



Ekonomik ve Sosyal Araştırmalar Dergisi
The International Journal of Economic and Social Research
2026, 22(1)

A Qualitative Analysis of Growth Strategies in Exporting Firms
İhracatçı Firmalarda Büyüme Stratejilerine Yönelik Nitel Bir Analiz

Süleyman AĞRAŞ¹

Geliş Tarihi (Received): 31.01.2025

Kabul Tarihi (Accepted): 21.04.2025

Yayın Tarihi (Published): 30.12.2025

Abstract: This research examines the various factors companies face when determining and implementing growth strategies, as well as the criteria they use to assess the success of these strategies. The study is based on the findings of a qualitative investigation conducted with senior executives from ten companies operating in the wood and steel industries. Results from the qualitative analysis reveal that companies predominantly prefer to grow within their existing business domains but remain open to entering new sectors in response to profitable opportunities and changing market conditions. Environmental factors, particularly economic and legal regulations, significantly influence companies' growth decisions. Executives focus on these factors to minimize risks when formulating growth strategies. Additionally, elements within the competitive environment, such as customer needs, competitors' actions, and supplier relationships, play a decisive role in shaping growth strategies. While companies are generally found to adopt an independent approach during their growth processes, strategic partnerships and collaborations are sometimes preferred under specific circumstances. The criteria used to evaluate the success of growth strategies include both financial measures (revenue, profitability, and return on investment) and non-financial measures (product quality, customer satisfaction, workforce qualifications). In conclusion, companies' growth strategies are shaped by the interplay of numerous internal and external factors. For a successful growth strategy, companies must continuously adapt to changing market conditions, maintain competitive advantages, and aim for long-term sustainability.

Keywords: Growth Strategies, Strategic Partnerships, Mergers and Acquisitions.

&

Öz: Bu araştırma, şirketlerin büyüme stratejilerini belirlerken ve uygularken karşılaştıkları çeşitli faktörleri ve bu stratejilerin başarısını değerlendirmek için kullandıkları ölçütleri incelemektedir. Çalışma ahşap ve çelik endüstrilerinde faaliyet gösteren on firmanın üst kademe yöneticilerinin görüşleri temelinde yürütülen bir nitel araştırmanın bulgularına dayanmaktadır. Nitel analiz sonuçları şirketlerin çoğunlukla mevcut iş alanlarında büyümeyi tercih ettiklerini, ancak kârlı fırsatlar ve değişen pazar koşulları karşısında yeni sektörlere girmeye de açık olduklarını göstermektedir. Çevresel faktörler, özellikle ekonomik ve yasal düzenlemeler, şirketlerin büyüme kararlarını önemli ölçüde etkilemektedir. Yöneticiler, büyüme stratejilerini belirlerken bu faktörlere odaklanarak riskleri minimize etmeye çalışmaktadırlar. Ayrıca, müşteri ihtiyaçları, rakiplerin hareketleri ve tedarik ilişkileri gibi rekabet ortamındaki unsurlar da büyüme stratejilerinde belirleyici rol oynamaktadır. Şirketler, büyüme sürecinde genellikle bağımsız bir yaklaşım benimsediği tespit edilmekle birlikte, bazı durumlarda stratejik ortaklıklar ve işbirliklerini de tercih edilebildikleri görülmüştür. Büyüme başarısını değerlendirmek için kullanılan ölçütler arasında hem finansal (ciro, kârlılık, yatırım geri dönüşü) hem de finansal olmayan (ürün kalitesi, müşteri memnuniyeti, işgücü nitelikleri) ölçütler bulunmaktadır. Sonuç olarak, şirketlerin büyüme stratejileri, içsel ve dışsal birçok faktörün etkileşiminde şekillenmektedir. Başarılı bir büyüme stratejisi için, şirketlerin sürekli olarak değişen pazar koşullarına uyum sağlamaları, rekabet avantajlarını korumaları ve uzun vadeli sürdürülebilirliği hedeflemeleri gerekmektedir.

Anahtar kelimeler: Büyüme Stratejileri, Stratejik Ortaklıklar, Birleşme ve Satın Almalar.

Atıf/Cite as: Ağraş, S. (2026). A Qualitative Analysis of Growth Strategies in Exporting Firms. *Ekonomik ve Sosyal Araştırmalar Dergisi*, 22(1), 225-241.

İntihal-Plagiarizm/Etik-Ethic: Bu makale, en az iki hakem tarafından incelenmiş ve intihal içermediği, araştırma ve yayın etiğine uyulduğu teyit edilmiştir. / This article has been reviewed by at least two referees and it has been confirmed that it is plagiarism-free and complies with research and publication ethics. <https://dergipark.org.tr/tr/pub/ijaws>

Copyright © Published by Bolu Abant İzzet Baysal University, Since 2005 – Bolu

¹ Doç. Dr. Düzce Üniversitesi, Akçakoca Bey Siyasal Bilgiler Fakültesi, Siyaset Bilimi ve Kamu Yönetimi Bölümü, E-posta: suleyman.agras@duzce.edu.tr ORCID: 0000-0003-0999-0904

1. Introduction

Organizations are structures established to produce products/services aimed at meeting social needs, operating on the principles of efficiency and effectiveness to achieve this goal. For commercial organizations aimed at meeting the economic needs of society, economic principles such as profit and profitability are also present along with these principles. In addition to the realization of economic-based goals for commercial organizations, strategic and long-term goals such as sustainability, competitiveness, and growth (qualitative/quantitative) are on the agenda of top-level managers. Among these goals, growth is among the priority areas in the decisions and plans of firms in the position of commercial organizations.

Firms seeking to achieve their organizational goals and gain a competitive advantage need a growth strategy that is adaptable to changing conditions, rational, manageable, and sustainable. Evaluating opportunities arising from the general and sectoral environment, protecting against threats, entering existing or new business lines, and focusing on independent or dependent growth opportunities are among the key issues that companies should consider in their growth strategies. Topics such as using assets effectively, analysing risks, meeting market expectations, and producing unique solutions to problems arising from competition can also be added to these issues.

A growth strategy is a structured approach that companies/firms use to expand their missions and operations, increase their market presence, and achieve long-term goals. Growth is a fundamental corporate strategy that involves defining specific goals. These goals include adding new businesses to a firm's existing operations, entering new markets, and pursuing diversification, with resources and actions positioned accordingly to ensure sustainable growth (Ülgen and Mirze, 2004). Basic objectives such as generating revenue growth, gaining competitive advantage and market power, and sustainability also accompany growth strategies.

Growth strategies are critical for firms operating in the wood and steel industries to gain a competitive advantage and maintain a sustainable presence in the sector. In these industries, growth can be achieved through the adoption of innovative production techniques, entry into new markets, product diversification, and strategic collaborations. Today, the growing demand for environmental sustainability and rapid technological advancements make it essential for firms to stay competitive. One way to achieve this is by investing in environmentally friendly production processes. In addition, long-term strategic planning is crucial. It helps firms respond to changing customer needs and assess global growth opportunities. This kind of planning is a key factor in determining future success, especially for companies in these sectors.

