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Competitive Strategies within the Turkish Automotive Industry: Views, Trends and Suggestions

Abstract

The process of competition in Turkish automotive industry has now entered a new phase with current global economic crisis. Turkish government offered a significant reduction on the " Special Consumption Tax (SCT) " for a limited time period on new automobile purchases. These two environmental factors have forced automobile companies to review their competitive strategies, it is not easy to carry out any reliable analysis. The authors ask the question of how automotive companies should formulate their strategies according to changing Turkish economical and legal conditions. In this study, they searched the views and suggestions of top managers of Turkish automotive companies. The research result suggests that there are some valid reasons for automotive companies to follow regional factors as well as global factors while designing competitive strategies for Turkish automotive industry.

Key words: Automotive industry, competitive strategies, automobiles, light commercial vehicle

Introduction

Globalization of the world economy and globalization of markets force companies to change their structures and competitive marketing strategies. Porter (1990) classified the strategies of companies under the titles of “Product Differentiation”, “Cost Leadership” and “Time Leadership”. For a company which runs after being a cost leader should offer something cheaper compared to other competitors in the market. “Offering something different than others” is a rule for the companies to apply product differentiation strategy. “Doing right things at right times” gives a chance to a company for being a “time leadership”. There are several variables to be considered while evaluating the right strategy to compete. The company that wants to build competitive advantages has to create and leverage its capabilities. Today’s tough and complex competitive environment knowledge management has become a key strategic task.(Muthusamy and Palanisamy, 2004).

There are several researches to understand competitiveness and buyer behavior in automotive industry. Howard and Sheth (1969) defined customer satisfaction as a related psychological state that is a balance between what a consumer actually gets and gives. Breaking system, safety/reliability, strength/durability and comfort of the automobile are the attributes which consumers give the highest importance while buying a passenger car according to the survey result which was held by Aykar in 1995. On the other hand based on another survey results after sales service conditions and spare parts avaibility , price and brand attributes were found to be the most effective ones on purchase decision process (Yılmaz, 1995). While preffering the passenger car, safety, durability and spare parts availibility are the most common ones during the automobile purchasing process (Ozsardaş, 1989). Loyalty and perceived price fairness searched by Bei and Chiao (2001). Due to their survey, perceived product quality and perceived price fairness have both direct and indirect effects on loyalty in automotive industry.

Day by day for highly demanding customers, Pfahler and Wiese (1998) emphasize that automotive companies prefer vertical and horizantal product differentiation strategies in the market. While Balcet and Enrietti (1998) was searching local and global strategies in automotive industry, Goldberg and Verboven (2000) analyzed the evolution of price dispersion in the European car market. Their model identified three potential sources for the international price differences: price elasticities generating differences in markups,costs, and import quota constraints. Sudhir (2001) searched American automotive industry. Cleff, et.all (2004) metioned that the competitiveness ability of a company is effected by several factors such as; production costs, technological conditions, organisational innovation, regulatory framework, macroeconomic conditions. Because of these variables, they impressed that drawing a definite conclusion about the future of the automotive industry sector is not easy. That’s why a systematic approach should be applied by using SWOT analysis. According to the research of Çoban and his friends (2006), sales, profit and customer satisfaction strategies are the most common central variables for Turkish automotive industry. Different researchers searched automotive industry mainly in USA and Europe but also in in different countries.Balcet and Bruschieri (2009) searched for competitive advantages and strategies of Indian Multinationals in the automotive industry. Darby, (2009) searched liberalisation and regional market integration for Turkish and Australian Automotive industries. The researcher mentioned that these two heavily protected markets has now come to depend increasingly upon access to regional trade blocs.

