

# TURKISH BRANDS

Every  
country  
is as rich  
as its  
brands.

# TM

# BEKO

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FOUNDATION OF ADVERTISING



**BEKO**

**Beko**

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Vehbi Koc,  
one of the  
founders of  
Beko.

# First Set an Impressive Goal and Then Achieve It... BEKO

## The Brand in Brief...

The company was founded by Vehbi Koç and Leon Bejereno in 1954 as Beyoğlu Sebze ve Meyve Konservesi A.Ş. (Beyoğlu Canned Vegetable and Fruit PLC) in İstanbul, Turkey but was not active until 1956. In that year, it was renamed and registered as Beko Ticaret A.Ş. (Beko Trade PLC). The Beko name was derived by combining the first two letters of its founders' last names.

Still in 1956, Beko became the distributor of General Electric lightbulbs in Turkey. Subsequently, Beko Ticaret began to import matches, lightbulbs, and similar goods to Turkey (Vehbi Koç, *Hayat Hikayem*, İstanbul, 1983; Can Dünder, Vehbi Koç, *Doğan Kitap*, April 2006; Can Dünder, Vehbi Koç 1961-1976, YKY, February 2008). On the other hand, Arçelik was founded in 1955 and Beko Ticaret was the company responsible for the distribution of 60% of goods produced by Arçelik until 1977. (The remaining 40% of goods produced by Arçelik was sold to Burla Brothers, but Arçelik's total production was sold to consumers through a single distribution network).

Beko Teknik Sanayi A.Ş. (Beko Technical Industrial PLC) was then launched in September 22, 1966 in İstanbul, Turkey, mainly to produce electronic devices and was responsible for the production of Arçelik and Beko branded electronic goods (primarily TVs). On the other hand, Atılım A.Ş. was set up in 1977 to handle distribution of the Arçelik brand. Beko Ticaret refrained from the production of white goods until 1983 as a result of a mutual agreement reached with Burla Brothers. Beko Ticaret was therefore selling various goods such as TV sets, sewing machines, radio, record players, and industrial cold rooms between 1977 and 1983. In addition, Beko Ticaret sold various brands produced under the Koç Holding umbrella, such as Türk Demir Döküm and Mobyette Moped until 1993, as well as undertaking sales of non-Koç brands, such as Atlas Carpets and

Aytaç Prams. The Beko brand was redefined in 1983 and began selling Beko branded white goods in 1988. At the same time, another Koç brand, Aygaz, had ceased production of white goods and all Aygaz distributors became Beko distributors. By 1990, Beko was positioned as Koç Holding's export brand in white goods.

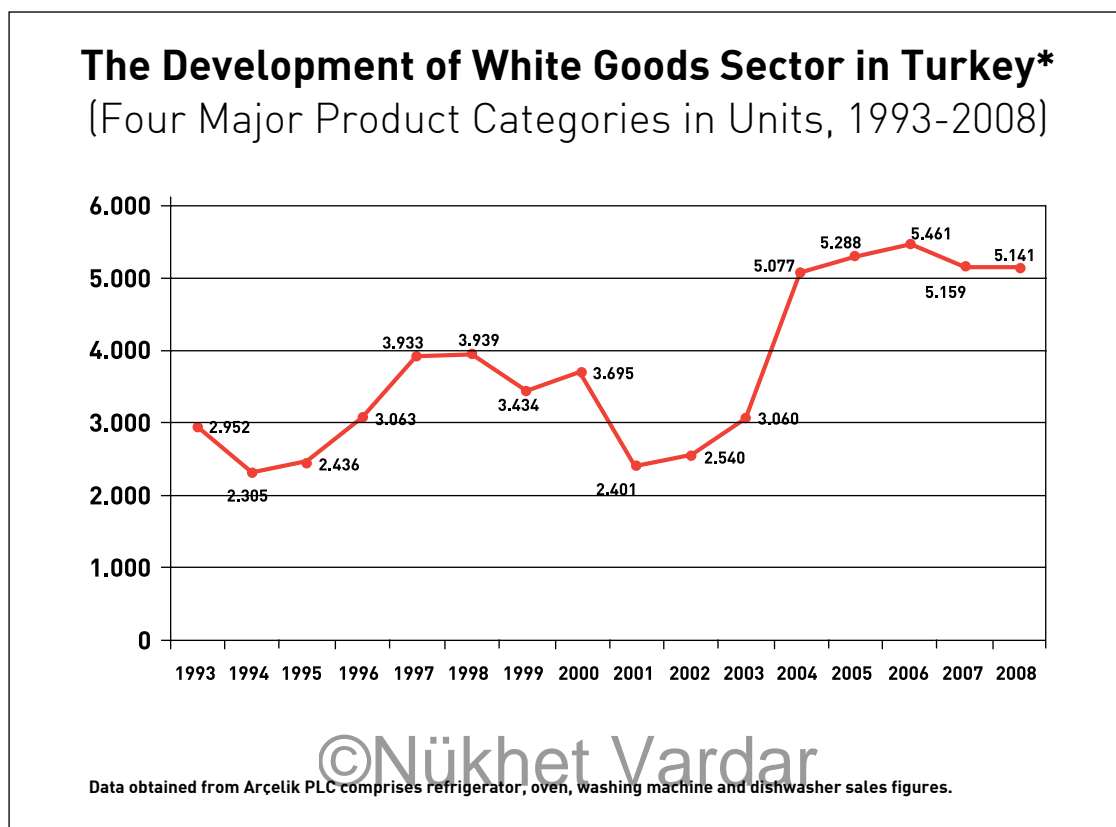
Beko increased its efforts to become a white goods brand within Koç Holding in 1991, together with Arçelik, and started applying modern brand management tools. The "Beko: A Global Brand" slogan was created at that time and Beko took on this slogan more as an aspiration. But one day this aspiration became a reality, enabling Beko to start exporting. In 2000, five companies within the Koç Holding - Arçelik PLC, Atılım PLC, Beko Ticaret PLC, Ardem PLC, and Türk Elektrik Endüstrisi PLC - were united under Arçelik PLC. Thereafter, the Beko brand was also transferred to Arçelik PLC. Hence Arçelik became Koç Holding's white goods brand within Turkey, while Beko became its international brand. Back in 2003, Beko had set a goal of "being included in the world's top ten white good brands by 2010". But as cited in Euromonitor's 2008 white goods report, Beko met this target in 2008, two years prior to its deadline. The Beko brand and Arçelik PLC thus redefined their targets for 2009 and beyond, setting bigger goals and stating its new vision as "respectful of the world, respected by the world".

## The White Goods Market in Turkey

According to data gathered from the Beko marketing team, the global white goods market (comprising five major product groups, namely refrigerators, ovens, automatic washing machines, dishwashers, and dryers) totaled 286 million products with an accompanying sales value of 138 billion USD in 2008. For its part, the Turkish white goods market reached 5.1 million units valued at 3.4 billion USD. With these figures, the Turkish white goods market accounts for 2.8% share of the global market.

In the main product groups, such as refrigerators and automatic washing machines, household penetration stands at nearly 100%. The replacement cycle of white goods is up to 10 to 15 years. Total market demand thus consists of new households and replacements. Therefore the only way to increase sales potential is to sell to foreign markets. Beko became an active player in international markets, especially after the year 2000 and during the 2001 economic crisis in Turkey. This move has protected the brand against fluctuations in the domestic market and has opened doors to new markets, following the saturation of the national market. In 2010, Beko branded goods were sold in more than 100 countries around the world.

