 2015).

Augmented reality (AR) is another contemporary concept which has been presented through popular culture and sci-fi movies, particularly after the new millennia. Introduced itself as a new way of gaming, AR quickly became a household discussion point and a business tool. Although studies about AR Experimental Marketing (AREM) are scarce, in the short term it is expected that AREM practices will be used heavily by some of the global brands as a tool for enhancing customer experiences while providing long-term benefits to corporations (Bulearca & Tamarjan, 2010).

Finally, Turkey needs to continue her marketing breakthrough while taking lessons from the previous phases that could not be followed simultaneously with global markets. Aforementioned statements regarding the scarcity of historical studies on marketing are accurate and we believe that the future success can only be achieved by understanding the unique characteristics that are deeply rooted in this market climate and which enhance the competitive advantage of the Turkish industry.

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CHAPTER 1.3

BUSINESS ETHICS, MARKETING ETHICS, CONSUMER ETHICS, SUSTAINABLE CONSUMPTION AND CORPORATE SOCIAL RESPONSIBILITY IN TURKEY

Hande Begüm Bumin Doyduk

ABSTRACT

Throughout history, the actions of human beings have been analysed based on ethics. In every aspect of human life, ethics is an essential element, and business life is no exception. Business ethics, and marketing ethics in particular, has been a subject of interest in both the academic and business world. Apart from doing what is perceived as correct, acting in a socially responsible and sustainable manner becomes compulsory, as the changes in ecological and social environment necessitate this. There have been warning signs from nature such as environmental disasters and climate change, and it is no longer possible for firms or individuals to continue with previous behaviours. Acting as if the world's resources are limitless has caused damage to the environment. A new way of thinking and behaving is needed. The awareness and involvement levels about sustainability and social responsibility are not the same everywhere in

the world. Culture has significant impact on perception of social issues such as social responsibility and sustainability. Turkey, as a developing country with its own cultural dynamics, differs from developed Western countries which makes analysing consumer ethics, corporate social responsibility and sustainable consumption in Turkey worthwhile.

In this chapter, concepts of business ethics, marketing ethics, consumer ethics, sustainable consumption and corporate social responsibility are discussed with specific examples from Turkey.

Keywords: Business ethics; marketing ethics; corporate social responsibility; consumer ethics; sustainable consumption; ethics

INTRODUCTION

What is right, what is wrong, how shall one behave and what would be the consequences of these behaviours, have been and will be major questions for humankind. Firms as legal entities also face the consequences of their actions, thus the business world must also pay attention to ethics. Behaviour which is seen as right and appreciated by people differs from one culture to another. In this chapter, ethics in the business world, especially marketing ethics and corporate social responsibility (CSR) in Turkey with its idiosyncratic business environment, will be discussed.

Another subject area of this chapter is sustainable consumption. As of 2017, the world population is 7.5 billion, and by 2050, the world population is projected to be 9.7 billion. In 2014, 54% of the world population was living in urban areas, and by 2050, it is projected to be 66%. These changes cause decreases in water and food reserves, ecosystem damage and climate changes, which have become overt and necessitate immediate action. Expeditious population growth, economic growth and technological improvement in the 21st century made it impossible for humankind to ignore the need to look at the world from a different viewpoint and handle issues with a different approach that is to say, in a more in a more responsible and sustainable way.

ETHICS

The word ‘ethics’ has its roots in Greek word ‘ethos’, meaning character, habit, custom and ways of behaviour. In Turkish, the concept of

morality stems from the Arabic word ‘hulk’, which means character and trait. Ethics indicate the most important rules and customs in a society. Ethics is defined as

a system of moral principles, rules of conduct recognized in respect to a particular class of human behavior, values relating to human conduct, the rightness and wrongness of certain actions, and just or right standards of behavior between parties in a situation. (Fullerton, Kerch, & Dodge, 1996, p. 806).

In short, ethics is the study of good and bad. On the other hand, business ethics studies the goals of a business, activities to reach these goals, the responsibilities and the behaviour of the employees, and afterwards define those as good or bad, right or wrong (Bolat & Seymen, 2003). Business ethics is applied ethics dealing with all ethical problems that might be faced in business settings.

It can be said that literature of business ethics emerged in the 1920s (Bartels, 1967). Interest in the issues of business ethics has been increasing since then.

BUSINESS ETHICS IN TURKEY

Ethical business practices in Turkish culture date back to the pre-Ottoman period. Starting in the 13th century, the ‘ahi’ community dominated socio-economic life in Anatolia. The ‘ahi’ community is an artisan and crafts community aiming to provide expertise in the field of art and to stress the ethical principles in that area (Ekinici, 2001). The idea of ‘ahilik’ motivated people to work productively, be an expert in their own area and to behave ethically. In the 16th century, the ‘ahilik’ community was replaced by a new system called ‘gedik’, but its impact diminished with time.

During the Ottoman period it is hard to conclude that the Empire supported entrepreneurship and capitalism. Business life was despised and economic factors were neglected. Although being fair, honest and not engaging in fraud was appreciated, there was no solid effort toward improving business life or business ethics.

During the first years of the Republic of Turkey, till the 1950s, the principle of etatism did not support the private sector or entrepreneurs. Consequently, during this period business ethics was not much pondered. However, being a hard worker and acting ethically was promoted during this period, a good example would be the student oath starting with the line ‘I am Turk, honest and hard-working’ (Arslan & Berkman, 2009).

Most of the structured work in the area of business ethics started after the 1990s. Nongovernmental organizations' (NGOs) interest in the area of business ethics also increased during this period. The first attempt in this area was made in 1995 by the Turkish Industry and Business Association by adding principles of business ethics into its regulations. Charitable foundations specialised in business ethics were established after the 2000s. The first two were the Ethical Values Centre Foundation Turkey and the Turkish Entrepreneurship and Business Ethics Association. The first business ethics summit was held in 2000 with aims such as discussing the current state of business ethics in Turkey and making ethical business practices widespread (Fortune Turkey, 2016).

Apart from NGOs' actions, government reforms and regulations are also crucial. Turkey ranks 64 out of 175 (1 indicating the lowest level of corruption) on the corruption perceptions index, which measures the levels of perceived corruption. According to Rawwas, Swaidan and Oyman (2005), there is significant practice of ethical violations conducted by politicians and business professionals in Turkey. Reforms and structural regulations during the EU harmonisation process increased interest in the area of civil service ethics. In 2005, the Board of Ethics for Civil Servants (KGEK) was established for developing a framework and monitoring ethics-related issues. With KGEK's efforts, regulations related to ethics were gathered, and this made it possible to evaluate civil servants on the basis of ethics (Yüksel, 2005).

When the ethical atmosphere in the private sector is analysed, bribery, tax extortion, deceptive advertising and unsafe product production can be seen (Ekin & Tezolmez, 1999; Ergeneli & Arıkan, 2002). It can be said that unethical practices such as producing unsafe products, tax fraud and deceptive advertising are commonplace in Turkey. As the regulations in Western countries mandate firms to operate with the goals of social responsibility and ethical standards, global firms for the sake of standardisation apply the same rules everywhere. As Turkish firms imitate these practices of global firms to remain competitive, such practices have become market requirements. Ekin and Tezolmez (1999) stated that 44% of the Turkish companies have a written code of conduct. Another study analyzing ISO 500 firms reveals similar results, stating that 54% of the respondents stated that there are written business ethics codes in their organizations (Özgener & Kaya, 2003).

MARKETING ETHICS

Among all functional departments, marketing is the one that is most closely associated with unethical practices. Marketing is the department

defining consumer needs and linking outside environment to the organisation, thus it is more exposed to the environment. This is one of the main reasons why it is the department most closely linked to ethical misconduct in a firm.

The first marketing ethics studies appeared in the 1960s and the area started to blossom in the 1990s. Marketing ethics is defined as the moral principles in marketing decisions and institutions (Laczniak & Murphy, 1993). The American Marketing Association (AMA) stated that one of its major roles is to ‘advance the thought, application and ethical practice of marketing’. AMA provided three general ethical norms: ‘do no harm, foster trust in the marketing system, and embrace, communicate, practice the fundamental ethical values of honesty, responsibility, fairness, respect, openness and citizenship’.

The Ethical Decision-Making Models Used in Marketing Ethics

Scholars tried to explain ethical decision-making in marketing through models. Most of these ethical decision models start with the perception of an ethical dilemma, individuals start the ethical decision making process after realising that there is an ethical dilemma. If an ethical problem was not realised then the decision process does not start at all. Individual factors such as attitudes, values and personal experiences, as well as external factors such as cultural, organisational and industrial environment affect both the perception of the existence of an ethical problem and the approach towards the problem.

Culture as an external factor and as an influencer of an individual’s attitudes and values has a significant effect on the ethical decision process. Karakaş (2008) examined Turkish sales representatives’ ethical perceptions in the pharmaceutical sector and stated that sales representatives have the tendency to perceive some unethical activities, such as giving misleading information about the product, confidential information-sharing, practising deceit in sales competitions, using the firm’s resources for personal issues, as not unethical. Another study in Turkey suggests that although all stakeholders – advertising agencies, clients, media agencies and consumers – believe that unethical elements should not be used in advertisements, unethical elements are still present in advertisements (Yaman, 2009). These studies show that in Turkey the general problem of unethical behaviour does not stem from the perception of ethical problems but how one acts after realising that a problem exists.

CONSUMER PROTECTION

In order to ensure ethical marketing practices and to protect customers, there are certain government interventions along with the activities of NGOs. Consumer protection means spending communal resources in the areas which increase community welfare, health and education levels, and encouraging businesses to develop consumer-focused policies Organization (2001). Consumer policy is mainly based on educating, informing and protecting consumers (Özdoğan, 2007). 1982 Constitution Article 172 declares that the state takes precautions protecting and informing consumers and supports consumers' self-protection initiatives. Owing to technological improvements, consumer protection practices have become easier to apply and are more widespread. Currently as the e-government systems allow, consumers can file complaints via an online system: turkiye.gov.tr. NGOs, such as Consumer Rights Association and Consumer Protection Association, aim to create awareness among customers about their rights and what can be done against unfair customer treatment practices.

For the purpose of customer protection, deceptive advertising should be precluded. In 2015, the Board of Advertisement imposed penalties of 9.4 million TL on firms advertising contrary to legislation. ([Tüketiciyi Aldatan Reklamlara Ceza, 2016](#)).

CONSUMER ETHICS

Consumers are not the victims of unethical behaviour in all cases, but in some situations their acts cause harm to businesses (Ghosh, Fullerton & Taylor, 1997, Wilkies, 1978). It is stated that in the process of consumption, consumers show unethical behaviour in the following three situations: during the purchase from the retailer, consumption and product disposal (Vitell & Paolilo, 2003).

Consumer ethics is 'the rightness as opposed to the wrongness of certain actions on the part of the buyer or potential buyer in consumer situations' (Dodge, Edwards, & Fullerton, 1996, p. 823). Muncy and Vitell (1992) defined consumer ethics as moral principles and rules directing behaviour during the purchase, use and disposal of goods/services. Nebenzahl et al (2001) stated that consumer ethics is the reaction of consumers against firms' and their own unethical practices.

The evolution of consumer ethics stems from general ethics, specifically from business ethics and organisational ethics (Arslan, 2005).

Loucks (1987) proposed that the market is based on mutual trust among participants, although both buyers and sellers act in ways favouring their own economic interests. Fullerton, Taylor and Ghosh (1997) mentioned that in order to continue exchange, reciprocal trust is a precondition, and if one of the parties violates ethical rules, this might prevent the exchange and end the relationship.

Research examining consumer ethics can be analysed in six different groups. The first type studies only a single item of unethical behaviour, such as shoplifting. It is stated that retailers lose 8% of their annual sales because of shoplifting (Van Kenhove et al, 2003). Cox and Moschis (1990) in their study found that male consumers shoplift more than females, and the authors also stated that the desire to possess a product, experiences and socio-economic factors are the causes of shoplifting in adolescents. Global retail crime in 2014 costed USD 128.5 billion (Global Retail Theft Barometer, n.d.). The situation is not so different in Turkey, A customer survey ethics study conducted in Turkey suggests that buying counterfeit products is very common, 70% of printed publication and 70% of CDs and DVDs are counterfeit in Turkey (Pekcan, 2010).

A second branch of research studies difference in consumer perceptions of acceptable consumer and business practices. Folkes and Kamins (1999) proposed that consumers' perceptions of the ethical behaviour of firms is personal and subjective. They stated that consumers react more strongly to the evaluation of unethical practices than to ethical practices. Attitudes are affected more by vices than virtues (Reeder & Brewer, 1979). Consumers' ethical sensitivity affects the perception of ethical situations or dilemmas.

Consumers reward or punish a firm based on their expectations and perception of the firm's ethical behaviour. If the consumer cannot differentiate between the competing firms or products by other features, the ethical behaviour of the firm can create an opportunity for differentiation (Creyer & Ross, 1997). When consumers perceive ethical problems in a firm, their intention towards product purchase from that firm and general attitude towards the firm are affected negatively (Alexander, 2002; Kurtuldu, 2009; Smith & Cooper-Martin, 1997). Also, Vitell and Munchy (1992) stated that consumers behave more ethically towards firms about whom they have formed a positive attitude. Consumers' ethical evaluation and judgements about firms affect their attitudes towards the firms, and this is very important for marketers. Consumers' perceptions of unethical practices of businesses have a great effect in the marketplace (Pitts, Wong, & Whalen, 1991). As time grew on, consumers recognise firms that try to respond to ethical and social effects in the marketplace (Gundlack & Murphy, 1993).

Consumers' perceptions of firms' ethical behaviour are important, but it is also essential to study their beliefs about their own ethicality. Ethical shopping initiatives and trade encourage consumers to take moral responsibility for their buying behaviour (Brinkmann, 2004). It is stated that consumers use double standards for rating the ethical practices of businesses and their own activities. Consumers prevail with their rights more than accepting their corresponding obligations (Davis, 1979; DePaulo, 1987). Varmlı (2000) conducted a customer ethics study in Turkey with university students and stated that the self-ethical evaluation of respondents was more flexible than the evaluation of others. According to a study by Cowe and Williams (2000), while 30% of consumers state that they care about ethical standards, this can be observed only in 3% of consumers' purchase behaviours. This is termed as '30:3 phenomenon'. Other scholars also tried to explain the difference between attitude towards ethics and purchase behaviour by naming the phenomenon as 'ethical purchasing gap' (Nicholls & Lee, 2006) and 'attitude-behaviour gap' (Kim, Forney, & Arnold, 1997). An exploratory study by Bray, Johns, and Kilburn (2011) concluded that the factors hindering ethical consumption are price sensitivity, personal experience, lack of information about the ethicality of the firm, cynicism about the ethicality of the firm, quality considerations and purchase inertia.

The third research area focuses on normative directions for consumers' rights and responsibilities. The fourth area analyses the ways of managing unethical consumer behaviour. The fifth area examines consumers' attitudes towards unethical consumer practices. Finally, the sixth and the last stream of research aims to develop theoretical models.

In order to measure consumer ethics, Vitell and Munchy (1992) developed a consumer ethics scale, which had four dimensions (Munchy & Vitell, 1992). The first dimension, 'actively benefitting from illegal activities', represents situations where the consumer is actively participating in an unethical act and is benefitting from it, while placing the other party at disadvantage. The second dimension, 'passively benefitting from illegal activities', represents situations in which the consumer does not act actively in an unethical manner but passively benefits from the other party's mistake. The third dimension, 'actively benefitting from deceptive, but legal practices', represents actions in which the consumer actively engages in questionable but legal activities. The last dimension, 'no harm activities', represents actions that consumers perceive as not causing any harm to others. Similar dimensions were found in studies conducted in Turkey (Altay & Turk, 2017; Varinli, 2000).

Being an ethical consumer necessitates consuming responsibly and sustainably, which will be discussed in the next section.

SUSTAINABLE CONSUMPTION

The economic system starting from the age of industrialisation aims at unlimited economic growth and prosperity. The dominant worldview of Western/northern society, or so to say the dominant social paradigm, can be summarised as

the belief in unlimited abundance and progress, devotion to material growth, faith in the power of technology, commitment to a laissez-faire economy, minimal government intervention, and unlimited private property rights. (Prothero et al., 2011).

However, in order to retain the goal of continuous economic growth, the resources have been used without considering the future or the environment. The consequences of these ecological harms made people rethink their actions, and thus the concept of sustainability is emerged.

During the United Nations Conference on Environment and Development in 1992, it was accepted that it was accepted that both economy and environment can be improved simultaneously, and consumers should be directed to responsible purchasing behaviours by educating them about purchasing and consuming in an environmentally-friendly manner. Sustainable production and consumption processes aim at providing economic growth by using the planet's resources in a sustainable way while searching for methods to minimise environmental damage (Korkmaz & Sertoğlu, 2013). All individuals have a responsibility to save the planet's ecosystem.

Previous studies and policies about the environment focused on production while the consumption side was neglected (Organization for Economic Cooperation and Development (OECD), 2002). Sustainable development is only feasible when it is supported by sustainable consumption and lifestyles. Analysis of sustainable production should be complemented with sustainable consumption and lifestyles. In order to realise objectives of sustainable development, household consumption is an important element that cannot be ignored. The environment is affected by patterns of household consumption and waste management (King, Burgess, Ijomah, & McMahon, 2006). Every item purchased has an ethical and environmental impact.

Sustainable consumption considers the consumer's social responsibility as well as individual needs and wants in the decision-making process (Vermeir & Verbeke, 2006). It is a form of consumption behaviour that has less negative environmental effect than other consumption behaviours (Paavola, 2001). Sustainable consumption can be summarized as consuming efficiently produced goods. It is a form of consumption by "green" and "ethical" consumers who are able to transform the market and have environmental and social concerns during the purchase decision process.

Sustainable Consumption in Turkey

Since the establishment of the Republic of Turkey in 1923, there has been rapid and sustained economic and institutional developments. Starting from the early 1980s, as Turkey moved from state-centred import substitution policies to economic liberalisation, its society, economy and politics have gone through discernible changes (Berna & Turunç, 2011). With higher incomes, households have gained access to more consumer goods. Consuming more and more and forming an identity through possessions became a general tendency in the society. Along with continuous population increase, issues of sustainable development and consumption have gained importance in Turkey (Şener & Hazer, 2008).

In Turkey, sustainable development targets for 2030 are classified under 17 subject areas, sustainable consumption is one of them. The goals for the year 2030 in terms of consumption are reducing per capita food waste by 50% and increasing the sustainability awareness level.

Consumers should be educated about the limited resources of the planet and how to use these resources effectively and efficiently. Aksu and Gelibolu (2015) have investigated the attitudes of university staff towards sustainable consumption. They have observed that consumers' income levels have significant effect on sustainable consumption, and if the income is high then consumers show positive attitudes towards sustainable consumption. Aksu and Gelibolu (2015) state that in order to disseminate sustainable consumption behaviour, the academic environment should support the idea of sustainability with solid scientific arguments, firms should put a variety of programmes into practice which motivate sustainable consumption, political decision-making bodies should make necessary legal arrangements, and individuals should transform their consumption behaviours to become more sustainable.

Above all, firms should also be aware of their responsibilities and act accordingly. CSR has been a well-known and appreciated concept around the world, and lately also in Turkey the level of awareness has increased.

CORPORATE SOCIAL RESPONSIBILITY

CSR has become a very popular research area for both private sector and academic discussion. It is stated that CSR is in the core programme of 42% of the top global MBAs (Christensen, Pierce, Hartman, Hoffman, & Carrier, 2007) and 64% of the largest multinational companies publish formal CSR

reports (Porter & Kramer, 2006). Recently, more and more companies have been executing CSR campaigns. Companies communicate these campaigns on both social and mass media, as they expect consumers to appreciate their CSR campaigns and support them.

Responsibilities of Corporations

According to [Carroll \(1991\)](#), businesses have four main responsibilities: economic, legal, ethical and philanthropic. Economic responsibilities are being profitable and productive. Legal responsibilities require businesses to operate in compliance with legal requirements. Ethical responsibilities demand firms to accept norms defining appropriate behaviour. Lastly, philanthropic responsibilities require businesses to be involved in the process of societal improvement. This is a step-by-step process, beginning with economic responsibilities.

[Bakan \(2012\)](#) stated that corporations are self-interested, not interested in the welfare of others, and the only reason for executing CSR campaigns is for firms to present themselves as sincere and benevolent. According to [Levy \(1999\)](#), firms embrace social causes as they assume that consumers will reward socially responsible firms. [Swanson \(1995\)](#) stated that firms adopt CSR for three main reasons. Firstly, businesses may be self-motivated to work for the welfare of the society. Secondly, CSR is seen as a route to help businesses to reach their goals, like in order to differentiate themselves in highly comparative markets. Lastly, firms may use CSR in order to comply with stakeholders' expectations.

As the consumer awareness of CSR activities increase, the firm reputation ([Fombrun & Shanley, 1990](#)), identity attractiveness ([Marin & Ruiz, 2007](#)) and financial performance ([Bay & Küskü, 2006](#); [Frooman, 1997](#); [Griffin & Mahon, 1997](#); [Key & Popkin, 1998](#); [McGuire, Sundgren, & Schneeweis, 1988](#); [Pava & Krausz, 1996](#); [Roman, Hayibor, & Agle, 1999](#); [Stanwick & Stanwick, 1998](#); [Waddock & Graves, 1997](#)) improves. Consumers become more and more aware of the ethical practices of corporations and CSR; also, consumer activism has accelerated recently. Consumers today have more product choices than ever before. The fact that consumers are wealthier, better educated and more brand conscious than before increases their power over firms. Consumers believe that they have the power to change companies' behaviours ([De Pelsmacker, Driesen, & Rayp, 2005](#)). [Snider, Hill, and Marin \(2003\)](#) stated that because of the increase in the number of firms conducting CSR activities and intense communication about CSR campaigns, consumers' expectations

of CSR has increased. According to a study by Becker-Olsen, Cudmore and Hill (2006), 80% of the respondents believed that firms should support social initiatives and 76% believed that firms would benefit from these. Studies demonstrated that consumers have developed favourable attitudes towards ethical products and socially responsible companies. When the level of price, service and product quality are equal 47% of consumers stated that they will purchase from firms which behave in accordance with ethical norms (Strodder, 1998). In some cases, consumers are willing to pay a premium for ethical products (Loureiro, McCluskey, & Mittelhammer, 2002; Trudel & Cotte, 2008). Simon (1995) proposed that 85% of consumers would have a more positive attitude towards firms that support a cause important for them and 14% would pay more for products of such firms; 20% of consumers use ethical and social effects as criteria for product evaluation (Curlo, 1999).

As it is shown by all research findings stated before, the socially responsible behaviour of firms is appreciated by consumers around the world and the same situation is also present in Turkey.

Corporate Social Responsibility Concept in Turkey

Philanthropy shapes the CSR concept. The word 'philanthropy' in Turkish is 'hayırseverlik', coming from the root 'hayır' in Arabic, which means goodness and amenity. Till the 19th century in the Ottoman Empire, mainly two organisations were influenced by philanthropy. One of them was the foundations 'vakıf' and the other was 'ahilik'. The word 'Ahi' means brotherhood, generous and propitious. It was a professional organisation made up of merchants and artisans (Ülgener, 2006). In the 1600s there were more than 1,100 ahi organisations with more than 125,000 members, thus ahilik was widespread and was very important (Cem, 1974). Apart from the economic aims of the organisation, there was also the aim of mutual aid. Through 'orta sandık', they were financing the benevolence. In both organisations the main theme was philanthropy.

After the foundation of the Turkish Republic, with the law of Chamber of Trade and Industry in 1924, the 'ahi' organisations in the same year were converted into Chamber of Merchants and Artisans, also with this law the foundations were centred on the General Management of Foundations. These steps can be seen as an government intervention in the area of social responsibility (Turan, 2002). After the 1970s, corporations started to gain power in the Turkish economy, thus instead of government controlling the organisational arena, corporations started to execute

philanthropic activities. Although the state moved out of the public arena and tried to improve and increase the mutual dependency with private sector, citizens still expect state intervention by saying ‘state should help’ (Çarkoğlu, 2006).

The majority of firms in Turkey are family-based, which is an obstacle for the improvement of corporate governance and CSR concepts. Having few stakeholders apart from family members inhibits the development of CSR activities (Aycan, 2001; Yamak & Süer, 2005). Tutar and Aygen (2006) stated that in small- and medium size enterprises, awareness of proactive ethics and social responsibility have not yet reached the desired level. According to another private sector research, the most successful social responsibility projects belong to the big conglomerates: Koç Holding, Sabancı Holding, Turkcell, Doğan Holding, Yıldız Holding-Ülker, Enka, Coca Cola Company, Arçelik-Beko, Zorlu Holding and Abdi İbrahim (CSR, 2017). It can be concluded that conglomerates lead CSR practices in Turkey.

Augerviere, Devinney, and Louviere (2006) in their study analysed the relative importance of social and ethical issues for people in different cultures. Turkey was one of the six countries studied. Human rights, working conditions, child labour, gender, racial and religious rights and living conditions were the most important issues for Turkish people. On the other hand, the relative importance of issues such as biodegradability, recyclable materials, product disposability and animal rights were relatively very low for Turkish people.

Another study conducted in Turkey by Tuncay (2006) supports these results. According to the study, Turkish people mostly support education or health-related social responsibility projects, more than 50% of the respondents stated that they were willing to support education and health-related projects, while only 4.7% were willing to support CSR projects related to human rights improvements.

Not only the academic world but also the private sector is interested in CSR research. For 12 years Capital Magazin and GFK Research Companies have been conducting a study in which the most successful CSR campaigns and firms are evaluated and ranked by the respondents. According to 2016 results, the most successful CSR projects (KSS Projeleri, 2016) in Turkey were as follows:

1. No! to Domestic Violence by Hürriyet (to raise awareness on domestic violence).
2. Technology for Women by Teknosa (free computer courses around Turkey to increase technology literacy among women).

3. Dad Send Me to School by Dogan Holding (financial aids and creating awareness about girls' education).
4. Migros Kids Theatre.
5. Donations from 81 cities to 81 schools by P&G.

In Turkey, equal opportunity in education and health are not yet at the desired level, thus people think they are the most important areas requiring help from the corporate world. Apart from health and education, another big problem in Turkey is the increasing domestic violence and violent and sexist behaviour against women. Creating awareness about the subject in general society and among victims is very important, thus CSR projects such as 'No! to Domestic Violence' has gained awareness and support in a very short period of time. The CSR projects, especially designed for Turkish society, and hitting the high spots of problems specific to Turkey, are supported and internalised more than global CSR projects.

Although most of the CSR projects are conducted with the help of NGOs in Turkey, they do not exert as much pressure as the ones in Western countries. Also, there is no law or regulation directly related to CSR in Turkey. In 2003, SPK (Capital Markets Board) imposed an obligation on firms to publish corporate governance compliance reports, which forced firms to put more emphasis on the subject.

CONCLUSION

With the current dynamics of the world and the necessities of the market, ethics and sustainability became key study areas for both academic and professional world. As a developing country with specific cultural attributes, Turkey has its own political, economic and demographic dynamics. Although interest in social responsibility, ethics and sustainability is not at the same level as in Western developed countries, there are significant improvements in these areas. Generally, the global firms lead the way for the social responsibility and sustainability projects. In order to keep up with the competition and changing consumer expectations, Turkish firms also have started taking steps on this front, for instance, more and more firms have started publishing CSR reports. These reports aim to show progress in social responsibility and sustainability issues; however, most of them are far from being precise progress reports. NGOs and consumer pressure groups are not as active as their international counterparts, thus governmental intervention and more strict regulations and enforcements are needed for this specific area.

Apart from NGOs and governmental intervention, consumers also can exert substantial power over firms. As consumers demand more responsible and sustainable behavior from firms, firms will act accordingly. Thus, it is very important to create awareness among general public. Consumers, apart from their power over corporations, have huge impact on society through their act of consumption. Sustainable consumption and ethical consumer behaviour are relatively new concepts in Turkey, however, they are expected to prosper in the near future.

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SECTION 2
TURKISH MARKETING INSIGHT

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CHAPTER 2.1

THE SHARING ECONOMY IN TURKEY: A MARKETING PERSPECTIVE

Elif Yelseli, Hüseyin Sami Karaca and
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ABSTRACT

The sharing economy is a collection of economic and social activities where participants of the community share properties, resources, time and skills across online platforms. In this chapter, we start by identifying all the stakeholders and their characteristics within such an ecosystem. We then categorise factors leading to success in the sharing economies where the existence of these platforms has disrupted traditional businesses. To do so, demographic information about the community participants, specifications of the business models, enablers of the ecosystem, growth drivers and hindrance factors are explored in detail. From there on, we examine whether such success factors are applicable in the Turkish business environment where Internet retailing is in its infant stages, trust among people is quite low and economic welfare is lower than that of more developed economies. Finally, an assessment of the sharing economy landscape in Turkey is provided at the end of the chapter.

To outline the future of the sharing economy in Turkey, success indicators in the Turkish market are compared and contrasted with those of the United States, the United Kingdom and Brazil. A quick analysis reveals that despite its huge potential, Turkey still has not reached its full capacity in Internet usage, online or mobile retailing. That said, notwithstanding the low levels of trust among people, Turkey has a great potential of sharer base, given the demographic structure of its citizens. Recommendations for policy makers, incumbent firms, the sharing economy startups and market-ers are provided in the chapter.

Keywords: The sharing economy; collaborative economy; digital platforms

INTRODUCTION

The sharing economy, also called ‘trust economy’, ‘collaborative consumption’ or ‘on-demand economy’, is a type of business that allows people to share any underused asset, e.g. property, resources, time and skills, across online platforms (Woskko, 2014). More and more entrepreneurs are launching startups and generating cash flow every day with these peer-to-peer platforms. For example, today Airbnb is worth more than traditional hotel chains such as Hyatt. Major established brands are launching sharing platforms as well. Ford, for instance, launched ‘GetAround’ where participants can rent their Ford automobiles, and Walmart opened a platform called ‘Trade-in’ to enable their customers to share their electronic devices.

Sharing as a concept is not a fundamentally new phenomenon. Before the sharing economy, there were rental markets. The sharing economy was born from the Internet, social media and mobile technology. It enables consumers to get what they need, when they need it and where they want it. PwC (2015b) estimates that the five main sectors of a sharing economy, i.e. peer-to-peer financing, online staffing, peer-to-peer accommodation, car-sharing and music/video streaming, were worth \$15 billion in 2013, a number that is expected to reach \$335 billion by 2025. The main success factors behind a sharing economy are that it is sustainable and provides benefits to its consumers, providers and the society.

The sharing economy started with non-profit initiatives such as Wikipedia and Couchsurfing.¹ Today, the sharing economy has moved from a simple exchange of files or free items to more personal, experience intensive services

such as crowdfunding, accommodation or car-sharing. These new sharing economy-based startups have already altered the way customers think about ownership, and they have the potential to disrupt almost any traditional industry.

Sharing platforms can be classified into three types. The first one is redistribution markets, in which underused assets are redistributed from where they are *not* needed to where they are needed. eBay and Craigslist can be given as examples to this kind of platform. Second type is product service systems such as car- or bike-sharing. The last one is collaborative lifestyles, e.g. sharing time, skills, money, experiences, space etc. (World Economic Forum Young Global Leaders Taskforce, 2013). The sharing economy can operate in different market settings such as business-to-business, business-to-customer and peer-to-peer.

The concept of the sharing economy has been researched not only by academicians but also by consulting companies and governments. Articles in the literature mainly focus on how the sharing economy has emerged; why people participate in the sharing economy; what the implications for industries and people are and how regulations should adapt to the new business models. Many articles focus on a specific sharing economy platform and its disruption of the industry such as Zervas, Proserpio and Byers (2017) have done in their paper, 'The Rise of the Sharing Economy: Estimating the Impact of Airbnb on the Hotel Industry', or done by Berger, Chen and Frey (2017) in their paper 'Drivers of Disruption? Estimating the Uber Effect'. Hamari, Sjöklint and Ukkonen (2016) and Schor and Fitzmaurice (2015) try to find the motivations of sharers and focus on why people participate in the sharing economy and digital technologies as enablers. Several other researchers focus on the effects of the sharing economy on communities. For example, Dillahunt and Malone (2015) conclude that the sharing economy is helpful for 'unemployed and financially struggling' people.

As one of the most important issues about the sharing economy, consumer protection and regulations have also been the centre of the interest for many articles. Ranchordas (2015) addresses the dilemma of governments about whether to have a stiff regulation system to protect consumers or to protect the sharing economy to promote innovation. Cohen and Sundararajan (2015) propose self-regulation, 'reallocation of regulatory responsibility to parties other than the government', and not to impede innovation. A significant increase in research and publications is expected in the coming years as the sharing economy industry starts to mature.

DEMOGRAPHICS OF SHARERS

In a sharing economy, there are three types of customers: non-shares, re-sharers and neo-sharers (Vision Critical & Crowd Companies, 2014). Non-sharers are the people who have not tried the sharing economy yet, but may have some intention to participate in it. Re-sharers, on the other hand, buy and sell secondhand goods online. Neo-sharers are defined as those people who are using the emergent sharing platforms. In this chapter, ‘sharer’ refers to ‘neo-sharers’.

In a sharing economy, consumers assume several roles simultaneously; they can be funders, producers, sellers and distributors. A sharing economy is widely adopted by people aged between 18 and 34 years as both consumers and providers. People with income levels between \$50,000 and \$75,000 are more likely to engage in the sharing economy. There is no gender gap between sharers. (PwC, 2015a). In general, sharers can be characterised as ‘more likely to be married, educated, home-owning and politically aware than their age would lead us to expect’ (Vision Critical & Crowd Companies, 2014).

STAKEHOLDERS IN THE SHARING ECONOMY

The sharing economy affects its participants in different ways, such as providing them with extra income, improving trust in community or helping people to access things that are not affordable to them otherwise. Stakeholders of a sharing economy can be listed as providers, consumers, regulators, society, the sharing economy companies and traditional businesses. In this section, benefits and challenges for important parties in a sharing economy, i.e. prosumers (providers and consumers), society as a whole and companies, are examined.

Benefits and challenges to prosumers in a sharing economy

The first and the most important benefit of a sharing economy is that it makes assets affordable. Participants of a sharing economy have access to goods and services which are usually unaffordable to them. Another important benefit of a sharing economy is its convenience. Thanks to advances in technology, such as mobile applications, GPS and big data analytics, people can access sharing services in a matter of seconds. The sharing economy reduces costs associated with transaction, search, bargaining and governance (Ernst & Young, 2015). Technology helps these platforms to meet supply and demand

more efficiently than any other businesses, and this matching occurs in real time. Efficient use of resources constitutes the core of a sharing economy.

The sharing economy provides flexibility and choice for people seeking extra income. Providers of a sharing economy have full control over their schedule. There are mainly four types of providers (Botsman, 2015). The first type comprises people who are not able to work in regular jobs, such as students, stay-at-home parents, retirees or people with disabilities, and are able to work within a sharing economy platform outside regular hours. Flexibility of the sharing economy enables this type of providers to join the labour force. Such a movement in the society is quite beneficial in empowering women and closing the gender gap in the workforce. The second type of providers includes those people who are in search of a regular job but could not find it. In most cases, the sharing economy can be the only source of income for this type of users. Professionals constitute the third group of providers. This type of providers makes a living by working in the sharing economy platforms. The last group consists of people with full-time jobs but looking for opportunities to make extra money with these platforms. Flexibility of working hours within the sharing economy platforms enables better living for different types of people by making their lives easier. Prosumers (producers and consumers) who share their skills can also develop their professions by providing many unique services and getting more experience than their peers.

The sharing economy offers a unique experience to its users. It creates a community and trust between strangers. It is more fun and exciting than traditional businesses. People can socialise with locals by staying in a local resident's house or by going to dinner with them. It is the experience that motivates people to join the sharing economy. People can improve their skills and monetise their underused assets. The sharing economy reduces the cost of owning and maintenance. In a research conducted by [Vision Critical & Crowd Companies \(2014\)](#), following are the reasons why people participate in a sharing economy:

- Convenience (78%)
- Price (68%)
- Product/service quality (55%)
- Couldn't find elsewhere (40%)
- Recommendation (33%)
- Sustainable lifestyle (25%)
- Curiosity (25%)
- Connect online (24%)
- Connect locally (23%)
- Access over ownership (15%)

The sharing economy also brings many concerns along with benefits to its users. Sharing companies see their providers as independent contractors and not as employees. This creates a disadvantage for the providers as they are deprived of any work-related benefits, insurance or employee rights. There is not much regulation to protect either providers or customers. These issues can be overcome with cooperation between policy makers and the sharing economy platforms.

Benefits and challenges for society in a sharing economy

The most crucial benefit of a sharing economy is waste reduction. By providing efficient use of idle capacity and promoting the recycling and reuse of items, time and other assets are utilised in a productive way. The lifecycles of items get longer with utilisation via sharing platforms. Sharing releases underutilised assets to be reused again, resulting in higher resource utilisation, thanks to better matching between supply and demand. For example, the sharing economy companies serving in accommodation services, e.g. Airbnb, help small hotels increase their occupancy. Ride-sharing services increase the utilisation of cars which are idle for the most part of the day. The sharing economy also enhances social interactions, creating a stronger community. It increases transparency of companies and intensifies competition, resulting in decreased prices and improved quality. Moreover, people who are in need of additional income can earn extra money with the sharing economy platforms. Social equity is also promoted through the sharing economy platforms.

There are several challenges that need to be overcome in order to utilise the sharing economy to its full capacity. Among these challenges, taxation takes the first place. There has been an ongoing debate on whether to collect taxes from collaborative companies and providers. It should be noted that over-taxation can very well destroy the affordability feature of the sharing economy. Therefore, policy makers should work in collaboration with the sharing economy platforms to find the best option for the society. The second challenge is related to incumbent companies. As the products and services on the sharing economy platforms are cheaper than incumbent companies' offers, such companies may face difficulties in competing with these platforms. Another issue about a sharing economy is associated with zoning and licensing. Since these platforms are a pure digital business, it is hard to draw their borders. Furthermore, peer-to-peer economies are heavily criticised due to their potential to deteriorate labor standards. Even though there is a concern about people leaving their secured jobs to shift to the sharing economy

platforms as independent contractors, as of yet there is no clear indication showing the existence of such a case.

Benefits and challenges for companies in a sharing economy

The sharing economy creates opportunities for both startups and incumbent companies. First of all, companies in a sharing economy do not have to carry inventory. As another salient feature of the sharing economy platforms, the entry barrier is quite low; there is no need for intensive initial investment. The service quality of these companies is taken care of by their reputation systems. Moreover, it is much easier to match supply and demand, which, in turn, increases efficiency. By disaggregating space and time, the sharing economy enables these parts to be amenable to pricing, matching and exchange (Sundararajan, 2013). For instance, you can borrow someone's car for one hour, or work for someone else to do their shopping for fifteen minutes. Therefore, the sharing economy creates a new type of value, which is not attainable by traditional business models. Thanks to its mobility, the sharing economy can reach to a very wide customer base, which is not imaginable by traditional retail companies.

There are some challenges that sharing companies need to tackle. First, some customers might not be yet ready for this type of business. Second, in some cultures ownership serves as an indicator of social status, which may very well undermine the concept of sharing. Third, it is difficult to sustain constant service quality on these platforms. Providers of services differ, so do the experiences of customers. Since the reputation of the platform, which enables trust, is a fundamental component of a sharing economy, even a small incident has potential to hurt the company in case such an incident goes public.

SECTORS AFFECTED BY THE SHARING ECONOMY

As a 2015 *Wall Street Journal* article succinctly puts it: 'There is an Uber for everything now' (Botsman, 2015). In May 2014, Crowd Companies (2016) (self-described as an innovation council for large companies to unlock collaborative economy: the sharing economy, the maker movement and crowd business models) shared the famous collaborative economy Honeycomb 1.0. In this framework, six main sectors were shown as the sharing economy sectors: Money, goods, food, services, transportation and space. Only seven

months after the first version, the second version of this honeycomb was published in December 2014, which included six more sectors: learning, health and wellness, logistics, corporate, utilities and municipal. The last version, called Collaborative Economy Honeycomb 3.0, was made public in March 2016. This time the honeycomb was evolved into a 16-hex honeycomb with four additional sectors. The final list of sectors along with some well-known company examples are as follows:

1. Money
 - a. Crypto currencies: Bitcoin
 - b. Crowdfunding: Indiegogo, KickStarter
 - c. Moneylending: Kiva, Prosper
2. Goods
 - a. Bespoke goods: Etsy
 - b. Loaner products: Rent the Runway, Bag Borrow or Steal
 - c. Pre-owned Goods: eBay
3. Food
 - a. Shared food: EatWith, Feastly
 - b. Shared food preparation: KitchenSurfing
 - c. Food delivery: UberEats, GrubMarket
4. Services
 - a. Personal: TaskRabbit, AirTasker
 - b. Business: freelancer.com, Gigwalk
5. Mobility services
 - a. Support: JustPark, YourMechanic
 - b. Valet Services: ValetAnywhere, Caarbon
 - c. Rides as a service: Uber, BlaBlaCar
6. Space
 - a. Work space: ShareDesk, WeWork
 - b. Personal Space: Couchsurfing, Airbnb
7. Learning
 - a. Instructor-Led: Thinkful, Coursera
 - b. Peer-to-peer: SkillShare, Instructables
 - c. Book sharing: SideWalk, Zookal
8. Health
 - a. Services: Heal, DoctorOnDemand
 - b. Peer-to-peer: HelpAround, CrowdMed
9. Logistics
 - a. Shipping: Shipster, Roadie
 - b. Local delivery: UberRush, Instacart
 - c. Storage: Makespace, StashBee

10. Corporations and organisations
 - a. Supply chain: Cargomatic, LocalMotion
 - b. Employee services: SliceRides, Twogo
 - c. Platforms: Marketplacer, NearMe, CrowdTap
11. Utilities
 - a. Energy: Mosaic, Vandebroon
 - b. Telecommunications: OpenGarden, Fon
12. Municipal
 - a. Platforms: YardClub, SeeClickFix
 - b. City sponsored bikes: Bicing, Velib'
13. Worker support
 - a. Renter Services: Guesty, HostTonight
 - b. Insurance: Friendsurance, Guevara
 - c. Resources: Freelancers Union, SherpaShare
14. Wellness and beauty
 - a. Wellness: Kindly, CoachUp
 - b. Beauty: beGlammed, GlamSquad
15. Analytics and reputation
 - a. Driver services: What's the fare, Ridescout
 - b. Identity and reputation: Rated, TrustCloud
 - c. Renter services: BeyondPricing, Smart Host
16. Vehicle-sharing
 - a. Loaner vehicles: GetAround, ZipCar
 - b. Loaner boats: BoatBound, Sailo

BUSINESS MODELS IN THE SHARING ECONOMY

There are different business models in the sharing economy such as charging service fee, freemium, tiered subscription plans, on-sale, white label, flat membership or membership plus usage (Botsman, 2015). Companies can take a service fee for successfully matching buyers and sellers, or charge customers only when they use the service. In freemium pricing strategy, products are offered free of charge, but a premium is charged for proprietary features. Tiered subscription plans enable users to choose from gradually increasing price points to get the products that best match their needs. In a white label business model, company sells a base platform that other companies can customise and make use of. In flat membership, or membership plus usage models, customers pay for membership only or incur additional charges for usage. Dynamic pricing model is another model that can be applied in the sharing economy platforms. The sharing economy's success depends on matching

supply and demand. Dynamic pricing's main goal is to maximise supply while ensuring service providers' availability to meet consumer demands appropriately. Based on the supply–demand ratio at a specific location–time, the model works by altering prices until the point where the supply matches the demand (Ernst & Young, 2015).

ENABLERS AND DRIVERS OF GROWTH IN THE SHARING ECONOMY

There are many enablers and drivers behind the emergence of the sharing economy. While enablers assure the existence of the sharing economy, drivers are instrumental in its growth.

Enablers of a sharing economy can be categorised in five main groups (Botsman and Rogers, 2010, 2011). The first and the most important enabler of a sharing economy is technological innovation. The sharing economy was not in existence 10 years ago. Mobile applications, cloud computing, Internet of things, GPS, online payment systems, big data analytics and social media enabled the rise of the sharing economy. Technological innovations bring along another enabler of a sharing economy: trust. For the sharing economy to continue its existence, trust plays an essential role. Trust in strangers, trust in e-commerce (online payments) and trust in regulatory authorities need to be strong. Thanks to advances in technology, online payments can be safer than other payment options. Another essential factor that gave rise to the sharing economy is idling capacity. The previous hyper-consumption behaviour resulted in excessive burden of possessions. More and more people now want to move away from consumerism to smart consumption, that is, consuming less, consuming the things they truly need, recycling, repurposing, consumption of more durable/high-quality goods and buying from local producers (Havas Worldwide, 2015). For the sharing economy to exist, there needs to be a critical mass of both providers and users. If a company cannot serve a customer the things s/he demanded when s/he needs, there is no point of naming this company as an 'on-demand economy'. Therefore, the sharing economy companies need to make sure that there is adequate supply for the current demand on the platform. The last factor, which puts all others together, is belief in commons. People need to feel they are contributing to the community and creating a better world. The sharing economy companies have to offer a value proposition accordingly, such as Airbnb's 'Belong Anywhere' motto.

Drivers of a sharing economy can be divided into five groups. The first driver that gives rise to growth of a sharing economy is the value shift of customers. After years of hyper-consumption, people started to perceive ownership as a burden. They view the sharing economy as a way to express themselves. The customisation opportunity appeals to these users. Sharers are the people who care about community. They think that participating in a sharing economy contributes to building a stronger community. The excitement of meeting new people, being at the forefront, and feeling that they are helping other individuals, make more and more people participate in the sharing economy. Trying something new such as participating in a sharing economy platform before everyone else is another appealing factor. People are paying for the experience they will be having in the sharing economy. Another factor behind the growth of a sharing economy is economic realities. People have started to care more about quality/price ratio, which in turn motivated them to share. It should be noted that most participants of the sharing economy platforms consist of those people who have seen the economic crises of 2001 and 2009. Rising unemployment is another economic factor. Taken together, all these economic factors have changed the way people look at consumption, and led them to realise the scarcity of resources. The remaining three drivers of a sharing economy are technological innovations (which resulted in safer online payment and reputation systems, and convenience usage), rapid growth of sharers due to their demographics and environmental pressures that make people to consume in a smarter way (Botsman, 2015).

SUCCESS FACTORS IN THE SHARING ECONOMY

There are two types of success factors in a sharing economy. The first is company-independent factors. Participants of a sharing economy need to be ready and have the means and ability to access these platforms. The second set of factors are company-dependent. These are the essential factors that characterise successful sharing-economy companies.

The first type of factors includes the available technology in the country or region, and the existence of a sharing mindset among participants. For a sharing company to grow in a region, people have to have access to mobile applications over their mobile devices with the help of the Internet. The number of people who have access to the Internet and the possession of mobile devices can be the indicators of technological sufficiency. It should be noted that having access to these platforms is not sufficient to participate in them. To participate in a sharing economy, people need to trust the platform.

The size of Internet retailing in a region and its share in retailing can be the indicators of trust in online retailing. In addition to these observable aspects, there are other unmeasurable factors that are necessary for achieving success in a sharing economy, such as belief in commons, idling capacity and being environmentally concerned.

Second type of factors are the factors that companies need to possess in order to exist in a sharing economy. The sharing economy companies should be able to offer all the benefits that cause people to participate in the sharing economy platforms in the first place, e.g. better prices, convenient use, focus on experience, brand recognition, high-quality service from providers, local flavour, customisation, dynamic pricing, reputation system and transparency.

APPLICABILITY OF SUCCESS FACTORS IN TURKEY

In this section, success factors for Turkey are the discussed in comparison to three big markets of the sharing economy: The United States, The United Kingdom and Brazil.

To understand the potential customer base, demographics of sharers are compared in [Table 1](#). It can be seen from the table that Turkey has a large potential customer base. Moreover, when we look at the growth numbers, Turkey has a higher annual population growth rate than the other three countries. Another characteristic of sharers is their income levels. Among the four countries, Turkey has a lower GDP per capita compared with the

Table 1. Comparison of Demographics, Economy and Technology Adoption.

	Turkey	Brazil	UK	USA
Population (2016) ('000)	79.512	207.653	65.637	323.128
Population annual growth rate (%) (2016)	1.6	0.8	0.8	0.7
GDP per capita (US\$) (2016)	10.787	8.649	39.899	57.466
GDP growth rate (%) (2016)	2.9	-3.6	1.8	1.6
Estimated GDP growth rate % (2019)	4.1	2.1	1.5	1.4
Mobile cellular subscription per 100 persons (2016)	97	119	122	127
Individuals using Internet (% of population) (2016)	58	60	95	76

Source: Adapted from World Bank Data. Retrieved from <http://data.worldbank.org/data-catalog/world-development-indicators>

United Kingdom and the United States, but it is still a promising country with increasing GDP growth estimation figures.

A comparison of technological capabilities is also given in Table 1. It will not be wrong to say that Turkey is still in the early stages of mobile and Internet adoption. Both mobile cellular subscription and Internet usage numbers show that the country is behind the United Kingdom, the United States and Brazil. Note, however, that Organization for Economic Cooperation and Development (OECD) lists Turkey among the fastest growing countries in mobile broadband penetration in the second half of 2016 with growth rates ranging between 22% and 12%.² Given the growth rates of population, GDP and Internet penetration, we can conclude that Turkey has the potential to become a good market for the sharing economy platforms, but as of yet it has not reached its full capacity.

Trust in others and attitudes towards the environment can be found in Table 2. These values are taken from the World Values Survey (2010–2014). The data shows that people in Turkey have less trust in each other than people living in the United States. Compared with Brazil, on the other hand, trust in others seems to be higher in Turkey than it is in Brazil. As noted earlier, trust plays an important role in the existence of the sharing economy. Therefore,

Table 2. Comparison of Trust and Values.

	Turkey	Brazil	Netherlands	USA
Most people can be trusted	12%	7%	30% (UK)	38%
Looking after the environment is important to this person; to care for nature and save life resources (very much like me, like me and somewhat like me)	88%	65%	59%	65%
Protecting environment vs. economic growth				
Protecting the environment should be given priority, even if it causes slower economic growth and some loss of jobs	48%	60%	41%	37%
Economic growth and creating jobs should be a top priority, even if the environment suffers to some extent	44%	30%	50%	60%
How much you trust: People you meet for the first time				
Trust completely	3%	1%	0%	1%
Trust somewhat	19%	17%	22%	34%
Do not trust very much	47%	25%	57%	48%
Do not trust at all	31%	56%	12%	16%

Source: Adapted from World Values Survey (2010–2014). Retrieved from <http://www.worldvaluessurvey.org/WVSDocumentationWV6.jsp>

the lack of trust in the Turkish market creates an important issue that sharing companies need to overcome in Turkey. On a more positive note, it should be highlighted that the Turkish people are more environmentally conscious than their counterparts in the other three countries.

THE SHARING ECONOMY IN TURKEY

Turkey – General Outlook

Turkey, located at the intersection of Europe and Asia, is a developing country that has the 18th biggest economy in the world. Turkey experienced high growth rates in GDP except during the period of 2001 and 2009 economic crises. The growth mainly happens from high consumption and rise in the construction sector. However, the estimated GDP growth rate has lowered because of the recent crises in the country.

Turkey's neighbours Syria, Iraq and other countries that are in the middle of civil crises make Turkey the first nation for migrations from these countries. According to research conducted by [Hacettepe University Research Centre for Immigration and Politics \(2014\)](#), Turkey has 3.6 million refugees, 3.2 million of which are from Syria. As a result of all these unfortunate developments, the currency of Turkey, Turkish Lira, has depreciated substantially in recent years.

Looking at the business environment in Turkey, economic decline can also be seen in some areas. Turkey's ranking in 'Ease of Doing Business' fell from 51st to 63rd, although it is still better than its 73rd spot in 2011 ([World Bank, 2015](#)). These figures indicate that the environment for starting a new business in the country is getting more difficult.

Turkey – Consumers and Online Retailing

Turkey has one of the youngest populations in Europe, a trend likely to continue in the near future. This creates a very dynamic consumer base for businesses in Turkey. Furthermore, the young population is quite open to technological developments. According to Turkish Statistical Institute's (TÜİK) 2016 report, 61.2 % of people aged between 16 and 74 are using the Internet and almost eight out of 10 households have access to the Internet.³ The Internet retailing is also growing its user base. People have mostly shopped online for clothing and sports equipment (60%); tickets for travel,

car-renting etc. (29.7%); household goods (25.8%); electronic devices (21%); and food and daily requirements (19.8%) from April 2015 to March 2016.

The Sharing Economy in Turkey

In July 2015, ING Bank conducted a survey involving 15 countries, 13 of which are European. According to the results of this survey, Turkey has the highest ranking when it comes to familiarity with the concept of and participation in the sharing economy; 47% of respondents in Turkey, the highest ratio among other surveyed countries, have stated that they would increase their participation level in the sharing economy within the following 12 months. The survey also revealed that Turkish consumers are participating in the sharing economy because 'it saves money' (67%), it is 'an easy way to make extra money' (67%), 'it helps build communities' (65%) and 'it is good for environment' (64%) (ING Bank & Ipsos, 2015). It is encouraging to observe that Turkey has more potential to achieve success with the sharing economy than the United Kingdom, which is among the surveyed countries and known for its several successful sharing economy platforms.

Using a categorisation scheme similar to that of the Crowd Companies collaborative economy honeycomb, Turkish sharing companies can be categorised into 16 groups. As can be seen from the below list, even though many sectors have been tapped by Turkish entrepreneurs, there are still several sectors waiting to be claimed. These sharing economy companies are either founded as startups or are local branches of global initiatives. For example, Koc Holding, one of the largest industrial conglomerates in Turkey, became the first licensee of Zipcar, whereas Armut.com is founded by a Turkish entrepreneur.

1. Money
 - a. Crypto currencies: Bitcoin
 - b. Crowdfunding: FonlaBeni, CrowdFon, AriKovani
 - c. Moneylending: -
2. Goods
 - a. Bespoke goods: EmekSensin
 - b. Loaner products: DavetCok, ElbisemYok, YineMiDugun, Dolap.com
 - c. Pre-owned goods: Sahibinden, LetGo
3. Food
 - a. Shared food: KomşuYemegi, Mamame
 - b. Shared food preparation:
 - c. Food delivery: YemekSepeti, MealBox

4. Services
 - a. Personal: Armut
 - b. Business: tr.freelancer.com, BiOnluk
5. Mobility services
 - a. Support: -
 - b. Valet Services: -
 - c. Rides as a service: Uber, BlaBlaCar, BiTaksi
6. Space
 - a. Work space: SehriOfis
 - b. Personal Space: Couchsurfing, Airbnb
7. Learning
 - a. Instructor-led: OzelDers.com, OgretmenBurada.com
 - b. Peer-to-peer: Inekle.com
 - c. Book sharing: Kipu.club
8. Health
 - a. Services: Heal, -
 - b. Peer-to-peer: -
9. Logistics
 - a. Shipping: -
 - b. Local delivery: Bukoli
 - c. Storage: -
10. Corporations and organisations
 - a. Supply chain: -
 - b. Employee services: -
 - c. Platforms: -
11. Utilities
 - a. Energy: -
 - b. Telecommunications: -
12. Municipal
 - a. Platforms: -
 - b. City-sponsored bikes: Local sharing services
13. Worker support
 - a. Renter services: -
 - b. Insurance: -
 - c. Resources: -
14. Wellness and beauty
 - a. Wellness: Personal trainers can be found with Armut.com
 - b. Beauty: -
15. Analytics and reputation
 - a. Driver services: -

- b. Identity and reputation: -
- c. Renter services: -
- 16. Vehicle-sharing
 - a. Loaner vehicles: ZipCar
 - b. Loaner boats

BiTaksi, an online application that brings taxi drivers and users together, was founded with the help of location-sharing technologies. The company currently operates in two cities, Istanbul and Ankara. Trust and quality has the highest impact on the business model of BiTaksi. Therefore, a particular importance is placed upon customer reviews about BiTaksi drivers. A driver gets a warning for the first complaint; if the same driver receives an additional complaint, he gets a suspension, and eventually will be ousted from the system. Taxi drivers can also make extra money with BiTaksi. As the supply in the taxi system of Turkey is limited by the number of licence plates assigned by the government, the existence of BiTaksi is instrumental in increasing the overall efficiency within the transportation system. An additional benefit of the company is that it is closing the gender gap within the customer base. On average, only 30% of traditional taxi users are women, with the emergence of BiTaksi this ratio has risen to 50%. BiTaksi customers tend to be aged between 18 to 35 years. BiTaksi offers their customers the option to make payments with methods other than cash, which increases the flexibility of customers, and hence enlarges the market. Drivers are the biggest asset that BiTaksi has built; therefore BiTaksi has built a community for taxi drivers and conduct activities within that community regularly.

SehriOfis, a workplace-sharing platform, was founded in 2015 with the ‘All Offices in the City Are Yours’ slogan. The first users were mostly freelancers and aged older than 30 years. Then the company transformed into venue-sharing platform with new offerings such as cinema halls, karaoke rooms and playstation rooms. Such a transformation has changed SehriOfis’s customer demographics. More and more children have started to use their activity rooms. Among the challenges faced by the company is the low level of trust among people due to the unrest in the country, low commissions the company receives and Turkish investors’ unwillingness to fund a sharing economy startup. The company strives for continuously listening to the providers and users of the platform and being flexible, as well as doing anything to ease prosumers’ concerns for gaining their trust.

Apart from the native digital-sharing platforms, some well-established online or offline retailers are also in the process of creating up the sharing economy platforms. For example, Ebebek, a retailer of ‘the needs of a mother

and a baby from pre-birth to 4 years of age', is planning to start a sharing platform for their customers. The company has seen a potential opportunity in secondhand baby products, since these products are only used for a short period.

Trust, price, convenience and brand awareness are among the key factors considered by the users of the sharing economy platforms. The high level of prices due to scarce resources as well as increased population are the main drivers for sharing in Turkey. Even though owning is still seen as a symbol of wealth and high social status among most Turkish people, it is expected that Turkey will experience substantial growth in the next 10 years, and that there is no point for the incumbent firms to resist the sharing economy movement. This movement will eventually change the way companies do business; therefore, investing in this type of economy will bring sustainable gains to these companies.

RECOMMENDATIONS

Recommendations for Policy Makers

- ***Allow innovative forms of technology to grow:***

The sharing economy is a sustainable business model and has the potential to benefit many people and the society as a whole. The sharing economy can make business processes more efficient and more beneficial through the use technologies and platforms. The [World Bank \(2016\)](#) report on the sharing economy states the following:

In developed countries, the shift to platform services-based employment could be seen as a shift to more informal types of working arrangements, more 'informal' ways to generate income, whereas in developing countries it could be seen as a way to formalize services that already existed informally while also increasing the opportunities and scope for innovation and creation of new services.

- ***Only take regulatory steps for public safety goals:***

Without regulating the sharing economy entirely, policy makers can only take precautions to protect the users of a sharing economy. Some suggestions can be listed as follows:

- Create a safe environment for all users of platforms (identity verification, dispute resolution etc.).
- Guarantee adequate transparency.
- Guarantee data protection.

- **Self-regulation may work better for the sharing economy:**
Cohen and Sundararajan (2015) argue that the sharing economy companies should be seen as partners with regulatory parties. They state that ‘self-regulation is not the same as deregulation or no regulation. Rather, it is the reallocation of regulatory responsibility to parties other than the government’.

Recommendations for Incumbent Firms

- **Understand sharing models and spot the disruption:**
Incumbent companies should have a deep understanding of the different types of sharing economy platforms. For example, they need to be able to assess whether their business will be disrupted by a platform that offers access to peer-to-peer markets.
- **Take action:**
Doing nothing is the worst option to adopt. Sooner or later every industry has a potential to be disrupted. Acting quickly can bring many benefits to incumbent companies. Therefore, after identifying the disruption point in the sector, companies need to take action to protect or change themselves. The list of potential actions can be summarised as follows (PwC, 2015b).
 - Protect your company by differentiating your current business*
Companies that want to compete with the sharing economy platforms need to be aware of the sharing economy’s promises. Incumbent companies can take advantage of their brand recognition. They can offer other experiences to their users. The crucial point is that they need to find a competitive edge and focus on that dimension whether it be the brand or the price.
 - Test new sharing ventures by partnerships or investments*
Companies can invest in the sharing economy startups or build ventures with them. There are many examples of this kind of action in Turkey, such as General Motors’ acquisition of Lyft or Koç Group’s venture with Zipcar.
 - Change your business into a sharing economy platform*
The last alternative can be turning the business into a sharing platform. It requires heavy investment in product development.
- **Revise your business model:**
If the company is selling something in which ownership is not the only way to deliver, then it needs to reassess its value proposition. Rather than selling goods or services, company can offer experiences.

- **Conduct a ‘sharing audit’ of your company’s tangible and intangible assets:** Everything that is underutilised within the company can be shared, whether it is the office space or the intellectual property of the company.
- **Work with policy makers:** Working with policy makers can ease the functioning of companies. There are no regulations for the sharing economy platforms in many countries. Attitudes of companies and communication between these companies and policy makers will shape the regulations. Therefore, it is a wise decision to go along with policy makers (PwC, 2015b).

Recommendations for the Sharing Economy Startups

- **Choose the right market:** To be successful in the sharing economy, startups should choose the right market. First, there should be a high idling capacity, such as cars being idle for most of the time. Another requirement for success is that the value of the product or service to be shared should be high, such as accommodation. Finally, assets that are expensive to maintain are good candidates for a sharing economy.
- **Choose the right business model:** To be a successful sharing economy platform, the right business model should be chosen. The nature of the industry and consumers in the region will determine what is wrong and right.
- **Facilitate matching and provide logistics and payment support:** Another success factor of a sharing economy is its convenience. The sharing economy startups should take advantage of this factor by marketing their ease in matching supply and demand in real time. They also should emphasise that people get whatever they want, whenever they want and wherever they want. Another convenience of a sharing economy is its flexibility with payment options. The online payment option provides convenience and trust to users.
- **Generate trust:** For a sharing economy platform to succeed in Turkey, the first barrier is the low trust of people for others. To generate trust between users and providers, companies can take the following precautions.
 - Authenticate the identity of service provider.
 - Perform background checks.
 - Check training and skills of their providers.
 - Be open and transparent to its users.
 - Solidify reputation management.

- ***Build communities around your platform by offering essentials of the sharing economy:***

When people feel that they are contributing to the community, they are more attached to the sharing economy platforms. There are some essential components of a sharing economy that create high participation within the platform. These can be listed as better prices, convenient use, focus on experience, brand recognition, high-quality service from providers, local flavour, customisation, solid reputation system and transparency of companies. To survive in today's competitive business environment, the sharing economy companies need to make sure that most of these essentials are included in their value proposition to customers.

- ***Use tricks to build critical mass:***

The sharing economy companies should utilise all ways to build a critical mass of users and providers. For example, Airbnb builds 'online communities created and organised around a specific topic or interest'. Another example can be Etsy. The company positions itself as 'Etsy is more than a marketplace: we're a community of artists, creators, collectors, thinkers and doers'. The New sharing economy startups should thrive for creating a similar kind of community by promising its participants to become a part of a bigger movement.

- ***Be a step ahead of regulators:***

There is a general lack of regulation about the sharing economy practices. The sharing economy companies should not wait until the regulations are set by policy makers. They should try to negotiate with the government. Companies have to take responsibility and do the due diligence and come up with the best legal solution for consumers, providers and the government. They should proactively propose their solution to the government and provide evidence on how they can contribute to the society: providing extra income, empowering women, improving social equity and raising trust among people.

Recommendations for Marketers

- ***Listen to your customers – learn the drivers:***

A general shift in the mindset of customers gave rise to the sharing economy. People do not want to own bulky items, they know how much to get in return for their money, they want to be part of a society and they want unique and personalised experiences. Therefore, marketers should know the drivers that motivate people to share. By taking guidance from these drivers, marketers should study what their customers value the most. It is

essential to find the right insight that motivates the customers. The drivers of a sharing economy would be a good starting point in this quest.

- ***Branded experiences:***

People join the sharing economy platforms because of the experiences they will likely to experience. Marketers should emphasise the linkage between their brand and all the emotions users will experience during the use of their services. When a user logs in to the Airbnb website, the first thing s/he will see is 'Book unique homes and experience a city like a local'. This slogan underlines the unique experiences that the user will encounter when using the Airbnb services. Offering customers experiences that cannot be found anywhere else is a sure way to gain traction within the sharing economy ecosystem.

- ***Emphasise the benefits to the society:***

Building a community around users and providers is crucial. Making both users and providers feel that they are part of a movement that cares about the environment and the society is important.

- ***Focus on trust and find ways to increase it:***

It is clear that the currency of the new economy is trust. Trust is an essential success factor in the sharing economy and it is hard to gain trust in countries where the overall trust levels are quite low. TrustCloud was founded to solve the trust issues in the sharing economy platforms. The company measures virtuous online behaviours and transactions to build a TrustScore, which then can be used by the sharing economy companies to check trustworthiness of their users.⁴ Marketers should prove to the participants of the platform that they indeed value safety. Doing frequent background checks on providers and users is one viable option.

- ***Value customer feedback and encourage customers to recommend:***

Online feedback is crucial for digital companies such as the ones in the sharing economy. The first thing that a potential user of the platform do is to check other users' reviews. Fiddling with reviews, such as blocking negative reviews will undermine the credibility of the platform. Instead, marketers should use this opportunity as an advantage to increase their service quality, and should continuously ask for online user reviews.

- ***Learn from the sharing economy:***

Marketers in various industries can benefit from the sharing economy. Marketers can use the insights from the sharing economy as a learning board for their practices and turn the overall marketing process into a collaborative one. The sharing economy started to rise for a reason, and marketers can observe changes in consumers' behaviours that give rise to collaborative consumption. Such an observation will generate valuable information about consumers that can be later used for developing

sound marketing strategies. For example, the knowledge about consumers' increased importance given to trust and transparency can be utilised by marketers to build better touch points with their customers.

NOTES

1. <http://journalistsresource.org/studies/economics/business/airbnb-lyft-uber-bike-share-sharing-economy-research-roundup>
2. <http://www.oecd.org/sti/broadband/broadband-statistics-update.htm>
3. <http://www.tuik.gov.tr/PreHaberBultenleri.do?id=21779>
4. <https://www.crunchbase.com/organization/trustcloud#/entity>

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CHAPTER 2.2

ANALYSIS OF THE TURKISH MARKET RESEARCH INDUSTRY: THE CHANGING ROLE OF THE RESEARCHER

Özgecan Karanci

ABSTRACT

Market research and insight generation is the art of unifying relevant pieces of information when formulating the solution to a puzzle. The present chapter contributes to the market research industry and the literature on research methods by providing a detailed snapshot of the current state of the industry in Turkey, as an emerging market, together with the future outlook. The comprehensive review in convergence with expert precepts elucidates the transformation of the industry. In the last decade, the world has witnessed a digital revolution that has affected the way in which research is conducted, and the identity of the storyteller. The consumer is the principal actor, and researchers assume the roles of co-creators and curators who are responsible for combining different forms of data. The new roles have changed the perception of the term market research and have generated new labels to denote business in the digital era. From the study, conclusions

can also be drawn regarding the impact of technology and new methods upon research designs. New technologies are inspirational; they raise the industry to a higher level and allow researchers spend their time, energy and resources on the interpretation of data rather than on the gathering process. Consequently, the role of the researcher is to understand people, and hence the eternal principles of marketing research remain valid even in this new era. Professionals are expected to be courageous in their decisions and to be agile leaders who will be active participants in the transformation process of the discipline.

Keywords: Market research; consumer insight; analytics; new generation research; co-creation

INTRODUCTION

Defining the modern consumer can be complex not only because the identity of the consumer is multidimensional but also because involving consumers to facilitate the process of understanding their needs is critical. Recent consumer trends have indicated that amateurs can transcend professional content by establishing genuine connections with consumers (Kasriel-Alexander, 2017). These developments have complicated the principle objective of research, i.e. to effectively understand the consumer.

In this chapter, the initial focus is on the market research sector in Turkey as an emerging market. The ranking of the Turkish market research industry, spending by research method and project type and the international and local players in the market are highlighted. The Turkish Researchers' Association (TÜAD) is working towards the goal of increasing the corporate reputation of the industry by establishing quality standards, organising yearly summits as well as continually refreshing the agenda of the training programme.

Subsequently, the study will provide in-depth information on the use of the term market research to define the industry and the alternative phrases that could be preferred to better describe the business conducted in the digital era. The change in definition of the types of research and their uses in industry in Turkey is elaborated via discussions with sector professionals. The third and final section will provide philosophical foundations on the manner in which marketing is theorised and researched and the current requirements are evaluated. Traditional research methods are compared with digital

listening, as in the modern world ‘ask-a-question get-an-answer’ formats are losing popularity; rather than asking questions, finding answers through listening is becoming critical. Market research companies aid their clients in new product development processes; nonetheless, whatever approach they take, the current outlook and the manner of doing business is predominantly reactive. As a result, the final part of the third section is devoted to innovative market research techniques. In the discussion section, the eternal principles of research are recalled, along with advantages and disadvantages of new techniques.

METHODOLOGY

This chapter exploits data taken from a literature review that addresses the definition of market research, the underlying philosophy of research and the emerging topics that map the future direction of the field. The methodology chosen for this study is qualitative, where in-depth interviews lasting 90 minutes conducted with the general manager of Ipsos Research Labs, the chairman and the general coordinator of TÜAD provided the basis of the data. Mini interviews were also held with researchers from both the research provider side and the client side representing different sectors. Many of the selected researchers had vast experience in the field and can be considered as distinguished experts in their particular area. The discussions with prominent researchers concentrated on the following issues:

- The effect of the data-driven era upon the manner in which research is performed, the types of data gathered and the presentation of data.
- Solutions offered for the future progress of online research in Turkey.
- The presence of different labels attached to the market research industry and the correspondence between the work performed today and these labels in Turkey.
- Competition in the industry as well as the type of companies regarded as the future competitors.
- New-generation research methods and innovative approaches used in different sectors.

The approach in this study with commentaries from different sectors contributed to the understanding of multiple dimensions of the subject matter. In the light of the precepts acquired from the viewpoints of both global and

local leaders in the industry, a model is derived that signifies the future of the market research industry. The change in research and its utilisation in the industry are analysed through this holistic approach, and the model produced at the end of this chapter represents an invaluable contribution to the field.

MARKET RESEARCH SECTOR IN TURKEY

Market Research Sector Ranking and Growth Rate

As a starting point, an overview of the industry and the wider global picture will be discussed, followed by highlights and developments from various regions as well as the differing factors prevalent in the Turkish market research industry.

The European Society for Opinion and Marketing Research (ESOMAR), as an organisation that has the objective of encouraging, developing and augmenting market research on a global basis, measures the industry turnover at national, regional and global levels (ESOMAR, 2016). The industry study conducted by ESOMAR on an annual basis (ESOMAR, 2016) reviews the volume and performance of the market research industry and investigates how the research market continues to grow. The following statistics are extracted from the 2016 report and include the research turnover and growth data for more than 90 countries.

In terms of market research sector size, Turkey in 2015 was ranked 23rd out of 85 countries. The five largest markets in terms of turnover in US dollars were the United States, the United Kingdom, Germany, France and China respectively. When the net growth rates of the regions are examined, it can be seen that North America in 2015 was not only the largest region in the world in terms of market share but also the fastest growing region. Latin America and Africa displayed negative net growth rates, predominantly due to currency adjustments. The European region was the second fastest growing market in 2015, with a rate of 2.8%. Europe is composed of three subgroups that are European Union (EU), 15 states, New EU member states and other Europe. Turkey is part of the group called other Europe, which is shrinking by 6.9%, and Turkey is the only country in this subgroup with a positive net growth rate.

Spending by Research Method and Spending by Project Type

Metrics such as total spending by research method – *the breakdown of quantitative and qualitative methods* – and spending by project type reveal important

Table 1. Global Growth Rates per Region.

Region	Net Growth (%)*
	2014–2015
Europe	2.8
North America	3.1
Asia Pacific	1.3
Latin America	–7.8
Middle East	1.7
Africa	–0.5
World total	2.2
<hr/>	
Europe	
<hr/>	
EU 15	3.3
New EU Member states	4.9
Other Europe	–6.9
Russia	–13.5
Switzerland	–12.8
Turkey	5.6
Norway	–1.2
Other European Countries	–0.3
Ukraine	–9.9
Europe total	2.8

Source: ESOMAR (2016).

Note: *Growth rates are calculated in local currencies, net growth is adjusted using local inflation rates.

aspects of the type of market research business conducted in a specific country (ESOMAR, 2016). Turkey is listed as the second largest market, spending 68% of its total spending on research on face-to-face quantitative methods (ESOMAR, 2016), and closely following Vietnam, which dedicated 71% of its spending on face-to-face methods. In comparison to a traditional method such as face-to-face, the percentage spending for online research in Turkey is only 6%. However, the dominant use of online research is observed in countries such as Switzerland, Japan and Australia.

The dominance of the face-to-face quantitative research method in Turkey is a significant disadvantage and an issue that needs to be resolved in the near future. Turkey is not perceived as a pioneer in the market but is more of a follower in that respect, and the current outlook for the country is not promising in terms of the level of penetration. There are also concerns regarding the level of security of data and the self-administered nature of online research.

Table 2. Spending by Research Method.

Spending by Research Method	ESOMAR 2016 Report	
	Weighted Total	Turkey
Quantitative	2	0
Mail	9	11
Telephone (CATI)	8	68
Face-to-face	24	6
Online quantitative research	4	0
Mobile/smartphone	3	2
Online traffic/audience measurement	16	1
Automated digital/electronic	4	1
Others	70	89
Total quantitative	8	5
Qualitative	2	2
Group discussions/focus groups	1	2
In-depth face-to-face interviews	5	0
Ethnography/blogging	1	0
Online research communities	16	9
Others	14	2
Total qualitative	100	100
Others		
Grand total		

Source: ESOMAR (2016).

The professionals interviewed from both agency and client sides shared their views on the current situation:

First of all, Internet penetration needs to increase in Turkey. Current online users still do not represent the whole population. The research companies have to gather clean and active e-mail addresses from different sub-segments of the population. (Telecommunications sector)

Computer literacy and education levels need to be improved to boost online research in Turkey. We even face difficulties in face-to-face surveys in transcribing questions and answering them will be more difficult without the help of interviewers. Moreover, this type of research poses a problem in terms of information security since we cannot control the participants. (Telecommunications sector)

Customers need to be persuaded to use online research. (Research provider)

Some of the researchers from the industry were optimistic about the future of online research in Turkey and highlighted actions that should be taken to overcome some of the obstacles.

Big players in the market (e.g. international research companies) need to make investments in online panels. Online will be expensive at first and will require incentives to

ensure research quality and the clients need to be informed about the reasons for higher prices, but value for money. (FMCG sector)

If gamification increases, online research will reach a wider target group, not only the incentive/promotion pickers, but a much more diverse group will be involved. (Research provider)

Research companies can prove that online research is feasible and can provide reliable results by investing more in targeted online communities such as mothers, youth etc. (FMCG sector)

The enlargement of databases and meaningful results from surveys conducted by research companies might have an impact on the usage of online research. (Automotive sector)

The questionnaires designed need to be shorter and to-the-point. (Research provider)

The client-side researchers expected more encouragement and investment from the agency side and were also aware that this could initially generate higher prices. According to some experts, new technologies, such as online communities and gamification, would pave the way for growth.

In summary, the socio-demographic profile of the Turkish population, and the hard facts, such as the current level of Internet penetration, cannot be ignored, although some actions need to be implemented within the industry.

Table 3. Spending by Project Type.

Type	Spending by Project Type	ESOMAR 2016 Report	
		Weighted Total	Turkey
(%)			
Type	Market measurement	15	36
	Market modelling	3	2
	New product/service development	11	9
	Advertising pre-testing (copy)	4	4
	Advertising/brand tracking	5	11
	Media audience/research	10	2
	Employee satisfaction	3	13
	CRM systems	4	0
	Mystery shopping	1	0
	Omnibus/shared cost surveys	2	0
	Usage and attitude surveys	9	5
	Opinion research/polling	4	4
	Non-profit research	1	0
	Business-to-business studies	4	2
	Others	24	12
	Grand total	100	100

Source: ESOMAR (2016).

The household Internet penetration is not as high as expected, but the growth in mobile Internet usage has been exponential. Researchers are witness to a group of consumers that has been introduced to the Internet for the first time via social networking sites access through their smartphones; these people form the sub-segments that the market research industry once excluded from online databases. The industry can therefore use mobile research at least for appropriate topics and contexts. According to the comments made by a professional, the issue is focused around the length of questionnaires, as the questionnaires need to be shorter and more to the point in order to advance both online and mobile research.

The spending by project type reveals the second important characteristic of the Turkish market. Market measurement, which includes syndicated retail/consumer panels for market size, share and tracking, constitutes more than one-third of the Turkish market research industry. Tracking studies, such as advertising/brand tracking and employee satisfaction measurements, are also above the weighted average total. The types of research that are below average are media and audience research as well as usage and attitude surveys. Usage and attitude surveys are not the only traditional surveys, as this also includes segmentation studies and motivational research.

Turkish Researchers' Association (TÜAD)

The TÜAD, established in 1988, monitors the fundamental standards, working conditions and information quality required by domestic and international companies in Turkey, in line with the global dynamics, and as of May 2017, the association had 64 corporate and 280 individual members. The TÜAD board chair underlines the impact of the discipline in her message to the community: 'Research is an important professional discipline which reveals the efficiency of added value and utilisation of resources that the public sector provides to society and the private sector to the consumers'.

TÜAD celebrated its 20th anniversary of its annual research summit in 2017 with the theme 20:20 vision used as a metaphor to describe the role of market research in business using a sharper vision. TÜAD designed and implemented an award system five years ago called the Baykush awards in order to enhance the value of the professional research sector, which includes seven categories called Curious, Expert, Visionary, Insightful, Innovative, Social and the Young Baykush awards. Furthermore, the addition of Persistent and Academic Baykush awards in 2016 brought the total number of awards to nine. The TÜAD management emphasises that the awards are presented as a

team by research providers and research owners, and not only the providers but also the owners have embraced the awards with enthusiasm. Marketing research is generally a part of marketing department; consequently, although researchers contribute significantly important decisions that are made within companies and therefore add value, they have been historically considered as hidden gems and these awards have rendered them more visible.

TÜAD Academy is a training platform that has provided a professional development environment in the fields of marketing and marketing research to all stakeholders in the research sector. An examination of the advancement of training topics in the past several years reveals the framework of changing requirements and demands emanating from the sector every year. The topics of the training programmes were predominantly methodological in the earlier years, including qualitative versus quantitative research, the use of statistics in analysis and pricing research, among others. However, the list of the training programmes offered in 2017 encompasses headings ranging from ‘gamification’ to ‘neuro-shopper’ and can be summarised as below:

- *Deliverables and high-quality output*: Storytelling, insight generation, infographics.
- *New approaches to older methods*: Transition in tracking studies, surveys behind successful ads.
- *New methods*: Data analytics, social media, online research, gamification, neuroscience.
- *Contribution of social sciences*: Anthropology, cultural codes, psychological factors in research.
- *Marketing-related topics*: Influencer marketing, decision-making, sustainability research etc.