Now the effects of current global economic crisis have changed not only the rules of global competition but also local competition in emerging markets for global companies. Multilocal (Yip, 1992), multinational (Bartlett and Ghoshal, 1989) and multidomestic (Porter, 1986b) companies have to adapt to local economical and legal changing conditions of Turkish market while running after global targets is not easy for all companies as well as automotive companies. The company must consider the fact that the countries and regions in which it invests will extremely be different from one another (Bergouignan, M., 2000). Especially as the sales volume is so volatile in Turkish market because of economic and political conditions, life becomes much more difficult for the companies in automotive industry. Today’s Turkish automotive market is so dynamic and competition is increasingly intense. Besides considering global strategies, companies in Turkish automotive industry should enhance local customer preferences, improve the quality of products, understand purchasing and post purchasing behavior of more demanding customers to gain advantages against competitors. For local strategies, companies should optimise their global strategies, overcome over standardization and under standardization, understand the impact of local economical and political changes on sales volume (Schlie and Yip, 2000). Sturgeon and Van Biesebroeck (2009) applied global value chain analysis in the global automotive industry by the recent economic crisis. The authors highlighted importance of the regional structure of production and sales in addition to political reactions to the recent crisis.

Our search is intended to investigate the formulation of comprehensive competitive strategies within the Turkish automotive industry by collecting relevant industry data gathered by :

(1) conducting selective interviews with senior automotive managers,

(2) secondary data sources; automotive industry reports, magazines, newspapers and state institution reports etc.

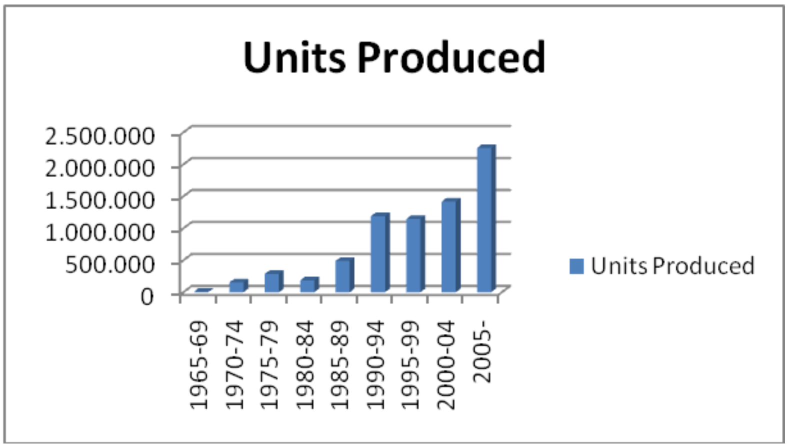
Current Competitive Environment for Automotive Companies in Turkey

The automotive industry is one of the industries which drives economic growth in all countries, also in Turkey. The automotive industry generates 250 000 jobs in Turkey and automotive manufacturers support many industries such as steel, plastic, glass, textile, rubber, iron, computers and more.

To understand the competitive environment in Turkish automotive industry some elements should be examined. Iron and steel form the raw material of automotive industry and there is no problem for investors in Turkey. With young people, Turkey is a dynamic country and to use the benefit of economical man power is another advantage. On the other hand, during the late 1960s, industry gained momentum and by this momentum auto parts industry recorded a great development and restructured. Especially in Marmara Region of Turkey, railway, harbor, communication, energy, highway are feasible. All these, obtain advantages to the companies which were established their factories in Turkey to manufacture (Bulu, M.,2008). Automotive Manufacturers Association report also support these advantages. The production continuously grow up and almost doubled in ten years from 1995 to 2005 (Automotive Manufacturers Association, 2009).

Table 1: Automotive Production of Turkey (1965 – 2008)

Years	**Units Produced**
1965-69	8.592
1970-74	152.937
1975-79	286.421
1980-84	185.371
1985-89	488.680
1990-94	1.189.121
1995-99	1.145.927
2000-04	1.418.285
2005-08	2.255.795



