COMPETITIVE STRATEGIES OF VIRTUAL ORGANIZATIONS;
AN ANALYSIS ON BOOK STORES IN TURKEY

A THESIS SUBMITTED TO
THE INSTITUTE OF SOCIAL SCIENCES
OF
YILDIRIM BEYAZIT UNIVERSITY

BY

SEMIH KAYA

IN PARTIAL FULFILLMENT OF THE REQUIREMENTS
FOR
THE DEGREE OF MASTER OF SCIENCE OF MANAGEMENT AND
ORGANIZATION
IN
THE DEPARTMENT OF MANAGEMENT AND ORGANIZATION

AUGUST 2016

Approval of the Institute of Social Sciences

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I certify that this thesis satisfies all the requirements as a thesis for the degree of Master of Science of Management and Organization

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ABSTRACT

COMPETITIVE STRATEGIES OF VIRTUAL ORGANIZATIONS; AN ANALYSIS ON BOOK STORES IN TURKEY

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August, 2016

Nowadays we are experiencing a new industrial revolution; virtuality. This new era is different from previous ones. It affects all spheres of life from buying habits to production and boundaries among markets, workers, clients and even spaces are blurring. It is surely beyond doubt that traditional management systems get their share of this evolution process. Now companies must be more flexible in order to cope up with all these changes. At this stage, the most sensible thing to do is to organize virtually. In this research, we focused on competitive strategies of virtual booksellers in Turkey. We found that booksellers in virtual space are different than those of physical stores. They fit new trends in the market and are able to respond to changes faster than physical stores. In addition to these advantages, reasonable prices, product variety, time saving and accessibility are other strategic advantages of virtual organizations.

Keywords: Virtual Organizations, Competitiveness, Strategy

ÖZET

SANAL ÖRGÜTLERİN REKABET STRATEJİLERİ; TÜRKİYE'DEKİ KİTAPEVLERİ ÜZERİNE BİR ARAŞTIRMA

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Yüksek Lisans, Yönetim ve Organizasyon Bölümü

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Ağustos, 2016

Bugünlerde yeni bir sanayi devrimine, sanallaşmaya şahit olmaktayız. Piyasaların, çalışanların, müşterilerin, hatta yer ve zaman kavramlarının arasındaki kesin çizgiler gitgide belirsizleştiği için bu yeni dönem öncekilerden farklı olarak, satın alma tercihlerinden üretime kadar yaşamın bütün alanlarını etkilemektedir. Şüphesiz ki, geleneksel yönetim sistemleri de bu değişimden üzerine düşen payı almaktadır. Günümüzde şirketler bütün bu değişimlere ayak uydurabilmek için hiç olmadıkları kadar esnek olmak zorunda kalmaktadırlar. Bu soruna en uygun çözüm ise sanal yapılanma kavramında yatmaktadır. Bu çalışmada, Türkiye'de bulunan Sanal Kitapevlerinin rekabet stratejileri incelenmiştir. Çalışmanın sonucunda, sanal olarak örgütlenen kitapevlerinin fiziki satış yapan kitapevlerinden farklı olduğunu ve bu yapılanma ile pazarda oluşan yeni eğilimlere daha uygun mahiyette örgütlenebildiklerini, ayrıca değişimlere daha hızlı cevap verebildikleri sonucu çıkarılmıştır. Tüm bunlara ek olarak, uygun fiyatlandırma, ürün çeşitliliği, zaman kazandırması ve ulaşılabilirliği sanal örgütlerin sahip olduğu diğer stratejik avantajlar olarak değerlendirilmektedir.

Anahtar Kelimeler: Sanal Örgütler, Rekabetçilik, Strateji

ACKNOWLEDGMENTS

This thesis would not have been possible without the constant support and encouragement I received from my academic advisor Assoc. Prof. Kerim ÖZCAN. From the first vague proposal of this topic to the last sentence, he was always eager to entertain my ideas and help me. I sincerely thank him for his consistent efforts and true desire to keep me on track.

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CHAPTER I

1. INTRODUCTION

In their book, Davidow and Malone (1992) argued that the impact of the historic moments that caused radical changes in modern societies undoubtedly has an enormous influence on the transformation of human life. Humankind has faced four industrial revolutions since 18th century. The first revolution drew its strength from the power of steam engine; 'mechanical production' had started. Owing to the production capacity of machines, firms started to produce enormous volumes of products, namely mass production era had begun. In 1970's computerized technologies took the control of production systems. Now, in 21th century, the most important power of our generation is the ability of data processing. Each passing day, with computer and internet, today's steam engine; we are progressing way faster than we did during the industrial evolution and mass production era. Today, we can wear computers on our wrists which were, in 1945, sized to fit into a room.

These rapid changes in production technologies have affected not only our daily life but also our way of doing business. Today, people are connected each other via the internet with an unlimited access to information. The ease of information flow makes trading increasingly easy but it requires coping with a harsh competitive environment because it affects firms and as well as consumers' behavior. This competition is ongoing in terms of both price and customer satisfaction. Now, suppliers no longer survive unless they provide both quality and price. Along with developments in communication infrastructure, the necessity of physical existence is minimized and has forced organizations to switch from untraditional to a virtual structure in order to stay competitive. All these necessities have created a new type of organization: the virtual organization.

According to Ince (2007), despite many studies in the literature on the concept of virtual organizations, the concept was first introduced by Davidow and Malone. This literature,

including virtual collaboration, virtual company, virtual teams, virtual offices, virtual office, where the word starting with "virtual" refers to the different organizational forms.

On the other hand, despite the fact that İnce (2007), Akkırman (2004) and Kırel (2007) discussed organizational side of virtual organizations; Turkish literature has not paid attention to the competition side of this phenomenon. For this reason, this study, in the light of all the facts mentioned above, aims to investigate competitive strategy differences of virtual organizations in Turkey. The virtual transformation which we have experienced recently in the bookselling and publishing industry has created a suitable ground to analyze virtual booksellers in this paper. Hereby, we sought answers to following questions; are strategies of virtual organizations, to a large extend, different from than those of real organizations? What are their strengths and weaknesses? How do they take advantage of their strengths? How do they cope up with their weaknesses? Which opportunities do they see in the market? What do they see as a threat for the industry? And which strategies do they employ to stay competitive?

In this study, the methodology of the research relies on an inductive structure and exploratory design. Therefore, qualitative methods and secondary data analysis were employed. Since the nature of our inductive and explorative research design, semi-structured interviews were used to collect data by pursuing in-depth information and investigating interviewees' experiences with follow-up questions. Additionally, administrative data, newspaper or magazine interviews and market researches made by some firms were used for secondary data resources.

This work is built on five main chapters. The first chapter starts with an introduction to summarize the work. The second chapter focuses mainly on the theoretical side and literature of virtual organizations. The third chapter examines the concept of competitive advantage and its relation with virtual organization concept. In the fourth chapter, structure and results of the research on virtual bookstores in Turkey, are presented. Findings are analyzed and discussed to show the insight of competitive strategies of those virtual organizations. Last, in the conclusion, suggestions are voiced based on findings.

CHAPTER II

2. VIRTUAL ORGANIZATION

This chapter aims to examine all aspects of virtual organizations. Firstly, an appropriate meaning of the virtual organization will be seeking, because there is not yet a universal definition in the literature. Afterwards, historical development of organizations will be explained in order to understand how organizations evolved and reasons behind forming virtual organizations. Lastly, along with characteristics and types of virtual organizations, their advantages and disadvantages will be explored. At the end of chapter four, findings obtained in this chapter will be discussed with the results of field research.

To define the term 'Virtual Organization', the words it contains should be the first place to start. The Cambridge Dictionary (2016) defines the word 'virtual' as 'using computer images and sounds that make you think an imagined situation is real'. In their paper Introna and Petrakaki (2007) reveals that, in recent years high-technology industries has familiarized with the terms starting with "virtual" such as; 'virtual memory', 'virtual computer', 'virtual reality' and 'virtual space'. They also pointed out that these words starting with 'virtual' possess the ability to; "**(1)** Provide a way of making a computer act as if it holds more storage capacity than it really possesses (Bryne, 1993); or, **(2)** give users the illusion to exist at any time and any place needed (Davidow and Malone, 1992) or **(3)** create something that looks real in effect but not in fact (Sotto, 1996)." (p. 185).

The word 'organization' is derived from the Greek word *organon*, which means "organ". It is described as putting together in an order. Daft (2010), explains organizations as "social entities that are goal-directed, and designed with deliberately structured and coordinated activity systems and linked to the external environment". Organizations are made up of people and their relationships with one another. This definition also contains the

components that are essential to form an organization. These components are, **(1)** **"**being a social entity", **(2)** "having a goal to achieve", **(3)** "designed to be deliberately structured and coordinated activity systems", **(4)** "linked to the external environment". As Grimshaw and Kwok (1998) pointed out that, in most of the definitions of virtual organization, authors (Davidow and Malone 1992, Introna and Petrakaki 2007) focused on its speed and flexibility. When these definitions summed up, virtual organization can be defined as "a type of organization which uses collaborative working systems to create an environment where people can interact, pool skills and share information knowledge."

2.1.Historical Development of Organizations

The Industrial revolution is one of the most important milestones throughout human history after the agricultural era. Using the power of boiling water to produce a kinetic energy is a history of centuries, and t after invention of the steam engine by James Watt in 1781, steel production was increased enormously. It became cheaper to build many structures with steel rather than with wood, setting off an explosion in the construction of buildings, machinery, bridges and railroads. This new era has changed not only production but also the nature of living, and even our sense of time. Companies started to produce more, faster and cheaper. It prompted organizations to restructure themselves in order to meet the demand. Adam Smith, father of modern economics, advocated the idea of division of labor. Then, Henri Fayol proposed fourteen principles of management which were became as roots of modern management and organizational design (Davidow and Malone, 1992).

According to Daft (2010), earlier approaches in scientific management were focused mainly on increasing owner's prosperity. So, the organizations designed in respect with bureaucracy in order to increase labor productivity and organizational efficiency. However, in these approaches, social context and human needs were ignored. Labors were seen as a machine and they had to work under a high pressure along with a routine work. Then, Hawthorne Studies deeply affected all of these approaches by showing the relationship

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between productivity and motivation. The finding of these studies grounded for further works on motivation, job satisfaction, leadership, most importantly human resource management.

All these transformations have not changed one fact; organizations exist to achieve their goals.   This fact has been the most important factor for structuring organizations throughout time. Taylor, Fayol and Weber, early theorists of organizational structure, had put efficiency and effectiveness at the heart of organizations in mass production era. However, in 60's, some theories were suggesting that that the organizational structure is "an externally caused phenomenon, an outcome rather than an artifact" (Mohr, 1980).

Although, in 70s and early 80s, management studies and organizational designs laid on "hierarchical system and bureaucratic approaches that developed during the Industrial Revolution", in the late of 80's, due to increased competition and globalization, these approaches give their place to contemporary management studies (Daft, 2010).

The advent of computers and other technological advances enable companies to react changes in the market faster and more efficient. Moreover organizational structure development has become more dependent on the corporate strategies and behavior of the management and the workers as constrained by the power distribution between them, and influenced by their environment and the outcome. Flexibility and responsiveness, once a threat to efficiency, are now keys to competitiveness (Lim et al. 2010).

According to Mowshowitz (2002), the history of industrialization shows that harsh competitive environment always exist and the players of this environment, both sellers and customers want to maximize their utility by "getting more with paying less" behavior. At this point, virtual organizations' economic advantages enable companies to offer better products with cheaper prices.

In practice, it has been stated that the history of virtual organizations goes back more than we would assume because there were organizations that existed in virtual form such as hawker's trades. Similarly, a travelling salesman who has a home office is an early example of virtual organization. Besides, Massimo Menichetti may have been one of the first to

move away from a large, hierarchical organization when he changed the way business was done in the textile industry in Italy. He created this virtual organization in the early '70s, shortly after he inherited a large textile mill (Sahin, 2009). Today, all businesses are surrounded by virtual forms of organizations. Rather than spending their efforts on unrelated fields, virtual members of an organization focus only on their core competence. For instance, Alibaba.com, a Chinese company that provide business-to-business sales via web portals allows thousands of producers in China to focus on their production at which they are more efficient than marketing. Thus, both parties enjoy the benefits of virtual organizations. Certainly, continued advances in communications technology will increase these examples. The virtual organization now seems to represent a new corporate model to structure and revitalize organizations for the twenty-first century.

2.2. Characteristics of Virtual Organizations

In the literature none of the researchers arrive at a consensus on a single definition of virtual organization. However, there are some similar opinions about key features of virtual organizations. These are (Yingjun 2004; Goldman et al.1995; Davidow and Malone 1992; Mowshowitz 2002; Hanswerner 1996);

The reliance on core competencies: Prahalad and Hamel (1990) defined core competencies as "deep proficiency that enables company to provide unique value to its customers" for example, Honda Motor Company is specialized on producing any kind of engine, that is why, they can produce a large variety of product from grass mower to private jets that contains an engine. Partners of virtual organization contribute to the virtual organization with their own competencies. Leading parties or partners determine the necessary business processes. The combination of all core competencies creates excellence, synergy, and provides flexibility to meet any customer demand. Excellence is important because each partner brings its own competency. Each function and the operation should be the best in its class. A virtual organization is assumed to be world-class and excellent in its core competencies. A number of the virtual organizations contribute only what is regarded as its core competencies.

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Opportunism: A virtual organization has a high degree of adaptability. It is agile in its internal organizational structure, rules, and regulations. A virtual organization is an opportunity-pulled and opportunity-defined integration of core competencies distributed among a number of organizations (Goldman et al.1995).

Being independence of organizations' network: In the literature (Davidow and Malone, 1992, Mowshowitz, 2002), virtual organizations seem as network of organizations. An organizational network is described as cluster of organizations which are connected to each other with quasi − stationary relations, but independent in terms of their legal status. It is also indicated that virtual organizations are a temporary network of independent parties.

Low levels of hierarchy: Due to the upper and lower levels of the structure of virtual organizations, hierarchy is seen relatively low. However, it has been indicated that there is no hierarchy in virtual organizations because of the equality of partner organizations. This situation is explained by the structure of virtual organizations which is based on political and social equality and it also increases the efficiency and shortens the turnaround time to customers (Yingjun, 2004).

