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Executive Summary

This report provides an internal and external analysis of MediaMarkt Turkey (a consumer electronics retailer in Turkey) and evaluation of the current and prospective competitiveness of the company.

Initially, McKinsey's 7 S and Porter's Value Chain models will be applied to conduct an internal analysis of the company. Afterwards, with a comprehensive Porter's 5 Forces analysis, the positive and negative effects of the external environment on the company will be investigated. Finally, SWOT analysis will be applied to evaluate the effects of internal and external environment with a common analysis.

1. Introduction

MediaMarkt which established in Germany in 1979, operates in more than 850 shops with 65,000 employees in across 14 countries today. MediaMarkt Turkey was established as a part of MediaSaturn holding in 2007. In the last 10 years, company became to one of the biggest consumers electronics retailers in Turkey. The company has 69 stores across the country and more than 2500 employees. With a sales area of 150,000 square meters, the stores of MediaMarkt Turkey is visited by over 150 million customers in a year (mediamarkt.com.tr, 2018). As part of its growth strategy, MediaMarkt serves not only with stores, but also with online trading channels.

MediaMarkt Turkey continues their activities in Turkey with the goal of becoming the number one consumer electronics retailer in the country.

2. Internal Analysis of MediaMarkt Turkey

McKinsey's 7 S Model and Porter's and Porter's Value Chain Analysis will be applied in order to explain the effects of internal elements on MediaMarkt Turkey.

2.1. McKinsey's 7 S Model

McKinsey's 7S Model is important to understand if 7 key internal elements: strategy, structure, systems, style, staff, skills and shared values are efficiently aligned and support the organization to achieve its targets. The Alignment of these 7 key elements for big companies which operates in a wide area such as MediaMarkt Turkey is essential.

Strategy: Mission statement of MediaMarkt Turkey is to be the most preferred multichannel consumer electronics retailer in Turkey by customers, employees and suppliers (mediamarkt.com.tr, 2018). In line with the mission statement, MediaMarkt Turkey's main strategy is to become sector leader in Turkey by increasing the number of stores and investing in e-commerce channel (haberturk.com, 2018). Before 2016, MediaMarkt Turkey's business strategy was different than today's. They preferred to be in the big cities of Turkey with the minimum number of giant stores which have more than 3.000 m² sales area (ekonomist.com.tr, 2016). But in 2016, the company decided to change its strategy due to both high store costs and increased customer expectations, so they started to reduce the size of stores to 1000m² as well as open new 1000m² stores in different parts of the country (ekonomist.com.tr, 2016). With this new strategy, MediaMarkt Turkey has increased its number of stores from 40 to 69 in the last 2 years (hurriyet.com.tr, 2018). In addition, with the investments made in e-commerce, the e-commerce channel grew by 30% in 2017 (fortuneturkey.com, 2018). Furthermore, a lot of news is circulating in the media that the company is making an attempt to buy Teknosa which is the electronics retail sector leader in the country (ekonomihaber.com, 2018). It can be said that; the company aims to increase its competitiveness by purchasing the biggest player on the market.

Structure: Approximately 250 employees work in the headquarters of the company. There is a top management team of 4 people consisting of Chief Executive Officer (CEO), Chief Finance Officer (CFO), Chief Operations Officer (COO) and Chief Procurement Officer (CPO). The rest of the top management team, except the CEO, has been replaced from expat executives to Turkish executives within the last two years (fortuneturkey, 2018). All departments work under the direction of these four executives. The CFO is responsible for all Finance and IT related departments. The CPO manages the most crowded team of the HQ which is responsible for purchasing activities of the products sold in the stores. All store activities are under the responsibility of the COO. All other

support departments such as Human Resources and Marketing are under the responsibility of the CEO. Until 4 years ago, the structure of the company was totally different. The company had a decentralized structure and activities such as procurement and marketing were managed by store managers. As a result of decentralized structure, the company went through a highly volatile and chaotic period. With the centralization of all company activities in 2014, the company started to be managed more professional and successful (fortuneturkey.com, 2018).

Systems: There is a lot of systems that support daily business of MediaMarkt Turkey. Some of them are recruitment and selection system, career management system, customer relationship management (CRM) system, purchasing management system, internal audit system, ERP based financial systems and others.