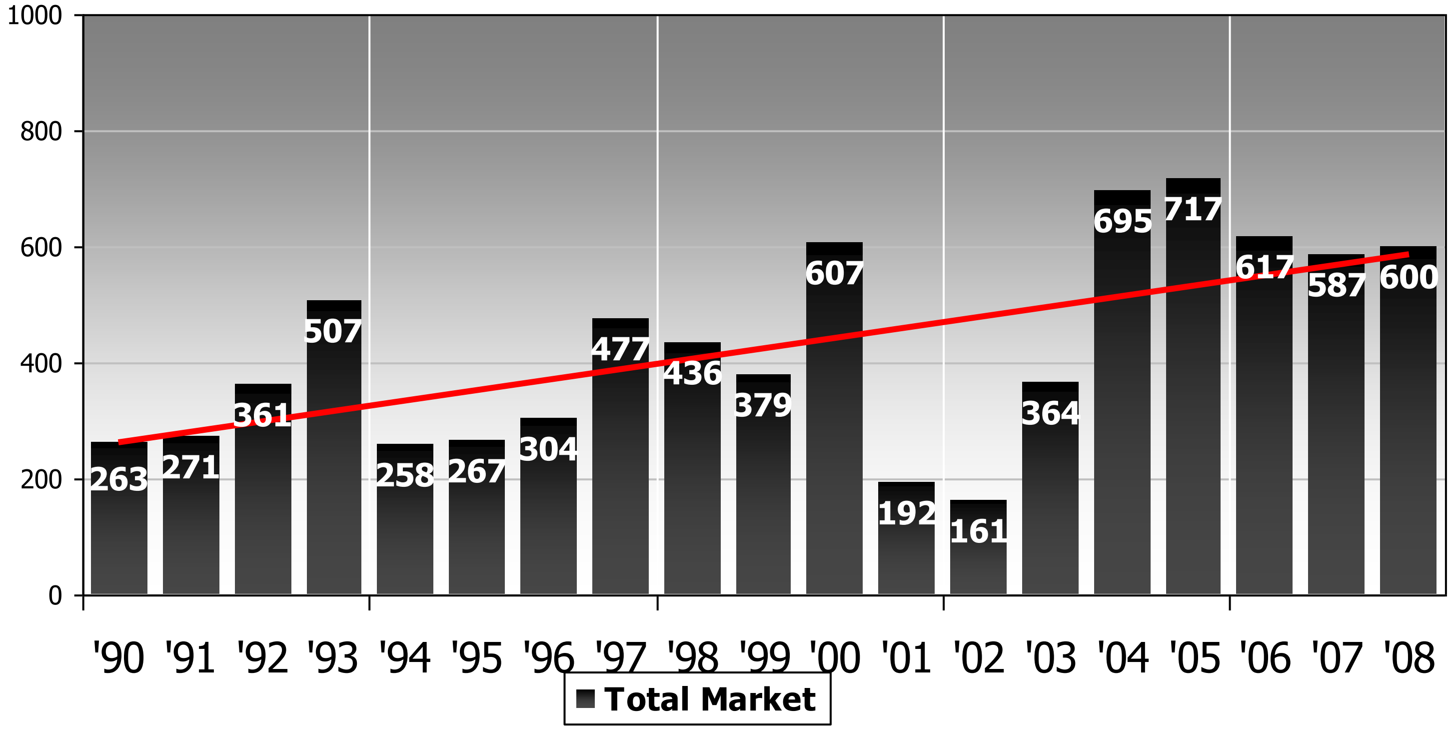
Source: Automotive Manufacturers Association (2009)

Sales volume for passenger cars and light commercial vehicles for the years from 1990 to 2008 is shown on Table 2. Changing macroenvironmental conditions can make the volatile numbers understandable;

- 1993: Big jump and 1994 economical crises in Turkey
- 1996: Customs Union
- 1997: New comers to the market
- 1999: Far Eastern crises effect
- 2000: Incredible grow up
- 2001-2002: Crises periof effect
- 2003 and after : Increasing competition
- 2004-2005: Big sales volume
- 2006-2008: Somehow lowering

It is significant that crisis, new comers to the market, changing legal conditions directly effect sales volume and competitive environment.