An analysis of related sector-specific data for 2008 reveals for instance that in the television set market, 202 million TV set units were sold at a sales value of 150 billion USD. The total TV market in Turkey was 2.1 million units. Another fast-growing market was air conditioners. Worldwide, 72 million units of air conditioners were sold, with a sales value of 33 billion USD. In Turkey the air conditioner market stood at 1.2 million units with a total value of 625 million USD. Furthermore, on average 300 million PCs were sold worldwide every year, while in Turkey this same figure was 3.2 million. With these numbers, Turkey has become notable in the durables market around the world.



## Beko and its Production Units

As of July 2009, Beko's production sites were: washing machines in Çayırova, dishwashers in Ankara, refrigerators and compressors in Eskişehir, cooking appliances in Bolu, and dryers and electric motors in Çerkezköy. Furthermore, LCD TV sets, cash registers, notebooks, PC monitors, and satellite dishes were produced in Beylikdüzü, İstanbul at a site with an area of 125,000m<sup>2</sup> (the Sony Bravia LCD television set has also been produced at this site since January 2009) ("Grundig, Sony LCD Üretecek", [www.ntvmsnbc.com](http://www.ntvmsnbc.com), 29 December 2008; website accessed on 24 February 2009). In July 2009, there were eight different production sites in Turkey owned by Arçelik PLC. (On a different note, Beko Elektronik A.Ş., which is specialized in electronics, first acquired the German Grundig brand for 80 million Euro, as a result of a 50-50% partnership with the British firm Alba in 2004. Then in 2008, 100% of Grundig shares were bought out by Beko Elektronik A.Ş., changing the name of the company to Grundig Elektronik A.Ş. in April 2008. Eventually in June 2009, all Grundig Elektronik shares were transferred to Arçelik A.Ş.)

Some of Arçelik PLC's international sites include: refrigerator production in Romania, and refrigerator and automatic washing machine production in Kirzhach, northeast of Moscow, Russia as a result of a 90 million Euro investment made in 2007. In addition, automatic washing machine production continues in China, 150 km south of Shanghai.

Since white goods are voluminous, leading to high freight costs, Arçelik PLC has numerous production sites, both nationally and internationally. Depending on the final destination of goods to be sent, therefore, freight costs can account for a high percentage of total production costs. In addition, consumer expectations may vary, particularly in international markets. For instance, as bathrooms and kitchens are smaller both in Russia and Romania, narrower washing machines with dimensions of 35 x 60cm are preferred to the standard 60 x 60cm washing machines. Similarly, narrower but taller refrigerators and narrower ovens are demanded

in these countries. Hence by producing in multiple locations, Arçelik can supply different consumer demands better as well as save considerably on freight costs. Murat Şahin, who joined Arçelik in 1993 and has had different responsibilities over the years including the position of Marketing Director between 2005 and 2010, said:

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Our focus has shifted from production to the market and marketing. Therefore we have become much more concentrated on consumer preferences. Our aim is to identify consumer demand even before it exists in the consumer's mind, define it, and then supply goods that will meet these potential needs.'

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## Beko-Arçelik Competition and Their Branding Activities

Arçelik and Beko also faced the problem of being two competing brands owned by the same company. In particular after 1990, when Beko sought to become a global brand, the competition between these two brands became even fiercer. We also asked Aka Gündüz Özdemir, who was Arçelik PLC's Managing Director between August 2003 and June 2008, how Beko and Arçelik managed to be "competitors" and "allies" at the same time. His answer was straightforward:

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This was only possible by having two separate positioning statements for these two brands, by having two different distribution networks, and by making sure that these two brands really accepted each other as 'competitors'.'

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All executives whom we interviewed also noted this ongoing amiable competition between Beko and Arçelik over the years.

Until 1998, Arçelik PLC had carried out all the production and then sold Arçelik branded goods to Atılım PLC, whereas Beko branded goods were sold to Beko Ticaret, as their respective sales and marketing companies. However as mentioned earlier, merges started to take place within the Holding companies after 1998. In that year, four companies

(Atılım, Gelişim, Hamle, and Egemen) were merged under the Atılım name. Subsequently in 2000, five companies joined to form Arçelik PLC, creating a gigantic conglomerate composed of eight big companies. This did not, however, change the fact that two brands which were now being managed by the same organization had to continue competing. For this reason, Beko and Arçelik maintained two separate sales and marketing organizations. Even though Beko and Arçelik had separate sales managers, both were reporting to the same Deputy Managing Director in 2010 in order to be able to maximize any synergies possible. We can easily state that since 2000 in particular, the whole company has become much more sensitive towards creating more synergy under the Arçelik PLC name. Murat Şahin explained his views on this subject:

- ‘If we call Arçelik the ‘flagship’ brand of our company on the Turkish market, Beko should be considered our fleet’s ‘destroyer’. From time to time I ask myself whether or not Arçelik would be this successful, if there were no Beko. I don’t think so, because Beko created an internal dynamism within the company by setting up an alternative distribution network, having new distributors, and introducing new solutions. This made Arçelik arm itself with different strategies against other possible competitors, ultimately enabling Arçelik to reach its current competitive position.’

Murat Şahin stressed that when Bülend Özaydınlı was the CEO, a concerted effort was made to differentiate between the Arçelik and Beko brands, and that during those years an extensive study was undertaken that scrutinized all the marketing-mix elements of these two brands one by one. He stated his views as follows:

- ‘We were saying that ‘these two brands should not steal each other’s customers if they are on the same street.’ In other words, we were saying ‘let’s maximize the union, not the intersection.’ Both of these brands were coming up with products that answered different consumer needs. Both were supplying what the other one was not. We were not on air with these two brands at the same time nor running the same TV commercial time or in the same newspapers on the same day. We were very careful that consumers would not be exposed to both of these brands’ messages simultaneously. Similarly, separate teams were designing Arçeliks and Bekos.’

Furthermore, Gündüz Özdemir emphasized in an interview that by avoiding duplications between these two organizations, in such areas as product development and after-sales service, they were able to make considerable savings (“Birleşme, Beko’ya da Arçelik’e de Yarayacak”, Milliyet, 18 October 2006; website accessed on 24 February 2009).

## Beko and its Distribution Network

Like other Koç companies, Beko attaches great importance to the distribution network and to its distributors in general. In the preface of the book “Beko Değer Katanlar”, Mr. Rahmi M. Koç, Honorary Chairman of Koç Holding, emphasized that: “First of all, our founder Vehbi Koç was a distributor for various companies and therefore deep down he knew its value and what it meant to be a distributor. He held his first distributors’ meeting in the 1950s with six distributors. Since Beko was selling matches and electric lightbulbs, it had a widespread distribution network throughout Turkey, and subsequently had acquired a very strong distribution system.” In the same book, Mustafa V. Koç, Koç Holding PLC Chairman of the Board of Directors, addressed Beko distributors with the following words: “You have adopted our company vision which was coined as ‘Beko: A Global Brand’ years ago and you have become a symbol of trust and sustainability in the eyes of our customers.”