The digitization of these systems is another focus point for MediaMarkt Turkey. The company has begun to manage both employees related and customer related systems on digital platforms (mediamarkt.com.tr, 2018).

As a retailer, customers are the focus point of MediaMarkt Turkey and the company continues to investment on each point that touches the costumers directly in order to develop customer satisfaction. They communicate with customers by setting up new campaigns. More than 12,000 campaigns were announced in stores and on the website of the company in last year.

As the channels to communicate with customers through the Web, e-mailing, social media accounts and in-store televisions, are an important part of the success of this system. Short messages and push-notifications are the other channels they use to reach the customers (fortuneturkey.com, 2018).

Staff: The company has 2,500 employees in its 69 stores. Although, the employee turnover rate of MediaMarkt Turkey is in line with the industry average, this subject is still their main problematic area. Hence, they started to take action in order to increase employee satisfaction level. They have developed and implemented a career management system which provides career opportunities to the employees. Furthermore, they designed a bonus system that provides more earnings to the successful employees (mediamarkt.com.tr, 2018). Even though

they increased employee satisfaction level significantly, turnover rate is not on expectations yet (hurriyet.com.tr, 2018).

A typical MediaMarkt Turkey store consists of a Store Manager, a Customer Experience Manager, Team Leaders, Cashiers, Customer Services Consultants and Sales Consultants. The requirements for store employees are to be at least a high school graduate, to have at least 1-year experience in the related field and soft skills such as communication, team work, work ethic and self-motivation (kamupersoneli.net, 2017).

Style: MediaMarkt Turkey's leadership style is participative. Employees are asked to give input and thoughts to execute a decision. Managers facilitates meetings and share necessary knowledge and any information for decision making. Employees are encouraged by managers to share their ideas. They use Employee Suggestion System to include more of their employees in the decision-making process. The feasible suggestions regarding the company processes are put into practice and rewarded with the money (mediamarkt.com.tr, 2018).

This leadership style increases in productivity, job satisfaction and motivation. Despite the advantages, it has some disadvantages. The decision-making process may slow down, or the disagreements that arise in this process may lead to misunderstandings and resentments (careertrend.com, 2017).

MediaMarkt Turkey, which operates in the retail sector where conditions can change rapidly, needs to consider disadvantages as well as the advantages of this management system.

Skills: MediaMarkt Turkey aims to provide career opportunities to each of its store employees and to become the most preferred retailer by employees in Turkey in line with this career management system. As a result of the career management system, the company aims to develop its store employees' skills to be able to increase customer satisfaction and service quality as well as employees' individual growth.

In the framework of career management system, which was developed in 2017, they provide internal and external training in the fields of feedback dialogue, development center and leader development program.

The company's trainer team includes external trainers, store managers, professional internal trainers, professional coaches and internal trainers working in the headquarters departments.

The trainings are organised throughout the year at the Istanbul Head Office and in different regions where the stores are located (mediamarkt.com.tr, 2018).

Furthermore, the company also focuses on developing its customer experience skills. They use mystery shoppers and net promoter score in order to gauge customer satisfaction and to improve the customer journey. In addition, a Customer Experience Manager was tasked in each store, their main responsibility is to monitor and improve the customer journey in stores (fortuneturkey.com, 2018).

Shared Values: MediaMarkt Turkey has 3 core values and 5 subsidiary values which are within the scope of core values. The core values of the company are “people”, “trust” and “freedom and responsibility”. Subsidiary values are as follows;

People are the basis of everything: High motivated, talented and happy employees is the basic condition of success.

Each employee is important at MediaMarkt Turkey: To respect the employee is one of the most important elements. MediaMarkt Turkey respects each employee's personality, talent and skills. Each employee is an inseparable part of the whole and is valued as an individual.

Learning is necessary in order to improve: Personal development of the employees is important for MediaMarkt Turkey. MediaMarkt Turkey believes that the trainings it provides to its employees is the investment to the future.

Collaboration can not be established without trust: Trust is the basic necessity of effective collaboration. That is why it is very important for MediaMarkt Turkey to gain the trust of its employees. Sincerity, Discussion Culture and Truth are the most important parts of this value.

