

## ISOMORPHISM AND AUTHENTICITY ON THE WAY TO BE A GLOBAL COMPANY: A CASE STUDY OF TURKISH COMPANY

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### Abstract

Nowadays, some businesses are able to move their companies from a local to a global level based on the strategies they follow, the principles they develop and the stance they have maintained over time. Internationalization is sometimes long and sometimes short for firms and this causes the emergence of different areas of discussion. Whichever way is pursued, some global firms have the potential to become models for small local entrepreneurs. However, this study claims that small local firms become global corporations by building their own processes due to the conditions they are in. In the study, a case in point to promote a controversial aspect of the claim was chosen to support the argument. The internationalization process of a Turkish company, Mavi, was discussed by a qualitative research. Mavi's internalization process was evaluated by success indicators of global firms and try to determine isomorphic and authentic fields.

**Keywords:** Internationalization, Global Firm, Isomorphism, Authenticity, Context.

### 1. Introduction

Global companies are defined as "companies that are able to offer products with the same quality, the same standard and mostly the same name all over the world, in this sense, Coca Cola, Ford, Samsung, McDonalds, Apple, Nestle, BP etc. are global companies (Coskun, 2002). Global firms perceive 'the world as a single economy' and develop strategies according to this assumption. Today, the top 200 companies holding nearly 25% of the world's economy have left the economies of many countries behind in terms of their economic power.

These global companies are interesting due to their strategies that provide them to be able to reach to their present giant forms. While almost all are small entrepreneurs, they have achieved internationalization in a short period of time thanks to the variety of strategies they have followed (Sharma and Blomstermo, 2003; Oviatt and McDougall, 1995) or within a long process (Johanson and Vahlne, 1990). Whether the process they follow is 100 years or 3 years, the way when they approach micro scale to global scale, and the principles they set, can serve as a model for today's small and local enterprises. The reason for their exemplification is that existence can be provided by being legitimate in almost all social systems. Legitimacy is becoming an important reason for the repetition of behavior (Scott, 1992; Meyer and Rowan, 1977). For this reason, a secret claim of the study emerges at this point: small local firms can implement isomorphous activities (output) by repeating previous successful and legitimate applications in the system. But, the basic and explicit claim of the study is that small local firms will be able to follow specific developments with the effect of context beyond the isomorphous activities. Because the context contains everything that

affects a company's strategic decisions and behavior (Kim, Hurh and Fernandez, 1989; Denicolai, Hagen and Pisoni, 2015) and there is a reality of every country which is own historical, cultural, environmental and also is shaped by the big picture that emerges with the interaction among the all of them (Citci, Ozturk and Dincer, 2016).

## **2. Research Problem**

The aim of this study is to evaluate the process of creating a global firm in Turkey, which is among the top 20 developing countries and world economies. Given that Turkey has looked for to reach a good position in the world economy in a long time, it raises curiosity about whether Turkey is isomorphous or pursuing original strategies while creating a global company. In this context, the questions to be answered in the study are as follows:

- a- What are the systematic principles that stand out in the success stories of global companies from micro scale to global scale?
- b- Is it possible to determine the isomorphous and specific (original) areas in the internationalization of Mavi, a Turkish company, by acting on these principles?

With answers to these questions, it is aimed to reach the findings that generalisable studies about emergent countries' abilities to create global firms will be able to utilize in the future.

## **3. Review of The Literature: Theoretical & Practical Justification of the Study**

The most important indicator of globalization is the widespread of global enterprises that produces similar products and brands in worldwide. Global businesses are not interested in which culture they belong, but mostly they tend towards world cultures that they will create. The most important reason for this is the fact that the product and service that they put forth have an acceptable standards in all cultures (Coşkun, 2002). The opening of Turkey to the outside world was started in the 1980s primarily with winning the international tenders by the construction sector. In the 1990s, the Turkish entrepreneur began to appear with foreign direct investments in an area extending from Eastern Europe to Central Asia. Moreover, these investments did not only come from large holdings such as Migros, Enka, Efes and Eczacıbaşı, but also a number of small Turkish businesses (such as Ardem and Bayraktars) were opened abroad with foreign direct investments. As a process, businesses operate primarily on local conditions according to the internationalization approach. After becoming stronger in local market conditions, they gain an international dimension by going to product-service provision in other countries which are similar to their own country cultures (Johanson and Vahlne, 1990). However, after the enterprises have made international production due to the

- desire to growth
- desire to spread the risk
- desire to provide more cheaper input
- be close to the market, exceed customs barriers
- Competition strategy -To follow the rival
- Government incentives (free zone etc.) (Rugman and Hodgetts, 1995) and for such reasons companies tend to be global and compete in global market conditions.