Table 2. Total Sales Volume in Turkish Automotive Industry (1990-2008)



Source: OSD,2009

Domestic retail sales in automotive market slowed down for the first periodical period of 2009. Growth is not so important, where retail sales surged by 0.6% in the first half of 2009. The positive effects of the private consumption tax incentive started to diminish mostly in May sales figures, continued also in June much more slower pace, where the domestic retail sales mounted by 28% in comparison with June 2008. For the year 2009, for first seven months, light commercial vehicles total sales was around 94,000 of which 206,000 was for passenger vehicles. However, percentage decrease in LCV for this period of 2009 was 16.5, which was 8.6 percentage increase for passenger vehicles. The effort of Turkish government SCT reduction operation was supported on the Turkish automotive industry car purchases mainly influenced passenger vehicles buyers who change their cars every 3-4 years.

The profit after tax in the sector dropped down from 2% to 1.5 % last ten years. Although new vehicle sales take nearly 70% portion of revenue generation center it has only 2% share in profit center while taking 43% of the capital. Against these numbers, spare parts and service take 17% from revenue generation center, has the 80% share of profit center besides spare parts get 17% of capital. Share of insurance is 7% and second hand car share is 11% for profit center. These numbers clarify the increasing value of aftersales and how competition occurs in all steps of sales and aftersales process.

47 brands in passenger car category and 28 brands in light commercial vehicle market fights to reach their target in Turkish Automotive market. In Turkish Automotive market, D segment automobiles have 11.3% of total sales mainly preferred by males above 35 years . 63.2% of D segment is under control of sedan cars. Companies offer 2-3 new models for D segment. By this way, they offer Premium models those also are save money for tax payment. How strategic game should be played to reach the targeted sales volume from numerous brands is the question.

Methodology

The previous section reviewed the current competitive forces driving automotive industry. In this study, the methodology for collecting relevant industry data gathered by: (1) conducting selective interviews with senior automotive managers (31), (2) secondary sources; automotive industry reports, magazines, newspapers, satate institution reports etc.

Questionnaire Design and Collection

Turkish passenger car market is dominated by Italian, French, Korean and German automobiles. Not only these automobiles managers but also from the small market share owned companies managers (31 participants) are interviewed or experienced automotive industry managers' words from the magazines and newspapers are collected. An interview is realized by a researcher. For each manager 30-60 minutes is given by the researcher. For only face to face interviewing time, more than 24 hours is spent. Travelling in such a crowded city İstanbul and time spent to get an appointment for face to face interviews is not mentioned in this time.

Interviews contain three sections. The first part of the interview is about the current competitive environment and what are the success factors for the Turkish automotive industry. The second part asks the trends of future and tries to get the thoughts of the managers about the important factors for the automobile companies to be successful in the Turkish market in coming years. Third part is about the demographic variables of the managers.

6 of 31 managers (19.35 %) are female, 18 of 31(58%) are working in the headquarter of distributor or producer, 13 of 31 are either owner or a general manager of a retailer. All of them are in 35-57 age group and has more than 5 years managerial experience in automotive industry and has more than 10 years experience in automotive industry either in sales or after sales part of business.

In addition to primary data, secondary data is collected. Common thoughts are gathered and discussed in findings part.

Findings

Technology is not a secret for competitors. By the report of JD.Power (1996), it is realized that there is no bad automobile, all of them are good. The factors influencing the purchasing decision of the customers: low fuel consumption, price, alternative fuel, environmentally friendly vehicle (Newsweek business,.2009; all interviewed managers;Referans Newspaper,20.7.2009). Besides understanding the needs of the customer, adapting to alternative technologies like electrical vehicles and hybrid is important for automotive companies to compete. (Fortune Türkiye,2009).

Turkish otomotive market is an address for all segments with its product and price variability. To be winner in this competition, product quality, price, sales and after sales service quality are main indicators. To have better business organization compared to others gives an important benefit to the automotive company to compete.