Discernibility of strategic and operational level activities: In order to reach organizational goals, this is called dynamism at the administrative level, and a clear distinction exists between financial or non-financial requirements. In this context, a distinction is made between strategic global management levels and local operational management levels. This makes it possible to cope with management difficulty problems (Yingjun, 2004).

Small-size partners: Small companies and / or departments of large firms: As mentioned before, the partners only bring their own core competencies, which usually do not mean the whole company. Besides, to capture opportunities it is necessary to be flexible and able to move quickly. Only the small-size partners and departments of large firms can achieve this. Big companies are often slow on innovations that are necessary in order to capture opportunities and decision-making (Hanswerner, 1996).

Fuzzy boundaries: Virtual organizations are redefining the traditional boundaries of the organization. The collaboration between competitors, customers, suppliers, designers and so on makes it difficult to determine where a partner organization begins and where the other ends (Hanswerner, 1996).

Quasi-stationary relations: The relationships between virtual organizations and its partners are informal and temporary. These relationships are formed as strategic alliances which require a trust and dependency among the partners; but they may still live without each other (Davidow and Malone, 1992).

Mutual trust: In virtual organizations the fate of each partner depends on the fate of the other partners. Quasi-stationary relations (informal and temporary) and shared risks make partners more dependent on each other. Moreover, there must be a high level of trust among partners because of shared information and knowledge about themselves (Hanswerner, 1996).

Shared Risks: Virtual organizations respond to opportunities in the marketplace. As the projections about markets grow, risk appetite increases. These risks should be shared by all partners in virtual organizations (Mowshowitz, 2002).

Shared ownership: In virtual organizations each partner has its own interest. Therefore, there is a benefit existing for each partner as well as the virtual organization itself. It must be taken into account that when one of the partners reach their goals or fail to reach it , it can leave the virtual organization (Mowshowitz, 2002).

Shared leadership: Leadership sharing means each partner controls their resources themselves. But this meaning does not include that the control of all the resources of the virtual organization will be made automatically. There must be a body for overall control (Mowshowitz, 2002).

Shared Loyalty: Members are the people who determine the success of the virtual organization. Members of each partner must define themselves as a member of both virtual organization and their own organization. Organizational culture is directly connected with loyalty among employees (Mowshowitz, 2002).

Dynamic network: **A** virtual organization is a dynamic network of organizations engaged in cooperation. Organizations can move in and out whenever they want to on the network as long as they keep the mutual trust safe (Davidow and Malone, 1992).

Innovation: Sensitiveness against the shifts on the market is vital for virtual organizations. New products or services are required in order to respond to these shifts adequately. This is not only technical but also includes cultural innovations. Innovation is directly linked to the size of mass customization and organizational learning (Davidow and Malone, 1992).

Geographical dispersion: One of the notable characteristic of the virtual organization is its geographically dispersed structure. But this dispersion requires an advance information technology in order to build up efficient communication among bodies of virtual organization (Virtual Organization, 2016).

Balance of powers: Equity of partners against core partners: The high levels of dependency among partner organizations are transformed into equal relations. Control culture is replaced by the information sharing culture. In contrast, a distinction is made between common core with and without virtual organizations because core partners, which are almost, like leaders in virtual organizations. Other partners have to be compatible with them (Goldman et al.1995).

Overlap of tasks: partial or complete: About this issue, two types of virtual organizations are revealed. The first one is those who are experiencing partial overlapping tasks; in these virtual organizations each partner carries out their own business activities along with activities assigned by virtual organization. The second one is those who are experiencing complete overlapping tasks. Partners of these virtual organizations are involved only in activities within the virtual organization (Goldman et al.1995).

2.3. Types of Virtual Organization Structures

In the literature, there are numerous definitions for Virtual Organizations. In the light of these definitions, Burn and Barnett (1999) classified virtual organization under six models according to their response to the communication and transaction needs within a given nexus of market forces and opportunities.

2.3.1. Virtual Faces Model

Burn and Barnett (1999), reveals virtual faces model as "cyberspace incarnations of an existing non-virtual organization". Means that, these organizations are actually real organizations but, at the same time, they have a web-site which is operating as a different company. The parent and virtual company may have same identity, using same communication channels, using same supply chain. "There is obviously an extremely tight link between the virtual face (**see Figure 1**) and the parent organization." As it is stated in Chapter 4 virtual booksellers in Turkey widely have characteristics of this model.

Figure 1 Virtual Faces Model

Source: Burn, J. and Barnett, M. (1999). Communicating for Advantage in the Virtual Organization. IEEE Transactions on Professional Communication

2.3.2. Co-alliance models

In these models, partners come together and form a consortium. Each partner brings "approximately equal amounts of commitment to the virtual organization". These alliances are generally short-term (project base) in order to meet an existing opportunity in the market. Mutual trust among members is created by contracts. "This organizational form is

not new, but its attractiveness as a virtual model is a consequence of the benefits flowing from low friction communications in real time and the ease with which such structures can be assembled and restructured." The ease of forming and performing these alliances serves the purpose of achieving companies' goals (Burn and Barnett, 1999).
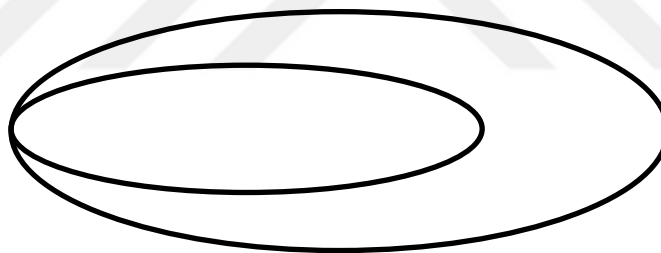
Figure 2 Co-Alliance Model

Source: Burn, J. and Barnett, M. (1999). Communicating for Advantage in the Virtual Organization. IEEE Transactions on Professional Communication

2.3.3. Star-alliance models

"Star-alliance models (**see Fig. 3**) are coordinated networks of interconnected members reflecting a core surrounded by satellite organizations." In these alliances, companies in a same industry come together around a star or a leader company. The leading company is generally more reputable than satellite parties so that, satellites can be easily substituted if any problem occurs. While sellers, suppliers, service provider etc. from all over the world use leading company's brand power, marketing services, customer relations, they focus on their core competencies (Burn and Barnett, 1999).

Figure 3 Star Alliance Model

Source: Burn, J. and Barnett, M. (1999). Communicating for Advantage in the Virtual Organization. IEEE Transactions on Professional Communication

2.3.4. Value-alliance Models

"Value-alliance models bring together a range of products, services, and facilities in one package and are based on the value or supply chain model." Turn-key type projects are the best suited situations for these models. The general contractor brings best companies from different fields together without any requirement of investment on a particular business filed (Burn and Barnett, 1999).
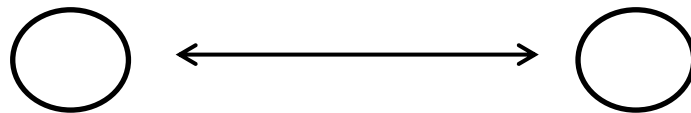

Figure 4 Value Alliance Model

Source: Burn, J. and Barnett, M. (1999). Communicating for Advantage in the Virtual Organization. IEEE Transactions on Professional Communication

2.3.5. Market alliance Models

"Market alliances (**see Fig. 5**) are formed by the organizations that exist in cyberspace." These member organizations bring a wide range of products, services together. "Amazon, one of the online shopping giant website across the world, is a prime example of a market-alliance model where substitutability of links is very high". Similarly, in other forms of alliances, these models also require mutual trust and fast responsiveness (Burn and Barnett, 1999).
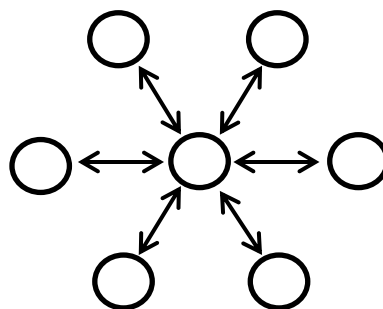
Figure 5 Market Alliances

Source: Burn, J. and Barnett, M. (1999). Communicating for Advantage in the Virtual Organization. IEEE Transactions on Professional Communication

2.3.6. Virtual Broker Model

Virtual brokers (**see Fig. 6**) act as a parent company to create a virtual network for member organizations, enabling them enjoy a specific opportunity in the market. Burn and Barnett (1999) reveals that owing to flexibility advantage of virtual organizations, these strategic opportunities are suitable for forming a virtual structure around business information services with third part value added suppliers and when opportunities run out of the market virtual alliance can easily be dissolute. Online auctions on E-Bay and other forms of auction enterprises are the best examples for this model (Burn and Barnett, 1999)
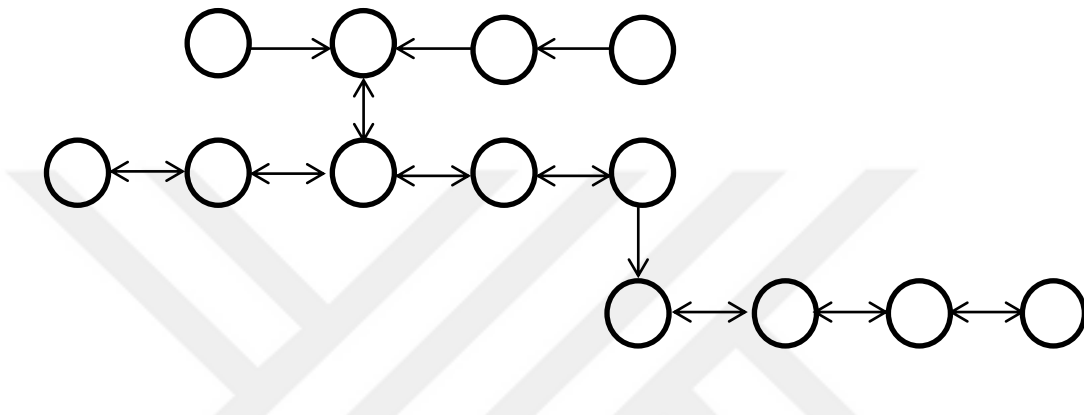

Figure 6 Virtual Brokers Model

Source: Burn, J. and Barnett, M. (1999). Communicating for Advantage in the Virtual Organization. IEEE Transactions on Professional Communication

These six models are not exclusive but are intended to serve as a way of classifying the diversity of forms which an electronic business model may assume." **Figure 7** illustrates the relationship between strength of organizational links, substitutability and the degree of virtuality of members in these models. In virtual organizations low level of organizational linkages increases substitutability of each member. These may seem as a negative way but, in some extend, it enables them to be more flexible. On the other hand, these linkages are essential in order to create a "shared culture", "synchronicity of work", and "shared risk".

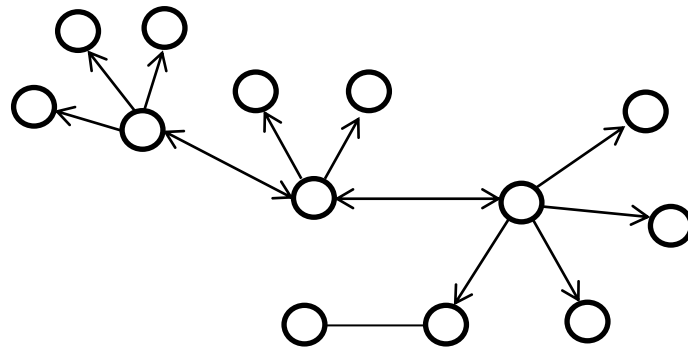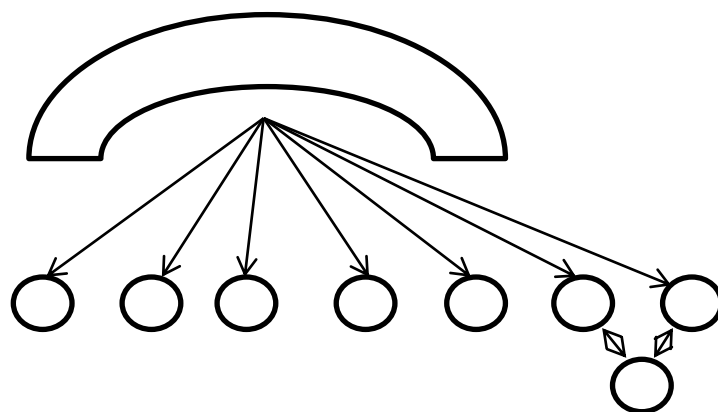**Autonomy/Substitutability of virtual links**
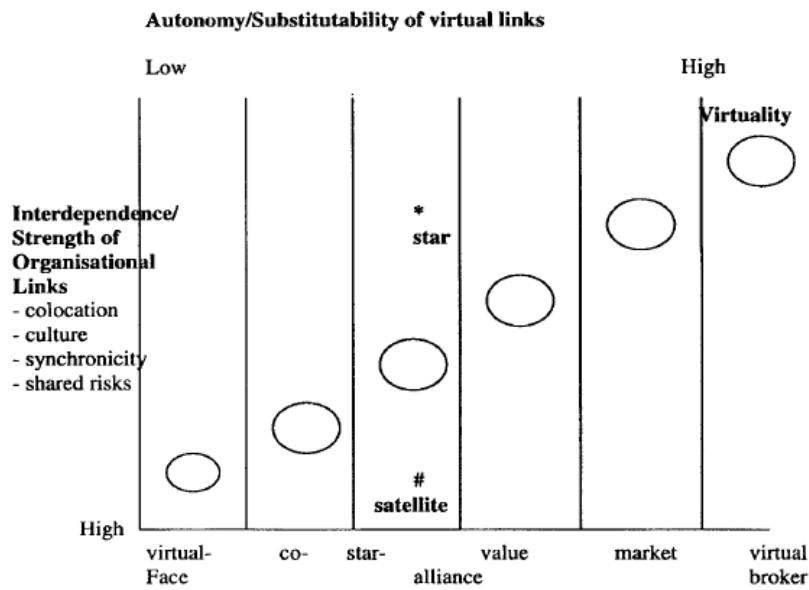

Figure 7 Virtual Organization Models
Source: Burn, J.   and   Barnett, M. (1999). Communicating for Advantage in the Virtual Organization. IEEE Transactions on Professional Communication

2.4. Advantages of Virtual Organizations

The virtual organizations offer many advantages to firms in order to achieve their goals and they can be used as a strategic tool to gain a competitive advantage in the market. The general advantages of virtual organizations are as follows:

*Physical dispersal***:** The structure of virtual organization allows people to work anywhere and at any time regardless of physical place or boundaries. Thanks to this structure, virtual organizations are able to hire best qualified employees in all over the world (Virtual Organization, 2016).