Naturally, in this orientation (goings-on), firms are faced with example models. Even if they do this unconsciously, they may have to do because of the legitimacy concern. Because organizational success is linked to the legitimacy of the actions, and companies whose actions are generally accepted are able to produce successes implications for others. This situation causes isomorphous actions according to institutional theory. Small and local entrepreneurs must include the parameters that are brought by the globalization to many

decisions about investment, where to find the inputs to be used in production, and to whom the product or service will be presented. For this reason, entrepreneurs are obliged to carry their perspectives from the local to the global scale. Coskun and Citci (2006) evaluated the establishment and growth stories of global firms such as Coco-Cola, Bayer, Dell, Nestle and Adidas in terms of their path of internationalization. Within the scope of the study, firstly the stories of global companies that came to mind in different industries were summarized by secondary data sources, in which "common behavior and the existence of principles" were questioned. When companies were identified, the "intentional sampling" method was applied and the first companies that came to mind as global companies were investigated. The main reason for this method is that the boundaries of a universe that can be called "global corporations" are unclear and that the sampling framework can not be created. When the examples are examined, it is especially interesting in terms of entrepreneurship: the stories were taken from the dimensions of

- a- be aware of opportunities,
- b- innovation,
- c- taking risk,
- d- certain behavioral characteristics and adherence to basic principles in doing business and what kind of common behaviors of different global companies have exhibited at these dimensions.

The following critical success factors were identified as the result of the research:

- **Requirement of institutionalization:** Successful firms are paying attention to strong-dynamic entrepreneurs with good managers and also, the "anonymization" and accountability of their business.
- **Ability to see opportunities:** They needed the ability to see what kind of future the industry promised, and to analyze and understand the environment.
- **Special emphasis on invention and innovation:** It is important to support R & D because the value added of imitation is low.
- **Differentiation:** The obligation to be different in certain ways from the rivals pushes businesses to differentiate. With differentiation, it has a different place in the perception of the customer and spreading the risk by diversification.
- **Contemporary marketing:** Determining the difference between marketing and sales and watching customer expectations are key factors in bringing these companies to the global dimension.
- **Having the principles:** Among the indispensables of successful companies are principles such as reliability, consistency in quality and price, and standing behind their words.
- **Strategic thinking:** The "guerrilla hit-and-run" approach is a sign of short-term thinking. We see that the sample firms underline that there are no guerrillas in the origin countries or in the recipient countries. We understand this mainly because companies are rooted in a local market and become a strong company and then they begin the internationalization activities.

#### **4. Methodology of Research**

The study was designed as a qualitative study. Qualitative studies use case studies as an important tool to understand how social phenomena are shaped. Mavi, of course, is not a tool for coming to a general conclusion about Turkish companies, but the in-depth study of the process of internationalization in itself may be important in bringing out areas of isomorphism and authenticity. Mavi's process of becoming a global brand has been assessed both from secondary data and from interviews with employees from different departments, that is, primary data. The most basic thing that needs to be explained before findings is the explanation of the reason why Mavi was elected, despite the fact that there are many Turkish

companies that have achieved internationalization and are even progressing towards becoming a global brand:

- The company is a textile company and because Turkey has been one of the leading countries in the textile sector for many years, it has a know-how that can make a difference.
- The company started with a small factory established in 1960, continued to manufacture ready-made clothing in 1971, realized a potential in jean sector and created a new company in 1984 to make contract manufacturing for firms such as Lee, Wrangler and Mustang and by this way it has achieved being a part of the world's textile (Çalışlar, 2016, p. 16). After making a strategic decision, it decided to create its own brand with its knowledge and experience gained in the field and became popular with the name of Mavi in 1991. It has become a Jean brand known for its strategy in Turkey and abroad.
- Since 1993, Mavi has started to export to Switzerland, Egypt, Belgium and Holland as well as domestic dealers in Turkey. As a primary target, the brand sees itself in the Western market (US, Canada and the European Union) and then believes that East will become a relatively easy market (Yarici, 2007, p. 179). For this purpose, the company has sometimes preferred to establish new companies, sometimes partners or distributors to open up to the world. The decision of Mavi to enter the Australian market, which has many different characteristics in many respects, has been taken after a long research period for this continental country which has Western trends and a cosmopolitan society structure even though it is in the Far East. The differences that have been determined for this purpose have been reflected in the patterns and have been combined with one of the most common chains of the country (Calislar, 2016; 72). Mavi has been operating in more than 35 countries and has become one of the international brands in the ready-made clothing sector in Turkey.

## 5. Data Analysis

Mission-vision-value declarations as secondary data were examined in order to evaluate the point where Mavi came.

*Mission is to be close to the customer, to bring new experiences to the consumer, to be innovative in design and production, and to create a strong corporate culture.*

*Vision is to focus on jean and become a leading brand.*

*Its values are quality, innovation, passionate brand understanding, sincerity and respect.*

In addition to the secondary data, primary data were collected by interviewing the different department managers of Mavi. Thus, the internationalization process of Mavi has been examined from the perspective of different department managers.

