Chapter 14
Examination of Effects of Competitive Strategies on the E-Commerce Companies in Terms of Achieving Sustainable Competitive Advantage

Zafer Adiguzel
Istanbul Medipol University, Turkey

ABSTRACT

E-commerce brings companies and customers together in an exchange market environment, beyond any physical, cultural, and legal boundaries, and on an unimaginable scale, which was considered to be technically impossible before. The companies' online facilities have been improved and become accessible to everyone through smart phones, tablets, etc. as the web pages and social networks started to direct individuals towards e-commerce. E-commerce not only raises economic concerns related to competition and pricing, but also reveals new social and environmental threats that can be quite widespread and viral. Several studies have been conducted to examine the transformation of traditional business models into e-businesses, the impact of e-commerce businesses on traditional business activities, or opportunities brought by technological innovations. For this reason, the effects of the competitive strategies will be explained in terms of ensuring sustainable competitive advantage within e-commerce companies.

INTRODUCTION

E-commerce is becoming increasingly important for companies due to increasing technological opportunities. The companies that want to reach more customers and present their product range can use their web pages to conduct marketing and sales activities and share corporate information. As a result, technological and managerial strategies are becoming increasingly widespread in the political, social, and regulatory environments of e-commerce. The growing development of e-commerce has caused an

DOI: 10.4018/978-1-7998-0035-4.ch014

intensely competitive environment where only strong companies can survive and the weaker ones are eliminated. The power wars in a competitive environment can create new markets, increase or decrease existing legal regulations, create market entry barriers, affect prices, decrease or increase competition costs, and re-structure interactions between companies and customers (Chen, 2001). E-commerce brings companies and customers together in an exchange market environment, beyond any physical, cultural, and legal boundaries, and on an unimaginable scale, which was considered to be technically impossible before. Because of competition, consumers can make a selection by comparing products and/or services as they wish. E-commerce is defined as the transactions of financial, marketing, and human resources management or similar functional activities by means of information technologies and through web-based networks (Zhang & Gai, 2005).

E-commerce companies use IT and communication technologies to interact with their customers for commercial purposes in order to gain a competitive advantage. According to the definition of e-commerce, it includes sales activities by telephone or e-mail or through online shopping systems over the Internet. The most important factor behind the thrive of e-commerce is the accessibility of the thousands of networks by individuals around the world. E-commerce began to boom, especially after the development of the World-Wide-Web and establishments of sector networks. The companies' online facilities have been improved and become accessible to everyone through smart phones, tablets, etc. as the web pages and social networks started to direct individuals towards e-commerce. Furthermore, e-commerce companies have changed the market rules and the role of information technology (IT) in the sectors. Before, information technology was just another option within market strategy; however, in today's world, information technology has a power all its own since the Internet is accessible by everyone (Venkatraman & Henderson, 1998). Indeed, some companies established their market strategies based on information technology. When we look at today's successful e-commerce models, we see that marketing and technological activities interlock with each other in a competitive environment (Ghosh, 1998).

E-commerce not only raises economic concerns related to competition and pricing, but also reveals new social and environmental threats that can be quite widespread and viral. One of the advantages is that e-commerce reduces the cost of organising activities in every sector and this is an issue companies should give necessary importance to. In the last decade, significant studies have been carried out on e-commerce technologies and multi-dimensional applications. It is clear that ever-expanding and developing e-commerce opportunities affect the organizational management field; therefore, studies on new e-business technologies and e-business modelling have been carried out (Brynjolfsson & Hitt, 2003; Rust & Kannan, 2003; Yunus, Moingeon, & Lehmann-Ortega, 2010). Several studies have been conducted to examine the transformation of traditional business models into e-businesses, the impact of e-commerce businesses on traditional business activities, or opportunities brought by technological innovations. There are entangled applications such as Internet business models, web business models, e-commerce business models, and e-market business models (Koellinger, 2008).

The e-commerce concept can transform organisations and industries into virtual networks where customers and suppliers come together to create value-added processes, a concept that challenges long-accepted business models. Thus, it is important to analyse the transformational effects of e-commerce on the critical and fundamental processes of organizations (Fahey et al., 2001). E-business strategies, funding, and governance are considered critical issues that require efficient planning, and effective control of information technologies in private and public organizations (Gottschalk, 2006). For this reason, the effects of the competitive strategies will be explained in terms of ensuring sustainable competitive advantage within e-commerce companies.

WHAT IS E-COMMERCE?

According to the world trade organization, the definition of e-commerce is the advertising, sales, and distribution of products and services through the Internet network (Ussahawanitchakit & Intakhan, 2011). E-commerce is the realization of all commercial activities through computer networks, as from the design of the products to the production and promotion. Furthermore, E-commerce is the implementation of all business activities in an electronic environment (Ramanathan, 2010) and refers to all business transactions of processing, transmission, and storage of digital information in the form of text, sound, and image either over the Internet (reached by all the individuals and institutions) or over the intranet (accessed by limited number of users) (Chaffey, 2007). E-commerce can be defined as the process of delivering products and services to the customer after payment transactions, performing after-sales support, and also providing information and search opportunities to consumers, organisations, and public institutions by means of presenting data in Internet or intranet environments (Canpolat, 2001).

Different Definitions of E-Commerce

In terms of communication; e-commerce is the promotion of products and services by telephone, fax, computer networks, Internet or similar electronic tools for the purpose of sales.

In terms of business; e-commerce uses information technologies for the work- related activities of companies (Dal & Özbek, 2006).

E-commerce is the advertising, sales, and distribution of products and services through communication networks (Canpolat, 2001).

E-commerce is the new commercial understanding of the new century where the exchange of products and services is carried out on electronic environments, a result of the rapid changes and developments of information technologies (Mucuk, 2012).

E-commerce is all kinds of transactions related to commercial activities through computer networks (Erbaşlar & Dokur, 2012).

These definitions include wide and multi-dimensional relationships between provider and the consumer and also all the possible commercial transactions. Therefore, it can be said that e-commerce covers large scopes of transactions conducted in an electronic environment for providing information, carrying out promotions, and advertising and public information activities for commercial purposes (Canpolat, 2001). E-commerce activities started with telephone, fax, telex, television sales and electronic payments and money transfer systems (EFT) but reached a point where all commercial activities can be carried out over the Internet as a result of the developments in information technologies (Coşkun, 2004).

Today, the 'Information Society' or 'Knowledge Society' is seen as post- industrial societies, with the advancement of knowledge causing significant developments in commercial activities as technological developments are used to process and manage information or resources (Marangoz, 2014). E-commerce is a concept that includes the sale and purchase of all kinds of products and services with the use of computer technology, electronic communication channels, and related technologies (smart card, electronic fund transfer EFT, POS terminals, fax, etc.) (Ersoy, 1999). E-commerce refers to the purchase and sales of products and services and payment transactions over the Internet. The economy generated by e-commerce is called 'digital economy' or 'e-economy' (Erbaşlar & Dokur, 2012). Globalization makes it necessary for companies to closely follow the developments in information and communication technologies in order to obtain a permanent and firm position in competitive markets.

In a highly competitive environment, e-commerce is the most efficient and fastest way for companies to reach and communicate with their customers if they use the right tools. In particular, e-commerce enables companies to operate in global markets, easily make differentiations, reduce operational costs, expand their customer portfolio and control the risk structure, as well as having a key role in the efficient use of distribution channels. E-commerce is about the management of consumption activities between manufacturers, consumers, and the public and private organizations in an electronic environment (Erbaşlar & Dokur, 2012). E-commerce is the realisation of promotions, sales, insurance, and the distribution and payment of products and services through Internet networks.

E-commerce is the implementation of commercial transactions in an electronic environment and has three stages;

- Advertising and market research
- Order and payment
- Delivery

With the rapid expansion and development of Internet technology, e-commerce has become a new and very effective tool of commercial transactions and has emerged as a result of technological developments and the liberalization of trade.

The Actions of E-Commerce (Akgöz, 2009)

- Providing/getting information and conducting search activities in an electronic environment.
- Meeting of both parties in an electronic environment and during the transaction of payments
- Fulfilment of the commitment to the delivery of goods or services to the customer
- After-sales maintenance, support, etc.

E-commerce is about the activities carried out by the companies in an electronic environment in order to provide faster services, decrease service costs, and improve the quality of products. E-commerce enables products and services to be bought, sold, and shared over the Internet and by means of other electronic services (Görkey, 2001). E-commerce companies responds faster to customers' expectations and needs in line with the rapid changes and developments in a global world. E-commerce also offers the possibility of choosing the best supplier from widespread sales networks (Akgöz, 2009).

Common grounds of e-commerce (Erbaşlar & Dokur, 2012);

1. E-commerce can be carried out via Internet or intranet.
2. Interest holders of e-commerce including producers, consumers, public and private sector companies, and other organisations.
3. Tools of e-commerce: TV, Radio, Fax, EFT, EDI, ATM, Telephone, Internet.

These definitions not only cover the relationships between the seller and the buyer but also cover a wide and multi-dimensional relationship, together with all possible commercial transactions. Therefore, the context of e-commerce include activities such as promotions, advertising, training, and public information (Canpolat, 2001).

E-commerce Activities are Carried out in 4 Stages (Akgöz, 2009)

- **1st Stage:** Sharing information and documents of foreign trade in the Internet. For example, standards such as BM / EDI-FACT, SWIFT must be introduced.
- **2nd Stage:** Transactions for ordering, proforma invoice, e-contract, insurance, transportation and payments should be carried out in an electronic environment.
- **3rd Stage:** Legal structures should be established such as e-signature, e-tax, customs, and exchange legislation.
- **4th Stage:** Necessary importance should be given to e-security. Internet security should be provided and foreign trade operations should be conducted over a secure electronic environment.

According to this view, the presentation of the product, supplying to customers, company searches, transportation, payments, transactions and customs operations are an inseparable part of the process (Akgöz, 2009).

The acquisition, internalization, production and efficient use of information have a key role in the success of organisations and the national economy. In the information age, digital data regarding the world economy has significant value for organizations. A new and rather large sector has been structured for knowledge ownership, information sharing, and the reshaping of information. The information has become an essential capital of organizational life and is considered raw material like any product or service or other production tool that can be obtained from suppliers if necessary (Marangoz, 2014).