Although the variety of training topics certainly holds promise for the future of the marketing research industry, the industry revenue that is generated by new research only constitutes 2% of the total research conducted in Turkey. The willingness and competence to implement new methodologies does not accelerate the growth. According to the practitioners in the sector, Turkey is a follower in many respects, and the dominance of face-to-face research remains an issue that should be resolved. Being a follower is a cultural issue, as Turkish culture is noted for its tendency to channelise knowledge from the West, rather than creating its own solutions. In summary, the market research industry has the intellectual capacity and flexibility for creativity (Cooke & Buckley, 2008); however, the transition from offline to online is relatively slow.

Research Companies in the Turkish Market

Global research companies account for more than half of the market, where, as of 2015, the top six companies, namely the Nielsen Company, Kantar, IMS Health Inc., Ipsos, GfK and Gartner, constitute 57% of the global research market (Brereton & Bowers, 2016). ESOMAR and American Marketing Association (AMA) continued to follow the traditional survey market, although, from 2015 onwards, the data reveals that they decided to explore opportunities in the broader marketing intelligence space. ‘New’ research includes analytics, big data applications, secondary research and modelling, among others.

In the Turkish market, as of May 2017, there were 32 market research and 32 fieldwork companies, and 280 individual members who were registered with the TÜAD. The non-members are from different segments, such as social/political research companies, social media monitoring companies and boutique companies (e.g., Future Bright). Some of the companies are individual members rather than corporate (e.g. 88Keys and Fikrimühim) and there are start-ups who are not yet members of the association; therefore, the total number of companies actually is significantly higher than the corporate members listed below.

The type of companies who are members of the association can be categorised as follows:

- *Global International Companies:* Nielsen, GfK, Ipsos, TNS etc.
- *Local Full-Service Companies:* Barem, Yöntem, Metod, Sia, Kalita, Era, Vera etc.
- *Local Specialised Companies:* Habitus, Think Nöro, AIMS etc.

The media/audience measurement research needs to be considered as an important element of the current and future profile of the industry. As of today, spending per project type in Turkey is lower compared with global standards, although the industry is undergoing a transitional period in media research. In the modern world, measurement of a medium alone is not meaningful and the multinational global players, such as Nielsen and GfK, are investing in ‘multiscreen’ measurement models that enable them to talk with their other panel establishments.

Lastly, the new crowdsourcing companies in Turkey should be mentioned, such as Twentify and Adgager. They are new generation of research companies based on mobile insight platforms that have the potential to break the

Table 4. TÜAD Corporate Member Research Companies, Turkey.

Members of TÜAD (as of May 2017)	
1. AIMS ANALİTİK	17. İNC KAMUOYU ARAŞTIRMALARI
2. AKADEMETRE ARAŞTIRMA	18. IPSOS
3. ALFA PAZAR ARAŞTIRMA	19. KALİTA ARAŞTIRMA
4. ANAR SOSYAL ARAŞTIRMALAR MERKEZİ	20. METOD ARAŞTIRMA
5. ARTI PİYASA ARAŞTIRMA	21. MILLWARD BROWN
6. BAREM PAZAR ARAŞTIRMA	22. MINDSTATION
7. BİRLEŞİK ARAŞTIRMACILAR	23. NIELSEN
8. DORINSIGHT ARAŞTIRMA	24. PERSPEKTİF STRATEJİ ARASTIRMA
9. ENVIROSELL	25. SELAS PİYASA ARAŞTIRMA
10. ERA ARAŞTIRMA	26. SEVER IMPEKS ARAŞTIRMA
11. ESTİMA ARAŞTIRMA	27. SİA ARAŞTIRMA
12. ETİK ARAŞTIRMA	28. THINK NÖRO
13. FREKANS ARAŞTIRMA	29. TNS
14. GENAR ARAŞTIRMA	30. VERA ARAŞTIRMA
15. GFK	31. XSIGHTS ARAŞTIRMA
16. HABİTUS ARAŞTIRMA	32. YÖNTEM ARAŞTIRMA

forementioned Turkish cultural barriers of being a follower via new tools and improved access to different target segments. As start-ups, their initial promise indicates that they have the capability to provide quick solutions in the fast pace of the modern world.

THE LABEL ‘MARKET RESEARCH’

Market research is considered as a discipline with sufficient intellectual capability and rigour to initiate and support discussions on the changing definitions that will affect its future, and the strength of any profession is measured by the extent of this debate on its own existence (Freidson, 2001 cited in Nunan, 2016). The label attached to a profession is also critical because any mismatch between the work performed and the label impacts the identity; thus, analysis of the label ‘market research’ that has been used to describe the industry for decades should be conducted as a necessity of professionalism (Nunan, 2016). Several professional associations were founded in the 1940s, including the Market Research Society (MRS) and the ESOMAR. Opinion polls in the United States were first conducted in the 1820s, although the acceptance of market research as a separate field can be attributed to the

period between 1910 and 1920, and the establishment of the sector can be traced back to the early 1930s (Nunan, 2016).

There are many additional terms used to denote market research activities, such as ‘insight’ or ‘market intelligence’, and the term ‘insight’ is in fact used as an alternative to market research, even though it emerged from the area of customer relationship management (Nunan, 2016). As a methodology, Nunan (2016) analysed the public-facing websites of research companies and searched for the presence of the term ‘market research’, either in the page title/on the home page, in the description of the companies’ core activities or in a business unit/a set of product offerings. Some of the alternative terms used for the description of the core business activity can be listed as commercial intelligence, research and consulting, customer science, intelligence and analytics, customer experience, marketing analytics, strategic insight and business intelligence (BI), among others. As part of the interviews in this study, four of these common terms were listed, namely *consumer insight*, *marketing analytics*, *consulting* and *business intelligence*, and the industry professionals from different sectors in Turkey were asked which labels signify the actual work done and are appropriate for the contemporary industry in Turkey.

Consumer insight is used to define our business, since we mainly interpret the data gathered from consumers. (Researcher, FMCG sector)

Business intelligence is more like the analysis of transactional data that the firm generates. Survey results can be added to the transactional data, but that does not mean we can call market research industry entirely business intelligence, it makes research a part of BI. The same arguments are true for *marketing analytics*. *Consulting* is such a broad term and that’s why it does not fit at all. *Consumer insight* will be always a part of research, either qualitative or quantitative, generating insight from data is an important and inseparable part of our business. (Researcher, automotive sector)

Market research mainly refers to the descriptive stage, whereas *consumer insight* puts the insight at the center and the research customers came to agencies to find out insight. (Research provider)

The reason why a departure from the term ‘market research’ is observed is the need to generate an influence within the entire management team. Marketing holds such a level of importance that it cannot be left solely to the responsibility of a single department and it encompasses activities and capabilities that are spread across the organisation. The practice of using new terminology is common in Turkey as well; for example, the market leader Ipsos changed the title of its managers to insight partners and impact partners in order to signify the importance of the field and to highlight the partnership

effect. Consulting is not mentioned alone by industry professionals but is combined with the term consumer insight.

In our industry, we conduct surveys to understand the consumer and I believe *consumer insight* is the most appropriate term to use among all. *Business intelligence* and *marketing analytics* depend on internal data and forecasts. *Consulting* is also a part of the business, but it cannot be used solely by itself, since it is not fit for purpose. (Researcher, financial services)

We can evaluate the job done by our team and the industry as *consumer insight*. That's because there are other big modelling teams within the company that analyse internal data. We are the ones who touch the consumers and provide actionable results at the end of our surveys. In addition to that, with our *consulting* hat, we share our suggestions with the board in light of our findings. (Researcher, telecommunications sector)

Professional organisations such as AMA and ESOMAR provide lengthy definitions and revise them on regular basis, depending on the transforming needs of the society and the business world. Recently, in December 2016, ESOMAR released an important update in the global code ([ESOMAR, 2017](#)) to extend to data analytics. They acknowledge the effect of digital and data-driven age upon research and how it has changed the way in which research is conducted, as well as the types of data gathered, accessed and utilised. Similarly, in Turkey, the TÜAD is also discussing the definition of marketing research in the digital era. TÜAD has conducted a workshop with companies who provide social media marketing solutions and evaluate social media-based big data. They are part of the ecosystem but are not yet members of TÜAD. The workshop agenda included the new and enlarging definition of market research, the quality standards of the sector and membership requirements. The industry is heading towards intelligent solutions, and social media is one of the main drivers of this process:

Access to big data has shifted the focus from the value of gathering data to the interpretation of it and that's why the new labels of *business intelligence & marketing analytics* are more appropriate. (Research provider)

I would prefer *business intelligence*, since our industry is not about data collection, using the data smartly to have an impact on business performance is critical. (Researcher, FMCG sector)

To use the label market research only denotes investigation of the history of the industry and trends that shape it and has a passive connotation. On the other hand, *business intelligence* comprises all kinds of studies (consumer, market, trends and forecasts) and defines our industry better. (Researcher, FMCG sector)

MARKET RESEARCH METHODS

Philosophical Foundations of Market Research

The definition of the industry is in flux and the types of research conducted are passing through a period of transition. The quantitative approach, once the primary research method, appears to have lost its popularity. It is not about fads and fashion, but the underlying reason behind this change consists more of a philosophical approach based on the type of data.

The decision as to which method to use is affected by the research methodology selected, and subsequently the methodology is shaped by the theoretical perspectives assumed by the researcher. At the core of the process, a researcher will need to decide whether to use a deductive or inductive approach. Deduction commences with a universal perspective and works back to determine facts; conversely, induction transitions from fragmentary information towards a connected view of a particular situation. The deductive method is targeted at hypothesis testing, after which the principle is either corroborated or modified. The inductive approach begins with data collection plans, then the data is examined to determine whether any patterns appear and this approach does not have the aim of disproving a theory (Gray, 2014). In today's world, new-generation research works with vast amounts of data (e.g. social media-based data) where researchers aim to establish commonalities from footprints, and the main approach used is inductive. The different forms of data, such as photographs, videos and comments, are used by researchers to form meaningful stories for curation – *uncovering, interpreting, contextualising and activating of intelligence purposes* (Matthews, 2017).

Inductive and deductive methods are not mutually exclusive and they are used in combination; a researcher may have a collection of data, which are then tested through experiments and, in practice, the use of multiple methods to achieve triangulation is advised (Gray, 2014).

Epistemology presents a philosophical foundation for determining the forms of knowledge that are legitimate and sufficient. Gray (2014) summarises three main epistemological stances that guide researchers in choosing research methods. *Objectivism* argues that reality exists externally to the researcher and objective reality is 'out there'. Conversely, *constructivism* opposes this viewpoint and asserts that truth and meaning cannot be found in the external world but can be established by the subject's interactions with the world. As a third main philosophy, *subjectivism* indicates that meaning does not emanate from the interplay imposed on an object by a subject. Subjects create meaning but achieve this from the collective unconscious. Subjectivism

has challenged the traditional orientations and flourished postmodern theoretical perspectives. According to [Cova, Maclaran and Bradshaw \(2013\)](#), postmodernism has motivated people to challenge mainstream marketing theories and to reconsider traditional approaches to consumer research. At that time, a productive consumer who created value during consumption was particularly far-reaching and innovative for consumer research and marketing ([Cova et al., 2013](#)). Marketing research has been deconstructed after postmodernism and the reality has become socially constructed, multiple, holistic and contextual.

Thus, there has been a radical shift in the roles consumers play, as they now feed their experience back into the research on marketing. New perspectives empower the consumer, whose relationship with the company continues after the purchase has been made, or when the product has been consumed. Furthermore, consumption is achieved with the subject becoming the object that has been marketed. The individual is central to marketing and acts as both the subject of the process and the object upon which the marketing is aimed. Additionally, imagination must be given free rein in order to avoid stereotypes and abstract concepts. It is possible to see how the future of marketing will develop, with the consumer's subjective experience becoming the primary focus.

The marketing researcher is also given a more creative role, as he or she can continue to shift the results of research into a framework where both consumer and researcher can relate to the context through experience. The collated information will not become a tool used to exert power over the market but will be one element of a pluralist model of ideas with changing perceptions of experience. This is in contrast to the modernist research model, which is always focused on 'the masses'. [Fletcher \(2006\)](#) also expresses concern that market research might fail to understand and address the fragmented world, since the industry is still engineered around the language of mass markets and majorities. This does not mean that postmodernist research is unaware of the social context within which individuals have experiences. Experience is also an important factor in all other aspects of life and the need to be 'scientific' when making generalisations for postmodern marketing theories will be diminished. Therefore, the creation of patterns or abstractions no longer becomes necessary, since contingencies hold the same level of validity knowledge ([Podesta & Addis, 2003](#)).

The effects of postmodernism also have implications for research tools as well as the various methods adopted for investigation. Although both quantitative and qualitative methods can be utilised, a theory is not rendered scientific as a result of the employment of a method itself but due to

the enrichment acquired from the new knowledge (Podesta & Addis, 2003). Postmodernist research relies on the premise that no method is more scientific than another. In other words, all methods, without exception, can conceive scientific theories and consequently incremental knowledge. Hence, it is evident that the concept of science is relative and not absolute.

According to Cova et al. (2013), there are also post-postmodern proposals and a group of scholars have given a renaissance to communism. Whatever label is preferred for the present movement, the rise of collective desire is observed, and as Zizek (2010) acknowledges, the vision of future is visible to believers who are from engaged positions across the globe (cited in Cova et al., 2013). In terms of research, this translates into collective strength replacing the individual. In Turkey, the new methods of co-creation workshops, online communities, mobile data collection etc. are part of this renaissance effect.

Traditional Methods versus Digital Listening

In the last decade, the world has witnessed a digital revolution that has not only affected the manner in which research is conducted but also the identity of the main actor: ‘the storyteller’. Researchers no longer form their stories and address their goals by asking questions, as they are required to be active listeners using different channels such as social media and brand communities. The consumer is the main actor since nobody is capable of telling their stories better than themselves.

Traditional marketing research is positioned within many companies as the ‘voice of the customer’ and building market and consumer insight is the role and responsibility of the research team. There is more than one method of listening to the consumer; Bhalla (2011) summarises the key ways that organisations listen under three main headings, namely *traditional marketing research, observation and digital listening*.

All *traditional types of research* designs are made for the purpose of achieving a better understanding of consumers and it is not possible to find a study that does not place the consumer at the centre. Listening is at the core of market research and this industry has become accustomed to helping companies achieve closer relations with the consumers. However, the industry is also passionate for abstractions and generalisations and has a history of reporting with masses. The individual consumer loses its uniqueness and all distinguishing features in market research reports. As Bhalla (2011) highlights, the dominant – *mainly old school* – tools and logic of market research actually erased those features by creating greater distance between a company

and its consumers. The inherent problem is that the discipline, equipped with its traditional tools, is unable to cope with the demands of the modern complex marketing environment and the high level of competition. Today, with the effect of digitalisation, it can be concluded that market research is less interested in masses and more in favor of maintaining the authentic identity of the consumers through new methods of listening. The industry is entering an era where the ‘ask-a-question, get an-answer’ approach will be replaced with passive monitoring and the use of digital footprints in appropriate contexts; a practitioner from the fast-moving consumer goods sector exemplifies a relevant context.

Modelling and low intervention models such as passive monitoring work better and provide deeper and more realistic inferences, especially in exploratory type of research. (Researcher, FMCG sector)

Many international fast-moving consumer goods companies in Turkey have already adopted the second technique of listening, i.e. *observation*, more than a decade ago. They have used this approach to conduct accompanied shopping or observation of households in their own homes to document consumer behaviour and the contexts within which those behaviours are implemented. Researchers even invited their colleagues from marketing departments to attend these kinds of ‘Consumer Direct’ sessions. When asked directly, most consumers were unable to provide rational answers regarding their choices – *whether they use a shopping list or rely on impulse purchases in certain categories etc.* – and observation is a pivotal factor in enabling marketers to understand the purchasing behaviour of consumers. The professionals from the industry in Turkey acknowledge the fact that technology is also aiding researchers in these efforts.

We used to conduct ‘mall intercept surveys’ 10 years ago but now we are able to detect the experience of shoppers without any personal touch thanks to new technologies such as digital pens, beacons and cameras. (Ipsos Turkey, deputy CEO)

Listening to the consumer is such a fundamental issue that it should not be left solely to the responsibility of the marketing research team. *Digital listening* has enlarged the group who are interested in the voice of the consumer in companies due to its unbiased nature. Today, it is possible to capture the conversations through information-dense environments such as blogs, discussion forums, reviews and social network sites, which not only offer companies the opportunity to comprehend the world as experienced by the consumer but also provide powerful insights into diverse business agendas (Bhalla, 2011). Research companies also generate communities by recruiting members to participate in active forums.

Unlike the expectations, the principal motivation for participation in brand communities is not monetary. The eYaka (2012) crowdsourcing community undertook research on its nearly 200,000 consumers and uncovered four primary motivations under the following 4Fs: *fun, fulfillment, fame* and *fortune*. The rules of community engagement in projects held by research companies do not differ in this respect. Participants mainly emphasise the fun and fulfillment aspects of their commitment by using phrases such as ‘*I love to be a part of online communities*’ and ‘*I do enjoy sharing my ideas and thoughts*’ etc. The communities provide in-depth insights with a feature set that ranges from co-creation tools to live chats. The methodologies used in communities can vary and include collage, video diaries and contests, among others.

Finally, listening is only the beginning. Marketers need to convert these insights into actionable solutions using co-creation tools and innovative product development processes – *design thinking is one of the most popular tools* – in collaboration with consumers in order to create value.

Innovative Tools for New Product Development

Market research companies aid their clients in new product development processes. Whatever actions they take, even if their consumers write down the concepts for them, the current outlook and method of doing business is primarily reactive marketing. The traditional techniques for conducting market research, as Witell, Kristensson, Gustafsson and Löfgren (2011) argue, are focused on recording consumers’ past experiences with a product, and have been categorised as reactive or backward-looking. These techniques either determine the kinds of questions that should be asked or set the probable close-ended responses that limit the opportunity to provide new insights. Moreover, they are limited by the fact that users often experience difficulties when imagining or remembering situations in which they have experienced specific needs. These kinds of difficulties and drawbacks of market research are resolved by using new-generation techniques; statements from the deputy CEO of Ipsos Turkey highlight the current outlook and the need to abandon old practices:

Today’s consumer is exposed to many stimuli and, within this clutter, new research methods have emerged that are able to focus the attention of consumers, such as gamification, real-time surveys, recording consumption moments to diaries and online forums. (Ipsos Turkey, deputy CEO)

We need to abandon the deep-rooted habits such as questionnaires that take one hour, similar items measuring the same attribute, desk-bound discussions on brand positioning,

and the struggle to conduct interviews in 'highly sterilized' environments that are removed from real-life consumption moments. (Ipsos Turkey, deputy CEO)

Research departments and teams within organisations are often required to persuade senior managers, and research results are usually presented upwards in the organisation. [Ind, Fuller and Trevail \(2012\)](#) argue that, when dealing with innovative ideas, this practice could imply significant levels of investment and high risk. Traditional marketing research has strengths and weaknesses compared to co-creation practices; the traditional linear model is a discontinuous process and some ideas could be lost during the stages. Idea generation in the classic model is linear, starting from early stage development to filtering out, adaptation and refinement. In contrast, co-creation models are iterative and require input from every participant throughout the process.

Marketing departments usually believe that they have sufficient interaction with the consumer, although market research is usually conducted after the concept/brand has been developed; thus, actions to make consumer engagement and communication proactive are not considered in the process. New technologies and new methods of market research enable users of the research to be more innovative as stated by a researcher from the durables sector in Turkey:

During the product development phase, we let consumers give real-time and instant feedback and involve them in the initial phases of the product/service prototype production with the help of design thinking and user experience (UX) frameworks. (Researcher, Durables)

Organisations approach co-creation in different ways, since their willingness to engage in co-creation varies. Some organisations reject co-creation, while others are experimenters and tend to perceive co-creation as an alternative to traditional research techniques. The rest are working towards making co-creation a way of life by involving all their stakeholders ([Ind et al., 2012](#)).

The true value of a product or a service can only be assessed from the perspective of the consumer, and the emphasis needs to be on the consumer value creation process. The techniques that afford consumers the freedom to make their own discoveries in terms of how value is co-created will be more inclined to be instrumental in a new product's success. The lead user method ([Witell et al, 2011](#)) is a market research approach that is frequently recognised as being proactive because in this technique the user is an active participant in creative problem-solving at the location where the needs exist. [Witell et al. \(2011\)](#) recommends for researchers, who aim to use co-creation practices, to encourage consumers to take the role of co-developers during the

initial stages of product/service development, since even ordinary users are idea creators and could be equipped with more information to generate ideas. When innovation is democratized in a manner that encourages consumers to take the initiative, they will be capable of sharing their innovative ideas at locations in which consumption generally occurs.

In today's society, the value of an innovation culture is flourishing not only in the business world but also at educational institutions beginning from primary schools. Corporate innovation culture is seen as the competitive advantage of tomorrow, with the injection of creativity and consumer input.

DISCUSSION

New Technologies, Staffing Decisions

New technologies do not come without their drawbacks. As Didier Truchot, chairman and CEO of Ipsos highlights, technology simplifies processes, expedites activities and lowers prices (Bowman, 2017). Predominantly, this implies a new way of doing business and working with new types of data. In order to be able to analyse this data, research companies are required to incorporate specialist technical skills from a staffing perspective.

Mitch Barns, CEO of Nielsen, identifies an important issue regarding competition and warns that research companies must broaden their scope. According to his comments, cloud-based technology firms are also providing marketing intelligence services (Bowman, 2017). Therefore, it can be concluded that competition is no longer emanating from consulting companies, as had been the case several years ago, but can come from any company, such as Oracle and SAP, who are in the metadata business. The manager of Ipsos Research Labs in Turkey also highlights a similar point of view, stating that any company who holds a large amount of data, such as Facebook, can be a future competitor.

The competitive landscape is changing; consequently, the term market research is no longer solely used to describe the type of business conducted within the industry. All of these developments will certainly trigger a transformation in staffing decisions and the type of training conducted to equip the experienced researchers who have been trained with more traditional methods.

Firstly, these types of disruptive changes can generate a new mindset themselves. Researchers no longer form their stories and address their goals by asking questions but they need to be active listeners. The industry,

under the name of market intelligence, is now more involved in the inductive approach and works with vast amounts of data to determine emerging patterns. Another trend that will shape the way the business will be conducted in the research world is partnerships. Partnerships are seen by [Chadwick \(2017a, 2017b\)](#) as the market research model of the future; thus, in order to create insight-driven impact, research companies need to make alliances and even co-create with their competitors.

Secondly, staffing decisions and trainings are affected. New datasets require people who are competent in the field of data science and the industry has a shortage of qualified personnel with data integration capabilities. Travyn Rhall, CEO Kantar Insights, also highlights an important issue in terms of staffing ([Bowman, 2017](#)). The skills of a researcher are becoming increasingly demanding and the Kantar CEO argues that, when they recruit, they know that people are not capable of doing everything and lists the type of skills needed from a researcher, such as:

- being a consultant,
- understanding the industry well,
- having a background in analytics,
- strong technical capabilities and
- good at telling stories.

Analysis of the skill set of a researcher reveals that they must have the ability to effectively ‘tell a story’, with research findings indicating that this remains the primary skill required of the future industry leaders ([Brereton & Bowers, 2016](#)). In summary, the industry seeks professionals who are not only researchers but also consultants with in-depth sector knowledge, as well as IT-savvy data scientists who can excel at high-quality deliverables and story-telling. These skills cannot be found in one single person, but complementary teams comprising different skills could be the answer to the changing demands of today’s dynamic and complex world. When one thinks of research companies who display different characteristics with a unique ‘persona’, alliances and partnerships in some client projects could represent an even better solution.

New-Generation Research and the Eternal Principles

New technologies affect the types of research, but there are key concerns that are everlasting. The role of researchers is to understand people; this truth never changes and also will remain the focus in the future.

The professionals from the industry were asked whether they use new-generation research, such as co-creation workshops, eye-tracking, enterprise feedback management, semiotics, text analytics, mobile, modelling and analytics solutions, netnography, neuroscience, gamification, passive monitoring, virtual reality (VR), online communities and social media monitoring. The findings reveal that the majority of the methods are in use, although the most common ones across different industries are modelling, social media monitoring and neuroscience applications.

The effect of the data-driven age can be summarised under three main headings: *the way research is conducted*, *types of data collected* and *the way data is presented*. The way research is conducted has not changed; the only change is the type of data collected. The new-generation research uses innovative tools, the process of data gathering is easier and different stakeholders are involved where consumers, in particular, take an active role in building the brand. However, the same principles of statistics and sampling apply to the new tools.

The way research is conducted is changing with new futuristic technologies such as VR and neuroscience, but I believe these new methods need to function hand-in-hand with conventional types of research. There is always an upgraded version of a technological breakthrough, but what we need to take into account while using new technologies is to filter the data that we gather from consumers from a system that makes it unbiased and more profound that provides deep-dive insights. (Researcher, Durables)

While analysing a topic as researchers, we do not search the keyword and read the first results that come up on top; first of all, we compile all the data from the universe, then we analyse data depending on the owner of the content – brand, media company, consumer – eliminate the incentivized content and form a random sample among the organic ones. If we conduct an EEG survey and form a test group/control group to figure out differences, we try to make the profile of these two groups parallel, we apply rotation rules to the ads. These principles are still valid! (Manager, Ipsos Research Labs)

Researchers are faced with the challenge of understanding the ‘unconscious’ as well as the ‘conscious’; however, market researchers remain more comfortable with the conscious (Cooke & Buckley, 2008), since their skill sets are based on more traditional methods. This was one of the criticisms on our industry and we asked the industry professionals about the ease of using the ‘unconscious’ in Turkey. As per the discussions with the professionals, it was learned that the reservations of working with the ‘unconscious’ have been overcome, since the only change is in the type of data collected.

Research is the same as the one we are accustomed to from a decade ago, only the type of data is new. The key principles of research starting from research design,

sampling, and content analysis still exist. You do not read likes and dislikes from the scenes of 100 people, but rather get the engagement graph of 30 people as an output. The researcher still needs to be the person who has skills to interpret data and who is in charge to understand human behaviour and motivations behind it. (Manager, Ipsos Research Labs)

The way data is presented has many creative alternatives, such as infographics, video presentations and activation workshops, and the output is so critical that it denotes the flexibility of the company. Even if global players use high-tech solutions, if there is standardised output, the credibility diminishes.

In the last period, I can divide the sector into two types: creative researchers and traditional researchers. Creative researchers are using new generation tools, but they also present their findings through innovative workshops. Traditional research companies can be mostly called the slaves of their own models who are not inclined to flexibility. (Researcher, FMCG sector)

The figure below summarises the often-quoted precepts from market research professionals, both global leaders and researchers in Turkey, which a marketing researcher should consider when s/he refers to the new generation of research or the future vision of the industry. Research designs are eclectic and the quantitative is no longer regarded as the primary method used. Since researchers already know hard metrics of different sectors in Turkish market, it is necessary to understand the underlying motivations. The industry should therefore work with real-time, unbiased, high-tech methods to uncover the relative knowledge, not the knowledge of masses, and findings should be activated together with all stakeholders. Decision-making is experiential and emotional; brands were used to build upon functional attributes a decade ago, but now emotional bonding can even be observed in categories such as insurance. An increase in the number of boutique and specialised companies in Turkey has been observed. Although in the past, mergers and acquisitions (M&A) were more common, partnerships rather than M&A could be the norm in the future.

At the heart of the market research industry, the changing roles of the market researcher are highlighted. Researchers will assume the role of curators of the future; curation is primarily interpreting the intelligence and forming the big picture from fragmented details in a similar manner to a curator in a museum. Working with many stakeholders as active participants, co-creation will also be the second key role of the researcher.

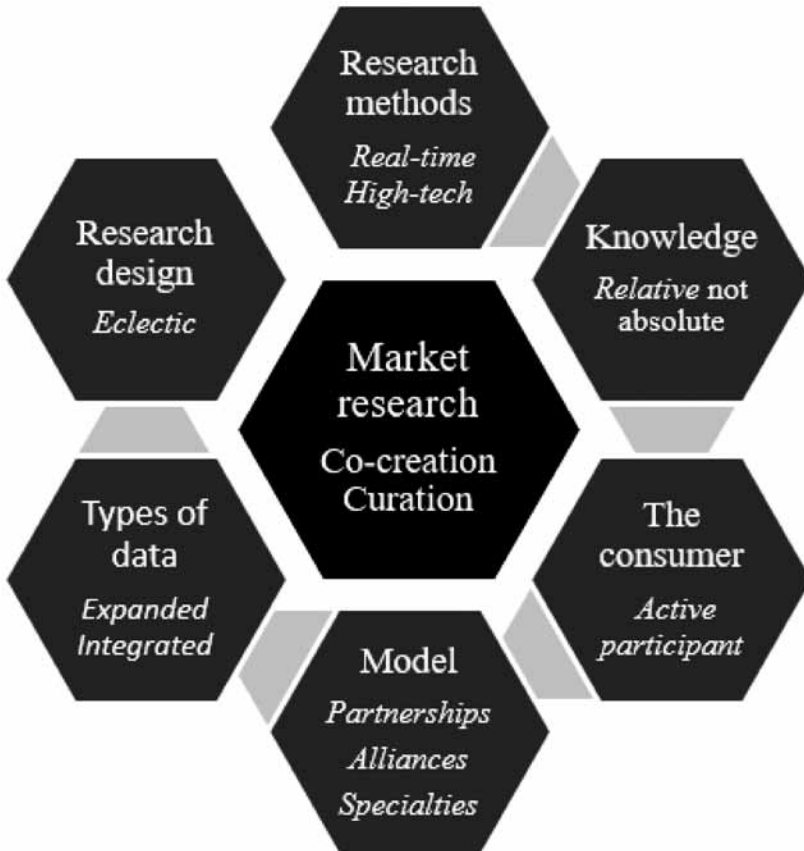


Fig. 1. Future of the Market Research Industry.

CONCLUSION AND MANAGERIAL IMPLICATIONS

In order to transform the manner in which marketing research is developed, it has to be integrated into contemporary post-positivist debates as conducted in the humanities and social sciences. The mindset of new generation research embraces the concept of innovative progress and the power of intuition. The quest for the main tenets of marketing research and investigation into the different views regarding the subject matter stems from its link with marketing philosophy and marketing research methods.

Competition in the industry comes from many different angles and it is the technology that is changing the face of the industry. The use of high-technology tools applied to market research can both pose a threat and become an opportunity if global leaders form partnerships to aid them in the process of conducting better research. The other side of the coin presents a riskier situation. Any company who holds vast amounts of data can be regarded as a potential competitor and the industry is at a stage where data from various sources needs to be integrated. Researchers are required to amalgamate various pieces of information and help users of the research to choose what they want to analyse among these combinations; companies should not be stuck in Research 1.0. An ESOMAR representative summarises the phases through which research has passed (Brereton & Bowers, 2016):

- Research 1.0 is about taking a brief, doing the work and then presenting a report.
- Research 2.0 was the time when tech and information officers opened up the data.
- Research 3.0 is unifying data from a range of sources and then democratising it.

The present chapter contributes to the market research industry and the literature on research methods by providing a holistic understanding, *a detailed snapshot of the current state of market research industry together with a future outlook*, of the needs of the industry in Turkey as an emerging market. The comprehensive review in convergence with expert precepts elucidates the transformation of the industry. From the study, conclusions can also be made regarding the impact of technology and new methods upon research designs.

The implications that will affect the industry professionals are twofold. Firstly, new technology, if properly used, can have a positive effect on the quality of time devoted to being a consultant and a curator. It must, however, be noted that these developments have created a new mindset for the industry. Experienced researchers, trained with the old mindset, are still more comfortable with the Research 1.0 type of work, which is not interactive.

The change in mindset is the hardest challenge for the industry, and the second takeaway for managers is the focus on new skills. Researchers who learn to enhance their skill sets in both industry and academy will gain a competitive advantage. Considering the two roles of the future researchers, as co-creators and curators, one needs to remain flexible for new information emanating from different sources, and researchers should aim to collaborate

with many different stakeholders, even out-of-the-box partners who are not from the close research community. This is an easier task since researchers work in teams and the industry does not seek fully equipped professionals but agile leaders who have the capability of taking active roles in the transformation process.

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SECTION 3
TURKISH CONSUMERS

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CHAPTER 3

A REVIEW OF FACTORS AFFECTING TURKISH CONSUMER BEHAVIOUR

İ. Taylan Dörtyol, Ayşen Coşkun and Olgun Kitapcı

ABSTRACT

Consumption is a way of communication whereby consumers express, position orland differentiate themselves within their society or affiliated groups. A great part of consumers' lives are spent on various purchase activities, and many would be eager to understand the factors underlying those behaviours.

This chapter primarily deals with the cultural, social, psychological and personal factors that affect consumer behaviour. Each of these factors in relation to consumer behaviour is discussed in detail. The types of consumer buying behaviours and the consumer decision-making processes then provide the fundamentals of the topic along with their relevance to Turkish consumers.

Keywords: Cultural factors; social factors; psychological factors; personal factors; types of consumer behaviour; consumer decision-making process

INTRODUCTION

Companies developing consumer-oriented marketing programmes should seek to gain essential consumer insights. With this awareness, this chapter focuses on various aspects of consumer-purchasing behaviours. In the first section, the factors that affect consumer behaviour will be surveyed. Next, different types of consumer behaviours are examined. The last section of the chapter considers how the complexity or simplicity of consumption behaviour shapes the buyer’s decision process. With the analysis presented in this chapter, companies will acquire a deeper understanding of why consumers behave in the ways they do.

FACTOR AFFECTING CONSUMER BEHAVIOUR

The factors that influence consumer purchase behaviour can be grouped into four main categories (Kotler & Armstorng, 2016). These categories – *cultural, social, personal and psychological* – are shown in Fig. 1. It should be noted that the details of these categories differ from the classification presented by Kotler and Armstrong (2016).

Cultural Factors

In the first category, the dimensions of culture and subcultures are the two main influencers of consumer purchase behaviour.

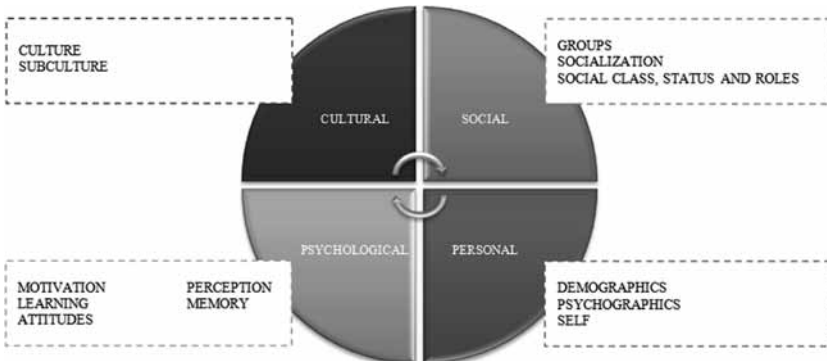


Fig. 1. Factors Influencing Consumer Behaviour.

Culture

Culture signifies a way of life involving what people do and possess. Beyond people's outward appearance, their emotions and thoughts are significant (Macionis, 2013). From birth to death, everything that a person learns and acquires – all values, attitudes and habits – can be interpreted within the context of culture (Zencirkiran, 2015).

Despite the fact that a breathtaking cultural variety exists across the world, all cultures share some common components (Macionis, 2013), which are now examined (see Fig. 2).

Symbols. As Johnson (2000) describes, culture is a manifestation of 'subjectively shared symbols'. In this definition, a symbol becomes a powerful component for understanding the cultural aspects of a society. From a sociological perspective, a symbol is always thought to be a representative of distinct entity, idea or worldview of a group (Ojiako & Aleke, 2011).

The reflection of symbol on marketing asserts itself within the framework of symbolic interactionism phenomenon. Accordingly; some general proposition of symbolism (in other words; product symbolism or symbolic purchasing behavior) can be listed as follows (Leigh and Gabel, 1992:29):

- The symbolic meaning of products is ultimately defined by society.
- Products can be viewed as causes of behavior, in addition to their role as satisfiers of, or responses to a need.
- Product symbolism affects the formation of an individual's self concept.
- The more complete and consistent the set of product symbols possessed by a consumer, the higher the probability of successful role performance.
- Symbolic purchasing behavior is more likely to be exhibited when the consumer lacks knowledge about how to perform a certain required role.
- Although products are purchased because of the symbols attached to them at a societal or group level, this symbolism may be consumed on an individual, private basis.

On the basis of its social derivation, marketers should consider the potency of symbolism when they segment their market prior to creating and delivering a value proposal. By doing so, they may more successfully match the symbolic image of their offer with the symbolic self or group meanings of target markets.

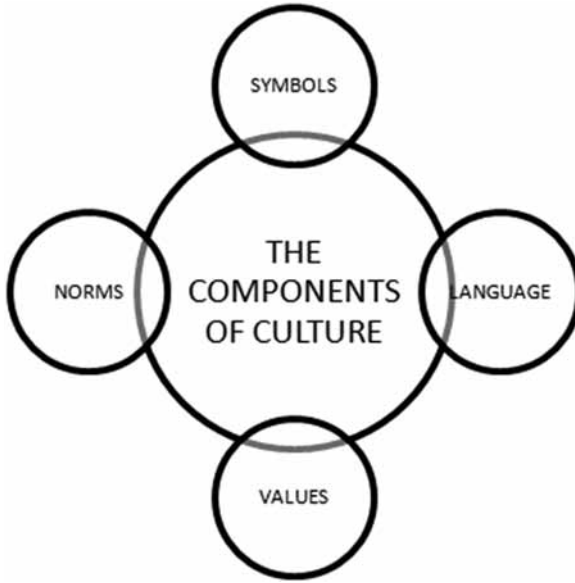


Fig. 2. The Components of Culture. Source: [Macionis \(2013\)](#).

Language. Language is a symbolic system that enables humans to share and transfer the meaning generated from every symbolic and non-material object in society ([Zencirkıran, 2015](#)). Since language influences what we think and feel about the world, it has a polemic effect of language on the central value component of culture. From one point of view, language affects cultural values; from another, domain-specific values determine the structure of language ([Luna & Gupta, 2001](#)).

Values. Values, the determiner of attitudes, are commonly defined as the learned beliefs related to emotions and behaviours ([Sevgili & Cesur, 2014](#)). In the field of consumer behaviour, the concept of values becomes the concept of consumption values that lead consumers to engage in specific consumption-related actions ([Wang, 2016](#)). The influence of values on consumer behaviour can be discovered in many aspects. [Luna and Gupta \(2001\)](#) designated these effects acting on cognition, attitude formation and behaviour. In their well-accepted study, [Sheth, Newman, and Gross \(1991\)](#) pointed to the force of values in perceived utility, asserting the following three types of consumption values:

- *Functional value* – The perceived utility of the object related to attributes such as performance, reliability or price.

- *Emotional value* – The perceived utility related to emotions.
- *Social value* – The perceived utility related to specific social groups.

Zencirkiran (2015) indicates that in the Turkish society certain prominent cultural values have undergone changes:

- Frugality has given way to consumerism.
- Financial status, wealth and power, rather than education-based achievement, are most important.
- Conformism and individualism have fundamentally displaced collectivism.

Norms. Norms are culture-specific formal or informal standards and rules that govern the behaviour of an individual. As per expectations, norms coercively influence what individuals can or cannot do (Zencirkiran, 2015).

Culture, therefore, has significant power to shape consumers' decision-making, since it leads them to generate desires and react to marketing stimuli such as price, brand image and advertising elements (Shavit & Cho, 2016).

The concept of culture has a two-sided effect on marketing. On the consumer side, its influences are gathered in consumers' values, attitudes and decision-making processes, brand and country-of-origin evaluations, bargaining rituals and price evaluations, worldviews and communication styles, emotions, friendships and interaction styles. On the other side, culture affects vendor companies' global, local and regional marketing strategies, product strategies as part of standardisation and adaptation, channel strategies and relationships with other channel members, selling styles and other communication issues in an international context (Holden, 2004).

Subculture

The cultural groups that become distinct from others in their values, norms and behaviours are called subcultures (Zencirkiran, 2015). The context of subculture contains both visible and invisible constructs. As Verbaan and Cox (2014) stated, shared values with a subculture correspond to its invisible component, and the observable parts or forms expressing these values constitute the visible set.

From traditional point-of-view, sub-cultures are formed in terms of gender, ethnicity or region etc. But, with the notion of "shared experience", the post-modern sight labeled this group based on their shared dependence to a consumption object or activity (Cronin and McCarthy, 2011). Thus, in modern marketing environment, there is an intense variety in the name of

sub-cultures. In this sense, people possessing different sexual orientation or suffering from disabilities can be grouped in a sub-culture as well.

Aside from being a socially oriented and experience-based concept, sub-cultures stay out of the majority of social rules (Burgh-Woodman & Brace-Goven, 2007). Therefore, they reflect the more specific consumption patterns of their generators and members.

Subcultures have exploitable economic potential which directs companies' market positioning. In Germany, approximately 2.6 million Turkish customers represent 16 billion Euros of spending power. As they create their own lifestyles and keep their ethnic subculture alive, many German companies organise special marketing operations directed at them (Erdem & Schmidt, 2008). As an example, the German giant car manufacturer Volkswagen employs Turkish workers in their customer call centres and creates advertisements in Turkish.

Social Factors

Social factors affecting consumer behaviour include group formation, socialisation and social class, status and roles.

Groups

When a social group is referred to as a crowd, it means that its members have, maybe temporarily, common opinions about particular values and characteristics. In this instance, individuals in this group will behave according to a community awareness grounded in collective interaction (Shahzad, Khattak, Khattak, & Shahzad, 2015). The theory of social identity proposes that the individual who self-identifies as part of a social group accepts the norms of the group as the basic guidelines that shape their behaviour (Thomas, Jewell, & Johnson, 2015). Accordingly, the strong brand commitment that the individual holds maybe inadequate to persuade the individual to take positive consumption steps connected with the brand. While the brand may have strong individual associations, but if it is not consonant with the social group, the individual will not assign to it the necessary positive symbolic meanings (Hammerl, Dorner, Foscht, & Brandstätter, 2016).

In similar cases, there may be an unfavourable relationship between social groups and consumption in some circumstances. Thomas et al. (2015) calls this situation the 'hidden consumption behaviour', whereby individuals are

liable to conceal consumption patterns which are incompatible with strongly imposed group dynamics.

In fact, the social group's approval or disapproval becomes the most salient decision criterion for the individual who aspires for the membership of the group in question. Such social groups serving as a pivotal point in decision-making or evaluation processes are called reference groups (Macionis, 2013). To understand the effects of others on an individual's beliefs, attitudes or behaviours, the concept of reference group should be examined in depth (Schiffman & Kanuk, 2007). For a reference group to be persuasive, it must observe some essentials, which Solomon (2013) has gathered in the concept of 'social power'. The reference group should necessarily have referent power, information power, legitimate power, expert power, reward power and coercive power. The normative and informational influence of reference groups on the purchasing decisions of young adults in Turkey has been proven in their luxury consumption behaviour (Karaca, 2016).

Social groups, while they may shape various aspects of the individual's consumption patterns, including product evaluation, likelihood of purchase and actual purchase decision, are not necessarily the groups with which the individual comes into personal contact. The interaction occurring between a viewer and a movie, or with an image or character presented in this movie may foment that individual's expectations. In an interesting example, Caperello and Micliaccio (2011) reveal that women define the 'perfect' relationship and 'ideal' man in the light of their movie experience.

Socialisation

Socialisation is defined as an ongoing experiential process in which people develop their potentials and personalities and learn their cultural norms (Macionis, 2013). The social environment becomes the main source of an individual's acquisition of knowledge, skills, behaviours and attitudes (Shahzad et al., 2015). These dimensions, along with other factors that engender norms and motivations, are known as socialisation agents (Thaichon, 2017). Among such agents are the family, school, peer group, mass media channels, the state and the religion, and their continuing impact throughout all the stages of life-cycle – childhood, youth, adulthood and senescence is profound (Macionis, 2013; Zencirkiran, 2015) (see Fig. 3).

Family, as the most important socialisation agent, stimulates development and is the determinant of a person's social position. The quality of parental attention is held to be a critical component of a person's capacity to set and struggle for their goals in life (Macionis, 2013). The family is also the first

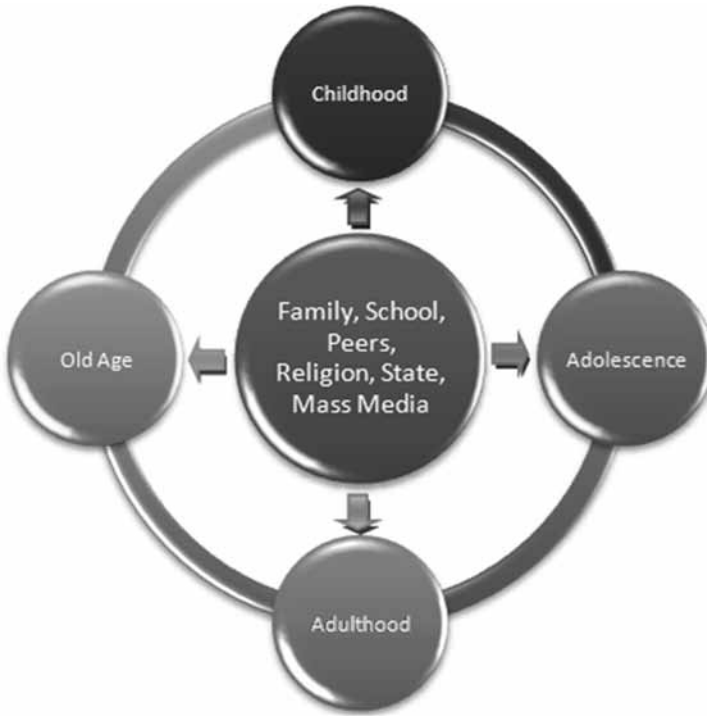


Fig. 3. Socialisation through Life Cycle Stages. *Source:* Adapted from [Macionis \(2013\)](#) and [Zencirkıran \(2015\)](#).

transmitter of culture ([Zencirkıran, 2015](#)), and the place where basic beliefs, values and way of life are first learned.

With their entry into the school system, individuals for the first time meet bureaucratic organisation, experience diversity and learn meanings associated with gender ([Macionis, 2013](#)). Schooling plays an important role in transposing society's basic cultural values and priorities from one generation to another ([Zencirkıran, 2015](#)).

Later, in peer groups, individuals develop a sense of self beyond their identity in the family ([Macionis, 2013](#)), and at this stage enter into a world of exploration ([Zencirkıran, 2015](#)).

With the increasing exposure to mass media, individuals encounter more stereotypical ideas about political and social issues, violence and sexuality

(Macionis, 2013). Cultural habits, lifestyle choices and role models are thus programmatically presented to people (Zencirkiran, 2015).

In addition, religion and the state have powerful effects on the socialisation of an individual in societies such as Turkey's, where conservatism and statism are the prevailing forces. Moral references are taken from religion, and state interventions are designed to inculcate preferred principles (Zencirkiran, 2015). For example, efforts to bring religious teachings into conformity influence Turkish consumers' travel consumption patterns; Turkish tourists are found to evaluate destinations with regard to dietary restrictions, the availability of pools only for women, or products that are acceptable according to religious norms (Yesiltas, Cankül, & Temizkan, 2012).

As people pass through the life stages of socialisation they may confront changing themes of marketing stimuli. If the particular life-stage targets of these stimuli are defenceless because of the socialisation norms of their respective stage, contradictions may occur. Some of the effects of socialisation on consumption behaviour that research in Turkey has found can be summarised as follows:

- The impact of advertising increases with age; the socialisation stage most strongly subject to the influence of television advertisements was adolescence, specifically teenagers aged between 16 and 18 years (Özmete, 2009).
- The products that children mostly purchased are school stationery, chocolates and candies. Further, children know the marketplace well, and their favourite retailers were toyshops, stationers and supermarkets (Gönen & Özgen, 1992).
- The possession of a large variety of toys is a status symbol among children (Gönen & Özgen, 1992).
- The most influential sources of information for children are, in order of importance, television, family and friends (Gönen & Özgen, 1992).
- Adolescents aged under 15 years had more positive attitudes towards advertisements compared to those aged over 15 years (Gönen, Özgen, Babekoğlu, & Ufuk, 2001).
- Girls had more positive attitudes to advertisements compared to boys (Gönen et al., 2001).
- Adolescents exhibited more brand loyalty than older age groups (Onurlubaş & Şener, 2016).
- Adolescents had a stronger tendency to attribute prestige to brands than older age groups (Onurlubaş & Şener, 2016).
- Adolescents had a stronger tendency than older age groups to believe that a higher price means higher quality (Onurlubaş & Şener, 2016).

- Adolescents performed more online consumption activities than adults (Özhan & Altuğ, 2015).
- Family, as a socialisation agent, exerted maximum power on adolescents (Karaca & Bozyiğit, 2015).
- Mass communication had less influence on female adolescents' purchasing decisions than on the decisions taken by their male counterparts (Karaca & Bozyiğit, 2015).
- Peer group influence on male adolescents' purchasing decisions was less pronounced than on the consumption decisions of female adolescents (Karaca & Bozyiğit, 2015).

Social Class, Status and Roles

In the Weberian conception, status is a dimension of stratification – the determination of social difference – specified by the evaluation of honour (Torche, 2007). Status, serving as an indicator of unobservable traits (Rege, 2008), in combination with social class, as indicated by economic position, produces the concept of social stratification (Kamakura & Mazzon, 2013). All of these concepts allude to measures of social standing. A social system is a relational system of social positions held by individuals and reflected in social roles, which denote behaviour and social identity (Kuntsche, Knibbe, & Gmel, 2009). These identities may reflect current or past roles or roles expected according to life stage transitions.

Status is used by individuals as a way of communicating, or expressing themselves to others, and also signals their social reputation (Cronje, Jacobs, & Retief, 2016). Therefore, consumption as a means of building social identity or improving social standing, and in this way attaining status, is frequently apparent. This is especially the case for individuals who perceive their social status as crucial to their identity, and for whom consumption becomes a main focus of life (Ulver & Ostberg, 2014). In status consumption, social approval can be located at a deeper level (O'Cass, Lee, & Siahtiri, 2013). This is evident in the observation that individuals from different social classes behave in line with different social purposes. While individuals in higher social positions purchase to differentiate themselves from those in lower social classes, individuals of lower position incline their purchase decisions to reflect higher social standing (Palma, Ness, & Anderson, 2017). A study from Turkey reveals that high status alters consumption behaviour, and that individuals who consume to elevate their social status do so unintentionally (Yeniaras, 2016). As an example, cellular phones are not perceived solely as a mobile communication tool but as a status symbol by some Turkish consumers

(Özcan & Koçak, 2013). Price sensitivity is also found to be affected by socio-economic status. As Gönen et al. (2001) reported, Turkish adolescents from low socioeconomic level had a more positive attitude towards price than their middle socioeconomic level counterparts. In addition, occupation and education levels, as primary measures of status, were found to make Turkish consumers more conscious of their food consumption (Hacıoğlu & Kurt, 2012).

Social roles specify behavioural conventions (Zencirkıran, 2015). Accordingly, an individual with status, or with a status set that includes a number of indicators of status, consequently manifests a role or a set of roles (Macionis, 2013). In the traditional perspective, women fulfilled the social role of being at home, to raise children, care for their families, and thus a kind and sensitive social identity. The same traditionalists would charge men with the role and responsibility of maintaining the family and house (Sekscinska, Trzcinska, & Maison, 2016). However, with changing social norms, the social status of individuals has been transformed in a new and non-traditional view (Atik & Şahin, 2012) in which the roles of women and men, absolutely defined in a traditional view, are no longer traditional. Individuals do not enact socially motivated consumption behaviour in order to fulfill their needs but to match the expectations of others perceived to be in their image, or to have authority over others (Cronje et al., 2016).

Personal Factors

In this category demographics, psychographics and self-concept are examined.

Demographics

Demographic factors are important indicators of consumer expectations, since they are connected with needs, desires, wants, preferences and other consumption-related habits and motives (Jackson, Barrows, & Ferreira, 2015). Factors such as age and lifecycle stage, gender, occupation, marital status and economic situation affect individuals' consumption decisions (Kotler & Armstrong, 2016).

In the demographic analyses of Turkish consumer behaviour, gender and marital status have been found to be the main determinants. In one study, Özgüven Tayfun (2015) discovered that Turkish women made unplanned purchases far more often than Turkish men. Another study of Turkish consumers' brand evaluations indicated that brand was more important for single

consumers who were driven by the desire for appreciation and to be at the forefront of consumer trends (Onurlubaş & Şener, 2016).

Psychographics

Psychographics are dimensions that can express the pattern of life of an individual defined in their lifestyle, personality and self-concept revealed through variables such as interests, attitudes, aspirations and preferences (Kotler & Armstrong, 2016).

Lifestyle. The lifestyle dimension draws on an individual's spending pattern, interests, selves, worldviews and demographic factors (Küçükemiroğlu, 1999). To qualify a lifestyle, Wells and Tigert (1977) developed a scale of activities, interests and opinions (AIO). Using this scale, marketers can obtain information about what consumers do, what they consider as interesting and important, and what they think about themselves, social issues, the future, etc. (Srihadi, Sukandar, & Soehadi, 2016).

In a study done by Küçükemiroğlu (1999) to identify lifestyle segments in Turkey, three segments were distinguished. Of these segments, liberals/trend-setters were defined by higher-level education and income individuals who were not captive to price but to prestige. In the second segment were moderates/survivors, and in the third, conservative consumers were identified by their unsophisticated demands and needs, and price-motivations.

Another lifestyle segmentation of Turkish consumers was conducted by Özgül (2010), who distinguished thinkers, builders and survivors. Thinkers value comfort, order, information and responsibility as the basis of their lifestyle, are anxious about social issues and are correspondingly conservative in their purchasing behaviour. The middle segment of builders prizes self-sufficiency. Being more conventional, builders resist innovation, and prefer value to luxury. In the last segment, survivors, who have the least resources to deal with life, exhibit a basic purchasing behaviour of sourcing products at a discount.

Personality. Personality is the basis of an individual's consistent behaviours, thoughts and feelings (Macionis, 2013). Personal characteristics and life features contribute to profiles of diverse individualities and behavioural consequences (Messarra, Karkoulian, & El-Kassar, 2016). To understand how personalities develop, which can assist marketers in the design of their

Table 1. Basic Personality Theories.

Theorist	Theory	Core Points of Theories
Sigmund Freud	Psychosexual Stages	5 Stages Oral Stage, Anal Stage, Phallic Stage, Latent Stage and Genital Stage.
Jean Piaget	Psychoanalytic Theory Theory of Cognitive Development	Id, Ego, Superego Sensorimotor Period, Preoperational Period, Concrete Operational Period, Formal Operational Period
Lawrence Kohlberg	Moral Development Theory	Pre-conventional Morality, Conventional Morality, Post- conventional Morality
Erik Erikson	Psychosocial Stages	8 Stages Trust vs. Mistrust, Autonomy vs. Shame, Initiative vs. Guilt, Industry vs. Inferiority, Ego Identity vs. Role Confusion, Intimacy vs. Isolation, Generativity vs. Stagnation and Ego Integrity vs. Despair.

Source: Adapted from Macionis (2013) and Plotnik (2009).

market approach, some basic theories, summarised in [Table 1](#), should be considered.

The five-factor framework, or ‘The Big-Five’ is the most widely cited model in the personality field ([Gordon-Wilson & Modi, 2015](#)), delineating five major personality types ([Quintelier, 2014](#)) characterised by the following degrees:

- *Openness*, relating to an individual’s mental and experiential life, measurable by dimensions such as breadth, depth, originality, and complexity;
- *conscientiousness*, referring to impulse control that is socially prescribed, and facilitates task and goal-directed behaviour;
- *extraversion* in an individual’s relationship with the social and material world of which specific traits are sociability, activity or positive emotionality;
- *agreeableness* is a conception of pro-social and communal orientation towards others; and
- *emotional stability*, refers to the capacity to resist becoming depressed.

For marketers, one of the main results of understanding different personality types of individuals is brand management, or matching consumer and brand personalities. [Aaker \(1997\)](#) introduced anthropomorphism to branding in her theory that consumers attribute human traits to brands, defining

personality as ‘the set of human characteristics associated with a brand’ in five distinct dimensions (see Fig. 4).

In a study of Turkish mobile phone users, customers identified the Turkcell product as enthusiastic, expert and prominent; Turkcell and Vodaphone were perceived equally. The study found the operator Avea, the least successful in the market, had the least brand personality (Aksoy & Baş, 2016).

Self-concept

George Herbert Mead identified the self as a part of personality that consists of self-awareness and self-image, and that it is a product of social experience (Macionis, 2013).

An individual’s consumption behaviour not only includes the functional value but also the symbolic meanings of consumption object. Symbolic consumption thus reflects personal and social attributes. In this sense, it becomes a mirroring device for the personality to indicate status or to express the self (Hosany & Martin, 2012). Self-concept, defined as self-esteem in the psychology literature (Mittal, 2015), in marketing is characterised in the following four dimensions (Hosany & Martin, 2012):

- *Actual self-concept*, how a person perceives himself/herself.
- *Ideal self-concept*, how a person would like to perceive himself/herself.
- *Social self-concept*, how a person believes others perceived himself/herself.
- *Ideal social self-concept*, how a person would like to be perceived by other people.

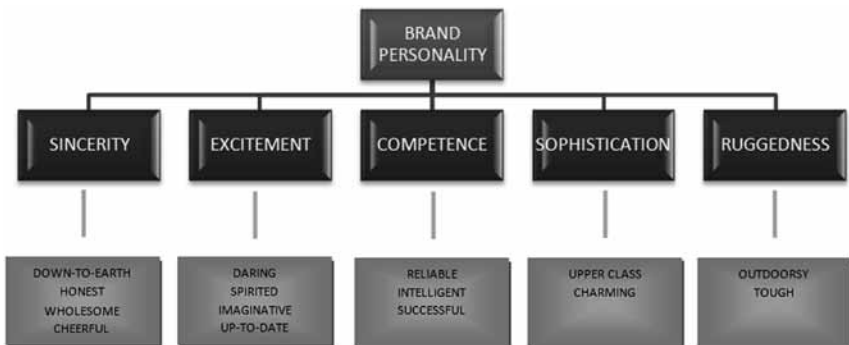


Fig. 4. Brand Personality Dimensions. Source: Aaker (1997).

Self-concept, as it relates to consumption behaviour, therefore consists not only in a person's attributes and beliefs about themselves but is also assumed to be reflected in all the things that the person possesses (Kotler & Armstrong, 2016).

Psychological Factors

In this last category, motivation, perception, learning, memory, attitudes and emotion are examined.

Motivation

In order to understand or predict purposeful and goal-driven consumption behaviour, a marketer needs to investigate basic motives and drives (Barbopoulos & Johansson, 2017). As an agency that propels an individual into an action or a conscious/unconscious decision, motivation allows an individual to share their effort on a specific task (Nwankwo, Hamelin, & Khaled, 2014).

When a biological or psychological need reaches a sufficient intensity, motivation arises and directs the individual to immediate satisfaction (Kotler & Armstrong, 2016). Research in the field of motivation originated in the 1920s with the work of Paul. F. Lazarsfeld, and has since embraced a range of social science disciplines, with Sigmund Freud, Alfred Adler, Ernest Dichter, Seymour Banks and James Vicary counted among the contributors to the theories of what causes action. Marketing pursues the answer to the following question: 'Why does a consumer buy or not buy a product?' (Fullerton, 2013).

Perception

In 1950, James Jerome Gibson explained how attempting to understand perception differed from other scientific goals (Palmer & O'Neill, 2003):

In other fields of science, the goal is to separate facts from illusions and to explain the objective properties or behavior of things. The goal of the science of perception, by contrast, is to understand the act of perception itself, to discover how and why things appear the way they do.



Fig. 5. Sensation vs. Perception. Source: Plotnik (2009).

Fig. 5 depicts the progressive process from sensation to perception. From the initial stimulus, a transformation of physical to electrical energy occurs, in which signals become impulses to the brain, first into its primary areas such as the temporal and parietal lobes, which have assigning and association functions. The impulse is transmitted appropriately, and finally the perception is automatically personalised by the individual's unique set of experiences, emotions and memories. This last stage of the process of perception can be parsed as follows:

Exposure actualises stimuli from our senses. If a stimulus passes over absolute and differential thresholds, processing activity begins; *attention* devotes this activity to the stimulus. In the *interpretation* stage of the perceptual process, meaning is personalised. (see Fig. 6)

While perception can, therefore, be understood objectively as the process of transforming raw information into a meaningful form, the precise meanings produced will differ from person to person (Kotler & Armstrong, 2016). The cause of this is located in the selective nature of perceptual processes (Kotler & Keller, 2016) such that:

- *selective attention* tends to allocate processing capacity to the stimulus that is associated with a current need, or that is anticipated by an individual;
- *selective distortion* tends to interpret information that fits preconceptions; and
- *selective retention* tends towards remembering the positive aspects of a preferred object and forgetting the positive aspects of a competing object.

Learning

Learning refers to permanent behavioural change (Solomon, 2013) grounded in newly acquired knowledge or actual experience which serve as a feedback mechanism that guides the future behaviour (Schiffman & Kanuk, 2007).

In Fig. 7, the learning process shows *motivation* to be the starting point. When a motive has been activated by a personal need or goal, the

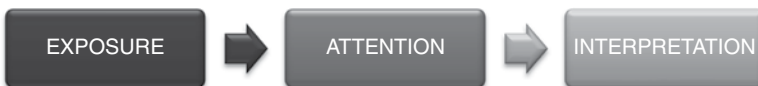


Fig. 6. The Perceptual Process. Source: Solomon (2013).



Fig. 7. Learning Process. *Source:* Adapted from Schiffman and Kanuk (2007).

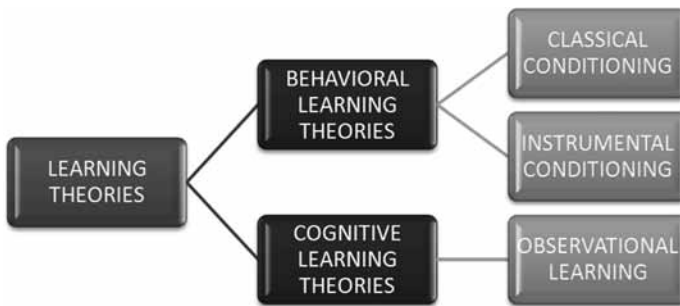


Fig. 8. Learning Theories. *Source:* Adapted from Solomon (2013).

information-seeking activity is performed. *Cues* assume the role of directing individuals to satisfy their motivation in a specific way. Their reaction to cues is *response*. Learning results in the presence of positive *reinforcement* of experience.

In the literature, a few basic theories aim to explain how learning happens:

The behavioural learning theories of classical and instrumental conditioning posit learning as a response to external stimuli. In such theories, the internal cognitive process is called a ‘black box’ since it is not taken into account. Thus, these theories focus on the observable parts of behaviour. In contrast, in the cognitive learning theories such as observational learning, internal cognitive processes are central in the explanation of learning (see Fig. 8).

Memory

Essentially, an information-processing concept memory performs acquiring and storing operations. Memory systems, as outlined in Fig. 9, include three memory types and the basic activities for successful information storage.

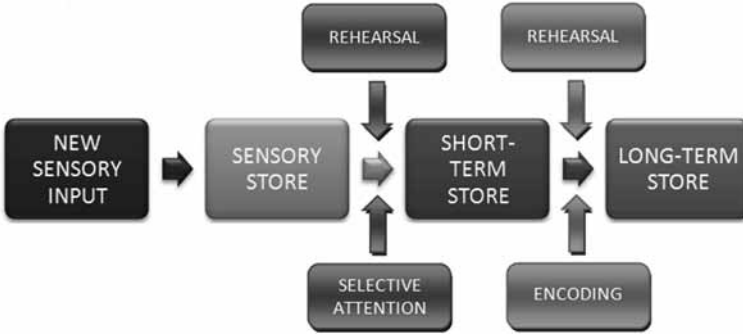


Fig. 9. Memory Systems. Source: Schiffman and Kanuk (2007).

When a new sensory input is first received, the sensory store is activated and holds the information for less than one second, or up to a few seconds. The presence or absence of selective attention determines the destiny of that information. If attention is paid to the information, it is transferred into short-term memory; otherwise that information is lost. The short-term memory has limited capacity, storing information for less than 30 seconds. For information to be transferred to long-term memory, where it is stored permanently and can be easily retrieved, encoding must take place.

Attitudes

As learning occurs, attitudes are formed (Schiffman & Kanuk, 2007). From this perspective, attitudes are therefore learned predispositions. The many components of attitude formation evidence its complexity.

The ABC model of attitudes, depicted in Fig. 10, focuses on the attitude object. *Affect* is an individual's feelings towards an attitude object; *behaviour* indicates actions or intentions towards that object; and *cognition* refers to an individual's beliefs about it.

The similarities and differences between the consumption attitudes and behaviours of Turkish women and men were investigated by Girişken (2016), whose findings are summarised in Table 2.

TYPES OF CONSUMER BEHAVIOUR

Understanding consumer behaviour is one of the most important objectives of marketing. It is well acknowledged that the degree of effort and



Fig. 10. The ABC Model of Attitudes. Source: Solomon (2013).

Table 2. The Attitudes of Turkish Women and Men towards Shopping.

	Women	Men
General attitudes towards shopping	A tool for relaxing. High positive attitude.	A necessary action to fulfill the needs. Negative attitude.
General attitudes towards shopping at supermarkets	A want to spend time inside. A constant want to search and find new product/opportunity. A want to get informed about all sections.	A want to buy and leave as soon as possible. A want to accomplish an unwanted mission.
The mood while shopping at supermarkets	Positive, Happy	Neutral/Negative, Distressed
Time for shopping	Long	Short
Shopping behavior	Searching, examining, smelling for new product/opportunity	Searching for the shortest path to achieve the objectives in the list
Section visiting behavior at supermarket	Eye-tracking all sections generally and the detergent, softener and personal care sections specially.	Generally looking the shelves that were already targeted or the shelves on the path. The personal care section (if something grabs his attention), and rarely electronic section (if it exists)
Ideal supermarket atmosphere	Large, bright, wide variety not crowded.	Not too big, easy to find the product which is wanted.

Source: Girişken (2016, p. 132).

involvement in purchasing decisions differs widely among consumers. This phenomenon has long been of interest to both academics and businesses. Successful companies are reported to recognise the importance of consumer behaviour (Howard, 1983), which has a decisive effect on managerial actions. However, researchers continue to strive to identify the nuances of purchasing behaviours to deepen their insight into the black box of consumer.

There are a large number of studies (e.g. Peter & Olson, 2009; Rowley, 1997) describing the types of consumer behaviours first reported in the studies of Howard and Sheth (1969). Their typology of consumer buying behaviour represents a solid classification in the discipline, and distinguishes *routine problem-solving*, *limited problem-solving* and *extensive problem-solving* as three types of consumer behaviours.

Based on Howard and Sheth's (1969) classification, buying situations can be represented on a continuum from, at one end, routine response behaviour to extensive problem-solving at the other, rather than representing sequential stages. Distinctions between each type of behaviour depends on underlying motivation, amount of information, evaluation of alternatives, frequency of purchase and time needed, as set out in Table 3. In reality, however, the effort expended in each of these situations does not necessarily coincide (van Waterschoot & Gilbrecht, 2003). Situational factors will affect the time and effort needed to source information. For instance, in the case of a consumer has had a major car accident, the time spent engaged in replacing the car would be much less than in more leisurely circumstances. Or, buying groceries for a dinner party could involve more deliberate decision-making than for everyday food purchases. Based on these examples, it is important to note that while Howard and Sheth's (1969) typology generalises the common patterns of buying behaviour, it does not allow for such

Table 3. Types of Consumer Behaviours.

	Routine Response Behaviour	Limited Problem-solving	Extensive Problem-solving
Underlying motivation	Habitual		Goal-directed
Amount of information search	Little information needed	Additional information needed	Great deal of information
Evaluation of alternatives	Little	Moderate	Much
Frequency of purchase	Frequent	Occasionally	Rare
Time needed	Almost none	Not much	Substantial

less usual situations in which other important factors determine consumer behaviour.

Buying decisions rely on consumers' cognitive processes. Initially, consumers will pay attention to information received and interpret it so as to make contextual sense. New knowledge will then be integrated with the existing knowledge stored in the memory to form attitudes and behaviours.

The capacity of the cognitive system is, however, limited, and people can therefore process only a small amount of knowledge at one time. For instance, it is highly unlikely that a vast number of product criteria (i.e. price, environment-friendliness, ease of disposal, durability, etc.) are considered equally in their decision-making. In addition, the cognitive system allows us to perform complex tasks, such as riding a bike, which means that in the cognitive process, such operations become more habitual and automatic. In other words, people need to think less, they react unconsciously and use less cognitive capacity and conscious control. When a consumer needs additional information, two sources of information provide the criteria for the purchase of a product or service. Internal information sources are previous experiences with the product/brand/model, and reference groups, family/friends, or brand marketing offer external sources. Importantly, different information is required for each of the types of consumer behaviour.

Routine (Routinised) Response Behaviour

Little information is required in the routinised response context, and its content appears merely as a reminder (Howard, 1983). The evaluation criteria have already been established based on previous experiences, and commercial information sources which have rated the brand. Since consumers choose the brand automatically – without excessive consideration – the behaviour becomes habit. Here, problem recognition does not intervene in the purchase.

Habitual purchasing is a tactic of buying the same brand as last time. Consumers are involved in a series of positive, negative or neutral evaluative experiences. That is, they have in hand a number of simple decision heuristics as an outcome of a learning process. Using decision heuristics enables consumers to decrease the cognitive effort required to evaluate a product as new each time a decision is to be made (Hoyer, 1984).

Using price, affect, performance and normative tactics may be a useful strategy in a low-involvement buying situation. Price tactics include 'choosing the cheapest', 'having a coupon', 'using less so the cost is less' and making

'on sale' choices. Consumers distinguish affect in 'liking' or 'loving' a brand. When it comes to performance evaluation, 'working well', 'cleaning clothes better', 'cleaner whites', 'best brand' and other selling tactics are used. Even when the decision to buy a certain product is a low-involvement one, normative tactics matter. The choice may depend on whether partner, parent or child likes that brand (Hoyer, 1984).

Routinised response behaviour includes buying low-cost products, and frequent purchasing. Grocery shopping (i.e. milk, bread, salt) falls into this category, characterised by low-product involvement and little thought, time and effort on the consumer's part. Products applying in routinised problem-solving behaviour are mostly encountered at the maturity stage of the product lifecycle (Foxall, Goldsmith, & Brown, 1998). Lastovicka and Gardner (1978) differentiated these effects within a hierarchy of actions at different stages. A low-involvement product stimulates different types of behaviours. For instance, when the choice is inexpensive and risk-free, the consumer first learns the product attributes, buys the product and finally checks the feelings aroused. This process later shapes the future experiences with the same or related product categories.

It is important to note, however, that not every product or service type is considered, in the consumer's mind, in the same way. Different approaches for evaluating the product or service categories may be invoked (Rowley, 1997). Buying organic food, for example, maybe a routine buying behaviour for some people, while for others the situation implies extensive problem-solving if the benefits or location of those products are unknown.

Turkish consumers take advantage of price, affect, performance and normative tactics in low-involvement buying situations. Aktuğlu and Temel (2006) reported that the majority of their study's participants used price, quality, colour, on sale offers and social desirability criteria when buying clothes. Gavvar and Didin (2007) found that price, quality and promotional offers affected preferences for retailer-branded products. Duman and Yağcı (2006) and Akpınar and Yurdakul (2008) supported previous findings when they examined the effect of price, quality and promotion along with perceived value, service quality, taste and packaging attributes on Turkish consumers' buying behaviour.

Limited Problem-solving

In this model of behaviour, consumers deal with less difficult tasks. Limited problem-solving implies that there is some ambiguity in the consumer's

perceptions of brand, attributes and performance. Even though basic consideration criteria apply for brands in the relevant product category, there remains the need to collect further information to differentiate products. This is because consumers' knowledge and past experience are limited to a few brands, and the various aspects of different products still need to be grasped. It is also likely that consumers may need to research unfamiliar brands. When the time and effort required for searching is taken into account, many consumer decisions can be explained in the light of limited problem-solving behaviour. The products in this category are mostly encountered at the growth stage of the product lifecycle (Foxall et al., 1998).

Consumers may also search for additional information even when a low-involvement product acquires a new attribute or feature. Yet, research shows that this doesn't result in an expected increase in time spent acquiring information needed for a decision. Thøgersen, Jørgensen, and Sandager (2012) examined whether the 'green' attribute of an everyday product (organic milk) affected consumers' decision-making. They reported that deciding to buy the green alternative didn't involve any longer time or effort than the conventional product, finding instead that consumers developed a new habit-based heuristic for buying the organic product as part of a learning process based on their past experience of it.

Alnaçık's (2009) findings revealed that the advertised addition of a new 'green' feature to a washing machine, which would require limited problem-solving, didn't result in any additional search for information, or didn't affect the effectiveness of the advertisement. Buying a washing machine regardless of its green attribute was found to relate to its functional value.

Extensive Problem-solving

When consumers deal with complex situations, there is an increase in felt pressure to make the 'right' choice, which makes them feel that a high risk incurs. Engaging in extensive problem-solving is rare compared to other types of behaviours. With no previous experience of the product/brand, consumers will actively search for additional information to create the choice criteria. In this circumstance, a substantial amount of cognitive and behavioural effort is involved in considering the alternatives (Peter & Olson, 2009) to reduce perceived risk (Foxall et al., 1998). In the advent of high involvement – high level of perceived risk, expensive and rarely bought – consumers will especially look for greater quantities of information to determine appropriate choice among alternatives.

Products in the category involving extensive problem-solving behaviour are mostly encountered at the introductory stage of the product lifecycle. However, consumers who have just discovered the brand could also engage in this more extensively effortful behaviour.

Age too has a role in the extensive problem-solving process. Older adults, compared to younger age groups, tend to skip the problem-recognition phase by using affective heuristic clues to decide in cases of extensive decision-making. The limited cognitive resources of older consumers, due to aging effects on the frontal systems of the brain, means that their choices are often influenced by their tendency to preserve their mental energy for prospective major events or tasks (Hess, Rosenberg, & Waters, 2001).

Koç (2003) reported that Turkish consumers engage in several stages of problem-solving in the holiday decision-making process; they collect a range of information from press advertisements and brochures, and call and/or visit a travel agency. Given the variety of information that consumers collect, holiday-buying behaviour may be designated a high-involvement purchase decision. In the area of car buying, Arslan (2003) and Köksal and Türedi (2014) examined the factors affecting the decisions that consumers make. The results show that prospective car buyers search for a considerable amount of information using various personal (experience of self and family/friends/associates) and impersonal (word-of-mouth, brand name, safety test results, consulting retailer and traditional media channels) resources.

Impulse (Impulsive) Buying Behaviour

Impulse, or impulsive, buying behaviour indicates the absence of conscious planning. Rather, consumers feel a sudden urge to make an immediate purchase (Beatty & Elizabeth Ferrell, 1998), and which often causes guilt and shame in the long run (Yi & Baumgartner, 2010).

In many cultures, consumers' impulsive buying activities account for a substantial proportion of annual sales of goods and services. In Turkey, a recent study exploring Turkish consumers' impulse buying habits reports that one of every two products is bought without prior planning, implying rapid decision-making (Marketing Türkiye, 2016).

A meta-analysis of 63 studies of impulsive buying made by Amos, Holmes, & Keneson (2014) categorised the factors that underlie impulsive consumption in three groups. According to the results of their analysis, *dispositional* (impulse buying trait, psychographics and motivational forces), *individual*

(gender, age, ethnicity and income) and *situational* (social influence, affect, constraints of time and money, retail environment, motivation for involvement, product characteristics and browsing) factors are at play in impulse buying decisions.

The effect of several dispositional, situational and individual variables on impulse buying has been examined by several Turkish researchers. For instance, self-confidence (Yüce & Güner, 2014), impulse buying tendency (Özer & Gultekin, 2015), hedonic consumption tendency (Akturan, 2010) and exploratory buying tendency (Okutan Bora, & Altunışık, 2013) as dispositional factors significantly influence behaviour. Situational factors, such as circle of friends, emotional state, promotions (Villi & Kayabaşı, 2013), reference groups, family (Ünler, 2005) and pre-purchase mood (Özer & Gultekin, 2015) have been found to affect impulsive buying behaviour. Gender (Akturan, 2009; Ünler, 2005) and age (Ünler, 2005), as individual factors, had mixed effects. While Ünler (2005) and Çakmak and Yurtsever (2012) found no gender differences in impulse buying behaviour, Akturan, (2009) and Yalman and Aytakin (2014) reported that gender had a significant effect. These contradictory results could be attributed to the research design of the studies (i.e. data collection methods, sample size and sample unit).

Moreover, various researchers have examined the kind of situational and dispositional factors that affect online impulse buying in Turkey. Reported findings include variety of selection, price attribute (Taşkın & Özdemir, 2017), usefulness, entertainment (Turkyilmaz, Erdem, & Uslu, 2015), ease of use (Taşkın & Özdemir, 2017; Turkyilmaz et al., 2015) and personality traits (Turkyilmaz et al., 2015) as significant indicators of online impulse buying behaviour among Turkish consumers.

STAGES IN THE BUYING DECISION-MAKING PROCESS OF TURKISH CONSUMERS

An individual who purchases products and services from the market for their own personal consumption is called a consumer. The consumer buying decision-making process (Kotler & Keller, 2012; Olshavsky & Granbois, 1979), as shown in Fig. 11, encompasses five stages: *need recognition*, *information search*, *evaluation of alternatives*, *product decision* and *post-purchase evaluation*. Fig. 11 represents a simple model of the consumer decision-making process that reflects, to some degree, the emotional perspective in

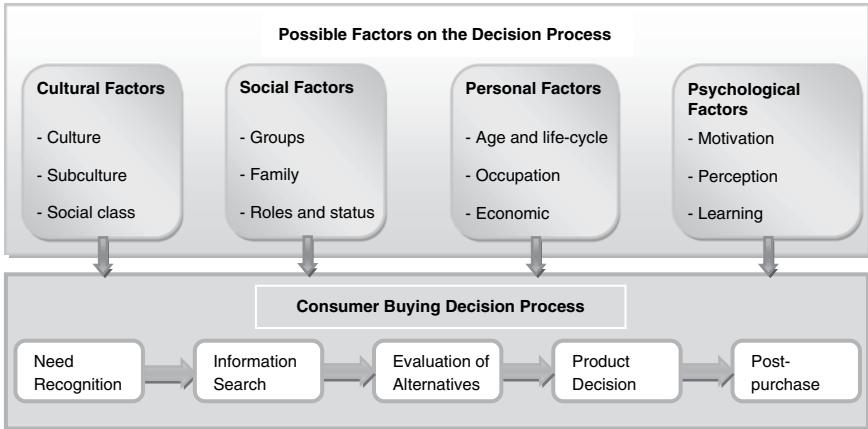


Fig. 11. Consumer-Buying Decision Process and Possible Factors on the Decision Process. *Source:* [Pride and Ferrell \(2014\)](#).

consumer decision-making. Before examining each stage, three important points need to be considered. First, as explained earlier, all stages are subject to cultural, social, personal and psychological influences. Second, the actual act of purchasing is just one stage in the process, usually the first stage. Finally, not all consumer-buying decisions include all five stages ([Pride & Ferrell, 2014](#)).

