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INQUIRY INTO THE NATURE OF
MARKETING MANAGEMENT OF PRIVATE
CONSUMER GOODS INDUSTRY IN ISTANBUL

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CHAPTER I

INTRODUCTION

In every developing country, the key to the success of economic growth and social progress lies in the full utilization and co-ordination of human and physical resources.

Turkey is striving for rapid industrialization and modernization; at the present state of development, the country represents an economy in transition.

In developing countries, development is usually related to increase in production, productivity and to techniques that provide these desired phenomena. Producers believe in the laws of the sellers' market, where everything produced is automatically sold. This is true until a certain magnitude of production is attained but quite untrue beyond that level.

Developed economies are characterized by (1) mass production, (2) mass communication, (3) mass distribution, (4) mass consumption¹. Mass consumption which entails mass production, is facilitated by mass distribution and mass communication.

However, in developing countries markets are usually too small to provide a strong impetus to mass production; therefore, economies of scale cannot be obtained by producers. One of the major solutions to the problem of economic growth is the expansion of markets. Larger purchasing groups

¹ Coşkun A. Şamlı, "Amerikan Pazarlama Bilgisinin, Az Gelişmiş Memleketlerde Kullanılabilmesi", Sevk ve İdare Dergisi, 1966 Yıllığı, p. 95.

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with increased buying power will provide an encouragement to local investors and eventually stimulate the growth rate of the country.

Marketing activities which aim to bridge the gap between producers and consumers can also contribute to the process of economic growth by allocating resources in the light of consumer demand. Marketing makes possible the integration and utilization of whatever assets and productive capacity an economy already possesses. It also provides a stimulus to innovation. Product appeal is enhanced by the creation of adequate marketing mixes and eventually the expansion of markets is brought about.

Factors that retarded the development of marketing in Turkey are:

- A. Existence of a sellers' market. - From the time industrialization started in Turkey, there was a rapid growth of a sellers' market. Management's prime concern has been with the production and cost problems. Marketing, naturally, has been given little attention in this atmosphere where production generally lagged behind sales.
- B. Lack of competition. - The shortage of capital and entrepreneurial capacity available for business activity during the early years of the Republic necessitated the state's active participation in economic life. The Government was interested in encouraging and protecting private enterprise as well as investing itself in monopolies such as sugar, salt, alcoholic beverages, etc. Therefore, there was almost no competition between these two sectors and very little within the private sector which was in a stage of development. This situation could not provide a stimulus to marketing activities.

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C. Low status of marketing . - Marketing education did not enjoy a high status as technically oriented education. Marketing was considered a low prestige occupation, not a very honest one and mainly minority groups were involved in it. Because of these reasons this field attracted neither a large number of people, nor the brilliant and desirable ones.

Today, Turkish business executives are generally conscious of the need for more systematic marketing methods, but-with the exception of international market-- the pressure for change is still not great because the overall domestic supply - demand ratio still favors sellers. Although Turkish products, packages and prices cannot yet compete in international markets, active promotion in export markets (such as North Africa, Pakistan, Iran and to a certain extent Spain) has recently begun.

However, the place to initiate sound marketing methods is in the domestic market especially in view of the constant change the Turkish economy is undergoing. The forecast for 1967-1972 is a yearly average growth of 7 % in G.N.P. and 3 % in population. Transportation and communication facilities are expanding and will continue to grow in the future. Improvement in education, even though slow, is upgrading demand.

Even though the general aspect of the Turkish economy is one of scarcity with demand exceeding supply, this situation is changing in certain industries where surpluses have started to appear (eg. textiles and soft drinks). This shift to a buyers' market necessitates active marketing. Also, actual marketing activates appeal to only a

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small portion of the population (eight out of thirty two million)¹. The unserved segment is the low income group. However, efforts must be made to tap the idle resources such as hoarded gold of these groups and to stimulate their latent demand by advertising via the mass communications media, so that they can form a potential market. Redistribution of income through progressive taxes, urbanization, emancipation of women and their participation in the labor force are also factors contributing to the need for more dynamic marketing in Turkey. Effective marketing practices will also be necessary if Turkey enters the European Economic Community and protectionist measures are removed, leaving home industries face to face with strong international competition.

Dynamic marketing in Turkey requires:

1. The systematic determination of products for target markets.
2. Standardization of production and quality control.
3. Regularization of supply at convenient locations.
4. More effective communication means with buyers.

Marketing will experience constantly accelerating change in the years ahead. Change represents challenges and these will affect marketing as well as the work and responsibilities of marketing executives. Marketing executives will be involved in many of the significant decisions made by their companies and will also be the strongest voice in planning; therefore, the marketing executive of the future must be equipped to manage change of all kinds -- both internal and external, domestic and interna-

¹ Report of Marketing Management Team by the Council for International Progress in Management, July 7, 1967 (in the files of the Turkish Management Association).

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tional. The most important changes in marketing will occur from forces at work in the Turkish society - economic, political, social and technological. These forces have and will continue to have a profound impact on business and on the work and responsibilities of managers in marketing. Marketing executives will be expected to carry a larger share of business responsibility in the future. Also of significance will be the trends toward automation, international business activity and technological advances resulting from scientific and industrial research.

What will management require from the marketing man of the future?

Britt Henderson¹ list his characteristics as follows:

1. An educated man. - Education in many fields so that he will be well informed on subjects that are the background for his work in marketing.
2. A technical man. - Having considerable technical knowledge especially in his own industry.
3. A marketing specialist. - He is supposed to be a specialist in the product line of his company (and this means several different products). He must have knowledge about the company, the competitive structure, the market, consumer motivation and behavior, transportation, storage, channels of distribution, selling and buying policies, sales promotion and government regulations.
4. A marketing generalist. - He must not only be a specialist in the topic listed above but also a generalist because in his company he is expected

¹ Britt. Stewart Henderson, "The Obsolescent Marketing Man", Sales Management, (August, 1962) pp. 37-39.

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to deal with such additional matters as sales training, product planning, dealer relations, consumer relations and exports.

5. A forecasting man: He is supposed to be a planner. To forecast what is going to happen with respect to advertising agencies, research and development, motivation research and other changing factors in his environment.
6. A communicative man: To be able to communicate both orally and in written form with different types of people.

Feick and Young¹ add to this list another important feature: To be an intuitive thinker. The intuitive man can be defined as: "one who enjoys making decisions and taking the responsibility for them be they right or wrong. He is a man who does not find his chief work motivation in monetary reward but rather in the personal satisfaction he can take from his job, and the degree to which he feels it challenges him to his highest efficiency."²

There are many areas of corporate business life where the intuitive individual can be of value but perhaps nowhere is he needed more urgently than in marketing.

¹ Harry W. Feick and Alan Young, "The Intuitive Thinker", Sales Management, (August, 1962) p. 23.

² Ibid.

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CHAPTER II

OBJECTIVES OF THE STUDY

A. Overall Objectives

In the light of the discussion in the Introduction, it can be stated that there is a general increase in the demand for marketing activities in Turkey. Industry is switching to mass production and marketing is a key factor in the success or failure of the industrialization process.

As the economic environment changes, it can be expected that big enterprises which are as usual the leaders in their industries will be the first to adopt advanced methods of marketing, while small size industries which are usually uneconomical and inefficient will not yet be concerned with advanced marketing methods.

In the small company, the owner or manager is the responsible person for all the decisions and there are no separate functional departments. It is only when the firm grows in size of operations that one man is not able to deal with all the problems, so the functional departments are organized and authority is delegated from the manager to other people in the organization.

The producers' goods industry is still at an infant stage and operates in a sellers' market. Therefore, it does not feel the need for advanced marketing methods, while in the consumer goods industry which is more developed there is already some competition and this

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situation requires more emphasis on marketing activities.

Although there is an increase in the demand for marketing activities in Turkey, there is nearly no available information about the present status of marketing in the firms. Because of the importance marketing has and will have in the future, information in this field is necessary. Therefore, the overall objective of this study is of an exploratory nature to provide primary data that will be a basis for further studies, wider in scope and more elaborated.

Based on these assumptions, the aim of the study is to find how marketing is performed by consumer goods producing private sector firms in Istanbul; what characterizes these firms, and what the characteristics of the people who performs the marketing function are.

B. Definition of Terms

1. Marketing Manager:

This term has been defined in a variety of ways. In one of the most general definitions, it is stated that, "The task of the marketing manager is the creative adaptation by the company to its changing environment."¹ According to this source, marketing management consists essentially of increasing sales while controlling costs.

Another author ² defines the marketing manager as the person who

¹ Robert Ferber, Donald R. Blankertz and Sidney Hollander, Jr. Marketing Research, (New York: The Ronald Press Co. 1964) p. 618.

² Jerome E. McCarthy, Basic Marketing - A Managerial Approach, (Illinois: Richard D. Irwin, Inc. 1964) p. 16.

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is "in charge of the activities that direct the flow of goods and services from producer to consumer, or user in order to satisfy customers and accomplish the firms' objective."

In this paper, the marketing manager is defined as the person who performs the marketing activities in total or in part. The reason for this deviation from widely accepted definitions is that in some Turkish firms there is no person with the title of marketing manager but a general manager or sales manager who performs the task of a marketing manager.

2. Consumer Products

The concept is defined as "Products purchased by ultimate consumers because of the satisfaction they are expected to yield."¹

Consumer goods are classified into four groups: (1) Agricultural commodities, (2) Products of extractive industries, (3) Manufactured goods, (4) Consumer services. In this study only manufactured consumer products were included, due to the limitations of time and scope of study.

3. Private Business

The concept is defined as "Firms 51 % of whose stock is owned by private individuals or institutions."²

In this study, firms with other legal forms were also included

¹ Theodore N. Beckman and William R. Davidson, Marketing, (New York: The Ronald Press Co. 1962) p. 33.

² Güvenç G. Alpander, "Big Business and Big Business Leaders in Turkey", (unpublished Ph.D. dissertation, Michigan State U., 1966) p. 59.

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i.e. not only firms that issue stock were considered private.

C. Inferences;

There are no available general works on marketing management in developing countries that could be used as a frame of reference and a basis for specific hypotheses: therefore, the major part of this study is, as stated before, more of an exploratory nature. Because of the non-randomness of the sample,¹ inferences with related probabilities cannot be made.

However, many administrators and managers are prepared to admit that big businesses are already aware of the importance of marketing. Marketing departments are evolving and are being managed by people who have business education. The authority over marketing activities is being removed from the general manager or owner to a special person in the organization. On the whole, the importance of the role of marketing management and its contribution to business decisions seems to be increasing.

Therefore, on the basis of a survey of the available material and interviews with the administrators of the Turkish Management Association and Economic Research Foundation, it would seem appropriate to conclude that the growth in the Turkish economy stimulated and will continue to stimulate the development of marketing management in private manufacturing concerns.

¹ See p. 13.

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CHAPTER III

METHODOLOGY

In the preceding chapters the purpose of the study was outlined, and this chapter will show the procedure that was followed as well as the problems that were faced at this stage.

A. Preliminary Steps of Planning.

The first step of the study was Situation Analysis. The purpose of the Situation Analysis was to obtain a background and available information about the problem. At that stage, the available literature in the form of books, articles was referred to and interviews with members of the Turkish Management Association and the Economic Research Foundation were held. After this step, the types and sources of data that would give a true and reliable appraisal of the problem were selected. The data were obtained directly from the people responsible for marketing in the firms.

B. Selection of the Sample.

1. Problem of Choice.

In order to reach a meaningful depth it was decided to concentrate on the consumer products industry. On the basis of the assumption that small size firms in general are uneconomical, in-

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efficient, and cannot apply modern managerial practices ¹, the study focused on big firms only.

2. Identification of the Population.

The criterion used in selecting big business firms was the number of employees. The larger the number of employees, the bigger is the firm. There are industries where the nature of the products produced require more workers than other industries but the assumption is that a firm having less than fifty workers (which is an international criterion for small size firms in any line of production) ² cannot be a big firm.