By bloc exemption law, retailing part of Turkish automotive industry influenced a lot and this law forced the players in the market to be much more professional. Even though this had been already emphasized by Dikmen in 2006. He had mentioned that by bloc exemption regulation automotive companies would face spare parts and after sales service competition by 2007 compared to previous years,

Becoming more and more tough competitive environment force the companies to be much more rational in business and organizations.

Customers are much more price oriented and searching for the best quality with cheapest price is common thought of all interviewed managers. Also potential expense of after sales services is much more valued by Turkish people. In Turkey, market is formed mainly by rational customers that looking for after sales service and payment conditions. In this case, companies should combine the competitive advantages of low costs and differentiation which are incompatible (Porter, 1980,1985). On the other hand, which new techological development will be attractive for Turkish customer is not clear. It is necessary for automotive companies to continue R&D activities which means financial power (Autopolis 1.1.2009 ,Referans newspaper, 20.7.2009, Dokuzuncu Kalkınma Planı). Under these circumstances, transfering the fix cost into variable cost is beneficial (Turkishtime, 11.6.2009; Referans Newspaper, 20.7.2009).

The main motivation for companies is to access to attract the segments which are huge and growing (Balcet and Enrietti, 1988). 70% of the market is dominated by sedan vehicles. Customer should focus on this segment if they run after for being in first three. Also unexpected movement in some segments like SUV should be followed. 65-70% of total automobie sales is imported (Autoshow,2009). Increasing number of working women moves up the demand for small passenger cars additionally.

To have information of current and potential customer is important. Collected customer data give a chance of offering more than the expectation level of customer which provides prize to the companies like Ford Otosan (Referans newspaper, 15.4.2009). For giving more than the expectation, passion is the key for all companies to reach the goal while running after vision (Referans,.24.06.2009)

The current global economic crisis, which is identified as the worst financial crises since the Great Depression (Edmund 2008), forced many governments to take reactive and proactive actions to increase the demand and improve customer morale (OECD, 2009; Davidoff and Zaring, 2008). A part of the economic recovery efforts, Turkish government offered a significant reduction on the “Special Consumption Tax (SCT)” for a limited time period started by mid of March 2009 and ended by end of September 2009 new automobile purchases. The president of Automotive Distributers Association and General Manager of Renault Mais Mr. İbrahim Aybar states that the SCT reduction resulted in a 33% increase in new automobile sales from last year for the same time period (Hurriyet, June 17th 2009). This shows that some of the customers used SCT reduction opportunity for early purchasing even not willing to buy just in 2009. For the coming year, this can be another factor for market shrink which means tough competition. So, strategy is the name of the game. Changing governmental policies and economical changes is another part of this game. Not only adaption but speed is important.(Ekonomist, 26.07.2009, Autoshow, 07.2009, TSKB, 30.07.2009). Timing is key factor. Turkish automotive market realized the value of timing by a reduction on the “Special Consumption Tax (SCT)”. Especially just after the first reduction announcement of the government by mid of March 2009, organized companies within logistics, warehousing and transporation reached the pocket of the customer as quickly as possible. Some automotive companies have used this opportunity in a good way and increased their sales volume like Hyundai Assan and became number one in passenger car sales in the first half of 2009. After several years, Renault lost championship (Habertürk, 2009 and Turkistime,2009). Another fact that, importers could not import immediately after selling their all vehicles in their stocks (Turkish Time,2009). Fast moving economical changes forced many companies to take reactive and proactive steps. Fo example, Sabancı Holding left the sales and distribution of vehicles in Turkey totally to Toyota in 2009 after leaving the production in 2001(Hürriyet, 2009).

Based on interviews with top managers, thoughts about industrial competitive strategies are summarized below. Percentage of participants shared the same thought is written in parantheses;

Companies in Turkish Automotive Industry focus on dealer management system. Instead of running after only financially powerfull dealers, businessman minded people are much more adaptable to uncontrollable changing environmental conditions (80% of participants). In addition, dealer management system is backbone of this job, controllers of this system means area managers should be eligible to run this business with their abilities and personality (93.5% of participants).