This study aims to examine the conditions affecting growth strategy in firms operating in the wood and steel industries in Düzce and exhibiting export-oriented growth performance. For this purpose, a qualitative research was conducted. The research examined how the growth strategy is determined, what the priorities in growth are, the effects of the general and sectoral environment on growth strategies, the conditions determining the success of growth, and evaluation criteria. Based on the qualitative findings obtained from face-to-face interviews with top management of companies, a descriptive analysis of the sectoral view of growth strategies was carried out.

2. Literature Review

2.1. Growth Strategy and Objectives

Businesses typically pursue growth for various interconnected reasons related to survival, competitive advantage, and market opportunities. Through growth, firms can achieve economies of scale; as operations and activities expand, per-unit costs decrease, leading to enhanced profitability and competitiveness (Barney and Hesterly, 2021). Moreover, growth enables companies to access new markets, diversify their product offerings, and reduce risks associated with over-reliance on a single

revenue stream (Hitt et al., 2020). External pressures such as evolving customer demands, technological advancements, and competition also drive businesses to innovate and grow. Additionally, as increased market share and revenue streams attract investors and bolster corporate reputation, businesses seek growth to enhance stakeholder value (Kaplan & Norton, 1996). Fundamentally, growth is viewed as both a strategic imperative and a response to dynamic environmental conditions.

In the strategic management literature, growth strategy is defined as a tool for both achieving competitive advantage and enhancing an organization's capacity to adapt to environmental changes. For instance, David and David (2017) describe growth strategies as the process of leveraging an organization's internal strengths to capitalize on market opportunities while minimizing external threats. Furthermore, growth strategies encompass not only financial expansion but also qualitative elements such as innovation, brand recognition, and organizational flexibility. As such, growth strategies are considered a critical area of strategic planning not only for businesses but also for public institutions and non-profit organizations.

A growth strategy refers to a structured framework that firms use to expand operations, increase revenues, or gain a larger market share. This strategy typically includes methods such as market penetration, market diversification, and product development (Porter, 1985). Market penetration involves tactics aimed at increasing market share, boosting revenues, and strengthening brand awareness through tools such as price competition, brand building, and promotional campaigns.

Growth strategies can reflect both the effective utilization of existing assets and the exploration of new opportunities. The primary goal of a growth strategy is to ensure the long-term sustainability and competitiveness of an organization. By aligning an organization's objectives with market opportunities, this strategy aims to achieve sustainable development and improved profitability (Gamble et al., 2021). Additionally, growth strategies foster innovation and adaptability, enabling firms to navigate market fluctuations and capitalize on emerging opportunities. Ultimately, such strategies are critical for generating value for stakeholders and maintaining relevance in the market (Kaplan and Norton, 1996).

2.2. Types of Growth Strategies

Growth is a desirable and deliberately pursued strategy for organizations. It functions as an outcome of the strategic decisions a firm makes for both its current and future directions. While there are organizations that choose to maintain their current structure and continue operations without aiming for growth, qualitative growth can still be considered as an option in such cases. Growth strategies, which involve entering new business areas, expanding existing operations, and penetrating new markets, inherently require resource allocation and risk-taking. Therefore, growth encompasses decisions not only about what to do but also what not to do.

In practice, growth strategies involve a variety of methods and techniques. Some of these necessitate the expansion of current business definitions, while others focus on growth within the existing scope of operations without altering the business definition. Growth in businesses refers to both quantitative and qualitative development. Quantitative growth involves increases in production, sales revenue, product range, resource size (such as the number of employees or capital), and investments. On the other hand, qualitative growth pertains to improving the quality of business elements. Since a business achieving qualitative growth may also exhibit signs of quantitative growth, it can be said that quantitative growth may result from qualitative improvements (Ülgen and Mirze, 2004: 188-189).

Growth strategies are variable in structure and content, taking different forms depending on their development. Some growth strategies are implemented using a firm's internal capacity and competencies, while others are achieved through alliances and partnerships. One classification of growth strategies distinguishes between organic and inorganic growth. Organic growth refers to expansion achieved through a company's own capabilities and resources. This includes strategies such as increasing sales, launching new products, or improving operational efficiency. Scholars emphasize that organic growth is often directly linked to a firm's ability to enhance its existing resources and customer relationships over

the long term (Durmaz & İlhan, 2015). In contrast, inorganic growth involves external mechanisms such as mergers, acquisitions, or strategic partnerships. This approach enables businesses to quickly enter new markets, acquire new technologies, or increase market share through collaboration and acquisitions (Gautam, 2018).

Strategic partnerships, alliances, mergers and acquisitions (M&A) are widely utilized tools in the processes of business growth, value creation, and achieving competitive advantage. Strategic partnerships and alliances enable companies to pool resources to achieve objectives such as entering new markets, leveraging technological innovations, or sharing costs. These collaborations are often realized through contract-based models such as joint ventures or licensing and supply agreements (Hill et al., 2014). Mergers and acquisitions, on the other hand, represent another significant strategy that allows firms to achieve rapid growth and access new market opportunities. Mergers involve the combination of two companies into a single legal entity, while acquisitions result in one company taking over another. These methods aim to capitalize on economies of scale, achieve strategic alignment, and strengthen competitive positions. However, the success of these processes depends on carefully executed integration efforts and cultural alignment (Peng, 2017). These strategies are widely employed across various industries to generate long-term value, enhance firm valuation, and elevate growth to new levels.

Another distinction in growth strategies is between market-focused and product-focused approaches. These strategies help businesses expand their current products and market positions or move into new areas. In his classic work on the growth matrix, Igor Ansoff explains that product development targets existing customers with new or improved products. Market development, on the other hand, means offering existing products to new regions or customer segments (Ansoff, 1965). These strategies are fundamental tools for enhancing competitive advantage and achieving sustainable growth (Grant, 2016). In market development-oriented growth strategies, firms tend to grow by adding new markets to those they already serve. For example, a local company expanding its distribution network to target regional, national, or international markets illustrates this approach. In product development-oriented growth strategies, firms diversify their products or services by either introducing new applications for existing products or adding new products to their existing portfolio. This diversification helps businesses maintain relevance and adapt to changing consumer demands while fostering growth.

Two other frequently employed growth strategies are diversification and market penetration. Diversification, which can be implemented in either related or unrelated forms, involves a firm venturing beyond its current areas of operation to enter new products or markets. Related diversification focuses on applying the firm's existing competencies to new industries. For instance, Honda's expertise in small engine production and its extension into the automobile and marine engine industries exemplify this strategy. Unrelated diversification, on the other hand, entails entering entirely different industries to achieve portfolio diversity and mitigate risks (Prahalad & Hamel, 1990; Hill, Jones & Schilling, 2014). Both approaches provide unique avenues for firms to expand their operations while addressing different strategic goals, such as leveraging existing strengths or reducing reliance on a single market.

