Developments in E-Entrepreneurship in Turkey and a Case Study of a Startup Company Founded by a Woman Entrepreneur

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ABSTRACT

The developments in internet technologies in Turkey in the recent years have led to the opening of countless stores selling products and services online. The accelerated growth in the ecommerce volumes has attracted the attention of foreign investors who have started to invest in such companies. As the consumers’ online shopping habits develop and the interest in the field grows, many startups continue to be founded. The fast expansion of the industry has led to the birth of new professions and sub-industries, already providing significant contribution to the economy. Companies unheard of just a few years ago have caught up with much more established companies in terms of turnover; projects with no promise have turned into huge successes with the right planning and effort. Women entrepreneurs are taking their place in ecommerce, as in many other industries, and they have already proven to be successful in this area too. This study provides information about the developments in the Turkish ecommerce industry as well as the success story of a woman entrepreneur as a case study.

Keywords: E-Entrepreneurship, E-Entrepreneurship in Turkey, Online Sales, Startup, Women Entrepreneurs

INTRODUCTION

In the early 2000s when selling products and services online began in Turkey, no one could foresee the volume ecommerce has reached today. Considering that people would not buy products without actually seeing and feeling them, online stores that sold clothing were in fact expected to go bankrupt in the short term. However things did not turn out the way they were expected and except for some failed attempts, many of the online stores became quite successful. As a matter of fact, the shares of some of these companies were bought for large amounts by foreign funds or Turkish investors. The investments in this field go back to 2006 when Ticketmaster bought Biletix. This was followed by eBay, investing in GittiGidiyor.com.
Then Holtzbrinck bought Cember.net, Kleiner Perkins Caufield & Byers and Tiger Global invested in private shopping site Trendyol and Naspers acquired approximately 70 percent of the shares of Markafoni, a Turkish private shopping club, through its subsidiary MIH-Allegro. Otto Group, one of the largest ecommerce sites with an annual turnover of €15 billion entered the Turkish market with an investment in Limango. And Groupon, one of the world’s leading deal-of-the-day web sites, entered the market with Sehirsatisi.com. (Platinonline, n.d.) Butigo.com, Balerin.com, Trendyol.com, E-bebek.com, Evmanya.com, Enmoda.com, Gimora.com, Unnado.com, Evidea.com, and Lidyana.com are other companies specializing in various product groups which have received investments (E-Ticaret Mag, 2012).

Then there are companies that received investments from foreign venture capitalists which aim to get a slice from the market. Online food order website Yemeksepeti received $44 million in capital investments from General Atlantic which is among the top ten venture capital groups in the world. Referring to this subject, Yemeksepeti CEO Nevzat Aydın says that Yemeksepeti is aiming to become the biggest global player in its field and that the strategic support to be provided by General Atlantic for their ventures abroad will provide significant contribution in this direction (Chip, 2012).

Such success stories have inspired other people and brought along new formations as the number of startups continued to grow. Nowadays, the term startup is mostly associated with newly founded companies designed for fast growth, especially in technological ventures, and every week meetings and seminars are being organized in various venues where entrepreneurs promote their websites and hold Q&A sessions; entrepreneurs interested in this field are getting trainings and angel investors looking to invest in such projects are growing in number. Every internet entrepreneur seems to be trying to learn new information, read books that will guide them or meet people to inspire them.

In the recent years, women entrepreneurs in Turkey have been quite active in founding startups. Many organizations are providing incentives for women to become more effective in the business world; some banks are offering long-term loans with lower interest rates. KOS- GEB (Small and Medium Enterprises Development Organization), a state-owned organization founded with the objective of increasing the share and effectiveness of small and medium-sized enterprises in meeting the economic and social needs of the country, and improving the level and strength of their competitiveness, also supports women in this respect. Civil society organizations like KAGIDER (Women Entrepreneurs Association of Turkey) train women on starting and developing businesses, and help them to succeed as entrepreneurs. Özyeğin University offers special certificate programs to women entrepreneurs selected after a series of interviews. Blogs like www.muraterdor.com that support women entrepreneurs by sharing their success stories try to provide information for women interested in starting their own businesses. Websites like Trendyol, Evmanya, and Bonnyfood founded by women entrepreneurs inspire women by setting positive examples while leading many Turkish women to thinking, “If they can do it, so can I”. Furthermore, the fact that women are usually more thorough in many areas and able to multitask better compared to men is an indication that we will soon be hearing more success stories of women entrepreneurs in ecommerce.

ECOMMERCE FACTS IN TURKEY

Initially it took some time for people in Turkey to get used to shopping online. Two important factors for this tendency were that people were hesitant and cautious when it came to sharing their credit card information and also they thought that they would have problems with the products which they only saw on screen. Observing these tendencies, ecommerce com-
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