From the Directory of Turkish Industry published by the Chamber of Commerce and Industry, a list of all the firms which employ more than fifty workers was prepared. When the number of workers was not specified the minimum declared capital of more than half a million TL included the firm in the population.

The criterion of number of employees was used because there are no available data on sales, assets and profits which would possibly give a better criterion for the size of the firm and its operations. The second possible criterion was registered capital but many firms in the Directory of Turkish Industry do not have their capital specified or the registered figure does not represent the real capital the firm has.

¹ Mustafa Dilber, "Management in the Turkish Private Sector Industry" (unpublished Ph.D. dissertation, University of Minnesota, 1967) p. 38.

² Ibid., pp. 36.

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The firms were stratified into groups according to the type of industry. The groups are:

1. Food and Beverages.
2. Textile and Ready-Made Clothing.
3. Paper Products and Printing.
4. Leather Products.
5. Rubber and Plastic Products.
6. Chemical Products.
7. Glass and Porcelain.
8. Household Appliances.
9. Others (eg. Batteries, Bandages, Buttons, Razors, Pens).

The population determined at the end of this procedure consisted of 225 firms each with more than fifty workers as shown in Appendix B. The registered capital of 85 % of these firms is above half a million TL. This population includes the middle size and large size firms but it was not possible to find a cut off line between these two groups. Therefore, it was decided to consider the whole group as the population of the study.

3. The Sample

The limitations of time and resources held the sample in the initial design to twenty-five firms the managers of twenty-four of which were interviewed.

The sample was taken by quota sampling. The population was divided into cells on the basis of control characteristic which

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was the different types of industries; from each cell a proportional sample was taken. The items for the sample were chosen according to convenience and advice of the members of the Turkish Management Association.

It is possible to compare the population and the sample according to the control characteristic--distribution among industries.

TABLE I

COMPARATIVE DISTRIBUTION OF THE POPULATION
AND THE SAMPLE BY TYPE OF INDUSTRY

Type of Industry	(1)	(2)	(3)	(4)
Food and Beverages	34	15.0	4	17.0
Textile and Ready-Made Clothing	56	25.0	6	25.0
Paper Products and Printing	10	4.5	-	--
Leather Products	6	3.0	1	4.0
Rubber and Plastic Products	22	10.0	2	8.0
Chemical Products	32	14.0	4	17.0
Glass and Porcelaine	10	4.0	1	4.0
Household Appliances	46	20.0	5	21.0
Others	9	4.5	1	4.0
Total	225	100.0	24	100 %

Column (1) : Number of firms in the population.
Column (2) : Percent of firms in the population.
Column (3) : Number of firms in the sample.
Column (4) : Percent of firms in the sample.

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The largest concentration of big business in consumer goods manufacturing firms was in textile and ready-made wear industry. One quarter of the sample is from firms falling into this category. The next major line of activity is in the industry of household appliances: from 46 firms, five were included in the sample. From 34 firms in food and beverage industry, four were in the sample. Out of 32 chemical industries, 4 were selected. From 22 firms of rubber and plastic products industry, 2 were selected. From glass industry, leather products and the groups of firms which could not be assigned to any industry listed here (called others), one firm from each was selected.

The population includes ten firms in the category of paper and paper products. Nearly all these firms are newspaper publishing companies and it was impossible to get an appointment with even one of them, therefore this category is not represented in the sample.

C. Pilot Study

Once the data collection instrument had been constructed, it was pretested before using it in the study.

Questions that look understandable to the person who conducts the study may be ambiguous and not clear for others. For this reason, the questionnaire was given first to four students in the graduate program at Robert College; then to three managers from the private sector in Istanbul who were not included in the sample. Only after this step the final form of the questionnaire and the interviewing procedure were decided upon.

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The main problem was to find a way to gather the information about marketing activities. The firms produce different types of products, operate under different competitive conditions and therefore differ widely in performance of marketing functions. The pilot study showed that the best way was to ask the managers to rank the functions and after the ranking to describe what has been done in each function.

D. Data Collection

1. Type of Interview.

In this paper, data were collected through interviewing. The major part of the interview was structured and a small segment unstructured.

The interview method was chosen since in this situation the interviewer and the person interviewed are both present when the questions are asked and answered and there is opportunity for greater flexibility in eliciting information. As part of the questions were of probing nature, the best way was an interview in which the interviewee could be prompted to elaborate certain subjects.

In the structured portions of the interviews, questions were presented with exactly the same wording and in the same order to all respondents. Some of the questions were open-end questions, and some fixed alternatives were given. Fixed alternative questions were used to obtain factual information (age, education, etc.)

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Open-end questions were used when the relevant dimensions were not known and the purpose was to get maximum information from the respondent.

2. Questionnaire. (See Appendix A.)

The study includes marketing managers of firms which are involved in the production of different products. The aim was to construct the questionnaire without going into too much detail about the nature of the products, to get all the information about the marketing functions which are performed in the company, along with biographical background on marketing managers and their work profile.

The first part of the questionnaire is concerned with questions that aim at acquiring facts, such as the person's age, education, marital status, occupation of father, knowledge of foreign languages, magazine readership etc. These were simple questions that were easy to answer and broke the ice between the interviewer and the respondent. The aim was to find if the marketing managers have some common characteristics as a group.

In the second part, the questions inquired about the work performed by the person in his firm, and the place he occupies in the organizational hierarchy.

The third part is concerned with information about the firm.

The last question of the questionnaire asked about the difficulties and problems the person has in his job; this made the respondent very talkative, and gave the interviewer a lot of information

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and insight into all the data given before. The interviewer was careful to keep alive the interest of the interviewees throughout the generally very long interview.

3. Conduct of the Interviews.

The interviews started at the end of February and were finished by the end of March 1969. Nineteen out of the twenty-four interviews were conducted in English by the writer of this study. In five cases where the knowledge of English was not sufficient, a second person conducted the interview in Turkish and the author of the study was present to get a general impression.

The average length of an interview was from one hour to one and a half hours. Appointments were made in advance by telephone. In two cases, the people refused to be interviewed and in one additional case the general manager did not permit his marketing manager to answer questions. Being a woman and a foreigner, the interviewer was received with ease and was not regarded as a "dangerous" person with respect to what she might be able to do with the data received. The atmosphere during the interviews was pleasant.

The first contact was made by explaining for what purpose the interviewer conducted the study, and a promise was given not to specify the firms and the persons interviewed by their name. In some companies the interviewer was also introduced to the general manager who added to the information already gathered. If the office and the factory were in the same location the interview was followed by a visit to the factory.

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E. Tabulation and Analysis.

After the interviews were terminated, the data obtained was classified and edited in order to eliminate some of the errors and inconsistencies. During tabulation, the tables were prepared and the findings were reported in order to summarize the quantitative and qualitative results of the study.

In the examination and use of tables no elaborate statistical manipulation was attempted. It was felt that the nature of the information will be best presented by percentages and frequency distributions. When associations between variable was presented in cross-tabulations, no attempt was made to give quantitative functional relationships because it is believed that not only two variable act on each other, but rather that several variables interact.

The results obtained by inferences from the data are presented in the following chapters.

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CHAPTER IV

PERSONAL DATA OF MARKETING MANAGERS

A. Sex.

Out of the twenty-four people interviewed, there were twenty-three men and only one female. This woman was the youngest one in the sample.

This shows that a woman in a managerial position in a business enterprise is not yet a common phenomenon. Probably the attitude that business is the domain of men is still dominant.

B. Age.

TABLE II

DISTRIBUTION OF MARKETING MANAGERS BY AGE

Age	No.	%
Below 30	1	4.2
Between 30-34	5	20.8
Between 35-39	5	20.8
Between 40-44	9	37.6
Between 45-49	2	8.3
Between 50-54	-	--
Above 54	2	8.3
Total	24	100.0

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The interviews revealed that the marketing executives are mainly men between 30 and 44 years of age. 80% of the sample falls into this age group. Only 4% is below the age of thirty and 8% above the age of fifty-four.

C. Place of Birth.

All the marketing managers are from urban areas. 62% were born in Istanbul, 8% in Ankara and the remaining 20% are equally shared among Izmir, Bursa, Ordu, Tekirdag and Selanik.

D. Ethnic Origin.

TABLE III

DISTRIBUTION OF MARKETING MANAGERS
BY ETHNIC ORIGIN

Ethnic Origin	No.	%
Turk	20	83.4
Jew	3	12.5
Greek	1	4.1
Total	24	100.0

In terms of ethnic origins the Turks comprise the biggest group but the percentage of minorities, in this case Jews and Greeks exceeds their proportion in the population which is for the Jews 0.1% and the

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Greeks 0.4%¹. This fact is understandable because it is known that minority groups were always attracted to the business life.

E. Marital Status, Number of Children and Occupation of Wife.

The majority of the interviewees, 92% are married. Out of this group 50% have two children, 18% three children, 14% one child and 18% no children. The two youngest managers are not yet married.

Out of the 22 wives 17 do not work at all. Among the five who do work, the primary motive for working is not the financial reward but satisfaction from the job. This is reasonable because the salary the husband gets is high for the local standard of living.

F. Fathers of the Marketing Managers.

The respondents were asked about the education and the occupation of their fathers.

The most frequent occupation was civil servant (29.1%) followed by entrepreneur and small merchant (each of them 20.8%). Fathers of 8.3% were officers in the armed forces. Clerks in the private sector also comprised 8.3%, and the remaining 12.6% were equally divided among engineers, teachers, and laborers.

The fathers of six of the marketing managers graduated from college. Among these, one had undertaken postgraduate studies. Three others attended college but did not graduate; four were high school graduates; eight

¹ 1960 Population Census of Turkey, Ankara, 1962.

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finished the secondary school; and three had only primary school education.

G. Formal Education of Marketing Managers.

TABLE IV

MARKETING MANAGERS BY LEVEL OF EDUCATION

Education	Number	Percentage
Secondary School	2	8.3
High School	4	16.7
Attended College	4	16.7
Graduated from College	9	37.5
Post Graduate Studies	5	20.8
Total	24	100.0

More than half (58.3 %) of the managers graduated from college, and five out of twenty-four made post graduate studies. Two finished only secondary school; four finished high school; and another four attended college but did not graduate.

In the group of college graduates seven finished Turkish universities and two graduated from universities in Europe. Among the one who undertook

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post-graduate studies only one finished college and then made his post-graduate studies in Europe, while three finished college in Turkey and made their post-graduate studies outside Turkey (two in Europe and one in U.S.), and one person completed all his studies and got his Ph.D. in a Turkish university.

The field of concentration for the ones who are college graduates together with those who undertook post-graduate studies shows that the majority specialized in the field of business (43%). The second largest group consists of lawyers (22%) followed by pharmacists (14%). Engineering, art and medicine each contributed 7%.

H. Knowledge of Foreign Languages and Magazine Readership.

Overall it can be said that the managers are skilled in languages. Only three do not know any foreign language, eight know one foreign language well, while thirteen know two foreign languages or more.

The most popular foreign language among the managers is English--80% could be interviewed in English. The majority knows perfect English and few have fair knowledge. English is followed by French --nine managers know French, while only four know German. The managers from the minority groups specified the languages spoken by the minorities--Spanish for the Jews, and Greek for the Greeks.

The question about magazine readership aimed at finding out if trade magazines are read and whether the managers follow the managerial innovations in the specific field of activity of their firm.

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The results show that only three managers do not read any local or foreign magazines, three read only local and eighteen follow the local and foreign magazines. The managers are mainly concerned with magazines related to operations of industries of which their firm is a member, while only some are interested in magazines about management or marketing activities. Most of the managers complained that there are not enough publications in Turkish and that material from foreign magazines in most cases cannot answer questions specific to the conditions in which they operate.

I. Travelling Abroad.

Five of the managers were never outside Turkey, nine were sent abroad by the company for a special training of a few months, eight of them had been to Europe and one to U.S. Four managers out of the group trained in Europe, got their training at the parent company.