When asked about what is difficult and easy for Mavi to create a global company and brand,

*Purchasing Department Manager P1;*

“The difficult thing was that there are a great number of competitors...however, Mavi's infrastructure and quality products made the situation easier. This is something that is thanks to strong brand image and awareness.”

*According to Manager of Customer Relations Department P2;*

“Brands are now struggling with many competitors in the global world. The competition among the rivals is also increasing day by day. This also represents a challenge to

be overcome for a brand. Mavi owes its entrepreneur's vision to become a global brand today from a tiny tailor shop.”

*According to Manager of Foreign Trade Department P3;*

“It's a job to be able to hold abroad. Especially as a Turkish company, It has difficulties in terms of cost ... We know that the Turkish Lira is less valuable than the other currencies such as dolar and Euro which are the currencies of the most traded countries.. It's just a simple financial difficulty. When the firms decides to make investment such as open a store abroad and spread it there, the costs increase by three and a half times or four times. Of course there is an income increase, but they really need to be strong. Mavi's overseas travel spread throughout Europe after America. In 2012, it also started to exist in Russia and apart from this, it exports to many countries from Arabia to Kazakhstan. There are a lot of processes and they have difficulties. There are a lot of really challenging processes in terms of production, logistics and cost. The second biggest challenge for Mavi is to determine the market and the customer. It was bought by an investment company because it could not handle the problems like this.”

*According to the Manager of Human Resources Department P4;*

“The difficulty of being a global company is to realize operations in different geographical areas with different managerial possibilities. The management of our foreign offices and Turkey are totally different... For this reason, we do not have the basic, specific skills requirements for all our employees..”

We asked that what is the main thing that is effective in creating a global brand and what does Mavi do right?

*P1;*

“If you have products and services that are produced and presented consistently all over the world, it means you have a global brand. Because this situation makes you strong in the eyes of the customer. Behind Mavi's success is taking into account customer expectations as well as cost sensitivity.”

*P2;*

“Each brand reflects its culture with its style and stance. Mavi has a Mediterranean-based brand and designs its collection according to this origin. It can be said that doing the best of fashion without compromising its own values and qualities is the best job which it does. In addition, we are customer-focused and respectful of differences as long as customer relationships are established on the global market. If you take care to use production, distribution and communication with developing technology, you are a global brand”

*P3;*

“Creating an international brand is already a very difficult and troublesome task. All the activities of a brand must be carried abroad. It must also contain export. Quality is always important when it is called a brand. When creating a brand, the priority focus should always be the customer. As long as the qualities that the customer desires, it can be a global company and brand.”

*P4;*

“For example, we are looking for five core competencies in our employees, although they vary according to departments at Mavi. These are focused on success, being eager to learn

new things, knowing to listen to others, being open to innovation and giving importance to the customer...”

*According to the Manager of Marketing Department P5;*

“The easiest thing for Mavi to be a global company and brand is its advertising campaigns. It was possible to appeal to large masses both Turkish and foreign names were played in advertising and brand value was raised. In other words, these advertising efforts, affected brand value in a positive way, increased the company's global awareness..”

### **Conclusion**

Mavi has been a featured example for researchers. As a result of the qualitative research carried out, the primary and secondary data compiled were made available to the researchers in some conclusions. First of all, the area of intersection with global firms, ie, their isomorphic actions, can be summarized as follows:

- It is possible to understand the necessity of institutionalization by first separating the brands, then growth decision by investors and opening to the public. An agreement has been made with TURQUALITY to strive for the professional management of the quality.
- Special emphasis on inventiveness and innovation is one of Mavi's strategies. In particular, R & D for production processes is supported in order to increase quality.
- The use of contemporary marketing techniques is also valid for Mavi. One of the best examples of this is the advertising campaigns that are carried out with the help of world-wide famous names in being customer-focused, development, presentation and promotion of products..
- Having Principles is considered to be a must for sustainable success. Mavi gathers its employees around certain principles at this point and it tries to prevent things that will harm the institution's history and culture.
- Strategic thinking for a firm is the result of being future-oriented. Success is based on a multiple variable equation that is not left to chance. Mavi, like the world giants have done, has been developing strategies that are suited to their ability and resources that develop over time.

When compared to its rivals, the authenticity of Mavi is undoubtedly its different internationalization strategy. The fact that global firms belong to the dominant, strong side of the world accord them advantageous in the struggle to exist in the rest of the world. However, the fact that Turkey is among the emergent economies and its companies do not become playmakers in the global system, these cause Turkish firms to be search of different paths. For this reason, unlike the global companies that have been chosen, Mavi has tried to exist outside the country first, to hold on to his own country. Also, it has tried to convince customers that they are of foreign brand quality and then continued to grow in local and foreign markets. This can be seen as an interesting combination of both process and born global business approaches.

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