Flexibility, adoptability and speed: The low level of bureaucracy and flow of information within the organization makes virtual organization more flexible, adaptable and faster to respond to customer demands and competitive challenges in the market by reducing time for product and service development with lower costs (Goldman et al. 1995).

Partnering with the best firms in the market: Selected partners bring their experience and core competencies into virtual organizations. Specialized workforce will add value and create a synergy, so the performance of virtual organization after this partnership will be more than the performance of each partner. It enables virtual organization to be more effective and efficient. Furthermore, as the core competencies become more and more diversified, the virtual organization will secure its competitive position in the market (Goldman et al. 1995).

Cost reduction: Just as all risks are shared, any kind of cost is shared by partners in virtual organization. This provides a significant contribution to organizations from the financial point of view and there is no fixed cost such as; rent, maintenance costs etc. (Ince, 2007).

Talented and motivated employees: Virtual organization provides opportunities of holding talented and motivated employees without time and space limits (Ince, 2007). It enables virtual organizations to hire talented employees in all over the world without a time and space limits.

2.5. Disadvantages of Virtual Organizations

While there are benefits of virtual organization intended to be utilized, there are also side-effects of these benefits and they must be considered when forming a virtual organization.

Organizational identification and culture: In virtual organizations, due to distance working and geographical dispersion the organizational commitment among virtual employees is lower than network organizations. Just as happens in virtual organizations, when the line between employee and organization blurs, there are the risk of losing organizational identification. Knowledge of serving in achievement of a specific organizational goal keeps employees motivated. In traditional organizations, such knowledge is reminded each employee everyday by artifacts and other corporate cultures. But, in virtual organizations it is difficult to facilitate such feeling to belong a whole organization (Wiesenfeld et al. 2000).

Lack of trust and organizational control mechanisms: Mutual trust is an essential factor for doing business in modern world. This is not only about money but also meeting the expectations of customers in the right time and place. In virtual organizations, physical non-existence may perceive as a danger among member and leader organizations. In order to avoid this problem member organizations generally form a contract-base relations. According to Mayer-Guell (2001);

> A widely-accepted opinion between industry observers and academic authors is that there must be a partly physical interaction and effective support mechanism among partners in virtual organization in order to avoid the negative effects of the isolated working environment and high stress level. Adjunct to this concern is Handy's (1995) caution that lack of trust may become a self-fulfilling prophecy since individuals who feel that they are not trusted may see no reason to behave in a trustworthy manner. Management's challenging task is striking a balance between an appropriately 'tight' or 'loose' structure, which is conducive for self-governance yet still, satisfies the innate human desire for affiliation and identification. There is a potential for loss of individual knowledge because member firms must disclose much more about their business practices than in typical partnership relationships. Member

firms must give up control over parts of their businesses as they outsource various functions to other members of the virtual organization. In the new economy, it is harder to control one's environment and therefore, each organization is faced with increased risks and a greater need for trust (pp. 648-649).

As it is stated above by Mayer-Guell (2001), due to unphysical existence or infrastructure, and linking individuals on a network weakens virtual organizations to orient their employees to a common purpose (Ondari-Okemwa, 2002). When these difficulties combined with non-face to face interaction among employees, it will be even hard to resolve conflicts and misunderstandings. "As such, they need to be able to understand and respect cultural differences in order to easily collaborate with individuals from different backgrounds" (Shin, 2004).

CHAPTER III

3. COMPETITIVE STRATEGY

This chapter aims to summarize competitive strategies and tools that can be used by virtual organizations in order to gain competitive advantage against their rivals. While doing that, external and internal factors affecting strategy choices of virtual organizations will be examined in the light of information given in previous chapter. The chapter begins with the definitions of related terminology, and then the insights of strategies for gaining competitive advantage are given. Finally, the relation between virtual organizations and competitive advantage is discussed. At the end of chapter four, theoretical findings derived in this chapter will be discussed with the results of field research.

3.1. What Is Strategy?

One of the (living) management gurus in the world, Michael E. Porter, focuses mainly on answering the question "what strategy is not?" rather than defining strategy by itself in his works. If we ask the top executives of companies to define strategy, we will get tens of different answers because it is commonly mistaking for operational effectiveness and goals.

Michael Porter (1998) defines Operational effectiveness as "performing similar activities better than that of rivals." He also highlighted that "operational effectiveness includes, but is not limited to, efficiency". It is about utilizing inputs and performing better than your rivals. But "strategy is about thinking how we can be unique" in order to have a non-easily duplicable competitive advantage instead of doing things better.

According to Mintzberg et al. (1998), another (living) guru in the field of management, strategy emerges as a combination of patterns from the past or anything intended to be done in the future and he categorized strategy into its five common usages, each of them begins with 'P'. These are; plan, ploy, pattern, position and perspective. He argued that

strategy must be used as a **P**lan to define the purpose and determined when and which resources will be used to accomplish this purpose. Strategy as a **P**loy, send messages to confuse rivals and discourage them. Strategy as a **P**attern, strategies does not come up at once, they may reflect past learning. Strategy as a **P**osition, position the firm in the market in order to fit its competencies with the environment. Lastly, strategy as a **P**erspective is about how the firm sees, perceives and interprets market signals and generates a perspective to respond them.

3.2.What Is Business Competition?

The origin of the word "competition" is Latin and it means "battle, combat, struggle" (Latdict, 2016). In the science of economics, competition has become a popular field of research but it also appears in every part of life. However, due to our subject, it will be restricted to economic life in this work. Competition means a condition in a market in which companies or sellers individually try to get the patronage of consumers for gaining a specific business purpose, such as profitability, market shares, sales, and so on. Competition is frequently considered equal with rivalry (Ağgez, 2013). Competitive rivalry can happen between two companies or many companies (OECD, 1990).

As a conclusion, competition is a situation in a market where more than one firms strive independently for the purpose of gaining long-term value for themselves by offering value for consumers in a market in which there are certain rules, restrictions and not any discrimination. Firms are not only affected by the competition of competitors in the same sector but also affected by the competition of the other firms with whom they cooperate in the different sectors. To stay in a market, companies should be different from others. They achieve this purpose only by having more economical prices, better products and also with better innovations. The effects of competition are not seen only on prices but also technologies and investments (Ağgez, 2013).

3.3. What Is Competitive Strategy and Advantage

In his book Porter (1980) defines competitive strategy as the "formulation of being unique from other firms." Just as companies cannot be exist without their environment, competition arises with company's rivals. Porter's above mentioned definition has an economist's point of view. Porter actually reveals that competitive advantage is not "a weapon for beating the others". It is about creating value, and doing things differently but not easily duplicable by the rivals. Finally, it is gaining and sustaining profit above the industry average (Magretta, 2012).

Business strategies cannot be achieved without a sustainable competitive advantage. At this point, competitive forces that shape rivalry among the industry force companies to spent much effort defending and securing their position. Companies can employ different strategies which are generated to cope up with competitive challenges, including price-quality orientations, low cost leadership, and offensive-defensive movements and so on. The crucial point is creating a perception of "superior value"-either a good product at a low price or a "better" product that is worth paying more for (Porter, 1980). For half than a century, there are numerous theories made about this issue in order to take managers' attention. The most cited theories are given in the next section.

3.3.4. Porter's Competitive Strategies

Described by Thinkers50, biennial ranking of the world's most influential management thinkers, "the father of modern business strategy", Porter, an expert on strategy and competitiveness, is regarded as the leading authority in the field of management strategy (The Thinkers50 Ranking, 2015). Porter has unique contributions to the competition literature. His business strategy is grounded on "value creation" which is a very simple and clear theory. His engineering, business and economics background allows him to take the whole picture of both industry and firm levels with a problem solving orientation. Finally, his broad research scope allows him to meet the changing demands of social needs (Cho and Moon, 2013).

Porter's theories on competitive strategy can be divided in to two, industry and firm levels. As it is mentioned above competition takes place in an environment so it is the first place to start setting and implementing strategies. Five forces analysis explains different forces that shape profitability of the industry. The second level deals with "company's relative position within its industry." In a harsh competitive environment, company must analyze its position within the industry and decide how to create value different than its rivals (Magretta, 2012).

Five Forces Analysis

As it is mentioned above, competition takes place in an environment. Every company performs in its industry and cannot live without it. A competitive strategy cannot be achieved without understanding industry dynamics. When formulating a competitive strategy, five forces analysis is the place to start (Magretta, 2012). Porter (1980) argues the strong influence of industry structure on determining competitive rules and strategy. He believe that the forces that shape the industry affects all the firms and the only way coping up with them is differentiation.
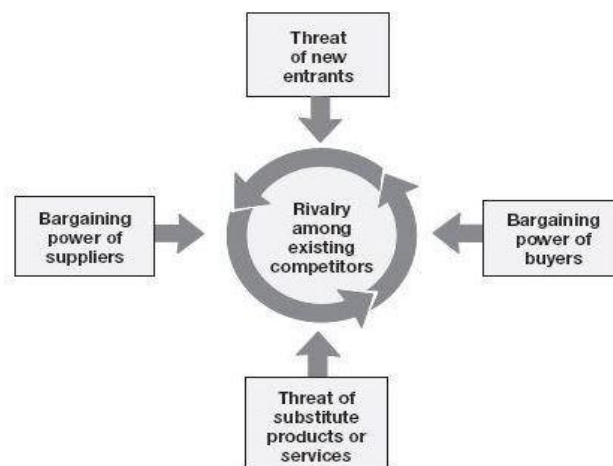
Figure 8 Five Competitive Forces

Source: Michael E. Porter, "The Five Competitive Forces That Shape Strategy," Harvard *Business Review*, January 2008.

These five forces try to identify competition intensity and its attractiveness within a given industry. They directly affect prices, costs and most importantly profitability. **Table 1** shows how each force works.

Table 1 How Forces Work

The Force	Impact	Why
If Threat of Entry	↑ Profitability ↓	Because Price ↑ Cost ↓
If Supplier Power	↑ Profitability ↓	Because Cost ↓
If Buyer Power	↑ Profitability ↓	Because Price ↑ Cost ↓
If Substitutes	↑ Profitability ↓	Because Price ↑ Cost ↓
If Rivalry	↑ Profitability ↓	Because Price ↑ Cost ↓

Source: Joan Magretta (2012) "Understanding Michael Porter: An Essential Guide to Competition and Strategy." Boston, Harvard Business Press

3.3.5. Porter's Generic Competitive Strategies

Contrary to the five competitive forces which are mainly focus on the industry-side of competition, generic competitive strategies deal with firm-side dynamics for gaining and sustaining competitive advantage. Porter (1980) assumes that in order to cope with five forces in an industry, firms can use generic strategies. His approach falls into three sub-categories:

Overall Cost Leadership

This strategy aims to reduce costs by increasing operational efficiency. Before all, the low-cost leadership strategy is low-risky strategy. A low cost position means a company can achieve higher profits than competitors because of its efficiency and lower operating costs (Daft, 2010). Having a low-cost position yields the firm above-average returns in its industry despite the presence of strong competitive forces. According to Porter (1980), low

cost position protects company against rivalry among competitors. It allows company to still earn returns diminished profits after compete with rivals. It also protects the company against bargaining power of buyers. He argues that the factors that affect selecting low cost leadership strategy also create an entry barrier to the market by economies of scale and cost advantages. "A low-cost position usually places the firm in a favorable position vis-à-vis substitutes relative to its competitors in the industry." Additionally, if a low cost leadership achieved, it will return as profit in high margins because when the less efficient players in the market eliminates, there will be enough space left for the firms to get higher profits by maintaining efficiency and cost leadership (Porter, 1980).

Differentiation

Porter's second generic strategy is one of differentiating the product or service offering of the firm. It is about creating its product and services with a unique perception. It can be achieved with differentiating in design or brand image, technology, features, customer service, dealer network or other dimensions. These strategies can be combined with others. But differentiating strategy requires costly activities, particularly need of high budgets for research and development, design and advertisement. The best example of this strategy would be Apple, a high-tech company. Apple's differentiation in quality and brand image creates value perception on their customer and it becomes their best competitive advantage. On the other hand, "companies that pursue a differentiation strategy need strong marketing abilities and creative employees who are given the time and resources to seek innovations" (Daft, 2010). Strategy can defeat a differentiation strategy when buyers are satisfied with a standard product and don't think "extra" attributes are worth a higher price (Porter, 1980).

Focus

"The final generic strategy is focusing on a particular buyer group, segment of the product line, or geographic market; as with differentiation, focus may take many forms". While previous two generic strategies serves industry-wide, focus strategy grounded a narrow perspective by being more effective and efficient (Porter, 1980).

As a result, the firm achieves either differentiation from better meeting the needs of the particular target, or lower costs in serving this target, or both. Even though the focus strategy does not achieve low cost or differentiation from the perspective of the market as a whole, it does achieve one or both of these positions vis-à-vis its narrow market target (Porter, 1980).

The difference among the three generic strategies is illustrated in **Table 2.**

Table 2 Porter's Generic Strategies

	STRATEGIC ADVANTAGE	
	Uniqueness Perceived by the Customer	Low Cost Position
Industrywide	DIFFERENTATION	OVERALL COST LEADERSHIP
	STUCK IN THE MIDDLE	
Particular Segment Only	FOCUS	

(STRATEGIC TARGET is the vertical axis label)

In general, companies employ the combination of these generic strategies. In this analyze which will be mentioned in the last chapter, combination of both differentiation and overall cost leadership strategy is suggested for virtual booksellers in Turkey. An important point is that a firm must be careful to not lose its orientation when implementing more than one strategy; this situation is called as "stuck in the middle" and illustrated in Table 2.