Strong market know-how in domestic operations move up the company in competitive environment. Informing the dealer net-work about market conditions monthly and collecting field competitive analysis from the dealers creates mutual positive effect on both parties (74%). Each company should analyze the potential attack of competitors and have an elasticity to adapt daily changes in Turkish automotive industry (93.5%). Dynamic organizational structure is important not only for the manufacturer/ distributor but also for all dealers (16%). This means unexpected and sudden marketing communication activities should be realized for customers as well as against competitors. To act as a team is not enough to compete, outsiders should be involved in this game. Setting trustable relations with suppliers give a chance for synergy (38.7%).

Power, history and image of local partner can not be rejected factor to position the global brand name in the Turkish automotive market. New patterns of relationship between manufacturers/distributors and dealers becomes more important. While searching for new dealers, head office should keep in mind not damaging profitability, efficiency, motivation and effectiveness of current dealers (58%). Instead of price based competition, activating service based competition between dealers provides profitability for both sides (45%). Experienced and loyal staff not only for head office and but also dealers is an important added value to compete against competitors (96.7%). Salary, motivational tools like incentives, fringe benefits and training programs are reliable factors to keep the qualified staff in the organization. Highly motivated, ambitious and dedicated delaer network support the brand name in the eyes of the customer (64.5%). Companies should understand branding is not only for the products , for dealers and staff as well. They should market the value of brand to attract the best employees to work with. Sharing same vision with all dealers and their staff and being sure that they exist under this flag with their spirit (83.8%). Not rules but standardization for dealer network (25.8%). Desire, positive attitude, technical knowledge are main elements for sales and service people. Way of transferring technical knowledge means feature of automobile into benefit form according to the customer needs is valuable approach (74%).

Recognition of success by industry and public, visionary and open minded public relations department is important for the company. In the case of customer, word of mouth is one of the main factors in the formation of the brand image in Turkish collectivist culture. To prevent potential unexpected rumors, press relations are the key factors not only for the head office but for the dealers in their regions (80%).

Price is obviously very important for the consumers. Pricing becomes more and more important mainly foreign currency based imported vehicles. For manufacturers or importers, value based market oriented pricing allows the companies for right positioning and controlling the market. To make the automobile reachable for the customer, privately owned financial institution is a big advantage to the company to run after automotive business in the Turkish market (93.5%). Opportunities and campaigns work well in the Turkish Automotive Market. Warranty period and conditions became one of the key factors for price oriented Turkish customer that automotive companies should take care of this factor much more (100%). Unclear definitions during sales process by sales people can cause harmfull damages during after sales. Warranty is a promise for the customer that companies should realize. Words of advertising and sales people should sign the same direction.

Daily changing competitive environment can be handled by target oriented, impressive, agressive, dynamic, and surprising which are touchable, visual, audial and digital marketing communication activities (100%). Proactive planning is not an asset, a necessity in this dynamic even caotic environment. The efforts of companies giving more than the expectation level of the customer is profitable if company provıded an excellent offer to realize the needs of the customer. Follow up trendy segments and focus on all segments allows the company to be in first three. For AIDA model, create a valuable and profitable difference for attention part from numerous competitors. As companies in Turkish automotive industry face collectivist culture in Turkey, marketing activities for targeted segment as well as others who have a high chance to influence potential buyers (48%). Test driving, catalogues, brochures, brunches are common used marketing activities and not so interesting any more. Improving the facilities of the delaers to attract the potential customer to walk in is already improved well.

The current global economic crisis and significant reduction in SCT can force many companies to overposition or underposition their products to stimulate the demand which can become reversed. Using all mental power of the organization can prevent the contrary unexpected results. Realistic and continuously changeable target ing according to the volatile market conditions should be applicable for the company.

Impact of evaluation of general management, dealers and area managers on improvement of organizational and personal facts is one of the tools to apply value based SWOT analysis. Qualitative (customer satisfaction, application of standards of the Head Office, CRM system, participating local marketing activities, following steps of sales and after sales process) and quantitative criteria for dealers performance evaluation should be used to improve and keep the value of brand image (100%).