Stage 1: Need Recognition

Need recognition (or ‘problem recognition’) is the first of the five stages of the buying decision-making process undertaken by consumers. In this stage, consumers recognise a need they consider initiates the process of finding the product that offers benefits that will fill the need or solve the problem.

Need recognition is based on the interaction between one’s desired, or ideal, state and reality. Therefore, need recognition occurs where a significant difference develops among people regarding a particular want or need ([Cornally & Mc Carthy, 2011](#)). Of course, an individual’s needs are influenced by a wide range of sociological and psychological factors. In need recognition, the marketer must explore the kinds of needs of consumers ([Kotler & Armstrong, 2015](#)).

Stage 2: Information Search

Information research is instigated when a person lacks prior knowledge about goods or services. This leads them to seek information from reference groups, personal experience and sources such as the internet; public sources such as online forums, social media and consumer reviews; or marketer-dominated sources such as salespersons, advertising and promotions, particularly when previous personal experience is limited. The following information sources are likely to be used (Palmer, 2009):

Personal experience is a pivotal information point since products can be assessed in the light of previous purchases.

Word-of-mouth (WOM) communication as a personal resource tool offers a significant information source. A consumer who feels satisfied or dissatisfied based on their experience of a product or service will recommend (or not) the product/brand/manufacture to their friends or associates. Many people seek the advice and opinions of friends. In addition, WOM is also increasingly a public source too with the advent of online reviews via social networking sites, blogs and discussion forums.

The Sikayetvar.com (2017) was chosen as an exemplar because it is a widely-used, professional and long-serving site in terms of the data presented, which is also updated in real time by real customers. This site is praised as ‘the largest site for complaints’ with 2,623,530 individual members who have made a total of 4,661,229 complaints about firms, and more than 850 corporate members around Turkey. It boasts of 3,693,888 distinct visitors per month who have contributed a complaint response rate of 57%. Consumers use the internet as a personal source tool to search for information about brands and products, using search engines such as Google (www.google.com) and Yandex (www.yandex.com).

Stage 3: Evaluation of Alternatives

Consumers compare potential solutions for the same need in the *evaluation of alternatives* as part of their buying decision-making, using a range of evaluative criteria. These criteria may have tangible (e.g. price, colour, size and shape) or intangible (image-based) benefits. Evaluations of purchasing alternatives will depend on the individual consumer and the specific buying situation. A study of Turkish tourists (Demir, 2015), indicated that the role of internal information (such as experience and expertise) is important in their evaluations of alternatives in the travel-purchasing process.

Stage 4: Purchase Decision

In this stage, the consumer decides on brand and product. Moreover, other decisions are made at this stage, including where and how to make the purchase and on what terms. New information may be sought from all brands' promotional channels by the consumer before the 'best' brand or an alternative is chosen in the final purchase decision.

The consumer's purchase decision may be affected by three factors. One of these is an unexpected situation, the loss of one's job, for example, or a general worsening of the economy. The second factor is the attitudes of others. Someone who is important to you, for example, commenting on your purchasing decision may cause you to change your mind. The third factor is the perceived risk of making the purchase. This is related to consumer confidence, and Turkish consumers who perceive a risk, reduce or postpone their consumption, as demonstrated in Fig. 12.

The Turkish consumer confidence index is a composite index of producers' and consumers' evaluations, expectations and tendencies as they relate to the country's general economic situation. The figure shows that consumer confidence in the economy increased in May 2017 by 2.2% to 72.8 percent compared to the previous month's figure of 71.3 percent.

Consumers may perceive different risks in several dimensions. Cases (2002) identified six different forms of risks: financial, performance, psychological, physical, social and time. These principal dimensions of risk are defined in Table 4.

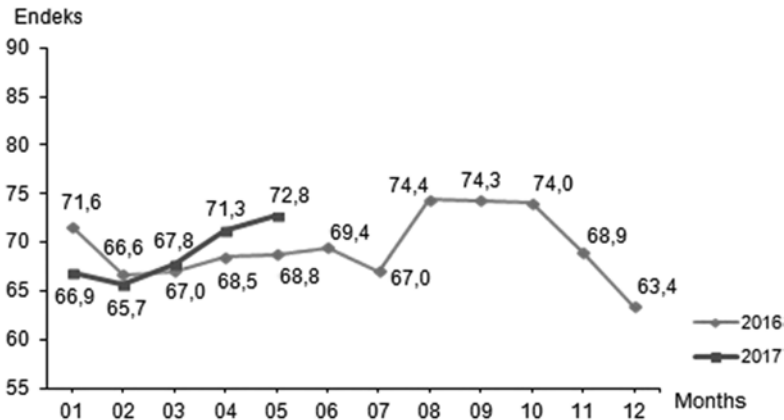


Fig. 12. Turkish Consumer Confidence Index.

Table 4. Definitions of Perceived-Risk Dimensions.

Risk Dimensions	Definitions
Financial risk	Relates to monetary loss in the case of a bad purchase.
Performance risk	Relates to the functional aspects of the product.
Psychological risk	Reflects an individual's disappointment in himself.
Physical risk	Relates to health or safety.
Social risk	Reflects disappointment in the individual among friends.
Time risk	Relates to the time spent on the purchase of a product.

Source: Cases (2002).

It is also important to understand who is actually responsible for making a purchase decision. According to [Kitapci and Dörtyol \(2009\)](#), in a traditional Turkish family, the father dominates purchase decision-making as the unique breadwinner (financial source) for the family, but he has started to lose his power, thanks to women becoming better educated and more independent financially. [Kitapci and Dörtyol \(2009\)](#) note that women with higher education and occupational levels are more influential in the procurement decision process than those who are relatively uneducated and do not work outside the home.

Stage 5: Post-Purchase Evaluation

Marketers recognise that purchasing activity does not end with a sale being completed. Following the purchase, the consumer's satisfaction or dissatisfaction affects the post-purchase evaluation, which might be measured by the degree of disparity between expectation and performance (see Fig. 13). This suggests that marketers should offer realistic value propositions ([Solomon, Marshall, & Stuart, 2012](#)).

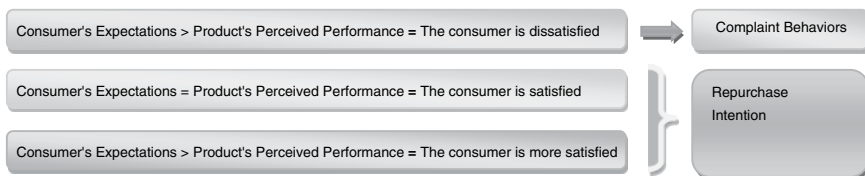


Fig. 13. Customers' Post-Purchase Evaluation.

The possible outcomes of post-purchase evaluation are either satisfaction or dissatisfaction, and both outcomes have influential capacity as consumer endorsement or disparagement of the product and/or brand. As discussed previously, the WOM effect is important in generating consumer expectations. Savaş and Günay (2016) found that WOM has considerable impact as a predictor of Turkish consumers' post-purchase satisfaction levels. Özer and Antepioğlu (2014) highlighted that satisfied customers tend to display positive WOM whereas unsatisfied customers are inclined to adverse commentary in the post-purchase evaluation.

CONCLUSION

Decisions in daily life are natured differently in many dimensions. Consumers sometimes make purchases out of habit or without much thought; occasionally, they seek additional information to help them evaluate alternatives. Without previous experience of a product or service, consumers wish to reduce the perceived risks of purchase by investing time and effort in the decision-making process. This type of process happens less often compared to habitual purchases or those involving simpler choices.

It is important for both academicians and marketers to understand consumer motivations and the decision-making parameters of time, information, evaluation of choices and the types of behaviour that vary with the frequency of purchasing.

Research investigating Turkish consumer behaviours and their influences as noted in this chapter has produced similar results for the literature of the wider field. However, contradictory findings have also been reported. These may be a consequence of research design, particularly researchers' use of non-probability sampling techniques, a sampling method that is a main obstacle to the generalisation of results. To achieve greater generalisation of results, studies could utilise random sampling methods. Finally, measuring and observing behaviours, rather than attitudes and intentions only, would provide more solid research outcomes.

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SECTION 4
BUILDING BRANDS IN TURKEY

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CHAPTER 4.1

CONSUMER–BRAND RELATIONSHIPS IN TURKEY

Ezgi Merdin-Uygur, Umut Kubat and
Zeynep Gürhan-Canli

ABSTRACT

Marketing academics and practitioners have acknowledged that consumers form specific relationships with brands that are able to create unique and memorable qualities. As a result, the concept of consumer–brand relationship has been of great interest for marketers. Indeed, consumer–brand relationships are very complex and multidimensional in nature. A common perception is that brand management should create ultimate offerings and communication to have successful relationships with its consumer base. However, how consumers construe their relationships with brands is mostly out of the brands' control. It is an emotion-intense realm and necessitates careful study of the consumers as well as the context. After summarising the current literature on brand relationships, we focus on Turkish consumers' relationships with brands.

By focussing on a range of global and local brand studies, this chapter offers a comprehensive and well-informed analysis of the issues and practices involved in consumer–brand relationships in the Turkish context.

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The chapter is organised into three parts. The first part focusses on antecedents of consumer–brand relationships such as the global or local identity of the brand and brand personality. The second part presents detailed explorations of various brand relationships such as brand love and brand trust. The third and the final part focusses on an important phenomenon, the stage for various brand relationships, being online brand communities. The chapter concludes with the future research directions in these three main areas together with a discussion of offline and online branding opportunities in the Turkish market.

Keywords: Brand management; consumer–brand relations; brand love; brand loyalty; brand communities; brand personality

INTRODUCTION

The concept of ‘consumer–brand relationships’ (CBR) has received much interest from researchers during the past two decades (Fetscherin & Heinrich, 2015). Marketing research has tried to identify these relationships, how are they formed, how can they be measured and how can they evolve. The aim of this chapter is to inform researchers and practitioners about this relatively new concept by focussing on research and practices in Turkey.

Consumers may form different types of relations with brands. These relationships may take many forms from ‘one-time affairs’ to ‘love affairs’. Each type of relationship is associated with different emotions and norms (Fournier, 1998). Relationships with a brand are connected to the meaning ascribed to the brand. Meaning is an essential part of forming relationships with brands since brands contribute to individual’s self-concepts and identity (Swaminathan, Page, & Gurhan-Canli, 2007). Brands may have functional or symbolic meanings. Consumers can impart unique meaning to brands through their own experiences or relationships. However, marketers also play a role in the establishment of brand meaning through marketing communication programmes. As brand relationships have various meanings or motivators, they also have various outcomes. CBRs have behavioural effects such as brand loyalty, engaging in word of mouth (WOM), or involvement in brand communities. They also have psychological effects such as brand engagement or brand love.

The first part of this chapter evaluates brand iconicity and brand’s globalness or localness since Turkish brands would probably need to be global to some degree in order to be successful (Özsomer, 2012). This part also

reviews the role of brand personality dimensions in CBRs. Setting the right brand personality dimension is a strategic tool for marketers in Turkey. Here, adaptations of brand personality scales in the Turkish context are reviewed, revealing different brand personality types such as competency, excitement, traditionalism and androgen (Akin, 2011; Aksoy & Özsoyer, 2007).

The second part includes topics of brand trust, brand loyalty, brand engagement and brand love, as these are among the most widely investigated outcomes of CBR in Turkey. There are 759 papers or dissertations indexed in Google Scholar with the search term of 'brand loyalty' and 527 with the search term 'brand engagement'. Customers may be loyal to a lot of brands whereas only a few brands can be loved among a vast sea of brands (Ahuvia, 2005). Brand love is defined as 'the degree of passionate emotional attachment a satisfied consumer has for the brand' (Carroll & Ahuvia, 2006, p. 81). In order to delve into brand love in Turkey, we report the results of the thematic analysis of the brand love stories of Turkish consumers. Nostalgia and unforgettable brand experiences have been discovered as important themes. The chapter concludes with the contemporary topics of online brand relationships such as WOM marketing and online brand communities.

ANTECEDENTS OF BRAND RELATIONSHIPS

Global and Local Identities of Brands

When we look at the success factors of strong brands, it is observed that they are globally or locally iconic. Local iconic brands symbolise the values, needs and aspirations of the members of the local country (Özsoyer, 2012). Especially in culturally relevant categories such as the food and drinks industry, local brands are perceived to be of higher quality (Özsoyer, 2012). However, combining globalness with localness as a hybrid branding strategy is crucial for brand success. Özsoyer (2012) calls it the marriage of global brand success with local iconicity. This strategy is especially important in developing markets such as Turkey. Most love-brands in Turkey make cultural adaptations and become glocalised (i.e. McDonald's McTurco and Burger King's Ramadan menu).

Global or local identity of a brand is best reflected in marketing communication efforts such as advertisements. In Turkey, advertisements and communication materials include a lot of ethnic or cultural cues to support brand identity. Zeybek and Ekin (2012) analysed global food brands' advertisements

in Turkey that included cultural codes and localness/globalness cues. Their sample of print ads from fast moving consumer goods (FMCG) included McTurco of McDonalds, Lipton teabags and Carte d'Or ice creams. The analysis revealed the glocal approach of iconic brands in Turkey. For example, ice cream or fast food brands made associations with religious practices and festivals such as Ramadan. Another example is advertisements about tea, which is the most consumed drink in Turkey. Even though a tea brand is a foreign brand, its communication material respects local consumption patterns such as local and transparent tea glass shapes. Such a glass image is the opposite of opaque cups used in the United Kingdom. Zeybek and Ekin (2012) conclude that glocalisation strategies of global brands' communication in Turkey lie in four domains. These four domains are 'values' (i.e. Ramadan, love and sharing), 'beliefs' (i.e. Ramadan, holiness, mosque and iftar), 'rituals' (having soup before meal and having dessert after meal, drinking tea with glass cup, etc.) and 'symbols' (i.e. glass cup, redbud flower and Bosphorus Bridge).

Research also looked at the cultural cues in 10 global brands strong in the Turkish market (i.e. Apple, Coca-Cola, IKEA and L'Oreal) (Deneçli, 2013). Similar to Hofstede and Hofstede's (2001) dimensions, cultural signals were represented by domains of symbols, heroes, rituals or values. For example, HSBC used a traditional Turkish house interior in its ads, while Nike portrays a traditional Turkish picnic atmosphere with a grill. The analysis concludes that global brands conduct their marketing communication in a number of culturally relevant ways. While doing this, such brands use a diverse range of values, beliefs, rituals, traditions or personalities depending on the country (Deneçli, 2013).

Brand Personality and Congruity with Consumers

Brand personality, the set of human characteristics associated with a brand, has received significant attention from relationship marketing researchers. The importance of brand personality in building relations arises from the symbolic benefits it provides. The benefits provided by the brands fall into three categories as functional, experiential and symbolic. Symbolic benefits are about self-expression and the way we signal to others by means of objects of consumption (Heding, Knudtzen, & Bjerre, 2009). Consumers are known to form strong relationships with brands that have personality associations that are congruent with their self-concept (Sirgy, 1982). Brand personality is an efficient driver of emotional bonding between a brand and consumers because brand personality serves as a means of construction and expression

of the self. At the individual level, consumers prefer certain brands because they carry a symbolic significance in creation and maintenance of self (Heding et al., 2009). At the social level, brand personality serves to signal as belonging to certain social subcultures (Heding et al., 2009). Thus, brand personality construct can be a driver of strong CBRs.

By conducting an extensive research, Aaker (1997) developed a framework of brand personality and highlighted its five dimensions (sincerity, excitement, competence, sophistication and ruggedness). Beliefs may change from culture to culture, and in a similar way the perception of brands change from culture to culture. These differences in brand perceptions are evidenced in brand personality dimensions too. For example, Japanese brand personality dimensions include peacefulness and Spanish brand personality dimensions include passion instead of the ruggedness of the American dimension (Aaker, Benet-Martinez, & Garolera, 2001). Brand personality dimensions in Turkey were determined by Aksoy and Özsoyer (2007) as competence, excitement, traditionalism and androgyny. The first two dimensions are common across different cultures. Traditionalism is an adjective widely used in defining the Turkish culture whereas androgyny shows that the brands can be identified by feminine or masculine adjectives. Traditionalism dimension is unique to Turkish culture, but androgyny was also observed in the US samples (Sung & Tinkham, 2005).

Some research companies tried to measure androgyny of the brands in Turkey. Research conducted by *Mediacat* journal and Dora Research Company in 2012 revealed that Turkish consumers perceived beer brands (e.g. Tuborg and Efes) and automobile brands (e.g. Mercedes-Benz and Ford) as masculine brands. They perceived retail brands such as BİM or Migros as feminine brands (Baysal, 2012). Further market research called 'Brandmaker Brand Value 2014' (Brandterapi, 2014) revealed five dimensions of brand personality as competence, excitement, traditionalism, globalism and rebelliousness. According to the findings of this study, the most competent brand was Arçelik (refrigerators), the most exciting brand was Nike, the most global and rebellious brand was Adidas and the most traditional brand was Bim. Arçelik was also seen as the most culturally symbolic brand of Turkey (Brandterapi, 2014). Despite these investigations, more academic research is necessary to generalise these findings and to understand in a better way how brands are perceived by Turkish consumers. Brand managers need to be aware that Turkish brand personality dimensions are not the same as the US dimensions. Finally, brand managers should be cautious because brand personality is not a stable construct and the perceptions of the consumers may be different from the dimensions imposed by the company.

Building up a strong and winning brand personality is also crucial because previous studies have shown that brand personality is an antecedent of brand trust (e.g. [Louis & Lombart, 2010](#); [Sung & Kim, 2010](#)), brand attachment (e.g. [Louis & Lombart, 2010](#); [Swaminathan, Stilley, & Ahluwalia, 2009](#)), brand commitment (e.g. [Fournier, 1998](#); [Louis & Lombart, 2010](#)), brand engagement ([Goldsmith & Goldsmith, 2012](#)) and brand loyalty (e.g. [Kim, Lee, & Suh, 2015](#); [Lin, 2010](#); [Ramaseshan & Stein, 2014](#)). In the next sections, we delve into these concepts which are significant actors in CBRs.

CONSEQUENCES OF BRAND RELATIONSHIPS

Brand Trust, Brand Loyalty and Brand Engagement

Brand trust is defined as ‘the willingness of the average consumer to rely on the ability of the brand to perform its stated function’ ([Chaudhuri & Holbrook, 2001](#), p. 82). Loyalty can be evaluated as attitudinal and behavioural. Attitudinal loyalty is defined by [Jacoby and Chestnut \(1978\)](#) as the consumer’s predisposition towards a brand as a function of psychological processes, which include attitudinal preference and commitment. On the other hand, behavioural loyalty is defined as the consumer’s tendency to repurchase a brand revealed through behaviour, which can be measured and which impacts directly on brand sales ([Hammond, East, & Ehrenberg, 1996](#)). Loyalty behaviours may include repeated buying, resisting brand switching and spreading positive WOM. Brand loyalty is perhaps the most studied outcome of CBRs in Turkey. There are 801 papers or dissertations indexed in Google Scholar with the search term of ‘brand loyalty’ in Turkish. Turkish papers on brand loyalty are predominantly focussed on antecedents of brand loyalty, and there are some other groups of papers on measurement techniques of brand loyalty.

A group of researchers examined the relationships between the concepts of brand trust and loyalty. This stream of research emphasises that these concepts are related to each other. Among the most cited ones, [Chaudhuri and Holbrook’s \(2001\)](#) study shows that brand trust combined with brand affect determines both purchase (behavioural) loyalty and attitudinal loyalty. Research from Turkey supports the findings of [Chaudhuri and Holbrook \(2001\)](#). For instance, [Sahin, Zehir and Kitapçı \(2011\)](#) also show that brand trust positively affects brand loyalty. This study was conducted in Istanbul using automobile brands. Another study conducted in Ankara by [Özdemir](#)

and Koçak (2012) yielded similar results. The researchers measured trust and loyalty for cellphone brands, and found that brand trust mediates relations between brand satisfaction and brand loyalty (i.e. attitudinal and behavioural). According to Chaudhuri and Holbrook (2001), brand trust leads to brand loyalty because trust creates exchange relationships that are highly valued.

Brodie, Hollebeek, Juric, and Ilic (2011, p. 257) define customer engagement as ‘a psychological state that occurs by virtue of interactive, co-creative customer experiences with a focal agent/object (e.g. a brand)’. A number of researchers have studied the consequences of customers’ brand engagement. Brand trust (Brodie, Ilic, Juric, & Hollebeek, 2013; Hollebeek, 2011) and brand loyalty (Brodie et al., 2013; Casalo, Flavian, & Guinaliu, 2007) are among these consequences. The effect of brand engagement in CBRs is specifically prominent in online contexts. The internet provides a medium for consumers to be active co-producers and engage in behaviours that strengthen their relationship with the brand.

Brand Love

In today’s world, there are increased opportunities for individuals to share their life experiences with very large social circles via the Internet. The same opportunities are present for consumers to share their product and brand experiences via WOM. Research shows that consumers engage in more positive WOM when the brand is self-expressive and is a love-brand (Carroll & Ahuvia, 2006). It is not uncommon to feel a strong love towards certain brands such as Apple. In a similar vein, being in love with a certain restaurant chain or longing for a pair of designer jeans are shared with masses. These unconventional attachments are analysed under the rubric of consumer–brand love.

The influential work of Fournier (1998) established brands as relationship partners in consumer behaviour literature and research. Via in-depth interviews, Fournier (1998) demonstrates how consumers develop relationships with certain brands by anthropomorphising them. These relationships vary in terms of their intensity and nature. CBRs may resemble marriages of convenience, committed partnerships, arranged marriages, compartmentalised or circumscribed friendships, childhood buddies, best friends, casual friendships, rebounds (avoidance-driven relationships), committed partnerships, kinships, enslavement, dependency, enmities, flings, courtships and secret affairs. As a supreme form of CBR, consumer–brand love is

‘the degree of passionate emotional attachment a satisfied consumer has for the brand’ (Carroll & Ahuvia, 2006, p. 81). Brand love consists of six dimensions (Albert, Merunka, & Valette-Florence, 2008) such as idealisation, continuity, memories and dreams. Understanding brand love required tools and frameworks available in the areas of social psychology and sociology explaining interpersonal love.

Currently, companies can no longer control the perception of their brands. It is also more difficult for brands to persuade and sustain their consumers. The current state of the Turkish market is also a scene for unconventional loyalties towards brands such as brand love. Brand love is emotion-intense and partly irrational. In Turkey, MediaCat and Ipsos market research agencies determine and publish the lovemarks of the year in 23 different product categories.

Most loved global brands are also lovemarks in the Turkish context. Özyer (2015) looks at the love relationship between Turkish consumers and the love-brand Coca-Cola. Coca-Cola has been present in the Turkish market since 1964 and there is an emotionally intense relationship with its consumers. Özyer (2015) revealed positive significant relationships between brand love, brand loyalty and WOM for Coca Cola among Turkish consumers. Moreover, brand love statements fell under three categories such as brand relationship, brand satisfaction, brand memories and dreams. Brand love, WOM and brand loyalty relationships are also significant in the context of sports shoes in Turkey. Moreover, variety-seeking, brand image and social self are potential determinants of brand love (Ünal & Aydin, 2013). However, those who scored high in terms of variety-seeking did not report high levels of brand love.

Turgut (2014) looked at the relationships between brand love, brand trust, resistance to negative information and repurchase intentions. Consumers in Ankara participated in this study regarding the apparel category. Measured via a 26-item scale of Bagozzi, Batra, and Ahuvia (2013), brand love acts as a mediator between brand trust and resistance to negative information. Brand love also positively predicts repurchase intention. As evident, studies in the Turkish context used various brand love scales in literature and validated them in the Turkish context. The relationships of brand love with brand loyalty and WOM turned out to be consistent across product categories and locations.

Methodology

Traditional economic or managerial tools of research, such as satisfaction surveys or repeat purchase data, are no longer capable of grasping the emotional realm of consumers’ private or shared experiences with brands. Therefore, we

also conducted a brief qualitative exploratory research with Turkish consumers. This study involved collecting the brand love narratives of consumers. Critical incident technique (CIT) is employed in this study as an ideal method for collecting stories. The narrative-like process of thinking in humans enable researchers to retrieve episodic brand-related information declared in the form of stories. Thus, knowledge retrieval via verbal or written stories lets the researcher access unconscious consumer brand knowledge stored in episodic or implicit memory (Koll, von Wallpach, & Kreuzer, 2010). Also, storytelling is useful for revealing the experiential benefits in the age of experiential economy. The brand love stories were then subjected to thematic analysis.

The respondents were given a brief definition of brand love. Then, we asked the consumers to narrate a specific event where they felt love for a brand. In the second part, we asked the consumers to narrate another event that they felt their love-brand also showed love to them as a consumer. The participants also reported their age, socioeconomic status and gender.

Data and Results

We collected stories from a sample of 53 Turkish consumers using a combination of snowball and convenience sampling. Twenty-four males and 27 females (2 unknown) signify a balanced sample in terms of gender. The age range was between 19 and 52 years with a mean age of 27.6. The results revealed Apple as the most loved brand (mentioned 6 times) and fashion brands as the most loved category (mentioned 17 times). The love-brands were mainly from three categories: 17 apparel brands mentioned by 14 people, 10 beverages or snacks brands mentioned by 1 people and 7 electronics brands (including durable goods and mobile phones) mentioned by 13 people.

Thematic analysis is an iterative process that organises and describes a data set in rich detail (Boyatzis, 1998). The results of iterative content analysis and coding revealed 14 themes presented in Table 1 with their verbatim statements.

The 'nostalgia' theme mostly included unforgettable childhood memories with the brand. They include easily recalled peak experiences with the brand or branded product. The theme is narrated by some consumers as follows:

When I finished high school and began college, my first pair of shoes was Converse limited collection... (Case #27, male, 23)

When I was a child I had all brands of consoles but there is one incident that I played with that console 19 hours nonstop. (Case #1, male, 28)

Table 1. Thematic List for the Incident of Brand Love.

Theme	Frequency	Verbatim Statement
Nostalgia	11	There is one incident that I played 19 hours nonstop
Quality	10	...quality is a priority compared to other brands
Status	10	I met it by seeing in the hands of businessmen in movies 'makes me feel like a boss'
Freedom of choice	9	The whole range is good and satisfactory, bitter especially 'I can find a whole range, including milk, yoghurt, ayran and cheese'
Dependability	8	My motorcycle never lets me down, including long-range travels
Habit	6	I developed a hand habit with (branded) phone, got used to touching any screen with short intervals
Economic advantage	6	...they have butterfly discounts and university-special discounts
Addiction	6	I waited for 2 hours in front of the store for someone I know to pass because I lacked 2 liras to buy the item I wanted. That's when I realised I have an emotional addiction to the brand
Aesthetics	5	...very chic design...
Functionality/utility	4	The quality of processing and resolution proves that it is good not only from outside but also inside
Trust	4	When I know it is E (the brand) I am holding, I drink it with trust and peace
Others' liking	3	I feel good when my friends say 'wow she is wearing ...'
Care	3	...their attitudes towards the consumer
Advertising	3	It is the only drink I choose when I see all beverages together, and the reason for that is their commercials
Post-purchase services	4	It won my heart by post purchase services whereas all other brands care for the customer only until purchase
Self-defining	2	I think their style and products totally represent me

Some brands were constantly pronounced as providing (high) status and a desirable image, which are thematised in this study as 'seeking status and others' liking'. The theme is narrated by some consumers as follows:

I feel good when my friends say 'wow she is wearing Mango'. (Case #45, female, 23)

I met that mobile phone brand by seeing in the hands of businessmen in movies ... it makes me feel like a boss.(Case #47, male, 23)

Seeking impression through brands is so high that consumers also pronounce a price premium. Paying more for similar value is a highly desirable managerial outcome and it happens when the person is connected to the brand with love:

Even though I know the outlet sells cheaper, I buy the exact same Lacoste shirt for a higher price the first time I see it. I also buy a range of colors of the same shirt. (Case #52, female, 27)

Another important theme is ‘addiction’/‘habit’. This theme includes recalling panic moments when the love-brand is unreachable or a high amount of disturbance when the brand is not bought or owned or found. These situations may even be accompanied by physical symptoms of separation. For example:

When I cannot find my favourite water brand, I have to drink a minimum amount of another brand and it feels like my throat is hurt immediately... (Case #39, female, 23)

In order to avoid overgeneralisations and to build on the existing literature, we prepared a comprehensive and comparative table. [Table 2](#) shows a list of revealed themes together with similar themes from previous research.

To be relevant managerially, we also asked the respondents to specifically recall an incident when they perceived that brand showed love to them as consumers. We content-analysed the moments of being loved by the brand, and summarised the themes in [Table 3](#), presented with their exemplary verbatim statements.

However, it must be noted that this question provided less detailed narratives and 19 of 53 cases recall no experience of being loved by the brand.

Table 2. A Comparison of Main Themes of Brand Love.

Themes of the Study	Themes from the Literature
1. Nostalgia	Things done in past, length of use (Batra, Ahuvia, & Bagozzi, 2012)
2. Quality	
3. Status	
4. Freedom of choice	Desired self-identity (Batra et al., 2012)
5. Dependability	
6. Habit	Long-term relationship (Batra et al., 2012)
7. Economic advantage	
8. Addiction	Frequent thoughts, anticipated separation distress (Batra et al., 2012)
9. Aesthetics	Something is missing when not using (Aaker, Fournier, & Brasel, 2004)
10. Functionality/utility	
11. Trust	Certainty, confidence (Batra et al., 2012)
12. Others’ liking	Desired and current self-identity (Batra et al., 2012)
13. Care	
14. Advertising	
15. Post-purchase services	Positive evaluation of the brand (Ahuvia, 2005)
16. Self-defining	Desired and current self-identity (Batra et al., 2012)
	Integration of the brand into identity (Ahuvia, 2005)

Table 3. Thematic List for the Incident of Brand Loving Back.

Theme	Frequency	Verbatim Statements
Awarded loyalty	8	I had lots of free coffees with their 'Ankara city card' project
Dependability	7	'The products I bought 10 years ago are still intact'.
Feedback/communication	7	'They provide feedback even for the smallest issue'.
Surrounds me	5	'It impresses me that they are everywhere'.
Value	5	'They even produce copy chips so that more people can buy and use it'.
Salespeople	4	'...the fun conversations I have with the staff of my favourite station is enough in itself'.
Brand personality	3	
Advertisements	3	
Events	1	

In some cases the love-brand is even perceived as cold and distant, representing a 'parasocial consumer-brand relationship' (Aaker et al., 2004). For example:

They are producing selling-oriented advertisements for profit and image-advertisements for loving. This is how it needs to be. (Case #39, male, 23)

The majority of consumer narratives for being loved by the brand included marketing communication, everyday marketing plans and tactics, brand personality or brand characters. Other mentioned topics were salespeople, immediate feedback, continuous communication, value and care, ads and events, innovativeness and utility. Specifically, loyalty projects, database marketing, perks and awards make consumers feel loved by the brand. Furthermore, *salespeople* are important in terms of showing love to consumers. Casual chats with the store manager, book recommendations and friendly relationships are the ways of loving the consumer. As a conclusion, internal branding may be a strategic tool for not only increasing employee commitment but also increasing customer commitment. Salespeople make up the flesh and soul of the brand in the minds of the consumers.

These findings reveal that in Turkey being a love-brand is mostly based on nostalgia or status relationships. Traditional marketing mix tools such as pricing or advertisements are secondary in such relationships. It is also observed that Turkish consumers had fewer stories to tell about being loved by the brand. Therefore, aspiring brands should take this opportunity to show love and employ strategies based on the revealed themes. For example, loyalty-based surprises and feedback-based relationships are two strong ways of showing love. Aspiring love-brands should increase CRM-based activities and surprise and love their consumers consistently and in a customised way.

ONLINE CONSUMER–BRAND RELATIONSHIPS

The internet influences all aspects of human behaviour from the way in which organisations operate to the way people spend their free time and make purchases. The way we socialise has changed drastically by the use of the Internet (Hamburger & Ben-Artzi, 2000). The internet has also changed the way we interact with brands. Consumers can now directly contact companies and brands through social networking sites. Social media enables brands and consumers to connect, communicate and engage. They interact with brands by ‘liking’ or ‘commenting’ on Facebook, ‘retweeting’ on Twitter, ‘sharing videos’ on YouTube and ‘sharing photos’ on Instagram. Another method is uploading the content, which is generated by customers regarding the brands. Therefore, companies are also directing their marketing efforts towards these media, and brands have started to set up their own brand like pages and recruit their audience. Consumers can become ‘fans’ or ‘followers’ of brands via SNS. Thus, social media created a new friendship terminology for CBR.

A main study area involving social media as a marketing tool is research on brand communities. A brand community is a ‘specialised, non-geographically bound community, based on a structured set of social relations among admirers of a brand’ (Muñiz & O’Guinn, 2001, p. 412). The last decade has seen proliferation in online brand communities or, in other terms, in virtual brand communities. Online brand communities can be grouped into two as consumer created and company created. Social network marketing concept is a new developing area in Turkey. Still, few companies in Turkey today use the Internet effectively to manage their marketing activities through brand communities. Among these communities, Gencturkcell (gnctrkcell) owned by Turkcell, a GSM operating company, is a very successful one. Gencturkcell is a youth club of Turkcell and offers special deals targeting younger generation. Turkcell has used social listening to improve its loyalty programme. In 2012, it launched a Facebook campaign to elect youth ambassadors who could represent this segment and build Turkcell’s understanding of its needs. Five youth ambassadors were selected from 17,000 candidates. Turkcell received thousands of comments as a result of these ambassadors’ one-to-one social media interactions with other consumers. After implementing ambassadors, all youth campaigns scored at the top percentile in relation to Brand Awareness and Persuasion scores according to the Milward Brown Link Test model. Turkcell was awarded by the *Loyalty* magazine in 2013 for this programme (McIntosh, 2013). Volkswagen Beetle brand community is an example of consumer-generated brand communities in Turkey. Beetle is named as ‘Tosbaga’ or ‘Vosvos’ in Turkey. There are numerous Vosvos

communities around the world, and there are several in Turkey. The biggest Turkish Vosvos Facebook community page has more than 383,000 fans. Turkish Vosvos communities organise convoys, meet-ups and fairs. According to [Alagoz, Ekici, and Islek \(2011\)](#), Vosvos community members find the brand very attractive, and are enthusiasts of the brand. They also have a strong commitment to the brand. They wave, beep their horn or flash their lights to other Beetle drivers as done by members in other countries.

The purpose of online brand communities is to build stronger relationships between brands and community members by engaging the members. Online brand communities may contribute to spreading brand-related content and in this way increase the brand's visibility, brand awareness and brand involvement ([Jahn & Kunz, 2012](#)). Thus, increasing consumers' level of engagement may help to boost brand performance. Today, most of the online brand communities are initiated on the platform of social media. To strengthen consumers' level of engagement, social media marketers need to understand clients at first. Hence, it is crucial to understand consumers' motivations to interact with brands via social media.

Several researchers have tried to understand the motives of brand interactions through social media (e.g. [Azar, Machado, Vacas-de-Carvalho, & Mendes, 2016](#); [Enginkaya & Yilmaz, 2014](#); [Rohm, Kaltcheva, & Milne, 2013](#); [Sukoco & Wu, 2010](#)). There are different types of motivations that drive consumers to interact with brands on online platforms. Not all brand community members or those who often visit a definite brand page are real 'brand enthusiasts'. For instance, those who are merely 'opportunists' may follow brands to take advantage of promotional events, deals or exclusive offers. Consumers may gain utilitarian and hedonic values from their participation in brand communities ([Schau, Muñiz, & Arnould, 2009](#)). These two values can be explained by the social identity theory ([Tajfel & Turner, 1985](#)) and the social capital theory ([Coleman, 1988](#)). According to the social identity theory, consumers join a brand community to fulfill the need for identification with symbols and groups ([Habibi, Laroche, & Richard, 2014](#)). The social capital theory predicts that consumers pursue some sort of economic value through networking with their fellow members in the brand community ([Habibi et al., 2014](#)). By using latent class analysis, [Rohm et al. \(2013\)](#) identified 10 consumer motivations for engaging in brand interactions on Facebook, Twitter and by email: fresh/timely content, entertainment/fun, product information, promotions/incentives, browsing, engagement, customer service, branded content, purchase, exclusivity and privacy/trust. Research conducted in Turkey by [Enginkaya and Yilmaz \(2014\)](#) revealed that motivators such as

'conversation', 'brand affiliation', 'opportunity seeking', 'entertainment' and 'investigation' lead consumers to follow brands in social media. Although different names are used to identify motivations, most of these terms refer to similar concepts (e.g. economic value, opportunity seeking or promotion/incentives).

Researchers suggest that motivations of online brand community engagement may differ with the type of brand community (Lee, Kim, & Kim, 2011, 2012). When experiencing consumer-created brand communities, consumers expect intrinsic motives of altruism whereas when experiencing company-created brand communities they expect extrinsic motives of profit exploitation, which in turn result from different levels of eWOM. In a similar way, Sung, Kim, Kwon, and Moon (2010) found that consumers' community participation intention was related to different motives depending on the community type. That is, consumers' consumer-generated community participation intention was significantly related to the motives of brand likability and interpersonal utility (e.g. social relationship) whereas their marketer-generated community participation intention was significantly associated with the motives of brand likability, convenience-seeking and incentive-seeking (e.g. coupon).

Branded mobile applications can also help the companies to market their brands successfully. Zhao and Balague (2015) identified five types of branded apps. These are listed as tool-, game-, social-, m-commerce and design-centric apps. Perhaps, the most important goal of branded apps is communication. Branded apps can enhance brand engagement and increase brand loyalty. Few Turkish brands developed their apps to provide users with utility. These tool-centric apps are designed to assist consumers in using/buying products. For example, Arçelik, Beko and Vestel have smart remote apps which allow consumers to control their Smart interactive TVs by using smart phones or tablets. Game-centric apps are also created by Turkish brands. For instance, Pinar, a food brand, has created an app for kids named as 'Pinar Kido Fun World'. However, to our knowledge there isn't any social-centric app developed by Turkish companies. Social-centric apps are more functional in fostering brand communities as they tend to use social features such as rating, sharing and commenting. These types of apps also allow users to communicate brand image to their social circles via social media. Thus, brands may use social-centric apps to increase brand awareness and create positive image.

Not all the consumer-generated brand communities are formed in favour of brands. The antithesis of a brand community is an anti-brand community. In the same way brand communities are formed around commonly used brands and anti-brand communities are formed around common aversions towards brands (Hollenbeck & Zinkhan, 2006). Anti-brand activists

seek radical economic, political and cultural changes in relation to brands. According to [Hollenbeck and Zinkhan \(2010\)](#), these consumers are motivated to negotiate the meaning of brands in order to seek a new identity, to gain autonomy in the marketplace, to radicalise modernised values and to develop personally by transforming the self. Examples of anti-brand communities include anti-Starbucks ([Thompson & Arsel, 2004](#)), anti-Walmart and anti-McDonald's ([Hollenbeck & Zinkhan, 2006](#)).

Anti-brand actions are widely observed as negative WOM in Turkey. For instance, at [eksisozluk.com](#), at least for a few times a week, a title 'we are boycotting brand X ...' or 'brand X scandal' becomes so popular that it becomes a hot topic. Eksisozluk is a popular virtual community in Turkey which provides information, a source of learning, entertainment and socialisation ([Soylu, 2009](#)). It is a user-generated content website and has a collaborative hypertext dictionary structure which provides personal definitions from the users of the community in Turkish ([Gürel & Yakin, 2007](#)). At [eksisozluk](#), each concept/entity/condition is called a 'title' and the definitions written for a specific title are called 'entries'. As of April 10, 2017, there were 115,000 entries at [eksisozluk](#), including the term 'boycott'. These negative entries inevitably influence brand image. Therefore, anti-brand activism requires close attention from brand managers to prevent brand image to be damaged. By monitoring and understanding, the negativity generated by such entries can be directed into a more positive form of communication.

CONCLUSION

In this chapter, we analysed brand relationships from both global and local – Turkish – perspective. It is observed that most research focused on borrowing scales and concepts from the literature and using them in the Turkish context to show and validate the expected relationships in Turkey. There is limited research depicting unique characteristics of brand relationships in the context of Turkey. However, this chapter is expected to provide guidance in terms of measuring and managing brands' relationships with their consumers by fine-tuning branding strategies in the Turkish context.

When the most successful and most loved brands in Turkey were analysed, two patterns of success emerged. First, locally iconic brands that originate from Turkey are successful. These locally iconic brands are original, and are based on the local values, necessities and/or traditions of this country. Second, globally iconic brands that adapt themselves locally are successful in Turkey.

Further discussions on the topic can be made via a cultural branding perspective (Cayla & Arnould, 2008). Cultural branding is a culturally relative and contextually sensitive approach to international branding based on brand mythologies (Cayla & Arnould, 2008). Global brands should be aware that their marketing communication may not necessarily work everywhere as they intend it to. Moreover, 'experiential categories that consumers create for brands are not necessarily the same as the categories imposed by the marketers in charge of brand management' (Fournier, 1998, p. 367). For example, global brands in China may be perceived as liberators and instruments of democracy in their country. Research conducted with an Albanian sample living in different countries also revealed that brands from their home country play three roles. These consumers see an Albanian brand as a friend from home, as a family member and an ambassador of their home culture (Dino & Cappellini, 2014). In a similar vein, there is a limited number of research that looks at Turkish brands' communication in Germany and the Netherlands where Turkish immigrant populations live. The future research may analyse CBRs between consumers living outside of their home country with brands from their home category.

We also briefly analysed the current literature on major outcomes of successful brand relationships. These positive outcomes are brand trust, brand loyalty and brand engagement. Apart from local brands, Turkish people are also loyal to brands originating from other countries, such as Coca-Cola. However, research is lacking in terms of analysing loyalty and trust towards Turkish brands in other countries. The future research may analyse brand loyalty and engagement towards Turkish brands in other countries. For example, Saydan (2013) performed face-to-face interviews with British consumers at several locations in Coventry in the United Kingdom regarding their perceptions of the Turkish brand Beko. The results signify a very strong effect of country of origin in addition to rational determinants of brand loyalty.

The section on brand love sheds light on brand love themes. Generally, it is observed that the respondents focussed on tangible qualities of the lovemark or concrete events lived with the lovemark rather than focusing on their emotions. When analysed deeper, it is observed that the respondents who did not elaborate on how their lovemarks react actually reported long and detailed falling in love stories themselves. Apart from the revealed themes, we also see that lovemarks in Turkey lack ways of showing love to their consumers. We conclude with various recommendations and directions for the future research. For example, longitudinal narrative collection across life cycles would be of value to the literature. Most data in the Turkish studies comes from student samples and relatively very young samples due to convenience.

Even though our research sample covered an age range of 19 to 52 years, it is not enough to comment on differences based on age. Like almost all types of consumer behaviour, lovemarks are expected to differ according to different age groups. Moreover, one may observe an evolving CBR over time with the same consumer and the same lovemark. For example, as consumers age, they may seek more feedback and effort from the brand they love. As nostalgia with the brand is the most important theme in brand love stories, the intensity is expected to increase with age.

Distinct but related concepts that are discussed within the CBR paradigm are brand avoidance, brand rejection, brand jealousy or brand divorce. Research delving into these concepts may shed more light on the dark sides of brand love. For example, recently, [Sussan, Hall, and Meamber \(2012\)](#) introduced the concept of brand divorce via introspection. Departing from Starbucks, which was once a love-brand, is construed as a vital decision of life that affects the person deeply. The authors claim that the brand divorce was stemming from the increased practice of meditation and totally depending on the consumer, not on the brand. However, considering Turkey, we also witness increased emphasis on meditation, well-being, yoga and organic consumption patterns. These changing trends may also bring with it various brand divorces, rejections or avoidance.

Ironically, we also witness that recent research focusses on very intense forms of brand love called brand passion or brand romance. Brand passion is a very strong CBR that results in strong emotional attachment with many influences on behaviour ([Bauer, Heinrich, & Martin, 2007](#)). Brand romance, on the other hand, is characterised by high arousal and warm feelings. The cognition and thought processes of the consumer are dominated by brand-related thoughts in brand romance ([Patwardhan & Balasubramanian, 2011](#)). Methodologically, the future research may utilise alternative methods with more explanatory power. For example, in-depth interviews could reveal further information regarding the specific nature of consumer–brand love. The interview data can also be collected from brand community members who are the most relevant groups to investigate passionate relationships with a certain brand.

One step further from loving the brand is the concept of forming brand communities. These communities made up by fans of lovemarks are important phenomena of branding research. Online brand communities enable brand fans from all over the world to unite regardless of geographies. We provided examples from both local lovemarks (i.e. gnctrkcell of the mobile phone operator Turkcell) as well as Turkish extensions of global brand communities (i.e. VosVos team of Volkswagen). However, offline or online brand

communities are not always beneficial for the brands. For example, brand communities literature is evolving towards anti-brand communities. This new form of consumer activism on the Internet is a signature of resisting globalism and therefore powerful global brands (Hollenbeck & Zinkhan, 2006). Since there are very strong local and global brands in the Turkish marketplace, global brands should be aware of these rising communities. The examples we analysed in the US marketplace are rising anti-Starbucks and anti-McDonald's. Such brands are also important globally iconic brands in the Turkish context. Therefore, brand and marketing management of such firms should consider addressing the concerns and needs of this new type of consumer communities.

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CHAPTER 4.2

COMPETITIVE DYNAMICS IN TURKEY

Muhterem Şebnem Ensari

ABSTRACT

As a result of accelerating globalisation, competitive dynamics of the world are rapidly changing. Nowadays, both small and large enterprises exist in the same arena, which was not possible before. Similarly, emerging countries have become both markets and competitors for developed countries.

In this chapter, competitive dynamics of Turkey, as an emerging market, will be analysed by evaluating export, import and production volume of the main sectors in Turkey. The concept of competitive positioning and also competitive positioning in emerging markets will be explained. Cases from different industries will be included in order to comprehend the big picture, to understand the competitive dynamics in Turkey and to show the roadmap in management and marketing of these companies. This chapter is planned to be a helpful tool to guide entrepreneurs and managers working in and with Turkish companies to survive and market their products in the Turkish market.

Keywords: Survival strategies; marketing strategies; competition; emerging countries

INTRODUCTION

Every champion was once a contender that refused to give up’.

–Sylvester Stallone from *Rocky*

In the last 50 years, accelerating globalisation has changed the world very quickly. Especially, with the emergence of multinational corporations (MNCs) in the 1970s, multinational brands started to produce their products and also market these products to the customers of emerging markets (EMs). From that point until now, the related literature has two eras: first is focussing on entry strategies of MNCs to EMs, and the second is focussing on the survival and multi-nationalisation strategies of local companies in EMs. In the first stage, many authors such as [Arnold and Quelch \(1998\)](#) thought of EMs as growth opportunities for MNCs, and in related literature many articles focussed on the classification of entering strategies to EMs. As time passed, this process caused two changes in local companies in EMs, both large and Small and medium-sized enterprises (SMEs): Firstly, they faced multinational giant companies in their local markets. This means the local market became more competitive in terms of the number of competitors and also the number of new products. Secondly, they learned how to become an MNC and local companies started to compete with multinational and local companies in different countries.

Kotler (2005) addresses a five-step process in decision-making of internationalisation: the first step is the decision of internationalisation or not, the second step is a decision related to the market/markets selection, the third step is a decision related to the way of entrance to new market/markets, the fourth step is the decision of the marketing plan and the fifth and last decision is related to the marketing organisation. Globalisation has changed the world with these steps; especially the importance of making a global marketing plan is the key for the success of companies. After the decision of internationalisation, whether the company is a multinational or a local company, which wants to become international, it is faced with a question of standardisation of 4Ps, marketing or adaptation of 4Ps in each market. [Levitt \(1983\)](#) suggested that globalisation makes it possible to take standard product all around the world; this is easily the less costly way of internationalisation. In some way, it is true that globalisation makes us eat sushi in plazas far away from the Far East; on the other hand, these dynamics of globalization have been changing lately. On the other hand, Kotler (2005) recommends the adaptation of product specifications, colour, advertisement, brand name, material, media, labelling, price, boxing and sales promotion when a company decides

to market their product in a different country. Kotler (2005) suggested three different marketing strategies for a product: standard production, product adaptation and development of a new product; two promotion strategies: standard promotion and promotion adaptation; three different pricing strategies: standard pricing, cost structured pricing and payment-structured pricing; and consideration of three different channels: international marketing centres, channels between the countries and channels in foreign countries. Kotler (2005) defined that strategy of standardisation has succeeded in a few areas such as machine tools and consumer electronics. If companies see the world as their backyard because of globalisation, they still need to focus on the domestic needs of their new market. There are some very good examples of customisation of Turkish companies trying to globalise and also for global companies who want to enter or sustain their position in Turkish markets. One example of such a local company who successfully markets its products to the world is Mavi. The success story of this international jean company with standard products is impossible now, with a new customer profile that wants customisation of production according to their domestic needs, and background and physical differences. That is why Mavi produces different designs for America, Europe and Turkish people, and there were youngsters wearing Mavi on the cover page of *Time* magazine, with the name of millennials in 2013 (Mavi, 2017). That is why, HSBC in 2002 and Coca Cola a number of times conducted an advertising campaign highlighting local values of Turkish customers.

In the related literature, the competition and environment relationship was highly influenced by the studies of Porter (1979). Competition can be affected by external and internal environments. External environment includes macro items such as political, economic, socio-cultural, technological, environmental and legal environment. Porter (1990), in his paper 'Competitive Advantage of the Nations' explained factors, demands, related and supporting industries and firm structure as determinants of national competitive advantage. In this model, government and chance also have a role in affecting the success of company's competition level. At first glance, it is clear to say that Turkey, as an EM, has a very competitive position in many industries, since it has many advantages because of factors and demands such as its geographic position, young work force and customer profile, natural resources and its flora. When we consider industrialisation, Turkey is an emerging country with high possibility of growth, despite many political issues. Before the declaration of the Republic, there were few industries. Industrialisation started after Turkey was declared a republic, but it took time to open its market to global economies. Micro items

are related to each specific sector such as rivalry among existing competitors, threat of entrants, bargaining power of buyers, threat of substitute and bargaining power of suppliers (Porter, 1979). Internal environment is related to company's assets and competencies such as organisational culture, corporate image, plant and machinery.

These dynamic structures and survival strategies of companies in EMs drew the attention of Dawar and Frost (1999) in an article titled 'Competing with Giants: Survival Strategies for Local Companies in Emerging Markets'. They claimed that two important dimensions, which are the strength of globalisation pressures in an industry and the company's transferable assets, can guide a company's strategic thinking. They put forward that in every industry, globalisation pressure is different; according to the level of globalisation and the degree of transferability of their assets, companies decide to stay local with dodger and defender strategies or become multinational with contender and extender strategies. From this inspiring point of view, we found many opportunities to see examples of such strategies from EMs. For example, Ramamurti and Singh (2009) and Ramamurti (2012) studied the examples and labels, such as Huawei, Haier and Chery, and explained the extender strategies of companies from EMs. Ensari (2016) conducted a study of Turkey's 220 companies from textile and apparel and food and beverage sectors to see strategic differences in different global pressure levels. As a result of this study, Ensari (2016) built a model for the strategic choices of SMEs operating in Turkey (as an example to emerging economies) regarding the factors affecting this process, and analysed reasons of differences between recommended and existing strategies.

This chapter focusses on drawing a picture of competition in sectors of production, and recommends a strategy formulation and building marketing plan for the local companies of Turkey. The chapter is organised into four parts. The first part focusses on understanding competitive dynamics in EMs, since Turkey is an EM. The second part explains the current dynamics in production sectors without analysing service sectors. In these sections, in order to talk about competitive dynamics of Turkey, first the strategy formulation in emerging countries in general is explained, and then indicators of macro competitive environment in Turkey and competition in the main sectors of production are analysed separately. The third part gives some cases, including implementation of survival strategies and a suitable marketing plan conducted by Turkish companies. The chapter concludes with some recommendations for the companies to survive and maintain their existence in the long run.

COMPETITION AND EMERGING MARKETS

In this part of the chapter, first the concept of EMs is explained, then the competitive positioning strategies to enter EMs and survival strategies for local companies in EMs are discussed.

Understanding Dynamics of Emerging Markets

The term ‘emerging market’ or EM, which was coined in 1981 by Antoine W. Van Agtmael of the International Finance Corporation of the World Bank, is defined as an economy with low to middle per capita income ([Investopedia, 2017](#)). Nowadays, many authors think that EMs have become so important that they are called the growth engines of the world ([Kotabe & Kothari, 2016](#); [Raghunath & Rose, 2017](#); [Sinha & Sheth, 2017](#)). On the other hand, they point out the differences between EMs and the rest of the world. EMs have different specifications from industrialised markets such as heterogeneity, socio-political governance, chronic shortage of resources, unbranded competition and inadequate infrastructure ([Sheth, 2011](#)).

- (a) *Heterogeneity*: [Sheth \(2011\)](#) defines market heterogeneity as the variability in scale and consumption patterns among and across consumers in country markets. In the context of EMs, there are sharp differences between urban and rural households.
- (b) *Socio-political governance*: In EMs, institutions such as religion, government, business groups and nongovernmental organisations affect the market conditions more than competition itself. In most of these markets, governments have some instructions and act like a monopoly company.
- (c) *Chronic shortage of resources*: Emerging countries mostly experience shortage of power, raw materials, lack of skill-based labour which prevents effective production.
- (d) *Unbranded competition*: Most of the consumption in EMs is of unbranded products and services because of the purchasing power of the customers, wide acceptance of second-hand consumption and barter exchange.
- (e) *Inadequate infrastructure*: Lack of communication, energy distribution, logistics and storage are very common specifications of EMs.

The effect of marketing mix on the sales volume of EMs is also different from that of developed markets. Bahadir, Bharadwaj, and Srivastava (2015) found that the most important item of the marketing mix in EMs is the distribution channel, since in many EMs consumers are yet to try the products that have been marketed in developed markets. They also found that price is not the most important marketing tool; in fact, advertising and innovation are more effective for the purchasing decision of EMs.

*The Need for New Competitive Positioning to Market Products
in Emerging Markets*

Hooley, Broderick, and Möller (1998) define the term competitive positioning in the following words:

The competitive positioning a firm chooses to occupy is a combination of its choice of target market and the differential advantage it is seeking to create as a means of securing that market and lists basic positioning strategies as low price, superior quality, rapid innovation, superior service, differentiated benefits, tailored offerings.

There are two different approaches creating advantage in the related literature. The resource-based perspective emerged to counter the determinism of the Porterian view of competition (Porter, 1980) in which the firm seeks to explain sustainable competitive advantage through the rent-earning capability of using existing resources, while the marketing paradigm stresses the need for external market orientation to achieve competitive success (Hooley, Greenley, Fahy, & Cadogan, 2001). The competition position of a market is a combination of price charged, quality delivered, service provided, degree of innovation offered, delivery of specific features and degree of customisation (Hooley et al., 2001). With this explanation, it is more related to understanding the needs of customers and market.

Since EMs have different specifications in the market, foreign companies who want to market their product in these EMs need to take a new competitive position by considering the core assumptions of marketing, the core guiding strategy concepts and marketing policy and practice. Sheth (2011) offers to change marketing strategy from market orientation to market development, from relationship marketing to institutional marketing, for customer satisfaction to convert nonusers to users and marketing practices from globalisation to fusion, from diffusion of innovation to democratisation of innovation and country of origin advantage to nation brand advantage. Bahadir et al. (2015) found the moderating role of the market characteristics of

EMs on the relationship between the elements of marketing mix and brand sales. Vila, Bharadwaj, and Bahadir (2015) found that exploitation- and exploration-oriented marketing strategies need to fit the environment of EMs, since their findings provide a better understanding of the interaction between marketing strategies and market environment. According to their study, an exploration-oriented marketing strategy (development of new products), and retail investments, an exploitation-oriented marketing strategy (retail investment), emerge as significant moderators of the negative effect created in market environment in EMs.

Sinha and Sheth (2017) similarly recommend reducing the negative impact of the EM characteristics which might increase the ratio of first-time users to nonusers, thereby resulting in large-scale market expansion. In order to do this, they recommended eight marketing strategies rooted in the 4 A's framework: Affordability (through democratizing the offer, Upscaling the offer), Accessibility (through managing reach or reinventing reach), Acceptability (through cultural fusion or functional fusion), Awareness (through building brand identity or engaging stakeholders).

On the other hand, because of the different dynamics of EMs, local companies who want to be multinational need different formulations for internationalisation. Dawar and Frost (1999) suggested that the formulation of a strategy in an emerging country is different in a developed country, since competitive dynamics are different in emerging countries.

*The Need for Strategy Formulation of Local Companies:
Staying Local or Being a Part of Global Markets?*

Dawar and Frost Model

According to Dawar and Frost (1999), local businesses in emerging countries are obliged to take a stand against international competitors depending on the pressure of global competition in their sector and the transferability of their competitive assets. In their model, to compete with giants, they suggested taking into consideration the following two criteria to determine the competition strategies of local businesses:

1. *Global competition pressure:* In spite of competition in many industries after globalisation, it is observed that the pressure on businesses in some industries is much more intense. In some industries, the cost of product development, marketing and distribution channels required to enter is very much higher than other markets. These sectors can be classified as products

based on global standards such as aircraft and car parts manufacturers, telecommunication providers and products based on close relationships with the priorities and expectations of local customers such as food, beverage and banking. Basically, it can be said that the pressure of global competition for standard products is high and the pressure of global competition for products of local needs is low.

2. *Transferability of competitive assets*: In the second phase, it is to be seen whether the elements that create competitive advantage can be used in the case of extending abroad. First of all, it is better to understand the concept of competitive assets – core competence. Hamel and Prahalad (1990) stated that a company can be expressed by what it knew, not what by did, and they defined the concept as follows: ‘A core competence provides a competitive advantage through being competitively unique and making a contribution to customer value or cost’. De Bono (1995) introduced us to the term ‘sur-petition’, which means creating your own race by creating value to your customers, since he believes competition on product/service, quality and differentiation are no longer enough. Grant (1991), in his paper ‘The Resource-Based Theory of Competitive Advantage’ states that implications for strategy formulation draw attention to the resources and skills that create competitive advantage to businesses. Grant (1991), defined the role of resources and skills as a driving force for business strategies and as a fundamental source of business profitability.

Barney (1986) suggested organisational culture, and Aaker (1989) and Srivastava, Fahey, and Christensen (2001) suggested marketing activities and Woodruff (1997) suggested customer value, customer value learning and related skills as a sustained competitive advantage. Argote and Ingram (2000) support that creation and transfer of knowledge is a basis of competitive advantage in firms. Klein and Wöcke (2007) suggest that firm-specific, or ownership advantages derive unique firm attributes of size, monopoly, power, intangible assets or superior resource usage and capability.

For example, a large distribution network for an operator would create competitive advantage, but for overseas operations this advantage is no longer transferable. Furthermore, having a vast knowledge base of local clients may not be advantageous for overseas operations. Product quality, research and development skills, marketing skills, low-cost production and many other elements can create a significant competitive advantage for overseas operations (Aaker, 1989; Miles & Covin, 2000; Srivastava, 2001).

Clearly, it is observed that competitive assets that can create privileges for businesses in every sector are different. Knowledge of the workforce, information, copyrights and systems in labour-intensive industries and machines and the facilities in capital-intensive industries are the elements that would allow businesses to come to the fore against their competitors.

[Dawar and Frost \(1999\)](#) argue that emerging economies can adopt the following four strategies, taking two variables into account.

Dodgers: ‘Industries where pressures to globalise are strong and managers will not be able to simply build on their company’s local assets – they will have to think and rethink their business model’ ([Dawar & Frost, 1999](#), p. 125). These businesses do not have the freedom to act alone in the international market, so the dodger strategy is recommended for the companies in this situation. In order to avoid the pressure of strong competition,

- They can form a ‘joint venture’ with a stronger foreign operator, or
- They can sell their products to an international business as a last resort.
- These enterprises, however, can redefine their core business, and in doing so they can focus on the markets with less international competition.
- They may point to complementary products of international competitors.
- Finally, they can shift the value chain to the advantages of being local (such as superior local distribution network, after-sales service linked to local students).

Contenders: While the sectors with intense global competition are strengthening strong local businesses in emerging countries, others can be completely eliminated from the local market. In emerging countries, businesses operating in sectors with strong global competition have the opportunity to be further strengthened if their competitive assets can be transferred. [Klein and Wöcke \(2007\)](#) proposed that the success of globalisation in EMs is closely related to the firm’s specific advantages rather than the country’s specific advantages. They found that emerging MNEs succeeding abroad were based on skills honed at home, the core skills’ ownership has been transferred successfully in a variety of countries. As a result, during the internationalisation process of a local company in an EM, the business is primarily focussed on developing its skills and resources to compete with international competitors. Especially, it must develop itself in research and development, production and management. [Buckley and Ghauri \(1999\)](#) suggest that SMEs should invest primarily in exporting strategy to enter new international markets so that they have the skills and resources to present in the new market. Also, in this process, it is advisable to focus on a specific niche.

Local businesses can reconfigure themselves to become gigantic businesses by upgrading their skills to compete more effectively with global competitors, one step further than operating exporters on international markets. [Swein and Wei \(2009\)](#) cautioned the importance of reaching the standards of international competitors for being a contender, and attached importance to quality, human resources, process and system development and research by the case of Haier.

Defenders: In an emerging country, if in an industry, global competitive pressures are weak and competitive assets are not transferable, then the entity may maintain its presence in the domestic sector against international competition. Defenders do not have the tendency to reach all customers or to imitate international businesses. These businesses prefer to ignore customers who are seeking global brands, focussing on customers who are concerned with local needs. 'For defenders, the key to success is to concentrate on the advantages they enjoy in their home market' ([Dawar & Frost, 1999](#), p. 122).

Defenders' competitive assets in an emerging country might be summarised as follows:

- Lowest cost advantage compared to international businesses ([Dawar & Frost, 1999](#); [Slater & Olson, 2000](#)).
- Knowledge advantage more than global competitors about local needs, pleasures, customs and traditions ([Wu & Pangarkar, 2006](#)).
- Guiding informal relationships ([Peng, 2001](#)).

Extenders: This strategy evolves the opportunity to open to international markets to operate in the industries where pressure of global competition is weak if competitive assets of the local business can be transferred. Under these circumstances, businesses can follow three routes: local business may target similar local markets in the same country which are not reached previously. Since global competition is not intense, it focusses on similar international markets, thanks to the skills developed in the local market. Similarly, international markets have the same conditions ([Dawar & Frost, 1999](#), p. 124) such as customer preferences, geographical proximity, distribution channels and state practices. They can be opened to markets where they can use their existing advantages in developed countries.

[Ramamurti and Singh \(2009\)](#) emphasise the importance of paddle intensification for similar features at this point, and define such businesses as 'local optimisers'. They argued that a low-price vehicle designed for India's bad roads could be sold in many low-income countries with similar characteristics,

and the products and services designed for emerging countries would not be equally successful in developed countries without similar features. [Ramamurti \(2012\)](#) emphasises that local businesses in emerging economies are better able to get to know local customers and are more successful than international competitors, thanks to good government relations. He explains how these businesses are becoming global brands from being local SMEs by bringing their international competition and experience to their own countries to similar international markets and then to global markets, such as Huawei, Haier and Chery.

A Map to Survival of Domestic Companies in Emerging Countries: As far as we know, globalisation changed dynamics between the countries at macro level and between the companies at micro level. [Fig. 1](#) proposed by [Ensari \(2016\)](#) indicates the roadmap for a long-term existence of local companies in EMs.

- The first step is to determine the industry's global competitive pressure.
- The second step is questioning the competitive assets that create advantage in the local market. If there is no advantage then it is to be explored whether the company focusses to improve the customer relations management, distribution, service network in the local market or not.
- The third step is to explore whether the international transferability of competitive advantages is possible or not, and whether there are competitive advantages in the local market. Businesses can transfer their advantages, such as product quality, cost advantage and innovation, acquired internationally to the local market. Depending on the structure of the target market, advantages, such as customer relations, supplier relations and label popularity, can also be transferred internationally.

UNDERSTANDING CURRENT DYNAMICS OF COMPETITION IN TURKEY AS AN EMERGING MARKET

Turkey is an attractive market since its outward open industrialisation strategy in the beginning of the 1980s was conducted. Moreover, the number of local MNCs started to increase with the industrialisation strategy aimed at economic integration starting from the mid-1990s ([Türkkan, 2001](#), p. 105). With these changes, Turkey started to become more attractive for global companies, and also local companies became more competitive for global ones.

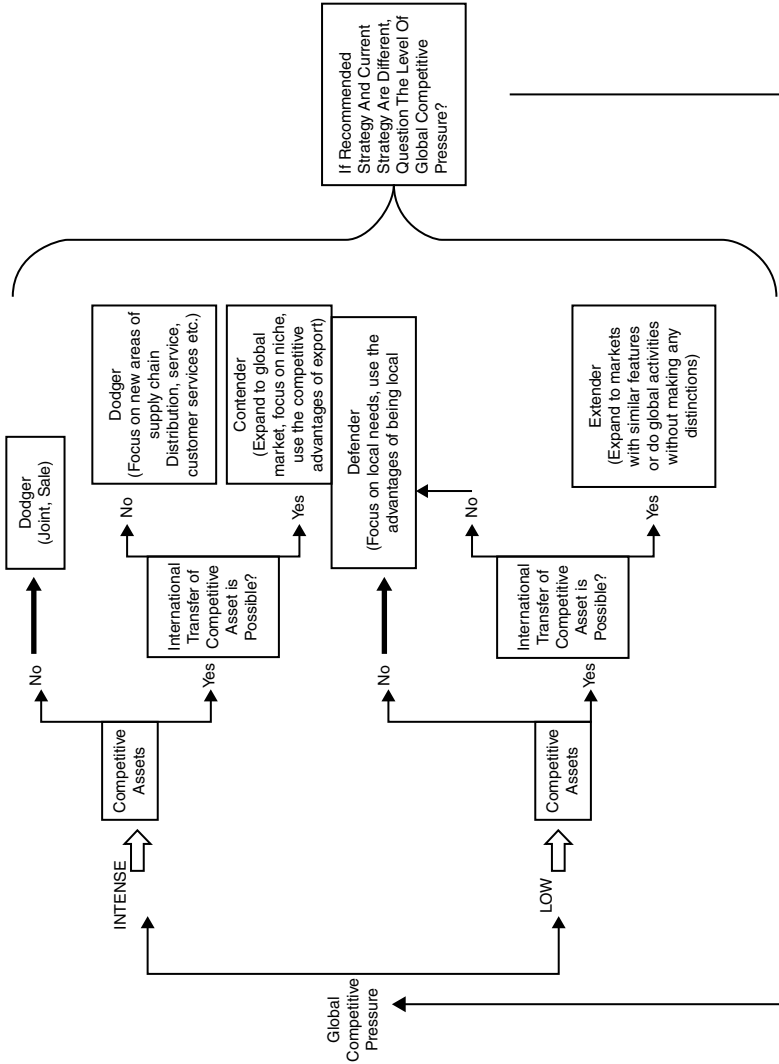


Fig. 1. The Formulation of Strategy Determination Stages for the Local Business in Emerging Markets. Source: Ensari (2016).

Turkey is accepted as one of the emerging countries. The country has some common characteristics of EMs as [Sheth \(2011\)](#) has suggested, such as heterogeneity of the market, dominance of governmental, non-governmental and religious institutions and organisations, acute shortage of resources, especially skilled labour force and investment capital, and inadequate infrastructure. On the other hand, Turkey has many national competitive advantages that can affect demand and supply conditions. For example:

- *Young population*: The average age of population is important in determining factors and demand conditions. Turkey has a very young population with regard to the rest of the world. According to the address-based population record system, at the end of 2016, the population of Turkey was 79,810,000, the working population in the age group of 15–64 years was 54,237,586 (which is 68% of all population).
- *Low fees*: National per capita income in 2017 was USD 9,437 whereas according to the World Bank (2017) GDP per capita report, it was USD 39,944 for high-income countries, USD 2,000–7,953 for middle-income countries and USD 617 for low-income countries. On the other hand, labour force participation rate was 51.8% ([TCMB, 2017](#)) whereas it is more than 70% in OECD countries ([OECD, 2017b](#)). Unemployment rate was 12.6% whereas it was 6.2% of labour force in OECD countries.
- *Extensive natural resources*: Turkey has favourable geographical conditions and climate with rich soil structure and biological diversity; agriculture is one of its leading sectors. Turkey has a wide range of agricultural products, according to the data of Food and Agriculture Organization of the United Nations ([FAO, 2013](#)). Top 10 commodities, according to net production value in Turkey in 2013, were milk, whole fresh cow, tomatoes, wheat, meat indigenous, chicken, grapes, meat indigenous-cattle, olives, apples, cotton lint, chilies and peppers green ([FAO, 2013](#)). Turkey is the 10th country among 132 countries in the world in mining production (Taka, 2016). The country's mineral resource base includes gold, copper, iron, mercury, silver and coal; on the other hand, the complex geologic structure of Turkey makes it more difficult for mine exploration and mining facilities.

- *Government regulations:* Application for the European Union (EU) full membership in 1987, entry of the Customs Union with the EU in 1995 and the membership of the World Trade Organization are the important developments for Turkey. In this context, as a requirement of the Customs Union, the adoption of customs tariffs in the trade of industrial goods with the EU and the adoption of common customs tariff against Third World countries, the harmonisation of the incentive system with the EU, the introduction of more active protection of intellectual and industrial property rights, policy changes that will significantly affect industrialisation, such as the adoption of preventive measures against unfair competition, have been made in addition to the establishment of a deterrent institutional structure (Şenses & Taymaz, 2003, p. 2).

These advantages give local companies a chance to show their presence in international arena and attract MNCs to enter the local market. On the other hand, it is necessary to examine micro environments in each and every industry to understand their competitive dynamics in a better way.

Competition in Different Sectors of Turkey

According to the Dawar and Frost typology (1999), in order to survive in emerging economies, you need to know two dimensions of competition: the global competition level in a sector, and transferability of your competitive assets.

Global Competitive Pressure in Different Sectors

In fact, company owners of each firm have an idea about the global competition pressure in their sector. Having knowledge of export and import volumes in these industries is a more helpful indicator to understand the big picture of competitive pressure. According to the International Standard Industrial Classification of All Economic Activities, Rev. 4, commodities produced in a country are classified from A to E. According to this classification, it is possible to analyse competition in these industries by looking at the trend in export, import and production volumes.

In Table 1, the export and import performance of Turkey by ISIC classification from 1996–2016 is summarised by showing the export and import volume of the country. According to Table 3, the export volume of agriculture, forestry and fishing products increased by 166%, the volume of

Table 1. Export and Import Volume of Turkey from 1996–2016 by Economic Activity (Million US\$).

	1996 Exports	1996 Imports	2006 Exports	2006 Imports	2016 Exports	2016 Imports	% Exports	% Imports
Agriculture	2.179	2.167	3.611	2.934	5.810	7.097	166	227
Manufacturing industry	20.909	40.300	81.516	132.430	136.287	186.464	551	362
Service industry	135	1.158	407	4.210	432	5.055	220	336
Total	23.224	43.626	85.534	139.576	142.530	198.616	513	355

Source: Turkish Statistical Institute (2017). Export and Import by ISIC (Data File).

manufacturing products increased by 551% and service industry increased by 220%. On the other hand, the import volume of agriculture, forestry and fishing products increased by 227%, the volume of manufacturing products increased by 362%, and that of the service industry increased by 336%.

The data given in [Table 2](#) reveals that in the manufactured commodity industry, the amount of total import was 64% higher than the local production, which shows that pressure of global competition is extremely high in the local market.

Inflow and outflow of foreign direct investments to the country by sectors between 2007 and 2016 are shown in figure 2. Before the last global economic crises in 2008, the highest cash inflow was entered for the country. The trend in both cash inflow and outflow indicates that both service and manufacturing sectors are more attractive than other sectors.

Table 2. Export–Import and Production Volume of the Country by Economic Activities in 2015.

	Production	
	Million US\$	Million US\$
Agriculture	45.650	Export 6.124 Import 7.264
Manufacturing industry	130.824	Export 137.188 Import 194.430
Service industry	407.024	Export 451 Import 5.214
Total	583.499	Export 142.544 Import 207.234

Source: Republic of Turkey Ministry of Development (2017).

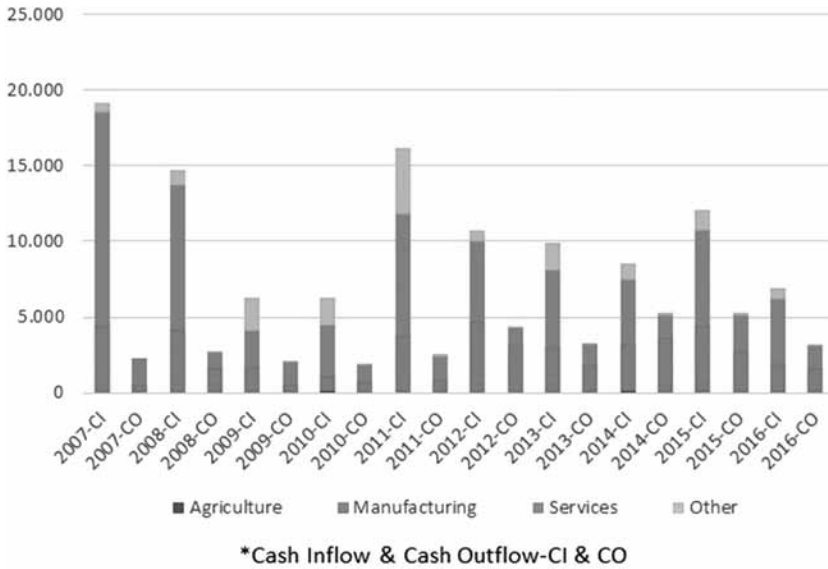


Fig. 2. Foreign Direct Investment by Sectors (in millions US\$). Source: Republic of Turkey Ministry of Development (2017).

All the data which are shown in tables 1 and 2 and Figure 2 clearly reflects that local companies from different sectors have been facing global competitors increasingly both inside and outside of Turkey in the last 20 years. Every industry has to analyse more deeply in order to understand the dynamics of the competition as Porter (1990) suggested by looking at factors, demand and related supporting industries.

Agriculture Industry

According to the data of the Turkish Statistical Institute, the production of agriculture, forestry and fishing has increased by 15 times in the last 20 years (from TL 8.756 million to TL 147.156 million); on the other hand, Fig. 3 indicates that the share of agriculture sector in gross domestic production decreased to 7.5% from 12.5%. In this sector, both export and import volume increased by about 167% and 227% respectively. Additionally, cash inflow increased by two times and cash outflow increased by three times in last 10 years. These figures reveal that the agriculture sector in Turkey has become a part of global competition.

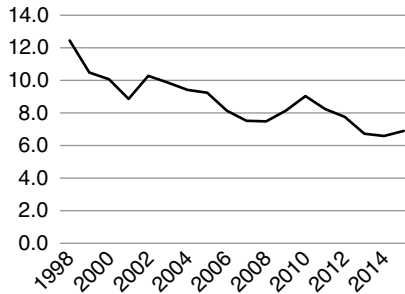


Fig. 3. The Share of Agriculture in Total GDP in Turkey between 1998 and 2015.
Source: [Turkish Statistical Institute \(2017\)](#).

What Might be Competitive Assets of the Companies in this Industry? The industry is mainly dominated by unbranded competition, shortage of inadequate infrastructure, including machine farming and political governance, due to the government's efforts to set a base price for some agricultural products.

According to [Deloitte \(2010\)](#), the strengths of the country in this area are appropriate ecological conditions and climate for agricultural production, government support for agricultural activities, increasing interest in Turkish agriculture in recent times by the Ministry of Agriculture and Rural Affairs and by other investors and increased production efficiency due to industrial automation. The weaknesses can be summarised as follows: in some products, government and nongovernmental institutions determine the lowest price for agricultural products, the production of these goods is mostly in the hands of small businesses; machine farming, which will increase productivity, creates high costs for these small-scale farms. In his report, Deloitte (2010) has accepted strategic geographic position, competitive labour costs and increasing demand for organic production as opportunities.

Defender or extender? According to the latest data, the agriculture industry in Turkey has the lowest competitive pressure but it is under more global competition as compared to 20 years ago. Since the industry is highly labour-intensive, the cost and quality of labour structure might be the competitive assets. If you use automation or machine farming, this might support more effective competition. Moreover, discovering a niche area, such as organic agriculture, might also be competitive assets. These competitive assets can be accepted as transferable assets.

Which strategy for marketing? Since the local companies have many national competitive advantages, focussing on creating value for customers, creating a brand opposite to the industry in general and investing in innovation might be helpful tools for the marketing of products: all these might be possible actions taken by local industries.

It is very important for international companies in this industry to follow government regulations. The customer is loyal to local production in agriculture (they buy products by country name), so national and fusion marketing might make customers feel as if they are buying a national brand. On the other hand, using country of origin is still a useful way of selling seafood. The efforts of finding a countrywide distribution channel, such as a well-known supermarket chain, might help to increase sales.

Manufacturing Industry

The manufacturing industry has been one of the main drivers of the Turkish economy. In 2015, it has a significant share in Turkey's economy, the manufacturing production in 2015 was 130.8 billion USD. The gross domestic production in manufacturing has increased by 11 times in the last 20 years. According to the Turkish Statistical Institute and Central Bank of Turkey Statistics, the worth of enterprises increased to USD 335,311 from USD 236,575, and foreign direct investments increased to USD 46,984 million from USD 9,777 million in the last 15 years (TCMB, 2017; Turkish Statistical Institute, 2017).

This industry classification includes four sub-categories: mining and quarrying, manufacturing (includes textile, automotive, food production, etc.), energy (electricity, gas and water) and construction. This industry items are very important when we consider generation of the gross domestic product.

(A) Mining and Quarrying: Since the mining industry creates resources for industrialisation, consumption and production of mines can be used as a measure of industrial fidelity because it is used in almost all of the products that we use in modern societies. For the construction of an average residence, 400 tones of metal are required, for an average hospital construction this amount is approximately 3000 tones and for the production of a car, it is 5 tones.

Competition in the mining and quarrying industry: The mining industry started to develop after Turkey became a Republic. From 1986 until the 1990s, when it began to decrease, the share of the mining industry in gross domestic production grew at a rate of 2% (Republic of Turkey Prime Ministry Investment Support and Promotion Agency, 2014, 2017). In the mid-2000s,

growth in Turkey's mining and metals sector was in parallel with the country's robust economy. New mining laws enacted in 2005 and 2016 resulted in an increase in mining and mineral exploration activity in the country with a particular emphasis on copper, gold, nickel and zinc ([Istanbul Mineral Exporters' Association, 2015](#)). As a result of these changes, according to the data of the Turkish Statistical Institute, the mining production increased by 28 times in the last 20 years (666 million to 19,251 million TL), and the number of enterprises increased to 335.311 in 2015 whereas it was 1.710 in 2003 (Turkish Statistical Institute, 2017).

With the recent regulatory improvement, Turkey has become more attractive for mining investments. Turkey's regional investment incentive system is based on a descending pattern where regions vary in the range of 1 to 6 based on their level of development, with 6 being the least developed regions. Mining is one exception to this scheme, as most investments in the mining sector are supported with incentives extended to region 5 regardless of the investment's location ([Istanbul Minerals and Metals Exporters Association, 2017](#)). As a result, foreign direct investments increased to USD 1,967 million and domestic direct investments to USD 2,254 million in 2015, whereas these were USD 262 million and USD 804 million in 2005 ([TCMB, 2017](#); [Turkish Statistical Institute, 2017](#)).

