Abstract
The purpose of this study is to determine whether the SMEs operating in the Carpet Sector in Gaziantep have strategic targets by gathering data on the strategic management practices of them, and if they do, to identify to what extent the strategic management model is applied by stating what the targets are, and to reach meaningful scientific results on the issue.

In our study in accordance with this purpose, in the first stage, a conceptual framework was drawn up in the areas of strategy, strategic target, strategic planning, corporate strategies and competition strategies. And in the second stage, a field research was conducted for SMEs operating in the sector. The data gathered has been analyzed statistically and scientific results have been reached.

Keywords: Strategy, Strategic Target, Strategic Planning, Competitive Strategies.

1. Introduction
In today’s world, considering the present situation, competition is becoming something new both quantitatively and qualitatively. In an economic environment where both intensity and the diversity of competition increase, businesses need to develop strategies for a more flexible and more dynamic business structure that can adapt to changing internal and external environmental conditions in order to gain competitive advantage. At this point, as Porter
emphasizes, businesses must first determine how to compete, develop strategic goals, and identify their policies in order to develop competitive strategies.

The purpose of this study is to determine whether the SMEs operating in the Carpet Sector in Gaziantep have strategic targets by gathering data on the strategic management practices of them, and if they do, to identify to what extent the strategic management model is applied by stating what the targets are, and to reach meaningful scientific results on the issue.

2. Theoretical Framework of the Research

2.1. The Concept of Strategy

The word ‘strategy’ was first introduced to the European army literature at the beginning of the 18th century. The word derived from Greek literally comes with “leader or general art”. However, even in this context, the meaning of it is enriched (Ackoff, 1990:521).

The concept of emergency plan has something in common with the commonly used concept of strategy. Strategy is about the desire of a decision maker to anticipate situations that are easily identifiable by competitors, which will affect current and future decisions (Friend and Jessop, 1969:112).

Strategy is about the paths to follow long-term goals that generally affect the whole system like tactics and short-term goals (Ackoff, 1974).

Strategy is often confused with the concepts of policy and tactic. The most important difference between a policy and a strategy is that a policy is a guide of thought in decision making, and a strategy provides setting goals in the direction of this guide and deciding to use resources (Dinçer, 1998:16). Strategy is the comparison between opportunities, risks and threats created by the external environment of an organization and the resources that the organization has. Hence, strategy can be seen as a key line between the goals that the organization wants to accomplish and the policies that will guide its activities (Bowman, Asch, 1992:36). In other words, strategy is a high level plan to reach one or more goals under uncertain conditions.

Chandler defines strategy as “determining long-term goals and objectives in a business and preparing appropriate action programs by allocating the resources necessary to achieve those goals and objectives” (Güçlü, 2003:67).

The managers of organizations without strategies tend to apply their personal thoughts and extreme passions instead of being realistic (Eren, 2000:19). Businesses without any strategies cannot use their resources efficiently.

Specific questions asked to determine a strategy are as follows: What are the goals and objectives of the business? In which areas and how strongly should the business have diversity? And how should the business develop its current product-market position (Ansoff, 1965:5-6).

2.2. Strategic Planning

Strategic planning includes the general objectives planned for the future which are defined by top management in almost every organization and even in every social institution. Since these objectives are achieved by people, they must be shared (Fındıkçı, 1999:339). Strategic planning is defined as the determination and application of strategies in order to
adapt the changing environment for the purpose of increasing the competitive power by making the business different from the others (Altıntaş, 2012).

In the process of making a strategic plan, the four basic questions below need to be answered (Gürer, 2006:91):

- Where are we?
- Where do we want to go?
- How can we reach the place that we want to go?
- How do we follow and evaluate our achievement?

Strategic planning, like all administrative improvement efforts, is an investment that pays off itself in the long run. However, it is not a magic wand. In order to accomplish a result, all administrators and the staff should comply with the obligations of the plan and put emphasis on the plan to reach the objectives (Kaygusuz and Dokur, 2009:9).