The characteristics of the new world economy (also called 'digital economy' by some researchers) are briefly stated below (Fırlar, 2010):

- Knowledge is the main source of production.
- The most important resource of a knowledge-based economy is brain power, which is the tool encompassing the production of information.
- A virtual world is formed by the digitalization of knowledge, so the relationship, interaction, etc. between all beings in the real world changes accordingly.
- New management processes of organizations are shaped according to micro-partitioning and are structured on an individual basis.
- In the new economy, communication provides the transfer of the knowledge and the role and function communication changes according to the digital network.
- The communication sector is leading the way in the economies of almost all world countries.
- One of the main rules of the new economy is planned obsolescence of products and the innovation and servicing of new products.
- In the new economy, the individuals/customers can participate in the production process through the elimination of boundaries by means of new information technologies and personal-oriented products that will therefore gain importance.
- Speed is another key factor in the effectiveness of organizational success and economic activity. In this respect, the importance of web-based interactive environments is increasing daily.
- In the new economy, organizations must operate in an environment that is constantly changing and developing without borders due to globalization.

The common feature of these factors is the importance of generating information, specifically because of the intense use of communication and computer technologies. Therefore, the concepts of an old or new economy do not refer to an economy as getting older or younger. These concepts are about the changes in the same economy in terms of value creation, relationships with customers and employees, methods of conduct, behaviour, and management methods, etc. (Marangoz, 2014). Increasing global competition and the formation of advanced technologies manifests itself in every aspect of the economy and the production, distribution, and consumption of goods and services are deeply affected by this processes.

Today, there are three concepts that direct the new economy (Dal & Özbek, 2006);

a) Informatics
b) Communication
c) Information.

Changes in macro factors affects the organisations and create pressure for the following reasons (Dal & Özbek, 2006);

a) Globalization
b) Rapid changes in technology
c) Increased production
d) Increased use of computers by individuals and organisations
e) Constantly up-to-date concepts of new products and services
f) Fast and short delivery of new products and services to the consumers
g) The opening of new business areas such as e-commerce, the opportunity of the seller and the buyer to meet without any intermediary and beyond the national boundaries
h) Emergence of new business opportunities
i) Expansion of value-added concepts such as communication and information exchange for the products and services
j) Intense competition
k) Focus on consumer-oriented marketing approaches
l) Investing in research and development activities

DEVELOPMENT OF E-COMMERCE

There are two important elements in the development of e-commerce.

The first is development in the IT sector. The development of new communication environments, the increasing interest in information communication technologies from all sections of society, and the increasing power of social media adds a new dimension to the concept of socialization (Vural & Bat, 2010). Investments in information technologies increase each year and positively affects e-commerce because, information technologies form the basis of development tools of e-commerce (Coşkun, 2004).

Second is the globalization of the markets, which accelerates the development of e-commerce or vice versa. The globalization of markets accelerates the development of e-commerce, at which point e-commerce eliminates the borders of the country leading to an ease in customs rules, and an increase in globalization (Coşkun, 2004).

History of the Development of E-commerce

According to Smith (2011), the timeline of e-commerce development:

1946: ENIAC (first computer) was structured at the University of Pennsylvania.
1957: The Soviet Union launched the first artificial satellite (Sputnik).
1958: USA established ARPA to gain the science and technological leadership and to withstand the technological superiority of the Soviet Union.
1969: ARPANET (pioneer of the Internet) was founded at UCLA, Stanford, UC-Santa Barbara and the University of Utah.
1970: Application of EDI-Electronic Information Exchange
1973: The first international communication to the ARPANET was implemented at the University College of London.
1974: BBN company announced the establishment of Telnet, the first commercial version of ARPANET.
1982: ARPA established TCP and IP.
1984: The number of Internet users exceeded 1000.
1987: The number of Internet users exceeded 10000.
1989: The number of Internet users exceeded 100000.

- In the 1990s, the development and dissemination of the World Wide Web (www) began.

1990: The ARPANET was shut down.
1992: www (world wide web) was founded in Cern.
1994: Pizza Hut started to sell its products over the Internet.
1994: The first cyber bank First Virtual was founded.
1997: B2B (Business to Business) trading activity started.
2000: The number of Internet users exceeded 360 million.
2011: The number of Internet users exceeded 2 billion.
2011: More than 200 countries connected.
2017: The number of Internet users is about 3.7 billion (Kemp 2017).

It is a fact that the number of Internet users increased almost six-times in a period of 10 years between 2000-2010. It is expected that the volume of e-commerce will continue to increase as Internet technology is more widely used (Porter, 2001). The reason for this expectation is that Internet technology will positively affect the general development of e-commerce.

The advantages of e-commerce, such as the wide range of products offered to customers, price comparison and time savings, are important factors in e-commerce development (Hamad, Elbeltagi, & El-Gohary, 2018). In the coming years, it is thought that e-commerce will continue to grow due to factors such as the tendency of the young population to use the Internet, the increase in the mobile device usage rate, and the growth of emerging markets.

The most significant difference of e-commerce from traditional trade is in communication and approval processes. Transactions carried out in the traditional method are not expected to be faster than any e-commerce methods, such as e-mail or other types of electronic data transmissions ((Elibol & Kesici, 2004; Erbaşlar & Dokur, 2012).

E-commerce has caused radical changes in the marketing methods, shopping life, and payment of purchased products as a result of the widespread use of computers, the Internet, and the high volume of

Table 1.

Traditional Trade	E-commerce
Information about the products can be obtained by talking to the companies or examining magazines, brochures, and catalogues.	The customers can easily obtain information about the products or services of companies through their web pages on the Internet.
The customers should file a request and fill in a form regarding the product or service in order to purchase.	E-mail makes it possible to perform processes easily and quickly.
The Purchasing Department starts the price survey with the approval of the form from the customer. Catalogues and price lists are reviewed and interviews are made.	The web sites of companies already provide requested information that is easily reachable.
Forms are filled, faxed, or mailed to the supplier at the time of ordering.	E-mail or electronic data exchange (EDI) methods makes the ordering process more convenient.

commercial networks. In the Internet environment, consumers can browse the web pages of companies, order products and services from shopping sites, and then have the products and services delivered to their location (Damanpour & Damanpour 2001).

It is very easy for stakeholders (internal and external) to reach business registry and partnership data by visiting the website of the company (Marangoz, 2014).

The main objective of e-commerce is to make commercial transactions in the electronic environment easy, reliable, fast and efficient (Kiennan, 2002).

E-commerce is not a one-sided activity and provides advantages to customers and sellers.

E-Commerce Types

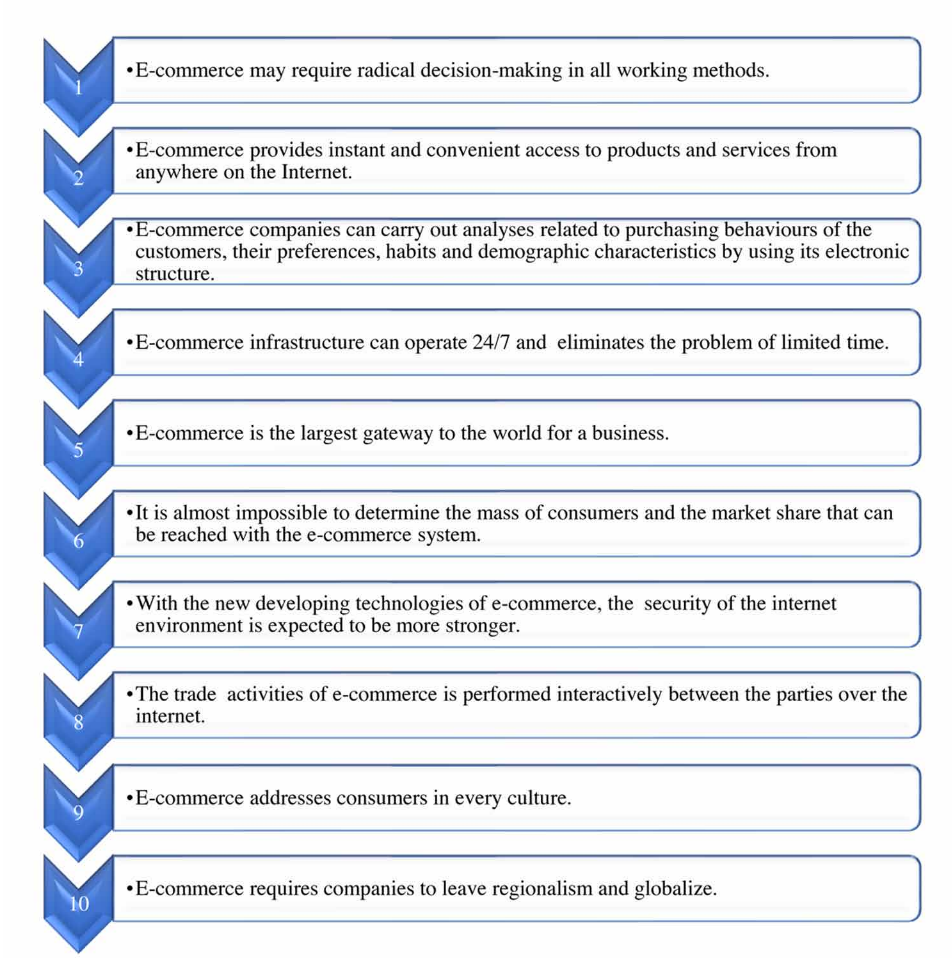
E-commerce is about the sales and marketing of products and services over the Internet and transmissions between two or more parties. A classification of e-commerce is made in terms of the parties of the trade who are the businesses, consumers, and the government (Doğaner, 2007). Considering this trilateral mechanism, e-commerce types are:

Companies can gain a competitive advantage by maintaining their loyal customers who are constantly shopping through their websites (Guthrie & Austin, 1996). In periods of intense competition or economic/financial problems, companies tend to establish e-commerce activities by setting up websites in order to reduce costs and survive in the market, thus they also increase the possibility of achieving sustainable competitive advantages (Morrison & King, 2002; Tse, 2003). The reason for the private property arrangement of B&B is the lack of systematic performance data caused by competition and differing financial situations (Poorani & Smith, 1995). Therefore, it is necessary to pay attention to the financial performance of B&B. In short, it is important to achieve a sustainable competitive advantage in terms of organizational learning skills, as they have an impact on organizational performance in the field of e-commerce (Ruiz-Mercader, Merono-Cerdan, & Sabater-Sanchez 2006).