Do not be afraid of making a mistake and give time to the staff: personal development is a foundation of MediaMarkt Turkey philosophy. MediaMarkt Turkey gives the opportunity to its employees in order to learn lessons from their mistakes.

Delegating responsibilities is an important part of MediaMarkt Turkey's core values. The company wants "thinker" and "entrepreneurial" employees. For this reason, every employee

should be ready to take responsibility within the frame of their abilities and skills (mediamarkt.com.tr, 2018).

2.2. Porter's Value Chain Analysis

Porter's Value Chain analysis is perfect in order to complete MediaMarkt Turkey's internal analysis. Because while McKinsey's 7S model focus on the alignment between the key elements of MediaMarkt Turkey, Value chain analysis execute the company's main activities in order to recognize ways the company can optimize effort and increase profitability.

MediaMarkt Turkey Primary Activities

Inbound Logistics: Each store of MediaMarkt Turkey has a warehouse area. At the same time, it exhibits many products in the sales area in its large square meter stores, it uses sales areas as a warehouse. In addition, there are some big warehouses in the cities where there are many MediaMarkt Turkey stores. The products are brought to the warehouses of MediaMarkt Turkey from the warehouse of the suppliers. MediaMarkt Turkey determines when and what amount it will order according to the stock management system that it uses (fortuneturkey.com, 2015). The supplier itself owns the logistics of the products to MediaMarkt Turkey and manages this process with their own logistics solution or a third-party solution.

Operation: As a retailer MediaMarkt Turkey does not have a process that converts inputs into outputs, however its operations consist of sales and after sales services.

As mentioned above, MediaMarkt Turkey has a few main warehouses and the products are brought to stores from main warehouses depending on the stock levels of the products.

The store formatting is one of the other operations. The shelf layout of each MediaMarkt Turkey store is different. When a new store is going to be opened, a shelf system is designed according to MediaMarkt international standards by working on the architectural plan of the store. As long as Medimarkt continues its operations, the products are placed on the shelves in accordance with this system.

Outbound Logistics:

The customers can obtain their products in the store just after the checkout step. If the product is heavy and requires installation, MediaMarkt Turkey delivers the product to the customer's address in a short timeframe.

In addition to this, if the customer buys a product on the MediaMarkt Turkey's web site, then the product is delivered by MediaMarkt Turkey and customers are able to check their delivery online and track the current location of the delivery. Also, customers who buy a product on the website of MediaMarkt Turkey are able to pick their products up from any preferred MediaMarkt Turkey store via the Click & Collect system (mediamarkt.com.tr, 2018).

Although, the outbound logistic system of the company is efficient, the number of complaints on the internet in relation to the outsourced delivery companies of MediaMarkt Turkey shows that there are some problematic areas such as on time delivery (sikayetvar.com, 2018).

Sales and Marketing: MediaMarkt Turkey focused on digital marketing in order to increase its sales and separate itself from its competitors. In 2017, the company, along with Google and Performance Marketing agency SEMTR, adopted the "Online to Store" project to measure the impact of online advertising on store sales. MediaMarkt Turkey, which started to measure store visits and manage its digital investments according to its multi-channel strategy, is visited 2.5 million people in total, resulting from digital performance ads, and realized a 5.5% store visit rate in 2017 (pazarlamasyon.com, 2017). The company have access to an average of 10 million users per month on Facebook, Twitter, Instagram, Vine, Youtube, Google+ and Foursquare (retailturkiye.com, 2016). Hence, it can be said that MediaMarkt Turkey manages marketing activities on digital platforms instead of traditional marketing activities.

Service: MediaMarkt Turkey's call centers were selected as the most successful call center in the electronic retail sector at the "Most Admired Call Centers" awards organized by CALL Center Life magazine for 7th time in 2018. The company, which focuses on customer satisfaction, serves instantaneous solutions during the day time as well as the night hours. Customers can quickly connect to the customer representative and instantly receive stock and price information (hurriyet.com.tr, 2018). Furthermore, company provide a warranty system

which is called by Warranty Plus. The customers are able to extend their products' warranty period up to 5 years with this system (mediamarkt.com.tr, 2018).

3. External Analysis of MediaMarkt Turkey

In this part of the report, external factors which has an positive or negative effect on MediaMarkt Turkey will be examined.