2.3. Strategic Target

Strategic targets constitute short-term situations necessary to achieve objectives and they are both clearer and more measurable. The characteristics of strategic targets can be listed as follows (Kaya and Aytekin, 1986:155):

- Clarity: Targets explain specific strategies or actions in a clear, understandable and detailed way.
- Measurability: Targets must be measurable for evaluation when they are achieved. Accountability must be included in the planning process.
- Aggressive accessibility: Targets are debatable, but they should expect the impossible. In this sense, they should be compatible with the available resources.
- Time limitation: There must be a time limit no more than one year and no less than a few weeks for the targets. This process should also be compatible with the budget process.

Targets are quite significant since they show whether the goals are realistic or not. When the targets are determined, first of all, the mission and objectives are reviewed and desired results are specified. Then, a deadline is set to accomplish results and performance criteria for each purpose is determined. An important point to note is that the target should be achievable as well as it is debatable. In this sense, what really matters is to set achievable targets (Küçüksüleymanoğlu, 2008:408).

2.4. Choice of Strategy

In the intense competitive environment they are in, the success criterion of the businesses in their struggle is ‘the choice of appropriate strategies’. At the stage of choosing strategies, a business that operates in a particular market faces three alternatives that may be listed as not making any changes in the current strategies, improving current strategies by making changes or developing new strategies (Sucu, 2010:101).

While strategies named as basic strategies are applied at each management level of a business, basic strategies applied at different levels of management may be different in terms of purpose, field and perspective. In this context, according to the level of management they
are determined and the purpose, field and perspective of application, strategies are grouped in three as institutional, competitive and functional strategies. Basic business strategies are about operations or activities that must be done or not done by businesses or various business units in the future in order to be able to survive and provide competitive advantage. Basic strategies are grouped in four main topics as growth, de-growth, stability (maintaining the status quo) and mixed strategies according to the results aimed to be accomplished (Mirze et al., 2003:4).

**Growth strategies** are the most followed strategies by businesses designed to grow in sales, properties, profit or some combination of these (Hunger and Wheelen:11). Growth strategies are first among the basic strategies that businesses can follow to survive and to increase their efficiency in the market. Growth strategy, which is always desired and accepted as a supportive strategy in the realization of the expectations of the society and the stakeholders of the business, aims to increase the profitability, market share and competitive power of the business (Eren, 2006:145).

**Downsizing strategies** are one of the basic strategies businesses follow. In case a business fail to survive with the current situation or struggle, or lose its competitive advantage, managers may have to temporarily or permanently downsize or completely abandon some of their current businesses. In such cases, managers apply strategies to downsize or pull out of the market (Zehir, 2002:240). Although these strategies create negative perceptions in society and stakeholders, it may be necessary for businesses to adapt to the environment they are in and to survive (Mirze et al., 2013:5). **Stability strategies** are the strategies that businesses follow to maintain their status quo and avoid risks in new areas of activity. Stability strategies that are applied in situations in which market conditions are kept stable at a certain level, the external environment does not change much and there is no intense competition, are the strategies used to maintain the status quo of a business. Stable growth strategies may be examined in four groups as slow growth strategies, profit or harvesting strategies, pause/proceed stable growth strategies and supported growth strategies (Özgür, 2007:44).

<table>
<thead>
<tr>
<th>Slow Growth Strategies:</th>
<th>If the environment is changing slowly and the business can keep up with it successfully, this strategy is useful.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit or Harvesting Strategies:</td>
<td>If the industry has stopped growing and reached a mature level, this strategy is useful.</td>
</tr>
<tr>
<td>Pause/Proceed Stable Growth Strategies:</td>
<td>If the environmental conditions change slowly, this strategy is appropriate.</td>
</tr>
<tr>
<td>Supported Growth Strategies:</td>
<td>If the resources of a business are depleting, this strategy is successful.</td>
</tr>
</tbody>
</table>

(Gupta and Govindarajan, 1984:27)

**Mixed strategies** come into play when businesses use a few basic strategies together. In this strategy, while a business unit applies a de-growth strategy, another business unit applies growth strategy, which means different strategies are applied together in different departments and units of a business. Businesses seek reducing activities in some markets while they enter new markets on the other hand (Tokat and Kara, 1999:9).
2.5. Corporate Strategies (Diversification- Retrenchment)

Corporate strategies are strategies that are defined and applied at the top management levels and that involve the mission change about the choice of the business areas to operate in and the ways to implement it in order to increase the market value of the company by obtaining some certain advantages in the long run. Institutional strategies are examined in two groups as diversification and retrenchment strategies.