Selecting Definitive Partners for Strategic Alliances

Another way to succeed in competition in the field of e-commerce is building strategic alliances. The aim of strategic alliances is to eliminate or wipe out the other competitors in the market. B2B companies are rival companies that combine their power to distribute their products in bulk, and also, they have

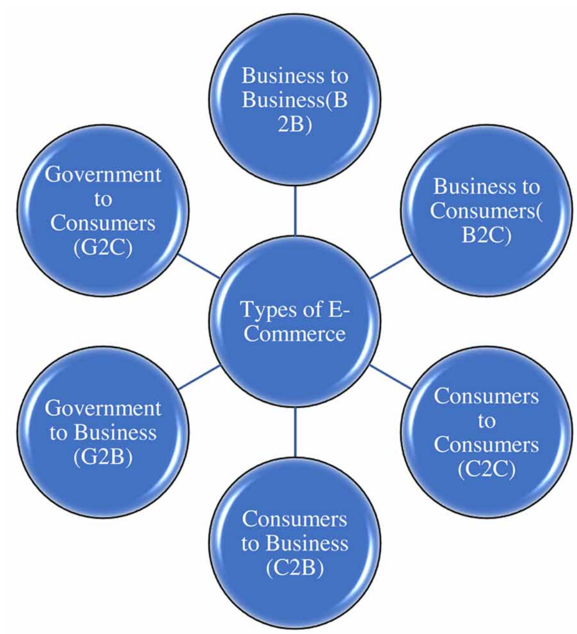
Figure 1. Characteristics of e-commerce
Source: Dolanbay, C. (2000). Elektronik ticaret stratejiler ve yöntemler, Ankara: Meteksan.



access to new geographical markets through strategic alliances (Hamad, Elbeltagi, Jones, & El-Gohary, 2015). B2B allows information to be disseminated easily and swiftly. In a competitive environment, a partner company should only leave the strategic alliance after gaining basic competencies, knowledge, and developing a stronger strategic position (Stiles, 2001).

E-commerce is an important element for organisations to gain cost effectiveness against their competitors (Oum & Zhang, 2001). With B2B, partners have the opportunity to share strategic resources and capabilities that are scarce or absent in one or both companies (Gultai, 1999). Therefore, strategic alliance relations secure a wider distribution area, increase the efficiency of distribution, and facilitate the management of strategic resources, capabilities, and qualifications from a single source (Rowley, 2002). According to the findings of Stafford (1994), three strategic factors are necessary in order to be successful in competition: strategic goals, resources, and a corporate culture. Geringer (1991) explained that the collaboration, experience, and similarities in organizational culture can affect alliance performances. A strategic alliance is perhaps the most important step in forming a successful partnership in a highly competitive environment (Elmuti, & Kathawala 2001).

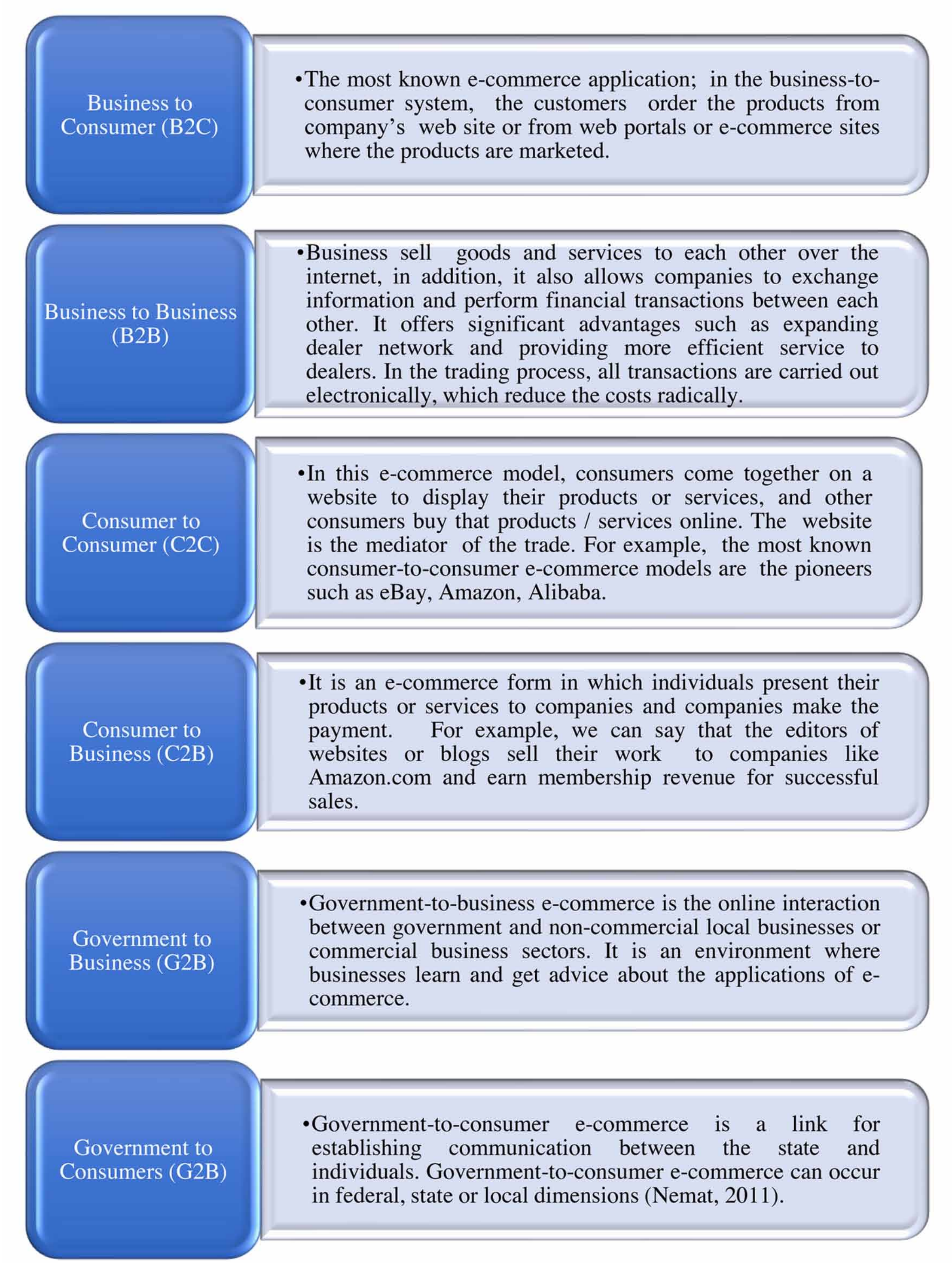
Figure 2. E-Commerce Types. Source: Doğaner, M., (2007). A study on the development of electronic commerce in Turkey and electronic trade from business to consumer. Master Thesis. Konya: Selcuk University Faculty of Economics and Administrative Sciences.



Achieving Expected Performance for Strategic Alliances

The growing reputation of a strategic alliance can reduce the damage caused by opportunist companies in a competitive environment. Trust is the essential factor for a strategic alliance to be successful in a competitive environment (Dale, 2003). However, inter-company diversity can lead to the opportunistic behaviour of a partner and this may adversely affect alliance performance in terms of the cost of transactions (Park & Ungson, 1997). Profit, growth, adaptability, and participation are often mentioned during the evaluation of alliance performance (Boersma & Ghauri, 1997). In strategic alliances, profit and growth are also often used as measurement elements (Hyder & Abraha, 2004). It is necessary to analyze the success of a strategic alliance by comparing alliances to competitors in a competitive environment (Tinnila, 2002). A strategic alliance provides both low transaction costs and a simultaneous tracking of products or services with high added value. In a highly competitive environment, e-commerce companies are expected to increase their competitive advantages by adopting to B2B strategic alliances (Wise & Morrison, 2000). In short, the performance of strategic alliances is influenced by the industry environment, the experience of cooperation of alliance members, and by the motivation of selected partners (Harrigan, 1988; Kalakota, 2000; Chen & Tseng, 2005). At the same time, environmental characteristics affect alliance formation and motivation (Xie & Johnston, 2004). In a strategic alliance, high-quality partnerships increase performance (Lee & Lim, 2005).

Figure 3. Different Types Of E-Commerce
Source: Nemat, R. (2011). Taking a look at different types of e-commerce. World Applied Programming, 1(2), 100-104.



Strategic Planning in E-Commerce

In the 21st century, e-commerce businesses can achieve success by integrating new job- processes into their organizations, giving importance to human resources, determining necessary skills/talents and bringing appropriate management roles and knowledge management systems (Okrent & Vokurka, 2004). Furthermore, in order to be successful in the field of e-commerce, organizations need to learn about new planning perspectives and manage innovation cycles suitable for e-commerce (Zahra & Gerard, 2002).

There is a strategically accepted fact that the Internet is now widespread throughout all countries. As a result, the e-commerce sector can be managed from even a home office environment, and this situation may have a devastating effect on companies in the normal trading environment, possibly bringing alarming change and threatening businesses. 'Alarming change' means that if companies do not conduct e-commerce activities through their web pages and continue their traditional trading activities, they may disappear from the competitive market. We know that there are 3 important strategies for achieving competitive advantage: cost leadership, differentiation, and focus strategies. It is only a matter of time before the new strategic approaches arise in the face of the change brought by e-commerce companies and their destructive impact (Lumpkin, Droege, & Dess, 2002). For example, if you look at potential customer populations and annual revenues of companies such as Amazon, Alibaba, or E-bay, which only trade over the Internet, you can better understand the impact of these potentially destructive changes of these companies.

From a strategic point of view, organizations must be able to adeptly measure, evaluate, and manage their skills. These skills are necessary for organizations to create value and to respond to the needs of customers (McAdam, & Galloway, 2005). In order to be successful in a competitive environment, the organizations need to control strategic processes (planning processes, management changes, accountability, and returns on investment) (Ho et al., 2004). In order to evaluate the assets, resources, and qualifications of the organization, e-business strategies must be aligned with organizational strategies, and the results of the implemented strategies should be related to organizational efficiency (Chang et al., 2003).

STRENGTH AND WEAKNESSES OF E-COMMERCE

Although e-commerce provides a number of advantages to businesses and individuals, there are also some questions about the reliability of e-commerce transactions as individuals have to share their personal information and credit card details on the Internet.

Strengths of E-Commerce

Advantages of E-Commerce (Budak 2010):

E-Commerce allows businesses to operate in the global market, allowing businesses to reach out to almost all countries and different cultures, and sell their products/services.

E-Commerce provides businesses not only new customers but also an opportunity to work with better suppliers and select partners, access to low-cost financing resources, and a qualified workforce.

E-Commerce businesses process, transmit, and record information in the electronic environment, instead of written paper format, reducing costs and eliminating time losses.