Three managers go every year to Europe in connection with their business and another four were sent a few times to find markets for exports mainly in the Middle East and Africa. The remaining three were abroad for a short time and visited informally some factories.

It is possible to conclude that the leading firms in each industry are aware that a few months' training for a person who is in a managerial position is a good investment. When the person comes back he trains his subordinated and raises the standard of performance of his unit.

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J. Membership in an Organization or Association.

Ten managers from the group interviewed are not members in any organization or association. The others are members in trade associations or civic organizations and some in both. Four managers are members of the Turkish Management Association, one in the American Marketing Association and the other belongs to foreign trade associations.

It can be stated that the Turkish Management Association is not attracting many marketing managers from big firms in İstanbul as yet.

K. Annual Income of the Manager.

The question inquired about the gross income the manager earned from the firm. Most of the managers got bonuses at the end of the year; therefore, they were asked to add the average bonus they received in the past to their salary.

TABLE V

MARKETING MANAGERS BY THEIR ANNUAL INCOME

Annual Income	No.	%
Less than 30,000 TL	-	-
30,000 under 50,000 TL	5	20.8
50,000 under 70,000 TL	6	25.0
70,000 under 100,000 TL	7	29.2
100,000 under 150,000 TL	1	4.2
150,000 under 200,000 TL	3	12.5
200,000 or more	2	8.3
Total	24	100.0

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The average annual income for a marketing manager is 100,000 TL, while the lower income is 36,000 TL and the highest one 260,000 TL. Six managers receive more than 100,000 TL, thirteen between 50,000 and 100,000 while only five earn less than 50,000 TL. For the existing conditions in Turkey it might be stated that a great proportion of the managers fall into the upper-middle and lower-upper income brackets.

L. Time the Manager Entered the Business Life.

During the years between 1950-1960 when the Democratic party was in power and the economic policy of the party was very liberal, many people were attracted to business life. Eleven out of twenty four managers entered the business life between 1950-1960, four between 1940-1950, four before 1940, and five after 1961.

Entering the business life is related to the age of the manager. Most of the managers started in business in their early twenties. The interesting point is that the ones who entered business life after 1961 are all college graduates, while the ones who do not have any college education entered business at the time of the Democratic party between 1950-1960.

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TABLE VI

PERIOD OF ENTRY TO BUSINESS LIFE BY AGE OF MARKETING MANAGER

<u>Period</u> <u>Age</u>	Before 1940	1940-49	1950-50	After 1961	Total
Less than 20	2	2	1		5
20-25	1	3	9	3	16
26-30			1		1
30-40				1	1
More than 40				1	1
Total	3	5	11	5	24

M. Occupational Mobility.

Eight managers started their business life in the company they work at present, nine were previously employed in a related occupation in the private sector, three came from the governmental sector (two from a related occupation and one from an unrelated occupation.) Two managers were previously self employed while the remaining two were in the Academic career.

The managers that finished only a secondary school (two out of 24) are still working at the firm which was their first job. Among the ones who finished high school and the ones who attended college but did not graduate, 50 % are in the same firm where they started and 50% come from related occupations in the private sector. For the ones who graduated from college and those who made post graduate studies there is no definite pattern followed.

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TABLE VII

PREVIOUS EMPLOYMENT OF THE MARKETING MANAGERS

Previous Employment	Number	Percentage
(1)	8	33.4
(2)	9	37.5
(3)		
(4)	2	8.3
(5)	1	4.2
(6)	2	8.3
(7)	2	8.3
Total	24	100.0

- (1): First job was in the present company.
(2): Previously employed in a related occupation in the private sector.
(3): Previously employed in the private sector in unrelated occupation.
(4): Previously employed in the governmental sector in a related occupation.
(5): Previously employed in the governmental sector in unrelated occupation.
(6): Previously self employed.
(7): Academic career.

The majority of the managers were employed previously in related occupations in the same firm they are in at present or in another firm in the private sector (seventeen out of twenty-four).

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N. Conclusion.

The personal data gathered from the marketing managers can give a general type for the marketing manager in a big firm in the private sector.

The marketing manager of a big firm is a man between 30-44 years of age, born in one of the big cities in Turkey. He is Turkish by nationality and ethnic group. He entered business life in his early twenties, started in the private sector because of some family relations or because the private sector was expanding, he stayed in the same firm or passed to another firm in the private sector where he was employed in a related occupation.

The Turkish marketing manager usually attended college (but not always graduated) in Turkey and specialized in the field of business or law. He knows at least one foreign language, mainly English, is following the local or foreign magazines related to his job, mainly technical matters, and not managerial problems. He spent some time outside Turkey, usually being sent by the company for special training or a business trip. He is not very active in any organization and his earning places him in the upper-middle or lower-upper income group.

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CHAPTER V

THE FIRMS

The marketing manager operates in the environment of his firm, therefore, it is important to give the characteristics of the large manufacturing firms in İstanbul, their size, the product lines they manufacture, the type of ownerships, their relationships with universities and consulting firms, etc. As they were determined from the firms in this study.

First-hand information gathered in the interviews, together with the information available from the Chamber of Commerce and Industry, were used in answering these questions.

A. Distribution of Big Business Firms By Type of Industry.

Textile and ready-made clothing constitute 25% of the big firms. The next largest concentration is in the firms involved in the production of household appliances (21%), followed by food and beverages industry (17%), chemical industry (17%), and plastic and rubber products (8%). A small number of big business is in glass and porcelaine (5%), and leather products industry (4%). Firms that could not be classified in any one of these categories (eg. batteries, razors, pens) constitute about 4% of all the big businesses in İstanbul.

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B. Date of Establishment.

The economic policy of the government has a strong impact upon the establishment of big business in Turkey. About fifty-four percent of all the firms were founded during the period 1950-60, which was a time when liberal economic policies were practiced.

Firms were established much less frequently during the period 1931-1950. During these twenty years only 25% of the firms were established. After 1960 the government applied a tight foreign trade policy which controlled the private sector. During this period only about 21% of big firms were established.

TABLE VIII

DISTRIBUTION OF THE FIRMS BY PERIOD OF ESTABLISHMENT.

Period of Establishment	Number	Percent
Mild Etatisme 1931-1938	3	12.5
Strong Etatisme 1939-1950	3	12.5
Liberalism 1951-1960	13	54.2
After 1960	5	20.8
Total	24	100.0

It can be said that the economic policy of the government had a strong impact on the establishment of manufacturing firms in the Private Sector. Liberalist policies seem to have encouraged the establishment of large firms.

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C. Number of Employees in Big Business Firms.

In this study the population of big businesses is constituted by firms employing more than fifty workers but this number was found out not to be representative of big business. The study shows that the average number of employees in a big manufacturing concern is about 961 people, but the range is very wide going from seventy-five employees to 3250.

TABLE IX

NUMBER OF EMPLOYEES IN THE FIRM - 1969

No. of Employees	Mid Point	Number	Percentage
50-99	75	1	4.2
100-299	200	4	16.7
300-499	400	2	8.3
500-699	600	2	8.3
700-899	800	5	20.8
900-1199	1050	3	12.5
1200-1499	1350	3	12.5
1500-1999	1750	2	8.3
2000-2499	2250	1	4.2
2500-4000	3250	1	4.2
Total		24	100.0

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Out of the twenty-four firms forming the sample, only one has less than hundred employees. Four firms employ between 100 and 299; two establishments have 300 to 499; two employ between 500 and 699 employees; five others have between 700-899; three between 900-1199; three between 1200-1499; two between 1500-1999; one between 2000-2499 and one between 2500-4000 employees.

The largest firms in terms of present number of employees are those established during the period 1951-1960.

D. Size of Registered Capital.

The registered capital is not a very valid criterion for the size and operational volume of the company, because it does not reflect the actual size of the capital the firm has. This criterion is used because the firms do not want to reveal the actual capital and were willing to give this figure only.

Below five million TL. of registered capital there are 29.2% of the firms; between eight million TL. and ten 12.5%; between 10-19.9 million TL. about 16.7%; 20.8% between 20-39.9 million TL. 8.3% between 40-59.9 million TL; 4.2% between 60-99.9 million TL, and 8.3% have hundred million TL. registered capital.

There is some relationship between the number of employees the firm has and the registered capital. The registered capital of the majority of the firms having less than five hundred employees is below five million TL, while the majority of firms employing more than five hundred employees have a registered capital above twenty million TL.

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TABLE X

DISTRIBUTION OF THE FIRMS BY NUMBER
OF EMPLOYEES AND REGISTERED CAPITAL

Capital (million) No. of Employees	Less than 5	5-9.9	10-19.9	20-39.9	40-59.9	60-99.9	100	Total
50-99	1							1
100-299	2		1	1				4
300-499	2							2
500-699	1		1					2
700-899	1	2		1		1		5
900-1199			1	1			1	3
1200-1499		1		1	1			3
1500-1999				1	1			2
2000-2499			1					1
2500-4000							1	1
Total	7	3	4	5	2	1	2	24

E. Legal Form of the Firms.

The firms interviewed fall into four categories of Legal Form:

- (1) General Partnership,
- (2) Limited Partnership,
- (3) Non-Stock Corporation,
- (4) Stock Corporation.

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The general specifications of these forms in Turkey are: ¹

- a. General Partnership - At least two partners , no capital regulations, the owners have unlimited liability to creditors.
- b. Limited Partnership - At least two partners, no lower limit for required capital among the partners one or more have unlimited liability and the rest are liable only up to their capitals in the firm.
- c. Non Stock Corporation - At least two owners, and maximum number of owners is fifty. Minimum required capital is 10,000 TL. No regulations about the shares, the liabilities of the owners are up to the amount they put into the company.
- d. Stock Corporation - At least five shareholders are required. The minimum capital has to be 500000 TL. Nominal value of each stock is at least 500 TL. The liability of the shareholder is up to the amount in his shares.

The majority of the big firms are Stock Corporations, seventeen out of twenty four. Five out of twenty four are Non-Stock Corporations while only one firm falls into each of the other two categories.

The legal form of the firm does not reflect the actual ownership. Out of seventeen stock corporations eight firms may still be considered as family owned, because the shares are owned by members of the family. Out of

¹ Turgut S. Erem, Ticaret Hukuku Prensipleri, (İstanbul: Işıl Matbaası, 1960) II. p., 44.

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five non-stock corporations, one may be considered as a family firms and the two firms from the partnership group both belong to a family.

TABLE XI

DISTRIBUTION OF THE FIRMS BY THEIR LEGAL FORM.

Legal Form	Number	Percentage
General Partnership	1	4.2
Limited Partnership	1	4.2
Non-Stock Corporation	5	20.8
Stock Corporation	17	70.8
Total	24	100.0

Five out of the twenty-four firms, have parent companies abroad and their capital is both Turkish and foreign. The share of the foreign capital varies from 80% to 20%. Three out of these five firms are Stock-Corporations and two Non-Stock Corporation.

It might be stated that many big firms in Turkey are still owned and managed by people who have family ties. This may be explained partly by the lack of developed financial markets.

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F. Number of Different Product Categories the Firms Have in Their Production Line.

Most of the firms do not have complex product lines. For example, a company in the plastic industry is only producing plastic shoes, another company in food industry makes only biscuits, and it can be stated that the big portion (about 42.%) have only one product category in their production line. However, all the firms in the field of household appliances have at least five product categories in their production line.

TABLE XII

DISTRIBUTION OF FIRMS BY TYPE OF INDUSTRY
AND NUMBER OF PRODUCT CATEGORIES

Type of Industry	1	2 or 3	4 or 5	6-8	more than 10	Total
Food & Beverage	1	1	1		1	4
Textiles	1	5				6
Chemicals	3	1				4
Home Appliances			1	3	1	5
Rubber & Plastic	2					2
Leather Products	1					1
Glass & Porcelain	1					1
Others	1					1
Total	10	7	2	3	2	24

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G. Utilization of the Services of Consulting Firms.