While related diversification is often implemented in a concentric form, unrelated diversification is typically executed in clustered forms. Porter (1987) attributes the success of diversification to industry attractiveness, entry costs, and the better-off test. An effective diversification strategy must satisfy all three criteria. Market penetration strategy, on the other hand, aims to increase sales of existing products in existing markets. This is commonly achieved through pricing strategies, promotions, or expanded distribution networks. This strategy is generally a low-cost, customer loyalty-focused growth approach. According to Hitt et al. (2020), diversification often involves higher risks, whereas market penetration seeks to effectively leverage the existing customer base.

Each form of growth strategy discussed offers advantages to firms, but each strategy also has its own set of disadvantages. Table 1 presents the basic growth strategies and their associated advantages and disadvantages.

Table 1: Growth Strategy: Advantages and Disadvantages

Growth Strategy	Advantages	Disadvantages
Organic Growth	Builds on internal resources and competencies; aligns with company culture.	Slower growth; limited by internal capacity and market constraints.
Inorganic Growth	Enables rapid market entry; reduces competition; expands capabilities through acquisitions or partnerships.	High costs and risks; challenges in integration and cultural misalignment.
Market Development	Expands customer base by entering new markets; diversifies revenue streams.	Requires extensive market research; potential regulatory and cultural barriers.
Product Development	Addresses evolving customer needs; enhances competitiveness through innovation.	High R&D costs; risk of market rejection.
Strategic Partnerships	Shares resources and expertise; reduces costs and risks; enhances market reach and competitive advantage.	Cultural and operational mismatches; dependency risks; slower decision-making processes.
Mergers and Acquisitions	Rapidly increases market share and capabilities; creates operational synergies.	High acquisition costs; risk of failure due to poor integration or misaligned objectives.
Diversification	Reduces dependency on core markets; provides access to high-reward opportunities.	Requires significant capital and expertise; highest risk due to unfamiliar markets.
Market Penetration	Maximizes existing market share; relatively low risk.	Growth potential limited by market saturation; requires a strong competitive position.

Resource: Adopted from Lockett & Thompson, 2004; Delmar, 2006; Logožar, 2022.

According to Table 1, organic growth offers a sustainable structure based on a firm's internal resources, while progressing at a slower pace; inorganic growth, on the other hand, allows for rapid market entry but involves high costs and integration challenges. In the market development strategy, firms aim to increase revenue by entering new markets, but they may encounter research and cultural barriers. On the other hand, product development increases competitiveness through innovation but requires high R&D costs. Strategic partnerships provide expertise sharing and cost advantages but carry the risk of operational incompatibility. Similarly, mergers and acquisitions offer opportunities for rapid growth and synergy creation but involve high risks. Like strategic partnerships, mergers and acquisitions can fail due to cultural mismatches, excessive debt, and miscalculations.

A great deal of research has been conducted on growth strategies as outlined in the strategic management literature. These studies have provided theoretical perspectives on growth strategies, the benefits and drawbacks of growth, and empirical findings on the use of specific growth forms. It can be said that the growth strategies that have received the most attention in the research are strategic partnerships, mergers and acquisitions, and diversification strategies. Some studies on this subject have identified factors that may influence the success of these strategies. For example, Agrawal and his colleagues (1992) argue that post-merger financial performance generally declines, especially in the long term. However, they also state that this decline can be minimized if sectoral adaptation is achieved. Harford (1999) states that cash-rich firms tend to expand through mergers to capitalize on growth opportunities, and that this often results in high value creation in target companies.

Empirical studies conducted in Turkey on growth strategies examine the effects of different growth strategies on business performance. For example, it is shown that the market penetration strategy is

generally implemented through price reductions, promotions, and a deep focus on existing markets. It is stated that this strategy is effective in increasing market share in the short term, especially in highly competitive sectors. On the other hand, research conducted on industrial enterprises in Turkey has revealed that the diversification strategy contributes to long-term steady growth, but requires high initial investment costs (Koçoğlu, 2012).

Strategic partnerships are preferred, especially for entering international markets and technology transfer. In Turkish applications, the importance of clear communication and setting clear goals between the parties is emphasized for the success of partnerships (Özkan, 2010). Studies on growth strategies through mergers and acquisitions have stated that the company's market value and, if traded on the stock exchange, its share prices are expected to increase. However, studies have found that the expected value increase cannot be captured in all mergers and acquisitions. For example, in a study conducted by Karcıoğlu and his friends (2019), it was stated that in 37 of the 48 acquisition transactions analysed between 2013 and 2016, there was no significant change in the share prices of the acquiring company. The study by Öztürk and Yeşilyurt (2019) also shows that, contrary to expectations, merger and acquisition activities do not always result in an increase in companies' profitability.

The literature on growth strategies primarily examines various combinations of strategic partnerships, mergers and acquisitions, and diversification strategies among firms, often relying on sectoral data and case studies. However, there is a scarcity of primary research that delves into the perspectives of company managers regarding growth strategies, the underlying motivations for growth, the environmental factors influencing growth, and the specific variables determining the success of growth strategies. To address this gap, a qualitative research study was undertaken.

3. Methodology

3.1. Purpose

The primary objective of this research is to conduct an in-depth examination of the growth strategies of companies operating in the wood and steel sectors, from the perspective of their top-level executives. Specifically, the aim is to understand the dynamics of growth processes in these sectors and to reveal the strategic decision-making mechanisms of these companies. The findings of this study provide valuable insights for both managers and industry researchers to better understand strategic decision-making processes. In particular, understanding how growth strategies are shaped within specific sectors will serve as a guide for similar companies.

3.2. Method

This research was conducted using a qualitative research method. By leveraging the advantages of qualitative research in gaining in-depth knowledge and understanding phenomena, in-depth interviews were conducted with top executives of 10 prominent companies operating in the Düzce region. Through these interviews, the processes of determining the growth strategies of the firms, the areas they prioritize, and the impact of the general economic and sectoral environment on these processes were examined in detail.

In this research, the qualitative research method was used, and the grounded theory model of qualitative research was adopted. Grounded theory is a method of data collection and analysis through an inductive approach used in qualitative research to develop theory. In this model, the researcher aims to create a unique perspective that explains social processes and events based on the collected data. Grounded theory is particularly used to understand and explain the complexity of social events. One of the key features of this method is its data-driven and flexible structure, which allows for the development of original explanations that are appropriate to the context of the events.

3.3. Data Collection Tool

Semi-structured interviews were utilized as the primary data collection method for this study. A pre-established interview guide was employed to facilitate the collection of data pertaining to the growth strategies of companies. The interview guide was designed to elicit responses to core questions aligned with the study's objectives. By engaging in in-depth conversations with managers, the research sought to capture first-hand accounts of their experiences and perspectives, thereby generating rich and relevant data.