What Might be Competitive Assets of the Companies in this Industry?

The industry is mainly dominated by shortage of resources, including skilled labour force, investment capital and inadequate infrastructure. On the other hand, the industry in the country has both policy and resource-based advantages because of the volume and variety of mining and quarrying potential.

Turkey imports many necessary materials for the purpose of industrialisation. Additionally, local companies in mining industry are experiencing high global pressure since Turkey is becoming more attractive for foreign investors as a result of recent regulatory improvements in incentive systems within the industry.

Mining is a capital and labour-intensive industry. The extra value created by a mining company in supply chain mechanism might be a competitive asset for the company. To consider this, a mining company must fulfil certain conditions to start its operations. These are: tenor, which is the ratio of metal in the ore reserve, facilities of extraction of ore and transportation and capital, necessary for the successful operation of mines. The capital is very important for mining in emerging markets, since it permits the necessary equipment and technical personnel for the operation of mines.

Which Marketing Actions and Competitive Position?

Among the basic conditions to survive, in order to stand out from the competition and to provide international competitive advantage to create additional value for customers, it is necessary to have sufficient capital, qualified workforce and information and technology that enable benefits from the economies of scale. Product and process development is one of the important steps to be taken, since sectoral R&D intensity in Turkey is 1.36 whereas it is 6.44 in Spain, 28.94 in Australia and 8.11 in Canada. Since R&D intensity is below many developed countries, any investment in R&D makes a difference between local companies (OECD, 2017c). On the other hand, investment in R&D sector is expensive. In this context, particular emphasis should be placed on increasing the scale of companies and raising the quality of sectoral workforce.

(B) Manufacturing: Turkey's geographical proximity to Europe, Asia, the Commonwealth of Independent States (CIS), Middle Eastern and North African countries makes it a trade hub and an attractive base for production of manufacturing companies.

Table 3 provides the share of sub-industries in the country's the export and import total manufacturing volume in percentage.

What Might be Competitive Assets of the Companies in this Industry?

According to Table 3, high-tech products, such as chemical products, computers, electronic and optical products, machinery equipment, motor vehicles, trailers and semi-trailers, have the highest percentage of total import; on the other hand, textile and apparel, basic metals, motor vehicles and food and beverages have the highest percentage of total exports.

Each sub-industry has different characteristics as regards to heterogeneity, scarcity of resource and infrastructure, unbranded competition and socio-political governance. For example, the textile and apparel industry suffers from heterogeneity and unbranded competition, whereas the motor vehicles industry suffers more from the scarcity of resources, socio-political governance and the scarcity of infrastructure.

In general, manufacturing is the most knowledgeable and capital-intensive sector of the economy. According to the United Nations Conference on Trade and Development's (UNCTAD) World Investment Report, the involvement of MNEs from emerging and transition countries in the digital economy and related equipment manufacturing sector has resulted in the narrowing of the productivity gap with developed MNEs. Improving labour productivity is especially evident in industries such as

Table 3. The Share of Sub-Industries in Total Manufacture Export and Import.

Manufactured Products	The Share in Total Manufacturing	
	Exports	Imports
Food and beverages	8	3
Textiles, apparel and leather products	20	6
Coke and refined petroleum products	3	7
Chemicals and chemical products	5	15
Basic pharmaceutical products and pharmaceutical preparations	1	3
Rubber and plastic products	5	3
Other non-metallic mineral products	3	1
Basic metals	13	13
Babricated metal products, except machinery and equipment	5	3
Computer, electronic and optical products, potentiometers	2	9
Electrical equipment, potentiometers (manufacture)	7	5
Machinery and equipment	6	12
Motor vehicles, trailers and semi-trailers	13	12
Other transport equipment	2	3
Other manufactured goods	7	5

Source: Turkish Statistical Institute (2017).

computers, electronics, electrical equipment, textiles and apparel, construction and trade (UNCTAD, 2017).

Which Marketing Plan?

Deciding marketing mix and entrance strategy to the market depends on the dynamics of the sub-industry in the manufacturing sector. For example, in the textile and apparel industry, there is heterogeneity in the market, which means one can easily focus on a special segment of customers or sell a more standardised product in general, both ways are possible. By the way, luxury products, no name products and imitations might be in the same market because of the market heterogeneity. On the other hand, for food and beverages, the type of product determines its customers. Selling salt and vinegar crisps is a good idea in England, but if the company plans to market their product in different market, it must be considered that the taste of vinegar doesn't appeal to the palate of every nation. If the company is decisive about entering in this market, it needs to find out their potential customers such as targeting tourists and distributing their product at tourist destinations.

(C) Electricity, Gas and Water Supply: The basic problems of these markets in Turkey are scarcity of resources, scarcity of infrastructure and socio-political governance. Since the energy market is very important for industrial and energy production and the welfare of the society, its operations and distribution for a long time were controlled by the government.

In the initial years of the 2000s, the liberalisation process was started by the government. The data indicates that the demand of electricity, gas and water started increasing, but the domestic production of these was lower on national level, since the share of industry in the total GDP and the number of companies remained the same. However, this sector became a point of attraction for foreign investors due to government incentives provided to these industries. According to the Turkish Statistical Institute data, the number of enterprises remained the same – around 3,200 – but foreign direct investment increased to USD 14,773 million from USD 1,693 million from 2000 to 2015 (TCMB, 2017; Turkish Statistical Institute, 2017).

Electricity: In the electricity sector, the Electricity Market Law No. 4628 came into force in 2001. By that time, an electricity distribution company had been operating all over the country. Initially sales activities were separated from the distribution company. As a result, competition was expected to bring advantageous price tariffs in the market along with higher-quality service approach. Energy Exchange Istanbul (EXIST) was officially established on March 12, 2015 with the aim of planning, establishment, development and operation of energy market in an effective, transparent and reliable manner to meet energy market's requirements. On the other hand, every activity in the electricity market was not open to competition; also, all activities were not privatised. According to a report issued in 2017, the actual number of production companies included four public companies and 758 private companies; one transmission company was operated by a public enterprise, 21 private companies were for distribution; and one public company and 148 private companies for sales (Republic of Turkey Ministry of Energy and Natural Resources, 2017).

Gas: In Turkey, natural gas was discovered in the 1970s, and by June 2016, Turkey's available natural gas reserves reached 18.7 billion Sm³ (Standard m³). It is estimated that the Ministry of Energy and Natural Resources (MENR) has recently promoted the countrywide support for domestic resource production to support some amount of natural gas production in the coming period. In spite of demand for domestic gas, which grows faster than the world demand in years, the low level of domestic production causes Turkey to depend for supply on foreign countries. Turkey's foreign dependency for energy is about 76%, while it is 99.2% for natural gas (Öztürk, 2017).

Water Supply: In Turkey, unplanned urbanisation and global warming caused significant demand for healthy and safe drinking water, especially after the scarcity of water in the Marmara region in 1993. As a result of this rapidly growing demand of water supply, the number of organisations increased. The market has grown steadily in the last 10 years, the total product has increased to 11 billion litres, the market size increased by 4.6 and the total export by USD 41,850,959 in 2015, whereas the total production was 8.1 billion litres, market size was USD 2.5 billion and the total export was about USD 19 million in 2007 (SUDER, 2015).

Which Marketing Actions?

Electricity distribution companies promised high potential to MNCs after the production and distribution of electricity was privatised. Marketing mix of the current companies within the industry must be planned carefully. High service quality and little arrangements in pricing might shift the place of huge number of local customers' place from one company to another. Water demand and supply also have promising potential for local and MNCs. Except premium brands in water supply, fusion marketing and national brand have advantage in marketing practices. Distribution network is one of the products for those industries.

CASES RELATED TO SURVIVAL STRATEGIES OF THE COMPANIES IN EMERGING MARKETS

An Extender from Agriculture Industry: Ipek Bulgur

Since the Declaration of the Turkish republic in 1923, wheat production in Turkey has increased gradually (from 2.5 million tons to 22.6 million tons). According to the Turkish grain board report of 2016, the number of local bulgur producers were 103, and 1.2 million tons of bulgur was produced and 278 thousand tons of bulgur was exported. Turkey is the first in the world to export bulgur with 200,000 tones and 102 million USD export volume in 2015 according to International Trade Center's data. Although imports of wheat have also gained momentum since 2006 (TMO, 2017), the industry is highly dominated by local competition, not global competition.

'Mardin's Golden-Head Girl'. Ipek Bulgur was founded in 1990 in Mardin. There were 15 bulgur factories in Mardin, 25% of production and 35%



A Photo of İpek Bulgur



An Advertising Poster Announcing that İpek Bulgur will be in Sirha Exhibition France in 2017

of export of bulgur wheat took place in Mardin (İpek Bulgur, 2017). The company was under local competitive pressure, and with new incentives for the import of wheat, global competition started increasing.

In order to survive, the company formulated contender strategy by focusing on organic production. When the marketing mix was considered during this process, the company emphasised the difference of their product in their marketing activities. Their motto was: we are serving 'Mardin's golden-head girl' to you. This product was different in colour and aroma because of the combination of Mardin's soil, traditional production techniques and the company's modern facilities. Soils in Mardin are rich in iron and minerals and produce higher quality and higher protein content wheat than other soils. İpek Bulgur (2017), which has supported traditional production since its establishment, produces wheat by processing wheat water at any stage without using any additives, just as it is in traditional production. As a result, the customer can clearly see the difference of the product at first sight from its yellow colour. Besides these differences in products, the company decided to set the market price to reach more customers. They were serving quality products to their customers at a reasonable price. As a distribution policy, the company dealt with big market chains throughout the country. On the other hand, it looked towards selling products to international markets. In order to promote the product internationally,

the company introduced their products with chefs all around the world in world famous fairs such as Sirha, and also tried to take geographic signs to ‘Mardin Bulgur’ (Ipek Bulgur, 2017) to have the advantage of its country of origin.

A Real Extender: Turkish Film Series Industry!

A similar competition strategy was pursued in the series of the film industry emerging in Turkey, and the serials which have gained appreciation by the Turkish people were first marketed in the Middle East and Turkic Republics where cultural similarities were found. According to a report published on variety.com in the United States, despite economic stagnation in Turkey, the Turkish series maintained their popularity in the world, and Turkey ranks second in the export of series after the United States (Hürriyet, 2017).

If you search ‘How Turkish series became so popular?’ on web, you will get the product strategy in marketing mix of the companies from the industry. These are some answers to the above question on the web:

The good thing about Turkish serials is that they always have limited episodes, an excellent plot and story content. Moreover, the well-written scenes that include characters’ emotions allow the audience to take part viscerally in the story and bond with the characters. Also, the actors are amazing. (An audience from Delhi, India, 2008)

Simply because of social similarities. Turkish TV series are a continuation of Latin soap operas which, once upon a time, were quite popular in Turkey. (A Turkish audience, 2008)

Although Turkey is quite far away, I found our cultures to be quite similar, and the Turkish productions are of very high quality and don’t have the Hollywood clichés and stereotypes. When I started to watch these dramas, I realised how tired I was with all the violence and sex of American TV. (A Chilean audience, 2016)

If we look at these comments, selling social and cultural similarities is the basic product philosophy of this industry. On the other hand, it must be noted that one of the first Turkish soap operas aired to the Arab world, which was named *Noor*, catered to an audience largely unexposed to the TV portrayal of a secular lifestyle co-existing with Islamic values; 85 million people in the Middle East and North Africa watched its dramatic conclusion (Gürmen, 2017). From this point of view, the companies serve their customers an ideal secular way of living, living in beautiful houses by the Bosphorus

and amazing love stories rather than violence and sex; in other words, they gave them something completely different from other competitors.

When companies planned marketing mix, they did not want high costs for their products, rather their main focus was to distribute their products to correct channels. That is why, initially the series were sold at \$30–50 per episode; nowadays they are sold for up to \$20,000 per episode.

As a result, according to a report by *Forbes Turkey*, there are 85 private production companies, and these series are exported to 142 countries. The export of series in Turkey started to grow in 2008, which totaled to USD 10 million, reaching to USD 350 million in 2016. The demand for Turkish series increased their price per episode. The value of series in world markets has also increased by about 10 times after 2010. Turkish exporters are aiming to sign USD 750 million worth of exports by 2023. Although Turkey has the strongest markets in the Middle East, the Balkans and Eastern Europe, North Africa, South America and Central Asia, with their series it is now present almost all over the world (Kara, 2014).

Live Defenders!

Shangai Jahwa is China's oldest cosmetics business that appeals to Chinese customers. As beauty standards show differences in every culture, the pressure of global competition in this industry is weak. Despite interest from the young generation in this global brand, the company targeted the customer segment that was interested in traditional products, which had a low-cost advantage and a broad market share. As we know the local tastes and expectations of clients, we developed the product in this direction. Despite the 3% market share of Revlon, the brand dominates half of the world market (Dawar & Frost, 1999, p. 123). Similarly, Döner and Lahmacun chains operating in Turkey are in a defensive position against global fast food brands.

Meet a Dodger!

The cargo and courier sector in Turkey, which has a history of no more than 35–40 years, is growing exponentially in recent years in parallel with the development of country's industry and the rapid spread of e-commerce. Because of its geographical position and the young population, foreign investors are getting more interested in this sector with each passing day. The number of branches of the firms increased from 4,225 in 2005 to 9,700



A Photo of Unsped and UPS Partnerships

in 2012. The volume of workforce increased four times from 22,000 workers in 2005 to 89,000 workers in 2012 (Dünya, 2013). Nowadays, the sector is served with 25,000 vehicles, with an employment capacity of approximately 100,000 people, thus the sector provides significant added value to the country's economy (Kut, 2017). PTT, Interglobal Cargo, Yurtiçi Cargo, Aras Cargo, MNG Cargo, Sürat Cargo, Kurye Net, Aktif İleti, Kurye Tel, TNT, DHL, UPS and FedEx are the most important companies working in the Turkey's cargo and courier sector.

Unsped was established as a local business in Turkey in the growing cargo transportation market. In 1988, it became an authorised service provider in Turkey to UPS, growing in Europe during national and international fast cargo transportation in those years, which made it easy to access the existing service network of UPS. In June 2009, UPS established a partnership with Unsped, which was working in Turkey for 21 years, and gave the management of 21 countries to Unsped's CEO, Haluk Ündeğer (DTIK, 2009).

Meet a Contender!

In the white goods and computer market, there is very intense competition all around the world. It is estimated that the size of the world's white goods market will increase to 430 million (Öztürk, 2016). While China is the world's largest white goods producer, Turkey is the second largest producer of white goods in the world and the largest producer in Europe. Turkey completed the year 2016 with a growth of 6.5%, with domestic sales and export of 24 million pieces (TürkBESD, 2017). Apart from China and Turkey, countries



A Photo of Arzum's Award-Winning Toaster: Fırın

such as the United States, Britain, Germany and Italy still seem to maintain their competitive edge in the global white goods market. Turkey has competitive advantage because of low labour cost and geographical proximity to EU countries. Turkish brands such as Arçelik, Beko, Arzum, Vestel, Casper can be evaluated for their struggle in this category.

Arzum tries to survive with contender strategy, operating in the white goods sector where the pressure of global competition is intense, to transfer its competitive assets combining traditional products with modern applications of R&D studies. The company develops new products, sells them with competitive pricing policy and distributes through their own channels and distributors.

Main focus in their marketing mix is product differentiation. T. Murat Kolbasi, chairman of the board of Arzum said in one of his interviews: 'We are innovative not only with our products, but also with our services and our approach to our business' (Kolbaşı, 2013). The company has received many design awards from different institutions such as IF design, Plus x Award, Plus, Good design, Hong Kong Award for Industries and HK Household Electrical Appliances Design and Innovation Competition in 2013 and Reddot award 2014 with its new toaster called 'Ar232 Fırın' and new coffee machine 'Okka' (Arzum, 2017).

CONCLUSION

Turkey is an EM with high growth potential, thanks to its natural resources, young population, geopolitical situation and closeness to developed markets. The country is experiencing global competition since 1980 after it opened

to foreign trade via regulations. In the 1990s, the country became an important exporter of many agricultural and manufactured products. By the end of the 2010s, the country was experiencing intensive competition in textile and apparel and high technology products. Turkish companies compete with multinationals both within and outside the country. During this process, some industries started to be more dependent on outsiders. This is what happened in agriculture and textile production.

This chapter focussed on clarifying MNCs' competitive positioning process to enter the Turkish market and the multinationalism process of local companies. During this type of strategic actions, environment analysis is a helpful tool. Companies can have competitive power because of external environmental conditions in their country, internal environmental conditions in their sectors and their competitive assets and capabilities. According to this point of view, the following observations are made:

- On the country level, Turkey as an emerging country has high growth potential with the help of natural resources, young population and government subsidies.
- In the sectoral level, agriculture and industry sectors are growing rapidly in the country, especially the subcategories of industry, which must be analysed in more detail. Global competition in some of the subcategories was high because of common interests of global customers such as high-technology products, whereas global competition *is low in some sectors because of the local needs of the customers such as the food industry.*
- Additionally, on sectoral level, global competitive pressure should not be evaluated based on sectors because of the dynamics of the country. In different *subunits of sectors there can be different levels of pressures.* For example, it is observed that the executives they do not feel too much competitive pressure in the businesses that invest in local needs or in areas that the international rivals are not yet be able to get in. While businesses that focus on local needs consist of restaurants and producers that completely focus on local food or drinks, cheese and milk, etc. The frozen food sector can be an example for the entrance of global rivals to get into the market since it is thought that it is rather hard to prepare physical conditions. On the other hand, beverages, all kinds of soda, chocolate and confectionary producers have emphasised the fact that they have been subjected to global and local pressure from the moment of establishment and many businessmen explained that they carried out sales with all royalties and rights of global businesses (Ensari, 2013).

- On the company level, competitive assets are more important than ever for local companies in Turkey. Since technology has an accelerating effect on competitive pressure, it is recommended to invest in technology. What you have read in this part of the book is true for the current world situation. On the other hand, in order to be a part of new industrial era with Industry 4.0, companies in Turkey need to concentrate on more information technology, research and development technology in order to produce more innovative products and to hire qualified workforce. These companies also need to know more about the new management system to get prepared for the future competition. Such items would create competitive power for companies but competitive power is tangible, which means that it can be transferred internationally. This helps companies in highly competitive industries to survive.

In order to take right market positioning, understanding the dynamics of the market is very important as mentioned by [Sheth \(2011\)](#). Different levels of internationalisation strategies, rather than direct investment to the market, are recommended, such as direct export, licensing, using distributors, etc., and also ‘wisdom of crowd’ studies can be used as a helpful tool before taking a competitive position in Turkey.

As a result, this chapter can be concluded in the following way: being a local company in Turkey, which is an emerging country, means you need to find out ways to survive against global giant companies because of the liberalisation process in almost every industry of the country. From the worldwide examples, foreign global companies must also be prepared for new global companies with Turkish origin. To survive in the long run, companies in Turkey, local or global, must understand the current dynamics of their country and their sectors and put more stress on their competitive assets and their transferability. Multinationals who decide to enter the Turkish market must understand heterogeneity, the scarcity level of resources, infrastructure and the importance of socio-political governance in their operating industry before marketing their products.

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CHAPTER 4.3

PLACE MARKETING IN TURKEY

Can Uslay and Mesut Çiçek

ABSTRACT

The branding concept has been applied to cities, destinations, regions and even nations to attract tourism, investments and residents. The Republic of Turkey with its rich historical heritage has been home to many applications of such diverse branding campaigns. While some of these campaigns have been criticised for their lack of efficacy, especially at the national level, several city-based or regional campaigns have proven more successful.

In this chapter, we review and examine place branding campaigns in Turkey. We provide examples of the increasing role of social media, cultural and historical heritage, role of movies and TV series, health- and faith-based tourism, mega-sports events, sustainable communications, the Slow City concept and public-private partnerships in contemporary place branding campaigns.

Keywords: Place marketing; place branding; destination marketing; city branding; region branding; nation branding

INTRODUCTION

Globalisation, accessible transportation and information technologies have made travel more accessible and attractive and increased the number of

global and local tourists. Since tourism has a key role in the development of places (Kurar, Kavacık, & İnal, 2017), competition among them has emerged (Bıçakçı & Genel, 2017). Places in a global market compete using their economic, human, social and cultural resources (Mišič & Podnar, 2017, p. 66) to create economic, social and political values (Doyduk & Okan, 2017, p. 166). One of the most crucial issues for a place is to establish itself as a brand to attract visitors. Through extraordinary marketing, places can become perceived as unique and more attractive than their competitors (Bayraktar & Uslay, 2017a).

However, places have limited economic, human, social and cultural resources, and they also face many challenges (Mišič & Podnar, 2017). They must carefully devise their marketing strategies and allocate their limited resources to develop a differentiated place image (Özbölük, 2017). There are several tools and strategies that can be used to create a unique brand, increase the awareness and attractiveness of places and enhance the prosperity of stakeholders such as residents, investors, local organisations and governments (Bayraktar & Uslay, 2017b).

Place branding campaigns are increasingly using strategies such as social media (Özbölük, 2017; Uzunoğlu, 2017); movies and TV series (Şahbaz & Bayram, 2017); the application of sustainable communications (Bıçakçı & Genel, 2017); the Slow City concept (Doyduk & Okan, 2017); highlighting the role of health tourism (Gürcü & Tengilimoğlu, 2017), cultural tourism (Hocaoğlu, 2017; Özer, 2017; Uysal, 2017), religious affiliations (Kurar, Kavacık & İnal 2017) and the support and efforts of local governments (Güler, 2017).

Turkey is one of the most important and multifaceted destinations in the world. It offers plenty of opportunities, beautiful sights and activities to tourists of all kinds. Turkey's unique geographic location where East meets West, multiplicity of cultures, historical heritage, religious destinations, temperate climate on its Western and southern coasts, Blue Flag beaches, clean bays and ancient cities are rarely found in a single country. However, Turkey has not taken its well-deserved place in tourism. Turkey remains one of the most important destinations yet to be successfully branded. A detailed examination of the role of several strategies and approaches on the brand image of Turkey is crucial. Emerging markets tend to have abundant natural resources that attract visitors, and financial as well as human capital. The lessons from the case of Turkey are also applicable and important for other emerging markets that stand to benefit from more tourism. The objective of this chapter is to review and examine place branding campaigns in Turkey to date with contemporary examples.

GENERAL BACKGROUND ON PLACE BRANDING

During the late 1960s and 1970s, there was radical change in the scope of marketing. One of the most important breakthroughs was the [Kotler and Levy's \(1969\)](#) article entitled 'Broadening the Concept of Marketing'. The authors claimed that the scope of marketing must be broadened to include non-business organisations. Studies on destination image began in the early 1970s through [Hunt's \(1975\)](#) influential work ([Hanna & Rowley, 2017](#)). Even though the first applications of concerted place marketing were at a national level, cities (even small towns) have started to apply branding techniques throughout the world ([Doyduk & Okan, 2017](#)). However, different places do not have the same characteristics, resources and capacities for branding themselves ([Uysal, 2017](#)). Therefore, a place's characteristics, strengths and capabilities should be carefully considered in developing a coherent branding strategy.

Definition of Place Branding

Place branding is defined as 'the practice of applying brand strategy and other techniques and disciplines to the economic, social, political and cultural development of cities, regions and countries' ([Springer Link, 2017](#), p. 1). World Tourism Organisation (2004) states that destination marketing is

all the activities and processes to bring buyers and sellers together; focuses on responding to consumer demands and competitive positioning; is a continuous coordinated set of activities associated with efficient distribution of products to high potential markets; and involves making decisions about the product, branding, price, market segmentation, promotion and distribution. (Cited in [Özbölük, 2017](#), p. 888)

In the literature, the terms place marketing, place branding, destination marketing, city marketing and city branding have often been used interchangeably ([Doyduk & Okan, 2017](#); [Hocaoglu, 2017](#)). The term 'destination' is generally used to describe places in tourism literature, while 'place' is generally used in business and branding literature ([Skinner, 2008](#)). City branding is considered a sub-dimension of place branding ([Özer, 2017](#)). Place marketing is a general definition, while city marketing refers to a specific place ([Doyduk & Okan, 2017](#)). In this chapter, we refer to the efforts for city-, destination-, region- and nation branding as place branding.

It is possible to view places as marketable products considering their economic impact on residents, businesses and governments (Özer, 2017). Some scholars have observed that places differentiate themselves through slogans, logos and other promotional campaigns just as products and services (Hocaoğlu, 2017). Other scholars, such as Skinner (2008), have stated that the marketing of places differs from products and services because of the comprehensive relationships between culture, national identity and stakeholders, and the prevalence of several identities that cannot be branded easily. Naturally, place brands and product brands have differences. A place brand does not provide any tangible offers, its attributes and target markets are hard to define, it communicates emotional benefits, its image is complicated and varied and it has several stakeholders. A product brand offers a tangible product, it provides functional and emotional benefits, its attributes are well defined, its image is clear and its aim is to increase sales (Cozmiuc, 2011). These differences indicate the difficulty of generating a place image.

Goals of Place Branding

Place branding provides unique opportunities to all the stakeholders of the places such as local and national governments and citizens. The main goals and benefits of place branding are as follows:

- To meet the needs of the target markets.
- To get the attention of and draw tourists, investors, companies and talented and skilled people (Mišič & Podnar, 2017, p. 69).
- To draw business investments into the place (Merrilees, Miller, & Herington, 2013, p. 37).
- To create an integrated and attractive image for tourists, business people, investors, etc.
- To increase the life quality and spiritual development of local people (Cozmiuc, 2011).
- To provide economic benefit to the city and citizens.
- To increase the power and competitive advantage to attract more tourists (Uzunoğlu, 2017).
- To gain economic, social and political benefits (Doyduk & Okan, 2017).
- To reduce poverty.
- To generate employment opportunities (Güler, 2017).

Components of Place Branding

The wide variety of place characteristics indicate the complexity of place branding and its differences from product- and service branding. Place branding comprises several important components. Clouse and Dixit (2017) claimed that place branding consists of brand, visual image, reputation, sense of place and identity. Brand is the personality of the place which differentiates it from other places and communicates the value the place offers (Aaker, 1997; Larsen & Dehoff, 2017; Van Gelder, 2008). Visual image refers to what the residents and tourists visualise and know about a place (Clouse & Dixit, 2017). The Eiffel Tower is the visual image of Paris and Big Ben for London. Visual image tends to be one of the key factors which leads to the economic failure or success of a place (Clouse & Dixit, 2017). Reputation refers to how a city is known and to specific knowledge about a place (Clouse & Dixit, 2017). Las Vegas has a reputation of being a ‘sin city’, and Brazil is associated with the laid back Carnival. Sense of place is a feeling and subjective experience of a place. To have a sense of the place, people must have experience on the ground (Clouse & Dixit, 2017). Identity is a personal connection that a resident has towards the place (Clouse & Dixit, 2017). Both New Yorkers and Londoners feel a strong connection between themselves and their beloved cities.

Challenges of Place Branding

Doyduk and Okan (2017) observed that there are two main challenges of place branding – managing the gap between perceptions and the reality about a place and controlling identity and reputation. Hocaoğlu (2017, p. 234) claimed that the main challenges of place branding are as follows:

- Implementing city branding strategies in parallel with urban policies.
- Stakeholders’ agreement on issues of city branding strategies.
- Gaining the public’s confidence about those strategies.
- Positioning the city with a simple idea, not using various features for the identity and image of the city.
- Conserving cultural heritage and promoting it significantly.
- Positioning the city with a perceptible strategy to be an attractive tourism destination.
- Using the value of design for creating city image.

EVOLUTION OF PLACE BRANDING IN TURKEY

The number of foreign tourists in Turkey has increased by 600% in the last 20 years, reaching 38 million in 2015 (TOBB, 2016). Tourism income in Turkey was about \$30 billion in 2016 or 20% of Turkey's total income (Ministry of Foreign Affairs, 2017). These statistics indicate the crucial importance of tourism for the Turkish economy. Turkey has accomplished these figures through its outstanding natural, historical, cultural, infrastructural and social resources. For example, Turkey is second in the world with 442 Blue Flag beaches, which are vital for summer tourism (TOBB, 2016).

However, despite its riches, variety of resources and characteristics, Turkey has not reached its potential yet. We focus on contemporary destination branding campaigns using social media (Özbölük, 2017; Uzunoğlu, 2017), culture (Hocaoğlu, 2017; Özer, 2017), religious affiliations (Kurar et al., 2017), movies and TV series (Şahbaz & Bayram, 2017), health tourism (Gürcü & Tengilimoğlu, 2017), city branding of Istanbul (Uysal, 2017), the application of sustainable communications (Biçakçı & Genel, 2017), the Slow City concept (Doyduk & Okan, 2017), local governments (Güler, 2017) and events.

The Role of Social Media in Place Branding

In the era of digitalisation, traditional communication and marketing tools are insufficient for places to create awareness and differentiate themselves from other places (Uzunoğlu, 2017). Social media, defined as 'a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content (UGC)' (Kaplan & Haenlein, 2010, p. 60), has emerged as a very effective communication and marketing tool for place branding (Muinonen & Kumar, 2017; Uzunoğlu, 2017). Social media is a powerful tool for branding due to characteristics such as two-way communication, user-generated content and information-sharing between the users and companies as well as among the users themselves (Çiçek & Erdoğmuş, 2013). Social media tools are perceived to be more authentic and reliable than other marketing tools (Chen, Shang, & Jin, 2014). Therefore, places have started using social media tools in the application of their branding strategies (Florek, 2011; Uzunoğlu, 2017). Social media has become one of the primary tools through which travel information is shared (Özbölük, 2017; Xiang & Gretzel, 2010). Today, tourists search for travel information through social media tools

such as TripAdvisor, Lonely Planet, Facebook and content communities such as YouTube, Twitter, Instagram, forums and blogs (Cox, Burgess, Sellitto, & Buultjens, 2009). Ninety percent of tourists read and evaluate online reviews and posts about tourism products and services such as hotels, restaurants and destinations before going for a vacation (Özbölük, 2017). However, places should form their social media strategies collaboratively. On social media, the users, in our case travellers, are co-creators of place branding (Özbölük, 2017). Users' participation is perceived to be more authentic, trustworthy and credible than authority and partner participation (Uzunoğlu, 2017).

Uzunoğlu (2017) reported on a campaign to increase global awareness of the lesser-known city of İzmir, which is not a major tourist destination despite its historical, cultural and natural values, through Instagram – a very popular social media application. An official Instagram account with the username @cityofizmir was initiated and the campaign was designed in two stages. The first stage was at the national level, while the second stage was international. In the first stage, famous photography, gastro and entertainment bloggers and Instagram users with 50,000 to 1 million followers were recruited to post pictures of Izmir with the @cityofizmir tag. Within a week the number of followers increased to 20,000 and reached 38,000 in three weeks. During the second stage, they recruited international Instagram users who had millions of followers to post content about İzmir. At the end of the project, the @cityofizmir account had about 85,000 followers and approximately 2 million likes. As of May 2017, the follower numbers exceeded 103,000.

Turkey has applied a similar strategy to promote global summer vacation places such as Marmaris, Bodrum, Fethiye and Dalyan. They invited world-famous bloggers to Turkey and requested that they share their experiences, photos and ideas with their millions of followers. A photo taken by one blogger was liked 1,250,000 times within just 3 hours. The authorities expected to reach about 400 million people worldwide by the end of the project (Anadolu Ajansı, 2017).

YouTube is also a very effective tool for place branding. Music videos are the most popular videos on YouTube. To enhance place branding and increase awareness, places can be included in music videos. British singer, Ed Sheeran, released a new music video on YouTube (2017a) named 'Galway Girl'. Galway is an Irish city and the video included several images which are unique to Ireland such as Irish folk dancing, Irish musical instruments and Irish stout. This music video has become one of the most successful instances of place branding on social media so far and was watched approximately 100 million times (YouTube, 2017a) within only three weeks. The most successful place branding of Turkey in a music video is Inna's acoustic version of INNdiA.

The music video was shot on a roof with an amazing landscape of Istanbul in the background. This video has been viewed around 78 million times to date (YouTube, 2017b).

The Role of Movies and TV Series in Place Branding

Brand and product placement in movies and TV series which affects the audience's perceptions, thoughts and behaviours, remains one of the most effective marketing tools (Karniouchina, Uslay & Erenburg, 2011, 2016). Movies and TV series increase the 'awareness, appeal and profitability' of places (Riley, Baker, & Doren 1998, p. 922) due to several characteristics such as longer audience exposure in movies than in traditional tourism promotions (Tooke & Baker, 1996), and perfect camera angles, and in-home access to the places seen in the movies (Riley, Baker & Van Doren 1998). Movies and TV series contribute to the development of, provide economic benefits to, and support the branding strategies of the places (Şahbaz & Bayram, 2017).

There are several examples of the effect of movies and TV series on tourist numbers and place branding. Just one year after the movie *Braveheart* was released, the number of tourists in Scotland increased by 300%. *Mission: Impossible 2* increased the number of tourists in Sydney by 200%. The *Lord of the Rings* series increased the awareness of New Zealand, which was not a well-known destination, and the number of tourists from the United Kingdom increased by 10% every year (Hudson & Ritchie, 2006). Finally, the hit HBO show *Game of Thrones* with its mega budget has put Northern Ireland prominently on the map (Murray, 2017).

The brand image of Turkey suffered from movies such as *Midnight Express*, where Turkey was shown as a country which violates human rights (Mutlu, 2005). However, the brand image of Turkey was positively impacted by *Troy*, which increased the number of tourists to Çanakkale, Turkey by 73% (Hudson & Ritchie, 2006). The opening sequence of the James Bond flick, *Skyfall*, was shot on the roof of the Grand Bazaar of Istanbul. The Grand Bazaar was the world's most visited tourist attraction in 2013 with over 91 million annual visitors well ahead of the Zócalo in Mexico City (85 million visitors) and the Times Square in New York City (50 million visitors) (Travel + Leisure, 2013).

However, it was Turkish TV series rather than foreign-made movies that led to dramatic increase in tourist numbers. The utilisation of TV shows can be considered a milestone for the place branding of Turkey. Today, Turkey is ranked second (after the United States) in volume of TV series exports.

In 2016, Turkish TV series were sold to more than 100 countries and reached an audience of over 500 million globally (Türkiye Gazetesi, 2017). The TV series increased the number of tourists, especially from Arab countries, The Balkans and South America. Following the release of the TV series *Gumus*, the number of tourists increased by 56% in 2008. TV series contribute to the Turkish economy by creating awareness, publicising Turkish culture, family life and lifestyle and even enhancing trade between Turkey and other countries (Nuroğlu, 2013; Şahbaz & Bayram, 2017). Turkish TV shows such as *Magnificent Century* and *Resurrection* can be found on Netflix in the United States, which also recently ordered the production of its first Turkish TV series (Roxborough, 2017).

The Role of Sustainable Communication

Place brands have a complex and multi-layered communication environment that differs from product and service brands (Bıçakçı & Genel, 2017; Morgan, Pritchard, & Pride, 2010). The communication environment of a place brand consists of residents, businesses, governance and city managers, branding marketers and visitors (Bıçakçı & Genel, 2017; Kavaratzis, 2008). Sustainable communication between the stakeholders is one of the key factors in building and maintaining a successful and sustainable place brand. Image of places may change or be changed by the behaviours of the residents, perception of the tourists and the acts of businesses (Bıçakçı & Genel, 2017).

Bıçakçı and Genel (2017) proposed a model named 'The Multilateral Symmetrical Communication Model' to help create and maintain a successful place brand. The authors generated this model based on empirical research conducted in Istanbul. 'Continuous interaction, exchange of message among all the stakeholders of a place and multilateral communication' (Bıçakçı & Genel, 2017, p. 54) are the main assumptions of their model. Stakeholders may affect each other's attitudes positively or negatively. They classified stakeholders in two different groups: image carriers (responsible for communication during promotion of the place brand) and organic stakeholders (responsible for organising events under the places' brand name). Image carriers are 'foreign and national visitors and investors, residents, universities, non-governmental organisations (NGO) and target tourism market audiences'. Organic stakeholders are 'provincial tourism office, public, private affiliates, airport, air and land transport companies, commerce and industry chambers, etc'. (Bıçakçı & Genel, 2017, p. 55). In Istanbul, image carriers are residents, visitors, investors, universities and several NGOs. Organic stakeholders are

Turkish Airlines, Atatürk and Sabiha Gökçen Airports and Istanbul Culture and Art Foundation. There must be strong and elaborate collaboration and communication among stakeholders to support the place brand.

The Emerging Role of Slow City Concept

Industrialisation and globalisation are characterised by technology and materialistic environment, which have harmed places' natural resources as well as biological, local and cultural diversities (Doyduk & Okan, 2017). Places around the world have become similar and uniform communities with little attachment to local values, landscapes and history (Doyduk & Okan, 2017; Güler, 2017). A new movement, the 'Cittaslow' concept, has arisen to prevent or minimise the effects of homogenisation on places (Doyduk & Okan, 2017).

Cittaslow, born in 1999, is defined as 'an international network of towns and villages in which living is easy, the community cares about its heritage, health of inhabitants and environment, arts and culture and living life at a peaceful pace' (Cittaslow Australasia, 2017). The aims of the Cittaslow movement are to avoid the standardisation of places, protect local values, increase the quality of life, enable sustainable development, support local economy, protect nature and lead cities to find their own soul and identity (Doyduk & Okan, 2017; Özden, 2012). To be a member of the Cittaslow network, places must complete at least 50% of 60 goals and policies grouped under six themes: 'environment, infrastructure, technologies and facilities for urban quality, safeguarding autochthonous production, hospitality and raising awareness' (Doyduk & Okan, 2017, p. 167). The slow city can also be considered in light of the mindful consumer movement where open-minded consumers pay attention to their present surroundings, show greater empathy for others, have concern for life, care more about social attributes and are more sensitive to their environment (Bayraktar, Uslay, & Ndubisi, 2015).

As of May 2017, there are 235 Cittaslow places from 30 countries throughout the World. Fourteen places are from Turkey: Akyaka, Eğirdir, Gerze, Gökçeada, Göynük, Halfeti, Perşembe, Şavşat, Seferihisar, Vize, Taraklı, Uzundere, Yalvaç and Yenipazar (Cittaslow, 2017). The first place accepted by the Cittaslow network was Seferihisar, and local authorities have taken several steps to increase residents' quality of life and to save the environment and nature since accreditation (Doyduk & Okan, 2017). Özden (2012) studied the effect of the Cittaslow movement on Seferihisar. The results indicated that residents are very happy and have a peaceful life. They also agreed that the Cittaslow movement has positively affected cultural, natural and

environmental resources as well as the economy. More places are joining the Cittaslow movement to prevent homogenisation and to save their distinctive, competitive advantages and diversities.

Role of Health Tourism

Health tourism can be defined as ‘a vacation that involves travelling across international borders to obtain a broad range of medical services’ (Heung, Küçükusta, & Song, 2010, p. 236). Globalisation, demographic alterations, enhanced transportation opportunities and technological and economic developments have changed health tourism (Tucki & Cleave, 2014). The volume of health tourism has exceeded \$100 billion annually (Gürcü & Tengilimoğlu, 2017). The key actors in health tourism are the United States., India, Taiwan, Singapore, Malaysia and Turkey.

Health tourism provides several benefits for places, including boosting economies, enhancing relations between countries, providing year-round service, boosting tourism and improving health services (Gürcü & Tengilimoğlu, 2017; Heung, Kucukusta & Song 2010). Countries apply different strategies to gain competitive advantage in the global health tourism market. India introduced a new type of visa with tax reductions for medical tourists. Malaysia developed a strategy which offers tax incentives for health sector firms. Poland uses a joint promotion campaign for the Polish Medical Service (Tucki & Cleave, 2014).

There are several reasons for people to choose health tourism, including high costs of treatments in their home country, lack of insurance, long waiting period, unavailability of domestic treatments and privacy issues (Gürcü & Tengilimoğlu, 2017; Tucki & Cleave, 2014). The main reason for health tourism is the price differences for treatments between the countries. The cost of heart bypass surgery is approximately \$123,000 in the United States, while it is only \$7,900 in India (Gürcü & Tengilimoğlu, 2017) and about \$10,000 in Turkey.

In recent years, Turkey has become one of the most popular health tourism destinations in the world (Omay & Cengiz, 2013). Turkey has several advantages in terms of health tourism. The first is the low cost of treatment. Heart valve replacement costs \$170,000 in the United States, while it is only about \$17,000 in Turkey (Gürcü & Tengilimoğlu, 2017). The geographic location of Turkey makes it one of the most competitive countries for health tourism. The distances to Turkey and Far East countries from several regions are provided in Table 1. For most consumers in the West, Turkey is more accessible than the countries of the Far East and is connected to the rest of the world through Turkish Airlines.

Table 1. Distance of Turkey and Far East Countries from Other Countries.

Country	Europe	North Africa	Middle Africa	United States	Russia	Middle East
Turkey	2–4 hours	3–4 hours	5–9 hours	9–14 hours	2–4 hours	2–4 hours
Far East	10–15 hours	10–15 hours	9–14 hours	18–26 hours	7–12 hours	5–9 hours

Source: Turkish HealthCare Travel Council (2016).

Turkey has 52 Joint Commission International-accredited hospitals (Gürçü & Tengilimoğlu, 2017). Most foreign patients visit Turkey for ophthalmology (eye diseases and surgery); orthopaedics; traumatology; internal diseases; ear, nose and throat diseases; gynaecology and obstetrics; general surgery; and mouth and dental diseases (Ministry of Health, 2013). The health ministry of Turkey has started several developmental programmes and strategies to increase the number of health tourists, increase service quality and be more competitive (Ministry of Health, 2013). For instance, to serve foreign patients, they provided 24/7 translation service in Arabic, Russian, English and German (Health Tourism Association of Turkey, 2016).

The Role of Culture

Places can create awareness, improve their images and attract tourists by building new planned settlements, architectural buildings and amusement parks. They may also use marketing tools such as promotion and branding. However, all these strategies and tools can be imitated, adopted or improved at other places. However, culture has a multi-dimensional structure consisting of social norms and traditions, language, fashion, architecture, handicrafts, art, music and gastronomy (Iliachenko, 2005) and is affected by history, lifestyle and environment (McKercher, Ho, & du Cros, 2004) which renders it very hard to imitate.

Culture is probably the most effective tool for place branding and enhancing tourism. It provides uniqueness to places, offers distinctive experiences to visitors and is an inimitable key to differentiation (Özer, 2017). Cultural tourism is defined as the ‘visits by persons from outside the host community motivated wholly or in part by interest in the historical, artistic, scientific or lifestyle/heritage offerings of a community, region, group or institution’ (Silberberg, 1995, p. 361). Cultural tourists’ demography and psychography differ from other tourists. Cultural tourists’ education and income levels are much higher

and they want to escape from the real world (Özer, 2017). Cultural tourists look for authenticity during their visits (Wang, 1999). Places should protect their authenticity, highlight their cultural heritages and apply differentiated tourism strategies to strengthen their brand image and impress cultural tourists. However, culture should not be created or regenerated for cultural tourism, and the places should use culture as a catalyst for promoting the place (Hocaoğlu, 2017).

Özer (2017) listed some strategies for places which can become branded through cultural presentations. These include creating architectural design and iconic structures, creating a cultural image and slogan, organising cultural festivals, organising mega events, cultural thematisation, featuring the cultural identity, utilisation of museums for branding, utilising historical stories in marketing, urban transformation and planning and cultural flagship investments.

Turkish culture represents harmony between East and West. Turkey also has rich architectural culture and many iconic structures for use in branding strategies. Istanbul alone is home to many historical and architectural structures such as Hagia Sophia, Sultan Ahmet (Blue) Mosque and Maiden Tower.

The greatest mosque in the history of the Republic is currently under construction in Çamlıca. It is designed to be seen from almost every part of Istanbul to become a new symbol of the city. Uysal (2017) conducted a content analysis and identified that six themes were used in tourism materials for Istanbul: religion, capital of civilisations, multicultural diversity, orientalism, city between the East and the West and the city of tolerance.

Another strategy involves cultural image and slogans. Turkey's current slogan, 'Explore the Potential', is rather generic and does not include any cultural expression. Istanbul has used several slogans such as 'capital of religions' and 'timeless city' (Özer, 2017). Organising cultural festivals such as the International Oil Wrestling Festival in Edirne, Mesir Paste Festival in Manisa and International Golden Karagoz Folk Dance Festival represents another approach. However, most of these festivals are not well known internationally. These festivals should be promoted globally to increase awareness and attract more cultural tourists.

Role of Religious Affiliation

Religion has very important spiritual and sacred values that direct or dictate devotees to travel to specific places. Jerusalem, Rome, Santiago de Compostela

and Lourdes are the main pilgrimage centres for Christians. Makkah is the pilgrimage place for Muslims (Kurar et al., 2017).

Although it is a very old tradition, religious tourism's boom took place in the beginning of the 2000s. Recently, the volume of religious tourism has reached worth \$18 billion with approximately 300 million people travelling annually for religious purposes. Religious tourists spend more and prefer first-class products and services (Kartal, Tepeci, & Atli, 2015). Therefore, religious affiliations play a key role in the economic prosperity of places. Like culture, religious places also represent heritage and cannot be formed or imitated. Places can use religious affiliations in similar ways as to culture to strengthen a unique brand image.

Turkey has a multi-religious heritage associated with the three Abrahamic religions: Christianity, Islam and Judaism (Uysal, 2017), and it is one of the most fortunate countries in terms of religious tourism. Turkey is a home to several important religious places for Christians such as Şanlıurfa (the birthplace of Abraham), Harran (the native town of Rebecca and Rachel), Mount Ararat or Ağrı (where Noah's Ark was grounded) and Ephesus (where the Virgin Mary spent her last years). There are also several attractions for Muslims in Turkey such as Mevlana Tomb, Blue and Süleymaniye Mosque, Selimiye Mosque, Divriği Grand Mosque and Bursa Grand Mosque (Kartal, Tepeci & Atli 2015). While Istanbul's Hagia Sophia museum is visited by 3.5 million tourists annually, the House of Virgin Mary that Christians visit to become a pilgrim arguably has a higher potential as a destination for religious tourism.

Although Turkey has several opportunities and advantages regarding religious tourism, Aktaş and Ekin (2007) claimed that only 1% of tourists come to Turkey for religious purposes. It is obvious that Turkey is not fully successful in religious tourism, and the tourism authorities in Turkey should exert more marketing effort to promote religious places and attractions and allure more tourists who are motivated by their religious beliefs.

The Role of Local Governments

Local governments, which are defined as 'a sub-national level of central government, which has jurisdiction over a limited range of state function, within a defined geographical area which is part of a larger territory' (Miller, 2004, p. 36), are one of the most crucial actors in place branding. They generate plans, infrastructure and economic arrangements to support the local economy. They also play an active role in making places attractive for residents, business people and tourists (Güler, 2017). Since branding strategies of places

cannot be separated from the local policies and strategies, local governments play an active role in branding (Hocaoğlu, 2017).

Local government has a multi-faceted structure consisting of five dimensions. The social dimension is related to the implementation of democracy and human rights as well as providing social services such as health, education and food. The economic dimension refers to the role of local governments in the reduction of poverty and in maximising local employment and income. The environmental dimension refers to supplying healthy and safe living conditions, water supplies, provisions for sanitation, rubbish collection, disposal drains, paved roads, etc. for residents and visitors, and the preservation of nature and the ecosystem. The administrative dimension is related to the relationship and harmony between the local and central governments. The political dimension is how local governments influence citizens to participate in politics, organise elections and maintain law and order (Güler, 2017).

Güler (2017) identified several strategies for local governments in place branding. Local governments should have close relationships with all stakeholders and should integrate them in the place branding process from planning to implementation and evaluation. They should also collaborate with other organisations such as Local Agenda-21, tourism offices and regional development agencies. Another strategy for place branding is the application of tailor-made and place-specific solutions for sustainable development.

In Turkey, local governments are legal public entities and aim to meet residents' needs (Güler, 2017). However, local governments face several problems in meeting residents' needs and improving the brand image of the places for several reasons. Local governments have out of date legislations and regulations which cannot respond to technological, economic and social changes. The Turkish governance system has a heavily centralised character which is rooted in the Ottoman Empire, and people prefer not to participate in local government. Also, the central government does not allocate sufficient financial resources to local governments (Polatoğlu, 2000).

However, there are examples of success. Eskişehir was an ordinary and unpopular city 15 years ago, experiencing massive outward migration. The local government produced several projects to increase quality of life. They made the city pedestrian-friendly, rehabilitated the polluted river at the city centre, improved the transportation systems and sport areas and renovated old buildings. These efforts made Eskişehir the art and cultural capital of Anatolia. Local government repositioned the city through initiating the branding process and became a pioneer for other cities who want to be branded (Güler, 2017).

The Role of Events

Organising mega events is another effective branding strategy for places (Uysal, 2017). Olympic Games, world championships, world trade fairs, festivals, concerts and other events such as the European Capital of Culture are very important opportunities to be acknowledged globally and improve a place's brand image. Organising out-of-the-ordinary events, such as royal weddings and papal coronations, boosts the awareness of places and increases brand image (Uysal, 2017). The most important and effective mega event to improve the brand image of a place is hosting the Olympic Games (Hocaoğlu, 2017). The best example that indicates the effect of mega events on place branding is the Barcelona Olympic Games in 1992. Barcelona's strategy was to use the games to create a place brand and they initiated a renovation process for the whole city (Hocaoğlu, 2017). They increased the number of hotel rooms and developed museums and other tourist attractions (Solberg & Preuss, 2007).

Turkey is aware of the importance of Olympics on tourism and brand image. The authorities have applied to hold the Olympic Games in Istanbul and constructed several facilities such as stadiums and transportation systems. Unfortunately, the applications of Turkey have been denied so far. The most important event during recent years was the selection of Istanbul as 2010 European Capital of Culture (ECoC) (Uysal, 2017). ECoC was a catalyst to Istanbul's city branding (Bıçakçı, 2012) and a breakthrough for Istanbul to be promoted globally (Uysal, 2017). In the ECoC campaign, the importance of Istanbul as a capital city of several great empires throughout history was highlighted. 'The Most Inspiring City in the World' was used as the slogan of the campaign (Hocaoğlu, 2017). Istanbul used 'European common root' as a branding strategy (Bıçakçı, 2012) to reinforce Turkey on the way to EU membership. The ECoC was successfully implemented with approximately 10,000 events organised during the year (Rampton et al., 2011).

DISCUSSION AND CONCLUSION

Globalisation is an inevitable process to which citizens, businesses and governments must adapt (Uslay, Yeniurt, & Lee, 2013). In this global context, places compete to have distinctive brand images, increase tourism and enhance prosperity. However, branding places is more complex and difficult than branding products and services. Places as brands have multi-faceted attributes and

involve numerous stakeholders who must work together to build relationships and co-create value for success (Malhotra, Uslay, & Bayraktar, 2016; Sheth & Uslay, 2007). Therefore, local and central governments, citizens, private sector authorities and marketers should elaborately form, maintain and evaluate branding strategies considering their economic, social, cultural and technological resources.

Social media, health tourism, culture, mega events, sustainable communication, movies and TV series, slow city concept, religious affiliations and local government can all play key roles in place branding. However, place marketers need a master plan and holistic perspective in designing and implementing their brand image while using these tools. Key stakeholders must agree on the most appropriate brand image of a place, strategies must be consistent and tools must be utilised synergistically.

This chapter reviewed and emphasised the unique opportunities of Turkey in place branding. Turkey has not yet reached its tourism potential despite its competitive advantages. Arguably, the most effective strategy for place branding in Turkey is through culture. Turkey has a very rich and diverse culture. The usage of social media for place branding is not sufficient in Turkey. It is very difficult to find Turkey's and Turkish cities' official web pages, Instagram, Facebook and Twitter accounts. Therefore, focus on social media and search engine optimisation (SEO) techniques would be advisable.

For decades, Turkey's brand image was influenced negatively by foreign media. Currently, Turkey has a great opportunity to use its own TV series to create a positive brand image for global audiences. TV series can be considered a window to Turkey for the world. Movie producers, tourism authorities and place marketers can collaborate to support Turkey's brand globally. Turkey should also take several actions to reach its potential for religious tourism and highlight its religious heritage. Efforts to host mega events and festivals shall continue. In conclusion, Turkey has the potential to become one of the top destinations in the world through concerted effort and collaboration of public as well as private organisations.

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SECTION 5
CRAFTING MARKET
OFFERINGS IN TURKEY

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CHAPTER 5

EXPERIENCE CONSUMPTION IN TURKEY

Ezgi Merdin-Uygur

ABSTRACT

The consumer behaviour literature is evolving towards the assumption that products are inherently experiential bundles, and after all, all businesses are operating within the experienced economy. Experiences are much more advantageous for the consumers because they advance happiness or enjoyment of life (instead of survival or maintenance). Experiential purchases lead to greater happiness levels compared to material purchases. Reliance on materialism and material purchases is shown to be the reason of low happiness levels in even the most affluent countries.

In this chapter, based on theoretical as well as empirical papers, I analyse experiences and the consumption of experiences in the Turkish context. The arguments are supported by up-to-date market analysis of related industries conducted by independent market research agencies. The first section looks at the rise of experientialism in retail industries, such as in the case of shopping malls. The following sections touch upon main experiential categories such as tourism, dining and sports. Finally,

the social aspects of experiences are discussed in the context of third-place experiences, and some empirical findings are presented. The chapter concludes with some recommendations for practitioners, experience designers, service providers as well as researchers.

Keywords: Experiential marketing; tourism marketing; sports marketing; third places; experiential retailing

INTRODUCTION

The experiential economy (Pine & Gilmore, 1999, 2000) has established the important role of experiences in marketing. According to this framework, all businesses are providing experiences to their consumers, regardless of the nature of their offering. Around that time, the psychology literature also evolved towards the understanding of positive psychology. Positive psychology aims at not only preventing misery or dysfunctions but also at improving the well-being and happiness of human beings. This literature argues that well-being, the sum of joyful experiences and happiness, is not directly linked with wealth. People are just not spending their money right (Dunn, Gilbert, & Wilson, 2011). From this point of departure, this chapter focusses on experiential consumption rather than a specific industry or a specific time or point of purchase.

In support of the argument that money is not directly linked with happiness, in Turkey, the economic development and increased monetary income are not reflected in reported happiness levels, since Turkey ranked as the 78th happiest country globally (Helliwell, Layard, & Sachs, 2016). A report by Price Waterhouse Coopers (PWC) (2016) shows that the percentage of culture and entertainment expenditures in household spending is as low as 3%. This statistic may even decrease to the level of 1.62% for the low-income segment. The Turkish economy still has an untapped potential to grow in terms of services, experiences and culture and entertainment industries. The share of the service economy in the national GDP in Turkey is slightly below 60% (Turkish Statistical Institute (TUIK), 2014). Moreover, according to the data, the share of service sector employees among total employment is one of the lowest in Turkey with a ratio of 45% whereas almost 80% of the workforce is in the service industries in countries such as the Netherlands and the United Kingdom (PWC, 2016).

In this chapter, we analyse the role of experiential marketing and consumption in Turkey, a country where conspicuous consumption, materialism

and affordable luxuries reigned the consumptionscape. The chapter is organised as follows: the first section briefly defines experiences and summarises the experiential recommendation literature. Questions regarding what is an experience and what is a material purchase have been answered by several researchers in the area. The researchers agree on the concept of ‘experiential recommendation’ to refer to the advantages of purchasing experiences rather than material objects. The next section touches upon main experiential categories such as tourism, dining and sports in Turkey. We report up-to-date statistics as well as latest academic research looking at experiential categories. The third section looks at the rise of experientialism in retail industries, such as in the case of shopping malls. Again, we combine the latest research about Turkish consumers in retail settings and how they evaluate various shopping malls. Finally, the social experiences and the third-place experiences are discussed. We believe that the third-place experiences are rising in consumer culture and becoming more and more popular with increasing global brands, such as Starbucks, and becoming successful in emerging economies such as Turkey. At this point, we also present some empirical data that we collected to show the relationship between social experiences and happiness. The chapter concludes with some recommendations for practitioners, experience designers, service providers as well as researchers.

DEFINING EXPERIENCES AND THE EXPERIENTIAL RECOMMENDATION

Defining experiential purchases in comparison with material purchases has not been an easy task. [Clarke \(2006\)](#) defines experiences as accumulated happy memories that are recalled with great pleasure, allowing for creativity and imagination. According to [Kwortnik and Ross \(2007\)](#), the aims of experiences can be listed as making memories, learning, discovery, sharing, escape, relaxation and romance, and these are highly different than a material purchase’s potential objectives. In a similar vein, [Howell and Hill \(2009\)](#) express two conditions for a purchase to be an experiential purchase: First, the main reason for purchase must be advancement in life by obtaining only a memory, and second, the cost of the experience must be paid in full at the time of acquisition or at most in one month. The elements of leisure experiences are several, although not limited to, the existence of focus of attention, perceptions of risk and competence, meanings associated with challenges of leisure environments, satisfaction and absorption in the moment ([Lee & Shafer, 2002](#)).

There are also several typologies of experiences in the literature. The extreme forms of experiences are called transcendent experiences (Rathunde, 2001) or flow experiences (Csikszentmihalyi, 2000). Flows are joyful common experiences common in team sports or creative activities such as music or dance. The objectives of experiences can vary from adrenaline rush to relaxation (Clarke, 2006). Empirically, the most used experiential purchase types are fees and admissions, meals, vacations, hikes, donations and gifts. Some categories are both counted as experiences and possessions in the literature and empirical research. As examples of these, Carter and Gilovich (2010) used a boxed set of music and even a large flat-screen or 3D TV depending on how they are construed. Having made the necessary definitions and discussing what constitutes an experience compared to a material purchase, we move on to discussing the experiential recommendation.

The literature recommends spending time and money on experiences rather than spending money on materials for happiness and satisfaction. The experience–happiness relationship is so strong that even the thought of a pleasurable activity (dining or driving) gives more happiness compared to an actual material consumption. Window dressing and fantasising and daydreaming are found to be related with more pleasure than the pleasure released by actually purchasing the same article. Kwortnik and Ross (2007) analysed the positive anticipative emotions, calling them positive task-related affect. Positive emotions are felt while deciding for an experiential purchase (i.e. a vacation) in a category highly conversed in terms of plans, fantasies and stories. Experiences are more personal and more favourable than materials, thus they elicit fantasy and facilitative feelings. In addition to that, experiences become part of the consumer's identity, foster their social relations due to their nature and strengthen the 'experiential people stereotype' which signifies open-minded, intelligent and outgoing people seeking to fulfill their intrinsic motivations such as living a purposeful and meaningful life (Van Boven, Campbell, & Gilovich, 2010). The people in the category of experiential buyers are admired, liked and preferred more as conversation partners compared to materialistic buyers.

People also report experiential purchases as better financial investments in which money is better spent (van Boven, 2005). People also mentally revisit their experiential purchases but they are unable to do that frequently for material purchases (van Boven & Gilovich, 2003). The memory value of experiences is so much higher than materialistic purchases that Carter and Gilovich (2010, p. 157) note: 'Even for materialists, their luxurious experiences reside inside their minds, as memories; while their luxurious possessions are in their closets, their living rooms or their garages'. Satisfaction with an

experience even increases over time as opposed to the decreasing satisfaction after purchasing a material possession (Carter & Gilovich, 2010). Experiences are less susceptible to comparison than material purchases. In experiential purchases, the unchosen options are less likely to be thought or ruminated about afterwards (Carter & Gilovich, 2010). Although for material purchases, there are post-purchase ruminations according to other available options, other prices or other fellow consumers who purchased the same brand or product. Analysing the differential regrets for material versus experiential purchases (Rosenzweig & Gilovich, 2012), it is generally concluded that material purchase decisions lead to buyer's remorse (regrets of buying) whereas experiential post-shopping thinking involves missed opportunities (regrets of not buying). The latter type of regret also endures for a longer time. We may hear a lot of people regretting not going to a movie with their friends whereas in the materialistic case, regret for buying that many pairs of shoes dominates the consumer's mind. Some experiences are rare opportunities such as famous concerts.

Inherently social experiences also possess a happiness advantage over solitary experiences. Among the five time-spending principles of Aaker, Rudd, and Mogilner (2011), spending time with the right people is number one. Owing to their entertaining power and conversation opportunities, experiences are highly social. Activities with friends, family and significant others are associated with greater happiness levels. One of the most recent experiments has revealed that women are more prone to embrace experiences (compared to material purchases) as part of their self-concept when compared to men (Carter & Gilovich, 2012).

EXPERIENTIAL CONSUMPTION IN TURKEY

From a macroeconomic perspective, the GDP per capita in Turkey is \$10,390 as of 2014, including a 21% increase within a 5-year period. Consumers in developing economies demonstrate a shift in terms of consumption trends. For example, consumers of new China, having acquired material goods such as TVs and durables, have become avid purchasers of experiences and leisure consumption such as coffee shops, movies and theatres (Kilby & Carter, 2006; Venkatraman & Nelson, 2008). Young, professional and upwardly mobile segments of such populations are seeking not only upscale goods and services but also an emotional connection since they are living independently from their extended families (Venkatraman & Nelson, 2008). Turkish households also demonstrate a similar profile in terms of material status.

For example, household ownership of basic durables, such as refrigerators, colour TV, washing machine and dishwashers, approach 100% as of 2015, and more varied durables ownership such as microwaves is expected to reach 20% (Euromonitor International, 2016a). Statistics also support that Turkish households are beyond necessities in terms of spending. Way beyond food and housing expenditures, household spending for non-essentials has approached \$15,000 as of 2015. Therefore, consumers have the monetary power to turn to experiential consumption.

One of the most significant experiential industries in Turkey is travelling and holiday purchasing. For example, 27% of online shoppers in Turkey bought airline tickets, booked travel or rented a car (TUIK, 2014). Statistics also show that the increasing number of countries who had no visa restrictions to Turkish citizens fueled the travelling industry. Combined with opportunities of low-cost airlines and increased security and variety in terms of purchasing options (i.e. online), the number of Turkish people who visited foreign countries has more than doubled between 2005 and 2015 with an increase from 3.6 million to 8.5 million (Euromonitor International, 2016a). The existence of long religious holidays (such as Ramadan Feast) also contributes to the travelling industry to a large extent. Main factors that contribute to the level of involvement in the tourism experiences are level of education and whether or not the person belongs to the working population entitled to annual paid leave (Koç, 2003). The statistics show that one of the biggest contributors to the travelling industry is the segment called 'middle youth', aged between 30 and 44 years (Euromonitor International, 2016b). The middle-youth segment shows the biggest demand towards not only vacations but all experience-based purchases. This segment is followed by the elderly segment. Since older consumers tend to have more savings than the younger segments, they reserve a travelling budget of €1,500 per week on average compared to young travellers' budget of €200–300. This elderly segment is especially charmed by quality, comfort and all-inclusive service of these experiences.

In the Turkish context, Tolungüç (1999) admits that marketing communications and overall marketing strategies of touristic products such as historical sites, hotels or restaurants have not utilised marketing research and not valued segment-related information. Tourism marketing activities blindfoldedly focussed on the objective of increasing the number of incoming tourists and underscored segmentation and motivation-related research. As different types of individuals have diverse requirements and preferences, understanding the personal characteristics and traits of the tourists as well as their dynamic attitudes and perceptions will help practitioners adjust the competitiveness of various destinations to meet tourists' needs and to provide

congruent experiences. Main motivations towards touristic experiential purchasing can be categorised as the following: curiosity (i.e. fairs and festivals), imitation and conspicuousness and education (i.e. summer schools, campus visits), visitation and culture (i.e. traditions, rituals), meetings and religion (i.e. holy places or trails), personal shopping and sports (i.e. diving, rafting), relaxation and health (i.e. climatism), entertainment, adventure-seeking and other motivators (i.e. tour agencies, travel credits) (Hazar, 2007). Researchers revealed certain characteristics of experiential tourists in the Turkish context as well. Turkish consumers consider the activity options at the travel destination, the accommodation features and the city/country of visit (Euromonitor International, 2017). Turkish tourists make up two different segments according to their personal traits as well as the qualities of the locations they choose for the touristic experience. In an attempt to segment the leisure market in Turkey, Alvarez and Asugman (2006) identified these two different segments in the tourist experiential context as spontaneous explorers versus risk-averse planners. Combining various qualitative techniques such as focus groups and in-depth interviews with quantitative survey data, this research explains two different clusters in detail and uses a newly developed scale of exploratory tourism behaviour to differentiate explorers versus planners. Spontaneous explorers in tourism experiences are predominantly males, less concerned with risks, more involved in vacations and using a limited number of information outlets before the touristic experience. They have low rates of repurchase and revisit intentions and more variety in terms of accommodation and location choice. On the other hand, the risk-averse planners are predominantly females and they demonstrate a less involved way of living the tourism experience. Since they are more involved with the associated risks, the risk-aversion also directs this segment to opt for packaged tours, intermediated touristic purchases and choose high-quality luxury accommodation such as five-star hotels. They opt for as much informative outlets as possible to plan touristic experience (Alvarez & Asugman, 2006). Destination managers and experience designers may utilise these findings about various segments of experiential buyers in Turkey in establishing several facilities or information outlets about touristic experiences.

Researchers in Turkey also admit the fact that tourism in Turkey is focussed largely on a variety of historical sites and on sun and sea tourism, especially during the summer season (Gumusgul et al., 2013). However, sports and fitness experiences are also popular in the Turkish context. Running events sponsored by famous sports and lifestyle brands evoked interest in experiences such as marathons or cause-related running events. Another social sporting experience to note is table football called 'langirt', played in teams

and enjoyed by many in game rooms, beaches, bowling alleys or movie theatres. Some cities in Turkey have developed enormously due to regional sports marketing. Examples of such destinations are Antalya (golf, skiing and diving), Kayseri (skiing) and Fethiye (sky-diving). Despite this variety, soccer industry (predominantly referred to as football in Turkey) is of great significance. Football experiences give way to sports marketing, sports tourism and all related economies. Unlike seaside tourism, football game experiences and tournaments take place in cooler regions in the summer and warmer places in the winter. For example, Antalya in Turkey hosts a number of foreign soccer teams from Germany, Austria and Russia for their training during the winter months due to its warm climate (Hazar, 2007). Huge budgets are reserved for football experiences, football clubs and all related activities. Prior literature identifies two different segments for the sports tourism industry as the individuals who travel too actively to participate in a sports activity (active sport tourism) versus individuals who travel to watch a sports event (event sport tourism).

Leisure experiences in the context of Turkey are various, such as festivals, which are a mixture of performers, consumers, atmospherics and a number of periphery service providers' performances such as food services, catering services, retail shopping opportunities and entertainment venues. Akyildiz and Argan (2010) analysed the case of Turkish Rock'n Coke festival and presented a four-dimensional model of leisure experiences. Their model comprised the dimensions of social relations, lifestyle, expression of emotions and sensual perception. Even though this model utilised items from prior literature in the area (i.e. Gentile, Spiller, & Noci, 2007; Kao, Huang, & Wu, 2008; Tsaor, Chiu, & Wang, 2006), it is validated in a Turkish experiential context with data collected from 234 Turkish consumers who were audience members at the two-day-long festival in Istanbul, Turkey. Interestingly, the dimension of social relationships turned out to be the most influential driver of experiential happiness and satisfaction (Akyildiz & Argan, 2010). The satisfactory social interactions during the experience, combined with the quality of the emotions felt during the experience, significantly predict the intention to recommend the event to somebody else.

Another experiential shift in Turkish lifestyle has happened in the eating out sector. Trend analysts acknowledge a shift in eating preferences of Turkish people from traditional, healthy cuisine towards unhealthy fast-food and eating out. Analysts' observations link this shift in eating habits with shifts within the population. More and more percentage of the population is living in cities rather than countryside. With increased employment rates (especially among women) and working hours, people feel more pressure to

eat out and eat fast. There are on average 27 million people currently employed in Turkey as of 2015 (Euromonitor International, 2016a). Moreover, single person households and the increasing number of higher education students contribute to the increased demand for eating out. Even though restaurants are thought as vendors of food, they are primarily retailers of the foodservice experience (Yüksel & Yüksel, 2002). In restaurants, production and consumption practices take place simultaneously and such services consist of a blend of tangible and intangible aspects of the dining experience. The service environment comprises the quality of the product, the comfort of the ambience as well as a set of social relations and conversations between vendors and customers or simply among fellow consumers. Even non-verbal aspects such as waiting time, crowdedness, pace of service or prospective customer perceptions shape the experience itself. The experience, in return, affects consumers' cognitive, emotional as well as physiological responses (Yüksel & Yüksel, 2002). Yüksel and Yüksel (2002) conducted research with foreign tourists visiting Turkey and presented a five-dimensional restaurant experience consumer segments model. According to their model, tourists in Turkey belong to one of the following five clusters of restaurant customers: value-seekers, service-seekers, adventurous food seekers, atmosphere seekers and healthy food seekers. According to their model, there are traditional drivers of restaurant satisfaction such as food quality and service quality. However, the service quality also comprises friendly staff, their willingness to help, their knowledge level, their competency, their attentiveness, quietness and level of noise at the facilities and favourability of the overall atmosphere.

RETAIL EXPERIENCES IN TURKEY

Shopping environments are constantly evolving in order to meet changing demands and trends. The mall industry, for example, recently faced considerable decline, resulting in 1,200 mall closures in the United States and the situation is expected to get worse due to over-retailing (Semuels, 2015). However, consumer demands transformed this industry into something more complex. Consumers preferred malls not only for shopping but they also expect other activities such as entertainment. Similar insights led mall developers towards developing a complete experience and creating excitement as well as functionality. In addition to goods consumption, providing venues for service consumption positively affected mall-spending since services and socialisation serve as ways to escape loneliness (Kim, Christiansen, Feinberg, & Chol, 2005).

Brick and mortar retail service experiences have an inseparable human component in the service delivery phase (Brocato, Voorhees, & Baker, 2012), acknowledging many different people present in a retail environment such as other shoppers, salespeople or cashiers. Ever since the concept of experience became the key element in the shopping environment, the retail market responded to this demand via reserving spaces for experiences such as live music concerts, roller coaster activity areas, co-working spaces and even artificial farmers' markets which enabled socialisation of fellow consumers. Socialisation is a paramount dimension of retail shopping since consumers in groups cover more area of a store, purchase more in terms of quantity and spend more money than sole consumers.

Apart from malls, traditional retailers have also developed experiential environments. Barnes & Noble, a popular bookstore chain, became known with its bookstore-café concept. Since the target population segments of the bookstore chain, such as students, demanded socialisation as well as shopping, the chain developed the concept of book-café in collaboration with Starbucks and reserved seating spaces in the form of a café in addition to the book sales area in the form of shelves. Analysing Nike Town Chicago, research revealed that such hyper retail environments use design features such as statues, altars, lamps or memorabilia to create the soul of the store (Sherry, 1998). These elements are not branded products and are not for sale, but they serve to complete the overall experience in line with the brand's soul and overall story.

In the Turkish consumptionscape, shopping malls provide unique experiences, including music, concerts, design or climate-related attractions such as fountains shows. Among the works connecting retail and experiences in Turkey; Çakır, Eğinli, and Ozdem (2006) studied a transformed way of shopping which is the so-called 'shopping temples' or 'thematic parks', claiming that these new shopping venues represent not only places but actually a lifestyle. These attraction centres are private life fields, venues for spending free time as well as having fun. In the Turkish consumptionscape, shopping malls provide unique benefits on special days and gift-giving practices. Such experiential avenues offer Turkish consumers experiences on special days such as Valentine's Day (February 14), Father's or Mother's Day (May and June) and New Year's Eve (31 December in the Turkish context). These attractions may include music, concerts, design or climate-related attractions such as fountain shows or many different activities. Çakır et al. (2006) analysed the specific promotions, experiences and attractions that three different shopping malls provided on Valentine's Day as a case study analysis. Significant findings and observations in a shopping mall in Izmir, Turkey included even wedding ceremonies for certain couples and performance-related contests for couples on

Valentine's Day. More traditional experiences included live music and dance performances on stage. Restaurants within these malls also offered varied and different special menus for Valentine's Day, representing experience within experience and different layers of marketing performances. What is more significant in this work in Turkish context is that the authors present these malls as 'temples' of today, supported by a religious and spiritual perspective towards consumption behaviour of the modern Turkish society.

As another special day example, many shopping malls in Turkey host Christmas markets, special year-end promotions and seasonal attractions at the end of the year. Another study was conducted in Konya, Turkey, in the case of a single shopping mall. The qualitative study utilised photo-based narratives approach in order to investigate entertainment experiences in shopping malls (Uygun, 2011). This study revealed surprisingly that, in addition to planned and special activities and experiences, unplanned and impulsive events and experiences play a significant role in the overall experiential consumption. The most highly rated experiences for Turkish young mall shoppers are planned mall-related attractions; special events and unplanned spontaneous experiences. Among the planned mall-related attractions, young Turkish consumers rated movies, entertainment centres and lounge areas as the most desirable elements. In the second category, similar to the other studies about Turkish shopping malls, concerts or dance performances have been reported as desirable special events. The most interesting category, which is unplanned, spontaneous or impulsive experiences category, included witnessing other consumers' life events and unplanned social interactions.

SOCIAL EXPERIENCES

Servicescapes are defined as spaces constructed as a stage for consumption and to unleash the frozen potential of consumptionscape (Ger & Belk, 1996). Servicescapes are composed of various physical and material elements categorised as design factors, ambient conditions and social interactions (Bitner, 1992). Design factors include the layout, furnishing and decor; ambient elements include lighting, temperature and other sensory input, while social interactions may involve relations between customers and employees or among fellow consumers. Within the service management paradigm, old models either conceptualised other customers as an interacting single entity focussed on service providers as the sole social interaction party in the service encounter or dealt with a specific portion of the experience such as the waiting line social effects such as conversation or getting along.

Experiences are complex versions of servicescapes because the consumers in servicescapes actually engage in the construction of various experiences fitting their life themes, life projects, identities, roles, culturally embedded rituals, meanings and beliefs (Sherry, 1998). Social factors, such as customer-to-customer interactions, may be as important as physical elements in the evaluation of marketplace experiences. Other customers' influence may play even a bigger role than service personnels' influence in terms of predicting an individual's perception of service. This view is supported by the social-servicescape model (Tombs & McColl-Kennedy, 2003), since social density determines customer responses (e.g. positive or negative affective states and susceptibility to emotional contagion), repurchase intentions and intentions to revisit the same setting.

Acknowledging that other customers form one of the three main elements in the service setting, customer-to-customer interaction research has received the attention of both academicians and practitioners for decades (Nicholls, 2010). As consumers face certain design or experience-related restrictions on how they sit or with whom they share the servicescape, it is beneficial for managers and practitioners to have a sense of how happy consumers would be in certain experience settings. Considering the diverse demographics of today's global societies and the efforts of global companies such as Starbucks to embrace many diverse identities within the same atmosphere, it is of significance to say that social experiences are evolving towards communal and third-place experiences.

There is a considerable link between demographic dynamics and the design of experiences. For example, the loneliness trend in demographics contributed to the communal and third-place experiences to a large extent. Communal working as well as communal eating became parts of the retail environment, since shoppers demanded social needs satisfaction as well as function and variety. Organic Authority, a popular food blog, explains the trend in communal dining as follows: '... long wooden tables span wall to wall, and they're filled with strangers eating elbow to elbow ... You've just entered: the communal dining zone' (Stakal, 2011). Redecorated McDonald's restaurants worldwide reserve more and more space for large common tables and benches for around 20 people. Communal tables serve as modern consumption experiences of being 'together alone', since people nowadays do even collective activities such as bowling or Sunday brunches alone due to lifestyle changes, time scarcity and unique experiential designs. Since the lonely population is rising, retailers have acknowledged the benefit of targeting alone shoppers and their spending power via communal experiences. Several factors make the communal experience context unique. Facilities for

eating out (e.g. restaurants) are designed to create social eating experiences. Most Turkish consumers prefer full-service restaurants that offer a full dining experience for the ambience, the service but more importantly for socialising. Tables are set for more than one or two consumers and the eating experience of each customer is observable by other customers (Jonsson & Pipping-Ekström, 2009). Restaurants may even offer communal plates, allowing individuals to share food from the same plate (Warde & Martens, 2000), which might foster the inherently social activity. In Sweden, for example, special signs at the entrance of restaurants indicate whether communal tables are available for individuals who come alone to share with others (Jonsson & Pipping-Ekström, 2009). Regardless of geography, public spaces host consumers that are together alone (Morrill, Snow, & White 2005). Communal eating designs for solo diners are called communal tables in the United States, talking tables in the United Kingdom and SAMBORD in Sweden (Jonsson & Pipping-Ekström, 2009).

The demographic trend of the increased numbers of lonely people within the population is also reflected in the Turkish setting. Turkish students aged between 6 and 18 years no longer socialise with their classmates or friends (Euromonitor International, 2016a). The Family and Social Policies Ministry has declared that delaying marriages is one of the possible causes of this trend. There is a significant rise of single men among people who live alone according to 2014 statistics. As people delay being a household and family, they look for social experiences as a means of social belonging.

The most significant representation of experiences in the marketplace is third places such as coffeehouses. This is evident from the plethora of branded service experiences around us, be it global branded such as Starbucks, local branded such as traditional coffeehouses or independent third-wave stores.

THIRD-PLACE EXPERIENCES

The coffeehouse has mostly been referred to as a 'third place' in both theory and practice. In sociological terms, Altman (1975) proposed three types of places: primary (such as home), secondary (such as work) and public (third places). Third places have also been explained by another sociologist, Oldenburg (1999) as informal public life places, hosting regular, voluntary, informal and happily anticipated gatherings of individuals beyond home or work.

Pleasure and leisure, two characteristics of modern consumer culture (Belk, Ger, & Askegaard, 2003) are in motion within the third-place leisure

service settings. In practice, Starbucks has benefitted from and fulfilled the role of the third place as a coffeehouse chain and became one of the important players of the changing servicescapes. Increasing number of global players, such as the Caffè Nero chain, followed this concept as well as local and independent service providers such as third-wave small coffee shops serving as the third place in cosmopolitan capital cities like Berlin, Istanbul and Melbourne. Starbucks' global strategy involves shaping not only what consumers eat, drink or listen to but also the overall ambience and complete consumer experience, including the interactions consumers have with store employees or among each other (Koehn, 2001).

In their research analysing the custom of sitting in cafes in Israeli regions, Shapira and Navon (1991) developed the theoretical concept of social interactions in and around the setting and concluded that the 'alone' and 'together' concepts are confused in cafés, and the boundaries have become amorphous, leading to their popularity as a leisure place in the society. Cafés are increasingly providing homey characteristics (McCracken, 1989). In China, Starbucks stores represent a safe haven, warmth, security and privacy like home compared with the noise and fast pace of the streets (Venkatraman & Nelson, 1998). This homey feeling is supported with strategic design elements in third places, such as comfy sofas, dim lamps, pictures on walls and fireplaces. Another portion of consumers see the third-place experience as a substitute for formal offices. This segment studies or works in these experiential settings, call it open office due to being quiet and calm.