Most of the firms advertise continuously or from time to time. The advertising is usually either partially or completely performed by an outside firm. If advertising firms are excluded from the consulting firms, it can be stated that many companies do not feel the need to use consulting firms. They still solve their problems by themselves--not necessarily in the best way--but do not believe that people outside the company will solve it any better, especially if the problem is not a technical one.

Sixteen companies did not use the services of consulting firms at all, while among the others some used local consulting firms and others foreign. Two out of four firms in the food and beverages industry used consulting firms (Turkish Management Association and PEVA) mainly for the purpose of training their salesmen. One of these firms in addition to training purposes, used a British consulting firm for problems of Budget Control.

One firm from the glass industry used the services of a foreign consulting firm for the purpose of reorganization. The Turkish Management Association did consulting work for two firms in the household appliances industry. PEVA made a market research for three firms--one of which was in the rubber industry, one in ready-wear industry, and the other in home appliances production.

From the sixteen firms that did not have any connections with consulting firms, four have parent companies abroad which provide the local companies with their knowledge and experience. Two other companies pay royalties to foreign companies and keep in close contact with them.

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H. Relations Between the Firms and the Universities.

In Turkey the phenomenon of collaboration between industry and universities is not yet as widely practiced as in the U.S. In developing countries, industries are not extensively involved in basic research and applied research because it requires resources which the firms prefer to put into production. The universities should carry out research to promote the economy of the country, for better results cooperation between firms and universities should be stimulated.

Only four firms had some relation with the universities--mostly on only one occasion and for a very short duration. The universities could also benefit from such contacts by giving to students the opportunity to see how theoretical knowledge can be applied to the actual world.

I. Competitive Position of the Firms and the Means the Firms Use to Avoid the Competition.

The executive needs an understanding of the competitive structure of his industry. Not all industries and not all firms in a certain industry face the same degree of competition. Also each firm tries by some means to avoid the competition.

Eight managers stated that their firms do not yet feel a keen competition because of one of the following reasons:

1. There is still a sellers' market for the product (or products) the company produces.
2. The firm has a very large share of the market and the other firms are

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not strong enough yet to provide keen competition.

The firms that do not at present feel strong competitive pressures are aware that this situation may change in the near future. Therefore, some of them have started to take precautions. One of the protective measures stated is to penetrate new markets at very low prices.

The remaining sixteen companies already face competition, and do not have remarkable market shares. They try to overcome competition in some of the following ways:

1. By improved products attained through strict quality control.
2. By not relying on the local market but also on exports.
3. Shifting to special segments of the market where no competition yet exists, (eg. special age groups, special income groups).
4. Competing on price basis through price reduction.
5. Extending credits.
6. Having a satisfactory product line in terms of assortment and price ranges.
7. Increasing advertising and promoting the product by a well trained sales force.

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J. Conclusion.

A general pattern can be derived from data gathered on big manufacturing firms: Governmental policy influences the establishment of business firms. This is proved by the fact that many big firms were established during periods of liberal economic policies.

Big firms, on the average employ about nine hundred employees but the range is very wide. Most of them are stock corporations and produce about three different product categories. The relationship between firms and academic institutions is negligible and very few utilize the services of consulting agencies.

All firms are aware of competition. Some face it at present and others realize that they may face it in the near future. The firms, by several means such as reduction of prices, extension of credit and others, try to avoid the competition.

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CHAPTER VI

THE MARKETING MANAGERS IN THEIR FIRMS

In the previous chapters personal data on the marketing managers and the characteristics of the large manufacturing firms were analyzed. This chapter aims at showing the position of the marketing managers in the organizational structure of their firms, how they achieved this position, the emphasis they have placed on future planning and some of the problems they face in their jobs.

A. Title.

The person who performs the marketing activities in the firm, does not always have the title of marketing manager. The main reason is that, besides marketing, he is often responsible for other functions, too. Depending on the size of the firm, its product line and competitive position in the market, the marketing activities in total or in part are performed by people who have the title of General Manager, Plant Manager, Sales Manager or Marketing Manager.

In ten firms out of twenty-four, marketing activities are performed by a person who has the title of Sales Manager. The common characteristic for this group of firms is that they are small in terms of size and number of product lines compared to the other firms in the same type of industry.

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The second group of firms where marketing activities are performed by the General Manager consists of four firms three of which are family firms. The number of product lines in these firms is small but in terms of size there is a big variation among them.

In two textiles firms, marketing is in the hands of the Plant Managers who devote their time to the activities of production and marketing, both.

Eight firms which have a special person bearing the title of Marketing Manager, are big in size (the biggest in their line of manufacturing) have a large market share, and registered capital over twenty million TL.

B. Positions of the Marketing Managers in the Organizational Hierarchy.

The interviewees can be divided into three groups according to their positions in the organizational structure of their firms.

1. Chief executives.
2. Second-level executives, report directly to the chief executive.
3. Third-level executives, report to an executive who in turn reports to the chief executive.

In the first group, where the chief executive has been dealing with the marketing activities, there are three firms - one in the textile industry and two in pharmaceuticals. All these firms are highly centralized; two are family firms and the other has a parent company in Germany.

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In the second group, where the marketing manager reports directly to the chief executive, there are fourteen firms - five in the textile industry, three in home appliances industry, two in food industry and one in each of the following industries - plastic products, leather products, pharmaceuticals and batteries. Out of these fourteen firms, thirteen have common characteristics. The marketing manager is concerned with the marketing activities which are very limited in scope and he can actually be called a manager of salesman. The firms are not leading firms in their industries and their organization is centralized. The fourteenth firm is different from the above. The marketing manager is a vice-president who is in charge of marketing, sales and the research departments. The firm is big in size, has a large work force, registered capital of hundred million TL., different product lines and has a considerable market share.

The third group where the marketing manager is third in the line of authority, consists of seven firms. Four out of the seven firms are leading firms in their industries, they have more than 50% of market share. They are very big in size, employ around 2000 employees, and have registered capital about twenty million TL. The remaining three have a remarkable market share. Two of the three have parent companies in the U.S. and the third operates with Turkish capital only.

There is large variations in the span of control the marketing managers have. The ones that are managers of salesman, usually have a larger number of employees that report directly to them, while in the leading firms where the marketing managers are concerned mainly with marketing activities and not sales organization, the number of subordinates who report to them is smaller.

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C. Marketing Managers'- Means of Attaining Their Positions.

Firms in the private sector can be divided on the basis of ownership into two main categories:

1. Firms owned by a small group of people as partners or family members.
2. Firms owned by a large group of people as stockholders.

In many cases when a firm is owned by a family or a small number of partners, the owners participate in the management of the firm while in firms owned by larger groups of people usually ownership and management are separated.

When owners participate in management, they tend to employ friends and relatives and maintain the control of the firm within this closed group. It can be expected that some of the marketing managers that were included in this survey entered their firms through family relations.

Out of the twenty-four managers, eight entered their firms by having some relationship to the owners or general managers of the firms while sixteen stated that they had no relationship to the owners or managers.

A person can achieve a position in a firm by being engaged for this special position or by being promoted in time from lower positions to the present one.

Ten managers out of twenty-four entered their respective firms with the same position they have today, three by relationship to top executives or owners and seven without any relationship. There is no wide difference among them in the level of education; the majority are university

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graduates. Fourteen managers achieved their position by being promoted in the firm. In this group five entered their firms by relationship to owners, and nine with no relationship to owners or managers. There is a big difference in the level of education between the former and the latter. The ones who entered the firms by relationship to owners are only high school graduates, the present firm is their first working place and they have been in the firm for more than twenty years. Of the ones who entered the firms with no relationship to owners or managers and were promoted to their present position, 75% are university graduates. The present firm is the first working place for only one manager from this group while the others worked in others firms previously. Most of them have been employed by their present firm for less than ten years.

The marketing managers that achieved their position by being promoted in the firm, come mainly from three functional areas - accounting, production, marketing.

Five out of fourteen managers were previously working in the accounting unit of the firm. One manager was promoted from production area to perform marketing activities. This dual position, as the manager himself conceded, is due to the fact that the firm is unorganized and that there are no clear lines of authority or job descriptions.

Three managers were previously salesmen and promoted to the present position which is more that of a manager of salesmen than marketing manager.

The remaining five out of fourteen managers were previously working in the marketing units which were smaller in size and dealt with fewer activities. When additional functions were added and the unit grew in

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size , the person was promoted to be the manager of the newly established marketing department. All the firms that employ these five managers are leaders in their industry, have a remarkable market share and are big in terms of size and registered capital.

Twelve managers entered their firms during the last eight years and the other twelve have been with their firms for more than eight years. Among those who entered more than eight years ago, 50% are not university graduates and 50 % have graduated from university. The field of specialization of half of the university graduates is business administration. Of the group of managers that entered their firms in the last eight years, 75% are university graduates. A majority of seven out of nine, graduated from business or law. This shows that the trend of attracting university graduates to firms has been stronger in recent years compared to previous ones.

D. Emphasis on Future Planning in Managerial Practices.

A widely heard complaint is that managers do not give enough time and thought to future activities.

The managers in this survey can be classified into three categories:

1. The ones who devote more than 40% of their time to future planning.
2. The ones who devote between 20% and 40% of their time to future planning.
3. Those for whom future planning takes less than 20% of their time.

The first group consists of seven marketing managers, five in big and leading firms in their industries and two in firms that have parent

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companies in the U.S. All of these managers are university graduates, who recognize the importance of long range planning for company survival.

Nine managers devote between 20% and 40% of their time for future planning; the firms are not leading firms in their industry and many of them follow the competitors in their marketing activities.

Eight managers are not concerned very much with the future. Some of them stated that nobody knows what will happen in the future and that therefore emphasis is on present activities. This can be explained by the fact that these firms are highly centralized and their planning for the future is in the domain of top executives.

About 65% of the managers realize the importance of future planning but most of them are under the pressure of solving current problems, and do not find much time to devote for the future.

E. Training Provided to the Managers by Their Firms.

Firms that have parent companies outside Turkey usually send their managers for training to the parent firms. Four out of five firms that have parent firms abroad followed this pattern. Seven out of nineteen Turkish firms provided training in the field of management to their marketing managers. Six firms sent their employees to seminars offered by the Turkish Management Association while one sent its employee to Europe for management training.

Most of the managers stated that they would like to participate in courses or seminars in the field of business because there are many new ideas and techniques that would contribute to their performances.

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They recognize that these skills will be needed even more in the future.

F. Problems and Difficulties the Marketing Managers Have on Their Job.

The managers were asked at the end of the interview what some of their problems on the job are. Each manager was permitted to state more than one problem.

Managers of the firms that try to be customer oriented and already have a unit that deals with marketing activities, stated that the main problem is to find qualified personnel in the field of marketing. Due to the lack of personnel, they are usually overloaded with work. Because the firms do not have training departments, the task of training is also in the hands of the marketing managers. Nine managers from twenty-four stated that this is their main problem.

The second problem most frequently mentioned by the marketing managers is the government's import restrictions which make planning a difficult task. Seven managers explained that some raw materials have to be imported and that governmental import restrictions due to currency shortages prevented long range planning for capacity increase and new product line additions by the firm.

Three managers complained about the way their firm is organized. Authorities and responsibilities are not defined clearly and as a result a lot of overlapping in the functional areas exist.

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Some of the managers stated that one of their problems is the constant demands of customers (wholesalers or retailers) for credit extensions; frequent and small quantity orders by customers also create burdensome work for the sales department.

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CHAPTER VII

STATUS OF MARKETING IN THE FIRMS

A. Role of Marketing in the Firm.

In a changing economic environment, marketing becomes more and more important to the business as a whole. In customer-oriented markets, the entire organization in a firm works together to find what product the customer wants, how to make it, and how to promote its sales. The purpose of the firm is to serve the interest of the customer and not to produce and then to convince the customer to buy the product.