Diversification strategy is a strategy applied by businesses seeking for a profit above average by taking advantage of the opportunities in new business areas that they enter into by business development or purchasing other businesses (Ramanujam and Varadarajan, 1989). The purpose here is to turn to new business areas or new businesses that can provide profit. Businesses can follow two types of diversification strategies. Concentric or conglomerate diversification strategies offer significant alternatives to businesses in order to grow, reduce risk and increase profitability (Grant, 2010:454).

If a business starts new businesses in the business area it is already active in, it may be argued that it follows a concentric diversification strategy (Rumelt, 1982). In concentric diversification strategy, it is assumed that two or more businesses will carry their similarities in products, services, markets and asset conversion processes to a greater synergy than the sum of the parts. At this point, the most significant matter is that the sector that needs to be selected for diversification should create a win-win relationship that can bring synergy with other units of the business (David, 2011:143-144). Conglomerate diversification strategy is a growth strategy that means that businesses enter into different business areas where they can profit more than the current businesses they have (Hill and Jones, 2013:339). Businesses that apply conglomerate diversification strategy are called conglomerates. Studies show that the profitability of businesses using this strategy is relatively lower than those using other corporate strategies (Tek, 1999:89).

Retrenchment strategies mean abandonment of some or all of the businesses which a business operates in. These strategies are implemented and maintained under the responsibilities of senior managers of a business. Retrenchment strategies, also called as “abandonment”, “divestment”, “turnaround” and “decline”, are strategies in which businesses become smaller or tend to shrink (Hill and Jones, 1992:299-300). The business may not always accomplish the desired results for the intended purposes. Retrenchment strategies are the strategies in which senior managers of a business give up some or all of the current businesses in such cases and do operations in this direction. Retrenchment strategies are implemented in three ways as retrenchment strategies, partial liquidation strategies and complete liquidation strategies.

Retrenchment strategies are achieved through the reduction of the costs and assets of a business in order to reverse the declining sales and profit (David, 2011:146). Retrenchment strategies are the strategies in which the focus is on raising the internal productivity of a business by lowering development and growth activities for a certain period of time in the event that the financial condition of the business weakens and it loses its advantages it has. Within the scope of increasing productivity, there are certain activities such as reducing costs and reducing certain assets (Ülgen and Mirze, 2010:222-224). Retrenchment strategy,
sometimes called as turnaround or reorganizational strategy, is designed to strengthen the basic competence of an institution. However, strategists have to work with limited resources in the process of retrenchment strategies. In addition, they face pressure from stakeholders, employees and the media (David, 2011:146).

In liquidation strategies, businesses sell all or a part of its assets and financial values (David, 2011:149). Partial liquidation strategy means that a business abandons some businesses or business units. At his point, since it is essential to abandon a particular division or activity, this strategy is called partial liquidation strategy. In the complete liquidation strategies, businesses stop all their activities and end their existence. This strategy is not limited to a specific unit or activity, but covers the entire business. No matter for what purpose it is made, these type of strategies cause negative perception since there is a numerical contraction and shrinkage of the business (Ülgen and Mirze, 2010:222-224). Liquidation is the recognition of defeat for a business. Hence, it can be an emotionally difficult strategy. However, in some cases, it may be better for businesses to stop operating than continuing to lose large sums of money (David, 2011:149).

2.6. Competitive Strategies (Cost Leadership– Differentiation- Focus)

According to Michael Porter, who did the most comprehensive studies on competition, the competition strategy is defined as the conscious selection of different activities in order to be able to create a unique value mix in a specific sector. Porter states five effective forces that affect competition in sectors. Those forces may be listed as competitors, suppliers, customers, substitute product-producing enterprises and potential entrants in the sector. By fighting with these five competitive forces, he suggests three general strategic approaches that will ensure success against the competitors in the sector. These approaches, called as competitive strategies, are classified as total cost leadership, differentiation and focus (Porter:44).