E-Commerce systems use visual images and personal support services in order to enable companies to promote their products and services at the most appropriate cost.

E-commerce provides an opportunity to offer quality after-sales support services to increase customer satisfaction and loyalty.

E-Commerce allows companies to identify and respond to customer demands and needs quickly and effectively.

The Advantages of E-Commerce for Customers (Yeşil, 2008):

E-Commerce allows customers to shop at almost any place where the Internet is available.

E-Commerce provides consumers/customers with an opportunity to compare products and services, and select the reasonable priced ones.

E-Commerce companies use the complaints and suggestions of the customers for the purpose of improving customer service.

Weaknesses of E-Commerce

The web pages created by the e-commerce companies may have a number of security-related problems, which may lead to theft crime in the Internet environment.

Another security problem may arise if e-commerce companies share personal information of their customers.

In an e-commerce environment, communities should be made aware of fraudsters who use credit card copying technology on the Internet.

Customers can not try or test the products online, therefore returns and refund transactions are carried out, subsequently resulting in a loss of time and money. This is one of the issues that receives the most complaints from customers.

Tax problems that may arise due to the gains of enterprises in e-commerce,

The need for human resources in the field of e-commerce technology can be seen as a weakness as it brings extra costs to companies.

Advantages and Disadvantages Of E-Commerce

Advantages of E-Commerce

The advantages of e-commerce for businesses are as follows:

- **Customer Relationship Management:** Through e-commerce, companies are able to manage customer experiences easily, and provide solutions to any problems. Companies can create a more effective brand perception by online advertising through their e-commerce sites (Porter, 2005).
- **Reduction in Offline Store Cost:** Online stores reduce the costs of rent, office, and staff expenses. In the supply chain, it is very important to ensure accurate and fast information flow from the customer to suppliers and the delivery of correct materials from the supplier to the customer (Pavic,

Koh, Simpson, & Padmore, 2007). The lack of stock requirements and the need of fewer numbers of staff can even make it possible to organise e-commerce sales from home.

- **Effective Use of Time:** Online, time effectiveness is an element of commercial transactions between the seller and the buyer (Porter, 2001).
- **Documentation Process***:* E-commerce activities are conducted with e-documents, which reduce stationery costs and make it possible for transactions to be carried out with minimum errors.
- **International Sales and Marketing:** Through online stores, companies have an opportunity to virtually conduct their sales and marketing activities in an international market without making any physical investments (Porter, 2001).
- **Competitive Advantage:** Online trading companies, unlike offline trading companies, provide competitive advantages by promoting their products and services more easily in the national and international arena without time and space restrictions (Lumpkin, Droege, & Dess, 2002).
- **365 Days 24 Hours Open Store:** E-commerce companies can provide uninterrupted service 365 days, 24/7 hours. If the website's software and technical infrastructure is strong, the companies can ensure uninterrupted regular services to their customers at all times (Hidayanto, Ovirza, Anggia, Budi, & Phusavat, 2017). E-commerce decreases informality in the economy and increases competition. In addition, within related sectors, it creates new employment areas through dynamic new business lines and specializations. Furthermore, it contributes to regional development, education, and social solidarity (Afra, 2014).
- **The benefits of e-commerce for the customer are as follows:** Consumers can carry out online transactions around the clock, save time, and get the product they want through the Internet. Thanks to e-commerce, consumers can easily compare different types of brand products. Furthermore, consumers can read the comments of previous buyers of products or services, gleaning different perspectives.

Disadvantages of E-Commerce

E-commerce has several disadvantages for customers and sellers.

Disadvantages of E-Commerce for Sellers are as Follows:

- **Security Problem:** The biggest disadvantage of e-commerce is the security vulnerability, as there is a possibility that the web sites can be hacked and user information can be captured by the hackers (Baldwin & Currie, 2000).
- **E-Commerce Costs:** The databases and applications of e-commerce companies should be very well maintained. The need for serious infrastructure and the cost for effective e-commerce activity is a disadvantage for the seller.
- **Security-Reliability:** The biggest disadvantage of e-commerce for customers is that of security vulnerability, there is risk that all personal information such as identity details, home address, phone number, etc., can be served to third parties (Baldwin & Currie, 2000).
- **Quality Uncertainties:** It may not always be enough to obtain information about the product in a virtual environment. The return process of the unwanted products often creates a great time loss for customers (Corbitt, Thanasankit, & Yi, 2003).

- **Delivery Delays:** Delivery delays may occur due to weather conditions, public holidays, and a lack of product in a seller's stock. Delivery delays can cause customer dissatisfaction.

Competition Concepts and Competition Strategies

Competition has five points.

First, the goal. There must be an objective, and the existence of others might cause difficulties in the realization of this objective.

The second is rule and restrictions. In a competitive environment, the prevention of opponents into the game or their elimination by either force, abuse of the dominant position, agreement between the competitors, or cheating etc. is prohibited. If a race does not have any rules and restrictions, we cannot call it a competition. In such cases, it can be said that there is a violation in competition or unfair competition.

The third is the guarantee of fundamental freedoms and human rights. It is not enough to recognise freedom on paper. The full guarantee of freedom is possible by the existence of a well-functioning, independent, and effective justice system.

Fourth, there should be no discrimination. The position of the state in the competitive environment is very important. The state should not give privilege or priority to some players for various reasons and should not discriminate or tolerate incompliances with rules and obligations.

Fifth, the number of players should be more than one. In a competitive environment, in some cases, certain number of players are required to play, so the players can not dominate the game and can not affect the result of the game. In fact, all the players should have free access to the game, and none of the players should dominate the play on their own. In some exceptional cases, even if there is only a single player, it still may be considered a competitive environment if the entry into the race is free. However, in such special cases, the existing player should feel the competitive pressure from the potential players who want to enter the market (http://www.rekabetdernegi.org/rekabethakkinda.htm, Access: 01.02.2019).

Benefits of Competition

Competitive power is the key to the success for companies in national and international fields. Companies should give necessary importance to research and development, information, and training of employees in order to improve their technological infrastructure. In today's intense competitive environment, only robust companies can survive, whereas weaker ones are forced out of the market, both in production and service sectors. Therefore, these factors become more significant as they provide flexibility for the companies. Flexibility is an essential factor in a competitive environment because it allows companies to survive in the market by differentiating their products or services. Furthermore, the companies need to work efficiently to be successful in a competitive environment, and in this way, they can transform their savings into investments and ensure capital accumulation in a country (Su, Guo, & Sun, 2017). The companies in the e-commerce sector have flexibility, which is a significant step towards efficiency. In comparison with traditional companies, the e-commerce companies have many advantages such as reduction of costs, allowing flexibility and providing product/service diversity. Companies operating in the field of e-commerce can gain more advantages and achieve sustainability if they can open up to international economic areas and integrate with the world (Mess, 1997).

Competitive Advantage

There are other factors that may be important for the competitive advantage. One of them is the content of the web page. The Internet makes it possible for companies to display large amounts of content at a very low cost. For example, REI.com is a supplier of recreation equipment and ready-to-wear clothes and has more than 78,000 items on its 45,000-page web site. However, the company could not manage its website content effectively in order to gain added value. Similarly, Garden.com had a strong start in 1999, raising tremendous venture capital but failing to create detailed and compelling content (but its name is still used by Burpee, a 125-year-old garden products supplier).

Three types of content can improve the value of a web site: customer feedback, expertise, and entertainment programming:

Customer Feedback

Buyers often rely on other buyers' comments more than a company's promise. The customer comments and customer feedback can help to improve the content of a website.

For example, if you want to buy a piece of furniture online, you can't touch, feel or try it. In this case, you can make the purchase decision by reading or evaluating the objective references of other buyers who have previously purchased the product you want to buy. Such references can create trust or play a significant role in the purchasing decision by highlighting the 'unwanted or unappreciated' sides of the product or services as experienced by the previous buyers. This can also be a competitive advantage source for the competitors because they follow each other. It is necessary for the companies to examine the responses of customers and read their experiences to understand their opinions about the products and services in order to create new product or improve services in a competitive environment (Kakalejčík, Bucko, & Vejačka, 2019).

Expertise

The Internet is a very important learning tool and it is constantly developing. Fifty percent of users regard the Internet as a kind of library, because search-oriented web pages such as Google, Yandex, etc. allow access to a vast amount of information quite quickly. As a result, users have the opportunity to improve their knowledge. Furthermore, some websites provide valuable new or objective information. At the same time, its problem-solving function often educates consumers on various options and outcomes. For example, several online web pages such as Sikayetvar.com, Sikayetim.com, or Sikayet.com can provide information about products and services, and customers can read about the problems they face before buying them. The expertise function is not limited to regions. In the case of B2B businesses, web sites share their expertise by creating communities or professional groups in the industry (Kaplan, & Sawhney, 2000).

Entertainment Programming

The Internet is used for entertainment purposes by more and more people. Technologies such as streaming media allow the Internet to send TV-like images and sound allowing computers to broadcast breaking news, offer video games and movies, and provide fun time online. In fact, we can say that TV viewing has been reduced and online activity has been increased among people with high-speed broadband service because the technology has an interactive approach, which means the viewers not only passively watch but are involved in creating art and playing a game etc. Of course, e-commerce companies noticed this trend and have started to create web content that is not only informative but also fun.

These three types of contents-customer feedback, expertise, and entertainment programming- are sources of potential competitive advantage and can strengthen the value creation process. However, if they are used negatively, they can also reduce performance. Strategically displayed quality content enables companies to effectively differentiate their offer of product or services. This can be particularly important in an environment where differentiation strategies provide more gains compared to a low-cost strategy.

STRATEGIES TO GAIN A COMPETITIVE ADVANTAGE

There are many methods and strategies to achieve a competitive advantage. The analysis of the competitive situation of a company within the market is called competition analysis. The determination of the competitive situation of a company reveals whether the investment was successful and if it has the ability to gain above average profits (Lu & Wang, 2016). This skill increases the chance of being successful in the free market. Competitive strategies also allow companies to find the most suitable position within a competitive environment and achieve their main objectives (Porter, 2008).

There are many methods and strategies for companies to achieve a competitive advantage. Competitive strategies that can be implemented according to their sector;

1. Competitive Strategy: Porter's Model
2. Competitive Strategy: Resource-Based Model
3. Competition Strategy: Game Theory Approach

According to the Porter's competition strategy, it is necessary for companies to determine conditions affecting competition in order to ensure a competitive advantage (Porter, 2008). After that, the generic competition strategies can be implemented in every sector.