In qualitative research, interviews are a data collection method used to gain deep insights into individuals' thoughts, experiences, and perceptions. This method typically involves open-ended questions, allowing participants to express their views in their own words. Interviews can be structured (predetermined questions), semi-structured (flexible questions), or unstructured (free-flowing). Semi-structured interviews offer flexibility while maintaining a certain framework for data collection. They are particularly preferred for exploring individuals' inner worlds and obtaining detailed information on a specific topic (Yıldırım and Şimşek, 2013; Tekin, 2006).

Interview technique is effectively used in context-sensitive fields such as social sciences. The success of this method depends on the researcher's communication skills and objectivity. Moreover, careful planning and implementation of interviews are crucial for both reliability and analysis of the obtained data (Krueger and Casey, 1994; Bowling, 2002). For instance, focus group interviews provide an ideal environment for individuals to freely share their information and ideas within group dynamics, making them suitable for examining complex social phenomena (Kitzinger, 1995; Stewart and Shamdasani, 1990).

3.4. Data Analysis, Validity and Reliability

The data obtained from the interviews were analysed using a descriptive analysis method. The data was analysed by repeatedly reading the obtained texts, coding them, and categorizing them according to themes. In this way, the managers' views on growth strategies and the factors affecting these strategies were revealed in detail. The research involved a survey of 11 questions to top-level executives of 10 companies operating in the wood and steel industries. The questions were prepared based on a literature review on growth strategies. The validity of the questions was ensured by presenting them to academic experts in the field of strategic management. After the interviews were completed, the answers given to the 11 different interview questions were collected and interpreted. The interview questions were shared with the managers before the interview to allow them to prepare in advance. The interviews lasted an average of 30 minutes to 1 hour. The interviews were conducted face-to-face. The notes taken during the interview were immediately transferred to a computer after the interview. For the analysis of the data obtained from these interviews, coding was done for each manager to make the managers' views more apparent, and analyzes were conducted based on these codes. Descriptive analysis technique and direct quotation technique were used in the analysis of the data. Within the scope of the analysis, the interview questions were reduced to specific themes in order to collect the participants' views under certain themes and were described in tabular form. In addition, some of the views belonging to the participants were used unchanged in the findings section to emphasize the themes.

The data obtained from the interviews were analysed under the following main headings:

1. The process of determining growth strategies: How growth decisions are shaped and which factors are prioritized were analysed.
2. Priority areas for growth: Firms' priority strategic objectives such as product development, market expansion and cost optimization were evaluated.
3. Impact of general and sectoral environment: The impact of economic fluctuations, technological developments and sectoral competition on strategy formulation is investigated.
4. Conditions affecting growth success: The contribution of factors such as human resources, financial capability and innovation to success is discussed.

5. Measures of success: The metrics and methods used by firms to evaluate the performance of their growth strategies are detailed.

3.5. Limitations

Since the research is limited to 10 firms operating in Düzce, the generalizability of the results is limited. Since the research is limited to the wood and steel sectors, it may not be correct to generalize about growth strategies in other sectors. The data obtained in the research are based on the subjective opinions of the managers. Therefore, the results may not reflect an objective reality.

4. Findings

4.1. Traits of the Companies and Participants

Some characteristics of the companies operating in the wood and steel sector and the managers interviewed are given in Table 2.

Table 2: Interview Participants (Firms and Managers and Interview Duration)

Participant Code	Industry	Participant Title	Duration of Employment	Interview Duration
K1	Steel-Metal Industry (Heavy Duty Racks)	Export Department Manager	15 Years	45 Min
K2	Wood (Furniture-MDF)	General Manager	1 Years	30 Min
K3	Wood (Forest Products-Parquet)	General Manager	15 Years	30 Min
K4	Steel-Metal (Pipes-Building Materials)	Operations Coordinator	2 Years	45 Min
K5	Wood (Forest Products-Timber)	Chairman of the Board	45 Years	30 Min
K6	Wood (Forest Products-Veneer and Timber)	Administrative Affairs Manager	20 Years	1 Hour
K7	Wood (Laminated Parquet and Wooden Flooring)	Board Member	30 Years	1 Hour
K8	Steel-Metal (Leaf Spring Manufacturing)	Factory Manager	26 Years	45 Min
K9	Steel-Metal Industry (Natural Gas Flues)	Deputy General Manager	8 Years	45 Min
K10	Steel-Metal Industry (Machinery Manufacturing)	Company Owner	45 Years	30 Min

Based on the information in Table 2, it can be seen that five managers from the steel-metal industries and five managers from the wood industries participated in the interviews. These managers hold senior-level positions and have been serving in managerial roles at their respective companies for many years. Table 3 summarizes the opinions of senior executives who participated in the interviews regarding how the growth strategies of their companies are determined. These opinions have been evaluated under one main theme and two sub-themes.

Table 3: Determining the Growth Strategies

Theme	Subtheme	Codes	Frequency	Participants
Determining the Growth Strategies	Factors Influencing Growth	Economic, social, and technological developments	4	K1, K4, K5, K9
		Demands arising from orders and marketing	2	K2, K9
		Opportunities for new products, market conditions, and expectations	3	K2, K3, K10
		Export demands	3	K2, K4, K10
		Annually assessed plans and board decisions	3	K2, K3, K9
		Supply-demand balance and financing capability	4	K3, K6, K7, K8
		Target markets, countries, and their infrastructures	2	K3, K6
		Investments by competing local and foreign producers	1	K3
	Firm Priorities in Growth	Required equipment and capacity for new products	1	K8
		Ensuring customer satisfaction	1	K1
		Achieving profitability from new products and investments	4	K2, K3, K7, K8
		Availability of sufficient financial resources	2	K3, K9
		Meeting the needs of target markets	3	K4, K5, K7
		Accessibility of raw materials and competitiveness	1	K6
		Addressing personnel needs arising from growth	2	K7, K9
		Sales opportunities for new products	1	K10
Credit availability	1	K9		

Sample Opinions:

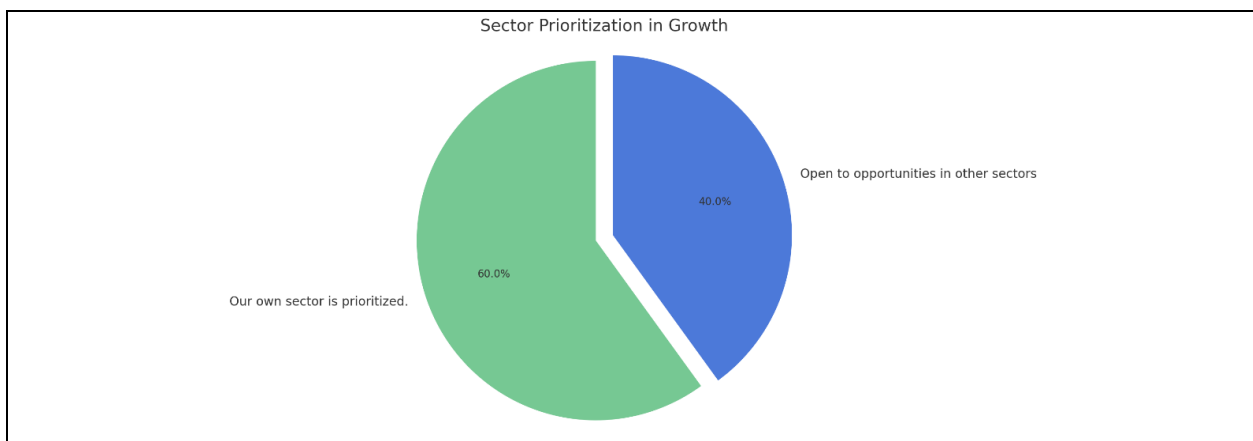
Participant K2: "Factors such as demands arising from orders and marketing, new products and expectations, and export demands are decisive in our growth decisions."