Creating additional profitable sources besides classical new passenger cars sales in showroom for dealers is necessity. Used car sales, insurance, out of standard aftersales approaches, coffee shops in showroom, active sales team increase the profitability of the dealers (100%).

Being part of social responsibility projects and taking the customer into this project adds value to the brand name (45% of participants).

Conclusion

The world automotive industry has no companies producing globally. Most of the production occurs in regional clusters within the broad triad economies of the EU, North America and Asia. This can make the car producers to understand the different needs of people much better and design local competitive strategies. This study reveals some competitive strategies in the Turkish automotive industry, as well as thoughts for further research.

In the Turkish automotive industry, value of dealer is important because of the type of product. Partnership between the Head Office and dealers increase the impact of application of competitive strategy. So, being close to the major market which means İstanbul in Turkey. Big sized and huge number of dealers located in this city force the head offices of automotive companies to be in İstanbul. For Turkish people, face to face communication is important to be more persuasive. Trustable, highly motivated, face to face communicator, good listener and being leader for general management position is an added value for the dealers to be motivated and eager to put all their effort.

Factors those should be considered in strategic planning is summarized below based on marketing mix (Mc Carty,1960, Lauterborn, 1990).

<u>Product (customer solution)</u>

- Focus on growing segments (D segment and mainly sedan) (93.%% of participants) and follow unexpected trends (SUV) of the market to be a leader of the market,
- Customer oriented (visual, audial, digital, kinesthetic, (Gardner, 2008)) test drive is important ,
- If company has an ooportunity to show the factory, give a chance to the customers to visit by some organizations,
- Warranty period is important. About warranty conditions, sales and after sales consultants should use the same words not to confuse custormers' mind and not to damage company image after purcahisng process,
- Offer a prestige product to the market to improve the brand image,

- Keep on improving quality and offer the new model at the same time with other countries to give a chance to the customers to show what they have.
- To create a reliable brand name, image of dealers, global name and local partners are important,
- Wide range of accessories for different vehicles. Because of increasing number of female buyers in the market, more attractive and different accessories can be offered in addition to traditional ones.
- Additional profit centers: price bundling opportunities for sales and after sales, coffe shop in showroom, active sales team, insurance etc.,
- Aftersales Services: customer oriented approach of service consultants, CRM based aftersales system, systematic afters sales team work in services, spare parts avalibility, performance of machineries used in service part are all important.

<u>Price(customer cost)</u>

List Price:

- Adaptible pricing strategy. Be sure that dealer earn money also. “pricing is not only for outside customer but also for inside customer; dealer”. Pricing for aftersales and spare parts must be competitive. If not, several private services will be competitors. Being cost leadership company is benefit for the players in Turkish automotive market, because Turkish customers are more price oriented like in most of the countries after the latest global economical crisis.

Campaigns :

- Not ordinary, agreements with other organizations like benzine companies. Let the dealers to use the benefit of local agreements.

Discounts :

- Instead of discounts, provide gifts related to the vehicle not damage the brand position in the market.

Allowances

- Used car support and create another profit center for the dealers.

Payment Period:

- Agreement with financial institutions,
- Owned a financial institution is a big advantage for the automotive company.

Promotion(communication)

Quarterly systematic data collection from the field to up date local and national marketing communication activities. Evaluation of ROI (return on investment) of marketing communication activities is important for Head Office and the dealers.

Advertising:

- Say the same word by using visual and audial press and also by sales and service team members in dealers not to confuse the customer mind,
- Instead of traditional ads, more close, more emotional ads can create difference,
- Using the prizes won in other countries with other features can cause confused positioning.