Some firms in this survey are still only production-oriented, while the majority is - within some limits- customer-oriented. The five firms in this survey that are production oriented have some characteristics in common. All of them are family owned and the family is active in management. They manufacture from one to six product categories. These firms do not have a special person who is concerned with marketing. In two firms the general manager is taking care of sales together with his other responsibilities, and in two other firms sales are in the domain of the plant manager. The fifth firm has another combination: the accountant is taking care of sales but in this firm, which is a food manufacturing one, the claim is that the demand exceeds supply and the main job with sales is to collect the accounts receivable. The firms are: two in textile industry, and one in each of the following industries: food, chemicals and home appliances.

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The firms that want to be customer-oriented have the problem of noncontinuous supply of raw materials. Many kinds of raw materials are still imported and import restrictions by the government cause the firms to look for products that will use up the available materials rather than look for products which will appeal to the consumer. Another problem that is faced mostly by customer-oriented foreign companies operating in Turkey is that for a new product not already in the existing line of production, the government has to give its approval. This approval may be difficult to obtain since the government wants to prevent the excessive expansion of these firms. In spite of these obstacles, the firms try to consider the wants of the customers.

The group of firms that are somewhat customer-oriented are non-stock corporations or stock corporation. Out of these nineteen firms, five are family owned and the family is active in the management of the firm; another five have their parent companies abroad and they operate with Turkish and foreign capital. Twelve of these firms are concerned with product research and development. Firms in this group are usually more conscious of competition. Three firms are the leaders in their product's market and have a considerable market share.

B. Organization for Marketing.

Many firms in this study do not regard marketing as an important task that requires a special department or even a special person within their organization. Management does not appreciate the role of marketing as a significant part of the firm's operation; therefore, in this group

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which consists of twelve firms, there is no formal marketing organization, and no prospect for it in the near future. These firms are divided among the industries as follows: two in the food industry; four in textile and ready wear; two in household appliances; and one in each of the following industries: pharmaceuticals, leather products, rubber products and batteries (other). Eight of the firms in this group are family owned and the family is active in the management. None of them are leading firms in their industry. All the firms in this group have a highly centralized organization, most of them having functional units such as accounting, personnel and sales but complete control is maintained by the general manager who is the owner or one of the owners.

The remaining twelve firms can be divided into three groups according to the attitude of management toward marketing and its organization.

1. In the first group which consists of five firms, one in food industry, two in textiles and readywear, one in chemicals and one in household appliances, the management is already aware of the importance of marketing but still there is no formal organization of marketing and it is in the stage of planning. The managers in this group complained that trained people in the field of marketing are very hard to find in Turkey. X

Two out of the five firms are family owned and the family is taking part in the management. Out of these five firms only one has a parent company in Europe. One of the firms has already given the title Marketing Manager to its Sales Manger--but as the man stated: "Only the title became longer, but in reality nothing changed." The man gave the explanation that management is not defining the task and objectives of marketing because "Things are going well.", and the main concern is

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still the production side of the firm's operation. None of the firms falling into this group is a leader in its industry, but two of them have a big share of the market (about 30%).

2. In the second group which consists of three firms, one in each of the following industries: pharmaceuticals, rubber products, and household appliances, some organization for marketing exists. It is still at an early stage but the firms have an executive with marketing background. One of the firms is a lead in its product's market, and other firms in this market are buying certain parts for their production from it. The two other firms have parent companies in the U.S. All of them are stock corporations.

What is the place of the marketing people in the hierarchy of the firms?

In the firm that produces pharmaceutical products, the marketing manager is mainly concerned with planning and is responsible to the sales manager who is above him. (The firm added this marketing manager to its organization a year ago).

The second firm, in the rubber products industry was established after 1960. At the beginning, it had sales manager who was in fact a manager of salesmen; recently the firm added the job of marketing manager, responsible for planning and public relations. The sales manager is under his supervision. Till now the firm was using the services of consulting firms to conduct market research but it is planned to perform this function within the firm in the near future.

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The third firm had in its personnel for seven years a person with marketing background but only the routine matters of sales were in his domain and no actual marketing was done by him. At last, two years ago he was appointed to start a marketing department. This department at the beginning engaged only in market research and sales. But now its functions will be extended to include advertising and public relations.

3. The third group includes four firms, one in each of the following industries: food, glass products, chemicals and home appliances. These already have an organized marketing department. All these firms are customer-oriented and most of the marketing functions are in the domain of a single executive.

All four firms are leading firms in their product's market. One firm is a monopoly, a second firm has about 80% of the market, the third firm has more than 50% market share and the last one has a market share bigger than any other competing firm in this product market. Three of these firms are Turkish firms. The fourth one holding more than 80% of the market has a parent company in Europe which is one of the big companies in the world. The marketing of this firm consists of several units such as product, market and package research, promotion and the acquisition of channels of distribution. Among the Turkish firms, the one with a market share of more than 50% has a marketing manager who is mainly concerned with market research and planning. But the other marketing functions such as decisions about channels of distribution, promotion etc. are also in his domain. In the second Turkish firm (the biggest among competitors) the manager is in charge of sales, research and development and marketing.

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The last firm among these - a monopoly - started with marketing three years ago following the advice given by a British consulting company. The Vice-President of the firm who wanted to create a new marketing-oriented image for the company, established a new department with a very qualified person in marketing as its manager. Other members of the management considered it useless. After three years, the functions of the marketing department have not yet crystallized, and overlapping of authorities and responsibilities exists. The planning, sales organization, pricing and the establishment of channels of distribution are the concerns of the marketing manager.

It can be concluded that the relatively advanced stage of marketing organization exists in the leading firms, which are very big, have more than 1200 employees, control a considerable portion of the market and can afford marketing along with personnel, finance and production departments because of the size of their operations.

C. Performance of Marketing Functions.

1. Marketing Planning.

Marketing planning hardly exists in the firms interviewed. The firms are more concerned with planning for growth rather than planning as a means of adjusting to changing market conditions. A common statement made by the managers was: "Who knows what the future will be like, the present is important." Planning seems to be confused with forecasting of sales for the next year. In terms of planning ahead, the only popular tool is the budget. Budgets are prepared on the basis of information provided by production departments and therefore reflect

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production targets rather than expected sales.

It should be specified that for the firms that have parent companies abroad, the parent company plays an important role in the marketing planning activity.

In most of the firms, an annual sales forecast is used for overall plans and budgets. The person responsible for it is either a marketing manager or the sales manager. Sales planning is based upon past company records. The managers as a group stressed the importance of sales planning and said that this function is a primary consideration for them.

2. Marketing Research.

As can be expected from the existing organization of marketing in the firms, there is not yet a special unit for marketing research. Some managers stated that such a unit will be needed very much in the future but for the present there are no people trained for this purpose.

Only four firms have a special unit that is carrying out market research which consists of market measurement and analysis and is therefore of more limited scope than marketing research. These firms have a big scale of operations and they are the leaders in their products' markets. Two of the firms are in home appliances, one in food industry, and one in pharmaceuticals industry.

Five firms among the ones interviewed used on several occasions, the services of an outside firm (eg. Peva) to conduct their market research. Two of the above firms are in food industry, one in rubber products, one in home appliances and one in textile and ready wear industry.

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The remaining firms do not conduct market research. They follow the actions of their competitors and rely on the relations with their customers to inform them about changes in the market.

3. Pricing.

Basic price decisions in the interviewed firms are usually taken by top management. Firms determine their prices by one of the following ways:

- a. The price set by the government is used.
- b. The firm uses the "cost plus" method of pricing.
- c. Price is set according to the demand in the market.
- d. The firm follows the price set by competitors.

Firms in the pharmaceutical industry have to accept the price set by the government, the same situation is faced now by the firms in the rubber industry which manufacture tires.

Firms from the textile industry stated that they use the "cost plus" method, and the same method is used by firms in leather products and glass products industry, in batteries production (which is classified as "other" industry) and in one of the two firms from rubber industry.

Firms from the food industry do not use the same method. Two firms set the price according to the demand in the market, while the others follow the prices of competitors.

In the home appliances industry, three out of five firms follow the competitors while the two others which are the leading firms in their product's market stated that they use the "cost plus" method.

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The general feeling obtained while interviewing the managers of firms manufacturing household appliances was that the managers did not want openly to state that there are some agreement on prices among some firms within this industry.

4. Channels of Distribution.

The firms in this study show variations in the channels of distribution they use. Factors as type of product and size of the firm explain some of these variations.

The orthodox channel which consists of wholesaler and retailer is used by sixteen out of twenty-four firms; four pharmaceutical firms, four home appliances and four textile firms, two food manufacturers, one firm in plastics and another one producing batteries.

Four firms use two types of distribution channels. Three distribute both through the orthodox channel and through a retail outlet of their own. From these three firms two are in ready-wear industry and one in glass industry. The fourth firm which is in the home appliances industry distributes through its own distributors and by independent wholesalers.

One firm has its own retail outlets and distributes directly to them. This firm manufactures leather products.

Three firms from the following industries distribute through a General Distributor: food, rubber and home appliances. These firms that established a General Distributor have a big volume of production and financially can afford to establish a distributing company, while the smaller firms which do not have a very big volume of production

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are obliged to distribute through other types of channels.

The firms that distribute through wholesalers stated that they are not satisfied with the services provided by the latter; this is understandable in view of the following shortcomings of wholesalers in Turkey:¹

1. The majority of wholesalers are small in size; therefore, do not want to carry large stocks and order very frequently.
2. In many cases the manufacturer is financing the goods while they are in the channel of distribution because the wholesalers are unwilling to provide these funds.
3. Distribution by wholesalers takes time and for products where speed is important as in the case of perishable goods and fashion items, the manufacturer by direct distribution to retailer can reduce the time.
4. The task the wholesalers perform increases the price of a product. If the manufacturers can perform the same function more efficiently or as efficiently as the wholesalers, the latter's margin can be avoided. As a result, the price of the product may be reduced and if the product is price elastic, an increase in sales may be achieved.
5. For products that require installation and repair service, such as Home appliances, it may be necessary for the manufacturer to bypass

¹ Ahmet N. Koç and M. Göker, A Report on Current Problems of Turkish Industry in Production Management and Marketing. Submitted to Turkish Management Association, (Istanbul, September 1966), Part II, pp. 6-7.

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The wholesalers and reach the retailer directly since the manufacturer is better equipped to provide this service. Thus the gap between consumer and manufacturer is narrowed.

6. In many cases the wholesalers fail to provide aggressive selling for a manufacturer's product because they also carry competing products. This causes the manufacturer to rely on his own promotion directed towards the ultimate consumer, to cause the customer to ask for the particular product from the retailer who will in turn demand it from the wholesaler. However, the best way to stimulate sales consists of the manufacturer's effort to create a pull up and through the channel combined with the middleman's push down and through the channel.

The shortcomings of wholesalers explain the tendency among some of the respondent firms to sell as little as possible through wholesalers.

5. Promotion.

Advertising is the main promotional activity. Thirteen of the interviewed firms undertook an advertising campaign several times. Eleven of these thirteen firms are using advertising agencies to perform all of the tasks related to their advertising. Only two firms from the pharmaceutical and household appliances industry are performing the advertising function themselves.

The firms that use advertising agencies are: three from the food industry, two from chemical products, four from household appliances, one from rubber products and a firm which produces batteries.

Advertising in the textile industry is almost nil. Advertising by pharmaceutical firms, because of governmental regulations and the nature

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of the product, is of an informative nature.

Some firms use other promotional means such as price reductions, making the package more attractive and giving better terms of sales such as installment buying.

Advertising and promotional decisions in most of the firms is a responsibility of top management. Most of the firms consider the best promotional activity to be personal selling which is a direct, face to face relationship between seller and customer. The problem recognized by the interviewees is that it is hard to get trained salesmen. Therefore, some firms mainly from the food industry, started to train their salesmen by outside consulting firms, while in others the marketing manager or the sales manager devotes a large portion of his time to the training of salesmen.