Şirzat Subaşı, who has been Deputy General Manager at Arçelik PLC since 2003 and who joined Koç Holding in 1986, stated that in 2009 there were 1,400 exclusive Arçelik and 1,300 exclusive Beko distributors. He gave the example of Arçelik and Beko having a weekly one-hour special air time broadcast over Digiturk (Turkish pay TV), specifically addressing their distributors, as tangible proof of the importance attached to distribution and distributors in all Koç Holding companies. Distributors can tune in to this special broadcast with the help of a password and learn about all the latest developments in regard to their brand and the market, and get first-hand information about the views of their top executives. **Koral Boro**, Arçelik Sales Director since 2006 (starting at Beko as a sales representative in 1983, later becoming regional sales manager and then being promoted to Beko Sales Director), noted that in the 1990s distributors were competing fiercely to become an exclusive Beko distributor, and added:

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- The Koç brand always attached great importance to its distributors. In addition, we should mention the power of communication that was built up between distributors and Beko sales reps during that time.
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**Koral Boro** also highlighted the fact that in particular after Beko switched to having exclusive distributors, consumer preferences were the object of greater focus, emphasizing that:

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- Following the switch to exclusive distribution, our stores became much more modern, with more products exhibited in the stores.
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Having noted that they have second or third generation distributors belonging to the same families, **Boro** said that:

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- Similar to our distributors witnessing the branding efforts of Beko, Beko experienced the development of its distributors. All in all, we paved the way together.
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**Ercüment Gülşen**, who was appointed Beko Sales Director in 2006 after having started at Beko in 1988 as a sales representative, mentioned that roughly twenty years ago, the only way to conduct sales visits was through intercity coaches or with the help of minibus rides, leading to an inefficient use of time. For instance, he said that his first assignment was at the Ankara Sales Office and he would complete the Çorum-Amasya-Tokat route in 20 days. **Mr. Gülşen** shared some of his experiences which include very useful hints for today's young sales representatives:

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- In those days our distributors were also selling many different brands. Therefore it was very important to visit our distributors early, as early as having breakfast with them! Because if you pay the first visit, you usually make the first sale of the day, as well. Hence in an indirect way, you block the competitor brand from entering their store. In those days, we would not start with the sales pitch right away. We would talk about current affairs, or even enquire about their families' well-being. Therefore we would make the best use of what they call today the 'pre-sales stage'. Above all was the trust factor. People who have represented the Beko brand have always been reliable and trustworthy. This attribute has always been reflected on our brand and on the people who have collaborated with us.
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**Ercüment Gülşen** added that:

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- One of the milestones for the Beko brand was having exclusive distributors, increasing the number of products sold with our Beko brand, and hence enabling our distributors to put up the Beko signs at their stores.
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The client follow-up charts regularly kept by Beko Ticaret sales representatives in 1972. Here we can see that they follow their clients' trade activities in minute detail (personal archive of Koral Boro).

TICARET ANONİM ŞİRKETİ İZMİR ŞUBESİ		Müşteri Formu		ŞEHİR	
Firma Adı:		Mehmet ve İsmail Samidedeoğlu		SELGÜK	
Adresi:		Çarşı No:3		Tarih: 10/11/72	
Kuruluş Tarihi:		1965			
Hale İlgili Meslek:		Mamulata - Tuhafiyeye - Aygır - Ziraat en aygır			
Mamul ürettiren meslekler ve Mamul türü:		Radyo - Diki Makinesi - Sobas 1970			
Müşterinin bir işletmenin adını yazarak, nakitli olarak satışını istediği takdirde firmaya konu yazarak, nakitli olarak (banka'dan v. g. banka'dan) nakit konularını...		Babadan intikal eden eski bir ticarethane ve ziraat işleri var. Selçuk'un gelin alınması sebabıyla nakitleri gırtlı. İyi satış yapıyor. Satışlarının fazlası vadedi olduğu için fağfa açılmıy durmaktadır. Bu durumun biray kendilerinin nakit sıkışıklığı çözümlerine sebebi olmaktadır. 1970 yazında Kupadama da da bir Aygır mağazası açmışlar. Burada da Mehmet beyin oğlu Abdullah işi idare ediyor. Fakat aynı ve hevesli olan Abdullahın satışlarında safilamlik gönünden isabetli olduğu söyleniyor. Bu mağazanın tahiri imkânları güzel. Firmamızın gidişatına dikkat etmek gerekiyor. Tavine işinin işime çıkmasını beyin için tahliye.			
Firmamız:		İki idare ediyor Fakat aynı ve hevesli olan Abdullahın satışlarında safilamlik gönünden isabetli olduğu söyleniyor. Bu mağazanın tahiri imkânları güzel. Firmamızın gidişatına dikkat etmek gerekiyor. Tavine işinin işime çıkmasını beyin için tahliye.			
İstatistik kayıtları (Banka num.)		Ticaret   Ş. Bank			
İmalatına nakitli mi ?		Evet <input checked="" type="checkbox"/> / Hayır <input type="checkbox"/>		Evet <input type="checkbox"/> / Hayır <input type="checkbox"/>	
Kafili mi çalışıyor ?		Evet <input checked="" type="checkbox"/> / Hayır <input type="checkbox"/>		Evet <input type="checkbox"/> / Hayır <input type="checkbox"/>	
Açık kredi ne kadar ?		---			
Tahsilat beklenti nedir ?		Borular fazla			
Sancılara tahsilatı vermede pazar ihtiyacı ne ?		Tikona - Tahil			
Kredi kullanıyor mu ?		Kullandıysa Kasit-Hatır			
Tahsilat oranı nedir ?		200.000 C.anda			
Güvenli bulduğunuz kredi türleri:		Açık <input type="checkbox"/> / TL <input type="checkbox"/>		Tasarrufluk <input checked="" type="checkbox"/> / Nakit <input type="checkbox"/>	

## Creation of the "A Global Brand" Slogan

Murat Şahin said that one of the main turning points for the brand was actually Beko's strategic decision, back in the 1980s, to become heavily engaged in exporting. In preparation for the export phase, Beko made considerable R&D investments, which enabled the brand to accumulate know-how. As a result, the company developed its own know-how in the 1980s, and was able to gradually decrease its licenced production and eventually cease being dependent on foreign know-how. Thereafter, Beko engaged itself in local production, set according to local consumer needs and new product trends. In the 1990s, Beko reached a point where it could produce any white goods according to country specifications and therefore became very successful with exports. By 2000, Arçelik PLC was able to produce white goods in large quantities, enjoying the advantages of economies of scale, while at the same time producing tailor-made goods according to market specifications without increasing production costs. Murat Şahin added that Arçelik PLC's business approximately doubled in the five years between 2003 and 2008, and most of this growth was the result of Beko's success in international markets.

Beko began collaborating with Güzel Sanatlar Saatchi & Saatchi (GSS&S) in the second half of the 1980s for its advertising and promotion activities. In the mid 1980s, Beko's slogan was: "First comes the experience". (The agency also highlighted the Beko brand name in the Turkish version of this slogan, as it read: "Önce tecrübe konuşur". The aim was to repeat the brand as much as possible to achieve higher consumer recall).