Participant K3: "While profitability is the primary priority of our growth strategies, the financial resources required to enable this growth are the most critical criterion. Without sound financial means, no matter how well-targeted your project is, it will end in failure. We call this unplanned growth, and unfortunately, we have made this mistake many times, resulting in significant challenges."

Participant K4: "Target markets, countries, and their infrastructures are analysed, followed by investments by local and foreign competitors; strategic moves are made based on SWOT analysis of their advantages and disadvantages. Additionally, macroeconomic outlooks, sectors, priority institutions, export volumes, changes in export volumes, and exchange rates are considered to prepare income and expense statements based on financial resources. Global industry-related deficiencies are examined to decide on growth strategies."

The participating managers were asked about their attitudes toward growth opportunities within and outside their sectors. This aimed to address the companies' evaluations of related and unrelated growth. Figure 1 summarizes the managers' opinions regarding the tendency to expand into different sectors when determining growth strategies.

Figure 1: Sector Preference in Determining Growth Strategies



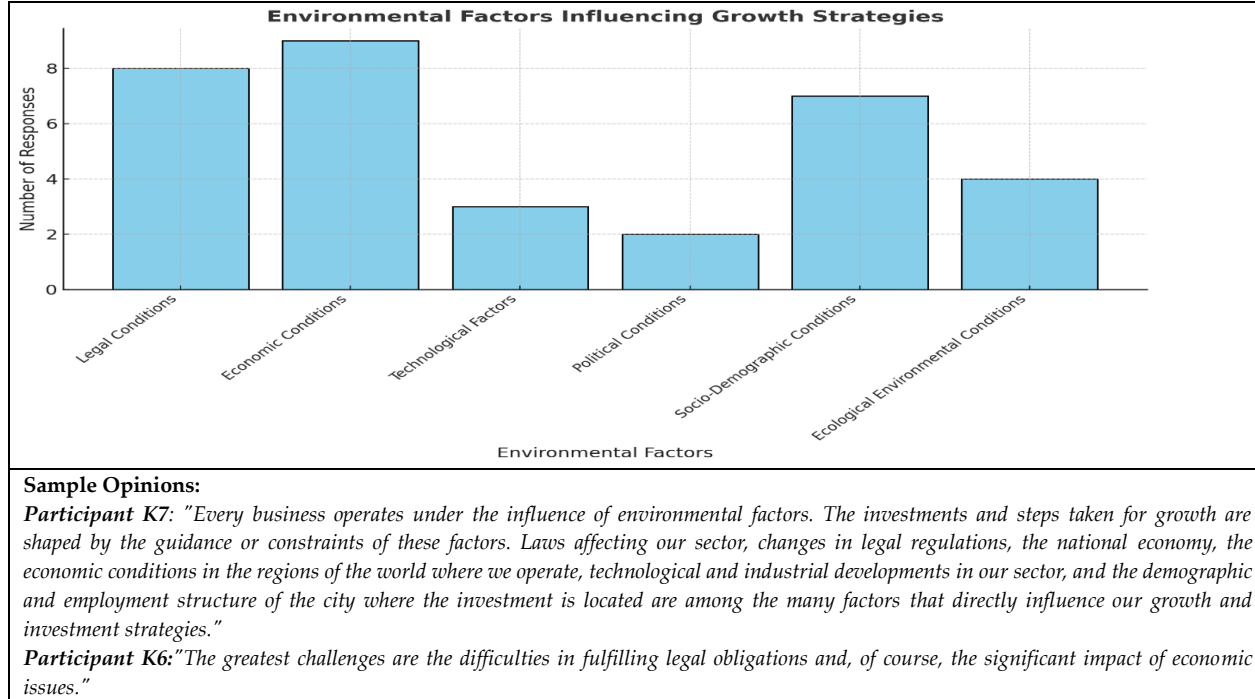
Sample Opinions:

Participant K5: "Our priority in growth is our own sector. Every year, evaluations of operations and market conditions are conducted on a semi-annual basis, and the country's economic conditions and market demands are taken into consideration to determine our growth strategy."

Participant K8: "If our current sector begins to lose its relevance globally, exploring other sectors and considering investments in those areas may come into focus, and opportunities will be evaluated."

The managers participating in the interviews were asked about general environmental factors influencing their growth strategies. Their evaluations regarding which factors—legal, economic, technological, or other environmental elements—had the most significant impact were highlighted. The managers indicated that multiple environmental factors could simultaneously influence growth. The findings are summarized in Figure 2.

Figure 2: Dimensions of General Environment Effecting Growth Strategies



The managers participating in the interviews were asked about the general environmental factors influencing their growth strategies. They were also questioned about the conditions and elements of the competitive environment that impact growth. According to Porter (1980), competition and strategy in an industry are shaped by five forces: existing competitors, potential entrants, suppliers, customers, and substitute products. The analysis of the interview data identified one main theme and three sub-themes. The opinions of the managers regarding this theme are summarized in Table 4.

Table 4: Competitive Environment Factors Influencing Growth Strategies

Theme	Subtheme	Codes	Frequency	Participants
Competitive Environment Affecting Growth Strategies	Customers	The customer-focused approach leads to increased demand for our products.	2	K1, K10
		Understanding customer needs and expectations.	3	K2, K3, K5
		Ensuring maximum alignment with customer expectations.	1	K4
		Harmonizing customer satisfaction with the operations of the production facility.	1	K4
	Suppliers	Dependency on a single supplier (timber raw material market).	1	K2
		The advantages of strong relationships and robust ties developed with suppliers.	1	K1
		Our supplier network is extensive, and we face no issues in procurement.	1	K9
	Competitors	The number of existing competitors in our market (specific to our product sector).	3	K2, K3, K4
		We face strong competitors both in Turkey and globally (steel pipe industry).	1	K4
		Our most significant competitive advantage is our pricing strategy.	1	K6
		Characteristics of existing competitors when entering new sectors (e.g., flooring).	1	K7
		Competition among rivals significantly shapes growth trajectories.	2	K8, K9