Another promotional activity favored by five of the firms is to take part in fairs. Throughout the duration of the fair, many new connections with customers are established and the firm can communicate its information to a very large number of people.

6. Product Planning and Development.

Firms are functioning in dynamic environments where the desire for better living conditions is constantly increasing, and factors such as taste, income and preferences are constantly changing. People are interested in better products, new products and new ideas. As a result, firms that want to survive and grow in a long run have to be concerned with new products and changes in existing products.

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For a manufacturer, a new product can mean any change in the form, content or package of the product or in the way of distribution. In general, new products have been the vital concern of firms operating in buyers' markets; in Turkey, even though a sellers' market still prevails in most of the industries, there are other factors that cause the firms to search for new ideas. The factors stated by the firms are:

1. Availability of Raw Materials.- The main problem that most of the firms face is the quota restrictions on raw materials. Therefore, they look for new ideas that will enable them to replace the imported raw materials by materials available in the country or at least to be able to use different types of imported raw materials.
2. Changes in Fashion - Style and fashion are factors that influence the demand of many products such as textiles (cloth, ready-wear and knitted goods) and home appliances (washing machines, stoves, refrigerators, etc.) Companies operating in these industries have to introduce changes in their products or launch new products once or twice a year.
3. Competition - Not all the firms in the survey face keen competition at present but most of them do . Those who do try to find ways to fight the competition. One of the ways is to look for new products. This method is mainly used by firms in home appliances. Firms try to reach new markets by market segmentation with the aim of satisfying an unreserved potential demand.
4. Life Cycle of Product - Companies are concerned with profits. As most of the products have a definite life cycle, the firms try to introduce new products that will enable them to remain at some constant profit

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margin; otherwise profits will start to fall after the stage of saturation has been reached by the product.

a. Sources of Ideas.

There are various sources for ideas that serve for the development of entirely new products or for modification of existing products. The interviewed firms use one or more of the following sources:

1. The parent company.
2. Companies abroad (by paying royalties, license fees or "free" imitations).
3. Local competitors (imitation).
4. Creation of ideas within the firm either through product research or through intuition.

The firms can be classified into seven groups according to the sources of ideas stated above:

In the following table we can see that the main source of change is outside the company. Seventeen of the twenty-four firms follow the trends in Europe and the U.S. This is especially true for textile and leather industries which follow each season's dominant fashion. Firms within one industry (except textiles) do not rely on a single source for their ideas. All the firms which get ideas only from the parent company operate with foreign and local capital. Differences in sources utilized can be due to variations in organizational techniques adopted or to the power the responsible person has in the decisions.

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TABLE XIII

Sources For New Ideas According To Industry

Industry \ sources ¹	1	2	3	4	1+4	2+3	2+4
Food and Beverages				1	1	2	
Textile and ready-wear		5		1			
Chemicals	2	1					1
Home Appliances	1	1	1	1		1	
Rubber and Plastic	1			1			
Glass products				1			
Leather products		1					
Other (batteries)		1					
Total	4	9	1	5	1	3	1

The practice of relying on foreign companies as a source for ideas can be explained by the fact that basic research and applied research are costly; therefore, firms prefer to pay royalties or licences and follow firms abroad. This policy may prove useful so long as local industries are protected and there is no competition from production outside Turkey. The question is how long will these conditions prevail, especially in view of Turkey's imminent entry into the European Common Market as a full member.

¹ Refer to source of ideas on page 65.

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b. Responsibility for New Products in a Firm's Organization.

Responsibility for new products belong to one or two persons who make their subjective decisions, or to a committee where the decision is based on the integrated opinions of the members.

(1) Group Responsibility - Out of twenty-four firms, six have a permanent committee which is responsible for new product management. Most of these committees include the Marketing Manager, the Production Manger (sometimes called Factory Manager), a Vice-President or his assistant who are permanent members and other members who are not permanently in this committee. The firm which practice group decisions are:

Two firms are in the food and beverage industry, one of which is operating with foreign and local capital. In addition to the product development committee, this firm operating with foreign and local capital has another committee which is responsible for changes in packaging. The other firm has only a product development unit.

One out of four firms in the chemicals industry produces pharmaceuticals, veterinary products and cosmetics. It has a research and development department which deals with the chemical and production aspects of the products and the marketing and organizations problems are taken care of by the committee for new products. The committee follows the product until tests in the market are successful; then the product is in the hands of the functional departments of the company.

In the home appliances industry, two firms have a permanent committee, and on the average the time spent by them on each new product is about a year. The sixth firm is in glass industry.

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(2) Subjective Decisions - In eighteen of the twenty-four companies, new product decisions are made subjectively by one or two individuals. Some of these firms are family type, firms where the owner or the owners are the decision making group in the company. In other firms the authority is centralized at the General Manager level. Among other decisions, those related to new products which affect the long-range planning of the firm are also in his hands.

The firms that use a subjective decision basis are distributed as follows: Two firms in food industry; all six firms in the textile industry; two in rubber and plastics; three in home appliances; and three in the chemicals industry.

The pattern of decision making procedure is not related to industries, but to the competitive strength of the firms in the industry. The leaders reflect their technological know-how in new products decisions through the functioning of committees while the followers rely on subjective ways of decision.

There is a certain development pattern in the responsibility for product development. In the small company, the president or the owner develops the product and closely supervises its introduction to the market. When the company grows and starts to add products by merging with another company or by acquiring patents, products development becomes more than a one-man responsibility. Usually a committee which consists of production manager, marketing manager and the general manager takes over this responsibility.

Probably in the future, when the existing condition in the market will change, the companies will see the need for a special work-force

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within the company which will constitute the Department of Product Planning and will be responsible for new products and new ideas.

D. Changes in the Status of Marketing and Prospects for the Future.

The firms included in this survey differ in their size, product lines, competitive position and organizational structure.

In twelve firms, of which a majority (eight out of twelve) is family-owned and highly centralized, marketing activities did not change much compared to past years and the managers do not project big changes for the future; the only change planned for the future is to have better trained salesmen. None of these firms is a leading firm in its industry.

The other twelve firms show differences in their activities from the past to the present. In five firms small changes occurred but, because these firms face competition, they plan to train personnel in marketing and organize marketing units in the future. Two of the firms are in textile and ready-wear industry and the others in food, home appliances and pharmaceuticals industry.

Seven firms which are leaders in their industries changed the emphasis given to marketing activities from past to present. In three firms out of the seven, the marketing unit is growing constantly in size as well as the number of activities performed. The prospect for the future is to have a well-organized marketing department that will coordinate the different functions of the marketing field. Four firms that already have an organized marketing department (organized in the last few years) are already marketing-oriented. These stated that the marketing department

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in their firms grew rapidly in size and number of functions performed from the past to the present and that they expect the growth to continue in the future but probably at a slower pace. The firms are leading firms in their industries, big in size and volume of operations and belong to the following industries: food, glass, home appliances and chemicals.

From these observations it would appear that the rapid development in the Turkish economy has stimulated a development in marketing management of private manufacturing firms. Units that perform marketing functions grew in size and their managers were promoted to higher positions in the organizational hierarchy. But this development differs in the different firms depending on size, type of ownership, product lines and competitive position. While the leading firms show a big development in marketing management, the other firms which are usually smaller in size and volume of operations lag behind.

It can be said that initially most of the firms which established marketing units and performed marketing functions were the leading companies since they tend to be more familiar with modern business management. Due to the marketing activities these firms developed faster and grew bigger. On the other hand, this statement should not be generalized and concluded that small firms do not carry out marketing activities, because some small firms make a point of having marketing units even though their means are restricted.

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CHAPTER VIII

CONCLUSION

Turkey is in a stage of economic development. It is moving from an agrarian to an industrial economy. The newly developing consumer mass market is stimulating production but development of distribution media is lagging behind. The general characteristic of the Turkish economy is that demand exceeds supply, i.e. a sellers' market predominates, but this situation is changing and a buyers' market already exists in certain industries.

Today there is already a feeling among business executives that systematic marketing methods are needed and will increase in importance in the future. Information about the present situation of marketing management is important for planning the future. Despite this fact, information about marketing management in Turkey is very limited. Therefore, the main objective of this study has been to provide primary data about marketing management of big consumer goods manufacturing firms, so that it can be used as a basis for further study and more elaborate research.

The marketing managers of the big consumer goods manufacturing firms are men between 30 to 44 years of age, born in one of the big cities of Turkey, and having started business life in the private sector because of some family relations or because of opportunities existing in the expanding private sector. They usually have received a college education, have specialized in the field of business or law, know at least one foreign

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language and follow magazine related to their jobs.

The analysis of the marketing function of these consumer goods manufacturing firms revealed them to possess the following common characteristics: Most of them are stock corporations established after 1950 and employing about nine hundred employees. All of them are aware of competition but only some face it at the present. Governmental policy strongly influences their activities.

The dominant attitude of most of the firms is customer-orientation but limitations on the availability of certain raw materials cause them to produce products not strictly on the basis of customers' desires.

Our observations that economic development stimulated development of marketing, mainly holds for the very big and leading firms in each industry which already have an organization for marketing and employ people with marketing background to perform marketing activities on a large scale. Some other firms which are smaller in size and followers in their industries recognize the importance of change and are planning to start marketing units. Firms owned and managed by families are not yet aware of the importance of marketing and their main policy is to follow competitors in the market.

Findings indicate that the existing situation of the marketing management function in Turkey can be described as follows: In general, functions which should formally be in the domain of the marketing executives are still controlled by top management which is unwilling to delegate authority on product, promotion, pricing and place decisions.

The marketing department or unit undertakes sales forecasting and organization of sales. Marketing research, if undertaken, is carried

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out in a very limited scope, either by the marketing departments of the firms or by an outside organizations. It most frequently consists of research on market conditions--that is market measurement and analysis. Research on other marketing aspects such as alternative pricing, effective advertising media, efficient channels of distribution, packaging and product design are inadequate.

Firms look for new product ideas so as to overcome difficulties due to raw material restrictions imposed by the Government, to face competition, to keep up with changes in fashion, and to maintain the level of profits in view of the limited life cycle of products. New product ideas are generally obtained from outside sources such as foreign companies and are modified somewhat to meet the needs of the home market consumer. This situation may be justifiable for present conditions since the firms do not face foreign competition due to import restriction. However, in the long run, situations such as entry into the European Economic Community may cause severe international competition and then more dynamic research for new products will be needed.

Various channels of distribution such as the orthodox channel, a General Distributor or direct sales to retailers are used by the firms because of differences in products, size of firms and the efficiency of intermediaries. The most common way of distribution is through the orthodox channel consisting of wholesaler and retailer. The shortcomings of wholesaler however, have induced firms to try to reach the retailer directly. General Distributors are established by firms which have a strong financial position and a large volume of production.

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Most of the firms not restricted by the Government in their pricing decisions use cost-plus pricing rather than pricing according to demand in the market. This is possible due to the existence of a sellers' market in some industries, and due to price agreements.

Promotional activities consist mainly of advertising and personal selling by salesmen. The advertising is usually performed through specialized advertising agencies. Salesmen are trained either by the company itself or by consulting firms.

It is recommended that in order to perform the marketing functions more efficiently, marketing people be organized so as to be able to communicate ideas in seminars and profit from each other's experience.

This study may have some limitations because of the subjective responses, the non-random sample used and the relatively small number of managers interviewed, but this was due to limitations of time and resources. However, it is believed that it can be useful for subsequent longitudinal studies which will demonstrate the development in marketing parallel to the development of the Turkish economy.