# Beko

## Ülkeler Topluluğu

(Şimdilik)

Bu gün dünyanın dört bir yanındaki ülkelerde, televizyondan baskılara, çamaşır makinelerinden fırın ve elektrikli süpürgeye kadar Beko ürünleri satılıyor. Bu ülkelerdeki müşterilerimiz için Beko'nun kalite standartlarından ve dünya çapındaki kalite kontrol süreçlerinden, size de faydalanabileceğinizi düşünüyoruz. Sağlığın önemini biliyoruz ve aynısını her müşteriye ulaştırıyoruz. Beko Ülkeler Topluluğu!



**BEKO**  
Bir dünya markası

<b>BEKO (TÜRKİYE)</b> Tel: (0212) 252 49 00 Faks: (0212) 243 31 34	<b>BEKO (İNGİLİZERE)</b> Tel: 44.023.81 81 21 Faks: 44.923.81 98 52	<b>BEKO (FRANSA)</b> Tel: 33.1.44 51 08 89 Faks: 33.1.42 66 23 07	<b>BEKO (ALMANYA)</b> Tel: 49.5102.71 8220 Faks: 49.5102.80 09 30	<b>BEKO (RUSYA)</b> Tel: 70.95.258 90 41 Faks: 70.95.258 90 48-49
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At annual distributors' meetings in the 1990s, distributors for the most part emphasized that the Beko brand was suffering from low brand awareness, and thus losing to the competition. Beko management reviewed these comments and reached the conclusion that Beko's communication was far from integrated, and therefore decided to bring together all of Beko's communication on a single platform, making the message coherent for consumers. At the same time, an in-depth study was conducted and accordingly it was agreed that the strongest proposition for Beko would be that "it is a brand sold in international markets".

At that time, imported white goods were in particularly high demand in Turkey, leading to a black market of imported white goods. Under these circumstances, being able to state that "Beko is successful in exporting" was a critical brand claim in convincing consumers. With the help of the new slogan, the company also sought to improve its brand image among current Beko users. With these thoughts in mind, Güzel Sanatlar proposed "a global brand" slogan, stressing that the Beko brand met international standards. Gündüz Özdemir mentioned that Beko sales had not been as high as hoped and that the initially proposed advertising budget had been too high to justify its sales. What is more, during this time competition between Arçelik and Beko was at its peak, and the Holding company was evaluating these two brands as a whole. Gündüz Özdemir summed up those days as:

I remember vividly. There was a Domotechnica Exhibition at Cologne. Our 'A Global Brand' campaign had just been conceptualized. The budget we required was quite high. When I learned that the Koç Family members and other top management would be in Cologne, I also decided to go to this exhibition. We had a lunch appointment the next day and I went in for lunch, carrying a presentation bag with me! To everyone's surprise, I went through the storyboards, explaining the campaign and got the budget approval. With the joy of getting the approval and not to lose any time, I travelled back to İstanbul the same day and contacted our ad agency right away. This concept then helped our brand for years to come. It still does. Although some other brands have tried to use similar concepts, their campaigns have actually made consumers recall the Beko brand. Therefore I believe that the 'global brand' claim is still very strong and could be considered among our brand assets.'

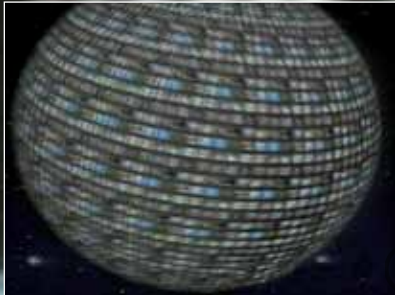


One of the first storyboards used in the "Space Kid" series (Güzel Sanatlar)



©Nükhet Vardar

One of the many ads shot for Beko with the "Space Kid" concept. In this particular TV commercial, it is claimed that Beko TV sets are even in demand in space (Güzel Sanatlar)



©Nükhet Vardar



Murat Şahin added that:

- What was envisaged in the 1990s became a reality within one to two years. Actually, what we achieved at Beko was at first unimaginable. When we kept repeating 'a global brand' in our ad campaigns, we knew that people found it a bit strange, even laughed at us. But believing in our brand, persevering against all odds, and targeting the world markets have been our main advantage in reaching our aim.'

Alinur Velidedeolu, one of the partners of GSS&S and the creator of the "A Global Brand" campaign, explained that by emphasizing international product quality standards, they sought to give an important message to Turkish consumers. He also added that they made a concerted effort to simplify the message but used the latest technology of the 1990s in the execution of this single message. Hence the "Space Kid" TV commercial series was created and used for many years. This campaign not only added value to the brand but also brought many international distinctions to the Agency. These included, among others, awards won at the New York Festival, the London International Ad Award, and the Golden Award of Montreux.

Scenes from the "Beko TV" commercial run in Germany in 1995 (Güzel Sanatlar)



As a result, while Beko ranked eighth with 4.5% brand recall in the white goods and electronics category in 1990, it leapt to second place with 15% recall in 1995. Similarly, Beko's market share jumped from 8.9% in 1990 to 16% in 1995.

## Beko Becoming a Global Brand

As a result of these efforts, Beko won the EFQM-European Foundation For Quality Management award in 1998. The European Quality awards, considered the most prestigious corporate excellence trophy, have been awarded by the EFQM since 1998. The EFQM's initial mission was "to be a motivator for sustainable excellence in Europe", with a vision of "creating a world where European organizations continue to excel." In the EFQM business excellence model, inputs and outputs have 50% share. Leadership within the corporation, workforce management, strategy and planning, sources and processes are considered as "inputs"; where workforce satisfaction, consumer satisfaction, effect on the society and business results are evaluated under "outputs".

**Turkish companies have received the European Quality Award 21 times (7 prize winners and 15 finalists) up to 2009.** Turkey ranks second among countries with the most EFQM awards. **Gündüz Özdemir**, in his speech made at the award ceremony as the Beko Ticaret PLC General Manager at the time, said:

‘Our human resources are our most precious asset,’

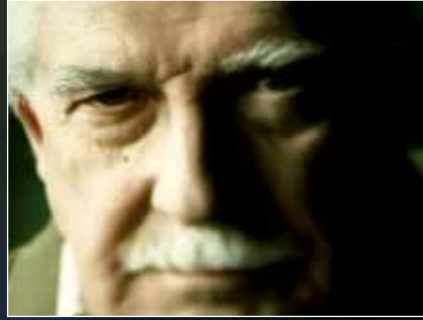
emphasizing once again the importance of internal and external customers for the Beko brand (“Ve Avrupa Kalite Büyük Ödülü Beko'nun”, Beko Haber, Year: 3, No: 14, September-October 1998, p. 4).



Gündüz Özdemir congratulated all Beko personnel via an internal communication dated January 13, 1999 and added: "I kindly request that you accept this prize and not forget that this will be a benchmark for all your future success."

## Beko and its Communication Strategy After 2000

Beko began working with the TBWA\İstanbul ad agency in 2000. In our interview conducted in March 2009, TBWA\İstanbul Deputy General Manager Ahmet Akin, Strategic Planning Director Toygun Yilmazer, and Strategic Planner Tuğyan Çelik, who were on the Beko team, explained that prior to 2000, Beko's claim was "a brand that reaches out to the world as well as to the future". Over the years, the "A Global Brand" slogan was used to convey Beko's export success to consumers. Between 2000 and 2002 TBWA\İstanbul based Beko's communication strategy on explaining "how Beko became a global brand". The aim was to create a universal brand image, irrespective of the firm's export success. Thus the new strategy was formulated as "imagination has no limits." Beko wanted to talk about its passion for technological development, to say that geographical boundaries no longer existed and that it was possible to reach out to the whole world easily, creating a brand philosophy between its customers and the Beko brand. With these thoughts in mind, TBWA created its first image campaign called "to imagine is to discover" in 2000. In this commercial Beko was talking about its own dreams and how one day dreams can come true. With this ad, Beko was actually leaving the "space" concept behind and entering a new era in its communication strategy.