3.3.6. Mintzberg's Generic Competitive Strategies

Another most influential theorist, Henry Mintzberg has deeply contributed to the study and use of competitive strategies. Mintzberg's generated his strategies as a contrast to Porter and they became an alternative typology. Particularly, Mintzberg put into consideration the fact that it is possible plans can fail but, responding to this fails matters. For this reason, he categorized strategy into two; emergent and deliberate (**see figure 9**).
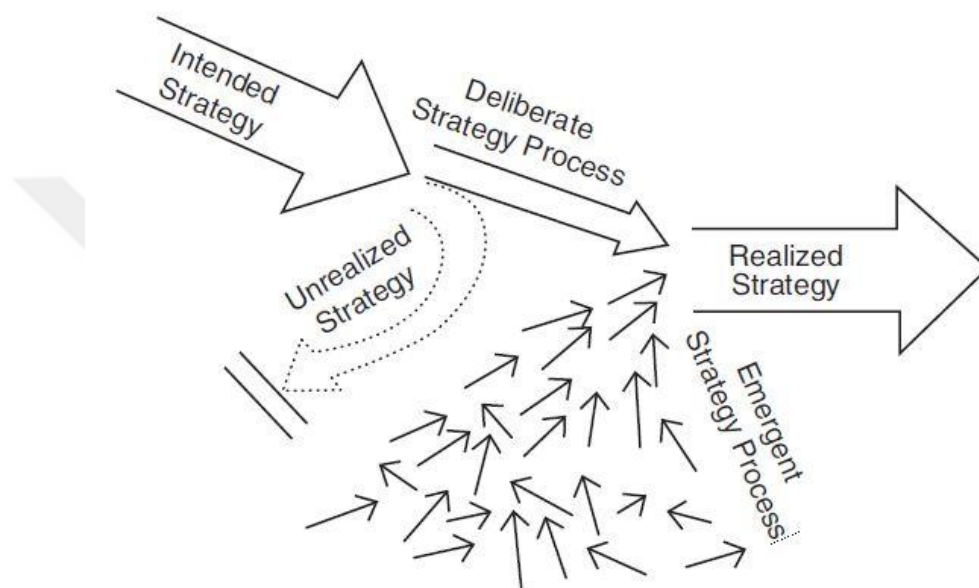
Figure 9 Forms of Strategies

Source: Mintzberg, Henry (2007). Tracking Strategies: Toward a General Theory. New York, Oxford University Press.

Mintzberg (2007) reveals that strategies cannot be pre-determined. A firm can intent some strategies, in implementation phase unrealized strategies can be put aside and continue the process of deliberating strategies. On this process some other strategies called, emergent can come into game. Finally, after all these processes realized strategies will be ready for implementation. Mintzberg also suggested an alternative typology to Porter's generic strategies. He begins by distinguishing focus from differentiation and cost leadership and argues that a focus strategy defines the scope of a market domain based on resource-base, whereas Porter's other two generic strategies reflect how a firm competes in that market

domain. Further he argues that cost leadership, based on cost minimization, does not provide an advantage by itself; it has to result in below average market prices to be a competitive advantage. Thus, he labels cost leadership strategy as differentiation by price (KothaandVadlamani, 1995). Differentiation, according to Mintzberg, can be achieved on the basis of following strategies (Cole, 1997):

- *Price differentiation,* i.e. simply charging less than the competitors,
- *Image differentiation,* i.e. lending an image to product, but without changing its basic performance,
- *Support differentiation,* i.e. providing extra services after the sale,
- *Quality differentiation*, i.e. producing a better product (such as more reliable, superior performance, etc.)
- *Design differentiation*, i.e. offering a product that is truly different,
- *Undifferentiated strategy,* i.e. a deliberate strategy of imitating the competition with no attempt at differentiation.

Scope strategies, according to Mintzberg, are essential demand-driven (in contrast to differentiation strategies, which are supply-driven) and include the following (Cole, 1997):

- *Un-segmentation strategy,* i.e. attempting to 'capture a wide chunk of the market with a basic configuration of the product.
- *Segmentation strategies,* i.e. deliberately aiming to reach specific market segments or groups of segments; this is most popular choice for most businesses.
- *Niche strategy,* i.e. focusing exclusively on a single segment of the market
- *Customizing strategies*, i.e. even more closely focused than a niche strategy, in that an individual customer becomes the segment. Mintzberg distinguishes between *pure customization,* i.e. where a product or service is created especially for a customer, and *tailored customization,* where a basic product is modified to meet the requirements of an individual. There is also standardized customization, where a customer may choose a particular product configuration from a standard range.

3.3.7. Taxonomy of Competitive Strategies

Having identified and analyzed its competitors, a company will decide on a competitive strategy to employ. Michael Porter (1980) classified competitive strategies into three; these strategies are offensive, defensive and vertical integration strategies. A variety of offensive strategic moves can be used to secure a competitive advantage. Strategic offensives can be aimed at competitors' strengths or weaknesses; they can involve end-runs or grand offensives; they can be designed as guerrilla actions or as preemptive strikes; and the target of the offensive can be a market leader, a runner-up firm, or the smallest and/or weakest firms in the industry. Defensive strategies can be used to protect a company's current position, it can: **(1)** make moves that fortify its current position, **(2)** present competitors with a moving target to avoid "out-of-date" vulnerability; and **(3)** dissuade rivals from even trying to attack. Vertical integration forward or backward makes strategic sense if it strengthens a company's position via either cost reduction or enhanced product differentiation. Porter described these strategies to cope successfully with the five competitive forces and thereby yield a superior return on investment for the firm.

Kotler et al. (2009) go a step further from Porter's strategy classification. To gain further insight into competitive behavior by classifying firms by the roles they play in the target market as leader, challenger, follower or nicher. Suppose a market is occupied by the firms of the total 40 per cent market, is in the hands of a market leader; another 30 per cent is in the hands of a market challenger; another 20 per cent is in the hands of a market follower. The 10 per cent is in the hands of market nichers, firms that serve small market segments not being served by larger firms. But in many industries, there is more than one firm who are identified as "market leader" and they are generally holding the largest market share which allows them to dominate the industry. At this point, these leader firms are faced three challenges which they are obligated to first, expanding total market demand in order to get more market share second, protecting the existed market share by employing defensive and offensive strategies lastly, "the firm can try to increase its market share, even if market size remains constant." About other firms ranked second, third and lower, they are called as 'Market Challengers and Followers', can either attack aggressively the leader and other competitors to get more market share or they can stay peaceful as market

followers. But, most of them focus on gaining more market share by attacking rivals particularly leader firms of the market. Herein, aggressive firms must decide whom to attack "**(1)** It can attack the market leader, **(2)** It can attack firms of its own size that are not doing the job and are underfinanced or **(3)** It can attack small local and regional firms." (Kotler et al. 2009).

In this paper, it is founded that bookselling industry in Turkey has the same characteristics in terms of market share of firms and competitive strategies which are employed. As it is pointed out that by Kotler et al. (2009), strategies of market challengers and leaders cannot be successful unless they combine several strategies to improve their position

As a third theory, the strategic typology (i.e. defenders, prospectors, analyzers and reactors) offered by Miles et al. (1978) also suggests that different strategic approaches are displayed by organizations within the same industry. The companies which apply defensive strategies, called "Defenders" are likely to engage "little or no new product/markets by maintaining their niches and competing on price, quality or delivery. Prospector firms generally look over to find new opportunities and pioneering. Analyzers can be placed between Defenders and Prospectors, because they more likely to make fewer changes but less committed to stability. Lastly, Reactors have instabilities in strategy, technology, structure and process. Miles et al. strategic typology theory has similarities with Kotler's Market Leader, Follower, Challenger or Nicher classification.

In this analysis a combination of both theories will be used in Chapter 4. While analyzed firms will be classified as Kotler's Market Leader, Follower, Challenger or Nicher, their competitive strategies will be collected under Porter's Offensive, Defensive strategies but at the end of thematic analysis unclassified strategies will be collected into a third strategy, named Other Strategies (**see Table 10**).

On the other hand, virtual organizations do not only compete with their virtual rivals, but also physical ones as well. In this respect, virtual bookstores employ their competitive advantages mentioned above to generate competitive strategies against physical bookstores.

3.4.Virtual Organizations and Competitive Advantage

During the era of mass-production-based competition the center of adding commercial value lay in manufacturing products. The term production and manufacturing were, in fact, effectively synonymous. Similarly, a product meant something physical, a piece of hardware that did something. Services were different kinds of things because they were personal and intangible, and so were placed in a category of their own. Information was not, even by extension, a product; it was a raw material used by providers of services in the course of doing their work. A sign of the transition to a new era of competition is the widespread recognition that production has   much greater scope than manufacturing and that services and packaged information are also products, in spite of their intangibility. Today production means everything it takes (Goldman et al. 1995). These changes along with improvement in information technologies also shift consumer preferences. In this new era competition has become more and more destructive in every field including cost, price, quality, time etc. therefore it requires major changes in organizations. At this stage virtuality is a possible solution for creating and sustaining a competitive advantage. In the real world, even if they are not embodied, we can observe virtual organizations in almost every industry. They use computerized information structures that allow them to form geographically dispersed and vertical business ventures.

According to Goldman et al. (1995) a virtual organizational structure is an opportunistic alliance of core competencies distributed among a number of distinct operating entities within a single large company or among a group of independent companies. There are six reasons for creating a virtual company, and all of them are strategic; that is, there are six strategic considerations that bear on the decision to adopt a virtual organization approach to a project instead of a more traditional collaborative approach, such as partnership or joint venture. These considerations are: (1) The value of sharing costly operations such as risk, infrastructure, Research and Development costs and cost of resources. (2) Linking complementary core competencies in order to be unique by leveraging the best ones' capabilities. (3) Ability to operate in parallel and performing many tasks together.

(4) Increasing facilities and apparent size in order to compete against bigger rivals. (5) Gaining access to markets and sharing market or customer loyalty. (6) Adding more value to product and services offered.

Virtual organization opportunities provide an occasion for a company to consider moving to value-based pricing. The underlying assumption is that charging a customer a percentage of value provided is a natural extension of providing customized products and that customers will respond appropriately by attributing greater value to the product. A corollary is true: A customer who gets little value from a product or service pays correspondingly less for value-based product or services. In practice, firms employ competitive strategies in order to gain and sustain the competitive advantage that they have. These strategies are classified in the next section.

3.4.4. Competitive Advantages of Virtual bookstores against Physical Bookstores

Retailing, in some respect, is so simple. It only about knows what customers will need at a price they are willing to pay and at the exact time they want to buy. From this sentence, it is clear that retailing has three elements. The first element is information about the market. The second is setting a price and lastly the supply chain.

Owing to the many advantages of the internet, organizations transform themselves in order to be more competitive in the market. Undoubtedly the book retail sector is one of the best examples. Amazon, the first virtual bookseller, in 1995, started to sell books online. Offering tens of times more book title than a regular bookstore without keeping any inventory. Moreover, consumers can also reach a variety of books without stepping in a physical bookstore. Surely it was a creative business strategy. Brynjolfsson et al. (2003), indicates that the increased product variety of virtual bookstores enhanced consumer welfare by $731 million to $1.03 billion in the year 2000, which is between 7 and 10 times as large as the consumer welfare gain from increased competition and lower prices in this market.

Rapid increase in the use of the internet has transformed not only the nature of firms but also buying habits of customers. Actually, it has created new market segmentation, modern customers, which must be taken into consideration more seriously when deciding on focusing strategies. These customers have different shopping habits than regular customers. They expect more quality products and services with less prices and a wide product range. Moreover, these customers are not as loyal as others. They are simultaneously aware of price differences in the market so their decisions can shift very easily. Chasing these customers is really a big challenge for organizations. So they have to find new ways to create customer loyalty.

In this respect, virtual bookstores may have more advantageous than physical stores. They can use countlessly more channels to reach customers by advertising, using social media and smartphone applications. Just like all other ways of selling goods, when it becomes online advertising, everything becomes totally different than regular ways. The most popular ways of advertising on the internet are to use search engine optimizations to be ranked at the top of the search page, web banners, e-mails, social media platforms. In recent years all of these varieties of advertisements become a new subject of expertise.

Today, most of the consumers do not make long term plans for shopping. Moreover, books are not such products which we have to make long term shopping plans about. So that, virtual bookstores must create instant impulses by providing incentives such as, direct discounts, free shipping or virtual book fairs etc.

On the other hand, online shopping has a handicap, a lack of trust among buyers and sellers. This problem has two sides. The first is about customer records and payment; sellers must secure their customers' information and payment methods. To avoid these risks, banks use 3D secure payment methods or different payment methods such as Paypal. Other problem is about the product itself. Fortunately, in most of the countries buyers and sellers are protected by laws. But, most of the sellers have their own policies to protect sellers and buyers. For example, in Amazon if customers do not get the book after 30 days they ordered, they will have it for free; such policies are important because they create brand loyalty.

According to Porter (1980), explained previously, in a highly competitive market, like retail bookselling, firms must adopt cost leadership strategies because in such market conditions, price competition can be fierce and destructive. So that, to be more competitive virtual bookstores must be more efficient in their operations. A virtual organization, from a broader perspective, brings competitive strategies together for being more competitive. Operational efficiency is its main advantage and strategy. Focusing on core competencies allows companies to improve their operations continuously. Operations in the retail sector have some important elements that play a crucial role for being more competitive and must be taken into consideration.

Operational efficiency basically is minimizing the transaction cost spent by the firm from the buying to selling time of the goods and services. Virtual bookstores are more advantageous than physical bookstores because they work with nearly no inventory, labor cost, and fixed costs. In the supply chain process, relying on others may be perceived as being weak but, working with the best companies will definitely be a competitive advantage for virtual bookstore. A virtual bookstore is open 7 days 24 hours with no fixed property cost and labor except the maintenance costs of a web-site. In terms of inventory, they offer unlimited numbers of books with almost no costs. For example, thanks to their virtual face enabling them to provide an easy access, Amazon.com and Barnesandnoble.com are able to supply 2.3 million while physical are able to supply only 40,000 and 100,000 titles on their stores (Brynjolfsson et al. 2003). When the average turnover rate of a book is considered, which is ranged six month to a year to sell a physical book, fixed costs of keeping a huge volume of stock may not make sense in comparison to keep a few copies (Hansell, 2002). In virtual booksellers, it is founded in this paper that they keep only best sellers in high volumes. But when a virtual bookstore keeps no inventories must have reliable suppliers and shipping contractors. In most of the virtual retailers' web-site, suppliers have their own stores and customers share reviews about their shopping experience. If the customers are not satisfied suppliers will be ranked below others and their sales volume will be affected.