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APPENDIX A

THE QUESTIONNAIRE

PART ONE

1. Age

- | | |
|------------------|------------------|
| a) below 30 | e) between 45-49 |
| b) between 30-34 | f) between 50-54 |
| c) between 35-39 | g) above 54 |
| d) between 40-44 | |

2. Sex

- | | |
|---------|-----------|
| a) Male | b) Female |
|---------|-----------|

3. Place of birth.

4. Marital status

- | | | |
|------------|-----------|------------|
| a) Married | b) Single | c) Widowed |
|------------|-----------|------------|

5. Number of children

6. Occupation of wife.

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7. Ethnic origin

- | | |
|-------------|----------|
| a) Turk | d) Greek |
| b) Jew | e) Arab |
| c) Armenian | f) Other |

8. Occupation of father

- a) Small merchant
- b) Officer in the armed forces
- c) Engineer
- d) Doctor, chemist, pharmacist
- e) Civil Servant
- f) Farmer
- g) Laborer
- h) Teacher
- i) Clerk in the private sector
- j) Politician
- k) Entrepreneur
- l) Lawyer
- m) Other

9. Education of father

- | | |
|---------------------|----------------------------------|
| a) Primary School | d) Attended College (University) |
| b) Secondary School | e) Graduated from college |
| c) High School | f) Post graduate studies |

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10. Formal educational achievements

- | | |
|---------------------|----------------------------------|
| a) Primary School | d) Attended College (University) |
| b) Secondary School | e) Graduated from College |
| c) High School | f) Post graduate studies |

11. If received college education - where?

- a) In Turkish University
- b) In American University
- c) In European University
- d) More than one place - where?

12. If received college education, what was the field of concentration?

- | | |
|----------------|-------------|
| a) Business | e) Pharmacy |
| b) Law | f) Art |
| c) Engineering | g) Other |
| d) Medicine | |

13. Knowledge of foreign languages

(slight knowledge- +; medium knowledge- ++; perfect knowledge- +++)

- | | |
|------------|------------|
| a) English | e) Spanish |
| b) French | f) Other |
| c) German | |
| d) Greek | |

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14. Magazine readership (Trade papers regularly read)
 - a) local
 - b) foreign

15. Travelling abroad - where, how long, on what occasion?

16. Membership in any organization or association.
 - a) Trade association
 - b) Civic organization
 - c) Political parties
 - d) Other
 - e) None

17. Annual income (Gross)
 - a) Less than 30,000 TL
 - b) 30,000 under 50,000 TL
 - c) 50,000 under 70,000 TL
 - d) 70,000 under 100,000 TL
 - e) 100,000 under 150,000 TL
 - f) 150,000 under 200,000 TL
 - g) 200,000 or more

18. When the manager entered the business life.

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19. Former employment.

- a) First job was in the present company.
- b) Previously employed in the private sector in a related occupation.
- c) Previously employed in the private sector in unrelated occupation.
- d) Previously employed in the governmental sector in a related occupation.
- e) Previously employed in the governmental sector in unrelated occupation.
- f) Previously self-employed.
- g) Previously in academic career.

PART TWO

20. Title or position in the firm.

21. Years employed by the firm.

22. Time in present position.

23. Promotional history in the firm.

- a) Retained his present position since he joined the firm.
- b) Occupied lower ranks until attaining present position. (the ranks and for how long).

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24. Family or friendship relations with the manager or the owner of the firm.

25. Responsibility to higher levels of authority.

26. Number of subordinates reporting directly to the manager.

27. Percentage of time spent by the manager on:
 - a) Setting general plans or strategies which will affect future activities.
 - b) Directing and executing plans and integrating activities of subordinates.
 - c) Analyzing and evaluating past plans and data.

28. Participation in training programs during employment by the company.

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28. Rank the following functions according to their importance in your work.¹

	Present	Past
Product and market research and development		
Pricing and terms of sale.		
Advertising, sales promotion, publicity and public relations.		
Sales, planning and policy, sales forecasts and budgets.		
Policies about channels of distribution.		
Packaging, labeling and standardizing.		
Storage and transportation.		
Sales organization and training.		
Others.		

How does actual performance of these tasks differ from the past and what are the prospects for the future.

¹ This page was presented to the manager who ranked the functioning and then each was discussed in detail.

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PART THREE

29. Frequency of launching a totally new product and introduction of changes in the existing products.
30. Criterion used in accepting a new product.
31. Main source of ideas for new products.
32. Organization for new product management.
33. Number of employees in the firm.
34. Number of different products produced.
35. Registered capital of the firm.
36. Legal form of the firm.

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37. Utilization of services provided by consulting firms.

38. Relations with universities.

39. Competition in the markets of the firm's products and market share.

40. Problems and difficulties faced by the manager.

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APPENDIX B -

TABLE 1

PRIVATE CONSUMER GOODS FIRMS IN İSTANBUL ¹

Name of the Firm	No. of Employees	Registered Capital ^A	Type of Industry ^B
Abbot Laboratoires Compania Anonima	120	AAAA	6
Abdi İbrahim İlaç Fabrikası	85	AAAA	6
Adil Satıroğlu	53	AA	1
Ahmet Akyüz	70	A	8
Ahmet Palanduz Kadife Fabrikası	94	X	2
Akfil Sanayi ve Ticaret A.Ş.	800	AAAA	2

¹ The Union of Chambers of Commerce and Commodity Exchanges of Turkey, Directory of Turkish Industry, (Ankara, Türkiye Ticaret Odaları, Sanayi Odaları ve Ticaret Borsaları Birliği Matbaası, 1968)

^A The Classification of the registered capital of the firms.

- AAAA - more than 1,000,000 TL.
- AAA - between 500,000 - 1,000,000 TL.
- AA - between 250,000 - 500,000 TL.
- A - between 100,000 - 250,000 TL.
- B - between 50,000 - 100,000 TL.
- C - up to 50,000 TL.
- X - not specified

^B The types of industry:

- 1 - Food and Beverage
- 2 - Textile and Ready-Made Clothing
- 3 - Paper Products and Printing
- 4 - Leather Products
- 5 - Rubber and Plastic Products
- 6 - Chemical Products
- 7 - Glass and Porcelaine
- 8 - Household Appliances
- 9 - Others (eg. Batteries, Bandages, Buttons, Razors)

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TABLE 1 - CONTINUED

Name of the Firm	No. of Employees	Registered Capital	Type of Industry
Akın Tekstil Fab. Kol. Şti.	180	AAAA	2
Aksu İplik Dokuma ve Boya Apre Fab. T.A.Ş.	1680	AAAA	2
Akşam A. Kom. Şti.	160	AAAA	3
Alarko San. ve Tic. A.Ş.	216	AAAA	8
Albert Beresi	68	AAAA	4
Aleko Dulo ve Mahdumları A.Ş.	134	AAAA	4
Ali Elmacı ve Şükrü Üstünsoy Kol. Şti.	85	AAA	2
Altın Mekik Tic. Ltd. Şti.	95	AAAA	2
Altın-Yıldız Mensucat Fab. A.Ş.	950	AAAA	2
Ankara İplik ve Dokuma Fab. Ltd. Şti.	250	AAAA	2
Arçelik A.Ş.	965	AAAA	8
Asım Ülker ve Sabri Ülker Kol. Şti.		AAAA	1
Asol Kundura San. Kol. Şti.	100	A	4
Atabay Laboratuvarı Kemalettin Atabay	60	AAAA	6
Auer İmalat A.Ş.	270	AAAA	8
Avram Seferoğlu	120	X	9
Ayakkabı ve Deri Sanayi A. Ş.	126	AAAA	4
Ayakkabı ve Lastik A.Ş.	141	AAAA	5
Ayaz Bayburi Çorap Fab.	100	AAAA	2
Baby Lastik Fabrikası A.Ş.		AAAA	5
Bahariye Mensucat Fabrikası Kol. Şti.	780	AAAA	2
Balat Mensucat Kol. Şti.	120	B	2
Başkurt Madeni Eşya Ltd. Şti.		AAAA	8
Batı Ticaret ve Sanayi Ltd. Şti.	80	AA	8

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TABLE I - CONTINUED

Name of the Firm	No. of Employees	Registered Capital	Type of Industry
Bedit ve Muhip İşmen Kol. Şti.	55	AAA	1
Behiller Kol. Şti.	59	AAAA	8
Beko Ticaret A.Ş.	95	AAA	8
Besler Bisküit ve Çikolata Ltd. Şti.	99	AAAA	1
Besler Kol. Şti.	60	A	1
Beşiktaş Ekmek Ltd. Şti.	85	A	1
Beşiktaş Yün İplik Fab. Ltd. Şti.	80	AAAA	2
Betebe Mozaik ve Seramik Sanayi A.Ş.	212	AAA	7
Bilge Ticaret ve Sanayi Kol. Şti.	105	AAAA	8
Bilim Tıbbi Müstahzarat Laboratuvarı Ltd.Ş.	72	AAA	6
Bilka Sanayi ve Ticaret Ltd. Şti.	62	AAA	2
Biofarma Laboratuvarı Ltd. Şti.	68	AAA	6
Birleşik Alman İlaç Fabrikaları Türk.L.Ş.	500	AAAA	6
Birlik Emprime Fab.	75	AA	2
Bomonti İplik ve Mensucat A.Ş.	340	AAAA	2
Bozkurt Mensucat Sanayii A.Ş.	1060	AAAA	2
Bürometal Çelik Eşya Fab.	68	AAAA	8
Cam ve Mozaik Sanayii Ltd. Şti.	63	AAAA	7
Carlo Erba İlaç Fab. Ltd. Şti.	113	AAAA	6
Cihan Adi. Kom. Şti.	65	X	8
Cumhuriyet Matbaacılık ve Gazetecilik T.A.Ş.	148	AAAA	3
Çapamarka Gıda Sanayii A.Ş.	75	AAAA	1
Çatalkaya Matbaacılık Ltd. Şti.	160	AAAA	6

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TABLE I - CONTINUED

Name of the Firm	No. of Employees	Registered Capital	Type of Industry
Derby Lastik Fab. A.Ş.	1417	AAAA	5
Derby Plastik Fab. Koll. Şti.	920	AAAA	5
D.E.V.A. Sanayi ve Ticaret A.Ş.	157	AAAA	6
Dimitri Finfinis ve Kanbrise Savoidis K.Ş.	100	A	2
Dinarsu İmalat ve Ticaret T.A.Ş.		AAAA	2
Diñel Laboratuvarı Ltd.Ş.	103	AAA	6
Doğan Kardeş Matbaacılık Sanayi A.Ş.	142	AAAA	3
Dr.A. Wander, Ciba Tıbbi Müstahzarat Fab.	106	AAA	6
Dr. Eczacıbaşı Seramik Fab. A.Ş.	365	AAAA	7
Dr. Nevhiz Işıl Neutron Radio Fab.	112	AAAA	8
Ece Makarna ve İrmik Fab. Ltd. Şti.	60	AAA	1
Eczacıbaşı İlaçları Ltd. Şti.	695	AAAA	6
Ege Elektrik Ticaret ve San. Kol. Şti.	89	C	9
Elektro Akustik Sanayi ve Ticaret Ltd. Şti.	106	AAAA	8
Elektro Metal Sanayii ve Tic.	100	AAA	8
Elektronik Endüstri T.A.Ş.		AAAA	8
Efem Aluminium Sanayi	107	AAA	8
Eli Burla ve Ortakları Kom. Şti.	113	AAAA	8
Elit Çiklet ve Şekerleme Fab. Kol. Şti.	101	AA	1
Emayetaş Madeni Eşya ve Saç Emaye Fab. TAŞ	700	AAAA	8
Embil Laboratuvarı Ltd. Şti.	72	AAA	6
E.R. Squibb Sons İlaçları A.Ş.	282	AAAA	6
Evas Ev Aletler Sanayi Ltd. Şti.	94	AAA	8