Cost leadership strategy is based on the use of some production processes that can be implemented in the products and services which has a quality that the customers will accept at a significantly lower cost than the competitors. The business that implements cost leadership strategy should provide its products and services at the same time and with same quality, but at a lower cost than its competitors. Cost leadership strategy has various sources of cost advantages such as low input costs, production costs and lower transport costs (Glueck, 1980:146). Cost leadership requires strong cost reductions, control of general expenses, avoidance of small customer accounts and reduction of cost of issues like R&D, service, sales force and advertising. Lower cost than competitors without compromising on quality, service and other issues is the main determinant of the entire strategy (Bayri:186).

Differentiation strategy is based on delivering superior performance. Porter claims that it is a high-scale advantage for two reasons. First, manufacturer can determine the primary price on its product. Second, manufacturer is less threatened since the competitors should now offer an even higher performance product to be successful (Glueck, 1980:147). Differentiation strategy is defined as businesses’ creating a unique concept in the market of the products and the services they produce. Price differentiation, image differentiation, design differentiation, support service differentiation etc. may be examples of differentiation strategies (Coşkun et al., 2011:149).
The basis of differentiation strategy is the presentation of products and services different from the competitors’ products and services. While the company does all these activities in the scope of this strategy, it seeks to be the only business in the sector that meets these needs by choosing qualifications that are considered significant by many buyers in the sector. In the event that the business implements this strategy successfully, it will get a profit increase at a higher price than its competitors (Eren, 2014:60).

**Focus strategy** has an effect of increasing the competitive power of businesses in the sector which is their field of expertise and in which they have core competence (Çetinkaya, 2006:61). Focus strategy is defined as the development of the products and services of a business in a narrow part of the market and maintaining of sales and marketing activities to meet the needs of this part. Businesses implementing focus strategy direct their resources and expertise to a specific customer group, geographic area or product/service line (Glueck, 1980:157).

3. Methodology of the Research

3.1. Purpose and the Research Question

The purpose of this study is to determine whether the SMEs operating in the Carpet Sector in Gaziantep have strategic targets by gathering data on the strategic management practices of them, and if they do, to identify to what extent the strategic management model is applied by stating what the targets are, and to reach meaningful scientific results on the issue.

3.2. Research Method

In the study, as the data collection technique, literature review is done in the theoretical part by searching domestic and foreign resources related to the issue. The survey is conducted with the help of a questionnaire based on primary data. Questionnaire form is prepared as a result of review of the related literature and the evaluation of the resources reached.

In the process of designing the questionnaire, the first part of the questionnaire with a total of 20 questions is prepared. 14 questions in total includes the demographic information about the intended respondents of the questionnaire and aimed at providing some basic evaluation about the business. 6 questions included strategic plans of the businesses, targets and the strategies they follow in this direction.

With the help of the information gathered from the literature, the second and the third parts including 26 questions in total, related to the process of the strategic management approach of businesses and prepared by using five point Likert scale which aimed at measuring agreement with judgmental opinions in the form of “strongly disagree”, “disagree”, “neutral”, “agree”, and “strongly agree”, has been developed as the benefits provided by strategic management. The questionnaire consists of three parts in total.

The implementation part of the study happened in SMEs and large enterprises are excluded from the study. Target population of the study is composed of 100 SMEs operating in the carpet sector in Gaziantep. Information about the issue has been gathered from the managers in the enterprises in our sample group. The responses are analyzed by coding one by one on the computer using SPSS.
According to Table 1, 90.4% of the managers responded to the questionnaire are at the age of 50 and below. The rate of the managers between the ages of 41-50 is 9.4%, and the rate of the managers at the age of 51 and older is 9.6%.

Moreover, 89.4% of these managers are male. Only 10.6% of the managers who responded to the questionnaire are female. Even though this number is different in the general employment of the enterprises operating in the carpet sector in Gaziantep, it is seen that fewer women are employed at the administrative level.