Just as rapid developments in internet technologies have transformed organizations and customers' buying habits; it also allows bookstores to vary the goods and services they offer. The best example is Kindle of amazon.com, e-book reader device. Nowadays e-books and e-book readers are reshaping the industry. From writing on animal tissue to e-book readers, books have evolved throughout time in many forms. Now we can keep hundreds of books in a device which fits in our pockets and publishers spend no printing cost for hard-copy books.

Some of the competitive advantages of physical bookstores are book fairs and autograph sessions. At these events, readers can interact physically with authors they read and with books. Virtual book fairs are an alternative for these events.

CHAPTER IV

4. A RESEARCH ON COMPETITIVE STRATEGIES OF BOOKSTORES

Reading books is seen as the only way of mastering technical and cognitive skills. According to research conducted on reading habits in Turkey by Child Association (2006), three periods, childhood, youngness and adulthood are important for gaining a reading habit. Moreover, family, school and living environment are the institutions that affect the reading habit. Unfortunately, the percentage rate of regular book readers in Turkey is about only 0,001 of the whole population. But with more than 76 million people, Turkey still has a great potential for the bookselling market.

The data on **Table 3** below provided by Turkish Publishers Association (2014) draws a clear picture of the supply side of the market. In the whole country 50.752 titles produced in 2014 are categorized as follows: 9.542 adult fiction (18,8%), 11.652 adult non-fiction (22.96%), 6.889 children and youth (13,57%), 12.380 educational (24,4%), 3.118 religion (6,14%). Moreover, it's been estimated that the total sales of retail and wholesale book market is about 4 Billion USD and average price of a book is about 3.5 USD. Historical data shows us that book market in Turkey from 2008 to 2014 grew more than 100%.

Table 3 Fundamental Publishing Data

Number of publishing houses	1732
Number of bookstores (approx.)	6000
Number of distribution companies (approx.)	145
Number of new titles (2014 ISBN data)	50.752
Number of books produced (2014 Banderole numbers)	344.405.399
Number of textbooks (Distributed free of charge)	216.698.371
Total number of books produced (Except less than 48 pages educational books)	561.103.770
Number of books produced per capita	7,3
VAT charged for books and e-books	8%

Source: Turkish Publishers Association (2014)

International Publishers Association (2014) which is an international industry federation representing all aspects of book and journal publishing and established in 1896, defines emerging economies as the new engines of the global book business. According to its Annual Report in 2014, book publishing is a sector of growth, particularly in emerging economies. In BRIC (Brazil, China, Korea, Mexico or Turkey) countries, books are expanding among citizens with middle income. Russia is currently the one exception among them because of its bad economic conditions. Turkey, as it is illustrated in **Table 4** shows an unstable but larger growth than BRIC countries.

Table 4 Book markets in emerging economies
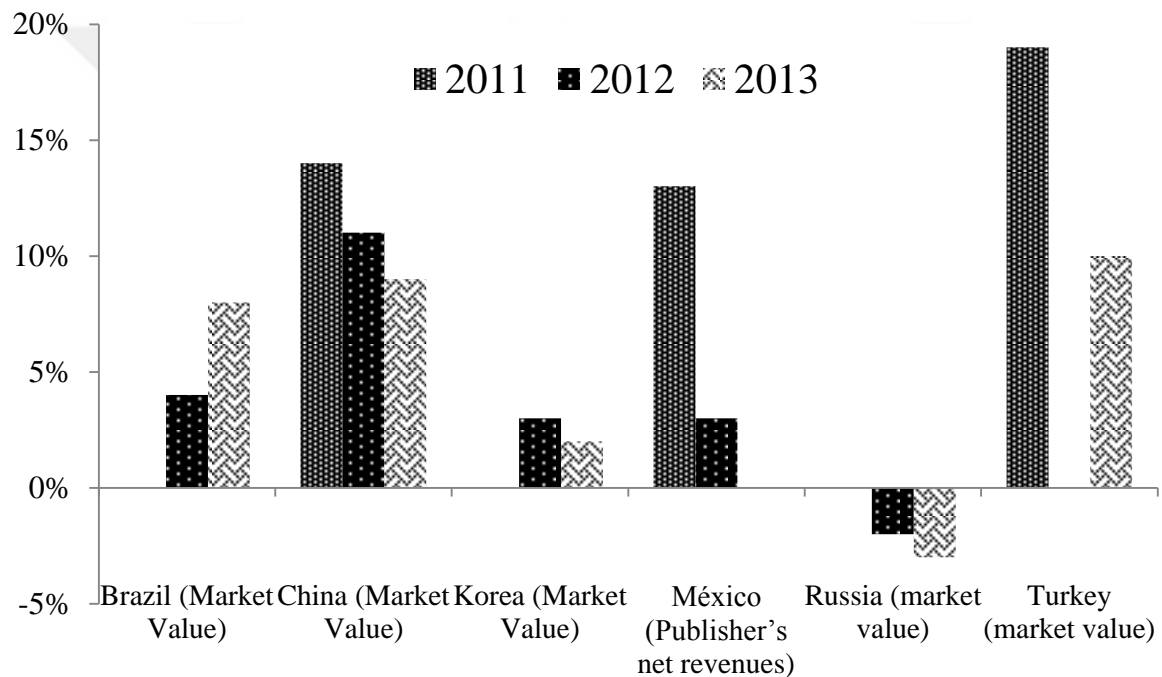
Source: 2014 Annual Report, International Publishers Association (Turkey's 2013 values were calculated by the author).

According to a market research conducted in 2015 on behalf of Libronet Company which aims to define the nature of the demand can be directed to their online commerce brand babil.com and to understand the potential customer profile, the portion of online sales of all books sold in Turkey is only eight percent. The average of the last purchases of readers were made 41% from a chain of bookstore or a reputable publisher and etc., 28% from a

bookseller in the neighborhood, 13% from used-book booksellers and only 5% from virtual booksellers (E.Ş. ,personal communication, April 5, 2016).

The same research reveals that the barriers to virtual book shopping can be summed up as; the lack of online shopping habit, having no physical contact with book, and lack of trust. Additionally, a significant portion of the readers who do not make purchases over the internet (about 80%) are not aware of the price advantage. On the contrary, readers' basic motivators for shopping online are its user-friendliness, price advantage, availability of instant purchasing, time saving and wide variety of selection. The most preferred types of books are novels/stories, psychology / sociology / philosophy books and self-help books (E.Ş., personal communication, April 5, 2016).

The major developments in information technologies, of course threatens the traditional publishing forms. Just as the invention of the printing machine made it easy to access information, digital publishing will have the same affect in the 21st century. Turkish Statistical Institute (2014) estimated total number of e-books published in Turkey in 2013 was about 4000. This volume is relatively small in contrast with numbers in USA. Problems with e-book publishing in Turkey are structural problems. At this point, copyright and intellectual rights issues stand out for both authors and publishers.

Another, maybe the most important, problem for booksellers in Turkey is illegally printed books. According to Printers and Publishers Society of Turkey (2015), between 2013 and 2015, 2.931.670 illegally printed books were collected from shelves. This number shows a falling tendency but it still affects the market.

The young population of Turkey gives some clue about the future of the book market. The young generation is different from the mid-age and old generation. Now, even an elementary school student can use smart phones and most of them have one in their pocket. In the near future, maybe in five or ten years, most of the readers will carry their personal library in their pocket. That's why Turkey has a great potential for book market, particularly e-book market.

4.1. Research Objective

Rapid developments, especially in web based technologies have pushed organizations to transform themselves to cope with fierce competition in every market. In some markets lowering costs and being different is vital to survive because they sell the same products at almost the same prices. Moreover, developments in information technologies have changed buying habits of the population. For some sectors, visiting a store to buy a product is not beyond a hobby now. With the rise of virtuality, every single sector is going to face this foregone conclusion. At this point, we are going to analyze one of the most affected sectors by this transformation, the bookstores.

This study aims to investigate competitive strategy differences of virtual organizations. While doing that, we will be seeking to find answers to following questions; Are s strategies of virtual organizations, to a large extend, different from than those of real organizations? What are their strengths and weaknesses? How do they take advantage of their strengths? How do they cope with their weaknesses? Which opportunities do they see in the market? What do they see as a threat for the industry? And which strategies do they employ to stay competitive.

4.2. Research Limitations

Although the research has reached its aims, there were some unavoidable limitations. First, this research was conducted with an unknown population because there are no administrative data about the number of virtual booksellers in Turkey. For this reason, research sample were selected from the search result of Turkish word 'kitap' which means 'book' in English, in Google search engine. Second, interview request sent were not responded positively by the firms which are defined as market leaders (Kitapyurdu,Idefix and D&R) in this research and this situation caused a lack of data. Even though this deficiency was filled with secondary data resources, it will be more coherent to get data directly from each firm.

Third, the exploratory nature of qualitative research limits the generalization of the results achieved. Further investigations involving a large number of firms operating in bookselling industry are needed to validate results in this chapter.

Last, this research examines only virtual booksellers, but there are some other online shopping websites sell books such as; N11 and Hepsiburada. Since there is no data on market share and other aspects of these websites, their effect on bookselling market had not been taken into consideration in this analysis.

4.3.Methodology

Virtual booksellers have been chosen for analyzing strategy differences of virtual organizations because publishing and bookselling are the two of the most affected industries by the virtualization process in the world. According to Turkish Publishers Association (2014), only in Turkey, approximately six thousands bookstores, 144 distributers and an unknown number of virtual booksellers are doing business in this market. For this reason, the methodology of the research relies on an inductive structure and exploratory design. In this research, qualitative methods and secondary data analysis were employed. Since the nature of our inductive and explorative research design, semi-structured interviews seemed the best way to collect data because of its ease of pursuing in-depth information and investigating interviewee's experiences with follow-up questions. Additionally, administrative data, newspaper and magazine interviews and market researches made by some firms were used for secondary data resources.

In this respect, for selecting the sample, the bookstores operating online in Turkey were designated in this research. These firms were selected from search results of the Turkish word 'kitap' which means 'book' in English, in google search engine. From the first ten of the firms ranked, an appointment was requested via e-mail and phone calls. Three of them, Babil, Pttkitap and Okuoku accepted the request and interviews were made by Author via phone calls on April 4-15, 2016 with Editors of each firm. Interviewees' ages were between 35 and 44 and interviews were recorded and also conversation notes were taken. All interviews took duration of 1 hour 36 minutes.

During these interviews it is found out that Kitapyurdu, Idefix and D&R's dominance on bookselling industry should be taken into consideration, but unfortunately these firms did not respond our e-mails and phone calls. For this reason we used secondary data resources to analyze them.

A descriptive data analysis was made by using demo version of ATLAS.ti Qualitative Data Analysis program which helped to code conversation notes and other secondary data. The analyzing process started by uploading all conversation notes and other data to the program. After labeling all quotes and other sources, nine categories were founded and these categories were collected under three main themes which are illustrated in **Table 8**. Triangulation Method (Rothbauer, 2008) was used to verify the validity of data gathered during the interviews. The verification was made by cross-checking each interview with secondary sources and administrative data taken from Turkish Statistical Institute, Turkish Publishers Association, International Publishers Association and Alexa.com.

4.4.Interview Questions

The questions asked in interviews were prepared in accordance with information given in the theoretical chapters above in order to investigate internal and external dynamics of virtual booksellers. The questions consist of three parts. First part questions were about general information about the firm, second part questions were asked in order to understand the dynamics of the industry and lastly, questions in the third part were about the competitive strategies that firms employ. In addition to these questions some follow-up questions were asked to have a deep understanding (**see Appendence A**).

4.5. Information about Analyzed Firms

4.5.1. Babil.com

Babil.com was founded in 2014 in Istanbul by Libronet Information and Technology Company. It is one of the youngest virtual booksellers in the market. Libro means "book" in some languages, by adding "net" behind the word Libro, it can be described as online word of books. Moreover, Libronet has four more brands; Calibro is the name of Libronet's e-book reader device. And others are Papersense, Sosyo Logos and Arka Kapak (E.Ş., personal communication, April 5, 2016).

Now, fifty people work for Libronet. Within two years, they placed themselves in the first three in Google search results. Time to time they make some discounts and special offers to their customer, and they also inform them via e-mails daily. Their main goal is to get a share of the market by expanding the virtual bookselling market. Despite of its market research analysis, firm could not found its market share because they had struggle to find sales number of their rivals, but according to Interweave's prediction, Babil holds a half of the market share of each market leader (E.Ş., personal communication, April 5, 2016). On the other hand, the website visiting information taken from Alexa.com (a) allows making a prediction about the market share of Babil (731th), Kitapyurdu (217th), and Idefix (265th).

According to Alexa.com (a), a website which keeps visiting statistics of all websites in all over the world, Babil is the 731th most visited website in Turkey and 38,362 in the world. Each visitor visited 4.5 times/day and spent about 4 minutes/per visit on the website. The table below shows the websites people visited immediately before this site and 428 websites linking in babil.com

Table 5 Which sites did people visit immediately before babil.com?

Site	Percent of Unique Visits
1. google.com.tr	25.8%
2. google.com	6.2%
3. kitapyurdu.com	4.5%
4. idefix.com	3.9%
5. facebook.com	2.8%

Source: alexa.com (a)

4.5.2. Pttkitap.com

Pttkitap.com is a brand of the Kida Kitap Dağıtım Company. It was founded in 2012 in Istanbul. Its parent company Kida is a wholesale bookseller and an intermediator between publishers and physical booksellers. It was established to fulfill the gap in the published book distribution market. Kida brings publishers and booksellers in a common platform by providing timely access to bookstores with reasonable prices and payment. The domain https://www.pttkitap.com/ was taken over from another company. Ptt is shortened title of Republic of Turkey Post, Telegraph and Telephone Administration which is a public owned company. Kida makes monthly payments to Ptt for usage rights of their brand. Ptt, with its historic and publicity background, creates a positive impression on the customer. Kida hires sixty employees and three of them work for ptt.com (M.A., personal communication, April 4, 2016).