Scenes from the "to imagine is to discover" image campaign aired in 2000 (TBWA\Istanbul)



"How can a person go far?  
How can a person be more than himself?  
What is the real power of humankind? Imagination.  
We are born with imagination.  
To imagine is to get there.  
Even if it is sometimes punished, continue to envisage.  
Even if you are disappointed  
Because to imagine is to discover.  
We have envisaged to be a world brand years ago.  
Because imagination has no limits.  
Beko, a global brand."

Similarly the “Flag” commercial, which was aired in the same series, credited Beko’s previous strategy, while at the same time emphasizing “the imagination has no limits” message with the help of an astronaut putting up the Beko flag on the moon.

In 2002 in particular, Beko increased its communication on a product basis, wanting to prove to its consumers why Beko was a global brand by showing its superior product attributes. One such message was the “you get the same visual quality from every angle” claim used for the “flat TV”.



The “Flat TV” newspaper ad (TBWA\Istanbul) received the Big Prize in the Newspaper Category of the 2002-2003 Crystal Apple Awards in the “Home Appliances” Category.



The  
"Pool"  
newspaper  
ad.  
(TBWA)  
İstanbul

The "Pool" TV commercial won the Big Prize at the 2003-2004 Crystal Apple Awards.

**Beko** 19

Following the trophies received in the Newspaper category in 2002 and 2003, Beko was awarded the Crystal Apple for the third time in a row.

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## Beko's 2002-04 Communication: From the "Global Brand" towards "Global Technology"

By 2002, many brands claiming that they were heavily engaged in exporting began to make use of the "global brand" concept. Although these messages enhanced Beko's branding, Beko wanted to strengthen its communication without letting go of the "global brand" theme. At that time, "technology" was still an unclaimed attribute. Beko therefore decided to utilize the "global technology" theme in its communication as proof of being a global brand. As a result of this decision, Beko started to state that the brand was sold in 65 countries in 2002 and supplied proof of being a global brand by "using global technology".



Two examples of the "Airport" pres ad. (TBWA\ Istanbul)

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## 2004-07 Period: “Global Technology is Part of Your Daily Life”

Efforts to differentiate the Arçelik and Beko brands in consumers’ perception accelerated following the new composition of Arçelik PLC in 2000. During this period, Beko continued its technology-focused communication strategy, while highlighting advanced technology products. The image study conducted for Beko in 2003 indicated that the brand had moved away slightly from the female target group and was addressing a somewhat older age group than planned. Furthermore, the technology-focused communication meant the brand was perceived as somewhat distant and cold by consumers.

In the light of these findings, management started to work on the new brand image of Beko, which would be much warmer, closer to the consumer, as well as being younger and full of aspirations. In the new Beko communication strategy, the benefits and ease of use of Beko’s products were communicated to the target audience with the help of young couples. Beko made use of scenarios where a young man and a woman meet by accident, noticing each other. The commercials all actually contained reflections from our daily lives, and thus were very familiar to viewers and made them smile. With this new

communication strategy, a new Beko jingle was also created by Ömer Özgür from Jingle Jungle. Within a very short period of time, this jingle and the brand name began to be mentioned together, adding value to the brand personality

and setting the tone of the communication (İsmet Uçarlı (ed), Kazananlar 1. Effies Türkiye Reklam Etkinliği Yarışması 2005, Reklamcılık Vakfı, March 2006, p. 255-266). This jingle and versions thereof have been used since 2004 and have become synonymous with the brand itself. The jingle became so popular that it was downloaded to personal cellular phones, integrating even more with consumers’ daily lives.

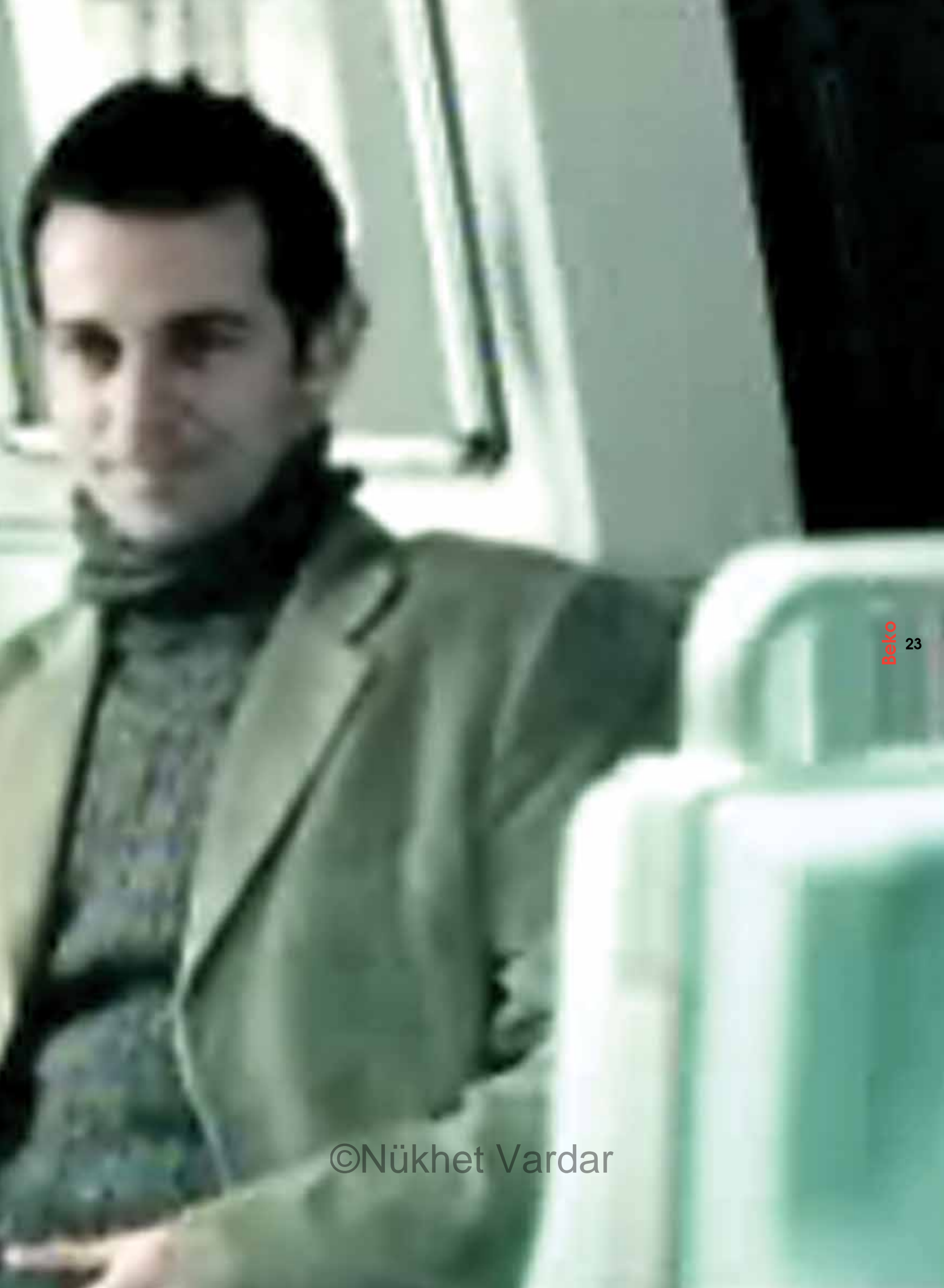
In 2003, the Beko laptop (tablet PC) was launched, with extra product attributes compared to its competitors. The aim was to boost awareness of Beko, which was rather low in the computer category, and continue with the “friendly technology” communication theme. The tablet PC had a screen which could turn 180 degrees. With its special pen, one could write on the screen and use it like a notepad. The device had wireless network capability, as well as a built-in camera. In the commercial we saw a young man and a woman travelling on the underground and witnessed how the Beko tablet PC helped them flirt with each other! First we saw a young man taking the young woman’s photo with the help of his computer and then drawing a big red heart across the photo (in those days, even mobiles with a camera function were new on the market). Noticing this move, the woman also took out her tablet PC and showed a photo of herself with her two shepherd dogs... The voiceover said: “Save it, turn it, fold it, and write on it. Expect more from a laptop”. The Beko jingle we mentioned earlier was used for the first time in this commercial. The commercial merged both the product’s technological advancements as well as its emotional attributes which the brand wanted to communicate, and this became one of the favorite commercials of 2004.