3.1. Porter's 5 Forces Analysis

Porter's Five Forces is an easy but effective tool for understanding the competitiveness and advantages of MediaMarkt Turkey. This analysis is an appropriate analysis for the company, since it operates in an industry that has tough competition.

Competitive Rivalry – Very High:

First of all, it will be beneficial to take a look at the general situation of the industry in order to better understand the competition in the Turkish consumer electronic market. The consumer electronic market in Turkey increased by 16.2% in the first quarter of 2018, compared to the Q1 in the last year and total revenue has reached to 13,6 billion TL (approximately \$2 billion) (gfk.com, 2018). In 2017, the industry generated 54,2 billion TL – approximately \$8 billion in revenue. Whilst the consumer electronics market is being defined, it is necessary to consider a wide range of products from mobile phones to household appliances, which are known as consumer electronics and a wide range of sales channels. Every organisation in which consumer electronics is sold includes this market such as Amazon, Tesco or Asda which sells consumer electronic products. So, competition in the consumer electronics market is not just among consumer electronics retailers. The market is a very competitive market for the fact that there are also strong competitors such as big supermarkets and e-commerce companies. Only 10 billion TL in revenue out of 54 billion TL was generated by consumer electronics retailers, in other words, 82% out of total sales is generated by the other channels (retailer.net, 2018). The next part of the report will focus on

the area which generates %18 of total revenue in consumer electronic market, in order to be able to more accurately examine the competition between consumer electronics retailers.

Consumer electronics retail market in Turkey consists of 4 big players which are MediaMarkt Turkey, TeknoSa, Vatan Computer and Bimeks. These 4 company shares make up nearly 100% of the market. The biggest player of the market is TeknoSa which has 33% according to a research conducted by CRIF regarding to 2016 total sales (retailer.net, 2018). TeknoSa was established in 2010 by Sabanci Holding which is the one of Turkey's biggest holdings. The company with a turnover of 3.1 billion TL in 2017 has continued its leadership in the market. TeknoSa has 123,000 m2 total sales area and 210 stores in 70 cities with 2,688 employees (yatirimci.teknosa.com, 2018). MediaMarkt Turkey is at just under 1 percent of TeknoSa and the second largest company in the sector with 32 percent market share. Vatan Computer is at the third place in the market. Vatan Computer is a family company which was established at 1983. They are operating in 54 cities with 132 stores (vatanbilgisayar.com, 2018). And the fourth biggest company of the market is Bimeks which is bankruptcy process. The company's sales, which was established in 1990, declined by 80.1 percent and the net loss of 376.8 million TL in 2017 was claimed (businessht.com.tr, 2018). In the last few months, there has been some news to change the competition balance in the market. According to the allegation at the press, MediaMarkt Turkey offered to buy the shares of TeknoSa (webtekno.com, 2018). But MediaMarkt Turkey has postponed the process because of the recent foreign exchange instability. It will review the appraisal of TeknoSa and decide later to go ahead with the purchase or not (reuters.com, 2018). If this acquisition takes place, MediaMarkt Turkey will be the most powerful company in the competition.

Due to the reasons mentioned above, the competition in the industry is very high.

Threat of New Entrants - Low

It is necessary to examine the attractive and discouraged aspects of the consumer electronics retail market in order to understand the threat brought by new entrants. The growth trend of the market and the government regulations about Private Consumption Tax are the 2 attractive aspects of the market for new entrants.

The consumer electronics market has grown by 14 percent in 2017, with turnover of 54 billion TL (dunya.com, 2018). A continuing growth trend of the market can be seen as an

opportunity for companies planning to enter the industry. Because, the growth of the market indicates that the demand of the consumer electronics also continues to increase. The second attractive aspect is the government regulations on consumer electronics private consumption taxes. In 2017, the government reduced the private consumption tax from 18% to 0% to increase consumer electronics sales. With this change, the sales figures have increased due to the cheaper product prices and the positive effects of this change are still continuing (sozcu.com.tr, 2017). Although these 2 aspects give some advantages to the new companies in the market, there are much more negative aspects that effects the companies in a negative way. First of all, as mentioned before, there are some powerful movers and shakers companies which are sharing nearly all consumer electronic market hence competing with these big players is not easy for new entrants. Secondly, the costs of rent and staff are another factor putting firms in the sector in a difficult situation. The location and the size of the store is very important in order to compete in the market. The store should be large enough to exhibit its products and should be located in a vibrant area. These necessities keep the rents high. Furthermore, rents are generally paid in terms of exchange rates and companies are having difficulties in paying rents due to the recent losses in Turkish lira (birgun.net, 2017). At last but not least, a decrease of expectation in sales due to the increase in costs of import of goods is the other negativity for the electronics retailers. The rapid depreciation of the Turkish lira has increased the cost of all imported products and thereby the sales price (bbc.com, 2018).