According to alexa.com (e), pttkitap.com is the 19.978[th] most visited website in Turkey and 611,128 in the world. Each visitor visited 5 times/day and spent about 3 minutes/per visit on the website and 49 websites linking in pttkitap.com.

4.5.3. Okuoku.com

Okuoku.com was founded in 2010 in Istanbul. They hire nine employees and the company has five shareholders. Their main focus is customer satisfaction and honesty by offering books with low price, high delivery speed (F.S., personal communication, April 15, 2016).

According to alexa.com (d), okuoku.com is the 6.027[th] most visited website in Turkey and 211,504 in the world. Each visitor visited 6 times/day and spent about 4.2 minutes/per visit on the website and 191 websites linking in okuoku.com.

4.5.4. Kitapyurdu.com

Kitapyurdu.com is one of the frontiers of virtual bookselling market in Turkey. It was founded by Rapor Tanıtım İletişim Ltd. Şti. which is a bookseller in Bab-ı Ali District in Istanbul since 1985. Kitapyurdu has operated since 1999. The purpose of its establishment is to supply a wide range of books with reasonable prices by allowing their customers to shop everywhere. In 1999, Kitapyurdu was one of the pioneers in virtual bookselling so they faced some challenges, including lack of the technology and reputation. It has the largest customer comment archive among all virtual booksellers. It also operates in Azerbaijan with kitapyurdu.az and European Union Countries with kitapyurdu.eu. Kitapyurdu has no physical store (About us, Kitapyurdu, 2016).

According to alexa.com (c), a website which keeps visiting information of all websites in all over the world, kitapyurdu.com is the 217th most visited website in Turkey and 9,363 in the world. Each visitor visited 7 times/day and spent about 5 minutes/per visit on the website. The table below shows the websites people visited immediately before this site and 5.188 websites linking in kitapyurdu.com

Table 6 Which sites did people visit immediately before kitapyurdu.com?

Site	Percent of Unique Visits
1. google.com.tr	31.9%
2. facebook.com	6.4%
3. google.com	6.4%
4. idefix.com	3.0%
5. youtube.com	2.9%

Source: alexa.com (c)

4.5.5. Idefix.com

Idefix.com was founded in 1996 in Istanbul. It is one of the major players in the book market in Turkey. In 2011 they founded Prefix.com which is a Business to Business virtual bookseller. In 2013, D&R paid 11, 5 million Turkish Liras to acquire Idefix.com and Prefix.com. Now, Doğan Müzik Kitap Mağazacılık ve Pazarlama A.Ş. is the parent company of both Idefix and Prefix. By this buyout, D&R embarked on an ambiguous growth strategy with 16 million new potential customers and created a synergy between and within two companies (About us, Idefix, 2016).

According to alexa.com (b), idefix.com is ranked the 265th most visited website in Turkey and 12,805 in the world. Each visitor visited 4.2 times and spent about 4 minutes/per visit on the website and 2.764 websites linking in idefix.com.

Table 7 Which sites did people visit immediately before idefix.com?

Site	Percent of Unique Visits
1. google.com.tr	38.4%
2. google.com	6.2%
3. kitapyurdu.com	3.7%
4. facebook.com	3.6%
5. dr.com.tr	3.0%

Source: alexa.com (b)

4.6. Results and Findings

The data gathered from interviews and secondary sources were analyzed by demo version of ATLAS.ti qualitative data analyzing program which helps to code conversation notes and other secondary data. Analyzing process started with labeling Interviewees' quotes and secondary data, then the labels which are dealt with similar points generated codes. These codes were classified under eight categories and finally all of categories collected under three main themes and summarized in **Table 8**. These themes are **(1)** business profile of the firms mainly focusing on their strengths and weaknesses, **(2)** industry overview with details in threats and opportunities exist in the market and lastly **(3)** competition or strategies of the firms which they employ.

Table 8 Competitive Strategies of Virtual Organizations

COMPETITIVE STRATEGIES OF VIRTUAL ORGANIZATIONS		
BUSINESS PROFILE **Demographics** *- Firm's location* *- Age (first mover advantage)* **Strengths** *- Having a strategy* *- Technological infrastructure* *- Flexibility* *- Accessibility* *- Low Fixed Costs* **Weaknesses** *- Delivery Time* *- Stock Data* *- Buying Habits* *- Trust*	**INDUSTRY** **Opportunities** *- High Market potential* *- E-Book* **Threats** *- Threat of new entrants* *- Stock Data* *- Price competition* *- Illegally printed books*	**COMPETITION/STRATEGIES** **Offensive** *- Price Competition* *- Customer Satisfaction* *- Promotions* *- Discounts* *- SEO and Advertisement* *- Partnerships* *- Expanding The Market* *- E-Books/E-Readers* **Defensive** *- Loyalty Programs* *- Raising Barriers to Enter The Market* **Other Strategies** *- Market & Competitive Intelligence* *- Acquisitions* *- Brand Positioning* *- Innovation* *- Focusing on Niches*

4.6.1. Business Profile

The aim of questions asked about the business profile of firms during the interview was to understand the internal dynamics that affect firms' (1) demographics, (2) strengths and (3) weaknesses. Given answers were categorized under three main titles.

4.6.1.1. Demographics of Firms

The first title focused on demographic characteristics of the firms. All of the five firms subjected to our analysis were founded in Istanbul. It is observed that, book publishing and selling industry is clustered in Istanbul. From the answers given during the interviews, it can be understood that ease of accessibility to the resources such as, qualified employees, supply chain etc. and its historical role, Istanbul has becomes a center of business virtual booksellers in Turkey. The youngest firm (Babil) is two and the oldest (Idefix) is 20 years old. Just as Porter (1980) argued in his work, elder firms have taken the advantage of being first mover in virtual bookselling market in Turkey. The statement below supports this argument;

> *"On Google searches, pioneers of the sector have an advantage of 15 years and customers see them before us. That creates a huge advantage to them."- Babil*

Moving first has some advantages and disadvantages. (1) Pioneering helps to build a firm's image and reputation with buyers, (2) early commitments to supplies of raw materials, new technologies, distribution channels, and so on can produce an absolute cost advantage over rivals, (3) first-time customers remain strongly loyal to pioneering firms in making repeat purchases, and (4) moving first constitutes a preemptive strike, making imitation extra hard or unlikely (Porter, 1980).

4.6.1.2.Strengths

From the answers given, it is understood that, having a strategy, technological infrastructure, flexibility, accessibility and low fixed costs are seen as the strengths of virtual organizations. Two firms out of the three interviewed indicated that they employ a strategic plan. Owing to having a strategic plan, ranking data in Google search shows that one of these firms has become an important player in the market because it allows them to clarify the path that goes to achieving their goals. In the global world, strategic planning has become more and more important. It enables firms to think forward and respond to changes first in a competitive environment. Moreover, a strategic plan contains a vision and milestones that need to be achieved in order to reach further goals. Sharing these visions and goals within the organization will contribute to overall success and motivate employees. An advantage of virtual organizations which was discussed in the second chapter, they are able to adopt strategic thinking and vision easier because of the working environment of virtual organizations which enables them to motivate people towards achieving pre-determined goals.

All of the firms analyzed mentioned the importance of having high technology. Because of their nature, virtual organizations heavily depend on a network infrastructure in their daily routine. "Information systems are becoming a direct instrument in coordinating and controlling organizational activities and are coming to replace the more traditional coordinating mechanisms" (Jansen and Jägers, 1997). In their paper, Venkatraman and Henderson (1998) argued that information technology is a powerful enabler of the critical requirements for effective virtual organizing and the architecture of virtual organizing is not possible without the significant power of information technology.

On the other hand, virtual customers are not different than a regular customer in a traditional store, both are must be satisfied but, due to high substitutability, satisfying virtual customers may be more difficult than the others. In virtual transactions, from purchasing to delivering and unreliable internet network can be catastrophic. Such unreliable infrastructure may cause a bad reputation and satisfaction. For this reason a solid network infrastructure is a must for virtual organizations ("Why is a solid", 2012).

Flexibility is another title generated from given answers. Managers of virtual organizations see flexibility, fast response to changes in the market, as strength of a virtual organization. "Organizing virtually is a dynamic organizational tool, in agile competition where things change rapidly" (Goldman et al. 1995). "Organizations have to respond actively to changes in external and internal conditions" (Venkatraman and Henderson, 1998). "The form of virtual organization is fluid, difficult to see and touch, and its flexible form is about speed of response, which is driven by strong customer orientation" (Hale and Whitlam, 1997).

Kara (2015) founded that reasonable prices, product variety, time saving and accessibility are the key factors which affect readers' preferences of purchasing the books from the internet instead of visiting a bookstore. The common idea about differences between physical and virtual book stores in the sector is in the same rotation we can understand from answers such as;

> "*In order to sell a book physically you need a physical store. At the same time that means a cost. Physical stores run with high fixed costs. At the end of each month they have a possibility of loss. But thanks to our low level of fixed cost we can offer more discounts.*" -Pttkitap

Even if its portion in all sales does not get what it deserves now, selling books online grows enormously every year. All actors in the sector predict that by the end of 2018 online sales will be more stable particularly with the support of new generation consumers.

Market concentrating is another strength of virtual organizations because in parallel with Okuoku's statement below;

> "*The sales capacity of a physical store depends on customers who walked in front of their store but we have potential of selling our books to the entire world it is that simple.*"

On the other hand, Babil take orders from different parts of the world such as, Thailand, France, Indonesia, Maldives and even the United States. Moreover, they have sold a book which is published in USA by an US Publisher cheaper than its own publisher. The sales capacity of a physical store depends on the number of customer they have but virtually they have the potential of selling their books to the entire world. Moreover, they are able to keep all necessary data not only for books but also for customers. This is like a sociological data mine. By analyzing these data, they are able to understand their customers better and generate marketing strategies for them.

4.6.1.3. Weaknesses

Despite all of the advantages of virtual book selling, it cannot describe as a land of opportunities. The firms analyzed in this research share similar concerns. Firstly, shopping online diminishes customers' instant satisfaction because unlike shopping in a traditional bookstore, virtual bookstores require patience to wait for the book they bought to be delivered in days depending on their location. Moreover, the booksellers in Turkey complain about delivery delays. Any extra day of delayed shipment multiplies dissatisfaction.

> Mehmet Ali Çalışkan, co-founder of Babil.com, thinks that the main reason for that is deceptive stock information. Also Kitapyurdu try to do their best in order to minimize delivery time. According to Mr. Kizir, Founder of kitapyurdu.com, the rate of same day delivery is only 45%, but their aim is to increase it to 75% (Kara, 2015).

Secondly, virtual booksellers are not able to catch customers' attention, particularly for those who want to touch, see, and test the product personally. According to Babil's market research 33% of customers want to physically examine the book before buying and 18% of them like to go around physical bookstores. As a suggestion, Amazon's brick and mortar book stores can be a key strategy to get rid of this weakness.

Low sense of trust rises as the third weakness of virtual booksellers. Consumers who have not shopped online before perceive payment methods on the internet as a threat and they do not trust online shopping websites. For this reason, they mostly buy books from

physical booksellers for cash. Similarly, 62% of customers who have shopped online at least once used a credit card for payment. For those customers who have no trust, some alternative payment methods are being offered such as payment at the door, but courier companies ask extra money for this service so it increases the price of the book. Unfortunately, Paypal, a company which offer an alternative payment method is no longer offered as a payment method in online purchases because it has withdrawn from the Turkish market (Ablak, 2016).

4.6.2. Bookselling Industry in Turkey

Regardless of in which industry it operates, a company cannot survive unless it understands the dynamics of the market. In parallel to Porter's five forces theory, understanding the dynamics of a market is important in several ways. First, it helps to assess opportunities in the market to position your firm. Moreover, firms are living bodies and they must adapt themselves to the systems in real world. Second, it warns organizations against potential threats and enables them to differentiate from their rivals. Therefore, the codes found about market are categorized under two titles, opportunities and threats.

4.6.2.1. Opportunities

As an existing opportunity in the market, from the given answers for example,

> *"Book selling is a big industry in Turkey, but a large part of this sector is running in physical stores. Only %10 of the entire sales is made from the internet." - Babil.com.*

It can be inferred that the portion of internet sales in all books sold in the market is relatively low. But all of the interviewees have shared the same idea; the potential of the market is very high. On the other hand, cultural diversity of Turkey is another opportunity for the industry. This argument is supported by Babil's statement below;

"There are 80 million people live in Turkey. We did a reader survey and no such research had been made before. Reading is a social problem in Turkey but it is not as much as it caricature. In our country, publishing is seen as a regular commercial activity in Çağaloğlu, a district in İstanbul, but it can be more than this. We can export our culture to the entire world via translated books. Moreover, we have very diversified cultural dynamics in Turkey. There are politic competitions, class distinctions, a religious dimension exist, liberals have a different reading habit, and every group wants to create their own culture. Reading books is a way for to accomplish this purpose so that if we match the right book to the right reader, they will read. For this reason, publishing and book selling has a huge potential in Turkey."-Babil.com

Digital transformation has changed the way of getting words from the page to the brain. Electronic books have risen as an alternative to traditional books. It is difficult to resist the ease of read, purchase and to carry thousands of books in a pocket-size device. The industry as a whole share same idea;

I believe along with the rise of e-books book sector will make a breakthrough progress in Turkey and no one can resist to this change as no one resisted to the changes experienced after the invention of printing press. The publishing of ten years after now will be made by e-book readers and physical books will be nostalgic. This future can be foreseen. - Babil.com

The first e-reader device 'Kindle' was released in 2007 by Amazon, one of the largest online retailer in the world in US. From 2007 to 2016, in nine years e-book devices made enormous progress in US. A market research conducted in US in 2014 reveals that a half of the American readers aged 18 and older own a tablet or e-reader device as of 2014. While %69 of adults have read at least a book, %28 of same sample have read an e-book. E-book reading percentage goes up to %50 in readers aged 30 and younger. It can be inferred from these figures that younger readers tend to adopt e-book more than elder generation. On the other hand, e-reader including tablet computers owners are more likely to be well educated and have relatively high incomes (Pew Research Center, 2014). These figures show that, in

a near future, in parallel with Babil's prediction, with the spread of e-book readers, e-book industry will be expanded enormously. Any decrease in the price of e-book readers will accelerate this transformation

> According to information given by Bora Ekmekçi, e-commerce coordinator of Idefix and D&R, the percentage share of book sales on the internet grows 40% on average each year. As Mehmet Ali Çalışkan's, co-founder of Babil.com, says virtual booksellers are the pioneer of the sector. Published books put on the market in these web-sites and are recognized firstly there. When the sales figures are taken into consideration, the most preferred brands are Kitapyurdu, Idefiks and D&R. The same sequence can be seen in search of the word 'kitap' in search engines. Therefore, it can be inferred that these three brands lead the sector in Turkey. In a Google search after these three, hepsiburada.com appears and babil.com which has grown rapidly in a short time comes immediately after them (Kara, 2015).