This ad won the Crystal Apple at the 16th Crystal Apple Awards in the "Small Office Equipment and Stationery" category as well as the Silver Effie at the 1st Effie Turkey Advertising Effectiveness award in the "Information Technology and Office Equipment" category.



Scenes  
from the  
"Tablet PC"  
TV  
commercial  
(TBWA  
Istanbul)

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Following this commercial, plasma TV, DVD recorder, LCD PVR (personal video recorder), refrigerator, and washing machine commercials were run. To enhance Beko's brand image and stress that it was a global brand, image campaigns were also aired, parallel to these product commercials. One of these commercials, for instance, said that Beko sold a product with its own logo every two seconds in over 101 countries worldwide, summing it up as: "Today 250 million people prefer Beko technology". With the help of these commercials, Beko communicated to consumers that it was a truly global brand in every sense of the word. Another commercial featured scenes from daily life. A traffic light turning red, a water drop about to drop from the tap, a bouncing ball. Along with these visuals, text appeared on the screen: "22 Bekos until the traffic light turns green", "4 Bekos until the drop falls". At the end of the film, the voiceover said, "There is only one brand in Turkey which is sold every 2 seconds in over 101 countries". The follow-up campaigns reiterated the fact that Beko was used by 250 million consumers worldwide and that the Beko brand was an inseparable part of their lives.

Beko also accelerated its branding efforts in international markets, as its presence and market shares grew abroad. Hence Beko prepared its global communication strategy with the aim of being a global brand. Some of the campaigns produced in Turkey began to be aired in other markets. For example, the "Combined refrigerator" commercial which was aired in May 2006 was also run in Russia and Ukraine. **The same film was awarded the Golden Idea award in the "Services" category, at the Ideas Award in Advertising Contest organized in Poland. Similarly, the "35 cm washing machine" commercial received international recognition after being aired in January 2007 in Turkey as well as in Georgia, Ukraine, and Kazakhstan.**

İ. Cenk Tüter, who has been Beko's Advertising and Brand Manager since January 2009, stated that to accentuate the true Beko brand value and as a natural consequence of the brand's development over the years, in 2008 they decided to centralize the management of the Beko brand both nationally and internationally. First, the upcoming worldwide consumer trends and competitor brands' positioning statements were thoroughly analyzed and a new positioning statement was put forward based on Beko's major competitive advantages. Four regional meetings were conducted between October 22 and November 28, 2007 with the attendance of the Turkish and international Beko marketing teams, together with TBWA\Istanbul Beko team members. One of the outcomes of this meeting was a decision to position the new Beko as "a brand that improves consumers' daily lives with witty solutions". **Following this decision, Beko began offering witty solutions from product to design, from packaging to distribution and many more. Brands' witty solutions were considered to be functional product attributes, leading to cost savings and eventually to efficiency.** This included for example washing machines and dishwashers which can automatically set the washing temperature and choose the program according to the specifications of dishes and clothes, built-in ovens that can automatically self-clean inside, and refrigerators with four doors, with a special freezer and cooler sections that change according to the household's current eating habits (having more freezer or more cooler areas).



Bir damla  
düşene kadar 5 Beko



Zıplayana kadar  
1 Beko



Scenes  
from the  
"Beko  
2 seconds"  
TV  
(TBWA/  
Istanbul)