In the Turkish context, third places are increasingly popular due to various reasons. Since 2014, the demand for third places and especially coffee shops triggered the launch of hundreds of coffee shops in large cities in a few years of time. As of 2015, one of the most famous third-place branded services, Starbucks Inc. has a 4.3% market share in the Turkish chain food service providers market (Euromonitor International, 2016b). Similar to dietary preferences, preferences for coffee drinking shifted from traditional Turkish coffee to independent ground coffee culture. The ritual of drinking fresh-brewed coffee has become a total experience on top of seeing coffee as a product. Market analysts define this new habit as a new culture and a new experience. This new culture is also supported by various events, such as coffee festivals, where the customer buys ticket for entrance and the opportunity to taste unlimited coffee from various independent participants of the festival. These stands and events are usually supported with other experiences such as music and live performances and they take place in historical or trendy buildings within the city centre.

SOCIAL EXPERIENCES IN TURKEY

Historical evolution of global servicescapes is especially important in emerging economies. For example, McDonald's stores replaced traditional local diners, teahouses or restaurants in even the most collectivist cultures such as Hong Kong, Japan and Taiwan (Venkatraman & Nelson, 1998). Turkey represents an important context to study third-place experiences due to its unique history. The earliest forms of coffeehouses actually emerged not in England but in the Ottoman Empire (Modern Turkey's predecessor) in the 1500s together with commercialisation of leisure in theatres, galleries or gardens (Karababa & Ger, 2011). Anthropological-historical work on coffeehouses (Karababa & Ger, 2011) define three different pleasures that were offered by earlier public service settings and experiences. These were socio-pleasures, physio-pleasures and ideo-pleasures. It is evident that today's experience providers are still aiming to offer these three different consumption pleasures to the consumer subjects. In more detail, socio-pleasure is enjoyment that people share when they get together (Tiger, 1992). We had argued previously also that material consumption is inferior to experiential consumption due to the socialising power of experiences. Opportunities for consumer-to-consumer interactions, recreational activities and forming memories are still key features of experiences. Physio-pleasures are relaxation, refreshment, comfort and being aesthetically pleasant. Gardens, rivers, music or shows are still key for service and experience providers. Ideo-pleasures are mentally intensive literary or academic experiences (Tiger, 1992). In the Ottoman times, customers of coffee shops used these places for writing, discussing poetry or even religion. Considering the coffeehouse experience of today, patrons still use Starbucks, cafes or experiential arenas for working, studying, reading and for more technological activities such as browsing. Therefore, even though the form and content of services and experiences have evolved enormously in almost six centuries, the key pleasures and functions of experiences are still valid for the modern Turkish consumer.

Culture and experiences are inseparable entities in consumer behaviour. Murali, Laroche, and Pons (2005) hypothesised that a group's effect on individual's service setting behaviour varies with culture. Moreover, in practice, global servicescapes are dominating the market with major players such as McDonald's. These global servicescapes are sometimes blamed for imposing standardised codes, practices and behaviour at the cost of losing local practices, lifestyles and consumption habits. There is a continuous interplay between local consumption cultures and global servicescapes.

METHODOLOGY

In this section, I report empirical findings from the Turkish consumers' experiential choices such as theatres, dining experiences or holidays. We have field data from cafes and movies. We also have attitudinal data regarding performance experiences, such as theatres, and dining experiences such as restaurants. In one of our field studies, data was collected from actual consumers in a middle-priced café that hosted a large communal table for dining. One of the research objectives was to understand the social aspect of a leisure experience such as eating out. We recruited research assistants to collect real-time data from the cafe. We conducted the study on weekdays, approaching participants sitting alone among other consumers versus sitting with friends in this café. After the individual's social versus alone status was marked on the survey, the respondents reported their happiness levels, the amount of money they spent on the experience in Turkish liras and the time in minutes they spent for that experience. The main dependent variable was the happiness garnered at the time of consumption since we interrupted their eating–drinking experience. Participation was totally voluntary and without any monetary compensation. One hundred and sixty-four (68 males, $M_{\text{age}} = 22.59$ years, $SD = 2.99$) customers participated on a voluntary basis. Happiness derived from the experience as it is lived was assessed with three items, asking 'How happy this experience is making you feel' on a 9-point semantic differential scale anchored by not happy/very happy; 'How much is this experience contributing to your happiness?' on a 9-point scale anchored by very little/very much and 'Would you be happier doing something else instead of this experience?' on a 9-point scale anchored by not happier/much happier (reverse item). Three items formed an index adapted from [Millar and Thomas \(2009\)](#) ($\alpha = 0.736$; $M = 17.07$). We also measured the behavioural involvement of respondents with café or restaurants. They reported their number of eating–drinking out in a week. Finally, participants indicated their age, gender and level of income.

RESULTS

The results revealed the main effect of social experience on happiness. The Turkish consumers in the café reported higher happiness scores if the experience was being lived with friends compared with strangers on the same table ($M_{\text{social}} = 6.15$, $SD = 0.21$ vs $M_{\text{alone}} = 5.36$, $SD = 0.18$, $F(1,162) = 8.14$, $p = 0.005$). However, the happiness scores were not translated into other

meaningful variables in the eating out experience such as money or time spent. There was no significant difference in terms of the time spent during the experience ($M_{\text{alone}} = 23.69$, $SD = 3.480$ vs $M_{\text{social}} = 30.776$, $SD = 2.929$, $F(1,162) = 2.426$, $p = 0.701$). It was also observed that alone consumers and consumers in groups actually paid statistically similar amounts per person in the cafe experience ($M_{\text{alone}} = \text{TRY } 8.81$, $SD = 0.62$ vs $M_{\text{social}} = \text{TRY } 8.341$, $SD = 0.52$, $F(1,162) = 8.14$, $p = 0.121$). We next tested whether age, income or gender significantly interacted with the conditions to influence the perceived happiness, time spent and amount of money spent. Results revealed no significant interaction of income and experience type on perceived happiness ($p = 0.961$), time ($p = 0.635$) and amount of money to spend ($p = 0.743$).

It was also necessary to collect happiness data from real-life experiences that did not structurally involve social interactions. Such experiences are voyeuristic in nature, such as performances, plays or concerts. Unlike other experiences, we expected that happiness in voyeuristic experiences would not vary in terms of attendance alone or in groups. We recruited a market research agency to collect happiness and satisfaction data after watching movies in actual theatres all over the city. The hours to conduct the study were varied as well as the halls in order to capture a range of movie types (comedy, drama, etc.). The data was collected with a 50% quota restriction. Approximately 60 responses would be collected from people who watched the movie with their friends or close ones, while 60 responses would be collected from people who watched the movie alone. The major reason to choose movie theatres was that it best represents a voyeuristic experience without conversation and a deep focus, while at the same time the places to sit are in very close proximity to each other. The main dependent variable was the happiness garnered from the movie experience. Participation was totally voluntary. One hundred twenty-three people (60 males, $M_{\text{age}} = 22.48$ years, $SD = 7.62$) participated in the study. The respondents were not asked to indicate how much money they spent for that experience, nor how much time they spent for that experience since these are constant across movies. We also measured the behavioural involvement of respondents with movies. They reported their number of going to the movies in a month. The respondents also reported some demographic information, including age, gender, education level and level of income. Unlike social dining experience, there was no main effect of the type of experience on happiness between experience with friends and strangers' conditions ($M_{\text{alone}} = 5.68$, $SD = 0.16$ vs $M_{\text{social}} = 5.82$, $SD = 0.16$, $F(1,121) = 0.359$, $p = 0.155$). It is suggested that further research can investigate more experience types that have variations of social feedback opportunities such as conferences, holidays, banks or campuses.

Findings of these two studies are in line with the literature. First of all, we showed that in third-place experiences, which involved social interaction, people preferred experiences with beloved people. Consumers are happier if they dine out with their friends or family, compared with dining out alone in crowds. However, the difference in happiness levels is not translated into strategic outcomes. For example, consumers spent similar amounts of money and time when they experience with loved ones or alone. More interestingly, we failed to find a difference in happiness when the experience does not involve social interaction. In such experiences, such as performances or movies, consumers were equally happy regardless of being with friends or being alone.

CONCLUSION

We conclude with recommendations in terms of designing and delivering experiences in Turkey. Being home to a diverse and also very large population, it is imperative to move beyond tangible products marketing and internalise experiential marketing if marketing activities are to succeed in Turkey. Strategies need to go beyond promoting tangible qualities, such as durability or price promotions, but rather should stimulate emotional connectedness and intangible value of the experiences provided. Marketers of experiences should know that all experiences are unique, incomparable to its (especially material) alternatives and meant to be kept as memories for a very long time.

The experiential economy will keep growing like all developed and developing economies. Moreover, with technological and social advancements, it is even expected to surpass material products consumption. In addition, Turkey belongs to a cultural group of countries with strong social bonds and high connectedness. The connectedness makes social experiences highly preferable to material product shopping. Experience providers will continue to learn in this complex market. The learning process may involve best practices in the market (i.e. third-wave coffeehouses) combined with continuous experimental innovation (i.e. providing virtual reality tours for tourism industry). Nevertheless, experiential consumers are emotional and continuously searching for pleasurable and meaningful experiences (Raghavan, 2012).

An application of this knowledge centres on the gift economy and practices of gift-buying and gift-giving. More than 66% of Turkish people spend more than TRY 100 per gift (Euromonitor International, 2016a). Since gift-giving is inherently a social activity, the choice of experiences as gifts has accelerated in the 21st century (Mintel, 2001). A gift in the shape of an

experience evokes the perception that the donor has not only devoted money but also time to it (Clarke, 2006), especially if the gifted experience involves both donor and recipient. Travel companies, airlines and hospitality industry became pioneers of experiential gift-giving with their innovative products and campaigns such as Valentine's Day treats. Such applications and experiential adaptations for gifts are expected to increase with the rise of experientialism.

A second concluding remark needs to be made about the blurred lines between tangible products and intangible experiences. Just like a 3D TV, it is possible to perceive the same product as a fully material object versus as a complete experience. A recent service provided by the Ministry of Culture and Tourism in Turkey is 'MüzeKart' (MuseumPass). Despite paying a fixed amount for the physical card itself, this exchange is made for a collection of multiple museum visits, namely multiple experiences (Uraltaş & Ekici, 2010). Such services are critically positioned as products surpassing the lines of physical products and intangible experiences.

The final takeaway from this analysis is the critical place of history and traditions of Turkish people in their experiential choices. For example, going even a thousand years back, tradition favours third places and socialised consumption in the Turkish context, considering the Ottoman heritage. It is in the foreseeable future that new experiences will be designed inspired by the strong tradition of this geography and with its own idiosyncrasies. Despite increasing globalisation, a glocal approach to experience design and marketing is necessary for effectively marketing experiences as well as products. For example, dining and catering services need to consider Turkish housewives activity of 'gold day gathering' while designing their strategies. In a similar vein, experiential providers had better to keep in mind the unique festivals, fests, celebration styles and gathering styles of Turkish people in designing their product. Only with ethnographic, sociological and historical approaches that marketers can truly grasp the experiential landscape of Turkey.

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SECTION 6
CREATE AND DELIVER
VALUE IN TURKEY

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CHAPTER 6

THE BIRTH OF OMNI-CHANNEL MARKETING AND NEW DYNAMICS OF CONSUMERS' APPROACH TO RETAIL CHANNELS

Selen Öztürk and Abdullah Okumuş

ABSTRACT

Nowadays companies are constantly changing their retail settings and strategies to keep up with technological developments and consumer needs. Digital transformation enabled one's shopping experience to be more efficient in terms of money, time, physical effort and other elements that determine the price a consumer has to pay. Channels of communication and distribution have evolved, increased in number and also became integrated. Mobile devices, mobile applications and location services help consumers in their shopping journey. These developments have led us to a new concept called omni-channel management. In theory, the omni-channel refers to a single and unified channel experience with multiple touchpoints, which include physical stores, online stores and direct marketing; mass

communication channels (television, radio, print media, C2C, etc.), online channels (social media, search engines, comparison sites, e-mail, display etc.) and mobile channels (SMS, branded apps, etc.). Some examples of omni-channel practices are click-reserve, click-collect, tablets as in-store sales tools, in-store product order through mobile apps, etc.

In this chapter, the latest trends in marketing channels are discussed with enabling digital technologies and relevant success factors. Challenges and opportunities in implementing omni-channel strategies and several omni-channel initiatives from Turkey are reported.

A research was employed to present consumers' preferences of touchpoints/ channels for search, payment and delivery, and to find out the drivers that lead consumers to use more than one channel simultaneously and/or interchangeably in a buying process. The results will guide the readers to understand consumer behaviour in the new omni-channel world.

Keywords: Omni-channel; cross-channel; retailing; online; mobile; channel choice

INTRODUCTION

Especially in the last decade, there has been an increase in the number of marketing channels on offer and these channels have become enhanced in capability for customer–business interactions. Neslin et al. (2006) mentioned emerging channels (the Internet, kiosks, call centres, ATMs, home shopping networks, etc.) as one of the most impressive new trends in shopping. Today we can add relatively newer channels to existing ones, such as social media, branded mobile applications and so on. The proliferation of channels and brand touchpoints enabled businesses to be more customer-centric as it is easier for them to provide each customer with a unique and more customised shopping experience. The developments in this era have brought fruitful opportunities as well as challenges that need to be overcome by businesses operating in either offline or online environments, or both.

In the omni-channel management, the focal point is to manage and optimise the offerings and performances of each channel. The concept of omni-channel embraces an urgent need to employ multiple channels and to follow a strategic approach for channel coordination. As Ailawadi and Farris (2017) stated, the concept covers both distribution channels that bind suppliers

to final consumers in terms of value delivery, and several business-owned, paid or earned (free and not paid) communication channels. Cook (2014) argued that consumers do not recognise or evaluate channels. Actually, they experience the brand (the retailer in this case). Consumers can not label the retailing concepts as cross- or omni-channel themselves. They only care for their needs to be satisfied and gain their desired value, knowing only the brand. The omni-channel approach is in the vision of businesses for handling multiple-channel operations.

As channels intersect and become integrated and/or optimised, needs and demands of consumers change accordingly. We also observe that people are generally more involved in the decision-making process of any given value exchange, and have a say in products offered by companies and even in development of business models. Piotrowicz and Cuthbertson (2014) defined the new customer as ‘connected mobile customer’ who can get the needed information about anything, from anywhere, anytime and who can buy what she/he wants through different options from various channels. Retailers made it possible by removing channel limitations. Consumers now order a product online and pick it up from any suitable location, or order it in-store but have it delivered to his/her home. Online retailers employing multiple channels can provide different product-return options offline. Some prefer to open facilities, which are called showrooms, so that people can examine the products before ordering online. There are various combinations of channels in use for consumers.

Understanding the consumer journey in an omni-channel retail concept is important because it is vital for companies to know the way consumers think, feel and respond in an emerging market. The rapid increase in demand of e-commerce has enabled adaptation of online channels among retailers, which in turn has made consumer behaviour in multi-channel environments an important topic of research (Shen, Cai, & Guo, 2016).

In this chapter, after a detailed presentation of various aspects of omni-channel retailing, we discussed results of our research conducted with the following purposes: (1) to present the preferences of Turkish consumers regarding retail touchpoints/channels, and (2) to disclose the drivers that lead consumers move along between different channels in decision-making process. As an emerging market, Turkey has high potential for new and technology-driven business models by having a young and dynamic population. Examination of markets from these aspects will provide customer insights to multi-channel retailers or retailers who want to expand their businesses to any other channel(s).

THE CONCEPT OF OMNI-CHANNEL

From Single to Omni-Channel

Throughout time, marketing channels have evolved into what we now call multiple channels and marketing channel networks (Watson, Worm, Palmatier, & Ganesan, 2015). While traditional retailers are opening virtual stores to take advantage of online channels (wider selection of products, convenience, potential for price comparison; Rigby, 2011), many companies that exist only on an online channel go on to open physical stores for the purpose of expanding their market share by reaching a larger number of consumers, increasing consumer satisfaction and providing efficiency in service and delivery processes (Avery, Steenburgh, Deighton, & Caravella, 2012; Shen et al., 2016).

Regarding these developments in business models along with current technological innovations and cultural changes, the concepts of multi-channel, cross-channel and omni-channel retailing have emerged. Up to the present, there hasn't been a clear or sharp distinction made between these terms in the literature (Hübner, Holzapfel, & Kuhn, 2016). Multi-channel retailers are those retailers who employ more than one channel as a business model.

To begin with, for multi-channel retailing, one of the most-cited studies in the literature belongs to Neslin et al. (2006). The authors defined multi-channel customer management as 'the design, deployment, coordination, and evaluation of channels to enhance customer value through effective customer acquisition, retention, and development' (Neslin et al., 2006, p. 96). They define the key issue as the focus on consumer and consider channels as contact points (i.e. touchpoints) by which a two-way communication occurs between businesses and customers. They particularly emphasised business–customer interaction and studied interaction channels, other than traditional media channels offering one-way communication. But we have to note that in this retail concept, channels are managed as independent operations and there is a high possibility of conflict in channels such as cannibalisation of sales revenue (Picot-Coupey, Huré, & Piveteau, 2016). When there is interdependence between channels, another approach gains attention, which is called cross-channel retailing.

Cross-channel strategy is described as an upgraded version of multi-channel management. In the cross-channel concept retailers consider the likelihood of consumers switching channels through the buying process. There is some level of data integration in terms of customer and product information and customised offers but still channels are not fully integrated and managed from a single point of view. Thus, competition between channels still takes place. Beck and

Rygl (2015, p. 175) gave a definition referring to Levy, Weitz, and Grewal (2013) as ‘the set of activities involved in selling merchandise or services through more than one channel or all widespread channels, whereby the customer can trigger partial channel interaction and/or the retailer controls partial channel integration’. The authors pointed out the levels of interaction to differentiate terms. Hence, we see the same kind of explanation for omni-channel, except ‘a full channel integration’ instead of partial or limited integration.

Beck and Rygl (2015) provided examples based on the level of interaction/integration. For cross-channel retailing, the examples are as follows: directions are provided for other physical stores where the demanded product is available (based on customers’ current location data), stock or pricing information is delivered through at least two channels, sales coupons can be used across all channels except mobile store, etc. Regarding inventory, price and other related information, we can talk of omni-channel approach only if merchandise and services are consistent across all channels. Again, if coupons can be used in all channels or customers have a return option for the product through all channels, there seems to be a full integration which is supposed to take part in omni-channel retailing.

‘Omni’ is a Latin word which means ‘all’ or ‘of all things’. Compared with previous generations, today’s consumers use much more technology in everyday life. In fact, they are the ones that grew up with and influenced by technological developments. Our lifestyles have changed, and continue changing along with our consumption habits and decision-making processes (Cook, 2014). Due to evolving trends with high technology, especially the Internet, smart mobile devices and social media (Hansen & Sia, 2015), everyone of us has a nearly uninterrupted connection with the world. Thus, omni-channel strategy is the ultimate one that defines brand–consumer interplay as a unique and meaningful experience, just like the definition given by Picot-Coupey et al. (2016, p. 342) as ‘a unified approach’ that ‘allows a seamless customer journey’.

Rigby (2011) was one of the first to define omni-channel retailing as ‘an integrated sales experience that melds the advantages of physical stores with the information-rich experience of online shopping’. The author mentioned types of channels as online stores, physical stores, kiosks, direct mail, catalogues, call centres, social media, mobile devices, gaming consoles, televisions, networked appliances, home services, etc. The term ‘integration’ was emphasised, as consumers wanted a combination of advantages of each mentioned channel.

However, a widely recognised description of omni-channel management is ‘the synergetic management of the numerous available channels and customer touchpoints, in such a way that the customer experience

across channels and the performance over channels is optimized' (Verhoef, Kannan, & Inman, 2015, p. 176). The authors explained the concept as overcoming channel boundaries in retailing and seeing the real deal through the eyes of the consumer. They discussed the new trend by comparing it with multi-channel retailing. In multi-channel retailing, consumers see channels separately, but in omni-channel they see the brand, not the channels, and experience the brand as a whole. Here different channels interact, become integrated and can be used simultaneously. Also, omni-channel phase includes more channels, as it includes both interactive (two-way) and mass communication channels with every kind of consumer touchpoints in several retail environments (offline–web–mobile). The authors defined the channel scope, including the following: stores, online stores and direct marketing, mass communication channels (television, radio, print media, C2C, etc.), social media and mobile channels (SMS, branded apps through smartphone or tablets), and noted that the boundaries between interactive and one-way communication channels seem to disappear. The touchpoints may include customer-to-customer communications or through social media. Or there may be more traditional brand encounters (Baxendale, Macdonald, & Wilson, 2015) such as in-store communications or editorial and expert reviews through traditional media.

Fed from all the explanations given in the literature, we present our own definition of omni-channel retailing as follows:

Optimization approach in channel management by pursuing total integration among each interaction point for brand-customer communications, brand offers and of all channels regarding design, management and control activities to deliver consistent and unique consumer value by virtue of advanced technology.

Omni-Channel Retail Initiatives

There are three kinds of flow in retail channels, which are information, product and funds (Bell, Gallino, & Moreno, 2014; Chopra, 2016). The basic process in a traditional shopping transaction occurs as follows: the customer gets the relevant information about the product and its price before ordering it. The retailer gets the order, begins the delivery process by moving the product to customer and the customer makes/transfer the payment. As expected, there will be variations to this in a multiple-channel retailer. Thus, the preferences of the flow and use of each channel lead to a different type of omni-channel strategy. Bell et al. (2014) presented the alternatives in omni-channel retail by a matrix called 'the information and fulfillment matrix'. Basically,

the information can be delivered either online or offline (face-to-face), while a customer may pick up the shopping items by visiting the store or she/he may choose a home-delivery option. First is traditional retail, where the transaction occurs offline and customers get the product themselves. The second is the opposite of the first one, called pureplay e-commerce, where customers shop online and products are delivered to them. To this end, those are the ones that remind us of single-channel retailing. Another strategy, called online retail plus showrooms, comes with an option that consumers can get information face-to-face by examining the product and have a home delivery option. The showrooms do not hold excess inventory for sale and customers can place orders online only. Hence, retailers don't need to spend much on store infrastructure and inventory holding but can spend more on delivery as in the second option. For products that people need to examine by touching and seeing in person, this option presented by multi-channel retailers has more potential for the future. The opposite (information online-fulfillment offline) is also available. Customers can search and buy online, but pick up the product themselves, which is called a hybrid strategy that offers customers a shorter waiting time.

Beginning with this distinction on the flow of information and products, we can give examples of more of omni-channel initiatives today. The above discussion of the shopping process did not directly refer to the transfer of funds, i.e. where the payment takes place. For example, in the second option, customers may have different alternatives to make payment at the door, etc. Or for the fourth option, a customer can reserve the product online and then makes payment physically in the store, maybe through mobile application of that retailer. In the third option, a customer can choose a pick-up location other than the store if available. We can exemplify also by after-sales processes (product return options) of a multi-channel retailer, whether the customer uses a cargo agency or returns directly to a store.

In the omni-channel marketing literature, the so-called strategies are named according to the levels of channel integration or distribution fulfillment: click-collect (suitable choice of pick-up location or pick up in-store), click-ship to store (a form of click-collect), click-ship from store (as in pureplay e-commerce), click-reserve (reserve and collect), buy online-return in-store, etc.

'Click-collect' (buy/order online-pick up in-store) is actually the fourth option we have mentioned above. It refers to the ability of ordering the product online but getting the ordered product from a store and/or from a pick-up location. The retailers benefit from this by sharing the inventory information of physical stores online. On the other hand, consumers may

have the benefits of each channel, for example ease of access to information in online channel and absence of shipping charges in offline channel (Chatterjee, 2010). Another initiative is ‘ordering while in-store’, where customers order the product through own mobile devices or self-service technologies provided by the retailer (Piotrowicz & Cuthbertson, 2014). This might actually be discussed related to the above-mentioned third option.

The omni-channel vision is relatively new for Turkey, just as it is for many global brands since its appearance in the last decade. Retail sector is a growing one with many global and local players. We have just begin to see such initiatives in Turkey. Besides global multi-channel brands (clothing and textile sector at most) that offer various delivery options in Turkey (such as click-collect, same-day delivery), Turkish retailers have anticipated the opportunity and created their own initiatives. Some well-recognised Turkish fast-fashion retail brands have begun in-store collection of online orders and continue to upgrade delivery options, maybe to free shipping. For fast-fashion and accessories, shoes, bags, etc., several brands continue to come up with these types of initiatives every day.

For retailers selling technological goods, consumers mostly seek online inventory visibility, personalised offers based on previous purchases at various channels and in-store return options. Many top-selling Turkish multi-channel retail brands in this category offer timely online inventory checking options; besides some of them provide click-collect, return in-store, express delivery services. Another growing retail sector, home appliances and furniture, includes brands that began operating online but have chosen to expand in physical stores, in response to demand for customer showrooming behaviour, and also includes brands that were once a brick-and-mortar retailer only. Apart from what they sell, each multi-channel retailer has to cooperate with more demanding consumers of today and evolve through digitalisation. Mobile commerce offers us many possibilities. Now, branded mobile apps can offer features such as personalised discounts or coupons, location-based notifications for promotions, in-store payment through mobile devices, etc. Many brands launch mobile stores integrated with web-stores, using location-based and personal data to provide a superior customer service, online-only offers and services that a multi-channel retailer can offer to its customers. Such consumption style incorporating mobile devices in buying process gains consumers’ attention for newer, possibly faster and personalised customer solutions. Both offline and online retailers need to see and make use of opportunities of mobile technologies to compete in the international arena. In the next section, we focus on this subject.

Digital Revolution in Retailing

Developments in retail channels are the result of new technologies: mobile devices such as smartphones and tablets with included software (branded apps, applications on mobile payments, e-wallets, e-coupons, location-based services, etc.). These recent implementations changed business models, reduced costs and revolutionised the way value is transferred to end users. This also made pricing and promotional efforts more customised. Moreover, the traditional stores are equipped with intelligent technology that provides consumers with time, cost and effort efficiency. Some examples are virtual screens, virtual mirrors, self-service kiosks, QR codes (Piotrowicz & Cuthbertson, 2014), radio frequency identification systems (RFID), near-field communication systems (NFC) and augmented-reality interactive technology in stores (Roy, Balaji, Sadeque, Nguyen, & Melewar, 2017).

From the retailers' point of view, digitalisation has made it possible to follow up and manage several channels effectively (Ailawadi & Farris, 2017). Managers make use of comprehensive consumer data (Hagberg, Sundstrom, & Egels-Zandén, 2016) provided by integrated mobile and wireless channels to improve their services and management operations (Renko & Druzijanic, 2014). Roy et al. (2017) used the term 'smart retailing' that refers to the interactions between customers, smart objects and retail touchpoints. The authors define the concept as follows:

An interactive and connected retail system which supports the seamless management of different customer touchpoints to personalize the customer experience across different touchpoints and optimize performance over these touchpoints.

Based on this definition, the relation of this concept to omni-channel retail management is obvious.

On the other hand, use of mobile devices has changed the way consumers perceive channel attributes. Mobile technologies come with new solutions to the problems consumers encounter in the decision-making process while searching for information, purchasing the product and returning, if required. For fast payment, consumers prefer direct use of bank cards, contactless payments, self-cash desks (Priporas, Stylos, & Fotiadis, 2017), scan-and-go technologies (Grewal, Roggeveen, & Nordfält, 2017). To compare product information, consumers make use of informative features of a retailer's website or may use the links provided in search engines by the retailer itself as an advertisement. The data held within is being used in making broader sense of it by data storage/processing technologies. In return, present and continuous use of smart mobile devices and related services support omni-channel initiatives of retailers (Kim & Hahn, 2015).

Factors for Omni-Channel Success and Channel Integration

Cummins, Peltier, and Dixon (2016) summarised omni-channel success factors relating to previous studies of Hansen and Sia (2015); Herhausen, Binder, Schoegel, and Herrmann (2015); Piotrowicz and Cuthbertson (2014) and Verhoef et al. (2015) as follows: Synthesising online, offline and personal interactions, working in coordination with channel partners, using technology in every aspect of channel management, giving weight to data analytics, monitoring consumers' journey between channels based on channel preferences and switching costs, focussing on brand management and brand–customer interplay, and enabling problem-solving remedies anytime and anywhere. Above all, nowadays channel synergies and utility might be very important factors for a consumer to prefer a multi-channel retailer among others. Retailers need to pay attention to the timelines of interactions, consumer flexibility to shop from anywhere and anytime, possession of information and other characteristics of communication processes to get the desired outcome.

As Berman and Thelen (2004) stated, when separate channels of a retailer are properly integrated, consumers see the brand as a single entity with several distribution alternatives. A well-integrated strategy brings the advantages of multi-channel retailing (such as using unique strengths of each channel, leveraging corporate assets and increasing sales volume, thus profits) to a higher level. The authors emphasised integrating promotional activities, product assortment, product and price information and undoubtedly consumer data.

Challenges for Marketing and Logistics

Proliferation of channels increases the complexity and possibility of making mistakes from a logistics point of view (Hübner et al., 2016). Companies operating with multiple channels need different or more tailored supply chain design. As mentioned before, there are plenty of options for consumers shopping from multiple-channel retailers in terms of distribution fulfilment (e.g. store delivery, home delivery, store pick-up). An online retailer may open a showroom to exhibit products to customers and to have a storage space as well. The customer can order it while in store through self-service technologies or their own mobile devices (Piotrowicz & Cuthbertson, 2014). To be able to do so, these options must be designed from the start with the help

of information technology for inbound and outbound logistics operations. Because of independent activities in each channel and stock or fund transfer activities across channels, these may lead to difficulties in maintaining proper control over them (Saghiri, Wilding, Mena, & Bourlakis, 2017). The inventory or order information may not balance, or customer data may mismatch for the items purchased and payment transfers (readers may see the work of Li, Luo, Xie, Feng, and Du (2015) on data convergence in omni-channel environments), in-store return/change process of a product purchased from an online store can be problematic for sales inventory controls and for presentation of sales revenue, or a very active channel can cannibalise sales of other channels (Kollmann, Kuckertz, & Kayser, 2012), etc. This situation may also cause conflicts between channel members (Ailawadi & Farris, 2017), and above all between channel managers if not properly handled. Verhoef et al. (2010) discussed the excessive amount of consumer contacts in today's marketing environment and consumers' unfavourable reactions when they are exposed to too many. Authors presented challenges of customer relationship management in data-rich multi-channel environments.

The increasing convenience (Chatterjee, 2010), effort and time efficiency that omni-channel brings can be well appreciated by consumers, but learning phases of the new technologies or some requirements on personal or historical data, including search and other activities in various channels (e.g. location-based data through tracking mobile devices, cookies integrated in online and mobile stores, filing social media loggings and previewed online content in social media, etc.) can cause some hesitations. Chopra (2016) discussed the unwillingness to use credit cards when shopping online in emerging markets and defined the situation as consumers' risk aversion for placing financial information online.

CONSUMER BEHAVIOUR IN TODAY'S RETAIL ENVIRONMENT

Internet and mobile technologies with developing social networks have made connection between consumers limitless, and the consumers are more empowered (Chou, Shen, Chiu, & Chou, 2016). Consumers perform searching activities on several channels before buying a product, also move back and forth between channels through the process. Verhoef et al. (2015) defined this behaviour with the term 'research shopping'. Also, with the help of

aforementioned developments in information technologies and change in retail infrastructures, we tend to be more involved in the buying process. [Kalyanam and Tsay \(2013, p. 19\)](#) defined the process as hybrid shopping, i.e. 'jumping across channels in the path to a single purchase'.

A specific form of this is 'webrooming', which means seeking information online but shopping offline. Surfing the web through search engines, social media, blogs or online communities is free of cost. It is attractive because it is more convenient than seeking information face-to-face, wandering around many stores or finding someone who is knowledgeable. Customers like the advantages of digital platforms such as all-time accessibility, wider range of brands and product information, speed in search and payment, etc. ([Chou et al., 2016](#)). The opposite behaviour is called 'showrooming', in which the searching process occurs in offline retail environments but buying activity takes place on a website (probably a competitor's) ([Kalyanam & Tsay, 2013](#); [Li et al., 2015](#)). [Arora, Singha, and Sahney \(2017\)](#) shed light on showrooming behaviour with a detailed framework. As these behaviours gain attention, [Ailawadi and Farris \(2017\)](#) referred to mobile technologies as a bridge between the web and physical stores and discussed its importance on consumers' research shopping activities.

In a broader framework, such activities could be explained under 'consumer free-riding behaviour' concept in multi-channel retail environments. [Van Baal and Dach \(2005, p. 76\)](#) defined free-riding behaviour as the process of consumers using one retailer's channel to obtain information and compare alternatives only but switching to another retailer to make the purchase. But free-riding across the same retailer's channels is possible also if that company owns several channels.

[Chou et al. \(2016\)](#) defined free-riding as both switching between retailers and switching the shopping channel. When a customer does not change the retail channel but only the choice of retail brand is changed, the behaviour is called 'within-channel switching behaviour'. However, when a customer searches through a retailer's website but purchases the product from another retailer's physical store, the term 'cross-channel free-riding' is more preferred ([Chiu, Hsieh, Roan, Tseng, & Hsieh, 2011](#)). In summary, free-riding behaviour means, people benefiting from a resource that they are not paying for. Since retailers cannot distinguish a buyer from a research shopper ([Van Baal & Dach, 2005](#)), probable strategy is to make the best use of channel/touchpoint management in terms of customer service and brand-customer interactions. Free-riding possibility only decreases in situations where a supplier uses a backward channel integration, selling through owned channels.

PREVIOUS RESEARCH ON CONSUMERS' CHANNEL PREFERENCES

Consumers' channel preferences may differ based on personal, situational and product/brand-related factors. A person can prefer a channel to another on a specific occasion or use multiple channels simultaneously. Sometimes previous experiences with a retailer and/or one of its channels (Herhausen et al., 2015; Yang, Lu, Zhao, & Gupta, 2011), technological abilities and use of smart/mobile devices (Zagel, Niels, & Bodendorf, 2017) or the fear of digitalisation triggers that; sometimes consumers' search and shopping motivations (Rodríguez-Torrico, Cabezudo, & San-Martín, 2017), shopping orientations (Chatterjee, 2010) and different demographics (Bilgicer, Jedidi, Lehmann, & Neslin, 2015; Konaş, Verhoef, & Neslin, 2008) can determine the process.

Besides personal factors, previous research has emphasised several others that affect consumer attitudes and channel choice (adoption or migration) which are as follows: marketing communications (Ansari, Mela, & Neslin, 2008; Valentini, Montaguti, & Neslin, 2011), product type/characteristics (Chatterjee & Kumar, 2017; Shen et al., 2016; Van Baal & Dach, 2005; Yurova, Rippé, Weisfeld-Spolter, Sussan, & Arndt, 2017), level of interactivity (Roy et al., 2017), level of channel integration/cross-channel competition (Bendoly, Blocher, Bretthauer, Krishnan, & Venkataramanan, 2005; Emrich, Paul, & Rudolph, 2015; Gong, Smith, & Telang, 2015; Li, Konaş, Langerak, & Weggeman, 2017) and different channel attributes in the phases of decision-making (Alexander & Olivares Alvarado, 2014; Gensler, Neslin, & Verhoef, 2017; Gensler, Verhoef, & Böhm, 2012; Kowatsch & Maass, 2010; Verhoef, Neslin, and Vroomen, 2007).

Drivers of Cross-Channel Information Search

Verhoef et al. (2007) discussed differences in channel attributes as drivers of research shopping, e.g. convenience and flexibility of web and absence of pressure by the sales staff, the shopping experience in physical stores, etc. In phases of search and evaluation, consumers aim to maximise accuracy by getting reliable and useful information, demand minimum cognitive and physical effort, and enjoyment (Broilo, Espartel, & Basso, 2016). Konaş et al. (2008) categorised multi-channel choice by benefit–cost approach as financial savings, switching and search value, and seeking entertainment, exploration and self-expression as more of hedonic motivations. Dholakia et al. (2010) defined consumer motivations to use retail channels as obtaining a good deal,

demonstrating expertise in channel selection and use to convey its symbolic meaning, being part of social group, and achieving a routine in the shopping process (Balasubramanian, Raghunathan, & Mahajan, 2005).

There is general understanding that online channel is more cost-efficient than others (Ansari et al., 2008). Price and product information transparency of online retail attracts consumers (Rapp, Baker, Bachrach, Ogilvie, & Beitelspacher, 2015). Chatterjee (2010) argued that price consciousness level of customers affects free-riding behaviour. Thus, we interpret that price is important product information and consumers tend to engage in free-riding with cost-saving motivation. Besides price consciousness and bargain behaviour, minimisation of perceived effort (convenience) is also the issue. The results of the study by Voorveld, Smit, Neijens, and Bronner (2016) addressed that 'consumers use more online channels when making an online purchase than when making an offline purchase' and count on offline channels in first-time purchases. Heitz-Spahn (2013) also studied shopping motives for cross-channel free-riding by both rational and hedonic values: time saving (convenience), possession needs, monetary savings by price comparison, seeking variety and perceived shopping enjoyment.

METHODOLOGY AND RESEARCH FINDINGS

Consumers can prefer specific touchpoints and/or channels to one another. For instance, a person may encounter a product in a newspaper ad, can gather product-related information online through quick gaze into online stores and social media, but decide to make the purchase from a brick-and-mortar retailer or vice versa. From marketing point of view, presenting how consumers see and approach those channels/touchpoints will be beneficial by gains in customer insight on channel design and coordination practices. Also, to be able to understand what consumer expects when moving between different channels in a buying process is advantageous because it can give clues for the future omni-channel initiatives of top priority.

So our research has two main goals: to present the preferences of Turkish consumers regarding retail touchpoints/channels in search of product information and purchasing, and to bring out the drivers that lead those consumers to move between different channels (store, web and mobile) in the decision-making process.

The research data was gathered through face-to-face surveys in May 2017 in Istanbul, Turkey. The location was thought to be appropriate as the sample

may represent the Turkish population with regard to diverse socioeconomic characteristics, lifestyle and cultural features. In total, 402 respondents were reached and completed the survey. But some were considered to be invalid because of inappropriate or biased answers and the missing data. After those responses were eliminated, the final sample of valid responses totalled 371.¹ First we asked the respondents which touchpoints/channels they preferred most for information search and evaluation phases of buying process of durable/semi-durable goods such as home appliances, technological goods, clothing, accessories, etc. (on a rating scale, from 1: never to 5: always). We categorised offline and online consumer touchpoints based on previous work (Broilo et al., 2016; Manser Payne, Peltier, & Barger, 2017) and current information sources in use.

Based on Fig. 1, we see that respondents attach nearly the same level of importance to physical and online stores. Their preferences for collecting information through mobile devices and mass communication channels are in moderate levels. Most of them consult family and friends for that kind of purchase. Surfing web through search engines has the ultimate attention of people for gathering information, and social media is also preferred above average. This means that they use online channels for search and to get advice, and search engines are their first stop for the pre-purchase phase.

Fig. 2 illustrates the choices of respondents for purchase channels. For this specific product category, offline store is mostly preferred for payment. Call centres and paying through mobile devices in-store have less usage density. E-wallets and other mobile contactless payment technologies are still new for them.

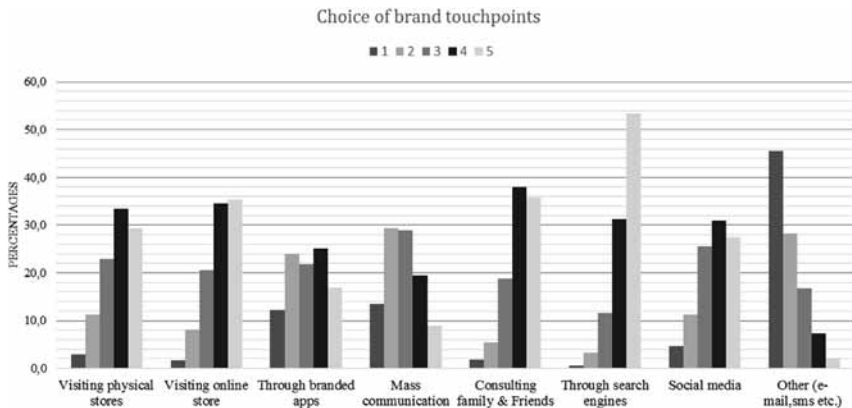


Fig. 1. Channel/Touchpoint Choice for Information Search.

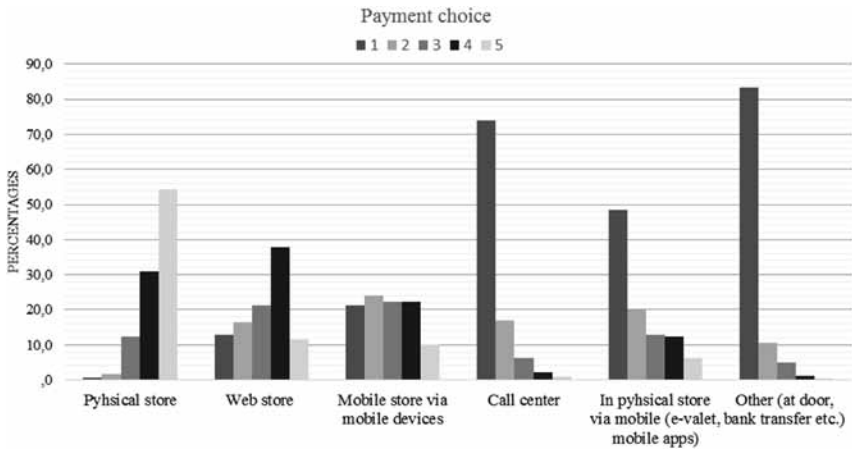


Fig. 2. Retail Channel Choice for Purchase.

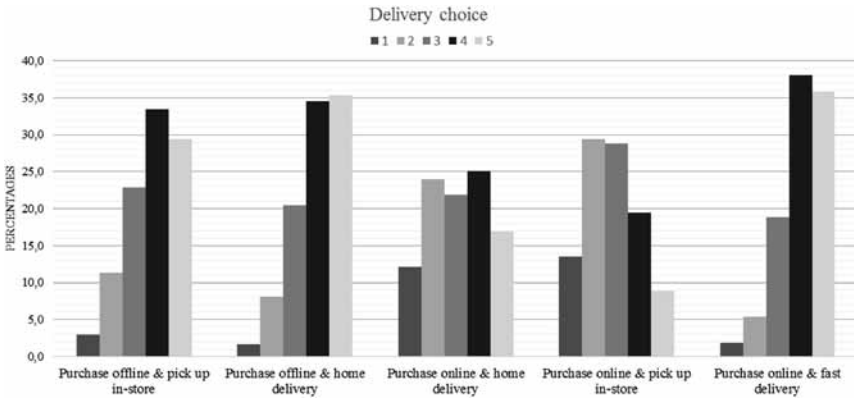


Fig. 3. Retail Channel Choice for Delivery.

Among delivery options, we see almost the same usage density for offline stores as shown in Fig. 3. Offline stores appear to be superior than online for durable goods. Online purchase and pick up in-store (i.e. click-collect) still have not gained much attention among Turkish consumers. But the same day/fast delivery option is preferred for immediate possession.

The second aim of the study was to find out the factors that drive consumers to use multiple channels simultaneously and/or interchangeably in a buying process. In this respect, a structural model analysing the antecedents of cross-channel information search and purchase behaviour was tested.

The theoretical base model consists of information availability, search and purchase convenience, purchase cost, selection of a superior service, entertainment and trend-hunting as drivers of cross-channel information search intention and purchase behaviour. The measurement items are derived from literature: drivers of information search in multiple environments (Eastlick & Feinberg, 1999; Elliott, Fu, & Speck, 2012; Heitz-Spahn, 2013; Hsiao, Ju Rebecca Yen, & Li, 2012; Kleijnen, De Ruyter, & Wetzels, 2007; Konuş et al., 2008; Schröder & Zaharia, 2008; To, Liao, & Lin, 2007), search and purchase intention (Yu, Niehm, & Russell, 2011). All items (34 in total) were measured on a 5-point interval scale (1 – strongly disagree, 5 – strongly agree).

For a structural model test, a two-stage approach proposed by Anderson and Gerbing (1988) was followed. The final measurement model was reached through recommendations of Hair, Anderson, Babin, and Black (2010), Malhotra (2010) and Kline (2010) for factor structures and for model goodness of fit to be in acceptable ranges.²

The main assumption was that higher levels of consumer motivation for aforementioned factors increased consumers’ use of multiple channels for both search and purchase intention. The final structural model is shown in Fig. 4. The revised form of equations refer that beliefs on information

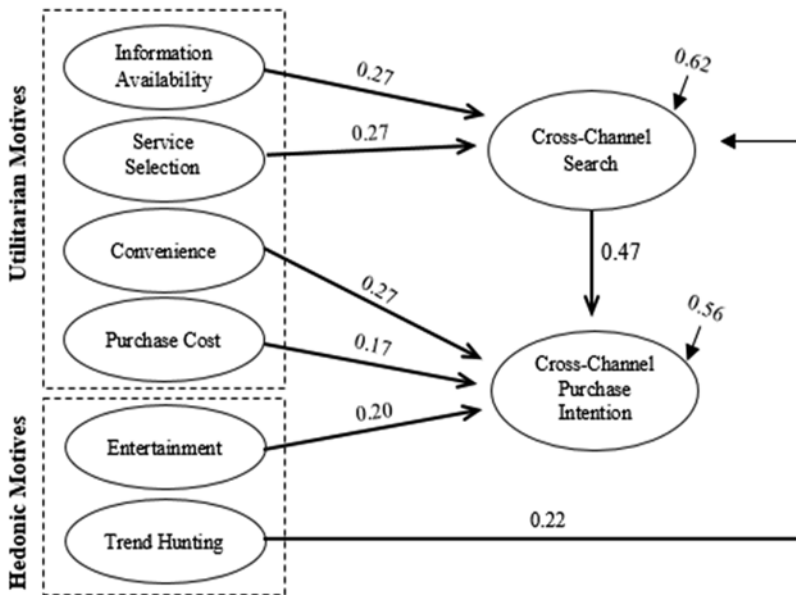


Fig. 4. Final Structural Model of Cross-Channel Search and Purchase Intention.

availability (product assortment and usefulness of information), service selection and trend-hunting affect cross-channel information search whereas seeking purchase convenience, cost saving and entertainment directly affect cross-channel purchase intention. There is a high incidence that consumers engaging in cross-channel search activity are very likely to move between channels for shopping as well.

DISCUSSION AND CONCLUSIONS

To summarise all, we can interpret relations between the concepts of multi-, cross- and omni-channel according to their main purposes. In multi-channel retailing, the aim is to increase the number of channels as much as possible whereas maintaining and increasing channel-to-channel support is the objective of cross-channel retailing. Omni-channel retailing ensures all channels are integrated and optimised for processes, capabilities and customer data. In fact, we need to approach the concept of omni-channel as a single channel with multiple touchpoints. The main features of the concept of omni-channel are as follows (Picot-Coupey et al., 2016): It involves more channels/touchpoints, those channels do not have borders in-between and brand–customer experience is more apparent.

First, this study displays the preferences of Turkish consumers for information and retail channels. It is apparent that a consumer may use various touchpoints to engage in several activities in a single buying process. Consumers prefer a diverse selection of information sources, and each can be unique in nature for relative consumer benefits. Relatively higher preference of in-store payments may relate to consumers' risk perceptions for sharing personal financial information online, as in the study of Chopra (2016) on emerging markets, or it may be explained by the nature of chosen product category. Purchasing from physical stores is superior than using online channels due to immediate possession needs and/or ability to physically examine the product. The main motives of each may need further attention.

Based on our research results, motivation to find a great deal of products/brands and related information, and to get a chance of selecting a better serving channel are found to be equally important for Turkish consumers to use multiple channels for search. Subsequently, catching up with new products and trends is an important motive for cross-channel information search behaviour. Purchase convenience, enjoyment of the shopping process in multiple environments and monetary savings are the motives effective in

cross-channel purchase intention in the order of relative effects. In a product purchase, seeking convenience is the ultimate reason. This result is in line with the referred literature. The subsequent driver is entertainment, as might be expected from the joy of shopping using mobile technologies and devices embedded in today's shopping environment.

RECOMMENDATIONS

Making necessary connections between various channels should be the prior aim of marketing managers. Since consumers can use these channels together in a search or purchase activity, brands need to be in touch with followers and convey the same brand-experience as well through all channels. As [Verhoef et al. \(2015\)](#) stated, now people use various channels or touchpoints in decision-making constantly, interchangeably and simultaneously. It might be a favourable thing for a customer to start the ordering process from online channel, e.g. her/his tablet, but continue and end the buying transaction in-store, or vice versa. Besides integrating systems, integration of prices might be a special topic as consumers need price information to be consistent, but they may also seek lower prices or special deals on the web. This issue is to be addressed in future studies on Turkey.

The ongoing digital transformation still needs some level of acceleration. Since consumers of today and the near future belong to an age cohort called Generation Z ([Priporas et al., 2017](#)) who have yet to step into adulthood and are more demanding, more knowledgeable and more empowered as consumers. Today's consumers are always ready to buy, and the retailers ought to be ready to sell as well all the time ([Pantano & Priporas, 2016](#)).

This research presents how Turkish consumers approach retail channels and how they make use of various alternatives. It is both exploratory and descriptive in nature by being the first to describe this subject. As mentioned previously, Turkey has a young and dynamic population. Use of Internet and information technologies and mobile penetration continue to rise as we research. In practice, we recommend retail brands in Turkey cater to convenience and the variety-seeking nature of consumers by enabling cross-device and cross-channel integration of services. The case of cross-channel purchasing could be interpreted as a major drawback but it brings new opportunities to wise customers. Combining these issues with entertaining features may lead to greater retail success. Several omni-channel initiatives are in use, but retailers still need to gain consumers' attention. For example, click-collect strategy is preferred as a distribution strategy and consumers may benefit

from it by not waiting in long queues, not waiting for days for the product to be delivered, having access to the purchased item at weekends when home delivery is not an option, etc. Retail brands need to communicate more about these as it may be a win–win situation for both sides in the retail business of the future. According to the results, online touchpoints are widely used, but physical stores are still preferred more as a purchase channel considering the product categories referred to. Underlying reasons might be examined in the further research.

NOTES

1. The survey sample represents a youth population, chosen in line with the acceptance and use behaviour of new technologies and retail initiatives. The demographics are reported as 49% male and 51% female; 46% is aged between 18 and 21 years, 33% is between 22 and 25 years, 11% is between 26 and 29 years and 10% is aged above 30 years; 64% of the respondents have high school and 36% have undergraduate/graduate degrees. As for household income, 49% of the respondents have 3,000 TL and less, 32% have 3,001–6,000 TL, 11% have 6,001–9,000 TL and 8% have 9,001 TL and above income per month.

2. The results of the final measurement model and the details on construct reliabilities, convergent and discriminant validity checks (Fornell & Larcker, 1981) are reported in the Appendix.

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APPENDIX

Table A1. Results on Final Measurement Model, Construct Reliability and Validity.

Construct	Item	Standardised Loadings	<i>t</i> value	<i>R</i> ² – Explained Variance	Construct Reliability (CR)	Average Variance Extracted (AVE)	Cronbach’s Alpha
Information availability	IA1	0.73	15.17	0.53	0.84	0.64	0.82
	IA2	0.89	19.70	0.80			
	IA3	0.82	15.03	0.53			
Convenience	CO4	0.83	16.29	0.68	0.86	0.75	0.85
	CO5	0.90	17.90	0.82			
Purchase cost	PC1	0.81	17.16	0.66	0.83	0.61	0.82
	PC2	0.86	18.58	0.74			
	PC3	0.67	13.47	0.44			
Service selection	SS1	0.81	17.58	0.66	0.83	0.62	0.83
	SS2	0.81	17.43	0.65			
	SS3	0.74	15.49	0.55			
Entertainment	EN1	0.67	13.58	0.45	0.83	0.63	0.77
	EN2	0.82	17.36	0.67			
	EN4	0.87	18.73	0.76			
Trend-hunting	TH1	0.72	15.38	0.52	0.87	0.68	0.86
	TH2	0.91	21.20	0.82			
	TH3	0.84	19.06	0.71			
Cross-channel Search	CCS1	0.70	14.33	0.49	0.81	0.59	0.80
	CCS2	0.86	18.70	0.75			
	CCS3	0.73	14.94	0.53			
Cross-channel purchase intention	CCP1	0.70	12.99	0.50	0.67	0.50	0.67
	CCP2	0.72	13.19	0.51			

Notes: Goodness of fit statistics of the measurement model: χ^2/df : 1.740, RMSEA: 0.045, NFI: 0.96, NNFI: 0.98, IFI: 0.98, CFI: 0.98, GFI: 0.93, AGFI: 0.90, RMR: 0.039, SRMR: 0.045. Goodness of fit statistics of the final structural model: χ^2/df : 1.725, RMSEA: 0.044, NFI: 0.96, NNFI: 0.98, IFI: 0.98, CFI: 0.98, GFI: 0.93, AGFI: 0.90, RMR: 0.041, SRMR: 0.047.

Table A2. Discriminant Validity Checks.

Construct	IA	CO	PC	SS	EN	TH	CCS	CCP
Information	0.80							
Availability								
Convenience	0.31	0.87						
Purchase Cost	0.26	0.42	0.78					
Service Selection	0.49	0.42	0.49	0.79				
Entertainment	0.14	0.21	0.12	0.14	0.79			
Trend-hunting	0.42	0.34	0.24	0.49	0.35	0.82		
Cross-channel search	0.49	0.33	0.26	0.51	0.24	0.46	0.77	
Cross-channel purchase intention	0.39	0.52	0.43	0.59	0.37	0.45	0.64	0.71

Notes: The diagonal values represent square root of AVE, and the lower cells represent the correlations among constructs. As seen, square root of AVE for each construct is higher than the correlations.

SECTION 7
TURKISH WAY OF MARKETING
COMMUNICATION

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CHAPTER 7.1

IMC: INTEGRATED MARKETING COMMUNICATION

Elif Yurdakul and Aslı Bozdağ

ABSTRACT

Marketing has changed rapidly over the last four decades. Not a core discipline itself, its applications have become more complicated, more dynamic and more customised than ever before. Achieving differentiation in product is as difficult as reaching an aurora. Instead, marketers use communication tools to draw attention and increase awareness. But in the era of artificial intelligence, number of communication channels, competitors and lack of patience to read or listen to branded messages are not helping to reach targets. To keep the brands' images clear and memorable, marketers need to create powerful content to deliver through any touchpoints. And that means INTEGRATION: 'coordinating the company's many communication channels to deliver a clear, consistent and compelling message about the organisation and its products'.

The dynamics of marketing communication mix can vary in different geographies. Being a developing country makes Turkey a fast mover but unstable. Although coping with these dynamics is not easy, it could be learnt. This chapter aims to help the reader find some useful information about Integrated Marketing Communication applications in the Turkish market.

Keywords: Integrated marketing communication; marketing communication mix; trends in Turkey; product placement virtual/augmented/mixed reality; content marketing; experiential marketing

INTRODUCTION

Turkey is an interesting market in many respects. Positioned in-between very different cultures from European to Asian and Middle Eastern, it has very unique dynamics and traditions. First of all, Turkish people are friendly, emotional and like to communicate very much. The more the communication, the more the expertise in encoding and decoding. This means, you need to be sincere in your messages. Turkish people like social interaction and, of course, give attention to other's opinions, which generates a huge potential for positive and negative word-of-mouth campaigns.

A few hours after the 7.2 magnitude Van Earthquake struck the Van province of the eastern Turkey on October 25, 2011, a Facebook message posted by Onur Air, a Turkish airline company, caused a major crisis. Onur Air announced that it would donate 0.50 Turkish liras (TRY) per person for existing Facebook fans, but will give the same number for every new member and that the goal is to donate TRY 250,000 (i.e. to reach 500,000 fans in total). As people thought the donation was the way to increase the number of fans of the airline, the reaction grew like an avalanche within a few hours. It was a trending topic (TT) for 15–20 minutes and the airline received thousands of negative comments.

Integration of marketing communication efforts may protect you from being misunderstood by consumers and reinforce brand image through coherent messages even if they are carried by different channels. In the following chapter, we will look into the basics and importance of Integrated Marketing Communication (IMC), marketing communication mix and trends in Turkey, big data and some prohibitions and regulations. Understanding these concepts may help us to find our way to integration.

CHANGING COMMUNICATION ENVIRONMENT

The rising value of Internet and technology brings two major fundamentals into marketers' lives: multiplication of media and demassification of consumer markets (Kitchen & Burgmann, 2010).

According to [eMarketer \(2017b\)](#), global digital ad spending will reach \$223.74 billion in 2017 and represents the 38.3% of the total media outlay figure of \$583.91 billion. Facebook and Google continue to dominate the digital market. Mobile advertising will drive digital ad spending, which accounts for 63.3% of digital and 24.3% of total media ad spending.

[Kotler and Armstrong \(2016\)](#) underline that companies are doing more narrowcasting and less broadcasting. Opportunity that digital channels provide to reach smaller customer segments with more customised content is causing higher digital marketing spending. [eMarketer \(2016\)](#) (digital ad spending) made a forecast that in the United States, the total digital ad spending in 2017 would surpass TV for the first time.

Google's share of the US search ad revenues would be 78% in 2017 ([eMarketer, 2017a](#)). The reason behind this success is the shift in consumer behaviour; we are googling the products and features before taking any action.

As the Internet penetrates Turkey, both commercial and individual users are rising. According to the [Turkish Statistical Institute's \(2016b\)](#) survey, in 2017, 93.7% of organisations with at least 10 persons employed used Internet in 2016. Despite this figure, the website owning ratio was 66% and the social media usage ratio was 38.1% in the same year. Social networks were the most common type of social media used by 94.9% of organisations.

The ratio of computer and the Internet usage, respectively, was 64.1% and 70.5% for men, and 45.9% and 51.9% for women ([Turkish Statistical Institute, 2016a](#)); 82.4% of individuals used Internet for social networks, 74.5% for watching video content from sharing services, 69.5% for reading online news, newspapers and news magazines, 65.9% for seeking health-related information, 65.5% for finding information about goods and services and 63.7% used Internet for listening to music.

The digital ad spending of TRY1.872 million, with a growing rate of 13.7%, accounted for 24.17% of the total media ad spending in 2016. TRY1.059 million was invested for display, and mobile platforms usage reached to TRY601 million ([AdEx Turkey, 2016](#)).

As every development has an opposite side, the speed of social media and word of mouth (WOM) can be employed against brands and organisations. Anti-marketing campaigns and boycotts are mostly related to political developments in Turkey and can be caused by any statement of organisation's leaders, but sometimes, like the Danone case, brands may be targeted by malicious attacks. The risk is higher for convenience goods.

Between 2005 and 2007, one million Turkish people received an email claimed to be written by Professor Turan Karadeniz; telling how Danone products were harmful for the mental health of children. The fictional message

spread to a further 5 million people by WOM, resulting in 26% shrinking in total sales of Danino brand, which was one of the costs of the detrimental campaign (Kaufmann, 2014). Another case was experienced after the Turkish Constitutional Referendum in April 2017. The chairman of Yaşar Holding, one of the most powerful holdings in Turkey, had some political tweets after the referendum. Consumers' reaction was at tweet-speed and a boycott was announced with the #pınarboycot hashtag. Within 10 days, total sales of food and beverage products of Pınar, the flagship company of the holding, dropped by 25% (Patronlar Dünyası, 2017).

Sustainability and social change movements are other issues are gaining more importance year after year as we face increasing number of social and environmental problems. These trends direct businesses to make a move at least at an organisational level. They have been communicating their sustainability policies louder than ever, organising several campaigns at the same time, training their employees for a more environment-friendly life.

INTEGRATED BIG DATA

Digitalisation of businesses and born-digital companies have changed the data management rules from one-dimensional purchasing data coming from loyalty programmes to much more complex correlations such as Amazon's 'Frequently bought together' suggestions.

Around 2.5 quintillion bytes of data is being created every day, and 90% of the data in the world today has been created in the last two years alone (IBM, 2017). McAfee and Brynjolfsson (2012) mentioned that 'each of us is a walking data generator'. Even in our sleep, health tracking applications measure the sleep time and compares the data with community. These authors identified three factors for the effectiveness of big data: volume, velocity and variety.

It is easier and cheaper than ever to get the big data that your business needs. Tracking your target footprints from social media, search engines, websites to purchase transaction records, GPS signals, smart TVs, cellphones, computers, from home to work or vacations to everywhere! In accordance with the household statistics of 2016, 96.9% have mobile phones, 54.9% have computers and 24.6% have a smart TV (Turkish Statistical Institute, 2016a).

Imagine that you have billion gigabytes of real-time data from many different sources but you do not know what to do with. A national hospital group's CEO once said that they have been storing patients' data for years but they couldn't figure out how to use that big data. As Bean (2016) has

stated: 'It is not the ability to process and manage large data volumes that is driving successful Big Data outcomes. Rather, it is the ability to integrate more sources of data than ever before'. Marketers suggest using big data for (re)targeting, understanding target, engaging them with customised content and offerings, marketing optimisation and customer retention ([Stringfellow, 2017](#)). Once the strategic marketing objectives have been identified, it would be much more useful to analyse data and brief it to technology companies that will do it for you.

In Turkey, big data-based value production has taken baby steps in recent years. Product recommendations of e-commerce stores and advertising sales of telecom operators and media companies based on consumer data are the most specific applications of big data marketing, for now.

INTEGRATED MARKETING COMMUNICATION

Every day we interact with hundreds of brands and products through stores, streets, Internet, TV, events and various media. Each touchpoint gives us a specific message about the product, brand or the organisation. Besides, messages are given by the products themselves; other marketing mix elements such as price, place and promotion also carry their own messages. They all communicate! Imagine how each element sounds in contrast to others?

Integrated marketing communication means that every surface of a product or organisation speaks with one voice to keep the customers away from dilemmas; the atmosphere of the store should be relevant to a product's quality and price, a package of a \$20 chocolate should not seem cheap, etc.

From the early 1990s through to the present, many definitions were made to describe IMC. Even though they all frame the same concept, comprehensiveness of points of view differ. Shultz and Shultz (1998) defined the concept as follows:

IMC is a strategic business process used to plan, develop, execute, and evaluate coordinated, measurable, persuasive brand communication programs over time with consumers, customers, prospects, and other relevant external and internal audiences.

According to American Marketing Association (AMA; 2017), IMC is 'a planning process designed to assure that all brand contacts received by a customer or prospect for a product, service, or organisation are relevant to that person and consistent over time'. [Kotler and Armstrong \(2016\)](#) specifies that IMC 'involves carefully integrating and coordinating the company's many

communication channels to deliver a clear, consistent and compelling message about the organisation and its products’.

Turkish marketing managers agreed on the following definition (BPIDER, 2017):

Integrated Marketing Communication techniques aim to create comprehensive programs that evaluate, coordinate, integrate and synchronize the marketing mix of advertising, PR, direct marketing, marketing collaterals and any related online/offline marketing tools to provide greater value and promotional impact than their individual implementation.

As important as providing a clear message, the other duty of IMC is making the optimal combination of marketing communication mix:

Promotions: Limited-time incentives to boost the sales of products and services.

Public Relations: Non-paid forms of communications to influence targets, improve image and increase the value of products, services, organisations, people or ideas.

Advertising: Non-personal, paid, persuasive/informative form of communication of products, services, organisations, people or ideas.

Sponsorship: Providing money, product or service to an activity, person, property or entity.

Word-of-Mouth Marketing (WOMM): Spreading positive comments about products, services, organisations, people or ideas from person to person.

Personal Sales: Sales force’s efforts to make sales and sustain customer relationships.

Direct Marketing: Direct contacts with targeted customers to encourage a response.

Digital Marketing: Marketing of products, services, organisations, people or ideas through digital technologies.

Besides industrial structure and marketing mix elements, some considerations such as market size, characteristics of target consumers, resources, costs and deciding on push or pull strategies, which are being used simultaneously in many industries such as automobiles, FMCG, home appliances etc, give a shape to marketing communication mix.

Another important question at this point is who is going to set the marketing communication mix? There are many small- and mid-size organisations running without any specific marketing department or assigned executives. Especially if sales force is an important tool for business, marketing could

be seen as a side dish. In these organisations, marketing mix decisions may be taken by CEO/owner, general manager and other departments' managers such as production, sales, human resource or public relations.

In local companies, if there is a marketing department, most likely it is assigned to do only communication work. Marketing and sales teams of companies have to serve each other and share real-time information. But, in general, two departments are coordinated by different directors, or by one person with a title of director of marketing and sales. This situation ends with budget allocation problems. As far as C level is concerned, consider marketing as equal to media mix, the necessary investment to build the integration will continue to be seen as an unnecessary cost.

In an increasingly competitive environment, Turkish Government launched the TURQUALITY® program in 2004 to explain to the Turkish companies that branding means more value and greater market share, and to support them in this regard. TURQUALITY®, the world's first state-sponsored branding program me, has created by a branding platform that supports companies in institutional, financial and operational sense (Turquality, 2017). Within the scope of the program, by 2017, a total of TRY 2.14 billion would be provided to 234 brands of 224 companies (Anadolu Agency (AA), 2017).

DEVELOPING EFFECTIVE IMC

Dimensions of IMC are determined as one voice of: interactivity, cross-functional planning and profitable long-term relationship (Porcu, del Barrio-Garcia, & Kitchen, 2012). Developing and sustaining effective IMC needs to have an organised planning process. Here are the most common steps of IMC that ensure to actualise its functions (Fahy & Jobber, 2012; Kitchen & Burgmann, 2010; Kliatchko & Schultz, 2014; Kotler and Armstrong, 2016):

- Explore the market; research and analysis
- Identify the target audience
- Determine the communication objectives
- Design the message
- Decide the marketing communication mix
- Set the budget
- Get feedback
- Measure the results
- Improve IMC

According to the ESOMAR 2014 market research industry report, Turkey is the 27th country on the growth list with a \$200 million expenditure on research, and is on target to reach \$1 billion market size by 2023 ([Campaigning Türkiye, 2017](#)). When we look at the reports published by research companies, we see that a large number of studies have been done in the major cities of Turkey: Istanbul, Ankara and Izmir. ‘The three bigs’ have 30% of population, and [TOBB \(2017\)](#) reports that in September 2017, more than 50% of total new enterprises were founded in these cities. The data collected in these cities may accurately represent the whole for both consumer and industrial products. Depending on time and budget allocations, research studies can be expanded to more cities.

Research designs may include survey, in-depth interview or home visits, etc. Turkish people generally are very friendly and hospitable when you ask them something on the street or knock on their door to get some information. Having no rush or traffic jams, small city residents are more hospitable and open to communicate. If you make a home visit, they would even offer drinks and meals, which takes longer time, even hours, than researchers initially think. Similarly, you may start or finish a focus group an hour late. Besides its culture, Turkey has a wide range of diversity in sub-cultures, which are visible even in neighbourhoods. Researchers must pay attention to understand this challenge.

A smooth targeting process requires deep understanding of consumer segments. In addition to various segmentations, in 2016, MGMedia has identified 11 different social segments according to the research called MGLife ([Marketing Türkiye, 2016](#)). The segments are named as the solid conservative (11%), the following conservatives (8%), the social emulator (7%), the new generation conservatives (7%), consistent modern (9%), dynamic modern (8%), offended modern (10%), the introvert emulator (7%), the in-between (9%), Anatolian tiger (7%), the beneficiary (7%) and the unsatisfied (9%).

The segments noticeably differ from one another. For example, the solid conservatives (4.6 million people) is one of the oldest segments (24% are aged over 55 years), with 53% females and 47% males, they live in Southeastern Anatolia, Central Anatolia and Middle East Anatolia. Those involved in the lower socioeconomic group (DE) are above the middle. Except for TV, index is below 90 for all events in all communication channels. They have the highest news coverage on TV (69%).

In contrast to solid conservatives, the social emulator segment (2.8 million people) comprises above-the-average young and middle-aged people, has 56% males and 44% females. They live in Istanbul, West Marmara and Western

Anatolia, and are above the ABC1 group. Being very easily affected by others, open to innovations, open to try new products, care for career, mobile-supported social media is a must for this segment.

Once the targets are determined, marketer needs to clarify the objective, which of the buyer-readiness stages will be aimed (Kotler and Armstrong, 2016): awareness, knowledge, liking, preference, conviction or purchase? Different messages for each target group should be created in unity and media mix decisions should be figured around the message-target composition.

Many researches show that IMC causes a high ROI and cost-effectiveness (Kitchen and Burgmann, 2010). Cost-effectiveness can be misread, as IMC needs less investment by the management. Treating the IMC budget like an investment and adjusting it according to objectives and tasks would generate a greater ROI and more powerful brand and company image in targets' minds.

Application of planned communication strategies is not the end. Getting feedback from consumers, intermediaries, suppliers and from other stakeholders is vital for the sustainability of communication. Campaign results need to be measured by the performance criteria set before execution such as creating awareness, better image, increasing sales, etc., and integration needs are to be improved in the direction of results.

IMC TRENDS IN TURKEY

The world is changing, and technology is developing rapidly. Even my 85-year-old grandmother uses an iPad to play games. So, as marketers we are adapted to the new world, have started to use new communication channels, learned to reach millennials and engage the target with very creative contents. On following pages, you will find how this change is happening in Turkish marketing.

TV

The average TV watching time of people in Turkey is 5.5 hours per day. So, despite all technological developments and social media, TV is an indispensable tool of marketing communication in Turkey. Because of cultural values, lifestyles and of course economic reasons, people spend much of their time at home with their families or friends, and hence TV is the most used recreational tool of households. That's why, it is not surprising that TV ads had the biggest share of 51.22% of total media investments, which in 2016 amounted to TRY7,184 million.

The four digital TV platforms, Digiturk, D-Smart, Filbox and Tivibu, have 4 million subscribers in Turkey (BTK, 2017). According to Digital TV Research (2017), by 2022, this number would increase to 8 million, including SVOD services (Netflix, Amazon Prime Video, Icflix, Starz Play, Iflix and Shahid Plus).

Although the number of digital TVs and Internet series have begun to increase, majority of the population is still watching national channels at prime time. The 120-minute TV series and reality shows, along with long commercial loads, can keep the audience glued to screens for at least 3–4 hours. It is a cost-effective way to reach thousands. But ad breaks of longer than 10 minutes, which can make up to 30 minutes during some shows, cause people to get away from television and not watch advertisements. This reality makes advertisers more creative by using different tools of IMC such as product placement.

Product Placement

Product placement is an advertising technique that promotes products through visual and/or auditory presence in movies, TV shows, games and music videos. In Turkey, due to low number of movies, advertisers prefer TV shows for placement. In parallel with the rising number of Turkish TV series, the technique is getting more popular for the last 20 years.

During the first six months of 2017, a total of 755 product placement ads were watched in the programmes broadcasted on the screen, and the duration of these ads exceeded 5.5 hours (Okuhaber, 2017). Soft drinks, telecommunication, home textile, furniture, food and automotive industries were at the top of product placement ranking in TV shows.

Turkish TV audience are more affected by the products which are integrated into content and scripted in scenarios. The brands in series and films are intended to be purchased by the audience by reinforcing their purchasing habits of the products they had already bought and the products they saw (Kırçova and Köse, 2017).

The cost–product placement, especially of scenario integration, is determined by the ratings of the show and the celebrity who is going to use the product on the scene, as shown in Fig. 1.

Virtual/Augmented/Mixed Reality (VR/AR/MR)

In virtual reality, through headsets or smart glasses, audience experiences alternate surroundings created via softwares or videos. Augmented and mixed realities are a bit closer to real environment of the audience; artificial



Fig. 1. Fi. Adapted from Phututv, 2017, Retrieved from <https://puhutv.com/fi-detay>. Copyright 2017 “puhutv.com”. Adapted with permission.

and real-world interact in real time like having Coca-Cola with a polar bear sitting next to your daughter on the sofa in your living room. Headsets or smart glasses are optional for AR and MR, visuals can be seen by naked eyes.

In the retail world, [Ikea \(2013\)](#), since 2013, has been using AR and VR technologies to let consumers preview products and colour options in their homes or in a created atmosphere in stores. To use Ikea AR catalogue app in your home, you still need a printed version to scan pages via smartphone or tablet and apply them into your real bathroom.

Although in Turkey the use of VR in marketing has increased in recent years, there is a long way ahead for the increased use and spread of augmented and mixed reality applications. The use of VR in our local market, starting with virtual showrooms and gamifications, has recently expanded the scope of application with more creative ideas, as shown in Fig. 2 and Fig. 3.

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Marshall
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Fig. 2. milyon kişi Marshall Gör&Boya uygulamasını indirdi! Adapted from Marshall Boya, 2017, Retrieved from <https://www.marshallboya.com/tr/articles/marshall-visualizer-ile-nce-gr-sonra-boya>. Copyright 2018 “AkzoNobel Paints”.

Adapted with permission.



Fig. 3. Knorr Sıvı Çorba'dan Büyük Sürpriz! İstanbul'dan Paris'e giden lezzet dolu sürpriz yolculuk. Adapted from Youtube by Knorr Türkiye, 2017, Retrieved from <https://www.youtube.com/watch?v=rQXKQayZMNo>. Copyright 2012 “Knorr Türkiye”. Adapted with permission.

Content Marketing

According to the [Content Marketing Institute's \(2017\)](#) definition, the content marketing ‘is a strategic marketing approach focussed on creating and distributing valuable, relevant, and consistent content to attract and retain a clearly defined audience – and, ultimately, to drive profitable customer action’.

From Search Engine Optimisation (SEO) to mobile and corporate blogs, content marketing is becoming more important every day, as 61% of marketers say improving SEO and growing their organic presence is their top priority and 72% of marketers agree on relevant content creation in the most effective SEO tactic. But still only 32% of marketers have a documented content marketing strategy ([Hubspot, 2017](#)).

Videos, infographics, podcasts, contests or any recent, reliable and relevant content can work on your target, engage them with your brand, make them share your content and increase awareness, as shown in Fig. 4. As we can see from the success of Instagram and reposts, visual content is 40× more likely to get shared on social media than other types of contents ([Hubspot, 2017](#)). Another concept that may help your content to be a success story is evergreen content, which means a content relevant to your

target's interest, and it lasts for a long time by using keywords that your audiences will be always searching, such as 'easy cake recipe', 'is milk really healthy for you' or 'the best ab exercises'.

According to the KPCB's research (2017), 'an effective user-generated content can generate 6.9× more higher engagement than brand-generated content on Facebook'. Qatar Airways is on the top of list of brands which are sourcing content from fans on Instagram with an 80% ratio, and Red Bull is second on the list with a 70% ratio. The only Turkish company in the top 10 is Turkish Airlines with almost 30% leveraged user-generated content.

One of the most influential ways to make your audience contribute to your content is finding an interesting subject and let them produce ideas, make comments and suggestions or compete with others. Frito-Lay's 'Do Us a Flavor' campaign got more than 14 million votes in 2014.

Content development has become a growing business day by day. In-house and freelance developers, digital agencies, content development companies and even automatic content software can generate effective content according to your brief. From long blog posts to Twitter, Facebook, website or list



Fig. 4. Rexona Hareket Sözlüğü Case Study. Adapted from Vimeo, 2017, Retrieved from <https://vimeo.com/207262034>. Copyright 2018 "Vimeo, Inc.". Adapted with permission.

contents, İçerik Bulutu (content cloud) Company is one of the first of content development companies in Turkey.

EXPERIENTIAL MARKETING

‘If you’re not creating experiences and memories, you’re not building anything’, said Ben Hindman, Co-founder, CEO of Splash (Adweek, 2016).

Experiential marketing is creating an interactive and pleasurable experience to let customers engage with and talk about your product and brand, and that engagement gets millennials to share the photos of experiences (81%), use hashtags (71%) and follow the brand on social media (67%) (Adweek, 2016). It is all about providing the consumers with social interaction, entertainment and branded memories. They have no doubts about sharing branded content as long as they have fun and get benefits.

Turkish consumers like to spend time in cafes and restaurants, chatting inside and eating something. It is precisely for this reason that Starbucks opened Europe’s largest, 1,000 m², and first five-storey store in Kadikoy, Istanbul. For this reason, it should not come as a surprise that a consumer electronics brand opens cafes in its stores.

Vestel, one of the leading brands of Turkey’s home appliances and electronics sector, has 1,200 authorised sales points across the country. In 2016, Vestel opened the first ‘Café Vesto’ in the brand’s Besiktas store (Fig. 5) to provide their customers with a relaxed atmosphere that allows them to spend more time in the store and drink their coffee while getting information about electronic products.

As experiential marketing strategies get more attention among marketers, Intema, bathroom and kitchen suites company, which is positioned as ‘an expert brand that designs the ideal kitchen for consumers’ has opened an experimental store, named Intema Yaşam - Intema Lifestyle Store (Fig. 6) in a well-known mall in Istanbul as shown in Fig. 6. The store has two different rental kitchens where customers cook their dinner and enjoy a comfortable and cozy atmosphere with their guests. People experience the concept and products of Intema and partner brands.

Another important customer experience tool is corporate events, as shown in Fig. 7. Although the number and budget of the events tend to decrease until a few years ago due to economic crisis and widespread use of digital events that cost almost zero, they are regaining deserved attention since they provide good Instagram content for consumers.



Fig. 5. Café Vesto. Vestel, Türkiye'deki İlk 'Teknolojik' Kafelerini İstanbul'da Açtı. Adapted from Webtekno by Eser Şahin, 2016, Retrieved from <http://www.webtekno.com/kafe-vesto-istanbul-h22602.html>. Copyright 2014 "İzmo Bilişim". Adapted with permission.)

CASE STUDY

Nusret Gökçe – A Social Phenomena Success Story

Marketing has evolved tremendously in the past decade parallel to consumer demands. This evolution in marketing occurred because of two reasons: the mass commoditisation of products, which makes it tough for brands to become distinct, and the sophisticated, savvy consumers who are not satisfied or have no time for traditional commercials.

The fundamental utilitarian benefits of consuming a product yield their place to consuming products where customers get more in terms of experiences and emotions. The post-modern era of marketing showed both practitioners and academicians that although customers' demands diverge, the ultimate aim is to achieve negative and positive experiences. These experiences, which brands effort to differentiate, strengthen their brand image and increase customer satisfaction to sustain brand loyalty.



Fig. 6. Intema Yaşam (Intema Lifestyle Store). Adapted from Instagram, 2017, Retrieved from <https://www.instagram.com/intemayasam>. Copyright 2018 “Instagram”. Adapted with permission.

Integrated marketing communications became the main strategy of brands and that is why they became more successful. This is being done by not only brands but also by individuals, places or even countries. These units started using social media tools, which constitute a big part of IMC, not only to differentiate their products but also to position their brands. It’s undeniable that WOM, which is created through social media, plays a big role when it comes to getting the word out there. However, the attractive part is that not only brands but also people started to become phenomena through these engines.



Fig. 7. The 18th Istanbul Jazz Festival, sponsored by Garanti Bank. On behalf of Garanti bank, Ersin Babaoglu, personal communication, October 4, 2017. Adapted with permission.

In recent years, like the rest of the world, Turkish brands started to integrate social media into their marketing strategies.

The digital age and the postmodern era of marketing transformed consumers' expectations about brands and how they sell or how they do what they do, but at the same time they start to expect more prompt communication. Mass media channels are still effective to speak to consumers, but social media (Instagram, Twitter and Facebook) is much more efficient for brands to communicate and form relationship with customers. This is due to the fact that consumers want to control communication and direct relationship.