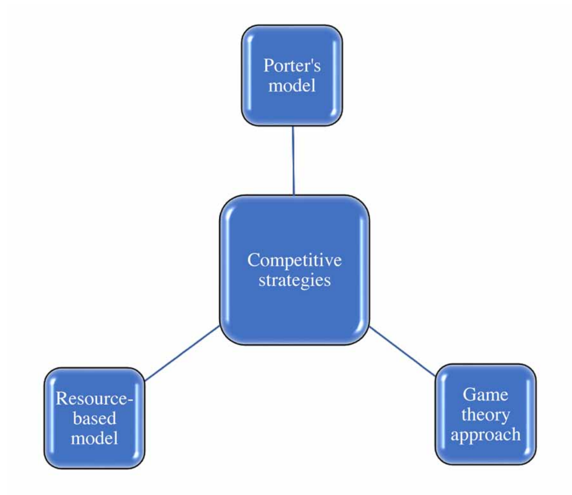
Main Conditions Affecting Competition

If the company(s) are entering the sector for the first time, they need to obtain a market share in order to stay in the market. From the moment they enter the competition, the companies should bring their resources. However, every company may not enter the market as they wish. This situation is called market entry barriers which is explained below (Porter, 2008):

Economies of Scale

The increase of absolute production volume per period can cause a decrease in unit costs per product. Companies may reverse their decisions for two reasons:

Figure 4. Competitive strategies

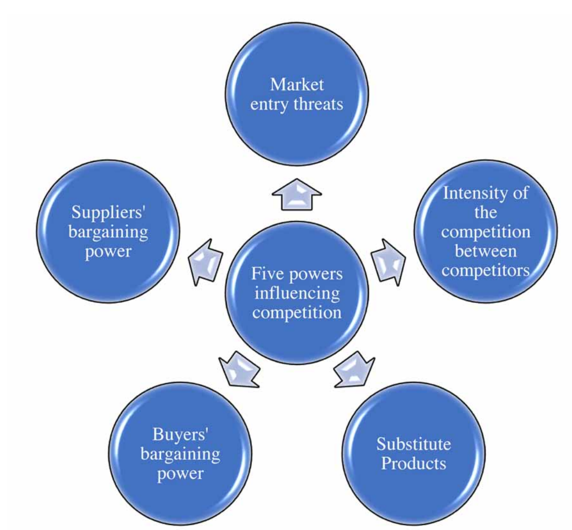


- They cannot take the risk of the reactions from companies already in the market.
- Or, they can't afford the cost resulting from the disadvantageous situation.

Product Differentiation

Newly entered companies may have to spend more money to create satisfaction and gain loyalty of the customers as this is a barrier for companies.

Figure 5. There are five powers that influence competition (Porter 2008)



Capital Requirements

New companies in the market should spend on advertising and/or R&D activities in order to compete. This means that they should have more financial resources. For companies that are unable to handle this burden, insufficient capital is an barrier to entry.

Transition Costs

If a company does not like its supplier or does not agree with its supplier, the transition process to a new supplier may create a barrier to entry as it may be reflected in costs.

Access to Distribution Channels

When the company enters the market, it must have a good distribution channel to respond to the demand from the buyers. The need to guarantee the delivery of the product to the buyer may create a barrier to entry.

Cost Disadvantages

One of the biggest entry barriers for new entrants to the market is the position of the companies that have already taken place in the market. Their superiority gained from experience, image, reputation, or location can be a barrier to the market for possible entrants.

Government Policies

A number of state policies, restrictions, prohibitions, penalties, etc. or similar elements can be entry barriers for new entrants to the market.

Intense Competitiveness Between Competitors

From the moment of market entry, there will be competitive manoeuvres of competitors within the market. In many sectors, the competition of companies can have a significant impact on competitors in the market. In the face of these moves, opponents will tend to retaliate against their counterparts. In fact, as a result of these mutual moves, the firms become dependent on each other because they re-develop and renew themselves through retaliation.

Substitute Products

If the products of a company are also available from the competitors, and if buyers have the right to choose, this may cause a reduction in profits. The most important move of the company (s) against substitution products is to explain to consumers the difference of their products from other products in a positive way. Because, what is important for consumers is the relationship between price/performance/quality (Porter, 2008).

The Bargaining Power of Buyers

One of the most important situations for companies is that there are buyers who will benefit from competition in the market because buyers have the right to buy a product according to their budgets. The buyers gain this power as a result of competition among companies (Porter, 2008).

The Bargaining Power of Suppliers

When companies enter the market, they may see that suppliers can play with the price or decrease the quality of products and services. In this case, the suppliers can have power in the market. This power can reduce the profitability of the companies due to the cost increase caused by suppliers (Porter, 2008).

Generic Competitive Strategies

Businesses who want to be active in e-commerce should be able to satisfy their customers or consumers much better than their competitors in order to be successful in a competitive environment (Coltman, Devinney, & Midgley, 2007). The degree of satisfaction is directly proportional to loyalty. In a competitive environment, competitive analysis has a strategic importance enabling survival in the market. The two most important elements of competitive analysis is the determination of strengths and weaknesses. If senior management has ego problems, if they cannot have a result-oriented mindset, and if they are not visionaries, they might ignore weaknesses within the firm. This means that the company's life in the market will be short-lived. Status/position title can change people. Real leadership is seen in those who do not show any change in character/personality after receiving a office/title/status. Naturally, during competitive analysis, companies should identify their weaknesses and turn their strengths into opportunities within the market (Tek, 1999).

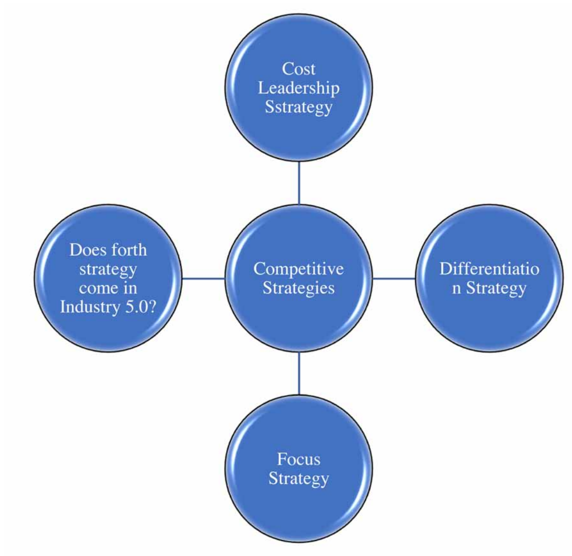
The differentiation and cost-leadership strategy are parts of the Generic Competitive Strategy and also for companies operating under industry conditions. The focus strategy is for businesses with a narrow field of activity (Porter, 1985).

Industry 5.0: This means the existence of unmanned technologies in life. It is a fact that robots can do every job that people can, while also allowing artificial intelligence to communicate among themselves. The unlimited advancement of technology highlights the continuing problem of 'unemployment'. Furthermore, industries are now able to be managed by only one group of people while all other jobs can be carried out by artificial robots. The development of the capabilities of humanoid robots will push companies to generate new strategic moves. It is worthy paying attention to the question of how e-commerce companies will be affected by the attempts to bring the virtual world and the real world together. In this case, we need to ask if generic competitive strategies need a 4th strategy? Companies operating in the field of e-commerce should focus on technology-based activities in order to be ready for industry 5.0. It will be possible that new strategies will be generated as a result of this atmosphere in the competition environment.

However, Strategic Transformation should focus on;

- Reducing costs and ensuring operational efficiency; the supply chain must be functioning smoothly and technological integration, which is the pioneer of change, must be sustained successfully (Coltman et al., 2001).

Figure 6. Generic Competitive Strategy (Porter 1985)



- In order to have a good position in the e-commerce market, it is necessary to differentiate products and/or services and use the resources in the supply chain effectively (Chang et al., 2003).
- It is necessary to create a superior economic value that will provide a competitive advantage (Riggins, 1999).

Cost Leadership Strategy

Cost leadership strategy is about businesses gaining advantages over its competitors and obtaining above average income above in line with the reduction of costs in all activities and ensuring positive differences between costs and prices (Porter, 1985).

The cost leadership strategy has several risks (Porter, 1985);

- With the continuous development and change of technology, past investments or experiences may become invalid.
- The low cost of new entrants in the sector by imitating or investing in very good facilities,
- The fact that product or market changes may not be seen due to the company's concentration on cost.

Differentiation Strategy

By differentiating product or services, businesses can create something that is considered unique by consumers and customers. Carrying out business activities the same as other companies does not allow a company to progress beyond imitation. However, the basis of the differentiation strategy is to generate different applications, become distinct among competitors, and direct customer preferences to a company's products and services. Then, differentiation can be made based on the design, brand name, brand

Table 2.

Advantages of Differentiation Strategy	Risks of Differentiation Strategy
- Generates customer loyalty, as well, customers become insensitive to prices and this provides protection against competition. - Customer loyalty and the uniqueness of the company, due to differentiation, creates barriers for new competitors, - Creates high margins against the power of suppliers; this also destroys the need for a low-cost market situation. - The company that differentiates itself and achieves customer loyalty is better protected than its competitors in the case of substitution products (Porter 2008).	- If the cost difference between low-cost competitors and the differentiated enterprise increase too much, differentiation cannot maintain brand loyalty, and buyers stop buying the products for certain features, services, or the image of the enterprise. -Buyers' need for the differentiating factor may decrease. This occurs when buyers become more complex. -Imitation can reduce the perceived differentiation. This situation becomes more common in widespread sectors (Porter 1985).

image, stores, technology, support services, customer services etc. In order for the differentiation strategy to provide a competitive advantage, the value created must exceed the cost. In addition, differentiation must be valuable for the consumer.

From the Technological Aspect

There are a range of outsourcing options from total outsourcing to partial outsourcing. It is possible for an organization to try to differentiate itself in the market by focusing only on one main factor. This can shift the strategic focus to an external supplier and generates additional strategic issues but does not generally lead to a comprehensive organizational culture change. However, if a comprehensive relationship in management is needed, there may be a significant gap between strategic expectations and fulfilment (Levina & Ross, 2003).

From the Products and Services Aspect

When e-branding becomes a critical issue, and when a difference occurs between brand identity and brand totality, a significant cultural change is seen (Venkatraman & Henderson, 1998). This requires all members of the organization to think 'out of the box' and distinguish between corporate customers and end consumers.