Consequently, the threat of new entrants is low due to the reasons explained above.

Threat of Substitutes - Moderate

All players in the consumer electronics retail market in Turkey sells the same brand products of almost all product groups such as smartphones, white appliances and TVs. So, there is no threat of substitutes between the electronics retailers, but the situation is different when the product groups are examined separately. For example,

A lot of phone brands produced in China has not yet directly entered to the Turkey market. But it is possible to buy these products via e-commerce channels and at affordable prices attract customers. Whilst the reasonable prices of Chinese phones continue to attract attention, the quality is also increasing day by day. As a result of the investments made by Chinese brands in smart phone technologies, the prices of the phones have not risen, and they

are closely following the best quality and performance phones (chip.com.tr, 2017). These substitute products threaten the consumer electronics retailers. Another example for substitute products is local consumer electronics brands which sell their products in only their own stores. Arcelik is one of those brands which has 50% market share in the white appliance goods category in Turkey (onedio.com, 2017).

Despite the substitute products on the market, the threat is not high for consumer electronics retailers such as MediaMarkt Turkey which provides numerous kinds of products in various categories. Customers choose these brick and mortar stores because of the reasons such as product ranges, customer services and warranty systems. Although there is a threat of substitutes, it can be managed with additional services provided by retailers.

Bargaining Power of Buyers – Low Moderate

Consumer electronics retailers' management should appear to be seriously conscious of the amount of choices customers have. Even though the retail choices are limited to a few companies, e-commerce companies offer customers with a whole range of purchasing options.

Customers cannot make a reduction of prices by negotiating with major corporate retailers. But they can reach more affordable prices on e-commerce companies by using less effort than negotiating with retailers. In response to this, Retailers such as MediaMarkt Turkey and TeknoSa provide various campaigns in order to increase customer satisfaction and so customer loyalty. As a result of the agreements made with the banks, technology companies and other third parties, they offer side benefits such as cheaper prices and more instalments (finansgundem.com, 2018). With these types of campaigns, retailers aim to reduce the brand switching risk of customers.

Consequently, in the consumer electronics market is where customers can find the same product at the same price in different retailers or cheaper on the internet so, the bargaining power of the customers is on a medium level, but retailers can manage this threat with different services they offer to the customers.

Bargaining Power of Suppliers - Moderate

Because there are various suppliers in the consumer electronics industry, such as Apple, Sony, Samsung, Lenovo and Bosch, MediaMarkt Turkey and other retailers need to get along

with suppliers in order to keep ahead of the competition and keep customer satisfaction at high.

Though MediaMarkt Turkey is a key player in consumer electronics retail market, there are several companies such as TeknoSa, Vatan Computer and Bimeks as well as e-commerce companies such as Hepsiburada.com, EBay and Amazon which will start its operations in Turkey in a few months (digitalage.com.tr, 2018) that are also rely on these suppliers that is indicative of low switching cost of suppliers.

In addition to this, although all of consumer electronics manufacturers have their own retail and online channels, they still need retailer companies because retail stores are still the most efficient channel that allows customers to test the products.

Moreover, As the one of biggest retailers in Turkey, MediaMarkt Turkey which generated 3 billion TL in revenue in 2017 (fortuneturkey.com, 2018), purchases important number of electronic products from suppliers. For this reason, Suppliers also need to get along with MediaMarkt Turkey. Any changes they made on prices or their service quality directly affects the relationship with MediaMarkt Turkey and no suppliers wants to lose a company such as MediaMarkt Turkey which plays a big part of their revenues.