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TABLE I - CONTINUED

Name of the Firm	No. of Employees	Registered Capital	Type of Industry
Fako İlaç Sanayi Kol. Şti.	100	AA	6
Farglas Kimyevi Maddeler Sanayi Ltd. Ş.	60	AAAA	8
Faruk Demirbağ ve Ort. Kol. Şti.	100	AA	9
Gabriel Gavriyelolu	160	AAAA	2
General Elektrik T.A.O.	335	AAAA	7
General ve Zeynep Dikiş ve Makış Makinaları Fab.		AAAA	8
Gislaved Kauçuk Sn. ve Tic. T.A.Ş.	1128	AAAA	5
Golden Çikolata ve Şekerleme Kom. Şti.	93	AAAA	1
Goodyear Lastikleri T.A.Ş.	510	AAAA	5
Gorbon Işıl Seramik A.Ş.	55	AAAA	7
Gökyigit Ticaret ve San. Kol. Şti.	74	A	7
Gramofon Ltd. Şti.	103	AA	9
Güler Sanayii A. Ş.	65	AAAA	2
Güneş Plastik Sanayi ve Ticaret A.Ş.	273	AAAA	5
Gürlevi Tekstil Sanayi Kol. Şti.	70	AA	2
Gürün Madeni Eşya ve Kinnap San. A.Ş.	95	AAAA	8
Hamarat Örme Sanayi A. Ş.	95	AAAA	2
Hasan Akel ve Oğlu Yahya Akel	98	AAAA	2
Hasan Gökyigit Ogulları Tic. San. Ltd. Şti.	180	AAA	7
Hasteks Mensucat Fab. Hayrettin Abra	100	AAA	2
Haver Laboratuvarı Rasim Güneyman	125	AAAA	6
Hayrettin Karaca ve Kard. Kol. Şti.	190	AAAA	2

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TABLE I - CONTINUED

Name of The Firm	No of Employee	Registered Capital	Type of Industry
Herko Yün Pamuk Kombine Mensucat A.Ş.	1000	AAAA	2
Hikmet Yener ve Ort. Ad. Kom. Şti.	150	B	1
H. Nami Özerden ve Necati Karaarslan Kol.	62	AAA	5
Hürriyet Gazetecilik ve Matbaacılık A.Ş.	194	AAAA	3
Işık Plastik Kol. Şti.	69	AAA	5
İbrahim Tahincioğlu ve Kardeşleri Kol.Ş.	56	AA	1
İ.E. Kimya Evi T.A.Ş.	401	AAA	6
İlisa İlaç Sanayii Ltd. Şti.	70	AAAA	6
İlhan İlaç ve Hammadeleri Sanayi A.Ş.	165	AAAA	6
İmren-Baylan Çikolata Sanayi ve Tic.İtd.	108	AAA	1
İsak Eliazarof ve Ort. Ad.Kom.Şti.	60	AAA	2
İstanbul Aktaş Sanayi Ltd. Şti.	320	AAAA	1
İstanbul Meşrubat Sanayii Ltd. Ş.		AAAA	1
İstanbul Porselen Sanayii A.Ş.	617	AAAA	7
İstati Panayotaki ve Ş. Haylayf Bisküvit F.	56	AAA	1
Jumbo Madeni Eşya Sanayii ve Ticaret İtd.	80	AAAA	8
Kader Mensucat Fab. Musa Topbaş Ort. Kol.	300	AAAA	2
Kağıt Sanayi Ltd. Ş.	70	AAAA	3
Kağıt ve Basım İşleri A.Ş.	73	AAA	3
Kartaltepe Mensucat Fab. T.A.Ş.	926	AAAA	2
Kayseri Agop ve Hayk Apikoğlu Kard. Kol.	108	C	1
Kazova Fanila ve Pakipek Çorap Fab.	474	AAAA	2
Klişecilik ve Matbaacılık A.Ş.	89	AAAA	3

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TABLE I - CONTINUED

Name of the Firm	No. of Employees	Registered Capital	Type of Industry
Kom Tekstil ve Konfeksiyon Fab.	88	AAAA	2
Konservecilik T.A.O.	80	AAA	1
Korçelik Ticaret ve Sanayi Ltd. Şti.	65	AAA	8
Koroza Düğme Fab. Ltd. Şti.	72	AAAA	9
Kristal Cam Sanayii Ali Türkgengç	51	AA	7
Leda Ticaret T.A.O.	100	AAA	6
Ledi Bisküvi Fab. Kol. Şti.	52	B	1
Levent Gazocak Fab. Kol. Şti.	90	A	8
Lever Brothers (Türkiye) Sanayi ve Tic. Ş.	74	AAAA	6
Lion Melba Çikolataçılık Sanayi Ltd. Şti.	120	AAA	1
Lüksor Selüloit Tarak ve Plastik Eşya Sanayi Kol. Şti.	130	AA	5
Makaracılık T.A.Ş.		AAAA	2
Maraton Gaz Aletleri San. ve Tic. Ltd.Ş.	100	AAAA	8
Marla Ticaret ve Sanayi Kol. Şti.	60	AAA	8
Masis Baylan Çelik Eşya Fab.	98	AAA	8
Mehmet Omurtak	60	A	4
Mensucat Santral T.A.Ş.	2550	AAAA	2
Merbolin Boya ve Matbaa Mürekkebi San.	82	AAAA	6
Mihael Çikvaşvili ve Ort. Kom. Şti.	63	AAAA	2
Milliyet Gazetecilik A.Ş.	233	AAAA	3
"Mirel" Ltd. Şti.	103	AAAA	6
Modern Mensucat Fabriyası Ltd. Şti.		AAAA	2

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TABLE I - CONTINUED

Name of the Firm	No. of Employees	Registered Capital	Type of Industry
M. Payotis ve Haralambos Kol. Şti.	82	AAAA	1
Muhittin Başar - Çikolata ve Şekerleme F.	300	AAAA	1
Muhittin Gençarslan	53	AAA	2
Muhlis Başel	75	A	8
Mustafa Denizer		AAAA	2
Mustafa Nevzat İlaç Sanayii A.Ş.	200	AAAA	6
Muttehit Ermis Emniyet Kartal Konserve F.	60	AAA	1
Narin Mensucat Fab. A.Ş.	500	AAAA	2
Nestle Mamulleri İhracat Şirketi A.Ş.	130	AAAA	1
Net Cam Mehmet Kav ve Şürekası Kol.Ş.	100	AA	7
Neyir Örme Sanayii ve Ticaret A.Ş.	255	AAA	2
Nişkoz Sanayi ve Ticaret T.A.Ş.	180	AAAA	1
Nurmetal Ticaret ve Sanayi A.Ş.	246	AAAA	8
Ömer Avni Yel Yün İplik Fab.	650	AAAA	2
Örme İş Fab. Osman Koyuncu ve Melih Koyuncu Kol. Şti.	60	AAAA	2
Örmetaş Tic. ve San. Ltd. Şti.	224	AAAA	2
Özegel Prese Lastik Fab. Ltd. Şti	66	AAAA	5
Pandeli Elmacıoğlu Liberti Lastik Fab.	60	AAAA	5
Pepsi - Cola Mamulleri Ltd. Şti.		AAAA	1
Pfizer İlaçları A.Ş.	306	AAAA	6
Pil Batarya Sanayii T.A.Ş.	800	AAAA	9
Pil ve Fener Sanayii Ltd. Ş.	201	AAAA	9

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TABLE I - CONTINUED

Name of the Firm	No. of Employees	Registered Capital	Type of Industry
Piramit Sanayi ve Ticaret A.Ş.	500	AAAA	2
Profilo Tic. ve San. A.Ş.	430	AAAA	8
Puro Sabun Kol. Şti.	200	AAAA	6
RAF Kauçuk Sanayi Ltd. Şti.	75	AAA	5
Rapidus Metal Endüstri Kol. Şti.	100	AAAA	8
Ra-tel Sanayi ve Ticaret Kol. Şti.	87	AAAA	8
Roche Müstahzarları Sanayi Ltd. Ş.	230	AAAA	6
Royal Çikolata ve Şekerleme Fab. Kol.Şti.	56	AAAA	1
Rafina Sanayi ve Finansman A.Ş.	258	AAAA	9
Samurkaş Sanayi ve Ticaret Müessesesi	170	AAAA	8
Sancak Tül Sanayi ve Ticaret Ltd. Şti.	350	AAAA	2
Sandoz İlaç Sanayi Ltd. Şti.	190	AAAA	6
Santa Farma İlaç Fab. Kol. Şti.	153	A	6
Santral Dikiş Sanayi A.Ş.	507	AAAA	2
Santral Süt ve Gıda Maddeleri Sanayi A.Ş.	75	AAAA	1
Sarper Çorapları Ticaret ve Sanayi A.Ş.	295	AAAA	2
Singer Sanayi A. Ş.	342	AAAA	8
Sungurlar Kazan ve Teshin Cihazı Fab.	422	AAAA	8
Süleyman Mısırlı	112	AAAA	2
Şakir Zümre	146	AAAA	8
Şark Lastik Ltd. Şti.	103	AAAA	5
Şark Mensucat Fab. Kol. Şti.	325	AAAA	2
Şukrü Alemdar ve Yeğenleri Alemdar Kol.Ş.	51	AAAA	1

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TABLE I- CONTINUED

Name of the Firm	No. of Employees	Registered Capital	Type of Industry
Tad Et Sanayi Ltd. Şti.		AAAA	1
Talisman Sanayi ve Tic. A.Ş.	193	AAAA	8
Tamek Konserveleri Ltd. Şti.	630	AAAA	1
Tanca Kundura Sanayi Pepo Uzsinay	53	AAA	4
Tayli Mensucat Kol Şti.	61	AAAA	2
Tekfen Endüstri ve Ticaret A.Ş.	200	AAAA	7
Tek İlaç Sanayii Ltd. Şti.	60	AAAA	6
Ternal Sanayi ve Ticaret Ltd. Şti.	130	AAAA	8
Tes Taş Ticaret ve Sanayi A.Ş.	141	AAAA	2
Tifdruk Matbaacılık Sanayii AŞ.	220	AAAA	3
Timsah Lastik Fab. A.Ş.	70	AA	5
Titbaş Toplu İğne ve Traş Bıçağı San.	74	AAAA	9
Trafiş Sanayi Adi Kom. Şti.	144	AAAA	8
Türk Demir Döküm Fab. A.Ş.	1000	AAAA	8
Türk General Elektrik Endüstrisi AŞ.	876	AAAA	8
Türk Hoeschst Sanayi ve Ticaret A.Ş.	230	AAAA	2
Türkiye Şişe ve Cam Fabrikaları A.Ş.	2813	AAAA	7
Türk Philips San.	382	AAAA	8
Türk Pirelli Lastikleri A.Ş.	420	AAAA	5
Ugurgül Ticaret ve Sanayi Adi. Kom. Şti.	110	AAA	8
Unilever - İş Tic. ve San. Türk Ltd. Şti.	1122	AAAA	1
U.S. Royal Lastik Türk A.Ş.	200	AAAA	5
Vakko Emprime Sanayii A.Ş.	124	AAAA	2

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TABLE I - CONTINUED

Name of the Firm	No. of Employees	Registered Capital	Type of Industry
Vaniköy Hayrettin Süleymangil Eshamlı K.	83	AA	1
Vatan Konserve Fab. Kol. Şti.	130	B	1
Venüs Lastik Fabrikası Ltd. Şti.	115	AA	5
Viktor Lastik Fab.	126	AAA	5
Vinilax Sanayi ve Ticaret Ltd. Şti.	158	AAAA	5
Wyeth Laboratuvarları A.Ş.	118	AAAA	6
Yako Alfandari Almazlinos ve Ort.Kol. Şti	58	AAAA	5
Yaşar Sumar ve Ortakları Adi. Kom. Şti.	116	AAAA	8
Yeni Sabah Gazetecilik T.A.Ş.	142	AAAA	3
Yıldız Plastik - Zeki Obdan ve Ort. Kol.	90	AAA	5
Y. Leon Hason ve Ortakları Kol. Şti.	112	AAAA	2
Yün İpligi ve Mensucat San A.Ş.	180	AAA	2
Zetip Zeytinburnu İplik Fabrikası A. Ş.	700	AAAA	2
Zincir ve İgne Sanayi A.Ş.	146	AAA	8

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