Business Models, E-Positioning

At this stage, the organization regains its position in the market through e-services to a wider community. Fujitsu and Dell have been exemplary for successful differentiation through e-business. These pioneers developed their public relations and established a special relationship between suppliers and buyers. This created an organizational culture that embraces 'community culture' throughout the organization.

Focus Strategy

Businesses choose a specific part of the market. For example; it may be certain consumer populations, a specific production and distribution line, or a geographic location. With the focus strategy, a company attempts to reach a specific target, market and provide better service.

Table 3.

Advantages of Focus Strategy	Risks of Focus Strategy
- It can be considered a type of competitive strategy which reduces the threats that new entrants may create. - The threat of substitution products for businesses is very low. - The number of competitors in private and differing markets decreases and competition occurs at a different severity (lower level) (Porter, 2008).	-In the case of a wide range of products, the company with a focus strategy may lose the cost advantage of serving a narrow target. - Differences in products or services begin to decrease as a whole. -Competitors find sub-markets within the strategic target and exclude the orientation focus (Porter, 1985).

Resource-Based Competition Strategy

Resources of Business

The competitive strategy based on resources emerged after 1980, and started to develop in order to achieve a sustainable competitive advantage in the sector. The aim of this strategy is to determine the strengths and weaknesses of the organisation and focus on strong resources (Van Hooft & Stegwee 2001). It is a perspective based on gaining competitive advantage by focusing on a company's strong resources (Karacaoğlu, 2006). Resources (tangible assets, intangible assets, and organizational skills) are the tools for organisations to develop and implement a strategy to achieve a competitive advantage (Seviçin, 2006).

There are two basic assumptions of the Resource Based Competition Strategy:

Figure 7. The Tools for Organisations
Source: Seviçin, A. (2006). Kaynaklara Dayalı Rekabet Stratejisi Geliştirme. Dumlupınar Üniversitesi Sosyal Bilimler Dergisi, (15).

- Businesses may have different strategic resources in the sector. In other words, the resources of similar production processes may have different characteristics compared to other enterprises. This situation may cause different productivity and efficiency levels and can lead to distinctive performance gaps. At the same time, it can generate competitive advantages.
- Resource differences between businesses may be long-term. This situation indicates that the resources are specific to the enterprises and are very valuable. At the same time, it ensures a sustainable competitive advantage.

Characteristics of Resources

The characteristics of the strategic resources are:

Stages of Resource-Based Competition Approach

Prahalad and Hamel, Grant and Rumelt stated that the Resource-Based Competition Strategy, carried out from internal to external dimension, and companies should use resources and skills effectively.

Hamel and Prahalad explain certain stages of competition (Köseoğlu, 2007):

- Establishing basic skills by predicting customer demands and future opportunities.
- Creating an alternative product variety to reshape the customer approach
- Creating and managing necessary coalitions for the sector
- Forcing competitors to progress styles that will be expensive and time consuming
- Ensuring suppliers have worldwide networks
- Entering key markets before competitors by identifying a suitable market positioning strategy
- Differentiating product and production processes to increase efficiency and effectiveness.

The Porter's approach and Resource-based approach are alternatives to each other, however Barca (2002) explains that these two approaches are also complementary. Barca states that 'strategy development is about associating internal resources with external environments in order to achieve a competitive long-term advantage (Barca, 2002). Barca explains that the good 'market position' and 'basic skills position' is necessary for gaining a sustainable competitive advantage (Barca, 2002).

The Effect of E-Commerce on Competitive Strategies

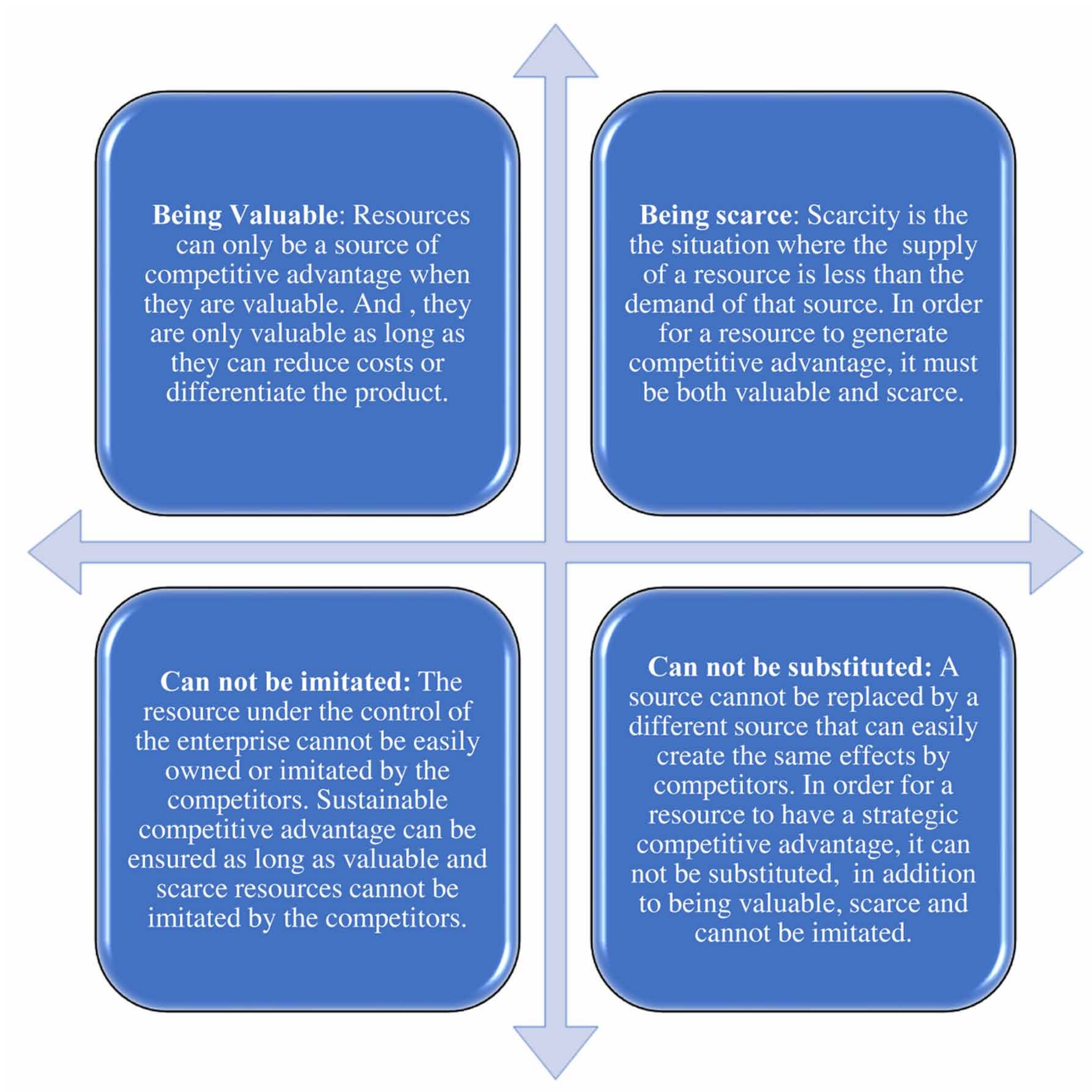
E-Commerce will require radical changes in our understanding of competing enterprises. When we consider Porter's Generic Competition Strategies,

Through e-commerce, businesses;

- can focus on different markets
- reduce their total costs
- can develop a wide range of services or products compared to their competitors (Porter, 2008).

If we analyse e-commerce from the recourse-based perspective, we can say that e-commerce companies should have effective and efficient approaches in using their resources. If we analyse e-commerce's

Figure 8. The Characteristics of The Strategic



competitive strategy, in terms of game theory, e-companies will affect all companies in the sector, in terms of added-value rules.

The reciprocal moves of companies operating in the field of e-commerce will also affect their strategies and naturally have an impact on the conditions of competition (Ma, Jin and Huo 2019). If companies want to turn these effects of a competitive environment into an opportunity and gain an advantage, they should ensure that their strategic moves are complementary to each other.

Adding Value

Companies need to collect information and data to analyse their customers and competitors in the sector. At the same time, customers need information to compare the products and/or services of companies to make a purchase. The Internet provides a great convenience both in terms of accessing and gathering information. The Internet reduces search costs and brings multiple benefits. For example, we can use the Google search engine to gather information and compare products and services of several companies and then buy from the appropriate company according to our budget. Google scans 3 billion web pages in an average of 500 milliseconds and provides instant information. Imagine if you had to do the same search without the Internet; If you spend 1-minute per page, you will need to spend 5707 years to navigate 3 billion web pages. This example helps us to better understand what kind of technological invention the Internet is. Therefore, Google has become of interest for people of all ages and at all educational levels. Companies allocate significant portions of their budget to appear on the first page of Google. Because, if you want to gain a competitive advantage, you should use the technology very effectively (both in the manufacturing and in the service sector).

In order to achieve a sustainable competitive advantage, strong support is needed to create value in productivity and customer service because the quality of the products and/or services or customer satisfaction determines the value of the product/service offered. Customers value the product together with the service received. The value created by the service will be an advantage in a competitive environment, and a competitive advantage depends on increasing the efficiency and positive return on investments. Therefore, trainings should be provided for employees and organisational plans should be done with the utmost care. Continuous development and change will make it possible for companies to achieve their targets and reach their goals. Especially in today's business world, where there is intense competition, it is not possible for companies to be successful if they do not learn and not keep up with the changes or are slow to adopt to developments. Success in a competitive environment also depends on planning and implementing non-disruptive supply chain practices and providing innovative product and/or services compared to competitors.

SOLUTIONS AND RECOMMENDATIONS

It is accepted that 'policy' is an important factor for the new e-commerce concept. Indeed, technology and management strategy options are very much linked to the political, social, and regulatory environments of e-business. Policies can be quite complex or change regularly; therefore, their impact on e-commerce is not fully understood yet. Policies can change market conditions, increase or decrease regulations, create market entry barriers, influence prices, increase or decrease competition costs, and configure interactions between companies and customers. E-commerce companies have different options, and they can either act passively and obey the rules or become an actor in managing policy limits as a part of a company's overall strategy (Hackney, & Burn, 2001). E-commerce brings customers and traders together in a commercial, translational, cultural market beyond imagined technical boundaries.