Consequently, although the bargaining power of suppliers in consumer electronics retailers is high, the key players of the market such as MediaMarkt Turkey can manage supplier relationship and decrease the bargaining power of suppliers to a moderate level.

4. SWOT Analysis of MediaMarkt Turkey

SWOT analysis helps to understand the Strengths, Weaknesses, Opportunities, and Threats of MediaMarkt Turkey.

This analysis will use the results of Mckinsey 7s analysis and Value Chain analysis of MediaMarkt Turkey in order to identify MediaMarkt Turkey's Strengths and Weaknesses, while using results of 5 Forces analysis in order to explain Opportunities and Threats of the company.

Strengths	Opportunities
<i>Economic potential of MediaMarkt Turkey</i> <i>Centralized structure</i> <i>Digitalization</i> <i>Encouraging leadership style</i>	<i>Purchasing of TeknoSa</i> <i>Growth trend of the market</i> <i>Relationship with suppliers</i>
Weaknesses	Threats
<i>Employee turnover rate</i> <i>Outsource delivery companies</i> <i>Number of stores</i>	<i>Competition</i> <i>Foreign exchange instability</i> <i>Economic fluctuations and political situation</i> <i>Chinese consumer electronics manufacturers</i>

Figure 1 – SWOT Analysis of MediaMarkt Turkey

Strengths: The biggest strength of MediaMarkt Turkey is its economic potential. As the one of the companies which generates the highest revenues in the market, MediaMarkt Turkey has the power in order to maintain its competitive advantage. In addition to this, it is the only company in the market which is a part of an international holding. MediaMarkt which is the biggest consumer electronics company in Europe operates in 15 countries. Knowhow and economic power of this big business are the other strengths of MediaMarkt Turkey.

Another strength of MediaMarkt Turkey is its centralized structure. After MediaMarkt Turkey's structure was turned into centralized a few years ago, it started to manage its human resources, marketing and procurement activities at HQ. Centralization of the procurement activities increased the bargaining power of MediaMarkt Turkey against suppliers due to high purchase volumes.

Digitalization is another important strength of MediaMarkt Turkey. Company has started to manage more systematically and rapidly by digitalizing all activities from marketing to human resources. The ability to follow technological developments closely and adapt them quickly into the business processes is one of the elements that strengthen the company's position in the market.

Moreover, participative management style of MediaMarkt Turkey enhance productivity, job satisfaction and staff motivation. It is a great strength to have motivated sales employees for a company that is in close contact with the customers.

Weaknesses: Although MediaMarkt Turkey focuses on employee satisfaction and continue to invest on training activities, it couldn't solve the employee turnover rate problem. High employee turnover creates a big cost for MediaMarkt Turkey. This cost consists of recruiting replacement employees and training them. Employee turnover has also other costs such as the expenses of getting the new employees to the similar level of efficiency as the employees who quit.

Another weakness of MediaMarkt Turkey is the outsource delivery companies it works with. Due to the fact that the products are not delivered on time, customers can easily switch to another consumer electronics retailer who are more reliable in delivering goods.

MediaMarkt Turkey has 69 stores in Turkey which is not enough to reach every potential customer in a country with a population of 80 million. Moreover, TeknoSa and Vatan Computer which are the biggest competitors of MediaMarkt Turkey have 210 and 136 stores respectively across the country.

Opportunities: The purchase of TeknoSa by MediaMarkt Turkey will provide competitive advantage to the company. There are many examples where large companies are trying to increase their market share by buying competitors. Companies around the world like Facebook, Amazon, Google, Uber actively implement this strategy. After completing the purchase, MediaMarkt will have more than 60 percent of consumer electronics retail market in Turkey. The news on the media about this purchase possibility has increased the value of MediaMarkt's shares by 6% in the stock market (webtekno.com, 2018). It is predicted that, if MediaMarkt Turkey buys Teknosa, the company will have different kind of opportunities in Turkey market.

The growth trend of the consumer electronic retail market is another opportunity of MediaMarkt Turkey. As long as this trend continues, the growth of MediaMarkt Turkey will also continue.

Another opportunity of MediaMarkt Turkey is its relationship with suppliers. As a company which holds one-third of Turkey consumer electronics retail market, has the power on

suppliers and its high purchase volumes supports its bargaining power against the supplier. As a result of this power, MediaMarkt Turkey can increase its profitability.

