

Chapter 8

Path to Success: Innovative Managerial Approach

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EXECUTIVE SUMMARY

Organizations operating worldwide adopt different strategies and marketing techniques in various geographic areas, depending on the cultural perception of the country in which they are active. There are diverse reasons for implementing different management strategies, even under the same organizational umbrella. Responsiveness to customers, market adaptability, and competitiveness with other organizations operating in the same sector are some of the most important.

The current case examines the management strategies of a leading furniture company that started off as a small business and rapidly expanded globally. The success the company has achieved through its innovative marketing strategies and use of international management techniques is presented. The case highlights the company's flexibility in adapting its organizational structures to the nature of the market in different countries, and its reliance on a cross-cultural management approach to marketing in order to increase product acceptance by consumers across the world.

ORGANIZATIONAL BACKGROUND

History of the Company

Founded in 1995 in the Inegöl district in the Marmara region of Turkey, Çilek is generally acknowledged as Turkey's leading company in the children's furniture industry and the design of

children's rooms. Çilek was established with the aim of developing furniture products and accessories for children. It is the first brand to create products in the furniture sector specially designed for a particular age group. The company caters to the newly born all the way up to youth aged 24.

Çilek's mission is to offer the most functional, most secure and most economical furniture and to set the standard at all times and in all places for the sector in which it operates. The company's

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vision is to be a unique and unrivalled Turkish brand in its field.

Çilek, which has its own production lines, is the first brand in the children's furniture design and production sector to operate at a global level. The company launched its first exports in Switzerland in 1996. Having become a well-known brand, Çilek went on to open its very first retail store in Malta in 2001. That same year, the company's logo, brand and products were registered in 70 countries in the world.

Çilek's expansion policy is based on a franchise system. The company has a total of 150 concept stores in Turkey. It also operates in 68 countries - including countries in the Middle East and North Africa (MENA) - with a total of 135 concept stores. In addition, Çilek has institutional clients like Alghanim Ind in Kuwait, Kika Leiner in Austria, Möbel Pfister in Switzerland, Moniflor in Portugal, Elburg in Russia and Sweet Dreams in the United Kingdom (UK).

Çilek has clear requirements for specific age groups. The furniture should be practical, of high quality, original, different and durable. Since Çilek produces furniture for children, the most essential quality criteria are the use of anti-carcinogenic, anti-allergenic and anti-bacterial materials in production, a five-year guarantee period and a Geprüfte Sicherheit (GS) Quality Certificate. Hundreds of Çilek products are constantly subjected to tests in laboratories to ensure reliability. Çilek has received the GS Quality Certificate by certifying its products to GS standards one piece at a time.

In 2005, the high quality of Çilek's products earned the company the Superbrands International award in the furniture industry. Superbrands are determined by Turkey's Superbrands Selection Board, which is made up of professionally respected and qualified individuals. The board members assess all brands operating in Turkey, both domestic and international, against Superbrands International criteria.

Çilek has also been accepted into the Turquality Support Program. The program selects leading

companies in their field to support Turkish brands in their work processes, offer vocational training to companies working in the same sector to help them gain competitive advantage in the global market, offer companies coaching services, and support companies financially on their path to becoming a global brand. Çilek was the first to get accepted into this program as a leader in the furniture sector.

Today, with 444 sales points, 2,200 employees, a sales area of 60,000 m² and a retail turnover of 110 million Euros, Çilek, which started off as a small, family-owned business, is on its way to becoming the leading international company in the furniture sector.

The history of the company is presented in Figure 1.

Çilek Companies

Çilek has different companies in various countries. These include:

- Çilek Mobilya A.Ş.:→ Founded in 1995. The general management and headquarters, sales & marketing departments are located in Istanbul and the factory and product support departments are located in Inegöl-Bursa.
- Çilek Germany GmbH:→ Founded in 2005
- Çilek USA Inc:→ Founded in 2007
- Çilek Bosnia Doo:→ Founded in 2009
- Çilek Japan Corp:→ Founded in 2009

Factory

Çilek's factory, which extends over 33,000 m², is located in the Inegöl region. The factory employs 900 workers to produce 150,000 bedroom furniture sets annually. Despite the global economic crisis, Çilek has decided to expand its facilities to cover an area of 45,000 m² in response to the growing demand.

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