E-businesses use computers and communication technologies for commercial purposes; therefore, they should pay attention to the automation of communication and interaction activities. E-business includes telephone, e-mail sales, or systems that support commercial activities over the Internet and exploded with the growth of the Internet (global gathering of thousands of individual networks in the world), particularly the World Wide Web. E-commerce has changed the market rules and the role of information technology (IT). Before, market strategies determined the use of IT systems; however, now, IT has power of its own (Venkatraman, & Henderson, 1998). Indeed, companies that want to be successful in e-commerce are planning their market strategies based on IT. Today's successful e-commerce models are market and technology-oriented, but at the same time, it requires the seamless integration of both marketing and technological skills (Ghosh, 1998). Tomorrow's e-business model will be technology oriented, and information technologies will be an integral part of the company strategy, in dealings with governments, interest groups, and the public. In other words, policies will be closely managed with strategy and technology options. Tomorrow's e-businesses will need to design, structure, and create relationships that allow technology and policy-driven dynamic and cost-effective options to be present.

FUTURE RESEARCH DIRECTIONS

There is a deep concern in many circles that e-commerce may be increasing the power of traders, reducing the power of consumers, challenging the government's ability to protect local industries, and threatening the income sources of both the state and governments. E-commerce not only raises economic concerns related to competition and pricing but also reveals new social and environmental threats that can be quite widespread and viral (Kakalejčík, Bucko, & Vejačka, 2019). Moreover, the regulation of a country may need global cover rather than being limited to a sovereign state. Finally, as the Internet reduces the cost of the organization, there is an increasing number of interest groups, and their opinions about policies should be taken into consideration. These interest groups can be formed and solved in a short time and e-businesses should develop interactions with them regarding forming policy. Up until now, there has been little awareness or interest in public policies in the field of management within e-commerce. Therefore, companies that want to be successful in competition conditions should thoroughly analyze their external stakeholders before starting their activities in the field of e-commerce. Then, they need to create their own organizational culture with a better dynamic structure than their competitors. However, in doing so, the most important point is to make sure that their investment has a visionary perspective and is integrated with technology.

CONCLUSION

The most important feature of e-commerce is that it provides an opportunity for customers to evaluate and compare products and services. The customer/consumer can conduct cost and benefit analysis and purchase the most appropriate product and/or service according to his/her budget. However, it is also necessary to point out the disadvantages of e-commerce. There are some products that even if comparisons are made on the Internet, it will not be enough, and a customer will need to go and look or try. For example, textile products may not always be same as the one on the web page, and a customer may have to go to the store and try it on and purchase the goods there. Similarly, furniture may not be same as it appears on web pages. One of the indicators of success for e-business is whether the company is ready to meet the demands of customers/consumers. From a strategic point of view, the important factor is the organisation's adaptation process to technology (Spathis & Constantinides, 2003). The success of the e-business initiative also depends on having a compelling vision that radically changes the organization's performance. Another way of being successful is to have open communication between the leader and employees, and also have strong organisational participation and determination. In order to achieve this, it is necessary to establish an appropriate organizational culture (Yu, 2005). Another key point for the success of e-business is that its vision of change should be adopted by all stakeholders within the organization. In order to gain this, intra-organizational communication should be successfully implemented at all levels. A further factor of success of e-business initiative lies in the adoption of a transparent management approach, which is very important in providing trust for all internal stakeholders and external stakeholders. Managers need to use resources in line with organisational objectives and they should prepare the structure of the organization for competition in order to achieve organizational change (Huang et al., 2004; Zhao, 2004; McAdam & Galloway, 2005). A digital economy has changed the cost structures of certain sectors, as well, the applications of Internet-based technologies have already had a tremendous impact. It is clearly understood that the Internet reduces costs and speeds up processes. For example, transactions between a seller and customer can be mutually agreed and implemented on E-bay.com very easily and quickly. Similarly, payments can be made between the parties through services such as Paypal, without any need of seeing each other. Amazon offers One-Click technology that enables high-speed purchases and is very successful in fulfilling orders and conducting fast and reliable transactions. These examples show that companies should focus on every detail in e-commerce, such as the variety of payment methods they offer in their web pages, in order to be successful in a competitive environment.

REFERENCES

Afra, S. (2014). *Dijital Pazarın Odak Noktası eTicaret: Dünya'da Türkiye'nin Yeri, Mevcut Durum ve Geleceğe Yönelik Adımlar*. İstanbul, Turkey: TÜSİAD.

Akgöz, S. S. (2009). E-dış ticaret işlemleri. *BETA Bulletin of Experimental Treatments for AIDS*.

Baldwin, L. P., & Currie, W. L. (2000). Key issues in electronic commerce in today's global information infrastructure. *Cognition Technology and Work*, *2*(1), 27–34.

Barca, M. (2002). *Stratejik Yönetim Yaklaşımları: Rekabet Avantajı Yaratmada Sinerjik Etki, Stratejik Boyutlarıyla Modern Yönetim Yaklaşımları*. İstanbul, Turkey: Beta Yayınevi.

Boersma, M. F., & Ghauri, P. N. (1997). A qualitative meta analysis of performance measures and factors affecting international joint venture performance. *Proceedings of the 24th Annual Conference at the UK Academy of International Business* (pp. 119–142). Leeds, UK: CIBUL, April.

Brynjolfsson, E., & Hitt, L. M. (2003). Computing productivity: Firm-level evidence. *The Review of Economics and Statistics*, *85*(4), 793–808.

Budak, B. (2010). *E-Ticaret İnternet Ortamında Ticaret*. İstanbul, Turkey: Etap Yayınevi.

Canpolat, Ö. (2001). *E-Ticaret ve Türkiye'deki gelişmeler*. Ankara, Turkey: Sanayi ve Ticaret Bakanlığı Hukuk Müşavirliği.

Chaffey, D. (2007). E-business and e-commerce management: Strategy, implementation and practice. London, UK: Financial Times.

Chang, K. C., Jackson, J., & Grover, V. (2003). E-commerce and corporate strategy: An executive perspective. *Information & Management*, *40*(7), 663–675.

Chen, H. M., & Tseng, C. H. (2005). The performance of marketing alliances between the tourism industry and credit card issuing banks in Taiwan. *Tourism Management*, *26*(1), 15–24.

Chen, S. (2001). *Strategic management of e-business*. New York, NY: John Wiley and Sons.

Coltman, T., Devinney, T. M., Latukefu, A., & Midgley, D. F. (2001). E-business: Revolution, evolution, or hype? *California Management Review*, *44*(1), 57–86.

Coltman, T. R., Devinney, T. M., & Midgley, D. F. (2007). e-Business strategy and firm performance: A latent class assessment of the drivers and impediments to success. *Journal of Information Technology*, *22*(2), 87–101.

Corbitt, B. J., Thanasankit, T., & Yi, H. (2003). Trust and e-commerce: A study of consumer perceptions. *Electronic Commerce Research and Applications*, *2*(3), 203–215.

Coşkun, A. G. D. N. (2004). Elektronik ticaretin gelişiminde temel dinamikler ve gelişimi önünde engeller, Çukurova Üniversitesi Sosyal Bilimler Enstitüsü Dergisi, *13*(2), 243-258

Dal, V. & Özbek, A. (2006). Avrupa Birliği ve Türk hazır giyim sanayiindeki e-ticaret uygulamalarının karşılaştırılmalı olarak incelenmesi. Elektronik Sosyal Bilimler Dergisi, *5*(18).

Dale, C. (2003). The competitive networks of tourism e-mediaries: New strategies, new advantages. *Journal of Vacation Marketing*, *9*(2), 109–118.

Damanpour, F., & Damanpour, J. A. (2001). E-business e-commerce evolution: Perspective and strategy. *Managerial Finance*, *27*(7), 16–33.

Doğaner, M. (2007). *Elektronik ticaret Türkiye'de elektronik ticaretin gelişimi ve işletmeden tüketiciye elektronik ticaret üzerine bir araştırma. Yüksek Lisans Tezi*. Konya, Turkey: Selçuk Üniversitesi İİBF.

Dolanbay, C. (2000). *Elektronik ticaret stratejiler ve yöntemler*. Ankara, Turkey: Meteksan.

Elibol, H., & Kesici, B. (2004). Çağdaş İşletmecilik Açisindan Elektronik Ticaret. Selçuk Üniversitesi Sosyal Bilimler Enstitüsü Dergisi, (11), 303-329.

Elmuti, D., & Kathawala, Y. (2001). An overview of strategic alliances. *Management Decision*, *39*(3), 205–217.

Erbaşlar, G., & Dokur, Ş. (2012). *Elektronik ticaret: e-ticaret*. Nobel Yayın Dağıtım.

Ersoy, Z. (1999). *Elektronik ticaret ve ticaret noktaları*. Ankara, Turkey: İgeme.

Fahey, L., Srivastava, R., Sharon, J. S., & Smith, D. E. (2001). Linking e-business and operating processes: The role of knowledge management. *IBM Systems Journal*, *40*(4), 889–907.

Fırlar, B. G. (2010). Dijital geleceğe hazırlanmak: bilgi ve yenilik yaratma. Sinem Yeygel Çakır (Ed.). Teknolojinin pazarlama iletişimine etkileri içinde, Ankara, Turkey: Nobel.

Geringer, J. M. (1991). Strategic determinants of partner selection criteria in international joint ventures. *Journal of International Business Studies*, *22*(1), 41–62.

Ghosh, S. (1998). Making business sense of the Internet. *Harvard Business Review*, *76*(2), 126–135. PMID:10177862

Görkey, A., & Küçük, S. (2001). *Elektronik ticaret*. İstanbul, Turkey: Yüksek Lisans Tezi, Marmara Üniversitesi, Sosyal Bilimler Enstitüsü.

Gottschalk, P. (2006). *IS/IT Outsourcing E-Business Strategy*. Sourcing and Governance.

Gultai, R. (1999). Network location and learning: The influence of network resources and firm capabilities on alliance formation. *Strategic Management Journal*, *20*, 397–420.

Guthrie, R. A., & Austin, L. D. (1996). Competitive implications of the Internet. *Information Systems Management*, *13*(3), 90–92.

Hackney, R. A., & Burn, J. (2001). SPECS-Strategic planning for e-commerce systems: Towards an e-customer focus. *International Journal of E-Business Strategic Management*, *2*(4), 281–291.

Hamad, H., Elbeltagi, I., & El-Gohary, H. (2018). An empirical investigation of business-to-business e-commerce adoption and its impact on SMEs competitive advantage: The case of Egyptian manufacturing SMEs. *Strategic Change*, *27*(3), 209–229.

Hamad, H., Elbeltagi, I., Jones, P., & El-Gohary, H. (2015). Antecedents of B2B e-commerce adoption and its effect on competitive advantage in manufacturing SMEs. *Strategic Change*, *24*(5), 405–428.