As a matter of fact, the pure reason to use IMC as a strategy should be to form relationships with consumers rather than only thinking about the profit because brands only exist when they have their loyal followers. Moreover, in the post-modern era of marketing, consumers expect much more creative approaches from firms such as contests for new ideas, or product demonstrations. Social media tools are effective to create these creative ways to interact and also it is easy to tract response relatively.

Nusret Gökçe, owner of Nusret Steakhouse, differentiated itself with its unique voice and style in social media which resulted in colossal brand

awareness not only in Turkey but also all around the world. As a side note: the main reason why he uses his own name as brand's name is that 'et' in his name means 'meat' in Turkish. He and his brand Nusret already had an established place in Turkey, Dubai and Newyok. However, Nusret Gökçe became a social phenomenon overnight through social media. He gained world attention with the hastag of #saltbae. Saltbae hastag was given to him to signify salt, he being shirtless and handsome, the beef and the sensual image he displays with food. His video of cutting beef and putting salt on them became viral and got huge number of views on Instagram. The video was watched for over 2.4 million times within the first 48 hours. Records show that the first thing that was shared about Nusret Gökçe without his name on it was the meme, which stated: 'You v.s the guy she told you not the worry about.' One of the reasons that he became famous with beef videos is that he reflected the experience that you can have in the restaurant to social media.

In today's marketing world, experiential marketing started to have a solid place with the help of integrated marketing communication tools which Nusret Gökçe and this campaign or coincidence applied effectively. Experiential marketing focusses on the whole process of experience, which includes pre-purchase, post-purchase and moment-of-truth by integrating experiences into products or services. The spreading concept of experiential marketing has grounds based on the following two different views: the changing consumer demand in postmodern era, which results in pursue of hedonistic habits, and a need for exciting involvement and urge to find a new medium to push the message.

Nusret went straight through the result of the experience which he showed or created through social media. This gave him an initiative because the brand already had several locations outside Turkey, and now they are looking to open two branches, which are said to be planned in London and New York. Consumers already know Nusret Gökçe as the Turkish Butcher who used to slice Ottoman-style beef before he even opened a restaurant in their neighbourhood, and this is an immense leverage. As celebrities started to pay attention to his restaurant, he started to welcome them, like Leonardo DiCaprio, and gave them an experience handcrafted for their entertainment with a special menu.

The recent success of Turkish brand Nusret is highly correlated with how they keep up with the changing trends and communication devices in today's world. Nusret and his team took the experiential marketing and gave consumers a sense of being there through social media. They proved that integrated marketing communication tools are beneficial for brand strategies which helped them to make this Turkish brand a success story.

INTEGRATED PROHIBITIONS

Integrated marketing communication refers to synchronising the marketing mix to create a better value and strong message. For many product categories there are numerous communication tools to be used simultaneously. But some categories are not that lucky. Medicines, medical devices, health services, food supplements, cosmetics and cleaning products, tobacco products and alcoholic beverages are subject to specific laws and regulations related to marketing restrictions in Turkey ([Resmi Gazete, 2015](#)).

In order to protect consumers, any kind of advertising, sponsorship, branded events, trade promotions, product placement and any such marketing activities for tobacco products and alcoholic beverages are banned by law. Retail sale of alcoholic beverages is also prohibited after 10.00 pm. Similar regulations are valid for prescription drugs on TV, radio, non-medical periodicals, Internet, outdoor, etc. **NO ADS AT ALL!**

When you have less, you need to be more creative to survive. Alcoholic beverage brands such as Southern Comfort, Mariachi and Mey İçki, have begun sponsorship of house parties after prohibitions ([Milliyet, 2012](#); [Sabah, 2015](#)). Although their sales force has been the most important marketing tool for drug companies, they have increased investment on online platforms such as medical forums, webinars, educational materials for medical staff and social responsibility and change programmes in recent years. They also create branded human resource programmes as a marketing tool: ‘There is a Future at Pfizer’, ‘Life Healers’ by Abdi İbrahim, ‘Inkompass’ by Philip Morris/Sabancı.

Practising marketing would not be easy when you are challenged by such bans and sectoral regulations. But still, integration of tools that you may use could be your strength to find opportunities in the market.

CONCLUSION

Elon Musk and Mark Zuckerberg had a debate on AI in the United States. They talked about developments and their concerns. And in Turkey, at the same time, we were suffering from substantial flooding of roads and Metro stations caused by rain in İstanbul, the biggest city of Turkey. We use the same smartphones, same computers, same videoconference programmes, same textile brands, but we are not on the same page.

If you are practising marketing internationally, you know that your product is not at the same life cycle stage in every market, and you develop different strategies for each market and each stage. Along these lines, it is that simple

to adapt your communication strategies to Turkey. Of course, doing business in Turkey is not an easy ride, but Turkey has a big potential not only with its young and educated population but also with its wonderful know-how on management during economic and political crises. Understanding its strengths and foibles can make communication easy, just like knowing not to promote alcoholic beverages during Ramadan can protect you from a boycott.

As with every country, Turkey has its own colours, dynamics, regulations, prohibitions and cultural differences for both consumers and business-to-business (B2B) markets. As TV keeps its indispensable position at least for the near future, social interaction through social media and events is rising among consumers. Consumers do not have any problems with getting involved with branded activities and sharing branded content on their own channels, but they need to trust the market's sincerity and goodwill.

Penetration of Internet and mobile phone in Turkey is very high. Turkish people spend an average of 2.5 hour on computers or smartphones. Yet, because of some excessive applications of mobile marketing, people do not pay attention to SMS marketing. Instead, companies develop very creative mobile applications, contests and games to reach mobile users. Although GSM penetration is 98%, GPS-driven advertising is not that common in Turkey yet.

Despite the population of augmented and mix reality marketing in some countries, Turkey has a long way to go to apply them. Nevertheless, the number of virtual reality applications and the experiential marketing budgets are increasing. As we learn to use big data, data-based marketing activities like retargeting are getting more popular among marketers.

You may choose to invest in traditional or digital media or combine them to promote your product. You may develop your content in-house or hire a content development company. You may adapt your message to Turkey or use a standard one. Whatever you may decide on your communication mix, the most important part of your strategy should integrate all your tools to reach a big, strong and differentiated voice.

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CHAPTER 7.2

IS ADVERTISEMENT REALLY DEAD? A CASE STUDY OF FILLI BOYA

Çiğdem Başfırcı and Gülcan Şener

ABSTRACT

This case is about the success of Filli Boya, one of the well-known brands of the Turkish paint industry, on using traditional TV advertisements for creating brand awareness. The purpose of this case study is to point out how TV advertisement, the so-called 'traditional and boring' communication tool, could still be effective when integrated into the contemporary marketing philosophy and modern marketing communication trends such as real-time social media marketing.

A qualitative method was applied and both primary and secondary sources of information were used in this study. As primary sources of information, in-depth interviews were conducted. Purposive sampling method was used, and participants were recruited from a sample that was broadly believed to be able to evaluate the brand from different points of view. Interviews were analysed through content analysis using the grounded theory approach. The secondary sources of information, including advertisements and news in media, reports and user contents shared in social media were also used considering the principle of multiple data sources.

Uncovering the contemporary ways of using traditional mass advertising based on a Turkish brand's experiences, this case could be taken up in advertising courses at both graduate and postgraduate levels when discussing creativity in advertising and also modern integrated marketing communication methods.

Keywords: Filli Boya; Özgecan Aslan; TV advertising; case study

INTRODUCTION

The 21st century has witnessed a marked increase in advertising messages (McAlister, 1996). Today an average consumer is surrounded by more advertising messages than at any other time in history. However, the number of exposed advertisements exceeds the information processing abilities of most consumers, and today's consumer is often forced to employ ad avoidance strategies to keep themselves from being oversaturated by advertising messages (Rumbo, 2002, p. 128). Increased speed and fragmentation of media such as the Internet and the social media should also be mentioned in this resistance to advertisements. Moreover, as stated by Speck and Elliot (1997), today ad avoidance by consumers is much higher for TV viewers than for readers of print media since these avoidance strategies are more suitable for the most technologically advanced media. Consequently, today the pervasive influence of TV advertising has diminished. Thus, the true winners of TV advertisements are the brands who touch the hearts of customers at the right time with a sincere intent.

This case looks into one of the well-known brands of the Turkish paint industry, Filli Boya and its success on TV advertisement campaigns, especially after 2015. After the murder of Ozgecan Aslan, a 20-year-old college student who was raped and brutally murdered by a minibus driver on February 11, 2015, nationwide street protests took place. Precisely at the time Filli Boya broadcasted an ad on prime time without its logo to draw attention to the violence against women using only 'forOzgecan' hashtag on a black screen. Apart from traditional definition of advertisement, there was no advertiser in the ad. The case attracted considerable attention from all walks of society and the advertiser was revealed: Filli Boya. Furthermore, it was not just an 'ad': by reflecting the feelings and thoughts of people with regard to the violence against women, it was building consumer-brand relationship. After that, Filli Boya continued to maintain its stance on this issue and to consistently use TV ads for this purpose. Thereafter, nothing would be the same.

Now, Filli Boya has a reputation, which is priceless, thanks to their handling of this issue.

The case study has been structured for the following purposes: to enrich our understanding about the role of advertising in creating brand awareness, and in turn building brand equity for the Filli Boya brand; the significance and key elements of Filli Boya advertisements on their way to the hearts of the target audience; and the effect of the dynamic interaction between advertising and real-time social media marketing on the customers' perceptions of the brand.

Within this context, the case will take the audience through the journey of Filli Boya marketing communication efforts since its introduction in the Turkish market. It will give readers a brief history of the brand: how has the brand grown; what kind of brand strategy has been developed over the years; changes in communication strategies and how have these changes helped the brand to move closer to its customers and empower its brand image considerably?

In terms of original contribution, this study not only shows the modern ways to use traditional mass advertising, the so-called 'traditional and boring' communication tool, based on a Turkish brand's experiences but also reveals the success of Turkish brands in adaptation to modern marketing approaches such as corporate social responsibility and marketing communication trends such as marketing 3.0 and real-time social media marketing.

COMPANY BACKGROUND

Officially founded in 1988 in Turkey by Celal Akpınar and his partners, Betek Boya San. ve Tic. A.Ş. has been one of the leading companies in the field of construction material industry. In 1993, the company signed a technological cooperation with Caparol, a major paint brand in Europe. This partnership has caused the birth of a new brand called Filli Boya and provided the first foreign capital inflow for the paint industry in Turkey (About Us, n.d.). According to the data published by the Istanbul Chamber of Industry (ICI; 2017), today Filli Boya is a leading brand operating in the chemicals industry as one of the 'Turkey's Top 500 Industrial Enterprises-2015', reaching net sales of TRY902,685,372. Furthermore, since 2003 the company has maintained its market leadership in the paint industry and there has been a steady growth in sales figures year by year ([Türkiye'nin 500 Büyük Sanayi Kuruluşu](#), 2016). A similar picture is also provided in the Turkey's Top 500

Industrial Enterprises of *Capital Magazine*, a leading business magazine in Turkey (Türkiye'nin En Büyük 500 Şirketi, n.d.). Today, the company has more than 1,000 employees and has been managed by Gözde Akpınar as its CEO since 2009. After the long-running branding process with a considerable amount of investment in the brand development and marketing communication, today Filli Boya has been not only leading the paint industry with the highest sales figures but it has also become a well-known brand in Turkey.

MARKETING COMMUNICATION STRATEGY

Name and logo are the main characteristics which help a brand to identify itself. Literal translation of Filli Boya in Turkish means 'paint with the elephant' and refers to the elephant icon in brand's logo, thus also on paint cans. Actually, Betek Boya San. ve Tic. A.Ş. is the parent company, which has sub-brands such as Filli Boya, Fawori and Alligator. As a parent company brand, Betek has a colourful logo, which reminds consumers of the colour chart used in painting. After cooperation with Caparol, Betek launched a new brand and named it Filli Boya, inspired by Caparol's logo. There was a striped elephant in Caparol's logo and the tail of this elephant was in the form of a paintbrush. Since in the paint sector almost all other brand names were in English and quite difficult to pronounce, Filli Boya could be easily ordered by consumers by just saying, 'I want this paint with elephant (on its can)'. This foresight was also accurately predicted in advance by Ali Taran, founder and CEO of the advertising agency, which worked with Betek. [Kaptaner \(2010, p. 31\)](#) stated that Ali Taran could foresee how the brand would be named among painters. The nickname of the brand would be Filli Boya because of the elephant icon in the brand's logo. As time passed by, this nickname turned into the brand's official name. All these factors tell the story behind the creation of the name and the logo. As can be seen, with the brand name chosen as conveying the whole story, company has not only succeeded to identify the source of the product but also differentiates it from competitors' products. [Aaker \(1991, p. 197\)](#) underlined that 'when products and services are difficult to differentiate, a symbol could be the central element of brand equity, the key differentiating characteristic of a brand'. So the brand name and logo are designed in the most accurate way in a market where differentiation is difficult. Moreover, company could enhance demand for their brand by keeping it simple, making it easy to pronounce, making it memorable and being distinctive as stated by [Fox \(2002\)](#).

Today, Filli Boya has unfortunately abandoned this striped elephant logo and has made some major changes. Harking back to the colour chart used in painting, the new logo is more like the logo of the main company Betek. Predictably, with this new logo company has also aimed for a higher recall as Giberson and Hulland (1994, as cited in [Alshebil, 2007](#), p. 11) stated: ‘When a product category is cued in a logo, the logo is retrieved faster from memory’. In time, Filli Boya has made some minor changes to this new logo. Today, the new logo has more rounded shape and oval look compared to the previous one.

Another important element of marketing communication is the slogan. Over the years, Filli Boya used various slogans, including ‘The Finest Paint is Filli Boya (En Güzel Boya Filli Boya)’, ‘We Couldn’t Know it Exactly that We Are So Good That’s Why We Are Loved or We Are Loved That’s Why We Are So Good? (Sevdiğimiz İçin mi Çok İyiyiz, Çok İyi Olduğumuz İçin mi Seviliyoruz, İşte Bunu Bilemiyoruz.)’, ‘Feel the Color (Rengi Hisset)’, ‘Exclude Colors From Life, What’s Left? (Hayattan Rengi Alın, Geriye Neyi Kalır Ki?)’ and recently ‘For Better For Worse (Anca Beraber, Kanca Beraber)’. As was seen in slogans, product features were not emphasised generally. Instead, the feelings were highlighted. Among these, ‘Exclude Colors From Life, What’s Left?’ has turned out to be one of the most remembered ones ([Ipsos, Hatırlanan Reklamlar, 2015](#)) and drew considerable attention on social media ([Öztürk, 2013](#)). Predictably, the brand positioned itself as ‘the colour of life’. Besides, a jingle was composed, made from this slogan, and the company continued to make campaigns with celebrities, including famous musicians like Nükhet Duru, Tarkan, Özcan Deniz, Manga, MFÖ, Halil Sezai and Fahir Atakoğlu, who performed and played it for quite a long time.

The brand has used TV advertisements intensely and widely in marketing communication. Focussing on the differences before and after 2015, TV advertisements could be evaluated into two different periods. From earlier times to the present, they mainly conveyed continuous messages that having every shade of any colour with flighting (or bursting) scheduling, implying the colour range on colourful backgrounds accompanied by humour appeal and upbeat music. During this period we also see that Filli Boya loved celebrities ([Yüzbaşıoğlu, 2012](#)) and employed at least 25 celebrities in its commercials till 2006 ([Gözütok, 2006](#)). Among the celebrities played in its commercials were singers, actors/actresses, columnists, TV presenters, models, chefs, sportsmen, magician and doctors, and similarly voice-overed by famous stars. Within this period the ads never had a hard sell approach. Instead, they used more subtle, indirect and soft messages, which could be considered as a low-pressure sales technique. Their main focus was to create a brand image with high

awareness and to build a strong brand positioning in consumers' mind. In all TV advertisements they commonly used emotional advertising appeals as different from competitors. Within this period Filli Boya had been one of Ali Taran Creative Workshop's (ATCW) clients. Renowned as a creative advertising agency in Turkey, it's named after the founder of the agency Ali Taran, ATCW prepared memorable ads to create positive feelings related to brand's name. With the help of the ads created by ATCW, Filli Boya gained a special place and reputation in the market for a short run. Additionally, the brand has accounts on social media, manages them effectively and is among the strongest social brands, being ranked as 54th. (Filli Boya Amongst The Strongest Social Brands, n.d.). The last ad created by ATCW for Filli Boya was a continuing campaign called 'Exclude Colors From Life, What's Left?' performed by Tarkan (a famous Turkish pop singer) and got remarkable notice.

The brand's communication started to change in 2015. The murder of Özgecan Aslan in the early days of February 2015 could be described as the turning point for the brand itself. Özgecan Aslan was a Turkish university student who was murdered as she resisted a rape attempt by a minibus driver on February 11, 2015. The driver not only repeatedly hit and killed her but also burnt the body and cut her hands to hide DNA evidence in her fingernails. Aslan's death rallied nationwide protests. The hashtag Ozgecan Aslan was tweeted more than three million times, and an online petition calling for harsh punishment for her attacker gathered almost a million signatures (Asquith, 2015).

Not only as CEO of the company but also as a woman and a mother, Güzde Akpınar decided to do something with the intent of emphasising violence against woman using the case of Özgecan Aslan. Güzde Akpınar says, 'As a woman and a mother of a daughter, I feel that issue in my bones' (Özdil, 2017). She was doing something but also worrying about how it would be perceived by people (İzci, 2015). While nationwide protests were taking place in the streets and on the social media, audiences were exposed to a total black screen at 9:00 pm for 30 seconds on 30 national channels, which is called road blocking advertising. At the end a hashtag appeared: 'forOzgecan'. No logo, no company's name, no advertiser was mentioned. Just a hashtag on a black screen.

Almost everyone was wondering about the advertiser, but the TV channels announced the company who bought the time and place on prime time, which is highly expensive. In addition to this, the spot was aired for three more times: 10:00 pm on the same night and twice on the other day between the TV programmes for women. Moreover, the company's headquarters was covered with a black cloth to protest violence against Özgecan Aslan.

Gözde Akpınar stated in a report that the idea behind this reaction was to inform people about the case who were unaware of it. There are millions living in rural areas who didn't have Twitter or Instagram accounts to learn more.

How could they be informed about the case? Well, it took place in newspapers, but we needed a scream. We needed to find another way of protesting. We lived our misery by posting a black, blank picture on Instagram. That's the idea where came from. Concurrently, we covered our building's exterior with a black cloth. Some days are black. There is real mourning. Real mourning not put into words...(Izci, 2015).

Following this, many people appreciated Filli Boya about handling the issue and gave their support. Not long before, the ad became popular on the social media ([Filli Boya'nın Reklamı Fenomen Oldu, 2015](#)). Meanwhile, dozens of entries were generated on collaborative hypertext dictionaries, such as Eksisozluk, and topics were created based on user contributions (Filli Boya'nın #özgecaniçin Reklamı, n.d.). But, contrary to this, some people criticised the company for misusing Özgecan's murder for profit by taking credit and exploiting the issue. In terms of advertising definitions, this road-blocking case was more than an advertisement. Indeed, it was demonstrating and also reflecting the deep feelings and reactions regarding violence against women driven by the recent murder. For sure, Özgecan's murder would be neither the first nor the last case. But it was a milestone for campaigns of violence against women and Filli Boya has become more than a paint brand by enhancing public awareness.

Filli Boya and ATCW worked together till the end of 2015. In 2016 Filli Boya and its parent company launched an in-house agency for creating their own ads named as 'Kurtarılmış Bölge' (Rescued Zone). That brings us to the present time, i.e. the second period where company is now firmly in the driver's seat regarding advertisements. Furthermore, Gözde Akpınar works actively within this department. As an example, she worked as a creative director for a recent commercial 'For Better For Worse' ([Bayındır, 2017](#)).

From that day on, Filli Boya maintains its stance consistently by developing women-based projects. Among the projects, 'women house painters' (craftswomen) collaborating with Ministry of Family, or as an international awareness project named 'deadly wounded', which described lives of 12 women, or Science Camp for girls in poverty organised by TUBITAK and Bogazici University could be taken as concrete steps for women's issues. Handling this sensitive issue with developing projects, providing employment opportunities for women and producing and broadcasting ads for raising awareness on behalf of women, make the brand seem like it tries

to be a part of a solution and make the world a better place. Apparently, under the leadership of Gözde Akpınar, the brand is aware of its social responsibility. Hereafter, with the help of consistent campaigns and projects, Filli Boya and its owner Gözde Akpınar are considered as fighters for gender equality and the end of violence against women as stated in an article ‘Sometimes millions of men do not work at all. A woman changes everything!’ (Menteş Birlik, 2017).

On the whole, it could be said that the ads broadcasted by Filli Boya have the ability to create awareness and set agendas. For instance, one of the latest commercials of Filli Boya, which is named as ‘For Better For Worse’ for Women’s Day, arguing the women’s issues in Turkish culture created awareness around the day, has been talked about a lot (among the trend topics #AncaBeraber #8MartDünyaKadınlarGünü), highly shared on social media (112,000 retweets) and generated contents about the commercial (having 72-page-long entries as on June 6, 2017) (Filli Boya 8 Mart 2017 Dünya Kadınlar Günü Reklamı, n.d.). Furthermore, this ad got a reaction on Eksisozluk more than Filli Boya itself (having 32-page-long entries as on June 6, 2017) (Filli Boya, n.d.). However, as mentioned above, that’s not the full story behind the success.

METHODOLOGY

Methodologically this study employs a qualitative approach based on content analysis using grounded theory. In this context, both primary and secondary sources of information were used in this study.

As a primary source of information, in-depth interviews were conducted as the first step. In selecting participants, purposive sampling method was used and participants were recruited from a sample that was broadly believed to be able to evaluate the brand from different points of view. Information was collected from 12 respondents. In this process, semi-structured question method was used and additional new questions were also added at necessary situations which tried to collect in-depth information about the topic. Likewise, every in-depth interview was used as a guide for followers, and the design of the research (and thus the questions) was also updated as long as the data collection process continued (Ger, 2009). Participants were interviewed one by one in May 2017, and most interviews took place in private offices of responsible researchers. The discussions generally started with ‘Let’s talk about the Filli Boya brand’, and respondents were encouraged

to express their own and their friends' thoughts, feelings and experiences. Other topics included were TV advertisements, companies' social responsibility campaigns and how these campaigns are seen to affect people's buying behaviours. The duration of the interviews ranged from 45 to 90 minutes. Discussion was stopped after 12 interviews, since saturation point was reached (Strauss and Corbin, 1998). Then the data was analysed by researchers to reveal associations related to the Filli Boya brand. Therefore, interviews were coded using content analysis, and themes were identified. In this process, the data involving similar meanings was brought together, and systematic themes and categories were created. In demonstrating the associations and relationship of these connotations, three stages of the grounded theory approach as suggested by Strauss and Corbin (1998) were used: open, axial and selective coding. In the open coding, a line by line analysis was conducted by the researcher for every line of the transcribed interview, and keywords and phrases that could provide some insight were revealed. In axial coding, relationships between the associations were reassembled. In selective coding, the core categories were identified and coding was delimited to only those concepts that related to core categories.

Since grounded theory allows for multiple data sources (Burke, 1997), the secondary sources of information were also used in this study. In this context, advertisements of the brand, news reports in the media and reports and user contents shared in the social media were used as secondary sources in examining the validity structure of qualitative research.

FINDINGS

Respondents' views about Filli Boya revealed both informants' relations with cultural norms and a dialogue with self, with brand, and with researcher. For the participants who were sensitive about women's issues, the interview focussed on critiques of male-dominated culture and society. On the other hand, for the participants who are sensitive to advertising and brands, the issue was mainly discussed in terms of advertising and branding. In each case, thinking about Filli Boya was a highly emotional experience for the participants, proving that the selected sample had properly served the goal of purposive sampling. The findings depict a clear image, and thus an implicit positioning of the brand. Accordingly, holistic image elements of the brand and the relationship between these elements could be seen in the following results.

*More Than a Simple Brand – As If a Brand Created for
Positive Gender Discrimination*

Brands are symbols that are inscribed with many meanings representing product features, nationality, class, sexuality and perhaps most importantly, culture. As one of the most powerful findings of our study, Filli Boya represents more than a paint brand for all of the participants. With a detailed description, the meanings of Filli Boya in everyday life represent a much broader area than a simple paint brand. These meanings involved critiques of male-dominated culture, having a stance regarding positive gender discrimination, being brave enough to face reaction of the male majority, as being an extraordinary brand never seen in the paint sector which is almost entirely a male-dominated industry.

As can be seen, perception of the brand reflects the sensitivity of the brand towards women's issues rather than product characteristics.

When I think Filli Boya, I don't remember just painting things. I feel that they are [the brand] far more than that. As if they told us that we are not just the paint you used in your walls, we can do more than that, and we also want to do it. (Male, 28 years, academician)

It looks like it [the brand] adopts the women's issues. (Female, 22 years, student)

[Filli Boya] drew attention to a social problem [implying violence against women]. Probably the brand chose this topic because women are the most violated part of the society ... There is no any dissuasive penalty [in Turkish law], so it is really difficult to change this undesirable status of women. In this country, anyone can do whatever they want in terms of gendering violence. At least, Filli Boya strives for women rights. Moreover, they strive in a situation where most segments of society feel desperate... The brand reveals its stance on gendering violence. (Female, 37 years, academician)

Few respondents approached the subject from a broader perspective, and praised social responsibility efforts rather than brand's approach to women's issues.

I can say it's in a different position in the sense of social responsibility. They [Filli Boya] have an attitude implying that we are not just a paint brand, we are more. (Male, 37 years, academician)

Every socially responsible company is privileged for me [So Filli Boya is]. (Female, 36 years, academician)

Filli Boya has such a strong call in consumers' minds in terms of positive gender discrimination that today any news in the media on this topic reminds people of the brand and creates an expectation and curiosity in people who are sensitive to these issues about the next reaction of the brand on the topic. The following findings reveal this case clearly:

Because of the advertisements about women, now Filli Boya means for me much more than a paint brand for me. From now on, I will follow the brand's response to the subject when there is another social issue about women, because now I have an expectation about brand. I find it sensitive...very successful. (Female, 36 years, academician)

With a holistic evaluation, brand generally deals with women's issues, positive gender discrimination. Its reaction for Ozgecan murder was unforgettable for me. When there is a similar incident, I want to see a reaction again. I think if the brand will do something similar again. (Male, 26 years, student)

Without any doubt, these strong associations were planned by Filli Boya. Consistent TV advertisements and social responsibility campaigns helped the company in achieving these goals. On the other hand, after these campaigns, the brand's responsibility in this regard was clear and heavy. From now on, the brand did not have the option to feel comfortable and not respond to such issues, and this also constituted a risk for the brand.

Sincerity

Participants mostly depicted the brand as sincere, directly or by implication.

The first thing that comes to mind is that: Well done! A firm stand. I really appreciated the woman (implying CEO Güzde Akpınar). Her awareness is high. It's not just commercial; it really supports the idea for the sake of the ideals it believes, she takes risk. She positively discriminated against women. (Female, 27 years, academician)

I will support the brand as long as it protects its sincerity and creates sustainable projects. (Male, 29 years, academician)

Here, we also see that as a reflection of consumer culture, the relationship between the consumer and the brand has differentiated. In the social life, meeting brands that support their own truths makes consumers happy, and by supporting these brands, consumers try to realise their own ideals.

Every socially responsible company is privileged for me. Because I can see that earning money is not the only and very goal of them. Of course, I know that money is important for companies to survive, but also to have some opinions about the world they live in is very valuable to me as a woman. (Female, 36 years, academician)

It was also seen that when discussing the sincerity of brand, highlighting the brand's political stance is very common in the discourse of respondents. This is exemplified by a female informant's advocacy:

They got negative reactions [referring to the advertisement of the brand 'For Better For Worse'] just before the referendum [where voters were asked to endorse an 18 article reform package that allegedly would replace the current system of parliamentary

democracy]. I have heard about its CEO. She is from Izmir [Izmir is known as the epitome of Turkey's most liberal city and the dissident of growing conservatism in Turkey]. Also, Yılmaz Özdil [a dissident journalist and writer, who is also from Izmir] has supported the brand with a column. I appreciate their sincerity and courage to tell their truth by taking the risk of 50% reduction in sales [Here 50% implies her idea about the total rate of conservatives in Turkey]. (Female, 37 years, academician)

When we evaluate contemporary political conditions, the advertisement for the Women's Day was quite courageous just before the referendum... That's why I wondered if they broadcasted the whole thing on TV. I would even think that it might be a political advertisement if I did not see Filli Boya at the end of the ad. (Male, 30 years, academician)

Apart from being a dissident in a conservative society and male-dominated culture, the brand was perceived to be a symbol of sincerity because of its previous advertisements on TV without its logo to draw attention to the violence against women.

Just think that you paid millions for appearances on prime time TV advertisements for all major national TV channels, but don't mention your sales proposition. You don't show your brand! You do not even use your logo! You only try to destroy prejudices; to create awareness about violence against women. It is really risky. (Female, 28 years, public worker)

Recent advertisements do not include any sale[s] effort. The brand doesn't foreground its logo, slogan or product. (Male, 26 years, student)

There are also a small number of informants who are skeptical about the brand and its social responsibility campaigns about women. One of them emphasised that today almost all companies are aware of real-time social media marketing and use it effectively.

Today all brands prepare new advertisements special to Women's Day, Mother's Day etc. Now, I don't follow and watch these ads because I lost my belief about their sincerity. Because, nowadays these ads are very common... I have some doubts about the brands that are using social responsibility campaigns. I don't buy Filli Boya because of its effort in this field. (Male, 39 years, academician)

This statement reflects a general attitude towards companies using social responsibility campaigns rather than brands themselves. The same respondent also expressed his doubts specific to the brand:

In such a sensitive issue [implying positive gender discrimination], I don't feel that it [the brand] was so sincere. I know what it is really about, actually [implying profit]. This issue is not related to making advertisement, it is actually related the extent to which it has been applied in social life, or in everyday life. (Male, 39 years, academician)

Another academician also depicted a similar response pattern towards the brand and also social responsibility projects. He claimed that all of these efforts are useless, and the only thing it helps is making more money:

[Implying the women house painters projects] I have never seen a woman in Turkish rural who has a job as house painter. Have you? These projects never work on rural area. [It] cannot create a difference. Filli Boya doesn't have to show off through its ideals, if they were really sincere, they could make an ad just after the project, not before. Thus we could see really how many women had employed within this project as house painter. I know the ad, but I don't have any idea about the real results of this project. (Male, 39 years, academician)

This expression implies that the respondent does not believe in both the sincerity and functionality of awareness-generating ads and social responsibility projects.

Competitive Information

Drawing upon the respondents' perceptions, we could depict the brand's position in the market and its product characteristics. Although these associations are not as strong as the women's issues, perceptions are distinctive and worth discussing.

Market Leader Brand

Almost one-third of the participants had an overall image of the Filli Boya as a market leader brand.

It is like a sector giant. What Coca Cola means in the coke sector, it is the same for the Filli boya in paint sector ... It looks like the best paint brand in Turkey. (Female, 22 years, student)

[Filli Boya is] a leading paint brand. (Male, 39 years, academician)

Involvement levels of all respondents towards the product – the paint – was low. For instance, it is interesting that the market position of the brand is known by one-third of the participants. Moreover, they have also commented on the quality of the product.

It is a quality brand. (Male, 26 years, student)

It evokes quality. (Female, 35 years, worker)

When I compared with other competitor paint Filli Boya is better I think. (Male, 37 years, academician)

How could they be aware of its quality and market position? Here, it could be assumed that stronger associations related to the brand may create a halo effect on the general brand image and this effect may also create perceptions about other areas such as product characteristics. In fact, the statement of a female worker (it evokes quality) clearly implies this proposition.

Filli Boya and the Competitors

Research findings revealed that Filli Boya could differentiate itself from its competitors in a favourable manner. And this differentiation appears to be based mainly on positive gender discrimination messages in TV ads. As one male participant expressed it:

As different from others (referring the competitors), Filli Boya has a mission on women's issues. (Male, 38 years)

Opinions of other participants also provided a similar insight:

I think the main difference of this brand is its' perspective on women's issues and giving priority to these issues. (Male, 26 years, student)

I think the main difference of the brand is to have a voice for women... It is an unexpected behaviour for a paint brand on Women's Day (referring to the most recent TV ad on Women's Day), so it deserves a different place... (Male, 26 years, student)

I do not separate a brand from its competitors because the brand has prepared an advertisement for Women's Day. But this women employment project is unique. (Male, 39 years, academician)

[Referring to works on positive gender discrimination] It is a social revolution... Here the company deals with social issues. There are perhaps 50 competitor paint brands on the market. None of them interested (in social issues), only Filli Boya [was] interested in [social media]. (Male, 28 years, academician)

There were two participants who clearly emphasised difference between brands in terms of marketing communication efforts. One of them (male, 28 years) compared the ads of Filli Boya with other paint brands:

Other brands' ads are just about painting and product features. Their main messages always look like that: I am the quality, choose me, buy me! I think the elephant in Filli Boya logo already makes a difference. Filli Boya is different. It is different in a favourable manner. When I think Filli Boya, I don't remember just painting things. I feel that they are [the brand] far more than that.

Another respondent expressed the difference about marketing communication efforts. This difference also constitutes the basis of his emotions towards the brand:

Filli Boya is different from others with regard to marketing communication efforts.

Everything they [the brand] do adds value. 'Woman House Painters' ad (and project) made me feel very emotional as a man. I cannot even predict how women feel. It is an important work, to provide a profession. Furthermore, it is a very traditional man's job. Trying to overcome existing prejudices is not an easy thing to do. Someone may easily ask that why does a paint brand behave like this? But these are important works, good works. The perception it created is: Filli Boya is a modern brand. (Male, 28 years, academician)

About the difference, an informant (male, 37 years) emphasised that despite the brand using different ads and has a different image, he cannot perceive difference in terms of product. His expression is a kind of confirmation about previous findings showing that Filli Boya includes meanings related to positive gender discrimination rather than features related to the product and brand. This finding also indicates low levels of involvement towards the product among respondents.

Advertising Effects

During interviews, all respondents were encouraged to recall the advertisements, to share and rate their perceptions of ads, their affective connections to the brand and also the purchase intentions. Thus, under this heading we tried to distinguish advertising effects of brand on participants. The findings of the study demonstrated that except awareness-generating ads, ad recall rates were significantly low. However, aided ad recalls produced much better results and all participants expressed feelings and thoughts.

Firstly, we should mention that especially the former logo of the brand (using a striped elephant) was easily remembered and easily described.

I don't remember the other brands so clearly, but I remember the logo of Filli Boya since my childhood: an elephant and a brush as its tail. (Female, 22 years, student)

From the past, I remember Filli Boya name and logo. There was an elephant and there was something like brush on the nose of elephant. (Male, 30 years, academician)

As can be seen, the image of former logo was described in a detailed way. This may be due to the compatibility of this logo with the name of the brand.

The name of the brand is also easy to say, it is memorable. (Male, 26 years, student)

Secondly, the awareness-generating ads were easier to remember when compared with others. All of the respondents clearly indicated their awareness about these ads.

Ads of the brand were about women's issues lately. I remember, women house painters [ad], schools supporting for women (ads), women employment (ads)... These are the things I remember best. (Female, 22 years, student)

There were three respondents who depicted previous advertisements partially:

Thinking about *Filli Boya*, what comes directly to my mind is: *Exclude Colors From Life, What's Left!* (By singing the jingle background). I have positive feelings. (Male, 28 years, academician)

I remember: *Exclude Colors From Life, What's Left!* There was *Fahir Atakoğlu* (a Turkish composer) in this ad. (Male, 38 years, academician)

There was an original advertisement, flying colors; there was humor in it as well. They had used a traditional house painter man stereotype. After than I remember 'Exclude colors from life, what's left!' (Male, 30 years, academician)

There may be three underlying reasons for easily remembering awareness-generating ads: First, ads could be evaluated as remarkable. Second, time effect may help us understand this result, since the latest ads of the brands are awareness-generating ads. Third, participants' high level of involvement in gender issues may also lead to this result. Doubtlessly, a deeper investigation about advertising effects would reveal more sound information.

Regarding advertising effectiveness, we can also mention 'ad liking' of respondents as one of the commonly used indicators. We see that recent advertisements of the brand mainly evoked positive or attractive emotions among almost all viewers. Just three examples of them are worth mentioning:

[Referring to latest ads] Communication activities touch people's emotions. (Male, 26 years, student)

Ads for women were really remarkable. I like advertisements because it really supported people who needed it, bread, a job... (Female, 28 years, public worker)

In my opinion, their women house painters project had an incentive dimension for people. We could feel that 'Yes, we can do it!' This ad could pass people positive emotions such as hope, such as motivation... This ad is one step ahead of the others. (Male, 30 years, academician)

Additionally, few of the participants highlighted the possible risks of these advertisements. For example, one of them admitted that this is an effort for increasing awareness for a social issue, and he appreciated this work of the brand. However, he also told that these ads could create an illusion in people's mind as if now the problem was completely over. He implied that when

someone voiced a problem concerning a social issue, we feel a relief from burden that we carry. But, practically it does not affect directly to the problem; the problem is not solved. He attracted attention to the topic with the following statement:

Ad does not offer a solution, but the way it presents the problem is equivalent to the solution. (Male, 30 years, academician)

Another respondent also emphasised upon a similar issue in ads carrying social responsibility messages:

This campaign just seems to be able to create awareness. But I don't think they can change it. It can create awareness, but can it actually make a difference on this matter? I am not sure at all. The man who considers the woman as a secondary citizen also will appreciate the ad. But in the action, he will still remain the same. (Male, 38 years, academician)

In addition, advertisements are assumed to have effect on favourable behavioural intentions towards the brand over time (Spears & Singh, 2004), such as recommending the brand to others, telling positive things about the brand and buying intention. The findings contain rich information about the views of the participants with regard to these effects. Most of them expressed their positive attitudes towards the brand both openly and implicitly. As an example, one of them openly expressed his feelings about the brand:

Among other brands, it looks like not only more qualified but also warmer. (Male, 37 years, academician)

Another respondent stated that she would recommend the brand to others:

Perhaps, I can recommend *Filli Boya* to others. Despite that I don't remember previous ads; I think their works on women could be impressive on my decision subconsciously. This is why my attitude is favorable [for them]. They did a good job in women's issues. (Female, 35 years, worker)

Here she drew attention to the brand's awareness-creating effort. A similar response came from another participant:

They have a clear attempt to creating employment for women. This is a concrete step. So, I can prefer brand in order to support this attempt. (Female, 37 years, academician)

As observed, the advertising effect here is the brand's preference. The justification behind her decision was that she wanted to support a functional social responsibility project which deemed appropriate to her own values. Indirectly, we could also interpret the relative importance of social responsibility project,

rather than advertising. Another male respondent stated this implication clearly as follows:

I don't buy Filli Boya because of its ads. But I can buy Filli Boya because of its social responsibility project [referring to women house painters campaign]. Just for this reason. Because the only way of decreasing violence against women is to make them employed. All other methods will be useless. (Male, 39 years, academician)

As could be seen, Filli Boya managed to gain attention and acceptance of the participants who approach skeptically to such things. Even a person who expressed negative attitudes towards advertisements and critiqued most of the social responsibility projects for being useless could express a preference towards the product.

An important point that should be emphasised here is that consumers may behave differently than in actual shopping and consumption environments. As one of our respondents expressed:

In the commercials, Filli Boya is the most active company. But, of course, it does not mean that we always support it because of good advertising. I don't exactly remember when the last time I painted my house was, but I think we bought Marshall. I usually work with a painter man and he generally decides to paint brand to be purchased. He does not offer a choice, also we don't want to involve. (Male, 33 years, public worker)

To summarise, Filli Boya could be evaluated as a successful brand in terms of all levels of advertising effectiveness from ad liking to buying intention. On the whole, this final statement most clearly reveals the subject:

If we put all paint boxes side by side, I would buy Filli Boya. It sounds warmer. Until today, I thought that I like the company because of its logo. But now I realize that it may be due to previous advertisements... Even though I am always defensive toward ads, the brand might create good feelings on me. (Male, 30 years, academician)

CONCLUSION

This case depicts the marketing communication of an unusual brand, Filli Boya, in the paint industry. The purpose of this study was to provide a better understanding of how TV advertisement, the so-called 'traditional and boring' communication tool, could still be effective when integrated into the contemporary marketing approaches in the world of not only advertising clutter but also ad resistance.

Strategically, the success of Filli Boya lies in incorporating contemporary marketing philosophy such as corporate social responsibility, and marketing communication trends, such as real-time social media marketing.

Practically, the difference created by Filli Boya could be explained by three factors. First of all, the company systematically used cohesive and consistent marketing communication messages and integrated them into different communication channels to send the target market a clear, a consistent message about their image. As seen in this case, marketing communication of Filli Boya always created positive value in the minds of consumers. From the very beginning, the company adopted effective message strategies in all forms of its marketing communications. By using it in a consistent and continuous way, these strategies helped the brand in invoking positive feelings and transferring them to produce quality and brand perceptions.

The second factor behind brands' success is to exhibit its sincerity and decisive position clearly in every single step. As one of these steps, the company never mentioned its name in TV advertisements for Özgecan out of respect for the case itself. Although a few skeptical responses were received claiming that the brand exploited the Özgecan case in order to raise its own reputation, mainly this decision was perceived as a sincere attempt because – as another step - Filli Boya had never used a hard sell approach in its marketing communication, and never provided detailed information about the product and product features. Instead, they have generally used more indirect and emotional messages. The consistency among these two steps helped the brand in convincing the audience about its sincerity. Creating an in-house agency is another step, indicating the brand's sincerity. With this decision, the brand has taken the responsibility of direct communication, implying that brand takes communication tasks seriously. Furthermore, we know that its CEO actively works within this advertising agency. Finally, with the brand values defined by the company such as positive gender discrimination, the brand takes a risk of being against dominant political and ideological discourse. Again, this attitude could be regarded as a sign of sincerity. So, it is foreseen that all these factors imbue a holistic effect on consumer perceptions about sincerity.

Third, and finally, Filli Boya used TV advertising in the most proper way for its purpose. TV advertisement that the brand used in the Özgecan case was first on national TV channels in terms of advertisement format. No logo, no company name, no advertiser was mentioned in the ad. The goal was two-fold: on the one hand, the brand didn't exhibit its name out of respect for the case itself, and on the other hand, the hashtag helped people connect around ideas presented in the case across social media. So, the company had managed to create a viral campaign on social media through TV ads. This form of

advertising was not only new as a format but it also included a new application in terms of media planning, which is called ‘road blocking advertising’. So, the ad (a total black screen with a hashtag: forÖzgecan) was seen on all (30) TV channels at 9:00 pm, and the brand ensured that everyone had seen the ad. Thus, increased attention was created for both case and the advertiser. All these factors facilitated the growth of related content across social media for both the Özgecan case and Filli Boya. From that day on, Filli Boya has maintained its stance consistently by developing not only women-based social responsibility projects but also using challenging TV ads. These ads perform as a tool that launches discussions on social media.

While it is possible to discuss the success of the brand on the axis of social responsibility and real-time social media marketing, considered all together it could be claimed that the deserved triumph of Filli Boya is specifically a result of how it used TV ads. At first glance, this claim may not seem plausible for a brand which has a contemporary marketing philosophy. But the factor that moves Filli Boya one step further than other brands is its success in advertisements. In other words, as emphasised in the Findings section, today neither preparing social responsibility projects nor preparing new advertisements special to the agenda help companies to achieve greater competitiveness and business success, since all these modern approaches are very common today. Of course, the desired position of Filli Boya is mainly supported by corporate social responsibility, real-time social media marketing and a sincere intent behind all these efforts. However, without TV ads, the brand would not have been in the same place today. Thus, aside from all other desired effects, Filli Boya has shown us that TV ads still could be used effectively, creatively and integratedly despite all the criticism about being too ordinary and traditional.

Showing readers that advertising is still functional when used properly and creatively, this case study offers many useful lessons for those who wish to create communication efficiency through advertising.

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CHAPTER 7.3

WORD-OF-MOUTH MARKETING

Renan Tan Tavukçuoğlu

ABSTRACT

People tend to rely on the recommendations of people they know more than any other advertisement medium. Friend-recommendation and online reviews are the primary criteria considered before making most purchase decisions. Increase in the number of media channels, having too many product options to choose from and the massive amount of advertisement pieces lead the way to the success of word of mouth once again. With recent developments in technology and increase in the number of social media tools and users, word-of-mouth marketing (WOMM) became more important than ever. There are many ways to empower positive word of mouth on behalf of corporate brands. The present chapter aims to summarise the key points of WOMM and provide the readers with a roadmap and tools for successful WOMM applications.

INTRODUCTION

Even those deaf to the bragging cries of the marketplace will listen to a friend.

—Paddi Lund (Cited in [Silverman, 2011](#), p. 24)

Word-of-Mouth Marketing (WOMM) is defined as the act of communication between consumers on behalf of a product or a service (Silverman, 2011). Although any business action that earns a customer recommendation can be seen as an act of WOMM, in the world of creative campaigns and engagement techniques, WOMM is more about harnessing the power of people to build brand awareness (Wommapedia, n.d.).

In their day-to-day lives, people talk about schools, washing machines, restaurants, movies, shampoos and everything else. These daily conversations generate over 3.3 billion brand impressions each day (Word of Mouth and the Internet, 2011). These conversations determine what customers buy. WOMM is among the best, most influential and credible communication styles a brand can get. It’s not a Business to Consumer (B2C) communication but Consumer to Consumer (C2C) one (Sernovitz, Godin, & Kawasaki, 2006). As you can see in Fig. 1, people take actions more readily based on the recommendations of people they know and trust them the most. If the company can get consumers talk among each other about the brand, it means that it has the new prime-time covered.

Word-of-mouth marketing is subjective by definition, and that is why it is successful (Trusov, Bucklin, & Pauwels, 2009). In today’s world, people can access more information than they need. What consumers need are experience-driven comments, recommendations and warnings. This is provided by WOMM.

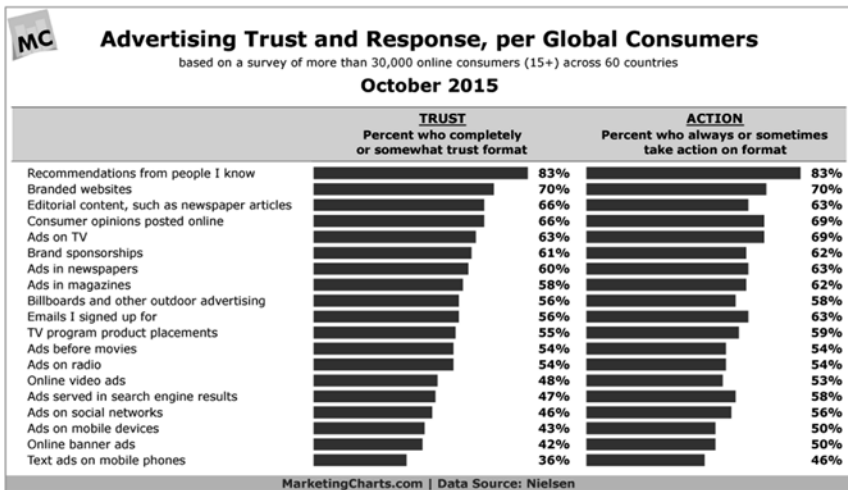


Fig. 1. Advertising Trust and Response per Global Consumers (Marketing Charts, 2015).

Word of mouth (WOM) has an impact on diffusion and sales. This chapter aims to outline how it works. For this purpose, first the history of WOM and its value will be explored. Following these, how WOM is used in the world, its applications and fundamental elements of WOMM will be explained using examples and case studies. The place of WOM in Turkey will also be discussed by referring case studies based on the author's own practice. Finally, a roadmap will be provided for the readers.

HISTORY OF WOMM

The history of WOMM is as long as the history of humanity (Silverman, 2011). We see the very first example when Eve offers that piece of juicy and delicious fruit to Adam. However, since its use as a marketing tool emerged with the rise of communication tools and their frequency, too many messages targeting the same people at the same time creates unwanted communications.

Marketing guru Godin (2012) refers to the current communication method as disturbing. The company, as a brand, appears to a consumer at a time when it is not expected and welcomed. The company, as a brand, pokes people, which is not really the nicest way of communicating. What the company should do instead is create relationships, try to understand its audience and act accordingly.

At times of single company with few products, not much communication was needed. Customers bought 'it'. As choices increased, customers bought what they 'trusted'. Then came desires. Customers started to 'fancy' some brands and that's the outcome of advertising era. With rise in individualism, customers 'preferred' some brands over others. Advertising and marketing have always been a mirror of social and political canvas (Firat & Venkatesh, 1993). Then came a stage where customers have to 'like' what they buy. Products need to serve a purpose and be likable as well as define who are their purchasers. And today customers buy what they are allowed to contribute (Silverman, 2011). Co-creation is extremely valuable today. Again, it's all about being human.

Rogers and Shoemaker (1971) introduced the Diffusion of Innovation Theory that explains how, why and at what rate new ideas and technology spread. The theory shows how a product can be adopted by different categories and/or customer types and how to engage as a business with different types of people. Rogers and Shoemaker (1971) state that it is extremely important for the companies to change their media and communication strategies according to different types of customers they are facing.

Today, with the given technology, getting to know the target audience is pretty easy. Brands can track online conversations, foresee trends, understand expectations and analyse segments. Drafting 360° communication strategy requires flexibility and change. Digital gains more share of the pie each day (IAB Turkey, 2015). Media buying is changing. Brands need to stay relevant. Messages need to be given at the right place and at the right time. Brands ignoring these facts are to be ignored themselves.

One important tip about this marketing tool is to distinguish between online and offline WOMM (De Bruyn & Lilien, 2008). It is extremely important to distinguish the online world from the offline. Dependence on the data from the online world can be misleading at times that requires a decision for the general market, including the offline world.

‘What’ you say to ‘who’ and ‘when’ matters highly.

VALUE OF WOMM

Getting people to talk often, favorably, to the right people in the right way about your product is far and away the most important thing that you can do as a marketer.

—(Silverman, 2011, p. 6)

Word-of-mouth marketing comes from a person we know or from a source we trust (Silverman, 2011). It is not a monologue travelling from the corporate world to the consumer but a conversation among real consumers. WOMM has several advantages over traditional methods: (1) It is perceived as more credible and honest, (2) it saves time and money and (3) it makes people feel smart.

What is the true value of WOM, online and offline, relative to other marketing media? This has been the ultimate question for the WOMM world for a long time. In 2014, Word of Mouth Marketing Association (WOMMA) unveiled a third-party research to measure the precise return on WOMM. Before this study, consistent measurement of WOMM was lacking. Although WOMM is believed to be a strong business driver, difficulty in measuring precise return on WOMM has been the largest obstacle for marketers embracing online and offline WOMM. There’s been no major independent study quantifying WOM’s impact across categories and using market mix modeling (WOMMA, 2014)

Major brands, including AT&T, Discovery Communications, Intuit, PepsiCo and Weight Watchers, participated in the study and contributed their



Fig. 2. Return on Word-of-Mouth Study (WOMMA, 2014).

confidential business data and funding. Results showed that WOMM had a total marketplace impact of \$6 trillion, and it was found that the effect of a WOMM impression is anywhere from five to 100+ times more valuable than a paid media impression (WOMMA, 2014). Furthermore, WOMM is found to work hand-in-hand with paid advertising, amplifying its impact by 15%. Two-thirds of this social influence happens offline (face-to-face or over the phone) and one-third online (through social media of various kinds, including social networking sites, ratings and reviews, blogs and the like). For fast moving consumer goods (FMCGs), offline WOM is worth five times more than a paid media impression. For higher consideration categories it's more than 100 times more valuable. WOMM drives a significant portion of sales – 13%. WOM has a more immediate impact than traditional media. About 90% of online WOM impact is in the first two weeks. About 73% of offline WOM impact is also in the first two weeks (WOMMA, 2014) (see Fig. 2).

WOMM ACROSS THE WORLD

People talk about brands under two conditions: either they're very good, or they're very bad (Escalas, 2004). This is the organic way of people talking. Under the 'marketing' hat, I use tools to make this happen – of course in a positive way. Based on my years of experience in the field, I have created a formula for WOMM success:

WOMM = Experience/Expectation.

A GREAT EXAMPLE

Here is the summary of the greatest customer service story I've heard:

About six weeks ago during my kids' spring break I was in Los Angeles on business, so we decided to send my wife and my two kids up to Amelia Island Plantation to the Ritz-Carlton. There they did what a lot of people do when they drive somewhere on vacation, which is, they forgot to bring some of the stuff home. What they left behind was my son's effectively teddy bear/blanket.

I came home and when I was putting him to bed the first night, it turns out we didn't have his Joshy. He was inconsolable, so I did what a lot of dads do when your son is inconsolable, which is, I made up a big whopper a big lie and told him that surely Joshy just wanted to stay on the vacation for a few extra days and go play golf and hang by the pool and things like that. When I [told] my wife what happened, she said, well we just got

a phone call, they found him in the laundry, which [was] great. So now I call[ed] up there and ask[ed] to speak to someone about this to give them sort of my imaginative idea. A couple [of] days later in the mail [came] Joshy with a photo of him hanging around the pool with sunglasses, having dinner, another one working at the office to pay for the extra day of stay, Joshy decided that since he was going to be at the hotel for a few more days that he would get in some much-needed relaxation. (Hurn, 2012)

This is a great example of experience exceeding way beyond expectation. It's when the company gives people more than what they expect so that they end up talking about the company. And the shortcut comes from inside: feelings. Feeling important, smart, useful, like a part of a team and an insider triggers WOMM (Silverman, 2011). What consumers truly value can be complicated. Value attribute determines WOMM. Almquist, Senior, and Bloch (2016) tested different industries with different value elements. They showed that right value combinations for a good or a bad service pay off in stronger customer loyalty, greater consumer willingness to try a particular brand and sustained revenue growth. Below you can see the Elements of Value Pyramid created by Almquist et al. (2016) on which the results of this study are based (see Fig. 3).

This great study suggests the fact that the elements of value approach extend Maslow's (1943) *Hierarchy of Needs*. Being who you are, where you live and what you do determines your priorities and what's important to you as a consumer. Companies that performed well on multiple elements of value have more loyal customers than the rest. Strong performance on multiple elements correlates closely with higher and sustained revenue growth as well as market share growth (Almquist et al., 2016). These results show how important what people feel are? They talk when they feel. Finally, one of the most important outcomes of the study is that no other elements can make up for a significant shortfall in quality. This outcome leads us to Godin's (2012) *Circles of Marketing*.

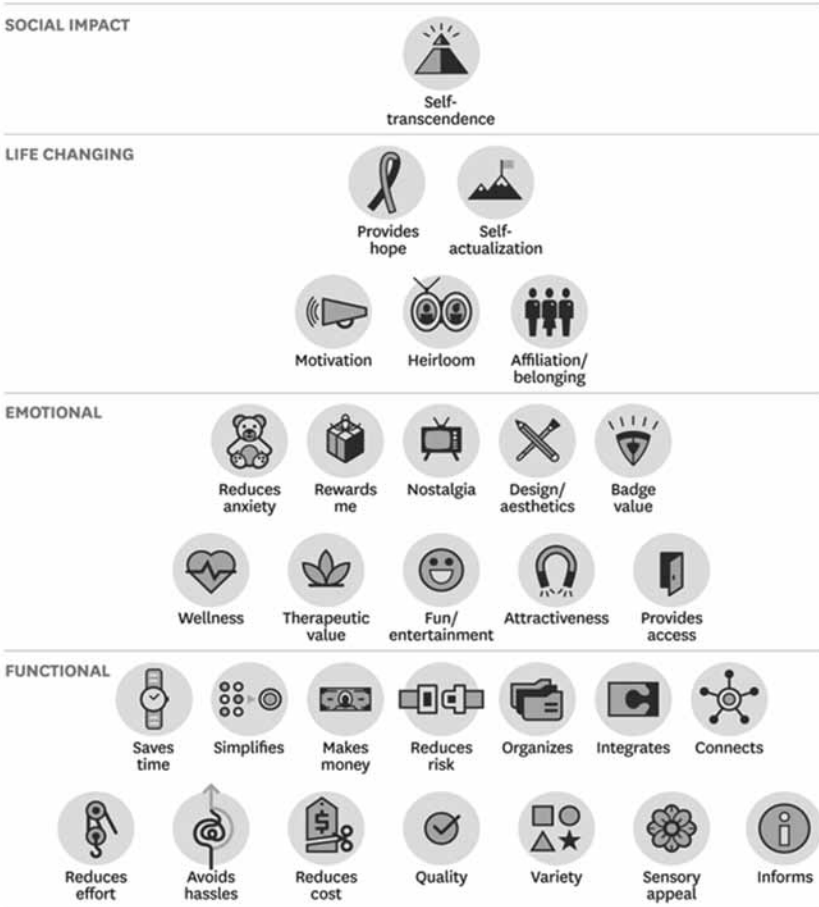
THE MOST IMPORTANT DETAIL: MID CIRCLE

One thing to always keep in mind is that if the company has a bad product or service, no one can help it. Godin (2012) puts this in a way that every marketer should take a printout and frame it as I have done (see Fig. 4).

He simply tries to say that marketing is not the very first thing a company should go right after its launch. There's a lot the company needs to cover before that. In order for WOMM to happen, company needs to pave the way towards perfection for the goods and services it provide.

The Elements of Value Pyramid

Products and services deliver fundamental elements of value that address four kinds of needs: functional, emotional, life changing, and social impact. In general, the more elements provided, the greater customers' loyalty and the higher the company's sustained revenue growth.



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Fig. 3. Elements of a Value Pyramid (Almquist et al., 2016).

Good examples of this theory are proven by good movies and brilliant books (Liu, 2006). No good book or a good movie goes unrecognized. It may take some time but at the end, when it hits the right crowd, it spreads



Fig. 4. The Circles of Marketing (Godin, 2012; used with author's permission).

like a wildfire. The sooner the customers discover, the sooner the profits soar. As we all know, time is money. Decision speed is the time it takes for the customer to go from initial awareness to enthusiastic full use and recommendation of the product or the service. WOMM practitioners can help shift the adaptation curve towards left a little bit, which means time and money for the producer.

The amount of time required to make a decision on a product is the most powerful determinant for the success of marketing (Silverman, 2011). The speed of decision-making is more powerful than positioning, image, value, customer satisfaction, guarantees or even product superiority, since it forces the buyer to organise these factors and many more into the best possible combinations. WOMM works as an acceleration system and can cut the decision-making time to half (Silverman, 2011). Therefore, it is extremely important to support the company's marketing with WOMM. Next section looks at how to do WOMM correctly.

THE FIVE Ts OF WOMM

My WOMM practice for the last 12 years always included the sequence developed by [Sernovitz \(2012\)](#). The sequence involves five Ts (see [Fig. 5](#)). With our client brand, we need to determine the following:

TALKERS: We have to define our audience. We're not doing mass communication here. We're not targeting everyone or talking to everybody. We know who we want as a customer, ideally for a long time.

TOPICS: We tailor the conversations so that we control the topic. Especially when you work for slightly controversial products such as food, etc., you need to make sure that no one shifts from your conversation topics, so you need to set them concretely.

TOOLS: When we first started implementing WOMM campaigns in Turkey back in 2005, there was no popular use of social media. Few companies just started using Twitter. Facebook became popular in 2007. It wasn't until 2010 that social media usage became a phenomenon and that's when our measurements became easy. However, online tools are not the only ones you can use to measure *return on investment* (ROI). They help the message travel fast but it does not guarantee the effective landing. Incorporation of both online and offline tools is important.

TAKING PART: WOMM declares the end of a brand–consumer communication era. No more monologue by the brand – conversation is demanded. Brands are expected to talk, especially when they are asked. Manners always apply in marketing too. If you open the door for communication, you need to respond.

TRACKING: This part is the one that would change in a speed of light if not before the publication of this book. It became so easy to track what people are saying about you. In a recent play, a famous actor told on the stage that 10 years ago they used to send out the bell boys after the play was over among the crowd to test the reactions ([A. Poyrazoğlu, personal communication, 2015](#)). And this was only a decade ago. Today, in 2018, the reactions are at our fingertips, in real time. A summary of the five Ts can be seen in [Fig. 5](#).

CASE STUDY: EBEBEK

Here, I would like to elaborate on the details of a baby diaper campaign that we designed in April 2017 for *Ebebek's* brand: *baby&me*, and how we applied the five Ts of marketing. We are really lucky to have good solution partners

5 T's of Word of Mouth Marketing		
Type	The Questions	Action Steps
Talkers	– Who will tell their friends about you?	Find the people who will talk about you
Topics	– What will they talk about?	Give people a reason to talk
Tools	– How can you help the message travel?	Help the message spread faster and farther
Taking Part	– How should you join the conversation	Join the conversation
Tracking	– What are people saying about you?	Measure and understand what people are saying

Source: Andy Serenovitz @equintanilla

Fig. 5. Five Ts of WOMM (Sernovitz, 2012).

such as *Migros* and *ebek* for years now. We do not only pick the right consumers within the big data but also keep track of ROI by the tools they provide. We collaborate and reach the prime prospects within 100% target range.

Entering a well-established market is a challenge but *ebek* has a strong brand reputation and trust supporting it. Insights from this high-priority category users told us about the consumers willing to shift brand and those not willing to shift: the younger the baby, the less the possibility of willingness to try something new. So we decided to come out with the *Size 4* communication plan:

TALKERS: Mothers who are not hesitant to purchase different diaper brands of size 4.

TOPIC: Benefit, benefit, benefit, plus community engagement motivations.

TOOLS: Competitions, events, live chats, discount coupons and surveys to be distributed.

TAKING PART: All comments and messages were answered within a 24 hours. Community dynamics were recognised and acted upon.

TRACKING: We used online monitoring tools; however, we also did manual tracking for the sake of increasing engagement as well as coming up

with real numbers. The impression doesn't count in WOMM, so we were after organic and unique engagements.

Within eight weeks of the campaign period, we had a daily agenda where we asked mothers to co-create content. They used and distributed the materials they received in their kit. We did not only ask for their feedback but also collected feedback from their friends through surveys that we asked them to distribute.

Net Promoter Score (NPS) is a loyalty and growth indicator (Reichheld, 2003) and it is an extremely important indicator for newcomers to the market. Since this was a launch product, we didn't wait until the end of the campaign to measure NPS but acted early. This allowed us to redesign some of the messages. At the end of the day, the most important *key performance indicator* (KPI) is 'sales'. We believe in the power of real mothers and real conversations. Social media engagement is always 'nice to have' but you never know how much of it converts to sales unless you design it that way. High-involvement categories, such as baby products, benefit highly from organic WOMM (Lee-Thomas, Mullen, & Fraedrich, 2011). Market share distribution will be the indicator of success in real experiences, recommendations and WOMM (see Fig. 6).

WOMM IN TURKEY

Word-of-mouth marketing is a multi-million dollars industry in the United States as well as in Europe. However, in Turkey, the industry has not established itself yet. There aren't many players in the market (Seven, 2012). Increasing numbers of digital agencies do a lot of work but don't perform holistic WOMM services.

To reach a holistic WOMM, we must start with a community! A community is a group of people with diverse characteristics who are linked by social ties and share common perspectives (MacQueen et al., 2011). McMillan and Chavis (1986) identified four elements of the sense of community: membership, influence, integration and fulfillment of needs, shared emotional connection. No brand-supported community can be as strong as an independent one. By definition, communities cannot be generated by profit-seeking brands. Groups of people created and managed by brands can be used for 'loyalty programs'.

After working with Turkish consumers and brands for 12 years, it was my decision to form an independent women's community that would be



Fig. 6. ebebek Baby&Me WOMM Campaign, 2017.

managed as a real community so that brands could also benefit from it. Our WOMM community of WOM Angels, *Tavsiye Melekleri*, was founded in 2012 as a women's community in light of the community realities described above.

Globally, women take decisions for the purchases of 94% of home furnishings, 92% of vacations, 91% of homes, 60% of automobiles and 51% of consumer electronics (Silverstein & Sayre, 2009). After working with different segments of consumers for years and under the light of consumer research, we concluded that women are the most important segments of WOM. We believe in the power of women in terms of both economic and social impact. Back in 2012, when we started *Tavsiye Kanalı*, Turkey's most influential community and WOMM agency, this was the reason given. Our women's community can do many things besides participating in WOMM campaigns of *Tavsiye Kanalı* and events at *Tavsiye Evi*.

We wanted to name the community in a way to motivate as well as to be self-explanatory. So we called the members: WOM Angels who help each other to make life easier and better. This is our motto. We help each other for a better world. This psychology worked extremely well in recruiting data. We did not need to introduce any product campaigns to start building the community. Whoever discovered our platform, started sharing messages and social media posts saying: 'I became an angel, why don't you join me!' Today we have roughly 100,000 members from 81 cities of Turkey, and we believe in

the power of each and every one of them. A similar community operating in the United States called BzzAgent operates in a similar way:

When we started BzzAgent, we believed in the myth of the influential. It took nearly a year of campaigns and thousands of interactions with BzzAgents for us to understand that mavens and high-profile influential are effective in specific ways and in particular categories, but that most of the time, everyday people are better. They are the ones who are having word-of-mouth interactions that generate results-creating awareness, changing perceptions and driving sales. They are the ones who make and break products and services every day. Ask yourself, when was the last time you were influenced by an influencer? Not recently, I bet. (Balter & Butman, 2005, p. 92)

Not everyone has a tendency to register with communities such as BzzAgent or WOM Angels. The ones who register though are measured to be above-influential. We exactly witness this being true in Turkey. Members of such communities have about three times more social impact than an average social media user (Trusov et al., 2009).

Here is a list of some of the firms that we have been serving since 2012: Migros, Profilo, ebebek, L’Oreal, Philips, Doğan Kitap, Ülker, Tefal, Rowenta, Bosch, Pınar, Eker, Dimes, Viko Panasonic, Silk’n, Doğaş, Waternet, Vitra, English Home and Sanofi. Industries we work include FMCG, retail, publication, electronics, household appliances, furniture and pharmaceutical OTCs.

HOW WE DO IT

Word-of-mouth marketing is not and should not be a campaign type. Rather it should be an overall strategy (Allsop, Basset, & Hoskins, 2007). Putting the consumer first and really understanding their needs requires collective effort within a company. Here is a sample route map for success that I share with my clients. We came up with this list for WOMM success under the light of the results of 12 years of WOMM campaign designs and implementations through our practise.

10 STEPS TO WOMM SUCCESS

1. Determine prime prospects.
2. Measure current NPS. To do this, one has to ask people to rate how likely they are to recommend a service or product to their friends on a scale of 0 to 10. NPS is then calculated by subtracting the percentage of detractors (0–6) from the percentage of promoters (9–10).

3. Listen to these consumers' organic conversations. Conduct as many focus groups as necessary to understand all segment needs. These focus groups seek different outcomes than traditional research. The product is not evaluated. Rather the conversations are the prime topic of these research studies. The messages that the brands favour do not always stick the most. Once the product is in the hands of the consumer, it is not in the hands of the company anymore. In order to manage this relationship, co-operation and co-creation are the keys.
4. In order to create and accumulate brand enthusiasts, brands need to be real, sincere and determined. Determined for cooperation, co-creation and sustainable dialogue. They need to work with people who understand community dynamics. Loyalty programmes do not serve as community management.
5. *Real products, real people, real comments.* At this point, the company should not go after millions. In today's communication world, brands are mostly tricked by numbers. Digital reach, especially triggered by prizes, is not the happy sign of profit or increase in market share. Company's KPIs should be set wisely.
6. Create relationships with your prime prospects. Our experiences in the field showed that this is not always possible to do in-house for big firms as they may not have the priority to invest in systems and/or people to create relationships with the customers. However, if this task is assigned to some of the employers or agencies, it pays off. This helps the company to form much-needed long-term conversations, since once the conversations start, people expect them to go on.
7. Work with functioning communities. Experiences from our practice showed that quantity does not always lead to quality. Having a large database doesn't mean that these people would respond as if they were a community.
8. Have people start 'talking' about your product. Brands that are not talked about cannot grow!
9. Measure. After the company implements WOMM strategies for a significant period, it should start measuring NPS on regular basis, as well as conduct post-surveys.
10. The company always needs to be flexible for change after it gets the results from these measurement studies.

To repeat, WOMM must be a holistic effort (Kozinets, De Valck, Wojnicki, & Wilner, 2010). Below is an ideal scenario and dream of a traditional advertiser:

The brand's target market realises the ATL communication as soon as it airs. BTL communication is also realised and absorbed. The consumer goes

and buys (either as a first trial or buys more) the product, and she not only uses it herself but starts promoting willingly to her friends whom she finds relevant, with her own words that she knows they need to hear.

And here are some facts:

- Word-of-mouth marketing campaign success increases by 30% if you send out products to women right before you start traditional communication (Lopez & Sicilia, 2013). We have experienced it in numerous campaigns that we have conducted over the years.
- Women don't care about BRANDS. They care about BENEFITS (Kotler & Armstrong, 2010).
- Average response rate in our WOMM studies is 60%. This rate of engagement can be reached by no other media (De Bruyn & Lilien, 2008).
- Investment in WOMM is much more valuable and is for long-term than a 30-second TV spot, a print ad or an outdoor communication. It offers the most effective ROI measurement (Libai, Muller, & Peres, 2013).

How Our Community Works with Brands

Word-of-mouth marketing is not mass communication; rather it targets only the core audience (Trusov et al., 2009). We work with prime prospects and aim for the spill-over effect. WOMM is an integral part of a 360° communication plan (Kozinets et al., 2010). It's an amplifier. We can only work with the brands who understand the essence of WOMM.

The following is our business flow at Tavsiye Kanalı from A to Z in implementing WOMM campaigns:

- We receive the brief of the brand.
- We determine KPIs together.
- We conduct a pre-survey to determine the right audience.
- We invite couple of small groups for further investigation and test messages.
- We draft a kit. We include conversation trigger elements as well as a eight-week-long agenda.
- Real women and real experiences are targeted. We don't only work with bloggers as we know that micro-influencers are six times effective than Influencers (n.d.) with number of followers (Main, 2017).
- We assign missions to our members.
- Individual response is another key to our success. All Direct Messages (DMs) and messages are to be answered within 24 hours (12 hours is the better time).

- We encourage consumer-generated content creation. Women do online research before they decide to purchase an item. They don't like to read texts. Video content is a shortcut for success. We create online content as well as invite our users to do so.
- All campaign content should be Search Engine Optimization (SEO)-friendly.
- After eight-week period is over, we conduct a post-survey and can report: increased awareness, change in purchase intent, coupon redemption rates, the number of blogs, tweets, Instagram and Facebook posts with our campaign hashtag.
- We ask open-ended questions. After analysing each one of them we make suggestions for strategy, trends and actions to be taken.
- NPS is a key indicator that we focus on. We also comment on the needs of the brand to blossom, features to polish and things to keep doing better in the long run.

Case: L'Oreal

We have partnered with L'Oreal for many campaigns. Here, I would like to outline the details of a launch campaign in 2015: *L'Oreal Excellence Intense*.

TALKERS: Women who dye their hair at home using different brands of hair dye, determined via a survey among our database (see Fig. 7).

SES: A, B, C1, talkative opinion leaders who attend 'gün's' weekly social gatherings.

TOPIC: Amazing bright and shiny colours achieved by this new hair dye. One colour of their choice, determined by a second survey, sent to their addresses.

TOOLS: Kit, magnet, one original size, colour of their choice hair dye, 10 discount coupons, one magazine to read while waiting, one pen for crossword puzzle (see Fig. 8).

TAKING PART: Our members were asked to visit the brand website and share testimonials online (see Fig. 9). Istanbul residents were invited to a party hosted by L'Oreal at Tavsiye Evi (see Fig. 10).

TRACKING: Coupon redemption was again above average as always. We used online monitoring tools, but we also did manual tracking and observed the positive influence on our members for receiving the product kit right before the advertisements started.



Fig. 7. Participants.



Fig. 8. Tools Shown by a Participant.



Fig. 9. Testimonials of a User.



Fig. 10. Hashtags to spread the word

Case: Philips Lumea

With this Philips campaign, Tavsiye Kanalı was one of the first agencies to use micro-influencers in Turkey in April 2016. During and after their trial, testimonial videos were shot and broadcasted on YouTube. The most important KPI for the brand was for Philips Lumea to appear on the screen with consumer-generated content when women searched for the category, which was accomplished (see Fig. 11).

Tavsiye Kanalı Operations

As a company, we do not work with a product if we tried and did not like the product. Once we ensure the quality, the rest lies in the hands of the consumer. For a successful WOMM campaign, one must proceed with a purpose behind it (Wommapedia, n.d.). The aim should be to provide insight into the dynamic world of WOMM, rather than creating a buzz around a specific brand. Moreover, understanding how advocacy works is a must as well as



Fig. 11. A Sample Post by a Campaign Participant of Philips Lumea, 2016.

figuring out the ways to provide consumers with ways to express their opinions in accomplishing the reach and the return that brands are looking for. To reach propensity one must grow the experience.

Objectives of our brands vary. Some examples are as follows:

- Overcome first trial barrier.
- Convert from the competitor brand.
- Increase in social media appearance.
- Increase the number of organic positive online reviews.
- Shortening the time for adoption in the case of starting a new segment.
- Increase the level of loyalty.
- Be a topic of daily conversations.
- Increase sales by the power of recommendation.

[Silverman \(2011\)](#) also emphasised the situations that are benefitted from WOMM as: credibility problems, breakthroughs, marginal improvements, needs in a large number of trials over time, mature products with new stories, unfair competitive practices and restrictions.

Following is Tavsiye Kanalı's operation flow designed for the needs of our brands' WOMM needs:

Survey. Among 100,000+ women, we need to find out who fits the target market definition by first conducting a generic and unbranded survey. They answer what type of skin or hair they have, how often they use butter, what brand of detergent they buy from, where, and how often, etc. So now, we know who to invite for the next steps.

Research. WOMM research is different from traditional research. In the first half of our sessions, we just listen to organic responses without introducing any message, brand or product. In the second half, after we introduce our concept, we seek answers to different questions, such as the following:

- What is 'the one thing' that you would tell your friend about this product?
- How do you think your friend will be convinced to buy this product?
- What are the things that you like the most about this product that you would share with your friends?
- How and where would you feel more comfortable to talk about this product with your friends?
- In case we send it to you as a kit, what else would you like to see inside the box?
- Would you buy it? Why?
- What else would you like to know about this product?

Tip: High-involvement categories prove to be more successful than low-involvement categories in terms of campaign results. Baby products, children products and beauty products prove to be the highest involvement categories whereas cheap and low-involvement category products need more creativity.

Kit preparation. Along with the results of our own WOMM focus groups, we collect all product information, briefs and online chat analysis. This is when we sit down to come up with the creation of messages that ‘stick’ and tools to spread them. The objective of the brand determines the channels and the tools we will use.

After the approval of the brand, we produce and mail kits to 1,000–3,000 women to test and try for eight weeks.

Campaign period. WOMM campaigns mostly last for eight weeks. In the case of books, beauty products, etc. it takes longer to test, or for products that are stored for a longer period, we extend the time to 10 weeks, sometimes to 12 weeks to see the results. Within this period, one consumer is asked to see many people from different environments. We wish for and want dispersion. One person reaching out to colleagues only is not enough. We would like to follow them throughout different social occasions where they get to meet family, friends and even talk to strangers about our products/services.

One member of our community can attend to maximum two WOMM campaigns within the same period. We give equal opportunity to all members; however, they also need to be active in answering surveys so that we get to pick the right crowd for the campaign.

During the campaign period, we have an agenda for each day. We interact with our crowd, give missions, execute competitions, invite them for events and ask for videos, pictures and testimonials. We maximise benefits out of this mutual relationship investment. Most is manual work, even though we’re dealing with a digital world dominantly.

Reporting. ROI is to be measured by estimations on TV, print and outdoor. However, with WOMM, all is measurable if you do it correctly. Online KPIs such as blog posts, tweets, Instagram and Facebook impressions, comments and engagement are easy to measure and report. However, with WOMM, our intention is to speed up the decision process through spillover effect. At this point, our retail solution partner Migros is of great help. For example, once we worked with an ice cream brand in the month of Ramadan; we used gift cards to upload free products. And later we could track how many more of the same flavour or different flavours of ice cream these loyalty cardholders purchased.

Word-of-mouth marketing promises something different; we promise results and we’re determined to see what works and what doesn’t. Along

with measuring the results we always put on our analysis and make suggestions for a better world for our brands. We can look through the eyes of the brand as well as from the eyes of consumer. That's the value of our reports.

One Unique Medium: A WOMM House: Tavsiye Evi

Facts:

- Face-to-face communication is more effective than online communication when it comes to WOMM (Brown, Broederick, & Lee, 2007).
- Women in Turkey are accustomed to home gatherings. We call them 'gün'.
- Brands value the conversations taking place at güns.
- Direct and meaningful contact with consumer is essential for loyalty.
- Real women and real experiences beat any form of advertising.

Under the light of these facts, in 2013, we opened a WOMM House in Istanbul (see Fig. 12). Tavsiye Evi is a unique platform where online initiatives meet with the offline world. All sections of the house are decorated with different brands: furniture, mother and baby room, bathroom appliances, lighting and kitchen appliances of all sizes. Anything needed and used in a real house is placed by brands at our WOMM House. You can check out the videos from our YouTube channel: Tavsiye Evi (see Fig. 12).¹

How Do We Use Tavsiye Evi?

After conducting our surveys, we invite some members of our community for focus groups. We seek for real insights and also construct our campaign packages through co-creation.

After the kits are sent out, we again invite participants to share experiences, and we shoot testimonial videos. These videos are used both in our and the brand's social media channels. We also live broadcast the events, so the members who cannot attend have the option to watch them online.

Tavsiye Evi is our hub for the community. It's a house of experience as well as a community-enhancement place. We not only perform events for the brands but also do more for ourselves such as book clubs, invite authors for chats, invite doctors to enlighten us about different topics, etc. We also shoot videos for our community members who have their own start-ups. We help them promote themselves via videos we shoot for them.



Fig. 12. A Photograph from Tavsiye Evi.

In short, we are a real community, doing real work for real women. We advise all brands in the market to try to do the same. WOMM was present in the past, it is still in our lives, and will never go away.

WHAT PEOPLE TALK ABOUT AND SHARE

Word-of-mouth marketing is more about psychology than it is about marketing. It's not necessary that people talk about how good is a product or a service but more about themselves. A study done by [Berger and Schwartz \(2011\)](#) outlined the drivers of immediate and ongoing WOM, and here is my intake:

Social currency: We share things that make us look good and smart.

Triggers: We talk about things that are on top of our minds.

Emotions: Excitement activates people.

Remarkable: Not every product is as talkable as Apple products or new cars, but we can also make a blender talkable.

Storytelling: A story that everyone is willing to pass along is not enough. You need networks to transfer. Psychological drives are important to determine and use, as sharing isn't luck but it's technology.

Our tendency is to think that interesting products get more WOMM share. [Berger and Schwartz \(2011\)](#) proved that this is true but only for a short term. One sudden spark is not enough for sustainability. The more the company cues its product, the more people talk about it. The tools company provides also count. Our clients mostly question the extra items we suggest, including WOMM kits. This study contains a good analysis of the promotional giveaways that are associated with increased WOM. In summary, the more the companies put their brands in dialogue circulation, the more they grow. Brands who are not talked about, cannot grow.