Personal Selling:

- Trained, ability to transfer features into benefit form for the vehicles and accessories sales and after sales consultants create a difference.. Teamwork between the all company members and suppliers. Brand value also for company staff. Recruitment of the one who feel the spirit of the company and willing to work with positive attitude is the key.
- Planned customer handling approach in sales and after sales process. Follow the sequence in order; meet and greet the customer, qualifying, vehicle presentation, demonstration drive, handling objections, handling objections, finalizing the deal, follow up the customer (Knott, 2007)
- General manager of the company must have leadership ability to motivate all team,
- Dealers who are business minded, ambitious, highly motivated , respectfull in their regions, sharing the same mission statement and vision of the head office,
- Positive minded, knowledgeable, ambitious dealer team members,
- Area managers who have ability and reliable personality for being coach for the dealers,

- Not a messenger but consultant area managers,
- Reachable dealer and head office staff by phone or mail for the customers.
- Not “customer complaints” but “customer improving relations”departments to follow the sales and after sales process of prospects and current customers,
- Sales volume and Customer Satisfaction Index based salary for dealer team members,
- Well organized and Turkish culture based training programs for head office and dealers staff.

Sales Promotion:

- Vehicle related, original sales promotional materials. Not follow classical promotional items of the sector,
- Support the dealers by total agreements for promotional items to use the price advantage,
- Be sure that promotional items are effective for the dealers. Different promotional items for different regions of Turkey,
- Setting both visual, touchable, audial and rational promotional activities for sales and after sales,
- Instead of standardied, apply customized vehicle delivery process.

Public Relations :

- Not only national but also local,
- Word of mouth is very important in Turkish market. So different activities which can be discussed in newspapers is important,
- Being member of social responsibility projects,
- Trustable relationship with the suppliers also,
- Take care the image of the dealer while choosing the candidate for partnership,
- In house public relations department can be beneficial to act quickly in such a dynamic environment,
- Innovative approach for all communication activities. Try to get different thoughts of all staff by a prize system.

Direct Marketing

- Applicable and really accepted CRM system by the dealer members to follow customer for direct marketing activities,
- Using power of internet to take the interest of the customers by some enjoyable activities learning the features of the automobiles while spending time.
- Give a chance not only to the prospect but to the current customer to keep all his vehicle and vehicle related information history by using a password on the internet page of the company. Use this personal information to offer customized marketing mix which will be time saving for the customer and make him/her to feel special.
- Give rational information on internet but not forget emotions of the customer.

<u>Place(Convenience)</u>

Channels:

- Supporting not price but service and quality oriented competition between dealers. Understanding the difficulty to apply this sentence in business world,
- In addition to showroom channel for sales, establish trained, organized, self motivated, ambitious active sales department,
- Instead of dealer based after sales service, mobile service to reach the customer and create another profit center,
- Everywhere can create a chance to sell by searching new ways of sales by using digital platform.

Locations:

- Protecting profitability of the dealers while increasing number of dealers,
- Standardization for the facilities. Feasible size for sales and aftersales places,
- It is better for head office to be close to the major market,
- Location of dealer should be close to the market.

- Coffee shop or comfortable place to rest during the service period also for woman. While waiting, magazines and newspapers and food and drink.

Inventory:

- Stock control considering not only financial feasibility but economical and legal sudden changes,
- Not only stock control of the manufacturer and distributor but work in coordination with all dealers,
- A computerized system for the dealers to control the automobile exchange.

Transportation:

- Work as a team member with the transportation company and set the same transportation cost for all dealers to prevent the unnecessary competition,
- Timing is important to deliver the product on right time.

Strategy generally planned for all Turkish market but there is customer behavioral, environmental and climate regional differences. How well regional strategic plans are designed influence the result of country plan. Especially for light commercial vehicles, regional facts are so important.

Limitations and implications for further research

At the beginning of this research , it is assumed that automotive companies' strategies in Turkey are formulated based on local economical and political conditions. The scope of the study is limited to passenger cars and light commercial vehicles only. Furthermore, investigations of other vehicles would be particularly helpful.

Interviews with some top managers were held in their office and open questions were asked. Although thoughts of industry top managers were collected from the press, can be detailed by face to face interviews in long period of time. A questionnaire can be distributed for further reseach and quantitative data can be collected.

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