Considering that 56.7% of the managers are undergraduates and 26% of them are graduates of high schools and equivalents, it is understood that the level of education of
managers responded to the questionnaire is quite high. The rate of managers among the respondents to the questionnaire with a primary education degree is only 4.8%. The rate of those who have education at graduate level is 12.5%. Hence, it is clear that the level of education of the administrators responded to the questionnaire is quite high.

According to Table 1, considering service time of the administrators, 52.9% of the managers who have responded to the questionnaire have worked at the enterprise for 10 or more years. 11.5% of the rest of the managers have been in the same enterprise for 1-3 years, and 18.3% of them have been there for 4-6 years. Managers working for 7-9 years constitute 15.4% of the total number, and 1.9% of them have worked at the same enterprise for 1 year or less.

The total time in professional life of the managers participated in the survey is shown in Table 1. According to this, the rate of managers with 11-20 years of experience is 40.4%, the rate of managers with an experience of 20 years or more is 23.1%, the rate of managers with 6-10 years of experience is 24%, and the rate of managers with 1-5 years of experience is 12.5%.

**Table 2. What is Your Strategic Target?**

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>%</th>
<th>Total %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increasing market share</td>
<td>57</td>
<td>54,8</td>
<td>54,8</td>
</tr>
<tr>
<td>Getting into new markets</td>
<td>27</td>
<td>26,0</td>
<td>80,8</td>
</tr>
<tr>
<td>Developing new products</td>
<td>14</td>
<td>13,5</td>
<td>94,2</td>
</tr>
<tr>
<td>Maintaining the status quo</td>
<td>6</td>
<td>5,8</td>
<td>100,0</td>
</tr>
<tr>
<td></td>
<td>104</td>
<td>100,0</td>
<td></td>
</tr>
</tbody>
</table>

57% of the participants in the survey stated that their strategic target is to increase the market share, 27% of them stated that it is getting into new markets, 14% of them stated that it is developing new products, and 6% of them stated that it is maintaining the status quo.

**Table 3. Strategic Target: Increasing Market Share**

<table>
<thead>
<tr>
<th>Increasing Market Share</th>
<th>Cost Leadership Strategy</th>
<th>Differentiation Strategy</th>
<th>Focus Strategy</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>19</td>
<td>29</td>
<td>9</td>
<td>57</td>
</tr>
<tr>
<td>%</td>
<td>33,3%</td>
<td>50,9%</td>
<td>15,8%</td>
<td>100,0%</td>
</tr>
<tr>
<td>Total %</td>
<td>33,3%</td>
<td>50,9%</td>
<td>15,8%</td>
<td>100,0%</td>
</tr>
</tbody>
</table>

The strategic target of 57% of the participants in the survey is “increasing the market share”. 29% of the participants whose strategic target is “Increasing Market Share” stated that they follow “Differentiation Strategy”, 19% of them stated that they follow “Cost Leadership Strategy”, and 9% of them stated that they “Focus Strategy”. 

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Table 4. Strategic Target: Getting into New Products or New Markets

<table>
<thead>
<tr>
<th>Getting into New Products/New Markets</th>
<th>Innovation Strategy</th>
<th>Related Diversification Strategy</th>
<th>Unrelated Diversification Strategy</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>10</td>
<td>13</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>%</td>
<td>37,0%</td>
<td>48,1%</td>
<td>14,8%</td>
<td>100,0%</td>
</tr>
<tr>
<td>Total %</td>
<td>37,0%</td>
<td>48,1%</td>
<td>14,8%</td>
<td>100,0%</td>
</tr>
</tbody>
</table>

10% of the participants whose strategic target is “getting into new products or new markets” with a rate of 27% adopt “Innovation Strategy”, 13% of them adopt “Related Diversification Strategy”, and 4% of them adopt “Unrelated Diversification Strategy”.

