E-Commerce Profile of Turkey

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Abstract: As it is the case in many countries in the world, electronic commerce (e-commerce) has gained increased acceptance by the population and became part of daily live of people in Turkey. There are still few differences on the consumer experiences between e-commerce and conventional retail settings. These main differences include the way the information is forwarded to the consumers, privacy of the consumer (meaning that personal informations should not disclosed to unauthored party), and the security aspect of the payments. Turkish E-commerce provides guidance to businesses and consumers while aiming to achieve increased consumer confidence in the process.

Keywords: E-commerce, Turkey.

Introduction

The electronic commerce, also known as e-commerce, means buying and selling of consumer products or providing consumer services through the Internet. Khan and Mahapatra [2] stated that quality of services provided to consumers heavily rely on the current technology. Thompson [4] stated that as the Internet technology grows, the cost of products reduces and the delivery of the products to consumers goes beyond the physical borders. For instance, few years ago, it would have been nearly possible to sell consumer products from one country to another country partially due to the cost of delivering products to the consumers. And, now it is very easy for a company to sell its products to just about anyone in the world and still make reasonable profit. According to Haver [1] Today’s younger shopper are conscious of saving resources such as energy, gas and so on. Therefore, they will not be interested in driving to multiple stores for comparison shopping. They prefer to shop online at first, deciding to one or two items and then visit the store to see whether the chosen items are indeed match the online descriptions. As a result, it is essential that companies have useful and attractive websites.

Types of E-Commerce

The following types of e-commerce have been defined [5, 12].

- **B2B (business-to-business) e-commerce:** Companies in business with each other such as manufacturers selling to wholesalers and wholesalers selling the products to the retailers.
- **B2C (business-to-consumer) e-commerce:** Business selling the products to directly to consumers. Even though B2B earns more dollars, B2C is generally what is perceived by an average consumer.
- (vii) **B2G (business-to-government):** This type allows government and businesses to utilize central websites for doing business more efficiently.
- **C2C (consumer-to-consumer) e-commerce:** Consumers selling products to other consumers through many sites through online payment systems such as PayPal which is widely used by everyone. PayPal makes the
transactions of buying and selling much easier. Another example would be eBay's auction service where millions of customer-to-customer transactions take place daily.

- **C2B (consumer-to-businesses):** Consumers request for a product or service and businesses compete with each other to win the consumer’s business. A good example would be Priceline.com in which the customers put the price they are willing to pay and the businesses compete to earn customer’s business by providing the best product or service with the best price.

- **G2G (government-to-government):** This could be performing e-commerce activities within a single government or within two or more governments.

- **G2E (government-to-employee):** This type focuses on the interactions between the government and its employees such as healthcare and retirement plans, payroll, and so on. The goal is to further improve the employee satisfaction and retention.

- **G2B (government-to-business):** This type focuses on the interactions between the government and other businesses, which can be profit or non-profit organization, such as contract bids, data collection, and so on. Through these transactions both government and businesses benefit in terms of reduced cost and increased efficiency of the process.

- **C-commerce (Collaborative commerce):** Business partners essentially collaborate electronically.

- **Intrabusiness (intraorganizational) commerce:** An organization leverages the e-commerce internally such that the business operations become more efficient or cost-effective.

- **M-commerce (Mobile e-commerce).** E-commerce is carried out through wireless channels (e.g., cell phones access the Internet)

Ruckman [4] suggested that Internet research is essential for consumers during buying the products as well as for businesses selling the products or services to the consumers. It is beneficial for both parties. The marketing services in many companies are investing additional funds for online marketing because of the following reasons:

- Effectively reaching large demographics
- Easy to use by the consumers and businesses
- Time and cost-effective ways to conduct marketing campaigns
- Obtained successes can be repeated for increased revenue
- Open access 24/7