4.6.2.2. Threats

There is a potential of new entrants and it is perceived as a threat among existed players in the industry. Investing in the virtual bookselling industry can be seen as a relatively low investment, but as pttkitap.com's manager said;

> *"This sector requires huge investments because even if you are a new entrant,*
> *you must invest as much as we did. But we work with a very low profit margin.*
> *We need to keep stocks with high volumes, it also increases the costs."*

Michael Porter (1980) defined the threat of new entrants as one of the five competitive forces that shape an industry. Just as sharing another slice of a cake, new entrants directly affect the profitability of an industry. At this point, experienced companies such as hepsiburada.com or n11.com are major threats for the bookselling industry because of their huge customer portfolio and brand power.

All firms in the sector verify this declaration;

> *"Stock-keeping is vital for this sector. Publishers do not keep efficient inventory tracking so that we have to keep stocks and this increases our costs."*
> *– Okuoku.com.*

From giants to the smallest firms, the entire sector suffers from inventory tracking problem and it directly effects customer satisfaction. Moreover, this problem is seen as a disadvantage of being virtual. Some of the firms are looking for new strategies to cope with this problem: for instance, even though it increases their fixed cost, pttkitap.com keeps more stock than its competitors in order not to rely on publishers' inventory data or as babil.com declared,

> *"In order to minimize the delivery time and maximize customer satisfaction we have to have a healthy and useful stock data but there are no company exists for doing this job. So we will found a website especially for this purpose not only for us but it also serve whole sector".*

As it is mentioned in the previous chapter, in the supply chain process, relying on others may be perceived as being weak but, working with the bests in their sector will be the core competency of a virtual bookstore. It can be clearly said that, publishers in Turkey do not keep a healthy inventory data. It is a time consuming and expensive problem for bookselling sector in Turkey. The only dilemma here in the virtual bookselling industry is being able to make an effective inventory data tracking system work and be accessible otherwise; no firm can enjoy the low cost benefit of being virtual.

Technological infrastructure in Turkey threatens not only virtual booksellers but also all firms which sell their products online. Page security, variety of payment methods, delivery tracking and internet speed are some important factors mentioned by firms. The effect of internet speed on consumers' shopping behavior was proved by Amazon's research. It is founded that for every 100ms of page load time there was a 1% decrease in sales and appropriate page load time should be 2 seconds or less (Forbes, 2013).

Another threat for the industry is price base competition. Especially market followers in the sector share same concern with Okuoku's statement below;

> *"Predatory pricing can be seen a major threat in this sector. Big players can easily vanquish us by keeping their profit margins very low because they have a big bargaining power over suppliers."*

Pioneers of the industry have a bargaining power over publishers. According to Porter (1980) this is another force that shapes the market. As it would be expected that, in large volume of purchases, companies can get huge discounts from publishers and it directly affects their price and profitability. On the other hand, rivalry among existed rivals makes virtual bookselling industry unattractive because it already contains numerous, strong competitors. Due to the fact that these competitors have high stakes in staying in the market, it is even more unattractive high investment requirements and technology, stated by Pttkitap, dictates that capacity can be increased only in large increments, or if fixed costs or exit barriers are high. When exit barriers are high, giving up a specific segment will impose high cost on the company. These conditions will lead to frequent price wars, advertising battles and new product introductions and will make it expensive to compete (Kotler et al. 2009). In this respect rivalry among existed rivals in virtual bookselling market has possibility to affect profitability of the industry.

A concern, shared as a threat, that maybe the most important problem of booksellers in Turkey is illegally printed books. According to Printers and Publishers Society of Turkey (2015), between 2013 and 2015, 2.931.670 illegally printed books were collected from shelves. This number shows a falling tendency but still it affects the sales volume and profitability of the market.

4.6.3. Competition and Strategies

Why do readers prefer to purchase the books from the internet instead of visiting a bookstore? At this point, the managers we talked gave same answers: reasonable prices, product variety, time saving and accessibility. In the light of this information, it can be said that the bookselling industry is suitable for Porter's low-cost leadership strategies because

book is a standardized product; therefore customers are more likely to be price sensitive. Moreover, companies do not focus on a specific market segment. Virtuality, all by itself is a cost saving competitive strategy for the bookselling industry. But what are the other strategies employed by the virtual organizations to build or secure competitive advantage? In order to find an answer, codes that generated from interviews are categorized under these three titles, defensive, offensive and other strategies.

4.6.3.1. Offensive Strategies

According to Porter (1980), offensive strategies can be used to secure a competitive advantage. Strategic offensives can be aimed at competitors' strengths or weaknesses; they can involve end-runs or grand offensives; they can be designed as guerrilla actions or as preemptive strikes; and the target of the offensive can be a market leader, a runner-up firm, or the smallest and/or weakest firms in the industry.

All correspondents in our analysis were aware of four main factors for success; customer satisfaction and loyalty, the role of investment, price and trust. These companies are not first movers and their market share is relatively low against the other two giants of the industry, Kitapyurdu and Idefix or D&R. Therefore, followers' competitive strategies tend to be offensive in order to get more market share. It is found that these offensive strategies are mostly targeting the weaknesses of market leaders. For example; Okuoku.com inspects defects in every single page of books ordered before delivery. Moreover they said;

> *"It is the perception of family we have created which differ us from our competitors. Customer loyalty is a key factor."*

They think that kitapyurdu or idefix are big enough not to care about a single customer's loyalty so they do not spend much effort to make them happy but with okuoku.com's amateur spirit they are able to care about their customers personally and try to solve their problems immediately when they occur.

Okuoku.com focuses on gaining new customers. They make promotional activities such as, discounts, free shipment, promotion materials, especially for new customers in order to attract them to the experience of shopping in okuoku.com. They believe that if nothing unexpected happens, they will continue to buy from them. The important thing is to change the customer's perception.

The importance of search engines can be understood from Okuoku statement;

> *"Google ads, banners, billboards and newspaper ads are our main advertisement activities. Search Engine Optimizations is necessary for this sector."*

Search Engine Optimization is the process (of efforts) to make your web-site visible on search engines. Babil.com described in which channels customers find them as;

> *"Our customers find us from two different channels. Some of them come from the search results of the word 'kitap' or others on Google and rest of them come from direct visits to our web-site. On Google searches, pioneers of the sector have an advantage of 15 years and customers see them before us."*

Ranking first in a search engine will bring more visitors to your web-site and more visitors means more customers. Search engines use complex algorithms. According to alexa.com 5,77% of visitors of idefix.com come from search results of the word 'kitap'. In order to cope up with SEO challenge there are some methods that firms use to be ranked higher in searches. For instance, one in three visitors who have not visited babil.com before is a new customer. They have focused on offering more dynamic content by adding editorial comments and supporting this process with social media channels to be ranked higher.

Another offensive strategy implemented by Kitapyurdu is expanding the total market by setting up virtual book fairs (Kitap Kurtlarına, 2013). Because when the total market expands, the dominant firm usually gains the most. In general, the market leader should look for new customers or more usage from existing customers (Kotler et al. 2009).

All companies we analyzed periodically build strategic partnerships for their loyalty programs. For instance, Okuoku generates close relations with publishers so they can find all books in the market easily and Babil works with Turkish Airlines' frequent flyer program, so for each purchase their customers will be able to gain extra miles and discounts.

4.6.3.2. Defensive Strategies

In his theory of competition, Porter (1980) reveals that the aim of defensive strategy should be lowering the risk of being attacked, weakening the impact of any attack that occurs, and influencing challengers to aim their efforts at other rivals. While defensive strategy usually doesn't enhance a firm's competitive advantage, it should help fortify a firm's competitive position and sustain whatever competitive advantage it has.

One thing that can be understood from the given answers below is the importance of retaining existing customers because the cost of gaining a new customer is five times more expensive than retaining existing ones. Furthermore, increasing customer retention rates by 5% increases profits by 25% to 95 %. At this point, customer loyalty programs become extremely important for defensive movements. Loyal customers not only purchase more but also they refer the company to their close environment, it is named in the literature as word of mouth but the word 'mouth' is transformed into mouse in order to show its virtual effect (Reicheld, 2000).

Similarly, Kitapyurdu arrange autograph sessions and other activities regularly, earlier to loyal customers, so they can buy limited editions and even signed books first with special discounts without waiting in a queue for hours (Kitap Kurtlarına, 2013). Statements below shows the importance of defensive strategies which are founded as a consequence of interviews;

"We would like satisfy our existing customer. For doing that, we sent promotional materials to our customers in each of their purchase. We change damaged books without asking any question and immediately response in case of a problem. If a problem occurs we would do our best to satisfy our customer." -Babil.com

"We do not send any book without a promotional material. It is the perception of family we have created that differs us from our competitors. Customer loyalty is a key factor." –Okuoku.com

Another defensive strategy implemented, particularly by market leaders, is raising entry and exit barriers to the market. The high technology investment requirements and ongoing investments made by market leader discourage potential rivals in the decision phase of entering bookselling market. Similarly, due to undervalued liquidation of technology investments in a case of market failure affects firms' decisions to enter the market.

4.6.3.3. Other Strategies

Virtual space has generated a new era for both consumers and suppliers. Industry dynamics shift rapidly and that means, firms should strictly follow changes in the market especially, consumer preferences. Undoubtedly, Babil.com is the best example. Their strategies are based on research in which they took a picture of readers in Turkey. Due to these efforts, from 2014 to 2016, in two years they found a place among giants of the market. At the same time, they analyzed future trends in the sector and decided to invest in e-books because there were signs of changes in the existing market. Now babil.com have its own e-book reader it means they are better prepared than their competitors.

"E-book industry is the future of publishing. In order to be ready for this change in consumer preferences we have our own, licensed e-book reader, named Calibro"- Babil.com

In 2013, D&R paid 11, 5 million Turkish Liras to acquire Idefix.com and Prefix.com. At that time, with 126 stores, D&R was the largest bookstore chain in Turkey but they were relatively weak against its competitors in the virtual bookselling market. This strategic move secured D&R's position by strengthening its marketing operations. The value of an online company is not solely related with properties or hardware they own, but the number of customers they keep in their database. Through this buyout, D&R expanded its market by 16 million new potential customers and created a synergy between and within two companies (D&R Idefix ve Prefix'i satın aldı, 2013).

On the other hand, KIDA applies a good example of brand positioning strategy. Due to the buying habits of Turkish people, sense of trust plays an important role in shopping online but creating a trustworthy brand image can take years and costs money. At this point, Pttkitap defines their competitive strategy as;

> *"The most important competitive strategy of us is our domain name Pttkitap.com because PTT's brand sticks our customers' mind and give them a sense of confidence. Moreover, we keep more stocks than our competitor. It let us to deliver orders faster.*

PTT is one of the most trusted brands in Turkey because it has a public origin and has served the community for decades. Kitap Dağıtım Company uses the PTT's power of brand for a monthly fee. By this way, they easily give a sense of trust to their customers.

Building strategic partnerships, vertical or horizontal integrations are much used strategic moves for gaining competitive advantage. In the bookselling industry, companies such as babil.com have focused on solving the mostly complained problem of the sector, tracking stock data. From their statement below, it can be inferred that they would like establish a website for this purpose in order to strengthen their weaknesses and be one step ahead of their competitors. Similarly, Pttkitap also collaborates with a firm to get inventory data of books that publishers keep in their stocks so they can easily reach daily stock data.

"In order to minimize the delivery time and maximize customer satisfaction we have to have a healthy and useful stock data but there are no company exists for doing this job. So we will found a website especially for this purpose not only for us but it also serve whole sector."-babil.com

Even though there is no sign of market segmentation among companies in the bookselling industry, babil.com focuses on offering out of print copies which is a big challenge, to their customers particularly, for academics. They call it Print-on Demand System. With this system they will be able to print and deliver out of print books immediately. They believe that, if the government solves the digital revenue stamp problem, the print on demand market will boom and thousands of out of print books will be on the shelves again.

4.7. Discussion

Results and findings are categorized under three themes. Whereas the first theme indicates the internal dynamics of virtual booksellers, the second theme shows how market dynamics affect firms' strategies (**see Table 9**). Competitive strategies implemented by virtual booksellers are collected under the third theme and summarized below in **Table 10.**

Table 9 Industry Overview

	Strengths	**Weaknesses**
Internal Dynamics	*- Being Virtual* *- Having a strategic Plan* *- Technological Infrastructure* *- Organizational Flexibility* *- Reasonable Prices* *- Product Variety* *- Time Saving* *- Accessibility* *- Low Fixed Costs*	*- Diminished Instant Satisfaction* *- Ineffective Inventory Data* *- Low sense of trust*
	Opportunities	**Threats**
External Dynamics	*- High Market Potential* *- Rise of E-Books* *- Invisible Barriers to Entry*	*- Potential of New Entrants* *- Ineffective Inventory Data* *- Internet Speed* *- Delivery Delays* *- Price Base Competition* *- Intellectual Rights* *- Illegal Printed Books*

At the end of the thematic analysis it is clearly observed that internal dynamics and market conditions affect competitive strategies of virtual booksellers in Turkey. Despite the fact that organizing virtually brings many advantages, booksellers in Turkey are not purely virtual but they have characteristics of a virtual face model which is the cyberspace incarnations of an existing non-virtual organization.