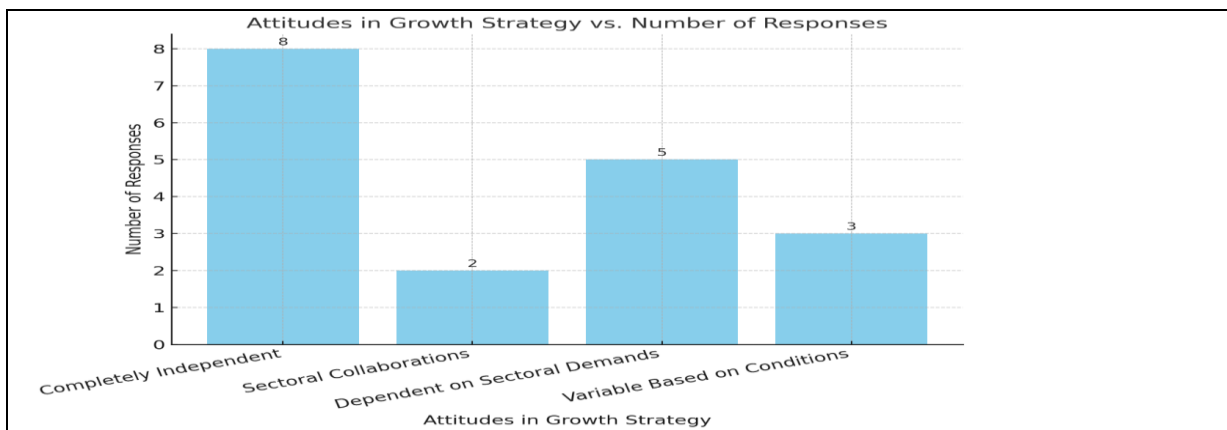
Sample Opinions:

Participant K1: "We have made significant strides in exporting our primary products, curing chambers and steel shelving systems. As a result, domestic competition takes a secondary position in our strategic priorities. By fostering strong relationships and solid connections with our suppliers, we minimize potential production challenges. In alignment with customer demands, our customer-oriented approach enables us to deliver rapid and effective solutions to incoming requests."

Participant K2: "Customer needs and expectations hold the top priority in driving our growth. For instance, the procurement of timber raw materials has a considerable impact on our operations. Competition in this area directly affects us."

In developing and implementing growth strategies, companies may act independently using their own resources or collaborate with other firms in certain cases. During the interviews, managers were asked about their practices regarding this approach. The findings based on their responses are illustrated in Figure 3.

Figure 3: Dependent/Independent Approaches to Growth



Sample Opinions:

Participant K6: "It is observed that operations are conducted independently, while supply and demand are taken into consideration."

Participant K7: "When determining our growth strategies, we prefer to act independently. We strive to maintain independence to the best of our ability. However, particularly in terms of raw material procurement, a dependency on various domestic and international sources and locations may arise."

The executives participating in the interview were asked about their perspectives on strategic partnerships and collaborations within growth strategies. The findings based on their responses are presented in Table 5.

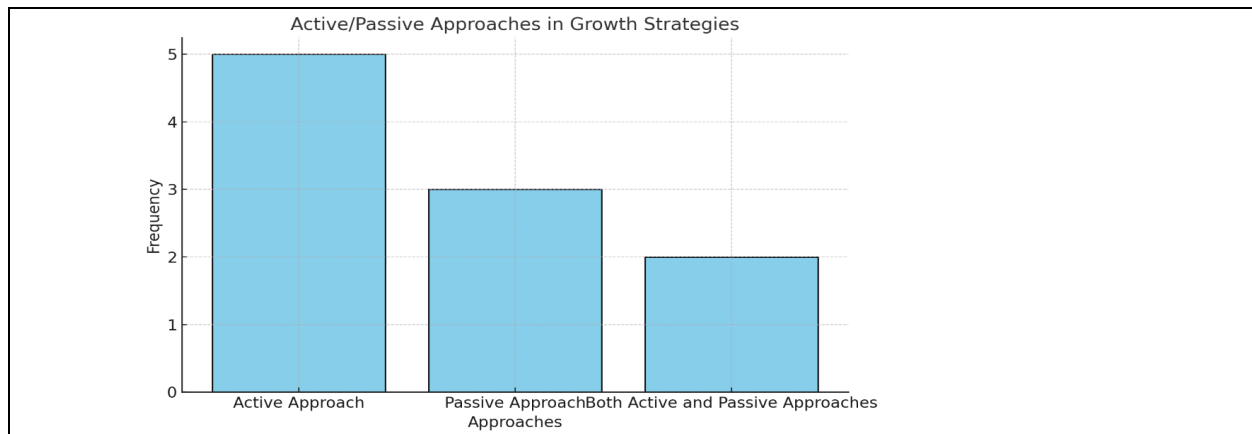
Table 5: Perspectives on Strategic Partnerships and Collaborations in Growth Strategies

Theme	Subtheme	Codes	Frequency	Participants
Strategic Partnerships and Collaborations in Growth Strategies	Strategic Partnerships	Strategic partnerships are not suitable for our sector.	1	K1
		We are open to partnerships in investments that will benefit us.	3	K2, K3, K10
		We do not favor partnerships under Turkish conditions.	2	K5, K9
		We do not consider a structure with partners in growth.	2	K6, K8
		We are open to partnerships in big projects.	1	K7
	Collaborations	In difficult times, we are open to collaborations in alternative business lines.	1	K3
		We are open to collaborations in growth.	1	K6
		We evaluate cooperation in large projects that we cannot carry out alone.	1	K7
	Mergers and Acquisitions	Mergers can be efficient in some sectors, but are not appropriate for our industry.	1	K1
		We have strong theoretical knowledge on mergers and acquisitions.	1	K4

Sample Opinions:
Participant K1: Partnerships and mergers are effective tools for facilitating corporate growth. They can be utilized quite efficiently in certain industries. However, from our perspective, there is currently no partnership on our agenda.
Participant K2: Profit-generating investment and growth objectives are being pursued with the approval of our existing partners, and there is openness to a new partnership structure for potential future investments.
Participant K3: An investment in an alternative business line could provide significant benefits by sustaining the company during periods of downturn in the primary business, thereby also supporting the recovery of the latter. For this reason, evaluating alternatives and being open to partnerships may prove advantageous.

The executives participating in the interview were asked about the active and passive approaches they adopted when determining growth strategies. The aim of this question was to identify whether growth is driven by challenging environmental conditions or by the firm's unique and proactive stance. Based on the executives' responses, the firms' attitudes toward growth are illustrated in a general chart, presented as Figure 4.

Figure 4: Attitudes in Growth Strategies



Sample Opinions:
Participant K5: We adopt an active and market-influencing approach to growth.
Participant K6: Within the same sector, we pursue growth objectives actively; however, when targeting growth in different sectors, we operate passively and as observers.
Participant K8: Our growth strategies are predominantly shaped by closely monitoring market conditions, as this approach tends to yield greater success. Attempting to shape the market independently is both highly challenging and requires substantial financial resources. An investor who aligns their actions with market conditions is likely to take more targeted steps, significantly shortening the time required to realize returns on their investment.