### Channel Strategies

There are various channel strategies such as single channel, multi channel, cross channel and omni channel (see Figure 1.). Few years ago, noone knew much about omni channel and recently, more attention has given to “omni channel shopping”. The research however is still in its infancy. Multi channel shopping allows shopping on multiple different channels (i.e., different online sites). While each channel can have its own strategy in multi channel technique, there is a single strategy for all channels in cross channel. One can consider omni channel shopping as improved version of the cross channel strategy. In omni channel shopping, the consumers can leverage various channels (online, offline, websites, social media, mobile applications, catalogs, etc). As an added bonus, the consumers can easily move between different channels. Essentially, omni channel provides consumers so called seamless shopping experience. The consumers weigh the pros and cons of each channel based on various characteristics [9].
Figure 1: Channel Strategies [8, 9]

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Turkish consumers gain reasonable savings while purchasing products and services using Internet. The savings on the other hand differ based on the expenditure type. For instance, it is possible to see the clothing discounts up to 90 percent while certain types of goods would offer much less savings. The electronics related goods for instance receive discounts of 10-20 percent for a limited time and consumers would consider it as a good buy. E-commerce is growing quickly in Turkey. A recent Report [6] reviewed online spending according to the categories, private shopping, deal sites, home improvement, retailers and C2C shopping. As expected, the results show that the biggest cities consume the most, women focus on clothing and men are more interested in electronics, gadgets. In the near past, there was a concern that it is unconceivable to buy products without seeing it; however, this concern has disappeared rather quickly. There are 40 million (about 50% of the total population) Internet users, placing Turkey in 14th place in the world. Since almost half the population uses social networks heavily, e-commerce thrives in Turkey.

The published numbers mostly represent C2C e-commerce. In 2012, total B2C e-sales were €5.4 billion [6]. B2B e-commerce purchases completed through the Internet are not included in the GDP since they do not contribute to the final numbers of sales even though they are essential in Turkey’s economy. There are various way in which B2B e-commerce can take place. Businesses purchase goods as well as buy services and even outsource part of the business through a third party, basically leveraging cloud computing platforms. The cloud computing can be very beneficial for companies since they can access applications and use storage without physically owning or maintaining any infrastructure. Naturally, the business can save cost by using the cloud computing environment wherever possible. Many benefits of the B2B e-commerce include improvements in cost effectiveness, efficiency, transparency, and so on.

Many Turkish companies B2B e-commerce. For example, Migros, one of the biggest companies in Turkey, manages 2200 suppliers and retailers through B2B network. Hepsiburada again manages 30 percent of its buying online in which 50 percent of it is consumer electronics. A number of Turkish companies are using B2B e-commerce to benefit from the Internet. Migros, one of the leading food retail companies in Turkey, manages 2,200 suppliers through its online B2B network, and e-retailer. Hepsiburada, which another giant retailer, conducts approximately 30 percent of its total procurement online, 50 percent of which is for consumer electronics [13]. In 2013, the sales of Hepsiburada was increased 50 percent compared to 2012. The other big players such as Teknos (store-based and online retailer) and Markafoni.com also observed significant increase on their sales. Yemeksepeti, local online food delivery business, also increased its market share. Interestingly enough, automobile classifieds, Sahibinden.com, B2C/C2C auction, and Gittigidiyor.com were among the most visited e-commerce sites. Trendyol.com, Markafoni.com, Hepsiburada.com, Limango.com.tr, Morhipo.com were also among the most successful businesses.

According to the European B2C report [10], clothing was one of the most purchased online products in European market including Turkey. Due to its fast growing e-commerce, Turkey gets increased attention from various investors around the world. Euromarket International market research firm predicts that Turkish e-commerce revenues could reach $6.6 billion by 2017. B2C e-commerce report [7] clearly shows that Turkey is one of the world leaders in B2C e-commerce growth. 2013 sales were increased 40% compared to the year before, and expected growth for the next three years is similar.
Figure 2: Hepsiburada online shop [11]

REFERENCES


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