A STEP-BY-STEP ‘HOW TO GUIDE

Below is a list of questions derived from my experience in the field. These 15 questions are aimed to help brands and practitioners to start a healthy WOMM initiative.

1. What are your goals with implementing this WOMM campaign?
2. What messages do you aim to convey?
3. What is your breakthrough message?
4. Why should consumers buy you?
5. Who do you want to be talking about your product?
6. What is the current situation in the market?
7. What are you doing and what are your competitors doing in terms of marketing and advertising?
8. What is your target market talking about you, about your competitors, and about the overall segment you serve?
9. Do you have benchmark studies?
10. Which communication channels will you be using?
11. Which channels does your target audience interact with the most?
12. How are you going to measure the outcome?
13. How will you respond?
14. Is your team on board?
15. Are you ready for a change?

WOMM TOOLKIT

Below are my suggestions to follow before starting WOMM, during and after it is completed.

And never forget: The most effective WOMM is credible, respectful, social, measurable and repeatable.

Table 1. WOMM Toolkit.

Before: You should have these handy before you start anything

1. A product/service that performs what is promised along with an up and running website with all features working, especially ‘contact us’ section (hotlines, call centres, Q&A, etc.).
2. Team members who share the same values with the corporation. Each and every staff member is the most important representative of your brand.
3. Like-minded agencies to work with (video testimonials, support content, etc.).
4. Experts with current know-how in technology as well as communication. Outsource and get consulting.
5. KPIs and measurement tools figured out. Reports with strong action plans are your best friend.

During: Once you open the door for conversation, you are expected to respond

1. You should have all relevant hashtags and keywords recognised by the **social media tracking tool** you will be using.
2. You can conduct as many relevant surveys as possible with this crowd.
3. You interact with your audience on a real-time basis and manage some of the contents manually. Invest, it pays off.
4. Analyse the crowd.
5. Understand what sticks, what stays and what travels.

After: Now is the time to measure your ROI.

Measure:

1. Volume
 2. Reach
 3. Engagement
 4. Other KPIs such as coupon redemption, survey rates, etc.
 5. Cost compared with other communication channels
-

SUMMARY AND THE FUTURE OF WOMM

Word of mouth is the oldest form of marketing; however, it is still powerful – even more powerful than ever. People distrust the marketing messages they see every day. We live in a crowded world where the amount of data we produce doubles every year (Schilling, 2013). There are too many companies offering too many similar products within the very similar price range. Meanwhile, everything is getting ‘smart’.

In the midst of this rapid change, isn't it amazing to see how WOMM still counts? We're talking about a phenomenon that goes back to the beginning of humanity. That's because technology improves but not much changes about human nature. We still act with feelings and it is likely that in the future we will do the same. It's very important to keep up with the new technologies; however, WOMM will keep its valuable part – if not gain more.

Soon it might be impossible to fool the Internet with fake IDs and fake comments, as they will not be valued anymore. Whereas the face-to-face communication would endure regardless of the speed and variety in the digital world, it is also evident that the future of online WOMM will be increasingly trustworthy. It is the technology that is changing. Humans and feelings are intact since the beginning and will be until the end.

We, WOMM practitioners, had some hard times back when social media was not around. With social media rising, our measurement techniques also improved. Now after a campaign we can easily say how many people were exposed to a message and how many responded. At the end of the day, SALES and PROFIT are the things that matter. This is what we always keep in mind, and advise our clients too.

I would strongly suggest anyone from any industry to read and understand the essentials of this long-living strategy: WOMM.

NOTE

1. <https://www.youtube.com/user/tavsiyeevi>

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SECTION 8
DIGITAL COMMUNICATION

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CHAPTER 8.1

A SURVEY OF MARKETING MANAGEMENT FOR THE VIDEO GAMES INDUSTRY IN TURKEY

Sercan Şengün

ABSTRACT

This chapter analyses the marketing management practices for the video games industry in Turkey. To identify the extended value chains and define the critical success factors in this local environment, we invited the members of OYUNDER – Game Developers, Designers and Publishers Association in Turkey – to participate in an online survey. The following three main research questions guided this survey: (1) How video game developer companies resolve marketing decisions, decide on their marketing mix and create marketing plans; (2) how they perceive the importance given to marketing in their industry and (3) how they measure and judge the success of their marketing activities. Results indicate that Turkish video game developers are predominantly male and young. They organise and work in small teams. They lack marketing planning as indicated by actualised versus expected revenues and marketing spendings. Only 23.7% of the participants report employing marketing-related staff and their opinions of marketing-related business partners – such as advertising and PR agencies – are negative

due to these institutions' perceived lack of industry experience. The developers mainly use social media channels and digital advertising for their marketing needs. Above-the-line advertising is the least used channel, with content, influencer and below-the-line marketing channels ranging in the middle. They report confidence in managing campaigns for social media, digital marketing and content marketing. However, they believe that they lack the skills to manage above-the-line and below-the-line marketing activities, reporting lack of capital and human resources as the main barriers. Although they believe that marketing can help them reach new customers, they are also afraid to take risks and admit to being conservative in marketing practices.

Keywords: Video game; video game industry; marketing; marketing management; indie

There are conflicting reports about the size of the video game market in Turkey and even less information about the industry. Various reports put the number of gamers in Turkey between 22 to 29 million, and yearly revenues between USD 464 and 755 million ([Gaming in Turkey, 2016](#)). The market is expected to have a compound annual growth rate of 16% by 2018 ([Newzoo, 2015](#)). However, it has also been reported that in 2015 only 5% of this total revenue was earned by the local industry – the rest was distributed among international companies ([AA Anadolu Agency, 2016](#)). Turkish gamers are reported to prefer competitive and free-to-play games that are localised into the Turkish language ([Kahraman, 2015](#)). This language preference may initially be accepted as an advantage for local video game developers. However, in a web article based on content analysis of comments in Turkish videogaming websites, I highlighted how Turkish gamers were over-critical about video games released by local developers, especially on the issues of originality, quality, perceptions of the local industry, lack of Turkish support (sometimes even in the naming of the video game or the development company) and pricing ([Şengün, 2014](#)).

Research about the video game industry in Turkey is even more scarce. In a previous study, [Yilmaz and Cagiltay \(2005\)](#) catalogued the video games produced in Turkey between 1980 and 2005 and report roughly 25 video games with a total sales of less than five digits. In 2012, TUDOF – the now dispersed federation of digital games in Turkey that was affiliated with the Ministry of Youth and Sports – published a report claiming that there were only 20 developer companies in Turkey with the number of team members surpassing 10

(TUDOF, 2012). In a more recent study, [Tuker, Yilmaz, and Cagiltay \(2015\)](#) separate the timeline of industry in various levels: (1) the 1980s, during which no production within Turkey is mentioned, (2) the 1990s, during which 10 video games and five companies are mentioned and (3) the 2000s, during which 24 new video games and 12 new companies are mentioned. The study also summarises the 2010s till 2013, in which they mention six new video games and five new companies. They report that as of 2013, there are around 1,000 professionals working in the industry.

All of these statistics point to a young but vibrant industry, wherein consumption is high but local production is low due to the inadequacy of expertise and resources. Previous research highlights the challenges of marketing in emerging and small-sized organisations, with an emphasis on uncertainty and turbulence ([Gruber, 2004](#)). These challenges are (1) lack of trust in company's own abilities, (2) lack of structure for marketing teams, (3) lack of experience in marketing, (4) lack of finances and human resources and (5) hard-to-satisfy demands of high effectiveness from marketing activities. The motivation behind this research is to determine how Turkish video game developers – as a part of an emerging industry – experience and handle these challenges.

This chapter is organised as follows: first, I define and discuss the literature for some main concepts that affect Turkish video game industry; second, I summarise the methodology of this research; third, I present and analyse the results and finally, I conclude with a discussion.

LITERATURE REVIEW

The literature review specifically begins by defining the dichotomy of indie (short for independent developer) vs AAA (or triple A)* identities of video game developer companies. Understanding this distinction is crucial since it governs the many subsequent approaches, definitions and aspects of the industry. Next, previous research about the industry itself and the marketing practices within it are provided.

Indie vs AAA Characteristics

Indie is a hard-to-define term that has gained popularity primarily after the mobile gaming era (yet used as early as 2003) ([Michael, 2003](#)). It is typically

* [https://en.wikipedia.org/wiki/AAA_\(video_game_industry\)](https://en.wikipedia.org/wiki/AAA_(video_game_industry))

used to define individuals or small teams that lack access to serious funding and are independent of big production cycles such as collaborations with publishers and distributors (Mathews & Wearn, 2016). The term is often used as opposed to AAA video games that are developed with crowded teams through the funding of publishers or distributor companies. Many AAA video games are also accepted to be the superstar titles that drive the sales of video game consoles or related hardware (Binken & Stremersch, 2009). Since video games are often cited as a part of creative industries (Tschang, 2007, 2009), this indie freedom from commercial structures might indicate more risky and creative products than the AAA industry can afford (Caves, 2000). However, Zackariasson and Wilson (2012, p. 58) assert that this indie creativity in production is not permeated to marketing efforts which ‘are still following a traditional and rather uncreative pattern’.

One of the reasons for the emergence of indie video game production is the shift in ‘political economies and practices of game making [since] the cultures of game playing have aged, matured, and diversified’ (Simon, 2012, p. 2). However, the growing ease of access to video game development tools and communities is also identified as a democratisation of development processes (Ruffino, 2012). The indie identity provides an easy access to the global industry for video game developers from emerging regions, since small development groups can gain recognition through small, creative and compact productions. Judging by the statistics about the industry from previous studies, it seems possible to hypothesise that Turkish video game development scene still exhibits indie characteristics of small groups, low funding, and under-emphasis on traditional marketing channels.

THE VIDEO GAMES INDUSTRY AND MARKETING

Various research document the formation, history and the current state of the industry (Nichols, 2014; Zackariasson & Wilson, 2012). Following are the highlights that emerge as the discussion points regarding success on the business side of the video game industry: (1) Understanding the competitions among gaming hardware producers and their effects (Williams, 2002), (2) creativity and innovation in video game production cycles (Gallagher & Park, 2002; Tschang, 2007) and (3) interactions of player communities and video game producers in the digital era (Arakji & Lang, 2007; Burger-Helmchen & Cohendet, 2011; Jöckel, Will, & Schwarzer, 2008). Overall, the proposed model for success comprises (1) choosing right platforms

to publish video games at the right time (2) with a product created by a well-managed creative and innovative team while (3) constantly getting and listening to feedback from the target player-base. It should be noted that this formula focusses mainly on the business side and omits issues such as good game design, engaging content, art, etc.

As [Marchand and Hennig-Thurau \(2013, p. 141\)](#) point out, as opposed to ‘more established entertainment industries such as movies and music, limited scholarly research in marketing has addressed the processes that create value for companies and consumers in the context of video games’. The American Marketing Association defines marketing as ‘the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large’ ([American Marketing Association \(AMA\), 2013](#)). Thus, marketing is implemented deep inside any business or industry model and is offered as a part of the value-making process. Although big studios and AAA producers generally employ dedicated in-house teams for marketing and PR – as well as working with outside agencies – indie video game developers typically prioritise production over communication activities. This results in unbalanced business practices in which indie video game developers have trouble raising the awareness of consumers about their products.

[Keith \(1960\)](#) identifies the following four eras of marketing in companies: production-oriented, sales-oriented, marketing-oriented and marketing-controlled. In this regard, the efforts of indie video game developers are managed somewhere between production- and sales-oriented approaches in which marketing and consumer communication are not the first priority. There is little research on the effectiveness of what marketing mix works best for video games industry. According to a previous study done by [Mathews and Wearn \(2016\)](#), gamers trust the opinions of family and friends the most, followed by the opinions of YouTubers. The same study marks TV advertisements as the least trusted marketing message outlets for video games. Social media promotions, gaming websites, gaming magazines, developers’ websites and gaming expos, all have mixed results in-between.

Furthermore, within the last few decades, video games primarily have become digitally distributed products. Entertainment Software Association reports that physical distribution of video games declined from 71% to 44% between 2010 and 2015 ([Entertainment Software Association \(ESA\), 2016](#)). This increase in digital distribution results in an increasingly global audience for video game companies and consolidates marketing efforts to digital platforms (especially social media channels) which are accessible by a wider audience, especially for indie video game developers ([Marchand & Hennig-Thurau, 2013](#)).

METHOD

In order to understand how Turkish video game developers manage marketing activities, we conducted an online survey (see Appendix A) in cooperation with OYUNDER. The online survey was announced among 161 members of the association through e-mail lists and social media channels. The association endorsed the privacy and anonymity of the provided data to ensure the authenticity of sensitive information such as revenues and budgets. Over the course of three weeks in May 2017, 97 members of the association completed the online survey, which takes around 30 minutes to finish.

Before distributing the survey to all members, however, eight association member companies – including the companies of the association’s board of directors – were asked as a preliminary test group to take the survey to establish face validity. The preliminary participants as subject-matter experts were asked to comment whether the survey can ‘represent adequately the total universe of appropriate questions’ as face validity by definition and whether the survey appeared ‘practical, pertinent, and related to the purpose’ as face validity by appearance (Mosier, 1947, p. 192).

The survey was divided into six sections of roughly five minutes each (see Appendix A). The first three sections were designed to gather information about the company’s production and marketing teams and activities.

Section 1A: The participants were asked questions about how they defined their own company as well as providing data about the size of their teams, the percentage of women team members, average team age, the platforms they work on, the revenue models for their games, the number of releases (total and in 2016 only), total sales and download numbers (total and in 2016 only) and core target audience. Although not a direct scale adaptation, while asking the participants to define their target audience, we used concepts from Frazier and Walfried’s (1996) *target market focus* scale. This scale defined target markets such as a small number of potential customers, narrow spectrum of consumers and niche customers.

Section 1B: In this section the participants were asked questions about who makes marketing decisions in their company, the educational background of the decision makers, the size and positions of their marketing teams, the amount of hours spent for marketing activities by non-marketing team members, revenues (total and in 2016 only), marketing spendings (total and in 2016 only), their ratios, projected numbers for 2017 and their marketing planning periods.

Section 1C: In this section, the participants were asked questions about which above-the-line, below-the-line, social media, digital, influencer, content marketing and sponsorship channels were used by them. They were also asked to report their budget allocation for these channels. Finally, they were asked which marketing-related institutions and agencies they worked with (current or in the past), the marketing tools they used and the support they received for their marketing activities from the state, private or crowd-funding sources.

The following two sections were designed to measure the participants' perceptions of the relationship between marketing practices and the industry in general.

Section 2A: The participants were asked to rate the effectiveness of above-the-line, below-the-line, social media, digital, influencer, content marketing and sponsorship marketing channels within their industry. *Ad medium effectiveness on sales impact* scale from King, Reid, and Morrison (1997) was used to assess the perceptions of medium effectiveness for marketing outlets within the video games industry. Originally, this scale was used to measure the opinions of specialists on various advertising outlets. In our adaptation of the scale, we asked the participants to rate an advertising medium depending on its ability to (a) impact buyer behaviour, (b) increase sales (and downloads) and (c) deliver product messages. Additionally, this question was augmented by the *ad medium effectiveness on targeting* scale from the same study, adding the ratings for the ability to (d) reach the target audience and (e) cost per target reached efficiently. The participants were also asked to rate how industry-specific factors that were out of their control (user reviews, being featured in online shops, piracy and clone games) affected their business and marketing efforts.

Section 2B: In the beginning of this section, the participants were asked to define their target audience in more detail – specifying player profile, geography and language. Next, the participants were asked questions about their perceptions of the company's marketing capabilities. They defined their beliefs about barriers to better marketing, their expertise in above-the-line, below-the-line, social media, digital, influencer, content and sponsorship marketing channels, their expertise in product release time frames and their risk-taking behaviours in marketing practices. To understand how participants rate the adequacy of their marketing skills and resources, we used Song and Parry's (1997a, 1997b) adaptation of Cooper's (1979) *marketing*

skills and resources scale. Originally, this scale asks the participants to rate the adequacy of the skills and resources of marketing research, sales force, distribution and advertising/promotion teams of the company. We limited this scale to marketing teams only. To question the perceptions of participants about their company's marketing management and strategies, [Andrews and Smith's \(1996\)](#) *risk-taking* scale was used. Instead of asking the participants to rate marketing activities of a single product, the participants were asked to rate the play-it-safe, risk-taker and conservative behaviour of all marketing activities of the company. Finally, to understand how fast changing the video games industry was in terms of customer composition and preference, we used the *market turbulence* scale by [Jaworski and Kohli \(1993\)](#). At the end of this section, the participants were also asked to arrange the importance of product features for marketing within the industry.

The final section was designed to assess how the participants evaluated the results of their marketing activities and outcomes.

Section 3: In this section the participants were asked questions about how they assess the results of their marketing activities by rating the importance of factors such as publicity value, conversion to sales, raising brand awareness, raising traffic to all products, creating a loyal player base, providing market insight, growing business partners, growing market share and cost per target effectiveness. Finally, they were asked whether they ever made or purchased marketing research, and participated in any marketing training.

The survey was conducted in Turkish. We asked respectively sales and marketing, marketing or brand managers in the company to take the survey. If none of these positions existed, we asked for the person in charge of marketing decisions to participate.

RESULTS

Section 1A: Identities of Video Game Development Companies

As predicted, the Turkish video game development scene exhibits (1) an indie identity, (2) with low revenues and marketing budgets, (3) organised in mainly male, young and small teams (4) while developing freemium video games for mobile platforms.

The participants' self-definition of their companies and their reported team sizes constructed the overall indie identity of the local industry (see Fig. 1); 40.2% of the participants defined themselves as amateur individual developers. Merged with a ratio of 19.6% for professional individual developers (those who don't have other jobs but only develop games), individual developers totaled to almost 60%. Indie groups were around 20% of the participants (14.4% with no funding, 5.2% with funding). Only 6% of the participants defined themselves as big studios. Among support (5.2%) and other (9.2%) groups were publishers, freelancers and licensors. Almost half of all participants (48.5%) defined themselves as one-person teams. The percentage discordance with the individual developer definition may result from one-person teams occasionally teaming up with other freelancers. In all, 38.1% of the participants had between 2 and 10 members, 7.2% had between 11 and 25 members, while the rest had more than 25 members in their teams.

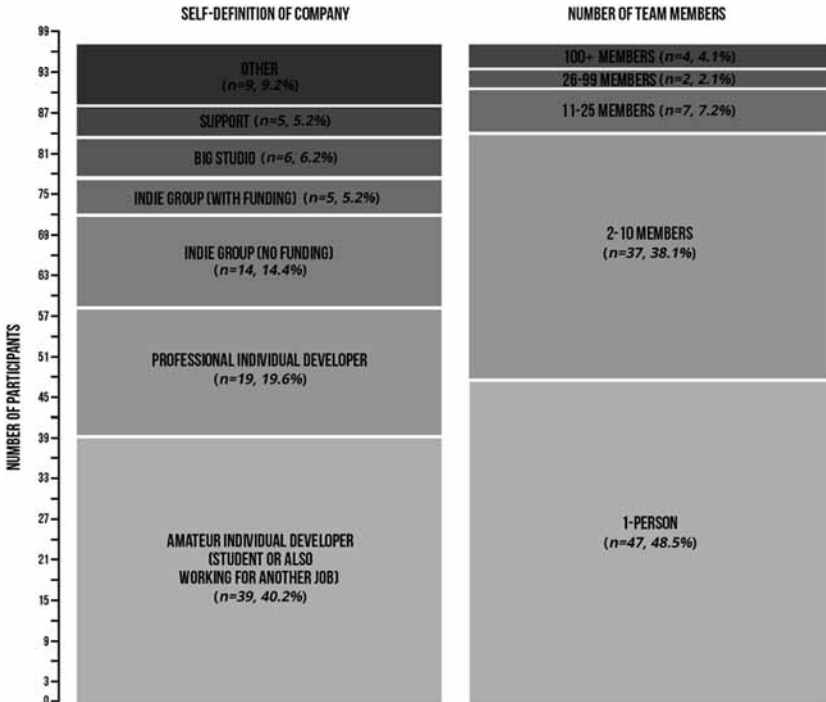


Fig. 1. The Video Game Developers' Report of Their Team Sizes and Their Definitions of the Company.

Analysis of other reported data complemented the indie tendencies of the industry (see Table 1). The sample mean of the percentage of women members in all teams was only $\bar{x} = 8.31$, indicating very few female workforce overall. The number of video games released in 2016 and at all times was surprisingly high ($\bar{x} = 2.00$ and $\bar{x} = 6.60$). There was a discordance between reported values of revenues, marketing budgets (both actualised and expected) and their ratios. For example, the ratio of expected revenue versus planned marketing budget in 2017 was in line with the reported ratios (16.70% vs 13.04%). However, the reported revenues and marketing budgets in 2016 were discordant. Although case by case analysis might prove otherwise, this indicated a lack of planning for marketing budgets in video game industry in which the actualised spendings exceed the planned ones. The teams with no marketing team members ($n = 74$) reported $\bar{x} = 14.30$ hours per month (roughly two working days and 9.5% of total working hours) spent on marketing. The teams with at least one marketing team member on the other hand ($n = 23$) reported employing $\bar{x} = 1.91$ team members for marketing.

The companies were dominantly developing for three platforms; Android (78.2%), iOS (56.4%) and PC (47.3%) – which pointed to a mobile- and PC-oriented industry. The rest of the platform statistics were: browser (14.6%), other mobile (5.5%), PlayStation (3.7%), XBox (3.6%), other console (1.8%) and platforms not listed (7.3%). In terms of revenue models, the freemium and free with ads models were dominant: free with

Table 1. Measures of Central Tendency for Developer Teams in Turkey.
(See Appendix B for Dispersion Statistics).

$(N = 97)$	\bar{x}
Percentage of women in the team	8.31
Average age of the team	25.75
Amount of video games released so far	6.60
Amount of video games released in 2016	2.00
Total downloads/sales so far (million)	2.67
Total downloads/sales in 2016 (million)	0.18
Number of team members for marketing ($n = 23$)	1.91
Number of hours non-marketing team members spend for marketing activities in a month ($n = 74$)	14.30
Ratio of marketing budget to revenue	16.70
Revenue in 2016 (million TL)	0.24
Marketing budget in 2016 (million TL)	0.28
Revenue expectation in 2017 (million TL)	0.46
Marketing budget expectation in 2017 (million TL)	0.06

ads (69.1%), freemium or free-to-play (60%), premium (40%) and games-as-service (3.6%).

Section 1B: Statistics for Marketing Planning and Management

Second, we gather data about marketing planning and management within Turkish video game developer companies. As predicted, the developers take marketing decisions in-house mostly without any marketing team members (see Fig. 2) or an outside consultancy (such as agencies) (see Fig. 3).

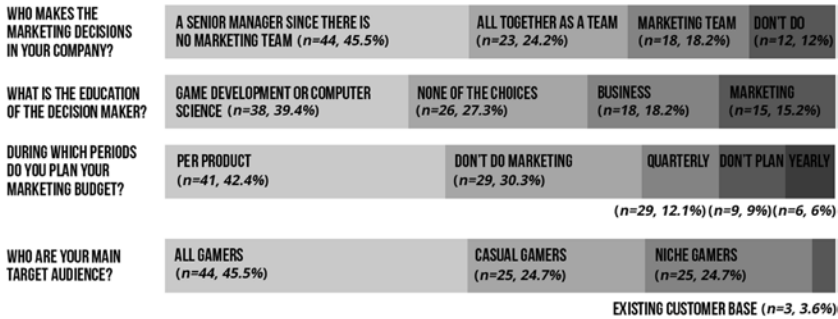


Fig. 2. Results from Various Marketing Management-Related Questions Regarding (1) the Decision Makers, (2) Their Education, (3) Budget Planning Periods and (4) Definitions of the Main Target Audience.

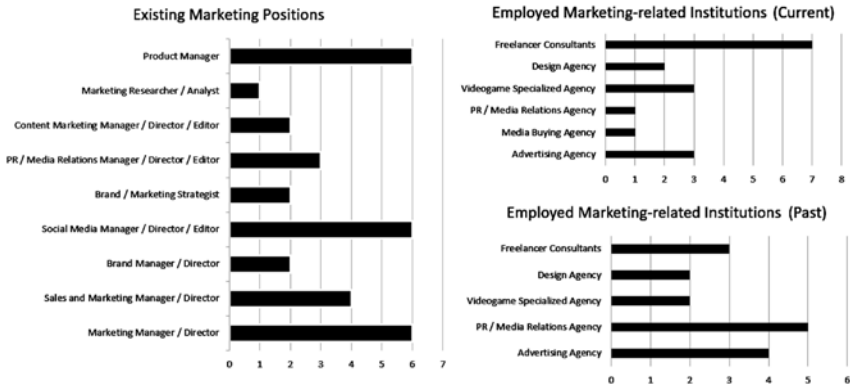


Fig. 3. Marketing Positions and Partners Inside and Outside the Company.

A total of 67.7% companies made marketing decisions either as a team or through a senior manager without involving a marketing team. Among the decision makers, few came from a background of marketing (15.2%) or business (18.2%).

The most prominent marketing positions available in development companies were product, social media and marketing managers. The least available positions were of marketing analysts and brand-related jobs. This was in line with the observations about the marketing activities in the industry where brand-building practices and marketing analysis were not strong. In terms of outside cooperations, video game development companies primarily sought freelancers. Although some participants tried working with advertising and PR agencies in the past, these partnerships did not last. As an open-ended question, we queried why companies terminated their cooperations with traditional marketing agencies, and received seven replies. The themes of these replies were: (1) lack of experience for video game industry on agency side, especially due to the belief that they ‘focus on ineffective methods’, (2) lack of steady income and (3) lack of need for continuous business relationships, since developer companies sought the help of agencies only shortly before product releases.

In defining their target audience, the developers mainly targeted regular (77.3%) or casual (68.2%) gamers. Male gamers (59.1%) were slightly more targeted than females (45.5%). The importance of the rest of the categories were students (45.5%), teens (12–18) (40.9%), hardcore gamers (36.4%), parents (31.8%), professional gamers (22.7%), kids (3–8) (13.6%) and adolescents (8–12) (13.6%). In terms of language and geographical targeting, Turkey (72.7%) and English-speaking gamers (72.7%) were in the lead followed by North America and Europe (45.5%), Turkish-speaking gamers (36.4%), Arabic-speaking gamers (22.7%), East Asia (China, Japan, Korea, etc.) (13.6%) and others (mainly reported to be Russian-speaking gamers) (4.6%).

Section 1C: Channel Use

In terms of channel use, the participants avoided traditional marketing channels and instead focussed on digital advertising and low-key channels such as influencers (see [Table 2](#)). The participants scored various marketing channels on a 4-point Likert scale ([Likert, 1932](#)) as never use (scored 1), rarely use (scored 2), frequently use (scored 3) and always use (scored 4). Ranking these channels according to their mean scores revealed the methods that video game developer companies mainly used for their marketing activities;

Table 2. Use of Marketing Channels for Video Game Developers in Turkey.

Channels	Never (1)	Rarely (2)	Frequently (3)	Always (4)	\bar{x}	<i>s</i>
Above-the-line channels					1.26	0.46
TV ads	88.5%	11.5%	–	–	1.11	0.32
Movie ads	96.2%	3.8%	–	–	1.04	0.20
Radio ads	96.2%	3.8%	–	–	1.04	0.20
Print ads in gaming press	57.7%	30.8%	11.5%	–	1.54	0.69
Print ads in other press	61.5%	26.9%	3.8%	7.8%	1.57	0.88
Below-the-line channels					1.42	0.58
Outdoor	88.5%	11.5%	–	–	1.11	0.32
Stands	84.6%	15.4%	–	–	1.15	0.36
Participations in events	61.5%	23.1%	15.4%	–	1.54	0.75
Participations in industry fairs	42.3%	30.8%	23.1%	3.8%	1.89	0.90
Social media channels					2.41	1.03
Facebook	3.9%	3.9%	30.8%	61.5%	3.48	0.77
Twitter	15.4%	38.5%	23.1%	23.1%	2.55	1.02
LinkedIn	53.9%	30.8%	7.7%	7.7%	1.70	0.93
YouTube	15.4%	23.1%	38.5%	23.1%	2.70	1.01
Google+	65.4%	15.4%	7.7%	11.5%	1.67	1.06
Instagram	30.8%	23.1%	26.9%	19.2%	2.35	1.12
Product/company blog	46.2%	15.4%	23.1%	15.4%	2.07	1.15
Product/company website	23.1%	15.4%	26.9%	34.6%	2.74	1.17
Digital channels					1.97	0.99
Video game-related networks	34.6%	23.1%	23.1%	19.2%	2.27	1.14
Other digital networks	38.5%	42.3%	11.5%	7.7%	1.90	0.91
In-app cross-marketing	50.0%	34.6%	7.7%	7.7%	1.74	0.92
Influencer marketing					1.52	0.69
Blogger	57.7%	26.9%	11.5%	3.9%	1.62	0.85
Podcast	80.8%	11.5%	7.7%	–	1.28	0.61
YouTuber	34.6%	30.8%	23.1%	11.5%	2.10	1.02
Cosplayer	76.9%	19.2%	3.9%	–	1.26	0.51
Other celebrities	65.4%	34.6%	–	–	1.35	0.48
Content marketing					1.96	1.03
Publishing a demo	50.0%	30.8%	19.2%	–	1.70	0.78
Early access	65.4%	19.2%	7.7%	7.7%	1.59	0.94
Releasing a free version	34.6%	34.6%	23.1%	7.7%	2.02	0.94
Releasing developer videos	53.9%	19.2%	26.9%	–	1.73	0.86
Blogging during production	73.1%	15.4%	7.7%	3.9%	1.42	0.80
Trailer/teaser videos	26.9%	7.7%	38.5%	26.9%	2.67	1.15
Concept art and other visuals	53.9%	7.7%	23.1%	15.4%	2.02	1.20
Public beta testing	53.9%	19.2%	15.4%	11.5%	1.85	1.06
Competitions	69.2%	19.2%	3.9%	7.7%	1.49	0.88
Crowdfunding	92.3%	3.9%	–	3.9%	1.17	0.62

social media promotion and advertising ($\bar{x} = 2.41, s = 1.03$), digital advertising ($\bar{x} = 1.97, s = 0.99$), content marketing ($\bar{x} = 1.96, s = 1.03$), influencer marketing ($\bar{x} = 1.52, s = 0.69$), below-the-line advertising ($\bar{x} = 1.42, s = 0.58$) and above-the-line advertising ($\bar{x} = 1.26, s = 0.46$). Among all participants, only one had reported using sponsorship, but did not elaborate on the details.

The participants were also asked whether they have received any outside support for their marketing activities from three sources: the state, private funding and crowdfunding. Only one out of 97 participants reported receiving funding from all three sources (Ministry of Economy, KOSGEB and Kickstarter respectively). Among the others, 91.8% ($n = 89$) never applied for a state funding and 7.7% ($n = 7$) applied but was rejected; 83.5% ($n = 81$) never applied for a private funding and 15.4% ($n = 15$) applied but was rejected. No participant except one made any crowdfunding campaigns.

Finally, the participants were asked to rank the seven main marketing channels in terms of how they allocate their marketing budgets. Weighted arithmetic mean values for each channel were then calculated and a joint ranking emerged as social media marketing ($\bar{X}_w = 1.64$), digital advertising ($\bar{X}_w = 2.50$), influencer marketing ($\bar{X}_w = 2.96$), content marketing ($\bar{X}_w = 3.32$), below-the-line ($\bar{X}_w = 4.82$), above-the-line ($\bar{X}_w = 5.14$) and sponsorships ($\bar{X}_w = 5.61$).

Sections 2A and 2B: Analysis on Beliefs About Marketing and Industry

We queried about the beliefs of Turkish video game developers towards certain marketing channels and their own marketing capabilities in general. As predicted, the developers were (1) cautious towards traditional marketing channels, and (2) insecure about their own skills and creativity in marketing.

The participants were asked to score the six abilities of seven main marketing channels on a 5-point Likert scale as no effectiveness (scored 1), slightly effective (scored 2), moderately effective (scored 3), effective (scored 4) and very effective (scored 5). The abilities to rank were: ability to impact buyer behaviour, ability to increase sales and downloads, ability to deliver product messages, ability to increase market share, ability to reach the target audience and cost per target reached efficiently. The resulting alpha (α) values (Cronbach, 1951; Peterson, 1994) were all within the range of 'almost perfect agreement' benchmark (Landis & Koch, 1997); above-the-line ($\alpha = 0.92$), below-the-line ($\alpha = 0.96$), digital marketing ($\alpha = 0.93$), social media marketing ($\alpha = 0.94$), influencer marketing ($\alpha = 0.93$), content marketing ($\alpha = 0.93$) and sponsorships ($\alpha = 0.95$).

Consequently, mean values for each channel and ability combinations were calculated (see Table 3) to reveal interesting results. First, although influencer marketing is deemed very important for the video game industry, the developers rather direct their budgets to digital marketing. Second, although sponsorships are deemed as more effective than above-the-line and below-the-line marketing in many abilities, video game developers were again dubious about this practice in budget allocation. Developers assumed above-the-line advertising to be the least effective one in both reaching target audience and cost per target efficiency. Social media marketing performed high scores in almost all categories, while influencer marketing is rated to be the most effective one in impacting behaviour.

To understand the self-confidence of each company in their marketing skills and abilities, we asked the participants to answer various questions on a 5-point Likert scale as strongly disagree (scored 1), disagree (scored 2), neutral (scored 3), agree (scored 4) and strongly agree (scored 5). Additionally, we used Pearson’s Chi-square test (Pearson, 1900) to determine whether the answers to the questions had correlation with various other variables, such as (a) team size, (b) median age of the team, (c) number of video games released so far, (d) number of downloads or sales achieved, (e) the size of marketing team and (f) ratio of marketing budget to revenue. The measures of central tendency and the significant results for Chi-square tests for each question are provided in Table 4.

According to the results, video game developers perceive the biggest barriers for better marketing as lack of capital ($\bar{x} = 3.68$), lack of human resources ($\bar{x} = 3.64$), lack of knowledge and expertise ($\bar{x} = 3.18$), lack of state support

Table 3. Mean Values for the Beliefs of Video Game Developers About Each Channel and Ability Combinations Out Of 5-Point Scale.

\bar{x}	Impact Buyer Behaviour	Increase Sales	Deliver Product Messages	Increase Market Share	Reach Target Audience	Cost per Target Efficiency	Overall Average
Above-the-line	2.77	3.05	2.73	2.82	2.36	2.27	2.67
Below-the-line	2.63	2.59	2.64	2.55	2.81	2.55	2.63
Digital marketing	3.73	4.09	3.73	4.00	4.14	3.77	3.91
Social media marketing	3.95	4.14	3.86	4.14	4.41	4.14	4.11
Influencer marketing	4.27	4.09	3.86	3.95	4.05	3.77	4.00
Content marketing	3.36	3.05	3.86	2.82	3.41	3.41	3.32
Sponsorships	2.95	2.59	2.55	2.77	2.86	2.55	2.71

Table 4. The Measures of Central Tendency and the Significant Results for Chi-Square Tests for Questions About Self-Confidence in Company's Marketing Skills and Abilities.

Question	\bar{x}	s	χ^2	p
The barrier for us to make better marketing is the lack of capital	3.68	1.46		
Marketing team size			23.64	<0.05 (0.023)
The barrier for us to make better marketing is the lack knowledge & expertise	3.18	1.44		
Team size			16.17	<0.05 (0.039)
The barrier for us to make better marketing is the lack of state support	3.05	0.99		
The barrier for us to make better marketing is the lack of human resources	3.64	1.26		
Marketing team size			32.12	<0.01 (0.009)
The barrier for us to make better marketing is the lack of channels	2.41	1.29		
The barrier for us to make better marketing is the lack of trust and interest in marketing	2.86	1.39		
Our company has enough expertise in above-the-line marketing	2.14	1.39		
Our company has enough expertise in below-the-line marketing	2.36	1.47		
Our company has enough expertise in digital marketing	3.36	1.33		
Our company has enough expertise in social media marketing	3.86	1.04		
Team size			16.30	<0.05 (0.038)
Number of video games released so far			51.99	<0.05 (0.041)
Total number of downloads or sales so far			75.79	<0.05 (0.040)
Our company has enough expertise in influencer marketing	3.14	1.21		
Our company has enough expertise in content marketing	3.50	1.44		
Ratio of marketing budget to revenue			55.54	<0.05 (0.049)
Our company has enough expertise in sponsorships	2.32	1.17		
Our company has enough expertise in marketing during the pre-release time frame	2.59	1.33		
Marketing team size			30.61	<0.05 (0.015)
Our company has enough expertise in marketing during the release time frame	3.73	1.28		
Number of video games released so far			40.65	<0.05 (0.044)

Table 4. (Continued)

Question	\bar{x}	<i>s</i>	χ^2	<i>p</i>
Our company has enough expertise in marketing during the post-release time frame	3.91	1.02		
We take risks in marketing decisions	3.18	1.50		
We take risks in marketing ideas	2.86	1.39		
We think conservatively in marketing planning	3.77	1.07		
Number of video games released so far			53.78	<0.05 (0.029)
In our industry, the channels to reach our audience keep changing	3.27	1.24		
Our customers constantly expect new marketing activities	3.36	1.18		
We keep reaching out to the same audience with our marketing activities	2.77	0.75		
We can reach to customers who have never played our video games with our marketing activities	4.05	0.95		
Our audience is distributed across many channels	3.77	1.15		
Our company keeps developing itself in marketing	3.55	1.22		
Our company has the resources to develop itself in marketing	3.27	1.28		

($\bar{x} = 3.05$), lack of trust and interest in marketing ($\bar{x} = 2.86$) and lack of channels ($\bar{x} = 2.41$). There were significant correlations between some perceptions and other variables. The companies with bigger marketing teams perceived the lack of human resources ($p = 0.009$) and the lack of capital ($p = 0.023$) as less important barriers. Similarly, the companies with bigger team size perceived the lack of knowledge and expertise ($p = 0.039$) as less important barriers. Both of these correlations were unsurprising, as with better funding came bigger teams and more expertise. The participants perceived their marketing skills higher in social media marketing ($\bar{x} = 3.86$), content marketing ($\bar{x} = 3.50$), digital marketing ($\bar{x} = 3.36$), influencer marketing ($\bar{x} = 3.14$), below-the-line ($\bar{x} = 2.36$), sponsorships ($\bar{x} = 2.32$) and above-the-line ($\bar{x} = 2.14$). The teams with higher team sizes ($p = 0.038$), releases ($p = 0.041$) and downloads ($p = 0.040$) perceived themselves more skillful in social media marketing. Teams with higher marketing budget to revenue ratios ($p = 0.049$) perceived themselves more skillful in content marketing. Companies with more releases and downloads mean wider player base who would be more active in social media channels, providing the team with necessary experience in social media marketing.

The developers reported more marketing expertise in post-release ($\bar{x} = 3.91$), release ($\bar{x} = 3.73$) and pre-release ($\bar{x} = 2.59$) periods. This indicates that the teams started considering marketing close to release dates and did not allocate enough resources to marketing during development phases. Companies with bigger marketing teams perceived significantly higher skills during pre-release ($p = 0.015$), which indicated that human resources might be the deciding factor in pre-release marketing. Companies with higher video game releases perceived significantly higher skills during release ($p = 0.044$), which indicated that marketing during the release of a video game became more effective with growing experience.

Participants perceived marketing mainly as a way to reach customers who have never played their video games before ($\bar{x} = 4.05$). They also believed these customers to be distributed over many marketing channels ($\bar{x} = 3.77$). The developers admitted thinking conservatively while making marketing plans ($\bar{x} = 3.77$). Those who have released more games perceived themselves to be significantly more conservative ($p = 0.029$). This may be due to pursuing ineffective methods or insufficient results of marketing activities in previous releases. Participants reported taking risks in marketing decisions ($\bar{x} = 3.18$); however, this might be a misunderstanding on question wording to indicate marketing itself as a risk, since the same audience reported taking less risks in marketing ideas ($\bar{x} = 2.86$). The developers were under the impression that their customers constantly required new marketing activities ($\bar{x} = 3.36$) and that they had to switch between channels to reach them ($\bar{x} = 3.27$). In spite of all the disadvantages and negativity, participants rated their development in marketing skills ($\bar{x} = 3.55$) and resources ($\bar{x} = 3.27$) significantly high.

Additionally, we asked the participants to rank the importance of video game features regarding marketing messages. The developers ranked the features from the most important to the least as follows: scores and comments ($\bar{x} = 3.13$) (most ranked 1st and 3rd), visuals ($\bar{x} = 3.23$) (most ranked 2nd and 4th), technology ($\bar{x} = 3.86$) (most ranked 1st, 4th and 7th), platforms ($\bar{x} = 4.09$) (most ranked 2nd), genre ($\bar{x} = 4.18$) (most ranked 1st and 7th), multiplayer capabilities ($\bar{x} = 4.86$) (most ranked 7th), online capabilities ($\bar{x} = 5.09$) (most ranked 6th) and made in Turkey message ($\bar{x} = 7.55$) (most ranked 8th). This ranking indicates the developers' belief that video game marketing is mostly word-of-mouth- and visual-based.

Section 3: Analysis of the Criteria of Success for Marketing Activities

Finally, we asked the participants questions about how they measure the success of their marketing activities. First, we asked them to rank the importance

of some outcome criteria in determining the success of a marketing campaign (see Table 5). Then we asked the participants whether they have conducted any marketing research, purchased any marketing reports or research or participated in a marketing training.

The participants rated ‘creating a loyal player base’ as the most important criteria in determining the success of marketing campaigns ($\bar{x} = 4.43$). This was in line with the previous finding about the revenue models, wherein the video game developers primarily used free with ads, free-to-play and free-mium models. Since there isn’t an initial purchase in accessing these games, their financial success mostly depended on players sticking to playing with them for long periods of time. The rest of the factors were ranked as: conversion to sales and download ($\bar{x} = 4.24$), raising brand awareness ($\bar{x} = 4.23$), cost per target effectiveness ($\bar{x} = 4.04$), grow market share ($\bar{x} = 3.99$), provide market insight ($\bar{x} = 3.82$), publicity value ($\bar{x} = 3.76$), raising traffic to all products ($\bar{x} = 3.76$) and grow business partners ($\bar{x} = 3.28$). In the rest of the ranking, the high valuation of brand awareness was interesting, since previously video game developer companies were found not to employ brand-related

Table 5. Ranking the Importance of Outcome Criteria in Determining the Success of Marketing Campaigns.

Criteria	Very Unimportant (1)	Unimportant (2)	Neutral (3)	Important (4)	Very Important (5)	\bar{x}	<i>s</i>
Publicity value	–	4.8%	19.1%	71.4%	4.8%	3.76	0.63
Conversion to sales and downloads	–	–	4.8%	47.6%	47.6%	4.24	0.59
Raising brand awareness	–	4.8%	–	61.9%	33.3%	4.23	0.69
Raising traffic to all products	–	14.3%	23.8%	33.3%	28.6%	3.76	1.03
Creating a loyal player base	–	–	–	57.1%	42.9%	4.43	0.49
Provide market insight	–	9.5%	19.1%	52.4%	19.1%	3.82	0.85
Grow business partners	4.8%	23.8%	23.8%	33.3%	14.3%	3.28	1.13
Grow market share	–	4.8%	14.3%	57.1%	23.8%	3.99	0.77
Cost per target effectiveness	–	4.8%	23.8%	33.3%	38.1%	4.04	0.91

personnel. However, this selection might be perceived to be analogous to 'creating a loyal player base'.

Among the participants, 89.7% ($n = 87$) reported having never conducted any marketing research. The companies who conducted marketing research produced brand awareness reports ($n = 1$), industry reports ($n = 2$), market share research ($n = 4$) and product- focus groups ($n = 3$). Only 9.3% ($n = 9$) of the participants reported buying an outside marketing research or report; 46.4% ($n = 45$) of the participants have reported never attending a free or paid marketing training; 34% ($n = 33$) reported participating in free marketing training, and only 19.6% ($n = 19$) reported participating in a paid marketing training.

CONCLUSION

The aim of this research was to understand how Turkish video game developers managed marketing. Towards this end, we invited the members of OYUNDER to participate in an online survey, which was guided to explore this processes in three main themes: (1) resolving marketing decisions and plans, (2) perceptions of the importance of marketing and channels for the industry and (3) measuring the success of marketing activities.

In parallel with previous research that defines Turkey as a high-consumption, low-production market for video games, Turkish development teams displayed small and indie characteristics as part of an emergent industry. High-budgeted productions with large teams, funded by publishers or other sources were painfully few. Although indie production methods allow more creativity, they also encapsulate less marketing-oriented approaches. This resulted in cases where many marketing management decisions were taken *in-house* by non-marketing management staff. Frequently, the utilised business models omitted traditional marketing supply chains, creating an industry that is not penetrated by traditional marketing and PR actors.

First (in Section 1A), we analysed the self-reported characteristics of Turkish development teams. Turkish video game developers mainly comprised males (only 8% of the workforce was reported to be females), young (average age roughly 26 years), small (86.6% had fewer than 10 members) and productive (on average released two games in 2016, and six in all time) teams.

Second (in Sections 1B and 1C), we analysed their marketing practices. The video game developers displayed a lack of marketing planning as indicated by actualised and expected revenues, marketing spendings and their ratios.

Only 23.7% of the participants reported employing marketing-related staff (around two people on average per company). Overall, their opinions of marketing-related business partners, such as advertising agencies, were negative due to the lack of industry experience in these institutions. The developers mainly used social media channels and digital advertising for their marketing needs. Above-the-line advertising was the least used channel, with content, influencer and below-the-line advertising in the middle. This was in line with developers' beliefs about marketing channels with small disparities. For example, although influencer marketing was believed to be highly effective, in reality it was not used frequently by participants.

In terms of marketing self-confidence (in Sections 2A and 2B), video game developers reported a lack of capital and human resources as the main barriers. They were confident in social media, digital and content marketing; however, they believed that they lack the skills to manage above-the-line and below-the-line activities. Overall, they believed that marketing can help them reach new customers, but they were also afraid to take risks and admitted to being conservative.

Finally, when analysing the success of their marketing activities (in Section 3), video game developers rated 'creating a loyal player base' as the most important factor. This was in line with the dominant revenue models used by these companies. Among the participants, almost 90% reported never conducting any marketing research and almost half of the participants never participated in a marketing training.

These results present an interesting case of an emerging industry and its relationship with marketing practices. Since video games are inherently digital products, their marketing activities in parallel frequently avoided traditional marketing channels. Instead, a prominent amount of their marketing budgets were targeted toward digital advertising, social media activities and community building in digital distribution channels. These activities occasionally rely on less known but perceived to be the most effective channels such as YouTube influencers, cosplayers, bloggers, fan sites and other types of content marketing.

Although each industry is unique in its own dynamics, the analysis reaffirms the journey of an emerging industry from a production- and sales-oriented one to a marketing-oriented one. From these results, it is possible to come up with recommendations for developer companies, state bodies and nongovernmental organizations (NGOs) to facilitate this journey.

- (a) Promoting diversity in production teams, especially increasing female workforce who could supply various perspectives in business and marketing decisions.

- (b) Matchmaking among individual developers to create more strong teams in terms of human resources, resulting in more time and effort in marketing practices.
- (c) Industry professionals and video game-related NGOs collaborating with educational institutions in training more marketing staff with industry knowledge.
- (d) NGOs and educational institutions creating short-term educational programmes for local development teams about marketing practices.
- (e) Finally, the state bodies supporting not only the production cycles but also the marketing efforts of local developers.

However, these recommendations are not meant to suggest that an aspired-to version of a local indie industry should have AAA characteristics. Instead, I seek to demonstrate that even smaller emerging business structures need to find ways to implement marketing in their everyday businesses to achieve success. The study showed that the video game developers had little doubt that certain marketing methods could improve their businesses; however, they mainly lacked funding, expertise and human resources to utilise them efficiently. The efforts of various state bodies and social initiatives such as associations could direct these companies from more production- and sales-oriented approaches towards more marketing-oriented and marketing-controlled ones.

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**APPENDIX A:
SURVEY ABOUT MARKETING ACTIVITIES
AND MANAGEMENT**

The survey was conducted in Turkish. The below English translation is supplied by the author.

Section 1A

- Q.1. How do you define your company?
- a. Student individual developer (e.g. I develop video games individually during my education.)
 - b. Amateur individual developer (e.g. I develop video games individually while working for another job.)
 - c. Professional individual developer (e.g. I develop video games individually as a full-time profession.)
 - d. Indie group (e.g. We develop video games as a small group with our own funding.)
 - e. Indie group with investment (e.g. We develop video games as a small group with an outside investment.)
 - f. Big studio (e.g. We are a local big studio or a local office of an international studio.)
 - g. Support (e.g. We provide support services to the industry other than development.)
 - h. Other, please specify: _____
- Q.2. What is the size of your team?
- a. 1
 - b. 2–10
 - c. 11–25
 - d. 26–99
 - e. 100+
- Q.3. What is the approximate percentage of women in your team?
- Q.4. What is the approximate average age of your team?

- Q.5. Please select the platforms that you mainly develop video games for? (You can make multiple selections.)
- PC
 - Mobile iOS
 - Mobile Android
 - Mobile other
 - Console playstation
 - Console XBOX
 - Console other
 - VR/AR
 - Browser (e.g. Facebook, etc.)
 - Other, please specify: _____
- Q.6. Please select the revenue models that you mainly use in your video games? (You can make multiple selections.)
- Game as service (GaaS) (e.g. memberships)
 - Premium (e.g. pay once)
 - Freemium or free-to-play (e.g. in-app purchases)
 - Free with ads
- Q.7. How many video games have you released so far?
- Q.8. How many video games have you released in 2016?
- Q.9. What is the total units of downloads/sales your video games have achieved so far?
- Q.10. What is the total units of downloads/sales your video games have achieved in 2016?
- Q.11. While developing video games, which target audience are you aiming at?
- All kinds of players
 - Our pre-existing audience
 - Niche (specific) audience
 - Casual (non-hardcore gamer) audience

Section 1B

- Q.12. Who makes the marketing decisions in your company?
- Marketing team
 - A senior manager, since there is no marketing team

- c. All together as a team
 - d. We don't do marketing
 - e. Other, please specify: _____
- Q.13. What is the educational background of the person in your company who takes marketing decisions?
- a. Sales & marketing
 - b. Business & management
 - c. Software development & IT
 - d. None of the above
- Q.14. How many people are in your marketing team?
- Q.15. Which of the below positions exist in your company?
- a. Marketing manager/director
 - b. Sales and marketing manager/director
 - c. SEO manager/director
 - d. Brand manager/director
 - e. Social media manager/director
 - f. Brand/marketing strategist
 - g. PR/media relations manager/director/editor
 - h. Content marketing manager/director/editor
 - i. Marketing researcher/analyst
 - j. Product manager
 - k. None of the above
- Q.16. If there is no marketing team in your company, what is the total amount of hours spent by other teams members for marketing activities during a month?
- Q.17. What is the approximate ratio of your marketing budget to your revenue?
- Q.18. How much was your approximate revenue in 2016 in Turkish Liras?
- Q.19. How much was your approximate marketing spendings in 2016 in Turkish Liras?
- Q.20. How much do you expect your approximate revenue to be in 2017 in Turkish Liras?
- Q.21. How much do you expect your approximate marketing spendings to be in 2017 in Turkish Liras?

- Q.22. During which periods do you plan your marketing budget?
- We don't do marketing
 - We don't do planning for marketing
 - We plan our marketing budget per product
 - We plan our marketing budget in quarters (3 months)
 - We plan our marketing budget yearly

Section 1C

- Q.23. Which of the below above-the-line channels do you use? (Never/Rarely/Frequently/Always)
- TV ads
 - Movie ads
 - Radio ads
 - Print ads in gaming and industry channels
 - Print ads in other channels
- Q.24. Which of the below below-the-line channels do you use? (Never/Rarely/Frequently/Always)
- Outdoor (billboard, etc.)
 - Stands (@shopping malls, etc.)
 - Participation in events (festivals, concerts, etc.)
 - Participation in industry fairs
- Q.25. Which of the below social media channels do you use? (Never/Rarely/Frequently/Always)
- Facebook
 - Twitter
 - LinkedIn
 - YouTube
 - Google+
 - Instagram
 - Product/company blog
 - Product/company website
- Q.26. Which of the below digital channels do you use? (Never/Rarely/Frequently/Always)
- Video game related networks (video game websites, etc.)
 - Other digital networks (news websites, etc.)
 - Cross-marketing (inside other video games, etc.)

- Q.27. Which of the below influencer channels do you use? (Never/Rarely/Frequently/Always)
- Blogger
 - Podcast
 - YouTuber
 - Cosplayer
 - Other celebrities
- Q.28. Which of the below content marketing channels do you use? (Never/Rarely/Frequently/Always)
- Publishing a demo
 - Early access
 - Releasing a free version
 - Releasing 'developer videos' during production
 - Blogging during production
 - Publishing trailer/teaser videos
 - Publishing concept art and other visual products
 - Public beta testing
 - Competitions in the digital channels
 - Crowdfunding
- Q.29. Have you ever made a sponsorship agreement? If so, please specify.
- Q.30. Please arrange the below channels in the order of the budget you allocate for them. (If you don't do marketing or don't have a marketing budget, you can do the arrangement depending on your foresight.)
- Above-the-line (TV, radio, etc.)
 - Below-the-line (Outdoor activities, etc.)
 - Digital marketing (Digital ad networks, etc.)
 - Social media marketing (Facebook, etc.)
 - Influencer marketing (Blogger, YouTuber, Cosplayer, etc.)
 - Content marketing (Demo, video, etc.)
 - Sponsorship
- Answer selections for Qs. 31 and 32.
- Advertising agency
 - Media buying agency
 - PR/media relations agency
 - Video game specialised communication/advertising agency
 - Design agency
 - Freelancer consultants
 - None of the above

- Q.31. Please choose the institutions that you currently work with. (You can make multiple selections.)
- Q.32. Please choose the institutions that you previously worked with but are not working currently. (You can make multiple selections.)
- Q.33. If you made a selection in the previous question, please specify your reasons for not working with these institutions anymore.
- Q.34. Are there any tools you use for your marketing activities (e.g. social media management tools, media monitoring, etc.)
Answer selections for Qs. 35–37.
- No, we never applied for.
 - No, we applied for but didn't get it.
 - Yes, please specify the programme and the amount: _____.
- Q. 35. Have you ever received state support for your marketing activities?
- Q. 36. Have you ever received private support for your marketing activities?
- Q. 37. Have you ever received crowdfunding support (e.g. Kickstarter) for your marketing activities?

Section 2A

Answer selections for Qs. 38–44. (No Effectiveness/Slightly Effective/Moderately Effective/Effective/Very Effective)

- Ability to impact buyer behaviour
 - Ability to increase sales/downloads
 - Ability to deliver product messages
 - Ability to increase market share
 - Ability to reach the target audience
 - Cost per target efficiently reached
- Q.38. Considering the video games industry, what do you think about the effectiveness of above-the-line marketing?
- Q.39. Considering the video games industry, what do you think about the effectiveness of below-the-line marketing?
- Q.40. Considering the video games industry, what do you think about the effectiveness of digital marketing?
- Q.41. Considering the video games industry, what do you think about the effectiveness of social media marketing?

- Q.42. Considering the video games industry, what do you think about the effectiveness of influencer marketing?
- Q.43. Considering the video games industry, what do you think about the effectiveness of content marketing?
- Q.44. Considering the video games industry, what do you think about the effectiveness of sponsorship marketing?
- Q.45. Considering the video games industry, what do you think about the effectiveness of the below content marketing activities? (No Effectiveness/Slightly Effective/Moderately Effective//Effective/Very Effective)
- a. Publishing a demo
 - b. Early access
 - c. Releasing a free version
 - d. Releasing 'developer videos' during production
 - e. Blogging during production
 - f. Publishing trailer/teaser videos
 - g. Publishing concept art and other visual products
 - h. Public beta testing
 - i. Competitions in the digital channels
 - j. Crowdfunding
- Q.46. Below are some factors which are out of control of developers. What do you think about the effectiveness of these factors? (No Effectiveness/Slightly Effective/Moderately Effective/Effective/Very Effective)
- a. User scores in online shops (e.g. Steam, AppStore, etc.)
 - b. User reviews in online shops (e.g. Steam, AppStore, etc.)
 - c. Being featured in online shops
 - d. Piracy
 - e. Clone video games

Section 2B

- Q.49. Which target audiences are you aiming at? (You can make multiple selections.)
- a. Professional gamers
 - b. Hardcore gamers
 - c. Regular gamers
 - d. Casual gamers

- e. Female gamers
- f. Male gamers
- g. Students
- h. Kids (3–8 years)
- i. Adolescents (8–12 years)
- j. Teens (12–18 years)
- k. Parents
- l. Others, please specify: _____

Q.50. Which target audiences are you aiming at? (You can make multiple selections.)

- a. Turkey
- b. Turkish-speaking audiences
- c. English-speaking audiences
- d. Arabic-speaking audiences
- e. North America and Europe
- f. East Asia (China, Japan, Korea, etc.)
- g. Other, please specify: _____

Q.51. Please indicate how much you agree with the below statements: ‘The barrier for us to make better marketing is ...’ (Strongly Disagree/Disagree/Neutral/Agree/Strongly Agree)

- a. Lack of capital
- b. Lack of knowledge & expertise
- c. Lack of state support
- d. Lack of human resources
- e. Lack of channels
- f. Lack of trust and interest in marketing

Q.52. Please indicate how much you agree with the below statements: ‘Our company has enough expertise in the below marketing channels ...’ (Strongly Disagree/Disagree/Neutral/Agree/Strongly Agree)

- a. Above-the-line
- b. Below-the-line
- c. Digital marketing
- d. Social media marketing
- e. Influencer marketing
- f. Content marketing
- g. Sponsorship

- Q.53. Please indicate how much you agree with the below statements: ‘Our company has enough expertise in the below marketing time frames ...’ (Strongly Disagree/Disagree/Neutral/Agree/Strongly Agree)
- Pre-release
 - Release
 - Post-release
- Q.54. Please indicate how much you agree with the below statements: (Strongly Disagree/Disagree/Neutral/Agree/Strongly Agree)
- We take risks in marketing decisions.
 - We take risks in marketing ideas.
 - We think conservatively in marketing planning.
 - In our industry, the channels to reach our audience keep changing.
 - Our customers constantly expect new marketing activities.
 - We keep reaching out to the same audience with our marketing activities.
 - We can reach to customers who have never played our video games with our marketing activities.
 - Our audience is distributed across many channels.
 - Our company keeps developing itself in marketing.
 - Our company has the resources to develop itself in marketing.
- Q.55. Please arrange the below properties of video games according to their usability in marketing messages.
- Technology
 - Visuals
 - Scores and comments
 - Genre
 - Online capabilities
 - Platforms
 - Multiplayer capabilities
 - The fact that it is made in Turkey

Section 3

- Q.56. Please rate the importance of below factors in deciding the success of your marketing activities. (Very Unimportant/Unimportant/Neutral/Important/Very Important)

- a. Publicity value
 - b. Conversion to sales/downloads
 - c. Raising brand awareness
 - d. Raising traffic to all of our products
 - e. Creating a loyal player base
 - f. Provide market insight
 - g. Grow business partners
 - h. Grow market share
 - i. Cost per target effectiveness
- Q.56. Which of the below marketing research have you done so far? (You can make multiple selections.)
- a. We have done none
 - b. Brand awareness
 - c. Industry/market report
 - d. Market share
 - e. Product-focus group
 - f. Other, please specify: _____
- Q.57. Have you ever purchased a marketing research?
- a. No
 - b. Yes, please specify: _____
- Q.58. Have you ever participated in a marketing training?
- a. No, never.
 - b. Yes, to free training
 - c. Yes, both to free and paid training

**APPENDIX B:
DISPERSION STATISTICS FOR TABLE 1**

<i>(N = 97)</i>	Range (<i>x</i>)	\bar{x}	<i>s</i>	<i>s</i> ²
Percentage of women in the team	60	8.31	15.49	<i>240.00</i>
Average age of the team (years)	25	25.75	6.79	<i>46.12</i>
Amount of video games released so far	100	6.60	15.03	<i>225.80</i>
Amount of video games released in 2016	20	2.00	3.33	<i>11.09</i>
Total downloads/sales so far (million)	65	2.67	9.75	–
Total downloads/sales in 2016 (million)	8.5	0.18	1.13	–
Number of team members for marketing (<i>n = 23</i>)	39	1.91	6.94	<i>48.14</i>
Number of hours non-marketing team members spend for marketing activities in a month (<i>n = 74</i>)	240	14.30	41.45	<i>1718.51</i>
Ratio of marketing budget to revenue	50	16.70	21.11	<i>445.42</i>
Revenue in 2016 (million TL)	4.5	0.24	0.84	–
Marketing budget in 2016 (million TL)	4.5	0.28	0.09	–
Revenue expectation in 2017 (million TL)	6.0	0.46	1.15	–
Marketing budget expectation in 2017 (million TL)	6.0	0.06	0.14	–

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CHAPTER 8.2

MARKETING IN COOPERATION WITH TECHNOLOGY TO FORM NEW DIRECTIVES IN CONSUMER LIFE

Mustafa Özgür Güngör

ABSTRACT

For the last several decades, technology has been playing an important role in changing the lives of consumers with an unexpected speed of innovative developments. Most of them were disruptive and had shaped not only the behaviour of consumers, but also empowered them to search for better products and services. These changes took place in media, communication, and information management of socialisation and collaboration. The digitisation revolution is a continuum until people and machines embrace a common ground for improving the lives of consumers. There were three stages of this movement. In the first stage, Turkish perspective was in alignment with the world where new channels of communication were established with support of Internet and information management. Marketing technology tools such as customer relationship management and call centre systems were discovered. In the second stage, continuous learning from the best uses

and implementations has started. The ultimate goal became total customer satisfaction. Many improvements and innovative services, such as omnichannel marketing, took place for achieving this goal. Today, in the third stage, new marketing tools are being developed on the basis of integrated machine learning, such as analysis of customer conciseness, prediction of behaviour and perceptive marketing, which will be used extensively through digital platforms, new media, social web and in everyday devices for targeted marketing. In this chapter, a broader look is taken and an explanation is made for what has happened through these periods of intersection of marketing science and information technology. Moreover, ongoing changes which have given a new impetus to consumer life are addressed with respect to marketing management literature.

Keywords: Marketing; technology; consumer behaviour; innovation; machine learning

INTRODUCTION

Discussions about how marketing is affected by technology began a while ago. In the pre-Internet era, consumers were already in communication with brands but had fewer interactions with brand communities just because of inadequacies in mediums. They were mostly dependent on more conventional ways to recall the value offered by the firm (Zaltman, 2003) such as broadcasted advertisements, personal meetings with marketers, contribution to interest groups, cold calls with their service providers and paper-based give and take of messages.

In fact, the approach has long been discussed, starting from the 1960s (Howard & Sheth, 1969), based on the ground of perceptual constructs and learning subsystems of the buyer, up to the 1990s with conversion to customer value management that includes many complicated evaluations of these messages and their feedback (Gale, 1994). Howard and Sheth (1969, pp. 96–97) underlined this issue as follows:

Brand comprehension is a cognitive state of the buyer that reflects the extent to which he has sufficient knowledge to establish well-defined criteria for identifying the brands he encounters and to have available the words for discussing a particular brand, but not for evaluating it. Information affects attitude through brand comprehension.

On the other hand, these have been the commonly used ways where communication frequency and direction was mostly limited by the amount of time and consumer interest in the brand. As discussed by Gale (1994),

two of the seven tools listed to understand customer value were directly influential in the equation: perceived quality of the profile and the value map of the customer. As will be explained in the first part of this chapter, the pre-Internet era was more defined by socioeconomical analysis and fallacies of marketing strategies such as belief in rational and linear thinking process of consumers, their capability to explain decision-making for a brand, effective measurement of the memory and the experience correlation about a product or service. Internet introduced additional tools to make these approachable.

Total progress about the enablement of the Internet has taken years. From the late 1990s to 2005, it was growing from the technical side, providing businesses more options to reach their customers, and extending marketing capabilities and sales functions through web presence. In this chapter, this is explained in the stage one of this movement where technology and consumer behaviour have acted closely in the change.

From 2005 onwards, the infrastructure of the Internet for both wired and wireless channels has grown with exponential momentum. Each innovation item in this perspective speeded up the interactivity between businesses and their customers. The discussion about this second stage is presented in depth in the following pages, but some prominent examples are briefly listed below:

- Scaling up the bandwidth of communication
- More user-friendly interfaces
- Users actively adapted to using new tools made available to them with a higher adaptation rate than previous decades
- Raising importance of customer relationship management (CRM)
- Omni-channel marketing principles
- Better after-sales services for long-term customer value

Therefore, with the classification of convergence cycles between technology and marketing phenomena, the following different stages of this evolution are identified so far. The first one is the transition from conventional to digital that had covered many initial improvements. The second contained the ways of increasing channels of communication with the digestion of these into marketing strategies. Finally, the third stage is the use of more advanced technologies such as machine learning, which is on the verge of delivering more integrated services through better analytics and the integration of augmented reality with brands and customers for their mutual benefit.

Any emerging market is no different from the emerged markets on the basis of implementation of probability and know-how for consumer analytics,

integration of machine learning into discovery of consumer mindset and development of new tools and techniques to reach and build a sustainable relationship with a targeted marketing effort. The difference mainly comes from the quality of creation and sterilisation of data for the use of for-profit and non-profit organisations. All markets have variations, but it is a new area of research to understand deeply how consumers are behaving with the use of fMRI or enablement of artificial intelligence to mimic decision-making process.

Nevertheless, emerging markets have significant economical constraints, similarities in the anticipation of changes in the distribution of wealth, pricing and promotional strategies to stay with consumer. In this theoretical chapter, a brief history is presented, and the disruptive change in marketing caused by imperatives of technology is also explained. In brief, emerging markets are mostly correlated with fluctuations in the major 20 economies of the world since the volumes of business transactions are highly definitive as briefly explained by [Mody \(2013\)](#):

... the German economy is similar to that of Japan – dependent on exports, running current account surpluses, and generating limited international growth spillovers – the contrast with the United States is marked. The United States is characterized by more reliance on domestic consumption and, as a consequence, persistent current account deficits but high international growth spillovers....

These spillovers from emerged countries affect the follower economies not only with the increase in capabilities but also implications of similar strategies taken from these global leaders to local businesses.

As far as the Internet and all associated socio-technological advances are concerned, cascaded effects in strategies are carried over from the emerged to emerging markets. Another important remark in this perspective is put forward by [Manyika et. al. \(2016\)](#), with an underlying claim about ‘the flow’ in relation with ‘trade surplus’:

Countries cannot afford to shut themselves off from global flows. Given their role in substantially raising gross domestic product (GDP) and boosting productivity growth, there is too much value at stake. But the goal is much broader than simply running a trade surplus... Narrow export strategies often ignore the real value of globalization: the flow of ideas, talent, and inputs that allow companies to innovate in new ways and raise productivity in the economy.

This movement is still in action, and it is effective worldwide. All markets have these constructs, which are discussed in detail, but there will obviously be variations in some of its applications and in claims made for the emerged and emerging markets. The overall picture of technological waves of change

and cumulative effects of these in conjunction with consumer behaviour are reflected in Fig. 1. These tides, causing upshifting of consumer capabilities, are in correlation with innovation and were directed by customer orientation.

In Fig. 1, the timeline shows decades, and differences in marketing perspectives moving from product era to customer era are listed, and additional changes within customer capabilities in this era are also noted. Based on these, technological factors affecting as major waves and their consolidated stages of convergence with marketing practices are drawn. Moreover, each wave has an initial impact at the emerged world, which is then followed by Turkish market adaptation; all these are explained with flow of diffusion. Each flow is representing a cycle of levels following one another: anticipation of technology, localisation of services and adaptation of consumer.

However, the big tide includes a series of waves, and therefore it is called a 'stage'. There are three major stages taken into consideration in this chapter, covering the last several decades of huge impact with changes in both axes. These stages of evolution and their incremental contribution to consumer's life are discussed in the following sections with details.

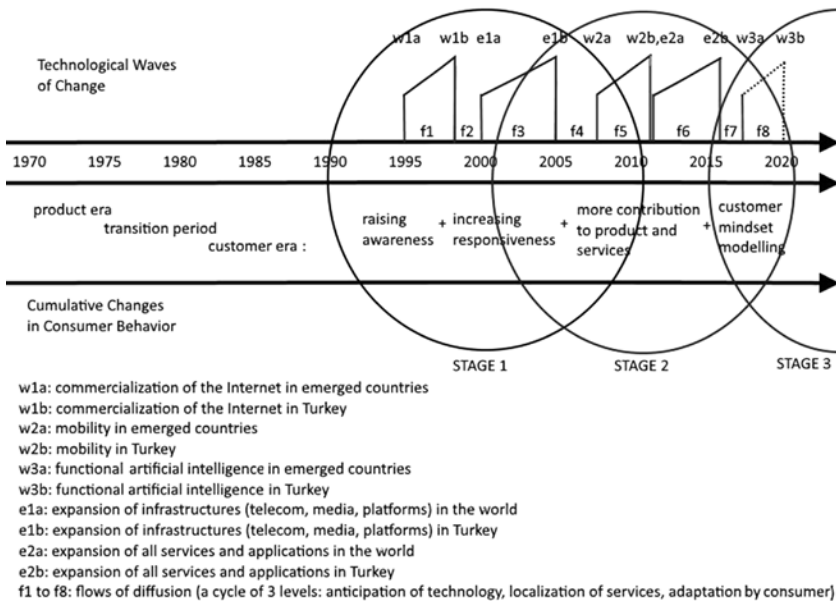


Fig. 1. Stages of Evolution with Convergence of Marketing and Technology.

STAGE 1: MARKETING WORLD FACED WITH AN UNEXPECTED CHANGE

The pre-Internet era was quite complex and long enough to work on different strategies of marketing such as buyer–seller relationships, segmentation, loyalty, consumer attitude formation and influence and mental models of customer decision-making (Zaltman, 2003). Yılmaz (2011, p. 60) explains that consumer heuristics is a way that is often used by many customers in case no additional data is required for a mental process. Moreover, many derivatives related with competition from promotional Attention, Interest, Desire and Action (AIDA) model to analyse brand equity were to be used as measures of better management. Based on these, organisations were moving in multiple and mostly designated ways in relative nature of competition with advantages and disadvantages.

Entering a new market, placing positioning strategies, marketing mix modifications from 4Ps (Product, Price, Place and Promotion) to 4Cs (Customer, Cost, Convenience, and Communication) (Lauterborn, 1990), respective controversial moves against competitors, or using techniques for building a better value chain (Porter, 1985) were already well anticipated. Businesses in emerged markets were using these marketing tools extensively, but these tools were conventional and still powerful as to meet with their needs. The Turkish business landscape was more or less similar to other emerging markets (Tek, 2006). The technology wasn't there yet to make a significant impact on mainstream markets and all actors were using marketing tools of the past with convenience.

Conversion from product era to consumer era was gaining momentum as changing perspective of organisations to a more customer-oriented marketing mindset. However, development of a customer involvement profile was studied theoretically in marketing departments, and practitioners were using these with simple calculation models such as elaboration likelihood model, and recognition and recall tests. Individual measures for customer involvement and reaching to cognitive stages of any significant customer were still away from discussion. Under these circumstances, expansion of Internet and technologies directly related to it, such as emergence of e-business and e-commerce, the discovery of new media and new ways of socialisation have triggered many changes.

The physical world of business started to move into the cyber space where any service from the globe was made available. By gaining customers from all over the world, the requirement for having related services and organisational functions for a complete change became prominent. E-business, by definition, represents this evolution in the life of an organisation, from how it could be producing and delivering the product to people with perfection integrated

with services. In addition, it is also important to attain cyber capabilities, such as websites for presenting detailed information about anything related to the brand and its services, electronic messaging for a continuous dialogue with the representatives of the brand and ubiquity of the organisation at any time regardless of time zones.

While such a cyber change was in action, e-commerce emerged and took over regarding how consumers behaved in the virtual world. Thus, e-commerce was in alignment with the change in progress but was also able to be self-critical because the way in which it dealt with overall sales processes meant access to more individual data of customers and opened new ways for the measurement and management of loyalty. Many researchers have been studying these areas to understand how to build better customer relations (Campbell, 2003; Gale, 1994; Prahalad & Ramaswamy, 2000; Zaltman, 2003) and the generation of more revenue based on improvement in communication and offerings (Matthing, Sanden, & Edvardsson, 2004; Yilmaz 2011) with this service-dominant logic of marketing (Lusch & Vargo, 2006) from the early years of the 21st century.

STAGE 2: CONVERGENCE OF TECHNOLOGY INTO MARKETING STRATEGIES

With a splendid customer-oriented perspective, organisations then concentrated on making technological advances work for them. In the beginning, it was thought of as a one-way street of using advancements in their favour, but subsequently and unexpectedly quickly, these tools started to transform businesses (Davenport & Kirby, 2015). It could be explained briefly as the convergence of marketing-related technologies into organisations with effects first on tactical procedures and then climbing up to strategical levels. In the end, the outlook turned out to be from the top to the bottom for a number of business transformations in alignment with customer-oriented and technology-embedded ways of competition as explained below.

An important change in approaching the consumer was the understanding of new media. The amount and the variety of media content increased inevitably as the channels of communication restructured by the Internet and its content delivery mechanisms for the screens (notebook/desktop computer, television, mobile handset and tablet computer) of consumers became the centre of gravity in marketing strategies. The amount of time a consumer spent in front of these screens was far less when they were used only for

business purposes. Since the nature of this use turned out to be more social and personal, each of these screens became more sensitive for marketers for delivery of any direct message to its individual recipient.

Taking it from the foundational construct of [Holbrook and Hirschman \(1982\)](#), experiences of consumers that stimulate feelings, fun and fantasies related with brand and services would easily be available for the masses. Therefore, content became the king of this virtual world of business. The management of a dialogue with the outer world of any organisation moved to be based on it, and this methodology started to be used for bonding relations with brands. Content led to more consumption by amplifying word-of-mouth effect as indicated by the results ([Dhar & Chang 2009](#); [Duan, Gu, & Whinston, 2008](#); [Ma & Atkin, 2017](#); [Ye, Law, Gu, & Chen, 2011](#)) from various industries. As production of more new media content took place, omni-channel marketing became necessary ([Baxendale, Macdonald, & Wilson, 2015](#)). All these changes were mostly disruptive for many sectors and rapidly affected the way they conducted relationships with customers and partners.

Customer relations are always important for any organisation since most of the revenue always has been bounded with the retention habits of loyal groups against paying four times more to gain new ones. The Internet and its multiple effects in reshaping businesses also enabled reaching a much wider range of customers, keeping in touch with dialogues and understanding each and every customer to personalise according to their preferences and to customise for their individual needs. However, this required new technologies at both ends: human interaction with high-performance call centres and specialised CRM system.

New and critically important invention of advanced customer analytical techniques and their consistent evaluation emphasised more concentration on knowing and keeping almost all members of a supply chain in competition. As a result, customer satisfaction which is based on the mediation effect of relationship quality became a practical leverage provided by powerful CRM strategies. The use of more quantitative approaches to investigate customer expectations opened up potentials for higher customer satisfaction. Organisations evolved more distinctively in serving their customers in a better way to remain competitive. Some significant examples are in the finance and telecom sectors of Turkey. Starting in 2000 up to 2005, a bank in the lead with innovative customer services, which was backed up by independent technology powerhouse of their holding group, was also providing extensive call centre functionalities. It was just like in the telecoms industry, with the first mover leading the way. However, after 2005, several follower banks gained

momentum to follow closely the leader for the perceived innovativeness measures for customers.

By 2010, all major actors in the banking sector were aligned with the use of similar technology, leading to fierce competition to satisfy their customers. Around the same time in Turkey, the telecoms industry had similar challenges and evolution in a more concentrated way. Three major actors and emerging corporate service providers had enabled call centre services, business analytics and improved customer relations on the same level to stay in competition. Since the widespread of technological infrastructure gained momentum, consumers became more capable of reaching brands through their virtual presence. This growth also ignited many online businesses to take the centre stage, such as market places (large online retailers), vertical virtual stores (food delivery and vertical retailers), information brokers (insurance and price comparison) and brick and mortars (online electronic shops), to move faster in this gold rush. The impact has been huge, but the next tide, i.e. mobility, was even more challenging.

Mobility became the mainstream and took Internet-based technologies at higher levels and affected consumer behaviour in a different way not only because it provided ubiquity of services but also because it fostered new forms of socialisation not discovered before. Customers became more influential and powerful with the capacity of simultaneous and real-time communication with the brand. They increased the level of their voices with the use of brand communities more effectively by just being online everywhere. Mobility was connecting more people in different geographies for advocating the same cause, defending their rights or searching for an adjustment for the misuse of any product and service.

Following this movement, social–local–mobile (SoLoMo) was the newest form of mobile-centric and socialised customer informing about local precision of services. As claimed by [Çobanoğlu and Kesici \(2014, p. 159\)](#),

SoLoMo enables companies/brands to provide the right offers at the right time, at the right place to the right customers via mobile devices by melting mobile marketing activities, location based services and social media in the same pot. Thus, targeted marketing activities can be fulfilled with a well-spent budget.

The change of SoLoMo customers were bringing in challenges for brands to keep the track of many inter-customer dialogues, customer-to-public messaging and local effects of each of such transmission of information. With the process of observation and the work of understanding, this enormous amount of bi-directional content required more intelligent tools and techniques that included cutting-edge technology with a marketing mindset.

In parallel with SoLoMo, the emergence of ‘hyperlocals’ was another transformation in conversion between consumers and brands because it was a change from old-fashioned blogging to microblogging where texting became an easy way to gather people around any possible subject. Blogging is a way to express ideas and thoughts while discussing a topic in depth and with a longer form of textual and visual content. It is a determinant of content-driven era of consumer, back in the early 2000s. However, Twitter service, Whatsapp platform and similar online services opened up microblogging world of sharing and small-talk discussions among huge number of people in real time. This rapid movement started in 2010 and still on gave any customer the ability to build a marketing channel of its own through content-sharing platforms by which it could be distributed worldwide in seconds. This kind of socialisation and social networks were non-existent before. Firms were still lacking the ability to understand this progress to handle change in the power of consumers.

In contrast to the argument that millennials are considered less loyal to brands but more loyal to themselves, brands are required to use technology more effectively than signalling marketing messages to an outer space where it wouldn't be heard for light years. By the end of 2020, all these will be working with the consumer community. Since fear-of-missing-out (FOMO) is already critical for millennial consumers, these platforms and different forms of social networking would be indispensable for organisations to speak up and send their messages directly to consumers.

The concept of FOMO was telling the marketing world that it would be all about the person who uses social networking to complete self-esteem and actualisation of personality not only with its presence in the old-fashioned physical world but also in the virtual world. In 2016, Facebook, a social network site, had more than 1.25 billion users, which was more than 15% of world population. Similarly, the number of users on Twitter, a microblogging site, representing most of the trend watchers of the globe, increased rapidly to 325 million.

The level of social interaction, and its integration with mobile commerce, influences customers' intentions to purchase (Wang & Yu, 2017). This is an axiom known for a long time, and there have been different ways to make it available in this century. New business models to make these services sustainable are required in communicating with this new form of consumer. In today's business environment the management of social interactions with the brand is a must, but it only enables keeping up with your competitors. The next stage is to make social interactions more sophisticated, explicitly available and integrated with complex information systems. It will be designed

at the enterprise level from top to bottom, injecting this into the mindset of organisation as a culture for survival. This discussion takes us to the frontiers of marketing and technology diffusion in the following part of this chapter.