The executives participating in the interview were asked how they monitor the success of their growth strategies. The purpose of this question was to understand which factors they focus on as success criteria in growth strategies. Two sub-themes emerged under this topic. Based on the executives' responses, the findings related to the factors firms consider in achieving growth are presented in Table 6.

Table 6: Success Criteria in Growth Strategies

Theme	Subtheme	Codes	Frequency	Participants
Success Criteria in Growth Strategies	Financial Criteria	Increase in export volume	3	K1, K3, K7
		Growth in capacity and sales quantities	3	K2, K4, K9
		Expansion in market share	1	K3
		Rise in investment ratios	1	K4
		Growth in revenue and profitability ratios	5	K5, K6, K7, K9, K4
		Return on investment (ROI)	1	K8
		Achieving growth through equity capital	2	K10, K2
	Non-Financial Criteria	Competitiveness	2	K7, K3
		Improvement in workforce qualifications	3	K5, K10, K1
		Enhancement of product quality	3	K6, K9, K1
		Meeting market expectations	3	K8, K9, K5
		Consistency and stability in growth	1	K10
		Customer satisfaction	1	K1
Sample Opinions:				
<i>Participant K4: We monitor progress through sales and investments. Overall, it has been observed that successful strategies have been implemented.</i>				
<i>Participant K9: Proper scheduling of investment plans is essential. Success is achievable through a thorough evaluation of the economic indicators during the implementation period, comprehensive sector analyses, and accurate market assessments.</i>				
<i>Participant K10: In growth strategies, expanding through equity capital takes time but is the most reliable approach. For instance, during a crisis, firms relying on loans for growth often face bankruptcy, causing growth to halt. However, those who grow with equity capital can continue expanding even during crises.</i>				

5. Discussion and Conclusion

This study aimed to examine the growth strategies of firms operating in specific sectors. Within this scope, the perspectives of business owners and managers were sought regarding the factors considered in determining growth strategies. The frequent mention of financial terms such as "financing" and "profitability" in their explanations highlights the significant role of financial health in growth strategies. Additionally, concepts such as market orientation and competition were also commonly referenced. These findings suggest that financial gains, meeting market requirements, and maintaining competitiveness are key priorities in shaping growth strategies. The qualitative findings reveal that determining growth strategies involves the evaluation of multiple factors rather than a single determinant, indicating that growth strategies are complex and multifaceted processes.

The study also explored sectoral priorities for growth. While the general trend indicates a preference for related growth within the sector, it was also observed that firms are open to unrelated growth strategies during profitable opportunities or in times of crisis. The approach to intra-sectoral growth allows companies to leverage a deep understanding of their existing business model and customer base to develop growth strategies. However, this raises questions about the company's resilience to sudden sectoral changes. On the other hand, the pursuit of inter-sectoral growth demonstrates the company's strong adaptability to changing market conditions, although it requires careful consideration of the risks and costs of entering a new sector.

Environmental factors play a crucial role in shaping companies' growth strategies. Firms must continuously monitor these factors to adapt to changing conditions and seize new opportunities. Qualitative findings indicate that executives' perspectives predominantly focus on economic and legal environmental conditions. Among the general environmental factors influencing growth decisions, these two were the most notable. Regarding competitive environment factors, customers, competitors, and suppliers were identified as key considerations in growth decisions. As a recommendation, firms should prioritize questions such as how they assess customer satisfaction and what steps they take to improve it, how they strengthen relationships with suppliers, and how they analyze competitors to develop strategies that provide a competitive advantage.

Firms can choose to rely entirely on their resources, capacity, and capabilities in the growth process, collaborate with other players in the sector, or shape their strategies according to market demands. While four different views were identified, the preference for independent growth emerged as the dominant perspective. The choice between dependent or independent approaches to growth is influenced by various factors, such as the company's size, sector, resources, and risk tolerance. Each firm should identify the growth strategy most suitable for its specific conditions. Firms are advised to consider the advantages and challenges of dependent and independent growth, the critical aspects of partnerships, and their ability to respond to market demands.

The study also identified varying approaches to strategic partnerships and collaborations in growth strategies. While some companies prefer fully independent growth, others expressed openness to partnerships or collaborations under certain conditions. Some firms viewed strategic partnerships as unsuitable for their sectors due to their business models, resources, or competitive conditions. Others, however, showed willingness to engage in partnerships, especially in profitable investments or large projects. Certain firms indicated greater openness to collaborations during challenging times or when entering new lines of business, reflecting a desire to share risks and utilize resources more effectively. While some companies considered mergers and acquisitions suitable for specific sectors, others adopted a more cautious stance.

Qualitative findings also shed light on the active and passive approaches firms adopt in their growth strategies. An active approach involves proactively shaping the market and taking deliberate steps toward growth, whereas a passive approach reflects adaptation to market conditions and a more reactive stance. The dominant perspective identified was the preference for an active approach. The active or passive stance adopted by firms in their growth strategies depends on several factors, including the firm's size, sector, resources, and risk tolerance. Each firm should select the approach most appropriate for its unique circumstances.

The study identified various criteria used by firms to assess the success of their growth strategies, encompassing both financial and non-financial metrics. The findings indicate that both criteria are valued in growth decisions. Financial criteria, such as revenue and profitability, return on investment, market share, capacity and sales volumes, export levels, and equity-based growth, were highlighted. Non-financial criteria, including product quality, workforce qualifications, meeting market expectations, competitiveness, and consistency and stability in growth, were also emphasized. The success of growth strategies should be evaluated using both financial and non-financial metrics. Companies can develop successful growth strategies by focusing on both short-term goals and long-term sustainability.

5.1. Suggestions for Future Research

Comparative Analysis across Sectors: Future studies could focus on comparative analyses of growth strategies across different sectors. This would help identify sector-specific patterns, challenges, and opportunities, providing a broader understanding of how industry dynamics influence growth decisions.

Longitudinal Studies on Growth Strategies: Conducting longitudinal research to track the evolution of growth strategies over time could provide valuable insights into how firms adapt their approaches in response to economic, legal, and competitive environmental changes.

Sustainability and Growth Strategies: With increasing emphasis on sustainable development, further research could examine how firms integrate environmental, social, and governance (ESG) factors into their growth strategies and the resulting implications for long-term success.

Customer and Supplier Relationship Dynamics: Research could focus on the role of customer satisfaction and supplier relationships in shaping effective growth strategies, particularly examining the metrics and tools used to strengthen these relationships.

Active vs. Passive Strategic Approaches: Given the observed preference for active strategies, future studies could investigate the conditions under which passive approaches might yield better outcomes. This would help firms identify when reactive strategies might be more suitable, especially in volatile markets.