Threats: The biggest threat of MediaMarkt Turkey is the competition in the market. Because of the wide range of sales channels in consumer electronics industry, MediaMarkt Turkey is not only competing with other retailers, but also with all companies that sell electronic products such as e-commerce companies like amazon and gross markets like Tesco. This situation is a big threat that allows the customers to switch the company easily.

Foreign exchange instability threatens the sales of consumer electronics market. Since almost all products are indexed to foreign currencies, the increase in the exchange rate affects the selling prices of the products. Moreover, the economic situation in the country may also affect the sales negatively. Annual inflation rate in Turkey was announced as 17.9% (ntv.com.tr, 2018). With the increase in inflation, product prices in consumer electronics market also rising and this poses a threat for MediaMarkt Turkey.

Political relations between countries can also be a threat to MediaMarkt Turkey. For example, in August 2018, the U.S. president, Trump and president of Turkey Erdogan could not reach an agreement on some issues and made some statements to the press. Turkish President Recep Erdogan has said Turkey will boycott U.S. electronic goods, including Apple's flagship iPhone device (cnbc.com, 2018). The sales of MediaMarkt Turkey may decrease because of both the increase in the currency and the political problems.

Chinese consumer electronics manufacturers which provide affordable but quality products to the customers are also another threat for MediaMarkt Turkey. If the company finds a way to grow relationship with these manufacturers in the near future, it can turn this threat into opportunity.

5. Conclusion

MediaMarkt Turkey which is located in Turkey has achieved success as a foreign-capitalized company. During the last 10 years, it has become the second biggest player in the consumer electronics retail market, and this position gives it the competitive advantage and stronghold for being one of the companies that is driving the strategy of consumer electronics market.

MediaMarkt Turkey focuses on the satisfaction of its employees and customers in line with its internal and external customer centric approach. The company closely follows the technological developments and adopt these developments to its business processes successfully. Especially, the investments on the digitization of processes will ensure that they will maintain competitive advantage in the future. Its growth strategy consists of both increasing the number of stores and buying existing companies in the market. Especially the economic and political fluctuations which occurred in the country in 2018 has create some degree of a threat for the company. MediaMarkt, being a part of an international holding, can find ways to avoid these negative situations with the support of the holding.

Consequently, MediaMarkt Turkey is the one of the strongest companies in the market that knows how to manage its resources and competencies in harmony and determines its strategies by evaluating the future.

6. Recommendations

MediaMarkt Turkey generates high levels of revenue and is mostly considered to be an effective business which has a good public image. However, despite its success, it has some areas to develop.

MediaMarkt aims to grow by increasing its number of stores in the country. Although it is an important strategy for growth, it is not enough. It should apply the same growth strategy into its e-commerce channel. Online retailers like Amazon and Ebay have become the most important players in the whole world. MediaMarkt Turkey can only compete with these companies through investments made in the e-commerce channel. The strengthening of the company's e-commerce channel will help MediaMarkt Turkey to increase its profitability as it will significantly reduce rent, staff and inventory costs.

Although the staff turnover rate is the same as the sector average, it is important to develop strategies to reduce this rate in order to provide the best service to customers. MediaMarkt Turkey should identify the source of the problem in order to increase employee loyalty. The best way to determine employee engagement and enablement ratios is to carry out an internal customer satisfaction research. The results of these studies can be used to improve solutions to employee turnover problem.

MediaMarkt Turkey needs to make a difference in its products and services in order to maintain competitive strength in the consumer electronics market. In consumer the electronics market, all retailers provide almost the same range of products and services. Customers loyalty is not at a high in the consumer electronics market, because the same products can be found at any retailer at similar prices and similar after sales services are provided by most retailers. MediaMarkt should start to think about producing their own brands products like Amazon in order to be different from their competitors. MediaMarkt also needs to develop more after sales services solutitons in order to attract the customers. In this way, MediaMarkt can create a valid reason for customers to prefer MediaMarkt instead of the opponents. Additionally, it would be a great advantage for MediaMarkt Turkey to start selling good quality and affordable Chinese mobile phones which are not currently sold in Turkey, before their competitors, by developing a good relationship with Chinese manufacturers.

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