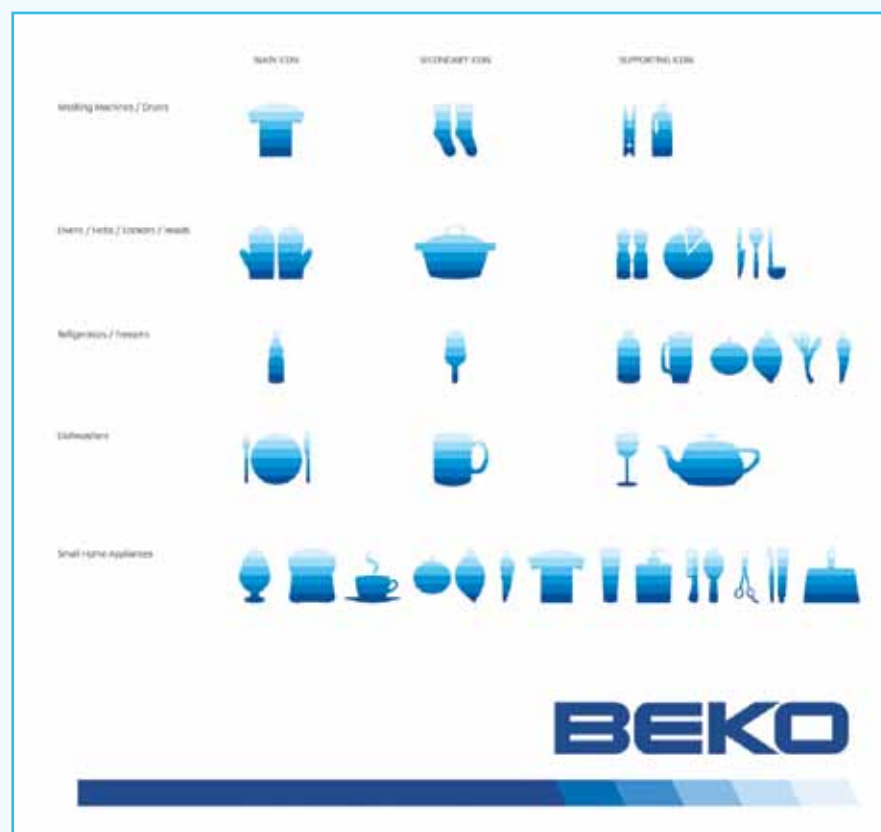
# Yeşile kadar

# 22 Beko

The brand's corporate identity was renewed in 2009, in line with the communication strategy that was adopted in 2008. The Beko brand, which was registered in 1967, had used the color blue since 1983, mainly because the color blue represented trust and trustworthiness. Beko, in its brief given to Tango\, TBWA\Worldwide's corporate branding agency, indicated it wished to have a new brand identity that would visually reflect the brand's dynamism, youth, warmth, energy, and the witty solutions concept, without letting go of the blue color. As an answer to this brief, the "shades of blue" concept was created, where six different shades of blue were used. Beko's brand identity is thoughtful, self-confident, full of energy, and genuine. We see the same attributes being reflected in the brand communication. There are no exaggerations being made. The creative solutions are always plain and straightforward. Everything that needs to be communicated is told in a calm and relaxed manner. In general, visuals showing witty analogies are used in abundance, instead of lengthy copy. Messages are focused on consumer benefit, rather than talking about the brand itself. Similarly, a new brand identity was created with the help of the "shades of blue" concept and the Beko book was prepared, comprising the entire corporate identity collateral. The Beko book was also shared with Beko distributors worldwide, marking the first step towards a unified communication platform. Hence the global message of "Beko offers witty solutions to improve consumers' quality of life" became much more meaningful and easier to transmit. In general, commercials made for the Turkish market were also used internationally. But if a special need arose, countries shot their own commercials with the coordination support they received from the Turkish office.

Murat Şahin summarized his views on the matter as follows:

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- We all know that brand communication is not restricted solely to the media itself. The product, its packaging, design, where it is sold or retailers actually act as a medium that helps deliver the brand story to the consumer. So we had to unify the brand identity everywhere the Beko brand was sold. This was what we aimed to do with the Beko book. •
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Beko began using the six shades of blue stripes in April 2009 as a reflection of the Beko world to consumers. Together with these blue stripes, modern-day icons were associated with the Beko brand. The goal was to connect the Beko brand more with consumers and their daily lives.

## Beko and Sponsorships

The Beko logo was printed on all İstanbul Beşiktaş Football team uniforms in the 1990s. Beko's sponsorship of Beşiktaş was a long-term sponsorship that ended during the first half of 2000. Subsequently, Beko decided to invest in a different sport after 2006, in line with its brand communication plans. The aim was to choose a new sport that was dynamic, different, and would represent Beko's core brand values well.

Consumer research indicated that basketball was seen as the number two sport in terms of effectively promoting Turkey internationally, and the number one sport they wanted their children to get involved in. Furthermore, consumers genuinely wanted the Turkish basketball team to enjoy international recognition. Globally, basketball was considered the most popular indoor sport, ranking second among team sports and among the top four favorite sports in the Summer Olympics. Beko management, analysing this data in terms of Beko's communication targets, decided to support basketball as a new sponsorship area for being close to consumers, while at the same time making use of technology and creating a relaxing atmosphere.

Following this decision, the Turkish Basketball League was chosen as the recipient of Beko's support consistently and over an extended period of time. As a result, a licence agreement was made between 2006 and 2010 and the league was named after Beko. This sponsorship actually had a positive effect on Beko's image, creating a platform where consumers met the brand. As the values of basketball and the Beko brand were almost a perfect match, Beko decided to extend this sponsorship idea also to the international arena. Hence Beko sponsored the 2009 German basketball league, became the major sponsor of the Asian and European championships, and was the presenting sponsor of the Worldwide Basketball League. Executives stated that the Beko brand and the basketball theme complemented each other very well, and that the brand would continue to make investments in this area.

## Beko's International Presence

Şirzat Subaşı mentioned that back in the 1980s the white goods market in Turkey was split 50-50 between Arçelik and AEG. Following the increase in Beko distributors after 1990, Beko started to gain an independent identity. In 1991, Beko's market share in refrigerators was 5 to 6% and in washing machines 1 to 2%. In general there was a shortage in the production of dishwashers. Total production capacity was only able to cover demand for the Arçelik brand. After Turkey signed the Customs Union treaty in 1996, Beko's average market share was around 13 to 14%. At that time, the agreement between AEG and Profilo expired and AEG decided to withdraw from the Turkish market. During this transition period, AEG distributors gradually became Beko distributors, mainly because AEG distributors needed a brand to sell and Beko needed a separate distribution network. Gündüz Özdemir expressed the view that even though these Beko distributors could not capture the same market shares as the previous AEG distributors, they reached the same turnover as AEG distributors in three years' time thanks to the wide range of Beko products sold. Şirzat Subaşı noted that because Beko and Arçelik were positioned as two separate brands, their fears with regard to the Customs Union were not substantiated. Şirzat Subaşı explained why:

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• In those days in particular, white goods were a status symbol, they were even considered a good investment. Due to the high rate of inflation in Turkey at that time, consumers demanded white goods even if they did not need them immediately, thinking that the prices of these goods would go up in the near future. That's why they wanted to purchase known brands from distributors that they were familiar with, making sure that the service guarantee would continue in the years to come. Word-of-mouth, which is often cited in the marketing jargon today, was actually a great benefit to our brand back in those days. That's how we still continue to have 50% market share as a Holding company, with our roots going back as early as 1955, with the foundation of Arçelik. We are able to retain the number 1 and 2 brands under the same roof in spite of the fierce competition we face every day both nationally and internationally.

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Beko considered exporting as a second priority until 2000, and all of Koç Holding's export activities were undertaken by Ram Foreign Trade, an expert in foreign trade. After the 2001 economic crisis in Turkey, however, the Holding company decided to focus more on international markets and Beko was directly affected by this decision. In Beko's case, the UK was chosen as the lead country; new markets in North Africa, such as Algeria and Tunisia, as well as the Middle Eastern countries, were also evaluated. Over time, Beko became the market leader in the UK market. As one by one its dreams came true, Arçelik PLC management did not hesitate to set bigger targets for itself. While Beko's exports amounted to 150 million USD in 2000, this figure increased ten-fold by 2008, reaching 1.5 billion USD.

Arçelik PLC had a production capacity of 11 million units in 2009 in five major product groups (refrigerators, ovens, dishwashers, automatic washing machines, and dryers). Most optimistically, even if 2.5 to 3.5 million of these goods were sold nationally, the remaining 7.5 to 8.5 million units needed to be marketed internationally. In addition, a minimum 70 to 80% of all international sales were Beko branded.

Beko also had a presence in the Balkans, Central Asia, Iran, the Middle East, and China, and remained active with the help of its distributors in 2009. As an example, Beko has been on the Iranian market since 2001 and in 2006 conducted its first distributors' meeting in the country with 900 distributors. At that time, Beko had already penetrated 160,000 households in Iran ("Iran Tüketicisi Beko'yu Sevdi", Akşam, 06 October 2005; website accessed on 24 February 2009). Back in 2005, Beko's annual distributors' meeting was held for the first time as the International Beko Distributors' Meeting! Beko's turnover in Russia was 140 million Euro in 2006, rising to 150 million Euro in 2007. Beko LLC was awarded the "2008 Annual Company" award in Russia, becoming the first Turkish company ever to receive this award.

## Beko and the Chinese Market

After stating that the industry's heart is now beating in China, **Gündüz Özdemir** added that:

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‘We just cannot pretend to overlook China.’