Harrigan, K. R. (1988). Joint ventures and competitive strategy. *Strategic Management Journal*, *9*, 141–158.

Hidayanto, A. N., Ovirza, M., Anggia, P., Budi, N. F. A., & Phusavat, K. (2017). The Roles of Electronic Word of Mouth and Information Searching in the Promotion of a New E-Commerce Strategy: A Case of Online Group Buying in Indonesia. *Journal of Theoretical and Applied Electronic Commerce Research*, *12*(3), 69–85.

Ho, C. F., Wu, W. H., & Tai, Y. M. (2004). Strategies for the adaptation of ERP systems. *Industrial Management & Data Systems*, *104*(3), 234–251.

Huang, S. M., Chang, I. C., Li, S. H., & Lin, M. T. (2004). Assessing risk in ERP projects: Identify and prioritize the factors. *Industrial Management & Data Systems*, *104*(8), 681–688.

Hyder, A. S., & Abraha, D. (2004). Product and skills development in small- and medium-sized high-tech firms through international strategic alliances. *Singapore Management Review*, *26*(2), 1–24.

Kakalejčík, L., Bucko, J., & Vejačka, M. (2019). Differences in buyer journey between high-and low-value customers of e-commerce business. *Journal of Theoretical and Applied Electronic Commerce Research*, *14*(2), 47–58.

Kalakota, R. (2000). Next generation B2B solutions: The revolution's winners. Supply chain. *Management Review*, 14–79.

Kaplan, S., & Sawhney, M. (2000). E-hubs: The new B2B marketplaces. *Harvard Business Review*, *78*(3), 97–106. PMID:11183982

Karacaoğlu, K. (2006). *Rekabet Üstünlüğü Sağlamada Endüstri Temelli ve Kaynak Temelli Bakış Açısı: Kayseri'de Faaliyet Gösteren İmalat Sanayi İşletmeleri İçin Bir Model Önerisi. Yayınlanmamış Doktora Tezi*. Ankara, Turkey: Ankara Üniversitesi Sosyal Bilimler Enstitüsü.

Kemp, S. (2017). Digital in 2017: Global overview. *We are social, 24*.

Kiennan, B. (2002). *İşletmeler için çözümler elektronik ticaret, (Çev. Kaan Öztürk, Okan Cem Çırakoğlu, Serdar Özkaya)*. Ankara, Turkey: Arkadaş.

Koellinger, P. (2008). The relationship between technology, innovation, and firm performance—Empirical evidence from e-business in Europe. *Research Policy*, *37*(8), 1317–1328.

Köseoğlu, M. A. (2007). *Etik Kodların Rekabet Stratejilerine Etkileri ve Bir Alan Araştırması*. Yayınlanmamış Doktora Tezi. Afyonkarahisar Kocatepe Üniversitesi Sosyal Bilimler Enstitüsü.

Lee, S., & Lim, G. G. (2005). The impact of partnership attributes on EDI implementation success. *Information & Management Amsterdam*, *42*(4), 503–516.

Levina, N., & Ross, J. W. (2003). From the vendor's perspective: Exploring the value proposition in information technology outsourcing. *Management Information Systems Quarterly*, 331–364.

Lu, B., & Wang, H. (2016). Research on the Competitive Strategy of Cross-Border E-Commerce Comprehensive Pilot Area Based on the Spatial Competition. *Scientific Programming*, 12.

Lumpkin, G., Droege, S., & Dess, G. (2002). E-commerce strategies: Achieving sustainable competitive advantage and avoiding pitfalls. *Organizational Dynamics*, *30*(4), 325–340.

Ma, L., Jin, C., & Huo, Y. (2019). Strategy Of E-Commerce Market Entry Based On Vertical Complementarity Of Service Supply Chain. *International Journal of Innovative Computing, Information, & Control*, *15*(2), 757–772.

Marangoz, M. (2014). *İnternette pazarlama*. İstanbul, Turkey: Beta.

McAdam, R., & Galloway, A. (2005). Enterprise resource planning and organisational innovation: A management perspective. *Industrial Management & Data Systems*, *105*(3), 280–290.

Mess. (1997). Dünya'da ve Türkiye'de Rekabet. İstanbul, Turkey: Mess Yayınları.

Morrison, A. J., & King, B. E. (2002). Small tourism businesses and e-commerce: Victorian tourism online. *Tourism and Hospitality Research*, *4*(2), 104–115.

Mucuk, İ. (2012). *Pazarlama ilkeleri. 19. Basım*. İstanbul, Turkey: Türkmen.

Nemat, R. (2011). Taking a look at different types of e-commerce. *World Applied Programming*, *1*(2), 100–104.

Okrent, M. D., & Vokurka, R. J. (2004). Process mapping in successful ERP implementations. *Industrial Management & Data Systems*, *104*(8), 637–643.

Oum, T. H., & Zhang, A. (2001). Key aspects of global strategic alliances and the impacts on the future of Canadian airline industry. *Journal of Air Transport Management*, *7*, 287–301.

Park, H. P., & Ungson, G. R. (1997). The effect of national culture, organizational complementarities, and economic motivation on joint venture dissolution. *Academy of Management Journal*, *40*(2), 279–307.

Pavic, S., Koh, S., Simpson, M., & Padmore, J. (2007). Could e-business create a competitive advantage in UK SMEs? Benchmarking. *International Journal (Toronto, Ont.)*, *14*(3), 320–351.

Poorani, A. A., & Smith, D. R. (1995). Financial characteristics of bed and breakfast inns. *The Cornell Hotel and Restaurant Administration Quarterly*, *36*(5), 57–63.

Porter, M. (2001). Strategy and the Internet. *Harvard Business Review*, *79*(3), 62–79. PMID:11246925

Porter, M. E. (1985). *Competitive Advantage: Creating and Sustaining Superior Performance*. New York, NY: The Free Press.

Porter, M. E. (2008). *Competative Strategy. Çev. Gülen Ulubilgen*. İstanbul, Turkey: Sistem Yayıncılık.

Porter, Q. (2005). Internet and Competitive advantage: an empirical study of UK retail banking sector (Doctoral dissertation, University of Warwick).

Ramanathan, R. (2010). E-commerce success criteria: Determining which criteria count most. *Electronic Commerce Research*, *10*(2), 191–208.

Rekabetdernegi (n.d.). Retrieved from http://www.rekabetdernegi.org/rekabethakkinda.htm

Riggins, F. J. (1999). A framework for identifying web-based electronic commerce opportunities. *Journal of Organizational Computing and Electronic Commerce*, *9*(4), 297–310.

Rowley, J. (2002). *E-business: Principles and practice*. Basingstoke, UK: Palgrave.

Ruiz-Mercader, J., Merono-Cerdan, A., & Sabater-Sanchez, R. (2006). Information technology and learning: Their relationship and impact on organizational performance in small businesses. *International Journal of Information Management*, *26*(1), 16–29.

Rust, R. T., & Kannan, P. K. (2003). E-service: A new paradigm for business in the electronic environment. *Communications of the ACM*, *46*(6), 36–42.

Seviçin, A. (2006). Kaynaklara Dayalı Rekabet Stratejisi Geliştirme. Dumlupınar Üniversitesi Sosyal Bilimler Dergisi, (15).

Smith, K. T. (2011). Consumer perceptions regarding e-commerce and related risks, B>Quest, 1-20.

Spathis, C., & Constantinides, S. (2003). The usefulness of ERP systems for effective management. *Industrial Management & Data Systems*, *103*(9), 677–685.

Stafford, E. R. (1994). Using co-cooperative strategies to make alliances work. *Long Range Planning*, *27*(3), 69–70.

Stiles, J. (2001). Strategic alliances. In H. Volberda, & T. Elfi-ing (Eds.), *Rethinking strategy*. London, UK: Sage.

Su, Z., Guo, H., & Sun, W. (2017). Exploration and firm performance: The moderating impact of competitive strategy. *British Journal of Management*, *28*(3), 357–371.

Tek, Ö. B. (1999). *Pazarlama İlkeleri Global Yönetimsel Yaklaşım Türkiye Uygulamaları*. İzmir, Turkey: Beta.

Tinnila, M. (2002). Service processes in electronic travel services: A summary. *Information Technology & Tourism*, *4*, 203–214.

Tse, A. C. B. (2003). Disintermediation of travel agents in the hotel industry. *Journal of Hospitality Management*, *22*(4), 453–460.

Ussahawanitchakit, P., & Intakhan, P. (2011). Internet strategy of e-commerce business in Thailand. *International Journal of Business Strategy*, *11*(1), 1–15.

Van Hooft, F. P., & Stegwee, R. A. (2001). E-business strategy: How to benefit from a hype. *Logistics Information Management*, *14*(1/2), 44–54.

Venkatraman, N., & Henderson, J. C. (1998). Real strategies for virtual organizing. *Sloan Management Review*, *40*(1), 33–49.

Vural, Z., & Bat, M. (2010). Yeni bir iletişim ortamı olarak sosyal medya: Ege üniversitesi iletişim fakültesine yönelik bir araştırma. *Journal of Yaşar University*, *20*(5), 3348–3382.

Wise, R., & Morrison, D. (2000). Beyond the exchange--the future of B2B. *Harvard Business Review*, *78*(6), 86–96. PMID:11184979

Xie, F. T., & Johnston, W. J. (2004). Strategic alliances: Incorporating the impact of e-business technological innovations. *Journal of Business and Industrial Marketing*, *19*(3), 208–222.

Yeşil, A. (2008). E-Ticaret İnternet Ortamında Ticaret. İstanbul, Turkey: Kum Saati Yayın Dağıtım LTD. ŞTİ.

Yu, C. S. (2005). Causes influencing the effectiveness of the post-implementation ERP system. *Industrial Management & Data Systems*, *105*(1), 115–132.

Yunus, M., Moingeon, B., & Lehmann-Ortega, L. (2010). Building social business models: Lessons from the Grameen experience. *Long Range Planning*, *43*(2-3), 308–325.

Zahra, S. A., & George, G. (2002). The net-enabled business innovation cycle and the evolution of dynamic capabilities. *Information Systems Research*, *13*(2), 147–150.

Zhang, G., & Gai, J. (2005, August). Strategic choice for being e-business. In *Proceedings of the 7th international conference on Electronic commerce* (pp. 184-187). ACM.

Zhao, F. (2004). Management of information technology and business process re-engineering: A case study. *Industrial Management & Data Systems*, *104*(8), 674–680.