Table 5. Strategic Target: Maintaining the Status Quo

<table>
<thead>
<tr>
<th>Maintaining the status quo</th>
<th>Slow Growth strategy</th>
<th>Profit and Harvesting strategy</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>2</td>
<td>12</td>
<td>14</td>
</tr>
<tr>
<td>%</td>
<td>14,3%</td>
<td>85,7%</td>
<td>100,0%</td>
</tr>
<tr>
<td>Total %</td>
<td>14,3%</td>
<td>85,7%</td>
<td>100,0%</td>
</tr>
</tbody>
</table>

14% of the participants in the survey stated that their strategic target is “Maintaining status quo”. 2% of the participants stated that they follow “Slow Growth Strategy”, and 12% of them stated that they follow “Profit and Harvesting Strategy”.

Table 6. Strategic Target: Downsizing and Retrenchment or Leaving the Market

<table>
<thead>
<tr>
<th>Leaving the Market; Downsizing and Retrenchment</th>
<th>Divestment Strategy - Turn Around Strategy</th>
<th>Liquidation Strategy</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>3</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>%</td>
<td>50,0%</td>
<td>50,0%</td>
<td>100,0%</td>
</tr>
<tr>
<td>Total %</td>
<td>50,0%</td>
<td>50,0%</td>
<td>100,0%</td>
</tr>
</tbody>
</table>

The rate of the participants whose strategic target is “Shrinking and Retrenchment” is 6%. 3% of these follow “turnaround strategy”, and 3% of them follow “Liquidation Strategy”.

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4. Conclusion

Continuous worldwide change puts global scale businesses into an intense competition environment. Changeable environmental conditions, globalization tendencies, and information taking the center stage make businesses harmonize their activities with developing environmental conditions. This intense competition causes businesses to have a constantly active position against the environment. At this point, businesses need to develop strategies as managerial tools that can keep the changes under control and stay in constant contact with the environment.

It is important for businesses operating in markets where competition is intense to develop strategies or to choose between alternative strategies in order to provide competitive advantage. Getting a position by which businesses can defend themselves best against competitive forces in the market depends on the competitive strategy. However, at this point, Porter states that in order to develop competitive strategies, businesses must first clarify how to compete, what strategic targets they should have, and what policies are necessary to accomplish these targets (Porter, 2000:26).

For this purpose, in this study, it is aimed to determine to what extent strategic management model is implemented in SMEs operating in the carpet sector in Gaziantep.

Even though the number is different in the general employment of the enterprises operating in the carpet sector in Gaziantep, it is seen that fewer women are employed at the administrative level. A large majority of the participants stated that they have an undergraduate degree, and thus, it is understood that the level of education of the managers who responded to the questionnaire is quite high.

Considering the participant managers’ total time in professional life, it is seen that the rate of managers with an experience of 11-20 years is the highest, which indicates that managers have an above-average experience.

When the strategic targets of the participants are examined, it is clear that the first strategy with the highest rank is “increasing market share”, the second is “getting into new markets”, the third is “developing new products”, and the last with the lowest rank is “maintaining the status quo”. It is seen that a significant majority of the businesses that constitute the target group of the study aim at adapting change and growing under the conditions of dynamic environment and intense competition. The most selected strategic targets are increasing market share, getting into new markets and developing new products.

The strategies followed by the businesses whose strategic target is “increasing market share” are “differentiation strategy” as the first, “cost leadership” as the second, and “focus strategy” as the last with the lowest rate. It is seen that the businesses with the target of getting into new markets and developing new products prefer “related diversification strategy” mostly. It is explicit that maintaining status quo and de-growth strategies are the last in the list of the strategic targets of the participant businesses, and they are the least followed strategies with the lowest ranks.

Based on this data, it is concluded that the clear majority of the managers are middle-aged, have a high level of education and an experience of 10 years or more. It is seen that the
number of female managers in the target group with these qualifications is in the minority compared to male managers.

When managers with high levels of education, both male and female, are evaluated in terms of their strategic preferences, it is observed that the vast majority of them have targets for increasing market share, getting into new markets and developing new products, which indicates that the managers tend to adopt growth-oriented strategies.

As a result, it is concluded that SMEs operating in the carpet sector in Gaziantep in the target group of this study do not have enough knowledge considering their contradictory statements on strategic management model and its implementation, and therefore, that they do not benefit from the techniques and advantages of this management approach.

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