On the other hand, all you can find web-sites such as Hepsiburada or N11 are perceived as a threat to the industry. The numbers of customers they have, experience in operational activities and wide range of products offerings are their major competitive advantages

against virtual booksellers. All you can find web-sites are a typical virtual broker model that we discussed in the second chapter. They bring different suppliers from each field of business together into a single online platform and organize them with a broker agreement. This strength would be an aggressive strategy model for small-sized virtual booksellers to gain market share against market leaders. Publishers, intermediaries and used bookseller etc. can take advantage of a similar platform by combining their forces rather than selling only from their own platform. At this point, it is believed that the degree of virtualization could be a success factor in terms of competition because virtual brokers are more virtualized than the virtual face model. In the virtual broker model, booksellers will focus on their core competence, selling books, rather than spending their effort on marketing activities or other operational problems.

It is found that, the virtual bookselling market in Turkey has three major actors, Kitapyurdu, Idefix and D&R or Idefix and they hold the market power. Other firms are followers of these three. On the other hand, rivalry among existing firms and high investment requirements stand out as an invisible entry barrier for the market. But there are some aggressive new entrants had been made by some firms such as, Babil.com. Owing to their market research, they have made a fast introduction and adapted to the market. The success of Babil verifies the importance of having a strategic plan. In the information age the power of knowledge is the best power in each field of business, including competition. This power differs virtual organization from physical stores. Virtual booksellers are able to keep a data mine for not only their rivals but also customers so they have capacity to customize their competitive strategies toward these data. Another good example, figuring out the importance of knowledge is Idefix's acquisition by D&R. As it was mentioned before, the value of an online company is not solely related with the properties or hardware they own, but the number of customers they keep in their database. By this buyout, D&R have expanded their market with 16 Million new potential customers and created a synergy between and within two companies.

While Kitapyurdu and Idefix have the advantage of being first mover, D&R, even if it sells books more expensive than online competitors, boosts its sales through physical stores. At this point, when the facts that 60% of the customers are price sensitive and books are

standardized products taken into consideration, the competition in this market is close to be perfect competition, so the Porter's low-cost leadership strategy is the best matched strategy. Because being a low-cost leader is a strategy that mainly focuses on achieving higher profits than competitors with efficiency and lower operating costs (Daft, 2010). On the other hand, attracting new customers is, of course, important, but retaining existing ones is considered as the best cost saving strategy for virtual organizations.

Table 10 Competitive Strategies of Virtual Booksellers

		Market Leaders *(Kitapyurdu-Idefix-D&R)*	**Market Followers** *(Babil-Okuoku-PTT Kitap)*
Competitive Strategies	**Offensive**	*- Price Competition* *- Promotions* *- E-books* *- E-Readers* *- Expanding The Market*	*- Customer satisfaction* *- Promotions* *- E-books* *- E-Readers* *- Search Engine Optimization* *- Expanding The Market(Babil)*
	Defensive	*- Loyalty Programs* *- Raising barriers to enter the market*	*- Loyalty Programs*
	Others	*- Acquisitions* *- Brand Positioning*	*- Founding a common platform to provide an effective inventory data (Innovation)* *-Market/Competitive Intelligence* *- Focusing on Niches* *- Brand Positioning (Calibro,PTT)*

Notwithstanding the importance of low cost, the importance of creating a brand image for customer satisfaction and loyalty cannot be ignored. In this analyse, it is found that virtual booksellers' differentiation strategies are mostly concentrated on customer satisfaction, particularly pre and post-sale activities; for example, Okuoku declared that they are different than other virtual booksellers in terms of fast problem solving and one-to-one communication skills offered to their customers. Theoretically, Porter's differentiation strategy suggests that, a firm can differentiate itself along several dimensions. It should be stressed that the differentiation strategy does not allow the firm to ignore costs, but rather

they are not the primary strategic target. Differentiation, if achieved, is a viable strategy for earning above-average returns in an industry because it creates a defensible position for coping with the five competitive forces. Despite Porter's low cost and differentiation strategies, Mintzberg (1998) suggest that cost leadership, based on cost minimization, does not provide an advantage by itself; it has to result in below average market prices to be a competitive advantage. It means that, while firms try to be different, they should not ignore the price. Differentiation strategies of virtual bookseller's in Turkey have same characteristics of Mintzberg's price and support differentiation which are mentioned in the previous chapter.

If the strategies adopted by some virtual booksellers such as Okuoku and Babil are taken into consideration, it can be seen that Porter's differentiation and low cost theories are more suitable and applicable for the industry because price competition in the long-run will be destructive for all firms in the market. Moreover, it can be inferred that price competition, especially for market followers will be destructive in the long-run (Mankiw, 2004). That's why it can be said that the most successful virtual organizations are those that employ cost leadership with differentiation strategies but these strategies must be carefully implemented in order to not to get stuck in the middle.

At this point, Amazon's brick and mortar book store strategy would be a good example for virtual booksellers. These are prestige stores of virtual organizations where customers can spend time and physically examine a single copy of the products. In this concept, costumers cannot buy a physical product on the shelves but they can order the same product to their address. By doing that, the need of physical space and other fixed costs are minimized and at the same time they differentiate themselves by making their online store visible (Amazon Books, 2016).

For attracting new customers and retaining existing ones, firms mostly use marketing strategies by forming partnerships with different businesses and use the power of advertising. Surprisingly, rather than using visual media channels such as television commercials, advertisement activities of virtual booksellers concentrate on social media marketing and search engines. The reasons for this are because of customers' ability of

using internet and its cost saving advantage. According to Babil's market research, 92% of the customers who buy books online have a Facebook account, but only 21% of the same group watch book advertisement programs on television. These numbers show the importance of social media marketing. It is also important in search engine optimization activities in order to be ranked higher. For example, Babil tries to enrich the content of the books with editorial comments, recommendations etc. in social media platforms.

Babil's entrance into bookselling market is a successful case which shows the importance of market and competitive intelligence. It enables firms to position themselves by providing the picture of existing market, consumers, competitors, threats and opportunities and above all, it reduces the risks arise from the uncertainty. In other words, it lightens the path that goes to victory. In his book Michael Porter (1980) supports the idea, correlation between strategic plan and marketing intelligence. He says that "An undisciplined or opportunistic strategy may work in the short run, but it usually maximizes the exposure of the firm to the intense competitive forces common in fragmented industries in the longer run." For new entrants, it can be used to find out whether a market is worth entering or not, and how other companies have successfully entered or stayed in the market, and judge the market's likely response to a new entrant. It can be clearly understood that Babil's business strategies are based on the results of their market intelligence research so, when their position in the market taken into consideration, it can be observed that they have decided what to do and implemented it successfully.

In every industry, firms face some opportunities and threats. Firms in the book selling industry have consensus on the biggest opportunity for the industry, electronic books. At this stage, they try to position themselves by differentiating their product offerings and creating value for the market. Some of the players in physical book selling market may hold the market power but all firms have the same chance for e-books. The first stage of competitive strategy for this new market would be creating a brand image by focusing on customers who are open to technology via its own e-readers. Secondly, firms must offer a large variety of books, particularly published books.

CHAPTER V

5. CONCLUSIONS

Nowadays we are experiencing a new industrial revolution; virtuality. This new era has some major differences from previous ones. It affects all spheres of life from buying habits to production. Boundaries among markets, workers, clients and even spaces are blurring. It is surely beyond doubt that the traditional management system gets its share of this evolution process. In this new era competition becomes more and more destructive in every field of business including cost, price, quality, time etc. therefore it requires major changes in organizations. These changes force firms that want to get a competitive advantage in the market, to develop appropriate and timely strategies to react to changes. At this stage a virtual organization is a possible solution for creating and sustaining competitive advantage. A virtual organization is a type of organization which uses a collaborative working system to create an environment where people can interact, pool skills and share information knowledge. In the foreseeable future, virtual organizations will be in every sphere of life. In the real world, even if they are not embodied, we can observe virtual organizations in almost every industry. They use computerized information structures that allow them to form geographically dispersed and vertical business ventures.

In spite of all these advantages, there is fierce competition existing in the bookselling industry in Turkey. It is also more competitive when we include e-books and other international booksellers obtained online because buyers want to get more with paying less. It pushes the industry into a price competitive environment. On the other hand, there are authors and publishers who want to be get paid more. Also intense competition among existing firms affects profitability (Porter, 1980).

When we consider the bookselling industry with all these aspects together with findings of our analyze, we can say that firms tend to employ low-cost leadership strategies, because a book, as a product, is standardized, therefore customers, if we put brand loyalty to a side, are more likely to be price sensitive and rivalry among existed firms is intense. Therefore, there are some other firms trying to differentiate against their rivals. Research results showed that brand image, consumer satisfaction and loyalty, investment, price and trust are the key factors to be successful in virtual bookselling sector in Turkey.

Another remarkable result is investment requirement. Getting a slice of cake in the virtual world is not that easy because if a firm decides to invest in a virtual business it should invest as much as others in the market, at least this assumption is true for the bookselling industry so it is founded that there are invisible barriers existing to enter the market.

All these forces mentioned above affect the competitiveness of the market. Together with virtualization firms employ different strategies to take a competitive advantage. In order to identify these strategy differences among virtual organizations, internal and external dynamics of the firms are defined in the light of SWOT perspective and their competitive strategies are categorized into three strategies. These strategies are offensive, defensive and other strategies. Offensive strategies in the book selling industry mostly target competitors' strengths and weaknesses. The aim of the firms which employ these strategies is to steal the market share of pioneers of the industry. In attracting their customers firms use sales discounts, promotions. Surprisingly, advertising is not as important as it's perceived because in virtual world search engines are more important than other visual commercials except social media marketing. Firms are aware of this situation and they put much effort on search engine optimization to be ranked higher in related searches. Additionally, brand recognition of first movers stands out as a major competitive strength, but some other firms attack this strength by forming strategic partnerships. On the other hand, the aim of defensive strategies employed by virtual booksellers is securing their market position. Defensive strategies were built on both retaining existed customers and raising barriers to discourage the firms entering the market. The unclassified strategies are collected under other strategies. In a competitive environment, firms take a position against rapid changes. At this point, following these changes closely become extremely important. For this reason

they try to collect as much information as they can about the market with outsourcing market research. In the bookselling industry, the competitive advantage of a firm is strongly correlated with the number of customers it has. That is why; an acquisition was made in 2011 by D&R in order to create a synergy. Moreover, some other partnerships generate, to cope with existing threats in the market and for their loyalty programs.

Alongside this rivalry, there are some common problems threatening all firms in the market. The first of them is technological and legal infrastructure. Internet connection, communication channels and information flows cannot be interrupted in a virtual model. At this point, low internet connection speed in Turkey becomes a problem ahead of not only customers' shopping experience but also firms' daily operations. For example, according to a research, after analyzing the ratio of sales to website performance, Amazon discovered that for every 100ms of page load time there was a 1% decrease in sales (Oxford, September 24, 2013). Similarly, the virtual bookselling sector of Turkey struggles inventory tracking problem. It causes delivery delays; in other words dissatisfied customers and more costs. Besides, the current legal infrastructure system is the biggest problem ahead of any improvements in the e-book market. Intellectual rights, publishing, illegally printed books and digital banderole problems must be solved by the state.

In addition to the conclusions above, it can be inferred that, virtual booksellers in Turkey are not purely virtual but they have characteristics of virtual face model which is the cyberspace incarnations of an existing non-virtual organization. At this point, it can be said that a higher degree of virtualization can be considered as a success factor for the firms. In addition to that, reasonable prices, time saving and accessibility are other strategic advantages of virtual organizations.

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APPENDICES

A. INTERVIEW QUESTIONS

1- Where and in what year your company was founded? What was your goal?

2- How does your organization's structure look like? How many employees do you hire?

3- What is your market share? Do you have any market share goal?

4- What are the advantages of being virtual?

5- When do you compare your firm with your competitors, how do you consider your place and market share?

6- What is your mission and vision? Do you have a strategic plan?

7- What are your strengths and weaknesses?

8- Are there any threat and opportunities in the market?

9- How do you position your firm to overcome these threats or take advantage opportunities?

10- How is your competitors' profile look like? Do you have a competitive environment in the market? What are the dynamics of competition in the market?

11- Do you have any market segmentation? If yes, why do you focus on this market?

12- What do you do for customers to choose you instead of the physical bookstore? Which channels do you use to reach your target market? How do you make your customer loyal, what are your strategies?

13- Have you ever made a strategic alliance or partnership? What are your criteria of selecting a partner?

14- What strategies are you implementing to keep their existing customers?

15- What strategies are you implementing to attract new customers?

16- Do you spy on the strategies of your competitors? How do you react against them?

17- How do you consider the future of virtual organizations?

Follow-up Questions Asked During the Interviews

1- How is the e-book market developing?

2- Do you have your own e-book reading device?

3- Do you have a bargaining power over publishers?

4- How do you cope up with stock data problem?

5- Which innovations/collaborations in bookselling industry would you highlight?

6- How do you position your firm against your competitors?

7- What can government do to increase book sales?

8- To what extent is self-publishing taking off? How do you see its future?

B. TEZ FOTOKOPİSİ İZİN FORMU

ENSTİTÜ

Fen Bilimleri Enstitüsü ☐

Sosyal Bilimler Enstitüsü ☒

YAZARIN

Soyadı : KAYA

Adı : Semih

Bölümü : Yönetim ve Organizasyon (İngilizce)

TEZİN ADI (İngilizce): Competitive Strategies of Virtual Organizations; an Analysis on Book Stores in Turkey

TEZİN TÜRÜ : Yüksek Lisans   Doktora

☒   ☐

1. Tezimin tamamından kaynak gösterilmek şartıyla fotokopi alınabilir. ☐

2. Tezimin içindekiler sayfası, özet, indeks sayfalarından ve/veya bir

   bölümünden kaynak gösterilmek şartıyla fotokopi alınabilir. ☐

3. Tezimden bir (1) yıl süreyle fotokopi alınamaz. ☒

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