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**Özdemir** pointed out that the way of doing business is different there and therefore

‘Achieving market success is very difficult. We can only understand the market dynamics by experiencing them. So we started by buying a factory in the northwest part of Shanghai. We sent a team of experienced personnel from Turkey and asked them to set up a distribution network there. In July 2009, we had approximately 50 distributors in seven states. These are no different from the Beko distributors in Turkey. There are corner stores within big shopping malls carrying the Beko banner.’

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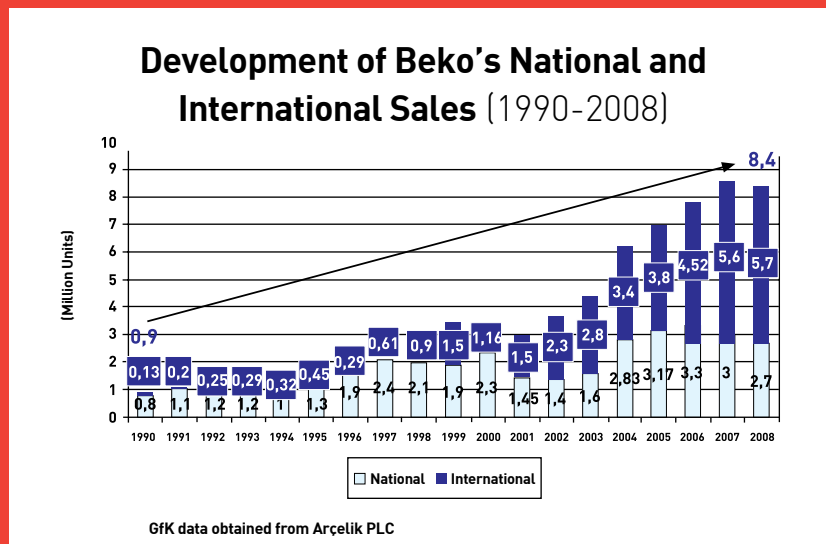


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## Beko in 2009

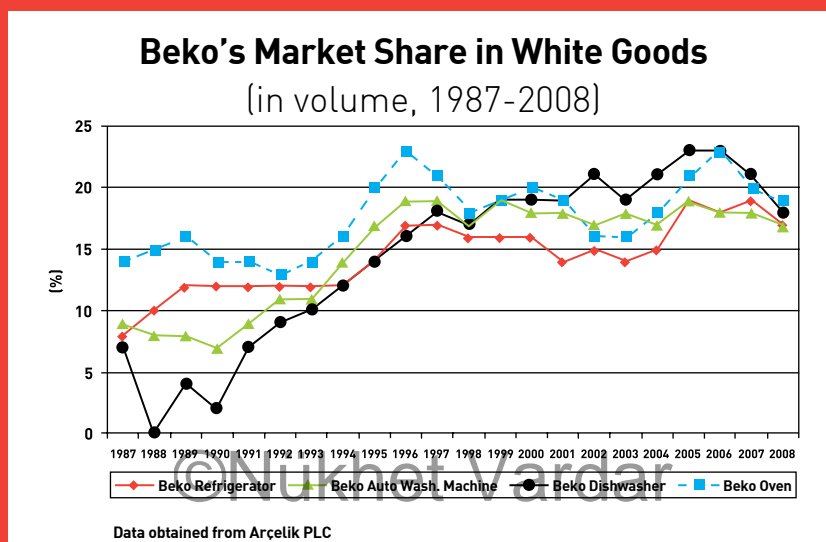
Beko increased its unit sales nine-fold in Turkey from 1990 to 2008, and speeded up its globalization efforts. Beko's international sales accounted for only 14% of its total sales in 1990, with this rate growing to 68% in 2008. Over the last five years, Beko's turnover in Iraq increased four-fold, in Bosnia and Herzegovina six-fold, and in Libya seven-fold.

Beko is Arçelik PLC's international brand, and naturally the effect of the Beko brand was also reflected in the company's balance sheet. Indeed, international sales accounted for 50% of Arçelik PLC's total sales in 2008.



The development of Beko's national and international sales (1990-2008)

Beko also strengthened its position on the national market, where there is fierce competition. Beko's market share in Turkey stood at around 9-10% in the early 1990s, and expanded to 18% in 2008. Beko has continued to rank among the top six brands since 1997 in the "Brands" research conducted by Nielsen, Turkey. According to the "Brands" 2008 results, Beko was in fifth place with 4.1% recall.



Beko white goods market shares (in units; 1987-2008)

Beko brand claim comprised a list of “world’s best” over the last 5 to 6 years and its products have been widely accepted worldwide. The company has concentrated its efforts on brand building. It became Europe’s third largest producer in 2009, after its German and Swedish competitors. Its presence in Europe was being felt more with every passing day. In 2009, Beko products were used by nearly 280 million people around the world, and every two seconds a Beko branded product was sold in more than 100 countries worldwide.

While the USA brand Whirlpool – the world leader in the white goods sector – held 5.6% global market share in 2005, Beko’s global market share was 1.4% in the same year. Beko ranked 17th among on the world’s top white goods producers list in 2004, and rose to 14th position in 2005 with its 1.4% market share. What is more, the aggregated market shares of the Beko and Arçelik brands worldwide went up to 1.7% in 2005 [“Birişme, Beko’ya da Arçelik’e de Yarayacak”, Milliyet, 18 October 2006; website accessed on 24 February 2009]. Beko reached 12th position in the global white goods rankings in 2006 [“Teknoloji Marketlere Ürün Vermeyeceğiz”, Zaman, 21 June 2007, website accessed on 24 February 2009]. Its global market share in volume in 2009 has been cited as 2%.

Back in 2003, Beko set its target for 2010 as “being listed among the world’s top ten white goods brands”. According to the white goods report published by Euromonitor, however, Beko attained this goal as early as 2008. Therefore the brand is now about to set more prominent goals for itself. The Greta company, which sells half-finished goods to Eastern European countries, was also at the Cologne Domotechnica exhibition in 2008 and their executives were quoted as saying that their main competitors were the Turkish white good brands. They explained the reason for this as:

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‘Mainly because Turkish companies can sense European consumer needs well and supply quality products at a reasonable price.’

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[Paul Roggema, “Europe Report: Domotechnica 2008: On Location in Cologne, Germany”, Appliance Magazine, April 2008; [www.appliance-magazine.com/editorial.php?article=1940&zone=208&first=1](http://www.appliance-magazine.com/editorial.php?article=1940&zone=208&first=1); website accessed on 28 July 2009].

Beko now also aims to capitalize on its competitive edge in the distribution network and extend this advantage to a wider spectrum of goods, comprising new technological products that have big market potential. With these new steps taken, Beko is actually preparing the brand for the future. The overall goal is to make Beko more competitive in future worldwide trade markets. And as was mentioned at the beginning of this case, Beko has always strived for the impossible, used its imagination to make these dreams come true, and succeeded in the end. Once again, the time is right to make bigger dreams come true.

## BEKO

- Refrigerators
- Washing/Drying Machines
- Dishwashers
- Cookers
- Air Conditioners
- Vacuum Cleaners
- Built-ins
- TV Sets
- Consumer Electronics
- Computers
- Water Heaters/Boilers
- Small Home Appliances

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- Tuğyan Çelik
- Ercüment Gülşen
- Aka Gündüz Özdemir
- Şirzat Subaşı
- Murat Şahin
- İ. Cenk Tüter
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