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# The Market Structure Of The Turkish Automotive Industry: A Strategic Group Approach / Türk Otomotiv Endüstrisinin Pazar Yapısı: Stratejik Grup Yaklaşımı

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## ABSTRACT

The market structure plays an important role in the strategic decisions and performances of enterprises from possible market entry decisions to market entry, to the severity of the competition between the existing businesses in the market. Determining the structure of the market as a whole may not give accurate information about the strategic groups formed by businesses following the same or similar strategies in that market. In other words, it is clear that a market structure analysis that takes into account strategic groups in an industry will give more realistic results, especially about the performances of businesses. In this context, a strategic group can be defined as "a set of competitors with similar resources in a particular industry and following the same or similar strategies". Strategic group analysis is an important strategic tool that can be used to determine the competitiveness and core competitiveness of companies in an industry both within and between groups. Such an analysis will allow businesses to use their resources more effectively. This study aims to examine the market structure (concentration) of Turkish automotive industry (according to passenger car and light commercial vehicle categories) within the framework of strategic group approach. The data was obtained from the annual retail sales statistics published by the Turkish Automotive Distributors Association ([www.odd.org.tr](http://www.odd.org.tr)) between 2004 and 2016. Within the scope of the purpose of the study, market concentration indices were calculated for each year as a whole. As a market concentration index, the Herfindahl-Hirschman Index HHI is taken as a basis for considering all the companies in the market. It was then analyzed by cluster analysis whether firms formed different strategic groups according to their sales volume, and statistically tested whether there was a significant difference between the index values calculated as a whole according to strategic groups. The results have been evaluated both for strategic groups in the automotive industry and the whole industry.

**KEYWORDS** Market Structure; Strategic Groups; Market Concentration

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