STAGE 3: DEMYSTIFICATION OF CONSUMER CONSCIOUSNESS WITH MACHINE-LEARNING

It is clear that the consumer is under attack from many simultaneous messages from organisations and their offerings. Understanding what the consumer is thinking and continuous analysis of their perceptions about the brand are critical for the evaluation of products and services. Enablement of machine-learning techniques and using big data provide new potential areas for research of customer consciousness as an emerging area for continuous innovation. Unification of studies about consumer behaviour and machine-learning are subject to trigger more advanced outcomes.

Marketing functions of organisations act for ‘consumer consciousness’ gain customers. Thinking out-of-the-box in organisations is for onboarding importance to build not only new products and services but also to differentiate the firm with unique ways of doing business. From generation of new ideas to delivering newly designed products and services in the market, customer involvement is critical in improving offerings. The concept of value co-creation with customers and customer involvement into the innovation process provide a useful reference guide for firms to assess the power of ideas from their customers who are willing to drive innovation as a main stakeholder.

In this context, innovation is considered as a mandatory element of management strategies and core values for sustaining competitiveness (Krause, 2004). It is widely acknowledged by industry and academics that organisations should transform themselves in an innovation-oriented manner to remain competitive and capture signals of markets to manoeuvre easily to align with new changes and challenges of markets. For these innovation-oriented organisations, cultivating customer-centric activities to make use of insight from customer responses is one of the most important issues (Bennett & Gabriel, 1999; Chase, 1997), and there is a considerable interest in the potential of ‘co-creation’ either individually or in the context of community. Co-creation is viewed as an aspect of marketing competence for engaging with customers and developing collaborative knowledge about offerings of any organisation so that processes generate knowledge about loyal customers (Campbell, 2003).

From this perspective, ‘customer’s advisory’ contains unconditionally provided cues from customers to revolutionise existing products and services as well as opening doors to new product ideas. In addition, numerous studies underline that the transfer of information from such consumer consciousness or similar cognitive representations specifically for origins of products and services are substantially influential (Hong & Wyer 1989; Shimp, Samiee, & Madden, 1993). Therefore, this kind of knowledge transfer is a complicated process of the consumer mind and is based on learning theory, sociological factors and cognitive iterations (Gregan-Paxton & John 1997). As innovativeness is a critical key to remain in competition for globalised markets, this opportunity is unmistakable for organisations. For this reason, the use of customer’s advisory requires both organisational responsiveness and empathy to understand the customer’s response by determining the magnitude of its influence and cognitive perceptions regarding the brand associated with its bundled offerings, as stated in a delicate way in ‘service dominant logic of marketing’ (Lusch & Vargo, 2006) for consumer mind, and capability to turn that information into knowledge for evaluation of services.

Nearly two decades ago, the invention of the Internet and its inevitable expansion has changed many aspects of technology and human life. One of those evaluations is the impact of discrete computational power on artificial intelligence, more precisely machine-learning techniques, of the previous decade. Capacity for more computation and modelling of conventional regression and nonlinear models were upscaled through the use of Internet connectivity and distributed computing. Furthermore, this not only enabled more investigation of structured data but also opened up new possibilities for analysing unstructured and complex data forms such as limited texts, voice recognition, multi-language combinations, discrete event collections, chats, microblogs and messages. This power of computation is also beneficial for understanding huge amounts of information silos which were not available 20 years ago.

Another evaluation was the invention of virtualisation of many human activities taking place every day. However, either structured or unstructured, this amount of information is still in need of analysis with the support of machines for prediction and prescription in a very efficient manner. These advances in machine-learning have three significant dimensions for practitioners to determine the next-generation marketing communication strategies and to understand consumer behaviour for more innovation in services.

First one is the application of functional magnetic resonance imaging (fMRI) data, which offers multiple possibilities of pre-testing and classifying marketing communications using unbiased pattern of recognition algorithms

(Calvert & Bremmer, 2012). These algorithms support analysis of brain responses to brands, products and marketing messages by identifying the patterns of brain activity that characterise positive or negative perception.

By this approach, practitioners are enabled with a new communication path for better campaigns because they have the chance to discover new trends of services using responses that match the desired pattern of brain activity without requiring collection of further physical or virtual feedback. The application of these brain-imaging techniques in marketing science will provide much greater accuracy of prediction for the acceptance of new brands, products and effectiveness of campaigns. Moreover, the collection of structured big data at a speed makes it easily accessible and reusable for more difficult processing requirements. Big data tools are more advanced for inference of insights based on these patterns of information.

Second, in order to derive better predictions of customer behaviour, machine-learning algorithms are usable for classifications into the consumer mind, clustering of similar purchase behaviours and customer recommendation patterns. These processes can be modelled by advanced tools available with major software vendors. This direction of change within an organisation has impacts on both human resources and strategic mindset of the business by employing these methods throughout the enterprise (Davenport & Kirby, 2015). Many integrative models efficiently combine statistical big data analysis, and artificial intelligence approaches and have been studied for more than a decade. However, computational power and distributed software services are becoming more efficient and recently available for many developers in the form of platform-as-a-service (PaaS). In parallel, many organisations are currently evaluating their capacity for enabling PaaS for business needs. Using this combined data set of structured and unstructured big data to understand and mimic consumer cognition about brands and services will suggest better predictions and prescriptions for innovation.

The third dimension, 'semantic social web', is becoming one of the most valuable resources for mining sentiments of consumers for improving success rates in CRM. It is not only helpful in the preparation of more influential campaigns but also provides better tracking of recommendations about products, investigation of trends in public opinion through influencers and efficient text filtering to avoid inappropriate content to protect brand values. Therefore, insights obtained from this intelligent social web are now extremely valuable for marketing researchers.

On the other hand, different parts of these contents are very unstructured and not simply understandable for quantitative analysis. Enabling text mining algorithms to make explicit and autonomous classifications as well as

targeted and self-learning clustering for the acquisition of more meaningful data are challenges to be solved. Using human supervision and then crunching the data in machine-learning tools will lead to more efficient understanding of consumer behaviour. This movement takes information science into dealing with more marketing-specific problems, which were mostly analysed with foundational qualitative methods. Since there was not enough capacity for continuous analysis of behavioural streams of customer interactivity with brands, it was hard to compute large parametric models in the past.

In Turkey, pioneers of stepping into this third stage are not only larger financial institutions and big telecom companies but also online retailers that are required to keep their floating customers while trying to compete with a tight margin. This narrow lines of profitability in retailing when compared with banking and communication services pushed actors more to the edge in the adaptation of more manageable intelligence in understanding customers through machine-learning and using innovative forms of loyalty extension by mobile applications, calibrated campaign management, intensive rewarding and more higher margined cross-selling.

One significant example is the loyalty software platform of a major retailer where customer data, payment processing services, cross-retailer incentives and multi-service-integrated applications entered into the market and delivered to masses with exponential stickiness and started digging enormous amounts of customer data instantly. Following this example, food delivery broker, another leader in online brokerage market, started to integrate data analytical services for its clients. In addition to its recommendation engine, the enablement of gamification of loyalty was started with a retail transaction and ended with simplified payment to fulfill the needs of its users and clients simultaneously with more intelligence. There are banks making their manoeuvres to semantic web-based prediction for discovering credibility of individuals and small- to medium-size enterprises by using not only data collected from their branches but also the data which was presented by different sources, both private and public. For complementing this action, a large bank has initiated mobile payment services; similarly, another important actor of this sector has employed mobile loyalty and payment application and advertised a new mobile software platform to serve any customer, not limited to its own customer, ubiquitously. More organisations are heading in this direction for the future.

For a last couple of decades, the number of mobile subscriptions has exploded from zero to seven billion, which led to the development of new techniques in electronic commerce and also different applications in this virtual space, leading to numerous new analysis and capabilities of how people make purchase decisions. In addition to these, the modelling of customer behaviour

became more open to the use of multiple data sources from image processing of visual recordings in store to post-purchase trails left in mobile shopping. Thus, with the explanation of flow of shopping process, made in each decision-turning point of customer, to be redesigned of the total AIDA model towards increasing the satisfaction or focusing on the overall experience with the brand. On this path, the next invention would be the using of these real-time feeds, added by semantic social web and the Internet of Things into machine-learning to derive decisions of keeping customers more satisfied, and therefore more loyal, in association with all physical and virtual experiences with the brand.

CONCLUSION

The importance of a theory comes from its power of expansibility into different perspectives for understanding matters of the universe. In this perspective, the theory of 'marketing myopia' (Levitt, 1960) explains the problem about how industries are managed by selling rather than marketing, by which the needs of customers are more in focus. This mistake relates to the foresight width of management for understanding changes and defining the areas to concentrate for keeping or increasing the revenue. A permanent evolution of brands is only possible with a broader definition of industries for their proposed values to have more advantages for growth. In this chapter, this challenge was addressed by different stages of marketing and technology convergence. A solution is discussed based on service-dominant logic of marketing (Lusch & Vargo, 2006) with the use of 'customer's advisory' from all responses collected from virtual and physical mediums, together with effecting factors of change.

Integrating customers into the innovation process lowers the barrier to adopt change. Prahalad and Ramaswamy (2000) suggest that companies have to recognise that customer is becoming a partner in creating value, and need to learn how to harness customer competence. According to McCosh, Smart, Barrar, and Lloyd (1998), the company must be close to its customers, partly to respond to their expressed needs, so that it can work out what they want in the future. Matthing et al. (2004) suggest that the value of customer involvement in new service development resides in the opportunity to facilitate proactive learning about the customer, and to understand and anticipate latent customer needs. In order to make this work, the most critical for researchers was e-commercialisation. It was an unexpected speed of improvements for classical marketing theories to have the chance of practical tests by the data collected through trails of customers left in websites, mobile

applications and their social web. Today, this type of data is to be drilled down and added to the mindset of any organisation dealing with a large number of consumers.

Engagement with customers for facilitation of innovation by developing collaborative knowledge about products and services gains importance. This is also a significant marketing competence of successful companies which could be characterised as innovation-oriented organisations. Machine-learning methods, such as classification, regression, clustering and cross-validation, are powerful tools used with big data mining for large databases and give researchers opportunities to gain new insights into consumer behaviour. There are many practitioners in this domain, both from the academia and the business world, and increasing number of initiatives and many research companies trying to solve more problems, which are becoming epidemic, in giving meaning to all forms of unstructured data flooding e-commerce pipelines, social media, mobile applications, gamification platforms and overloaded content generation.

The accuracy of prediction and interpretation of results for different cases by just using computational power is another important complementation for better decision-making. From this perspective, the focus of innovativeness to remain competitive pushes firms to develop new perspectives in consumer behaviour analysis, whereby 'customer's advisory' is the core to pull this stakeholder group to the process of creativity with additional power of machine-learning that leads to detailed analysis of consumer decision-making processes. Moreover, it also becomes possible to make predictions about consumer behaviour by reading the mind of consumer through these models. Customer consciousness is made up of a web of complex events, anticipations and collection of messages about brands which deliver many services. Although it is hard to model this exactly, machine-learning techniques and big data are promising the future to make it more productive as a driver of innovation.

Many of the factors driving emerging economies are similar to Turkish markets and are explicitly discussed in the Global Information Technology Report. [Enriquez et al. \(2015, p. 62\)](#) as a conclusive point have also stated that 'Governments may consider how to support this group so that they become part of the Internet society and benefit from projected growth'. Therefore, it is not only the people, academicians and businesses of any country that are responsible for making use of technology for growth but governmental actions are also critically important to support this perspective. These actions include increasing the quality of the educational system, judicial independence, ease of venture capital availability, having better management schools,

empowering mobile communication, increasing the workforce with more knowledge-intensive jobs and more intellectual training of Turkish people in comparison with the international rankings mentioned in the Global Information Technology Report (2015, p. 249).

Turkish companies are more concentrated on increasing sales through developing new assessment methods to reach different customer segments mainly based on pricing (Manavgat & Kaya, 2016), rather than working on huge piles of refined data, since collection of data and sterilisation for an explicit analysis are definitely harder despite all advantages provided by e-commerce tools and techniques. Based on the explanations given in above sections, for the first two stages of this convergence, both loyalty and retailing, stronghold of the market data analysis, have always stayed in the shadow instead of building more targeted marketing plans. From this time onward, Turkish organisations might look ahead by using the methods employed all over the emerged economies to understand customer behaviour from deep data analytics and to build leverages for competition in domestic and international markets.

This undisputable volume of data, new generation of customers and their evolved capabilities, competition-aware firms and service-based focus on business are expanding the canvas for the future. Management, marketing and technology are in intersection and merging with more advancements coming from all axes to reach customer, to act with partners, to stand tall in the market and to manage resources more effectively. Even governments are more, so to say, citizen-oriented. From a broader perspective, the sustainability of such a movement depends on more sophisticated analytics based on the facts, assumptions and limitations discussed in this chapter.

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SECTION 9
DELIGHTS OF THE TURKISH
MARKET

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CHAPTER 9.1

WHEN DELIGHTS TURN BITTER: CONSUMER RESISTANCE IN TURKEY

Melike Demirbag-Kaplan

ABSTRACT

Consumer resistance has been a popular research area in the previous decades, and concepts such as boycotting, brand avoidance, voluntary simplicity and anti-consumption appeared to be hot topics in exploring the ways the consumers resist market dominance in the postmodern culture. However, research on this topic in the Turkish (and partly Eastern) context is very limited, inhibiting our understanding of the topic in different economic and cultural settings. Through a comprehensive discussion that provides institutional-, structural- and community-level perspectives relating to consumer resistance phenomena in Turkey, a developing country with historical and cultural roots in both the East and the West, the chapter intends to equip scholars and practitioners with a better insight to conceptualise this phenomenon as well as to formulate further studies and marketing strategies.

Keywords: Consumer resistance; anti-consumption; boycotts; Turkey

INTRODUCTION

Consumer resistance has been of significant interest for researchers for at least two decades not only because it offers a novel lens to explore consumption dynamics in a postmodern marketing environment, which is characterised by significant shifts in power relations, but also due to the fact that a variety of forms of resistance have the potential to severely damage the reputation and brand image of the target business, to impede its strategic objectives and even to drive the organisation out of a particular segment or market. This chapter addresses consumer resistance in the Turkish context by providing a multitude of perspectives to explore the antecedents, performance and outcomes of resistant behaviour in an emerging economy.

The importance of investigating consumer resistance in Turkey lies in two dimensions relevant for a broader debate over resistant ideologies. The first is a practical purpose, in which I will try to summarise the history of resistant behaviours in the Turkish marketplace that will also serve as a timeline to understand the evolution of consumer mindset in recognising the individual's own power in initiating change. The second contribution arises from a more theoretical debate that focuses on the socio-cultural context in which these behaviours occur, particularly shaped by political ideologies that represent the polarised society of Turkey (and to some extent the Middle East) in the wake of the millennium, with a potential to stream the discussion of consumer resistance into a channel that essentially differs from that of Western experiences.

With these considerations in mind, the chapter is organised as follows: I will first deliver a brief introduction on the concept of consumer resistance and provide a clarification on interrelated, overlapping or misused conceptualisations, such as anti-consumption and boycotting, from the recent literature on the topic. The review section will then delve into the nature of consumer resistance utilising the continuum approach (Fournier, 1998), providing information on the forms of mobilising anger and frustration at each step, such as complaints, boycotts, culture-jamming or anti-brand communication, as well as delineating between several dimensions that might be present, such as active versus passive, or individual versus collective resistance.

Obviously, such a discussion is indispensable for motivational factors that lead to resistant behaviours. In this context, in addition to the factors that are widely acknowledged in (mostly Western) literature, the chapter will try to explore and present the dynamics that are unique to the Turkish consumptionscape in facilitating consumer resistance towards particular brands. This section will therefore focus on how demographics, cultural macro- and

micro-spheres, regionality, political polarisation in domestic and international affairs, formation and reformation of identity and morality as affected by local and global environmental forces shape consumer reactions, and give rise to instances of resistance by using cases from distant and recent history. Analysis of these cases will provide a deeper insight into the factors that contribute to consumer resistance, the ways and channels through which the reactions are mobilised, corrective measures that are taken by the organisations and global effects of the resistance on the Turkish market. A comprehensive discussion that intends to provide new understandings on consumer resistance, particularly based on the two aforementioned dimensions will conclude the chapter.

BACKGROUND

Consumer resistance is defined as ‘a motivational state leading to variable manifestations of opposition and which is triggered by certain factors linked to corporate behaviours and marketplace practices’ (Roux, 2007, p. 69), and arises when a consumer opposes ‘the culture of consumption and the marketing of mass-produced meanings’ (Peñaloza & Price, 1993, p. 123) by reacting to a particular brand, organisation or any norms and devices that are considered to signify a system of market domination (Cherrier, Black, & Lee, 2011). In this context, consumer resistance is a broad domain that encompasses a wide range of practices from active behaviours, such as boycotting or voluntary simplification, to more passive ones, such as avoidance of a particular brand, a product or a product category in general (Hogg, Banister, & Stephenson, 2009; Close & Zinkhan, 2009).

Scholarly interest in consumer resistance is rooted in consumer activism, which became quite widespread, especially among hippie groups in the late 1970s, but it was only by the 2000s when the scope of the domain dramatically expanded, as consumers became much more aware of the negative effects of consumerism on global economics, politics, cultures and the environment, and started to take part in various movements and groups such as Buy Nothing Day, Anti-Valentines, PETA, Voluntary Simplification or CittáSlows. In parallel, there has been a growing body of scholarly works to cover such a variety of practices, particularly in the last decade; however, the predominant focus is still on one specific form of action, that is boycotting behaviour (Chalamon, 2011). Disproportionate attention devoted to boycotts as if it encompasses the ultimate manifestation of consumer resistance, unfortunately gives rise to

misused conceptualisations within the domain, which requires a clarification of several concepts.

First of all, it is worth mentioning that consumer resistance is not limited to a set of attitudes and actions that the consumers undertake just because they had an unpleasant experience with a particular product or service leading to dissatisfaction. While these behaviours are also included in the resistance literature, such as consumer complaints and negative word-of-mouth (Hirschman, 1970), consumer resistance rather refers to a general headline that covers several active or passive behaviours which emerge as consumers' response to varying forms of corporate dominance (Peñaloza & Price, 1993). In other words, resistance is present when the consumer opposes or tries to escape from the dominant force exercised by market actors, behaviours or devices (Roux, 2007). Consumer resistance is also different from anti-consumption, which has been a hot topic in literature in the last decade. Anti-consumption refers to 'a continuum of responses that consumers have towards traditionally marketed products, ranging from non-consumption to active rejection' (Lee, 2006, p. 73), and according to Lee, Roux, Cherrier, and Cova (2011), it is a rather grand theory that focusses on the processes of consumption. On the other hand, consumer resistance constitutes a part of anti-consumption, where the highlights of research evolve around power asymmetries in the marketplace (Foucault, 1982).

According to Fournier (1998), consumer resistance may be expressed as a continuum that ranges from less potent and defensive behaviours, such as avoiding the consumption of a particular product, to more potent and offensive behaviours, such as active rebellion, which is usually realised in the form of company boycotts (Fig. 1). While other models of consumer resistance are also present in literature, this framework provides an easily understandable basis in classifying possible routes that consumers take to resist market dominance.

Following Fournier's (1998) model, we can then offer a review of studies that focuses on alternative forms of resistance, leading from avoidance to active rebellion.

AVOIDANCE BEHAVIOURS

To begin with, some consumers may adopt a relatively more passive attitude in reacting to market forces and resort to avoidance behaviour in favour of alternative products or brands. Brand avoidance is a special form of reaction to consumerism, in which individual concerns for consumption of target-specific brands or products (Iyer & Muncy, 2009), including public goods

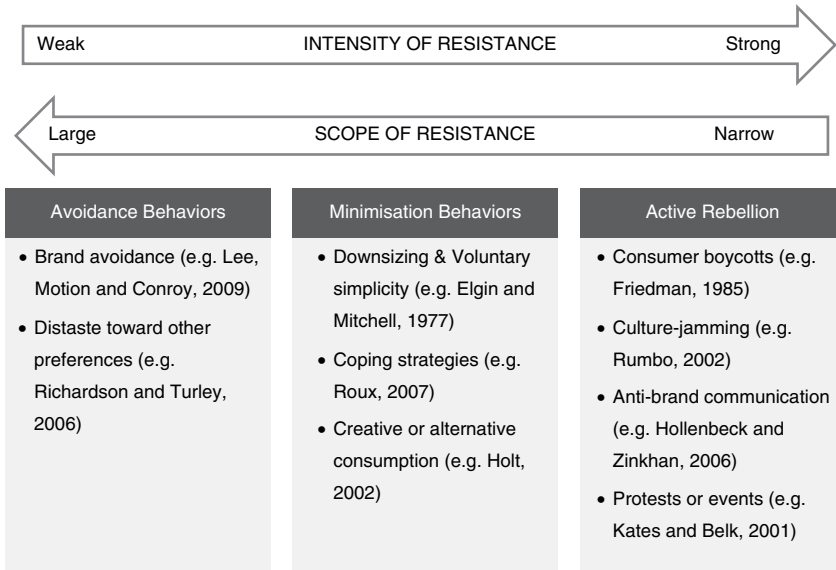


Fig. 1. Continuum of Consumer Resistance. Source: Adapted from Fournier (1998); Lai & Aritejo (2010).

and services, which are offered for free (Demirbağ-Kaplan & Kaplan, 2011). According to Lee et al. (2009), brand/product avoidance of this type may stem from three main reasons: The first of these is the avoidance behaviour that occurs as a result of a negative experience with the performance of a product or a brand, and is therefore called experiential avoidance. This type of avoidance is more in line with the classical studies of consumer resistance, such as asserted by Hirschman (1970) that consumers would try to make their dissatisfaction known (voice), switch the brand for other alternatives (exit) or remain passive and keep on buying the brand (loyalty). Another form of experiential avoidance may occur when the consumer perceives the brand to a lack of utilitarian value/worth to the consumer, even before using it, which is labelled as deficit-value avoidance (Lee et al., 2009).

Secondly, individuals may refuse to consume a product or brand, as they are concerned with an identity conflict. In other words, if the product is attributed to an undesirable identity symbol or with a negative reference group, brand avoidance can occur (Englis & Solomon, 1995; Hogg & Banister, 2001), and the consumers would refuse to consume the brand because they actually reject the identity attached to it. Finally, it may be the case that consumers reject a

product or brand based on their moral and ideological stances (Kozinets & Handelman, 2004). Named as moral avoidance, this may result from a reaction towards company's policies and strategies (for instance, in the 1990s, the global boycott campaign of Nike after the company was known to employ children in the Third World) or a hostility towards country of origin of the product (for example, Coca-Cola boycotts based on anti-Americanism). Similarly, consumer judgements that are based on the idea that foreign purchases are not compatible with patriotic or religious values can lead to moral avoidance (Klein, 2002; Lee et al., 2009; Sandıkci & Ekici, 2009). Over-commercialism of a brand and ill-favoured marketing efforts, involvement of a company in unethical business, or any action that is perceived to disrespect human, animal and environmental rights may be considered as other reasons (Demirbağ-Kaplan, Atik, & Gürkaynak, 2011; Friedman, 1985; Micheletti, 2003). Moral avoidance may also overlap with voluntary simplicity, behaviour and identity avoidance (McDonald, Oates, Young, & Hwang, 2006).

MINIMISATION BEHAVIOURS

Apart from avoiding a target product or brand, consumers may choose to resort to minimising consumption in a variety of ways. In this regard, voluntary simplicity, which refers to a lifestyle of minimal, ethical and ecological consumption, is probably the most studied consumer resistance behaviour. Voluntary simplifiers are 'individuals who have freely chosen a frugal, anti-consumer lifestyle that features low resource utilisation and low environmental impact' (McDonald et al., 2006), which is based on material simplicity (non-consumption-oriented patterns of use), self-determination (desire to assume greater control over personal destiny), ecological awareness (recognition of the interdependency of people and resources), human scale (a desire for smaller-scale institutions and technologies) and personal growth (a desire to explore and develop the inner self) (Elgin & Mitchell, 1977, p. 5). According to Leonard-Barton and Rogers (1980, p. 28), it is 'the degree to which an individual consciously chooses a way of life intended to maximise the individual's control over his own life', and may be characterised with behaviours such as abandoning luxury and frills, preferring natural and simpler products and consuming as less as possible (Elgin, 1981; Shaw & Newholm, 2002).

Coping strategies, on the other hand, refer to an individual's implementation of particular tactics to thwart the influence and persuasion attempts of the marketers, with possible aims to struggle with, to oppose or to delay them

(Fournier, 1998). Roux (2007) states that this reaction is initiated as the consumers perceive the influencer and/or the elements of influence to be incongruent with individual aspirations for freedom of choice, autonomy in decision-making and willingness to cooperate or not with a market partner. To this aim, consumers may develop a variety of understandings and behaviours to combat and minimise personal interaction with market elements that they perceive to be manipulative, such as advertising campaigns, commercial offers, sales techniques and store atmospherics and brands (Banikema & Roux, 2014).

Minimisation behaviour can also come in the form of creative and reflexive resistance to consumption, where consumers may elaborate on alternative ways of engaging with the market in order to regain their sovereignty (Holt, 2002). As Arnould and Thompson (2005, p. 871) note: ‘The marketplace has become a pre-eminent source of mythic and symbolic resources through which [consumers] construct narratives of identity... [where they not only] actively rework and transform symbolic meanings’, but also engage in everyday practices using ‘marketplace cultures [to] define their symbolic boundaries through an ongoing opposition to dominant lifestyle norms and mainstream consumer sensibilities’ (Arnould & Thompson, 2005, p. 874). In doing so, the authors conclude, consumers develop creative and sophisticated ways in order to frequent their channels to resist the market place ideology. Some examples include online communities for modifying commodities, such as cars, pharmaceutical products, furniture and works of art (Hewer & Brownlie, 2010; Nakajima, 2012; Sawhney, Verona, & Prandelli, 2005;). Such ‘craft consumers’ (Campbell, 2005), who strive to play an active role in producing and crafting the things they consume, can be increasingly found in Do it Yourself (DIY) communities (Orton-Johnson, 2014), IKEA hackers (Koniorczyk, 2015), consumer food co-ops and community-supported agriculture (Renting, Schermer, & Rossi, 2012), second-hand markets (Guiot & Roux, 2010) and collaborative consumption and sharing practices (Belk, 2014). Not surprisingly, social media platforms play a dominant role in enhancing the transformation of consumers into prosumers, crafters and innovators by offering new dimensions and qualities of interactivity (Kozinets, Hemetsberger, & Schau, 2008; Napoli, 2010).

ACTIVE REBELLION

Consumer resistance in its most active and collective form is achieved in the final end of resistance continuum, which is usually labeled as active rebellion. The most common and therefore widely studied form of active rebellion

within the consumption contexts is consumer boycott. Formally, a consumer boycott refers to 'an attempt by one or more parties to achieve certain objectives by urging individual consumers to refrain from making selected purchases in the marketplace' (Friedman, 1985, p. 97). Boycotts may stem from social, political or environmental concerns, and may target individual persons, companies, organisations or countries usually with an apparent purpose of inflicting some economic loss; however, as many researchers observe, most boycotts are actually symbolic and are instrumentalised to serve the expressive function of making a social or political statement, regardless of whether or not they make the target economically suffer (Friedman, 1999; Kozinets & Handelman, 2004). In doing so, consumers may make their demands and outrage known by the public, with the expectation that this will compel the target to change its objectionable behaviour.

Apart from boycotts, mobilisation of anger and frustration may also come in forms of protests (Kates & Belk, 2001), culture-jamming (Rumbo, 2002) and anti-brand communication (Hollenbeck & Zinkhan, 2006). Culture-jamming refers to organised, social activist efforts that aim to encounter the bombardment of consumption-oriented messages in the mass media (Carducci, 2006), and it is a specific term that has been coined by the activist group *Negativland* to describe a variety of activities that they undertook in the early 1980s, such as billboard alteration and other forms of media sabotage (Dery, 1993). With the advent of media technologies and availability of desktop publishing software for ordinary consumers, culture-jamming turned into a new and creative avenue, where offended individuals can artistically express their dislike and resentment towards particular brands and entities. As a genre of *New Media Activism* (Lievrouw, 2011), the Internet and social media serve as a perfect medium for culture jammers to organise and perform such activities, and make their struggle for a radically pluralistic society known to public. In addition to alteration of marketing symbols and texts, such as advertisements, logos or slogans, and anti-brand websites built around these hoaxes, including stories of hatred, also signify a new era of active rebellion that aims to inflict damage on the reputation and power of dominant market entities (Krishnamurthy & Kucuk, 2009).

While the continuum model provides an easily understandable framework in classifying possible ways to resist market actors, the literature offers other categorisations of consumer resistance, such as individual versus collective actions (Cherrier, 2009), for personal versus societal purposes (Iyer & Muncy, 2009), being reformist versus radical (Peñaloza & Price, 1993) or objecting single actors versus the system in general (Iyer & Muncy, 2009). Antecedents of resistance, such as dissatisfaction and discontent (Zavestoski, 2002), skepticism

(Fournier, 1998), cynicism (Dobscha & Ozanne, 2001), need for self-expression (Gould, Houston, & Mundt, 1997) and need for uniqueness (Austin, Plouffe, & Pander, 2005), in addition to several demographic variables, such as educational level and age (Friestad & Wright, 1994), are also well studied in the literature. Moreover, actual and possible consequences of consumer resistance appear to be another important stream of research in this domain, focussing on the effects of firm performance, brand image and reputation, consumer perceptions of marketing claims, alternative modes and channels of consumption and how the market actors react to these changes.

As detailed in this review, an overwhelming majority of these studies are carried out in Western contexts, that is, in developed markets and democratised societies, where the experiences and practices of resistance are much more institutionalised on political, social and economic scales. A study on the practices of consumer resistance in less developed and democratised economies therefore stand as a new channel with the potential to provide novel insights into the topic. To this aim, the next section provides a selection of consumer resistance stories from Turkey, a developing country with historical and cultural roots in both the East and the West, yet differing from both in several economic, social and political aspects.

CONSUMER RESISTANCE IN TURKEY

Several notions related to consumer resistance, boycotts for instance, are inherently Western, as they are the byproducts of capitalism. However, resistance that uses economic power as a form of coercion was also present in the East, and Turkey is no exception. Historical accounts as early as the 16th century indicate collective movements in Central Anatolia as part of *Jelali Rebellions*, with significant numbers of *reaya* (peasants obliged to cultivate a certain amount of land) abandoning their land without permission and becoming *çift-bozan* (farm-breakers), a status highly unwelcomed by the Ottoman Rule, as it severely damages the economic order. While farm-breaking is mostly considered an inevitable result of failed economic, social and judicial system and the suffering it has caused, for several authors it also involved a motivation to resist the Ottoman Rule, as a significant number of farm-breakers also joined the rebels (Ceylanlı, 1995; Kayaoğlu, 2012). Obviously, such movements were not organised in the fashion of modern consumer resistance, which required another three centuries to pass in the Turkish context. By this time, consumers' use of their economic power as a tool to resist a particular

company, local administration or country, in short, an authority that they perceive to be ill-doing for any reason, started to become much more institutionalised in the West.

Boycott, similar to the experiences of other countries, was not only the oldest but also the most frequent tool of consumer resistance in Turkey. Therefore, this section will first provide examples of active consumer rebellion throughout the modern history of Turkey, and then expand the discussion into other practices relevant to consumer resistance, such as avoidance and minimisation behaviours.

The first record of a framed practice of consumer resistance dates back to 1908, which was carried out against the stores and products of the Austro-Hungarian Empire, just after it annexed Bosnia and Herzegovina on October 6, 1908. This first boycott in the Ottoman lands, which is known as ‘the Ottoman Fez Boycott’, initially targeted *fez* (a headdress in the shape of a close-fitting skull cap) products imported from Austria at that time, but soon became wider to target all Austrian and Bulgarian stores and covered a variety of products such as basic food items and clothing. The expansion of the boycott was orchestrated by the Committee of Union and Progress (*İttihat ve Terakki Cemiyeti*), which was in power along with the Sultan, immediately after the proclamation of constitutional monarchy for the second time, and the boycott actually attempted to show that the Empire was also capable of waging an economic war against its opponents. The boycott lasted for four months with the support of media, port workers, students and merchants (Quataert, 1987), and led to a partial success such as some clauses of economic gain in an agreement signed with Austria in February 1909. It resulted in an economic loss of 100 million French Francs for targeted businesses; however, it also had a negative impact on the Ottoman economy, as there was a statistically significant reduction in trade with Austria–Hungary due to the boycott, which contributed to an increase in prices, and hence the inflation during the period of resistance. The *fez* boycott also led to flourishing of the Ottomanism idea and the need for a new economic order that is built on nationalistic values, mobilising a variety of political factors that were quite novel to the Empire by that time (Cetinkaya, 2013).

In the following decades, boycotts were in full swing throughout the world as a form of global political and economic resistance, but Turkish consumer movement remained quite silent during that time, particularly due to internal problems endured during the foundation of new republic. Boycotts were again popularised in Turkey in the end of the 1960s, influenced by the protests of 1968, but now assumed a new meaning that mainly referred to boycotting classes by university students, who demanded more freedom and autonomous universities.

The first consumer boycott that attracted a wide participation was held against Coca-Cola and Pepsi in 1990, and had an economic character. Due to fierce competition between Coca-Cola and Pepsi over the Turkish market, both companies had to cut their prices in the previous years, which became economically unsustainable and followed by a 100% increase in price in the Spring of 1990. This sharp increase caused a very unfavourable reaction in the market, particularly on the side of retailers who asked for a proportionate increase in profit margins, a demand which was turned down by the cola companies. In return, retailers organised a boycott, refusing to sell cola products, which immediately expanded to restaurants, cafes, pastry shops, school canteens and touristic businesses. With the support of retailer and consumer associations, the boycott gained a new perspective to include all exported products. On May 4, 1990, a congress was held in Ankara, and Cemal Tarcan, the vice president of the General Confederation of Tradesmen and Craftsmen of Turkey, sent the following message to all members: 'The rightful resistance initiated in Izmir in order to protest the arbitrary price increases and unfair practices of foreign producers is supported with all means'. The boycott was reinforced with protests and events all around the country, such as members of the Socialist Party burning exported cigarettes and spilling cola down in the streets, and consumer associations distributing ice sherbets for free in open markets with the slogan 'Farewell to Cola, hello to sherbet' (Cumhuriyet, 1990). The boycott ended within a few weeks, as the companies agreed to decrease their prices and increase retailer margins.

In less than a decade, Turkey entered a new phase of consumer boycotts, which were mainly sparked due to political tensions. In 1998, a boycott against Italian companies and products was triggered shortly after PKK leader Abdullah Ocalan fled from Syria to Italy and was taken into police custody in Rome, but the extradition demand by the Turkish Government was not accepted by the Italian Government. While the political tension between two countries escalated, several trade unions and associations, including The Union of Chambers and Commodity Exchanges of Turkey (TOBB), launched a boycott of Italian products. The boycott included raising consumer awareness for not buying products and brands of Italian origin, the decision of the Turkish Federation of Merchants and Retailers, representing 1,50,000 stores, 'not to sell' Italian products, and TÜRSAB Association of Turkish Travel Agencies to cancel all tourist tours to Italy. The result was an economic loss of USD 1.2 billion on the Italian side in the first three months of 1999; decreased passenger traffic between Turkey and Italy to a point that Turkish Airlines and Alitalia stopped Istanbul–Rome flights for about three months due to 'no passengers' (Vatan, 2006); and even Turkish companies

with Italian-sounding brand names suffered harshly due to the boycott. For instance, Bellona, a furniture company, had to make nation-wide newspaper announcements, stating that it was founded on 100% Turkish capital, highlighting that ‘they are not an Italian firm as some may think, and never had any links to any Italian firm or capital’, although the brand name may sound so. Similarly, Italian–Turkish partnerships such as Türk-Pirelli Tires emphasised the fact in full-page ads in national newspapers that the protests actually harmed Turkish workers employed by Pirelli and the Turkish economy in general (Ögüt, 2011).

The impact of the Italian boycott was profound, leading to a fresh understanding in the collective memory that most international political crises should be responded with consumer boycotts of the firms and products of the target country beyond other legal and political measures. This, for instance, became apparent every time the French Senate approved a draft law criminalising the denial of the Armenian Genocide, leading to boycott calls in 2001, 2006 and 2011 (Asbarez, 2001; *Hürriyet*, 2006; *Hürriyet Daily News*, 2011). Another frequent target for boycotts was Israeli firms, or the brands that have apparent or alleged Jewish capital, following the escalation of tension between Turkey and Israel after events such as the Mavi Marmara incident in 2010 (Haberler.com, 2011), and the Israeli offensive against Gaza in 2014 (Daily Sabah, 2014). In all these boycotts, nationalistic and/or religious character was quite intense, most of the time serving to consumers’ need to express their ethno-religious identity. In the same manner, the boycotts were generally short-lived, rather offering an avenue for consumers to outburst their anger, as well as strengthening their belongingness with the social group that defines itself with a particular political, religious or patriotic ideology.

Boycotting as an expression of socio-political identity developed into a new form as a consequence of societal polarisation during the Gezi Events. The events started as a peaceful sit-in at Istanbul’s Gezi Park in late May 2013 by a handful of activists who demonstrated against an urban redevelopment plan launched by the government. However, following the brutal police crackdown on activists, it mushroomed into huge nation-wide protests against the ruling party as well as its ideology and supporters. Boycotts and protests against firms and brands were an integral part of the events, and followed a two-way course: On the one side, there were protesters who boycotted firms and organisations that refrained from helping activists or supporting Gezi, and on the other, government supporters who boycotted the brands that were perceived to be aligned with Gezi protesters. Boycotted firms broadly fell into any of the following three categories. The first category included cafés, restaurants or stores that were located on the sites of clashes, particularly Taksim area,

and either helped or refused to help the protestors. In this context, Starbucks, Mado Patisserie and Kızılkayalar Hamburger Kiosk became the target of protests and boycotts, as they did not let in injured protesters, or refused to sell them food and drinks. On the other hand, Divan Hotel was boycotted by government supporters because it provided the protesters a safe harbour. The second category consisted of media companies, such as CNN Turk, NTV and Haberturk, which received negative reaction for limited coverage of the events, and perceived to be underrating the seriousness of Gezi. Finally, the third category included companies which were not directly involved in protests; however, the public perceived that they either supported the government or the protesters. Doğu Holding, for instance, with all its affiliated companies, was boycotted by Gezi supporters, while Koc Holding and companies became the target of protests of the ruling party and its followers. For both groups, there appeared long lists of companies to be boycotted, which were mostly circulated via social media. Some brands even appeared in both the lists (Cengiz, 2014). While the economic impact of these boycotts is not fully known, some recent studies have shown that the brand image of boycotted companies was seriously damaged, leading to a decline in consumer preferences (Karaca, 2016; Okan & Yalman, 2013).

Besides the boycott that was strengthened by political identity, a variety of other sensitivities also lead to consumer resistance in Turkey. For example, sexist expressions that companies use in their marketing messages have recently become a major cause of protests and boycotts. In 2015, Doğadan, an herbal tea company, received a hostile reaction from consumers for their advertising campaign titled as 'What do women want?', portraying women as ever-complaining, conspicuously consuming and over-demanding individuals. The company immediately became the target of boycotts in the social media, and had to withdraw the campaign with a public apology (Radikal, 2015). Koton's depiction of children in sexy outfits outburst a similar anger in 2014 (Kıvanç, 2014). Again, very recently, Oysho, a Spanish clothing retailer that is well known with its lingerie line in Turkey, was caught between two fires when a group of consumers taut the company when the staff allowed stray cats in the stores during cold winter nights. Photos of cats sleeping on garments began to circulate in social media, unexpectedly giving rise to a harsh reactions by others, accusing the company for not caring about the hygiene and health of their consumers. A short-lived social media battle was contested between the two groups, one protesting Oysho, using the hashtag #oyshodanalışverişiyapmıyoruz (We are not buying from Oysho), and the other group praising the company and protesting the consumers who accused the company (<http://www.patiliyo.com/oysho-kedileri/> (2017)).

Apart from boycotts, other forms of active rebellion are also on rise in Turkey, particularly after Gezi, which broadened the understanding of the power of alternative media in enhancing the accessibility of shocking representations of the consumptionscape. Examples of culture-jamming have been present ever since, such as #FakyuNükleer, which is a play on the billboard advertisements of Akkuyu Nuclear Plant, the centre of a hot debate, the first of its kind in Turkey.

As clearly seen in these examples, the advancement of Web 2.0 tools increases the prevalence and impact of active rebellion practices, in a vein similar to global experience (Kozinets & Handelman, 1998). Nevertheless, it should also be noted that these boycotts and protests are generally short-lived and far from inflicting an economic loss on the target company. In addition, overall participation to such boycotts is limited, as a study by Çarkoğlu and Kalaycıoğlu (2015) revealed that 68% of Turkish consumers had never participated in a protest or boycott against a company for either political, ethical or environmental reasons, and would not do so as they do not believe in the effectiveness of such practices.

This being said, increasing connectedness of Turkish consumers with the world has the potential to enhance rather passive or individual forms of consumer resistance if not active rebellion. In this context, minimisation behaviours are growing steadily, most of the time organised around social network platforms (Erdoğan & Karapınar, 2015). For instance, Facebook groups on voluntary simplicity, permaculture workshops and agro-ecotourism, by which the volunteers can spend some time to contribute and experience a 'simpler' and 'productive' life are increasing day by day. Some examples include <https://www.facebook.com/sadeyasamgrubu> and TA-TU-TA Ecologic Farmyard Visits Network (www.tatuta.org). These activities are generally organised by associations that are devoted to anti-consumerist lifestyles, such as Yeryüzü Association and Buğday Association for Ecological Living. DIY networks are also becoming very popular, again utilising social media networks for sharing information, communicating with members and organising activities and meetings. Of such networks, DIY Türkiye is very active on Facebook and YouTube, and Makers Türkiye provides a vast network for students, teachers, designers, engineers and other interested parties to come together to share DIY projects, as well as organising workshops, training programmes, conferences, fairs and contests, with around 50,000 followers on Facebook.

Finally, avoidance behaviours that represent consumer resistance on a rather individual scope are also commonplace, although research on these behaviours is limited in the Turkish context. Of those available, reasons behind brand avoidance in Turkey emerges as the focus, and the studies

conclude that the dynamics stated in the present literature similarly prevail for Turkish consumers (e.g. [Demirbağ-Kaplan, Atik, & Gürkaynak, 2011](#); [Sandıkçı & Ekici, 2009](#); [Ventura, 2013](#)).

DISCUSSION

This chapter addresses consumer resistance in the Turkish context by drawing from a variety of cases that happened in the recent decades. The cases presented in this chapter were intended to provide an outlook on the antecedents, acts and outcomes of resistant behaviour in an emerging economy, and to explore as to what extent these are similar to the experiences of the West, which has been surveyed to a great extent over the past few years. In the light of these cases, several important remarks can be made with regard to consumer resistance in Turkey.

First, it is important to note that resistant practices in Turkey as a reaction to escape from the dominance of the market are almost nonexistent before the 1980s, with records of only a few instances in this respect. This may be attributed to several reasons, including a period of harsh economic and social turmoil that the country endured after the foundation of the Republic in 1923, and the choice of a state-led close economy until the mid-1980s. The transformation of the economic model into a market-oriented economy by this time not only increased the availability of Western goods and services but also played a role in enhancing Western-style consumption and consumer roles. Therefore, it is not surprising that practices of consumer resistance began to pace around this period, particularly in the form of consumer boycotts.

Another finding is that consumer resistance bore a character that developed on patriotic and religious identities, which most of the time run parallel to political orientation. In this context, it was collectivist sensitivities that rather triggered participation in resistant behaviours. Again, this ties well into the highly collectivist culture of Turkey, which has been lagging behind its Western counterparts in democratisation, liberalisation and individualisation processes. The prompting role of unions and associations in these cases might also be considered in a similar vein. At this point, the Gezi Events of 2013 might be considered a milestone, which highlighted the demands of Westernised young masses to become a part of the say in Turkey's future, including their roles in the Turkish consumptionscape, which were assumed but designed to be rather passive until then. Along with the capabilities generated by the new media, consumer resistance took a new turn after this event in both character, i.e. as an avenue of expressing more individualistic

sensitivities, values and lifestyles, and form, i.e. new ways of resisting the marketplace besides consumer boycotts. The impact of social media networks became quite profound in creating awareness and promoting alternative consumer identities, as well as shifting power from the market to consumers in equipping them with novel methods to resist market dominance, such as voluntarily simplistic lifestyles, DIY networks, culture-jamming and brandalism (brand vandalism).

On a final note, it should be mentioned that research on consumer resistance in Turkey lags behind what actually happens in the market. A keyword search on Scopus, utilising consumer resistance, boycott, animosity and avoidance and ‘Turkey’ gave only six results, of which three were on boycotting behaviour, in addition to 11 papers that focussed on ‘consumer ethnocentrism’ and ‘Turkey’. The results are discouragingly similar on the Dissertation Database of Turkish Higher Education Council (*YÖK Tez Merkezi*), with only two graduate theses and a PhD dissertation on the topic, which all were written after 2016. Nevertheless, this also signifies the existence of vast research frontiers that could be explored in the future studies with regard to dynamics and consequences of consumer resistance in Turkey.

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CHAPTER 9.2

THE MYSTIQUE OF LUXURY PRODUCTS

Meltem Kiygi-Calli

ABSTRACT

The spending capacity of the middle-income class increases with growing economies. With this increase, luxury goods are not only consumed by rich people alone. For this reason, luxury brands are expanding their target population and enriching their products and services accordingly. Thus, the luxury market which addresses the middle- and upper-middle-income groups is changing and its importance is increasing. In this chapter, the definition of luxury, the classification of luxury goods, the requirements of the luxury marketing mix (product, price, distribution and promotion) and applied strategies are examined. This chapter also covers how luxury products have authentic features, premium and masstige brands, fake luxury products that are the exact copies of original luxury brands, and how and why this fake luxury market grows. At the end of the chapter, the luxury market in Turkey, which has been growing rapidly, especially in recent years, is examined in detail and all the features of the market are presented. It is expected that this market will continue to grow in the future, as a large

number of tourists from nearby regions, Central Asia and Arab countries come to Turkey to buy luxury branded products and services.

Keywords: Luxury products; luxury marketing mix; counterfeiting; premium products; masstige products

INTRODUCTION

Fine Feathers Make Fine Birds (English proverb).

Compared to many other industries, the luxury industry is a matchless sector. This industry is expected to keep growing due to the dramatic economic developments in emerging markets. For hundreds of years, all over the world, people have satisfied themselves by owning appealing stuff. Consequently, luxury consumption has been a question of debate and dispute.

The word 'luxury' has been defined in various ways in previous studies. The Latin origin of the word is 'luxus' and its meaning can be defined as 'exuberance, superabundance, sumptuousness and soft living.' [Vigneron and Johnson \(1999\)](#) defined this word as the top level of high-quality brands which have diversified values in different categories such as physical and physiological. From another point of view, 95% of luxury products are accessible for only 5% of the community and these products are produced in limited quantities ([Savitha & Sathyanarayan, 2014](#)). In this regard, luxury goods actuate differences in the community.

[Heine's \(2012\)](#) basic definition of luxury is 'Luxury is anything that is desirable and more than necessary and ordinary'. The indication of a clear distinction between what is necessary and what is already a luxury is very difficult. Owing to the fact that this indication depends on consumer evaluations and the economic, cultural and social environments in which consumers live. Therefore, these factors might result in a subjective indication of the boundary between the necessary product and the luxury product. Luxury is also a relative term. This means that while a branded car Volkswagen could be seen as a luxury car for a student, a Mercedes might be an ordinary car for a rich person ([Heine, 2012](#)). Thus, there are ongoing discussions on the exact definition of 'luxury' and consequently there is no consensus on its definition in the literature.

HSBC (2012) published a document named ‘Consumer in 2050’, which stated that spending on luxury products is expected to increase in countries which have growing economies because the population with average income will have higher spending capacity. The greatest share of luxury expenses is taken by industries, including entertainment, technology, cultural activities, food and tourism. ‘Consumer in 2050’ contains some long-term suggestions and makes various predictions for industries which are anticipated to increase their luxury expenses. Leisure activities such as vacations, eating, travelling and hedonism are anticipated to be linked with luxury in the future.

Nowadays, wealthy people are not the only consumers of luxury products. There are many significant elements which lead to the actual increase of luxury consumption. One of the most important ones is the promotion of luxury products to middle- and upper-middle-income population (Savitha & Sathyanarayan, 2014). The numbers from the luxury consumption markets in Turkey and the rest of the world predict a tendency to increase in the amount of luxury consumption made by the upper-middle-income population, and also some variations in the consumption behaviours of luxury product consumers. Many luxury firms have extended their product ranges (e.g. cosmetics, perfumes) and also expanded their brand portfolios to become more accessible (Truong, McColl, & Kitchen, 2009).

In this chapter, the definition and types of luxuries are discussed. In addition, marketing mix elements of luxury products are investigated. Moreover, authenticity of luxury, premium and masstige brands is discussed in detail. Furthermore, counterfeiting in the luxury industry is also examined. In addition to these subjects, the luxury market in Turkey is discussed. How the digital age affects the production of luxury products and consumption habits is also explored in this chapter.

LUXURY PRODUCTS

The definition of luxury products covers different products. Luxury products are differentiated according to market segments as luxury products, services and real estate, branded versus unbranded luxury products, private versus public luxury products, B2B versus B2C luxury products, founder-independent versus founder-dependent luxury products, uni-regional versus multi-regional luxury products and contemporary luxury products versus luxury antiquities (Heine, 2012).

Luxury products, services and real estate: Luxury services and real estate are distinct luxury segments.

Unbranded luxury products: These are products which are made by craftsmen. This chapter considers only branded luxury products.

Private versus public luxury products: Most of the time the term 'luxury product' refers to private luxury, which is owned by a person or a private organisation. Public luxury may refer to national monuments or alter pieces (Heine, 2012).

B2B versus B2C luxury products: B2C luxury products refer to personal luxury products which are used by end consumers in their daily life. There are also luxury-specialised suppliers who supply industrial products to firms.

Founder-independent versus founder-dependent luxury products: The manufacturers of luxury products should possess a distinct brand personality. An artist could become a brand as he or she may only create founder-dependent products. The luxury art market is a distinct luxury segment. This is also true for other industry segments such as (fashion) designer products.

Uni-regional versus multi-regional luxury products: Uni-regional luxury products are only available in specific regions.

Contemporary luxury products versus luxury antiquities: Contemporary luxury products are new products. An antique car might be an example of luxury antiquities.

In addition, luxury products are also categorised as personal versus impersonal luxury products, publicly versus privately consumed luxury products, accessible versus exceptional luxury products, unique pieces, limited editions, expanded-diffusion products and conspicuous versus understated luxury products.

Personal versus impersonal luxury products: Consumers use personal luxury products to manage their self-image and build up a personal connection with these products (Heine, 2012). Examples of personal luxury products might be glasses and watches. Examples of impersonal luxury products might be bathroom equipment and garden furnishing.

Publicly versus privately consumed luxury products: Publicly consumed products such as cars are visible to others. On the other hand, products such as home entertainment systems are privately consumed products because other people cannot see them unless the owner of the product permits it.

Accessible versus exceptional luxury products: Some luxury products, such as perfumes or high-end cosmetics, can be affordable for many income levels. These kinds of products are called accessible luxury products. But some luxury products are privileged to a small number of people.

Unique pieces, limited editions, expanded-diffusion products: The products in these categories are the nirvana of the luxury segment. These products are

regarded as masterpieces of an artist due to their uniqueness and perfection. The French word 'griffe' is used to describe these products because of their art masterpiece characteristics. The biggest names of haute couture clothing such as Chanel and Christian Dior can be regarded as specific examples of these types of products (Kapferer, 2001). Highly limited-edition products are also very close to the ideal of griffe products. They are not unique but their rarity brings them close to the ideal level. Their production processes determine their value and rareness. These luxury products are produced through a high degree of handwork and highly skilled craftsmanship. Gucci Bamboo bags and prêt-à-porter in the fashion segment are specific examples of these limited-diffusion products (Heine, 2012). There are some luxury products that have a similar production process to mass-market serial production but are produced at lower volumes. Dolce & Gabbana jeans and Porsche automobiles are specific examples of these products (Heine, 2012).

Conspicuous versus understated luxury products: Luxury products can be categorised according to their degree of conspicuousness. Some producers use symbols of wealth in their products such as big logos or other specifications. These wealth symbols justify the high prices set by the producers and urge consumers to buy the expensive product with the wealth symbol despite there being a higher quality complementary product without wealth symbols at better prices in the market.

Luxury products have their matchless characteristics and they are classified in different ways. In the literature, some studies suggest that products are categorised into three distinctive types according to their availability by considering the price and production quantities. These are available luxury goods, mid-level luxury goods and unavailable luxury goods.

Available luxury products: These luxury goods are low priced and available for most of the community.

Mid-level luxury products: Mid-level luxury goods are more difficult to afford for customers with a limited budget. Only available for a certain share of population.

Unavailable luxury products: These products are produced using special processes and their prices are high. Therefore, they can only be bought by upper-class consumers.

The products with very high prices can be afforded only by the upper-class consumers and these products specifically provide social prestige to their owners (Vickers & Renand, 2003). Concerning the levels of income, the group with the highest income comprises individuals who spend the highest amounts on luxury products. Wealthy consumers have the spending power to buy luxury products and use these products actively in their daily lives.

Consumers who have lower spending power can afford to buy fewer luxury products for purposes such as using the product and being recognised by wealthy people (Husic & Cicic, 2009).

THE LUXURY MARKETING MIX

Marketing management of luxury trademarks requires particular mechanisms unlike the ones used for the mass market. The usual marketing fundamentals are not applicable for luxury brands. The luxury strategy aims at high prices, high costs, fine work and limited distribution, less effort on promotion and simple advertising. Luxury goods can only be expensive. The manufacturing of these products must occur at an elevated standard, including both the raw material quality and workmanship quality. Another important factor in selling luxury products is indisputable prices. The aim of the pricing is mainly to give the most expensive acceptable price so that the customer is willing to pay for the item. It must be remembered that the difference in luxury products is their unavailability to the mid-class buyer. Higher supply of the good both contradicts the consideration of luxury and contravenes the demand of consumers. Price can be considered an invisible wall that separates the undesired customers of luxury products from the targeted customers. The control of luxury products includes certain approaches such as high prices, low effort on promotion or limited distribution to lower the availability of the good. The consumer needs to expend much effort to get the luxury product. Since the customers desire to expend effort, the luxury brand must appeal to them in some way. That brand must have an effective personality. The marketing mix elements are discussed in detail below.

Product Policy

Luxury products have to meet consumer expectations in order to be successful in the market. In order to understand consumer expectations, luxury brands have to employ market research. The perceived quality of the products is very important for luxury products. The quality of the products is reinforced by warranty and packaging (Kotler, Keller, Brady, Goodman, & Hansen, 2009). Hence, the packaging is one of the instruments used in communication and is very important for luxury brands. In order to have a perception of high quality for luxury products or brands, firms have to invest in innovation and creativity.

In the market, the marketing strategies for luxury goods are specified depending on the segment. One of these strategies is improvement of iconic products, which typify the brand signature (Fionda & Moore, 2009). Chanel N°5 perfume is one example of iconic products (Heine, 2012). These are undeniably real works of art. The logic behind the improvement of iconic products is to certify their perfection and to improve the luxury brand image of the company, which also triggers the consumer's willingness to buy other products that the company supplies.

According to Heine (2012), 'Luxury brands are regarded as images in the minds of consumers that comprise associations about a high level of price, quality, aesthetics, rarity, extraordinariness and a high degree of non-functional associations'. Companies build their brands to differentiate their products in the eyes of targeted consumers by creating an image in their minds that identifies the product. A luxury brand should be evaluated through characteristics such as price, quality, aesthetics, rarity, extraordinariness and symbolism.

Price Policy

Setting high prices as a marketing method makes the brand to be thought of as being rare. Thus, discounts may damage the image of luxury brands (Keller, 2009). Pricing of products is one of the main parameters that indicates the quality and prestige (Keller, 2009). Therefore, luxury brands have to consider that discounts may increase their sales in the short term but decrease them in the long term. As a result, it is suggested to increase prices every year to achieve an increase in demand (Kapferer & Bastien, 2009).

Vigneron and Johnson (1999) categorised luxury products and found that the interests of hedonists and perfectionists mostly focus on the satisfaction from the use of these kinds of products, and they also do not consider price to be as important as the quality, the features and the performance of the product. These consumers have a distinct idea of what they desire, and they consider price as an indicator of quality. The Veblen effect, snob effect and bandwagon effect are obvious when considering consumers who take price as the most significant factor. They perceive higher price as an indicator of higher prestige. They often buy scarce products so that they can underline their status. The impact of the above-mentioned effects on consumers is explained by Vigneron and Johnson (1999) as follows:

The Veblen effect – perceived conspicuous value. The main purpose of Veblenian consumers is to impress other people. Therefore, they consider price to be important, thinking that it is a proof of prestige.

The snob effect – perceived unique value. Snob consumers consider price as an indicator of uniqueness and prevent using popular brands to experiment with inner-directed consumption.

The bandwagon effect – perceived social value. Compared with snob consumers, bandwagon consumers consider price as a less important factor for indicating prestige, but they give more importance to the effect they have on other people while consuming prestige products.

The hedonic effect – perceived emotional value. The main aims of Hedonist consumers are their own emotions and satisfaction. Thus, they will attach less importance to price for indicating prestige.

The perfectionism effect – perceived quality value. Perfectionist consumers trust their own thoughts on the quality of products, and may consider price as another indicator of quality.

Luxury brands take advantage of the Veblen and snob effect: the more expensive the price, the better the Veblen customers can show their wealth and the better snobs can show off their status because only a small group of people have the spending power to buy these products (Vigneron & Johnson, 1999). Furthermore, this method triggers consumers into buying quickly. It also guarantees the durability and value of luxury goods. For example, for porcelain and wristwatches, like several other luxury product types, it is known that the value of the product increases with time. That makes some customers buy these goods primarily as an investment. Alongside their real price, it is really important for brands to associate their products with very high prices in the minds of customers. Thus, they put some really very expensive products on the market. These expensive products are the ones with the highest prices in their class, and in this way they attract some attention and respect. Nevertheless, for many luxury brands, the highest share of revenue comes from less expensive products such as accessories (Kapferer & Bastien, 2009).

The superlative pricing method has some disadvantages as well. Firstly, high prices make a product economically unavailable for large numbers of consumers and there is also a level that makes the product inaccessible for almost everyone. Besides, prices are also associated with real product excellence. If the price becomes illogical for the value of the product, the brand becomes more attractive for Veblen and snob customers. But this attractiveness does not provide a loyal customer base, because the high pricing method can always be copied (Kapferer & Bastien, 2009).

Distribution Policy

Distribution principles have a great effect on the rareness dimension. Luxury brands manage their accessibility and have discriminating distribution (Fionda & Moore, 2009; Keller, 2009). The basic principle behind luxury distribution also suggests that buying luxury goods should be difficult for consumers (Kapferer & Bastien, 2009). This basic policy also recommends that luxury shops should not be opened everywhere but instead only in reputable shopping areas, possibly together with other luxury brands (Berthon, Pitt, Parent, & Berthon, 2009). In addition, customers have to overcome time-related boundaries: if a product is considered to be rare, then it is only acceptable if it cannot be consumed immediately.

There are waiting lists for several luxury products such as Hermés Kelly Bags (Heine, 2012). With this system, even loyal consumers have to be patient for nearly a year before they get their order delivered, which increases their appetite and excitement of expectation (Nueono & Quelch, 1998). In addition to its effect on rarity, specific distribution also focusses on developing symbolic benefits. The distribution plan guarantees enjoyable shopping experiences by providing upper-class services (Keller, 2009), and the aesthetics of luxury goods are strongly dependent on the way they are presented.

Wholesale selling is still the most significant selling channel in the personal luxury products market (D'Arpizio, Levato, Zito, & De Montgolfier, 2015). According to Bain and Company's report (D'Arpizio et al., 2015), wholesale captures 66% of the total luxury market. On the other hand, the share of retail sales continues to increase. The share of online sales of luxury brands is decreasing overall, with a very inconsistent performance: The biggest brands are performing better with established direct online and omni-channel platforms but many brands still fall behind, especially European brands. The performance of airport retail sales has also increased to luxury globe-trotters. In 2015, it represented 6% of the global luxury market.

Communication Policy

Different luxury product producers believe that the consumers of these products are from the upper-income classes. Hence, the managerial practice of luxury product companies is mainly based on this assumption (Dubois & Duquesne, 1993). For example, media planning gives primacy to 'luxury

store' publications (e.g. Vogue) (Husic & Cicic, 2009). Additionally, their stores are placed in first-class locations.

Unlike mass-market brands, an increase in the awareness of luxury brands does not necessarily lead to growth but rather to a decrease in demand. Increasing awareness attracts bandwagon consumers who buy luxury products primarily because their role models do so. But this situation disturbs the original consumers who buy these products to separate themselves from other consumers (Leibenstein, 1950). Because of this reason, making investments in brand awareness can result in reduction of product benefits for individualistic clients. There are more appropriate communication methods for reputable brands such as direct marketing and particularly private activities. However, bulk mail or television advertisements are not favourable marketing methods for reputable brands (Belz, 1994).

On the other hand, major brands try to achieve maximum brand awareness beyond their target group. To do this, they apply more widely used and even aggressive methods for communication (Kapferer & Bastien, 2009). Advertising in magazines and sponsoring can be counted as typical marketing activities of star brands. Several luxury fashion brands consider catwalk shows as an important communication tool for promoting the prestige of the brand. Celebrity endorsement and public relations are some of the other general communication tools (Fionda & Moore, 2009). For instance, Italian luxury brand Versace used Madonna, Demi Moore and Halle Berry in its print advertisements (Okonkwo, 2006).

AUTHENTICITY IN THE LUXURY INDUSTRY

The luxury industry is becoming more professional, and this reduces the authenticity of luxury brands. However, marketing academics consider authenticity as an important parameter for clients in developed societies (Leigh, Peters, & Shelton, 2006), because these clients desire to get away from commercialisation (Grayson & Martinec, 2004) and they seek meaning and 'real' experiences to escape instability, increasingly open societies and the recognised rise in corporate manipulation and shiftiness (Beverland, 2005). Thus, ensuring authenticity is a major difficulty facing luxury brands in the future.

The desire to escape commercialisation results in the increasing importance of authenticity (Leigh et al., 2006). Therefore, providing authenticity is one of the challenges of luxury brands. Authenticity is a perception

(Heine, Phan, & Atwal, 2016). The factors that may affect the perception of authenticity may change from culture to culture.

There are varied viewpoints regarding authenticity. These are ‘pure authenticity’, ‘approximate authenticity’ and ‘moral authenticity’. Pure authenticity includes ‘an ongoing loyalty to traditions and the place of origin’ (Beverland et al., 2008). An example of this would be a company that started producing a product a long time ago, and through protecting its traditions ensures that the product has remained basically the same as its original form. In approximate authenticity, the condition rendering an object authentic is ‘if it resembles historical significations’, which is based on the clients’ memories of how things ought to be (Beverland et al., 2008). An example of approximate authenticity is where a company which had started producing a product a long time ago continues its traditions, develops the product and improves production procedures but nonetheless the product sold today still resembles the original. In moral authenticity, clients who are searching for moral authenticity are more concerned about purposes, means and ends rather than traditions in brands that are genuine in their intentions. These companies create products not just to satisfy customer desires or for financial reasons but because they have an intimate belief in what they do. They are motivated by ambitious creators who are involved in every possibility and love their jobs. Consequently, this results in limited production. Therefore, the contrast of moral authenticity must be with mass production. For instance, Château d’Yquem, which is located in Bordeaux, is one of the world’s most famous vineyards. Château d’Yquem is a luxury wine brand. The statement ‘Château d’Yquem Lur-Saluces’ is written on every bottle of Yquem (Heine & Petersen, 2015).

PREMIUM AND MASSTIGE BRANDS

The pricing of premium products is determined so as to be in the highest or close to the highest in their category. But market customers with average income can still pay for them, mainly because they are low-ticket products. Mass prestige or masstige goods are placed at ‘a point between mass and class’: Researchers have studied some adjustment strategies for masstige (Silverstein & Fiske, 2003), which point out methods uniting high quality with affordable price premiums to increase the sales to average-class clients (Truong et al., 2009). From time to time, they use terms such as ‘democratisation of luxury’ or ‘bandwagon luxury consumption’ to name these methods

(Kastanakis & Balabanis, 2012). They define masstige products as ‘premium but attainable’ products.

Masstige strategies usually bank on logo-typed reasonably priced accessories (e.g. Hermès), ‘junior’ product ranges which are produced on a bigger scale and sold for fashion purposes (e.g. Marc by Marc Jacobs) or downscale extensions (Nueono & Quelch, 1998; Parguel, Delécolle, & Valette-Florence, 2016).

Some researchers claim that masstige strategies can soften the effect of brands’ image (Silverstein & Fiske, 2003; Truong et al., 2009), particularly when prestige brands are compared with luxury brands and depending on the product category (Dall’Olmo Riley et al., 2013).

Average-class consumers are searching for higher quality and taste, and their numbers are increasing. Luxury products are produced not only for the upper-class consumers but also for mass-market consumers (Silverstein & Fiske, 2003). This is also the case in Turkey. Due to the increased numbers of average-class consumers, luxury brands sell several masstige products to these consumers.

COUNTERFEITING IN THE LUXURY INDUSTRY

Penz and Stöttinger (2005) define counterfeiting as ‘the production and sale of fake products, which seem identical to the original product’. The trademark is registered to another party and it violates the rights of the company which has the original trademark (Chaudhry & Walsh, 1996). Although the demand for counterfeit luxury brands is usually referred to as ‘unethical’, there is an increasing demand for such products. The buyers of these fake products usually buy these products knowing that they are fakes. Therefore, they are not defrauded when buying them. The terminology of deceptive and non-deceptive counterfeits was specified by Grossman and Shapiro (1988). If the consumer of the product knows that they are purchasing fakes, this is called non-deceptive counterfeit. According to research, most counterfeit products are sold in a non-deceptive way. Buyers can understand that the product is fake due to significantly low quality, low price and a non-authorized outlet. It is important to understand extensively the reasons behind the informed buying of counterfeits (Ryan & Deci, 2000).

Sometimes it is possible for branded luxury products to be sold deceptively. Their quality may be very good in some instances (Gentry, Putrevu, & Shultz II, 2002). These may be distributed by legitimate channels or by

disrespectable distributors. As a matter of fact, the aspects of the counterfeit version can be very close to the original.

Most people who purchase fake products would not have purchased the products if they had to pay full price. Nonetheless, counterfeit products make the original brand's image more accessible (Green & Bruce, 1997), and they decrease the distinctive features of the original product (Berman, 2008). These are the commonly discussed issues about counterfeit products.

The proliferation of counterfeit products can also influence the perception that the brand is rare. But this is a two-sided situation, because these products may also increase the reliability of the original brand by completely being a prestigious luxury product (Barnett, 2005). Bian and Veloutsou (2007) noted that counterfeiting can be considered an indicator of success of the original brand, because counterfeits spread only if the original brand is well established, well known, liked and respected.

The Organization for Economic Cooperation and Development (OECD, 2016) has estimated the global trade in counterfeit goods to be worth approximately \$500 billion a year. Original brand manufacturers struggle to eradicate counterfeit products. However, they cannot be successful without taking into account the consumer demand. One of the most important factors that leads to an increase in counterfeit production is the demand for counterfeits, especially in the luxury products market. Consumer demand for counterfeit luxury products might be viewed as unethical; however, the demand is growing. Consumers engage with original brands and counterfeits via new media and the Internet. These channels are new distribution channels for fake products to address and reach consumers. Additionally, these are low-cost distribution channels which are used to reach billions of people all over the world. Sellers of counterfeit products have shifted from traditional distribution channels to the above-mentioned new distribution channels. Therefore, these new channels are speeding up sales of counterfeit products. In order to fight counterfeit products, original brand manufacturers take into account various prevention strategies. However, some companies fear alerting consumers with the announcements that their brand is exposed to counterfeiting, which may affect the consumers' brand perception negatively.

The Washington Post conducted a study entitled 'Social media and luxury goods counterfeit: A growing concern for government, industry and consumers worldwide'. In this study, it is mentioned that there are 20,892 fake Instagram accounts (see Fig. 1) selling counterfeit luxury goods of top brands such as Chanel, Prada, Louis Vuitton, Fendi, Gucci, Dior, Celine, Hermes, Rayban / Oakley, and Bvlgari (Brandbastion, 2016).



Fig. 1. Account Selling Counterfeit Products. Source: [Brandbastion, 2016](#).

LUXURY MARKET IN TURKEY

Turkey is considered to be a high-context market where consumers are especially accepting internationally successful branded products. Consumers in high-context countries are typically averse to taking risks when selecting products. Turkey is one of the emerging markets where most of the world's leading luxury brands have branches. Turkish consumers like to buy products based on history and reputation rather than price. New products that have no international cachet do not generally become successful in high-context countries.

The luxury market in Turkey has been growing with increase in per capita income, participation of women in the workforce, fashion awareness and brand interest in Turkey. It increased by an average of 10% per annum in the 2010–2014 period and reached the level of YTL 5.3 billion (on average,

1 YTL = \$0.46 in 2014) (Deloitte, 2015). Traditional luxury categories are fashion, jewelry and tableware. There are also non-traditional categories such as cars, hotels and travel. The biggest share in the luxury market belongs to fashion, accessories, jewelry and watches. According to the report of Deloitte (2015), the size of the luxury market is expected to increase by an annual average of 7% and it will reach to YTL 7 billion by 2018 (it is forecasted that, on average, 1 YTL = \$0.31 in 2018). The fastest-growing category is expected to be accessories, jewelry and watches. More female professionals are paid higher in the work force and this has a significant effect on household purchasing ability.

In Turkey, the upper-income class consists of both old money holders and the nouveau riche, and there is a significant difference in how they spend their money. There are many businessmen and tradesmen, land and property owners, CEOs of top 500 companies, high-class government bureaucrats, pop and media stars. Istanbul is the city where most of these people live, while the remainder live in other big cities such as Ankara, Izmir, Gaziantep and Adana. Those that live in Istanbul live in million-dollar mansions along the shores of Bosphorus and in new suburbs. They tend to socialise in top-class restaurants and travel abroad (Thompson, 2006).

People who have a larger cultural background are more actively involved in high art and are interested in ballet and opera. But on the other hand, people who are economically rich but have a poor cultural background are the willing consumers of nightclubs. Both groups prefer French and Italian clothing brands such as Prada, Ermenegildo Zegna and Versace. Most of them tend to drive foreign cars or sport utility vehicles (SUVs) and are also interested in yachting and golf (Thompson, 2006).

There are also different groups of customers such as a young, educated and Westernised group and middle-aged urban professionals' group who work in information technology and finance sectors. These groups prefer luxury consumption as long as they can pay for it. They follow foreign high-class fashion brands, prefer famous sushi restaurants in Istanbul and travel abroad a few times each year.

Consequently, high-class urban Turkish consumers are pleased to show their high-level sense of fashion and the flamboyant and flashy goods they possess. This significant consumption is an important means of differentiation for these diverse social groups. The consumption of famous brands, especially foreign brands is quite high.

Turkey is a country which physically and culturally connects East and West, and is one of the industry's markets which has the highest growth rate. Prada, Hermès, Louis Vuitton, Gucci, Chanel, Tod's, Ralph Lauren and Armani have opened two or more luxury stores in Istanbul in the last seven years (Paton, 2015).

Ermenegildo Zegna and Burberry also have stores in Istanbul (Paton, 2015). Several famous names have opened their outlets in the Western-style shopping malls: Kanyon, Akasya Mall and Zorlu Centre. In April, Soho House (see Fig. 2), a private members' club for creative people, with a London origin, opened an outpost in the same place as the former American Consulate. The building is a 19th-century palazzo and has been restored to have baths, a Cowshed-brand spa and a pool at the rooftop from where Golden Horn can be seen (Paton, 2015). Both in and around Turkey, due to fluctuations in political and economic areas, the tourist activities and local consumption have shown a small decrease. Many brands had high appetite to have a footprint here. But because of these reasons, political and economic fluctuations, are now cutting back a bit.

Istanbul is a trend-maker city full of young, educated and technologically informed consumers. It is now a destination of many international travellers. These travellers have brought many labels such as Tom Ford, Salvatore Ferragamo, Michael Kors and Harvey Nichols to Turkey (Paton, 2015). Most of the time, Western brands have served for powerful local companies or joint venture operators. In 2014, boutiques in coastal resorts were badly affected



Fig. 2. Soho House in Istanbul. Source: Baştürk, 2015.

when the European Union and the United States imposed sanctions on Russia because of its military intervention in Ukraine. But many retailers in Istanbul said that traffic from Central Asia and the Persian Gulf has never been that strong. Visitors from nearby regions are highly influenced by Turkish TV series, which lead them to spend more time in Turkey. The total expenditure of these visitors is about 20% of the retail consumption (Gehaney & Bigan, 2014). For instance, between 2008 and 2010, *Aşk-ı Memnu* (Forbidden Love), which is one of the most successful TV series, was broadcast in Turkey. Afterwards, it was sold to foreign TV channels and was broadcast in different countries such as Iran, Pakistan, Bulgaria, Israel and Ukraine (*Real Estate News Turkey*, 2016).

Foreign luxury brands, just like local luxury brands, are eager to centralise in place where the visitors are more sophisticated and where a wealthier Turkish population is present. Many people looked to the West for imaginative inspiration. But Turkish national identity and design heritage are displayed in Turkey and there is an increasing appetite for these products. Local designers say that craftsmanship, which contains traditional materials, colours and styles, has caused a significant increase in demand coming from foreigners and those closer to home. Luxury brands have become more accessible for the Turkish upper-middle class and these people are eager to know and wear them. They are curious and keep following trends, fashions and styles from all around the world. Luxury tourism is another fast-growing division of the luxury industry. In recent years, Turkey achieved a positive reputation for being an attractive point for luxury tourism, especially for people from Arab countries.

Turks love to consume luxury products, especially in the cosmetic, fashion and food industry. The world's leading luxury brands struggle with counterfeit products in the market. Maybe because of the gap in laws, the counterfeit branded luxury product industry is also huge in Turkey. Fake products, which are produced in Turkey, cannot be distinguished from the original branded products. Consumption of counterfeit products means breaking the laws, and this also increases arguments about ethical issues and concerns (Garcia-Ruiz & Rodriguez-Lluesma, 2014).

Luxury Brands in the Digital Age

If a product is produced industrially, it can be partially customised or personalised. Even though personalisation is much more common for 'mass-produced' items, cutting edge personalisation is also developing because of the demand for 'experiential luxury', the change from 'having to being'.

Brands are also searching for new approaches to enhance the brand–client relationship by triggering the emotions and ‘personalising’ things. The development of information network has increased the digital participation of brands in order to know consumer preferences. In practice, this development allows brands to aim communication on individual basis, to provide privately prepared goods for each client, thus increasing customer satisfaction levels and perceived product value – at least in theory. To promote digital relationship, many high-street stores email digital receipts to their customers and expect commitment from their customers while gaining control over customer details.

While the consumption of traditional luxury goods and services is slowly ending, a large number of studies claim that the world of luxurious experience has begun. Over time, it has been seen that all trends that influence marketing, such as personalisation, environmentalism, social responsibility industry and Internet of objects, deeply affect the luxury segment as well.

In this context, luxury brands have started to market luxury products produced by different production methods and all this directs customers towards different consumption habits. First, there was a movement in the smart



Fig. 3. Atasay Smart Jewelry Bracelet. *Source:* Atasay, 2017.

watch category. Swatch, Fossil and Michael Kors cooperated with technology giants such as Intel and Google, and launched new smart watch models (Bloomberg, 2017). For example, Michael Kors, one of the most prominent players in the luxury segment of bags and watches in Turkey, entered the luxury and smart segment by embellishing models with precious stones and using the Android Wear operating system in their products (VR World, 2015). Turkish jewelry brand Atasay (2017) has invested in wearable technology and brought together terms such as ‘smart, luxury and technology’ in the categories ‘Smart Jewelry’ and ‘Smart Business’. In the ‘Smart Jewelry’ product category, there are necklaces, wristbands (see Fig. 3) and rings that contain personal messages, videos and visuals on them. In the ‘Smart Business’ collection, wrist pins and rings with personal information replace the printed business cards (Atasay, 2017).

After smart watches, the famous pencil brand Montblanc made its presence felt in 2016 in the smart luxury segment with notebooks and pencil sets named ‘Augmented Paper’. With the Montblanc Hub application, users can transfer and share notes written with pencil to digital media by electromagnetic resonance (Montblanc, 2017). Besides, products can recognise hand-writings written in 12 different languages. In addition to these, Louis Vuitton, which is one of the most important brands of the luxury segment, designed a special suitcase from the lightweight yet extremely durable, high-tech material for the hybrid vehicle BMW i8 (Louis Vuitton, 2017).

SUMMARY

Since the spending power of the middle-class population has increased, the consumption of luxury products is expected to increase in the countries with growing economies. In recent times, luxury goods are not only consumed by the wealthy population but also by middle and upper-middle classes. There are several important factors that cause actual increase in the consumption of luxury products. Advertising luxury goods to the middle and upper-middle class is one of the most significant factors. The data obtained from the markets of luxury consumption in Turkey and the rest of the world predict that the luxury consumption made by upper-middle-class population tend to grow with variations in their habits towards luxury products. Several luxury brands have become more accessible, and therefore they have expanded their product range (e.g. cosmetics, perfumes, etc.) and widened the brand portfolio of the company.

In this chapter, definition of luxury and types of luxury products were discussed. Luxury products are differentiated according to market segments. In addition, luxury products have their matchless characteristics and are classified in different ways. In the literature, some studies suggest that luxury products are categorised by considering the price and the production amount. These categories were discussed in detail in this chapter.

The marketing management strategies of luxury consumption are different than the marketing management strategies of mass products market. It is not possible to apply the traditional marketing management strategies on luxury consumption markets. In this chapter, the marketing mix elements, which are product policy, price policy, distribution policy and communication policy, were discussed in detail. Moreover, authenticity in the luxury, premium and masstige brands was examined. Furthermore, counterfeiting in the luxury industry was also discussed. In addition, the luxury products market in Turkey was examined. How the digital age affects the production of luxury products and the consumption habits was also explored in this chapter.

Turkey is a point of connection between East and West in both physical and cultural ways, and its luxury market has a very high growth rate. In Turkey, with increase in per capita income, number of working women, fashion knowledge and brand interest, the luxury market continues to expand. Fashion, accessories, jewelry and watches are the elements which make the highest contribution to luxury consumption in the country. The number of female professionals having higher income has increased, and its effect on the purchasing power of the household is substantial. The world's major luxury brands have opened their branches in Turkey, which is one of the growing markets. In the last seven years, luxury brands have opened two or more new luxury shops in Istanbul. Based on these observations, history and reputation of products are considered very important by the Turkish consumers. In high-context countries, including Turkey, new products generally do not attain success if they have no international prestige.

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