Success Metrics in Growth Strategies: Further studies could refine the understanding of financial and non-financial success metrics, exploring their relative weight and interaction in evaluating growth outcomes across various firm sizes and industries.

These recommendations aim to address gaps identified in the study and expand the theoretical and practical understanding of growth strategies in diverse contexts.

6. References

- Agrawal, A., Jaffe, J. F. & Mandelker, G. N. (1992). The post-merger performance puzzle, *Journal of Finance*, 47(4), 1605-1621.
- Ansoff, H. I. (1965). *Corporate Strategy*. New York: McGraw-Hill.
- Barney, J. B. & Hesterly, W. S. (2021). *Strategic management and competitive advantage: Concepts and cases*. Boston, MA: Pearson.
- Bowling, A. (2002). *Research methods in health: Investigating health and health services*. Buckingham: Open University Press.
- David, F. R. & David, F. R. (2017). *Strategic management: A competitive advantage approach, concepts and cases* (16th ed.). Pearson.
- Delmar, F. (2006). Measuring growth: Methodological considerations and empirical results. In D. J. Sexton & H. Landström (Eds.), *The Blackwell handbook of entrepreneurship* (pp. 62-84). Blackwell Publishing.
- Durmaz, Y. & İlhan, A. (2015). Growth strategies in businesses and a theoretical approach. *International Journal of Business and Management*, 10(4), 210-213.
- Gamble, J. E., Peteraf, M. A. & Thompson, A. A. (2021). *Essentials of strategic management: The quest for competitive advantage* (7th ed.). New York, NY: McGraw-Hill Education.
- Grant, R. M. (2016). *Contemporary Strategy Analysis: Text and Cases Edition*. Wiley.
- Guatam, S. (2018). Analytical study of inorganic growth in pharmaceutical industry. *Journal of Emerging Technologies and Innovative Research*, 5(12), 265-267.
- Harford, J. (1999). Corporate cash holdings and acquisitions. *Journal of Finance*, 54(6), 1969-1997.
- Hill, C. W. L., Jones, G. R., & Schilling, M. A. (2014). *Strategic management: Theory, theory: an integrated approach*, Cengage Learning.
- Hitt, M. A., Ireland, R. D., & Hoskisson, R. E. (2020). *Strategic management: Competitiveness and globalization*. Boston, MA: Cengage Learning.

- Kaplan, R. S., & Norton, D. P. (1996). *The balanced scorecard: Translating strategy into action*. Boston, MA: Harvard Business Review Press.
- Karcioğlu, R., Abar, H., Ağırman, E., Kantar, M. A., Gülenk, M. ve Okuyucu, N. (2019). Birleşme ve satın alma işlemlerinin hisse senedi fiyatına etkisi: borsa istanbul'da bir araştırma, *Kafkas Üniversitesi İktisadi ve İdari Bilimler Fakültesi Dergisi*, 10(20), 987-1006.
- Kitzinger, J. (1995). *Introducing focus groups*. *BMJ*, 311(7000), 299-302.
- Koçoğlu, D. (2012). *Büyük sanayi kuruluşlarının büyüme stratejilerinin BAHS ile değerlendirilmesi: Denizli örneği*, *Ege Akademik Bakış Dergisi*, 12(2), 267-283.
- Krueger, R. A. & Casey, M.A. (1994). *Focus groups: A practical guide for applied research*. Thousand Oaks, CA: Sage Publications.
- Lockett, A., & Thompson, S. (2004). Edith Penrose's theory of the growth of the firm and the strategic management of multinational enterprises. *Management International Review*, 47(2), 111-131.
- Logožar, K. (2022). Advantages and disadvantages of strategic alliances in International Business, 6th International Scientific Conference ITEMMA 2022 – Proceedings DOI: <https://doi.org/10.31410/ITEMMA.2022.195>.
- Özkan, N. (2010). Küreselleşme sürecinde uluslararası şirket birleşmeleri ve satın almalarının büyüme stratejileri açısından analizi ve bir uygulama, *Yüksek Lisans Tezi*, Dokuz Eylül Üniversitesi Sosyal Bilimler Enstitüsü.
- Öztürk, İ. & Yeşilyurt, S. (2019). Birleşme ve satın alma faaliyetlerinin firma performansı üzerine etkisi: bist'te bir inceleme, *İşletme Araştırmaları Dergisi*, 11 (3), 2016-2026.
- Peng, M. W. (2017). *Global Strategy*. Cengage Learning.
- Porter, M. E. (1985). *Competitive advantage: Creating and sustaining superior performance*. New York, NY: Free Press.
- Porter, M. E. (1987). *From competitive advantage to corporate strategy*. Harvard Business Review.
- Prahalad, C. K., & Hamel, G. (1990). *The core competence of the corporation*. Harvard Business Review.
- Stewart, D. W., & Shamdasani, P. N. (1990). *Focus groups: Theory and practice*. Newbury Park, CA: Sage Publications.
- Tekin, H. H. & Tekin, H. (2006). Nitel araştırma yönteminin bir veri toplama tekniği olarak derinlemesine görüşme. *Turkish Journal of Sociology-Sosyoloji Dergisi*, 3(13), 101-116.
- Ülgen, H. & Mirze S. K. (2005). *İşletmelerde stratejik yönetim*, İstanbul: Beta Yayıncılık.
- Yıldırım, A., & Şimşek, H. (2013). *Sosyal bilimlerde nitel araştırma yöntemleri*, Ankara: Seçkin Yayıncılık.

7. Ads

7.1. Interview Form

INTERVIEW FORM

A Qualitative Analysis of Growth Strategies in Exporting Firms

Purpose of the Interview:

The purpose of this interview is to examine the growth strategies of export-oriented companies operating in the metal and forest products industries. The findings obtained from these interviews will be used solely for scientific purposes. We would like to thank you for your participation and for the information you have shared.

Interview Questions:

1. How is your company's growth strategy determined? (What factors influence decisions regarding growth?)
2. What are the main priorities of your growth strategies?
3. Is your growth strategy suitable for expansion into sectors other than your current industry? Is your main focus your current sector? What is your perspective on growth opportunities in other sectors?
4. What would you like to share about the general environmental factors that influence your growth strategies? (e.g., legal, economic, technological, demographic environment)
5. What would you like to share about the competitive environment factors that influence your growth strategies? (e.g., competitors' strategies, the position of suppliers, customer expectations, etc.)
6. When planning your growth strategies, do you act independently or interdependently? What are the factors that shape your approach in this process?
7. What is your perspective on partnerships and collaborations within the scope of your growth strategies?
8. How would you describe your general attitude toward growth strategies? (Are you proactive and market-shaping, or reactive and market-following?)
9. How do you monitor the success of your growth strategies? Could you provide an example of a successful and, if applicable, an unsuccessful growth initiative?
10. In your opinion, what are the key factors that influence the success of a growth strategy?

Interview Details:

Company Interviewed:

Interviewee's Position:

Industry:

Duration of the Interview: