



Research Article

E-commerce Platforms Innovations and Strategies for Market Expansion

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ABSTRACT

The study offers a thorough examination of the innovative e-commerce techniques employed by prominent online merchants, with a specific focus on the highly competitive sector. The primary objective of this research is to investigate the efficacy of different forms of innovation implemented by prominent global e-commerce platforms, with a specific focus on renowned brands like Amazon (Nasdaq: AMZN), Trendyol (Alibaba), and Hepsiburada (Nasdaq: Heps). In order to accomplish this, the study used the "ten types of innovation" framework to analyze the various aspects of innovation in the e-commerce field. Our analysis reveals the factors that contributed to Amazon's inability to successfully penetrate the Turkish market. The research aims to discover potential innovative opportunities that can facilitate the implementation of blue ocean plans.

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1. Introduction

The field of electronic commerce is undergoing significant changes, which are influencing how consumers behave and reshaping the competitive environment (Aditto et al., 2023; Rahman & Jim, 2024; Sobuz, Joy, et al., 2024; Sobuz, Khan, et al., 2024). Companies must consistently innovate and adjust to fulfill the constantly evolving needs of their clients in this dynamic environment. The Turkish e-commerce market, known for its competitive dynamics and wide-ranging consumer preferences, has also followed similar pattern. With the increasing popularity of online shopping in Turkey, prominent companies such as Amazon are aiming to seize the potential in this flourishing sector (Allahrakha, 2023).

The main objective of this study is to examine the Turkish e-commerce industry, with a specific emphasis on prominent participants such as Amazon, Hepsiburada, and Trendyol (HSBC World Report, 2022) (Sarathy & Robertson, 2003). Our primary focus is on the particular obstacles and barriers encountered by Amazon as a newcomer in the Turkish e-commerce business as illustrated in Fig. 1. How can Amazon strategically overcome these hurdles to strengthen its position? The report presents the "ten types of innovation" concept as a framework for e-commerce enterprises to synchronize their innovation strategy and find unexplored possibilities (Kushwaha et al., 2016). This suggests a desire to provide practical guidance to organizations aiming to

enhance their competitiveness by implementing innovative strategies. By conducting interviews with users and making assumptions based on the 10 types of innovation models, we have gained insights into the specific areas in which these e-commerce platforms have demonstrated exceptional performance and the obstacles they encounter (Stahl et al., 2014).

The "ten types of innovation" method can be employed to survey and categorize different types of inventions within an industry or sector (Ellbel & Flemming, 2022; Hamburg & Grosch, 2017). The technique also facilitates the identification of topics that warrant future research efforts, highlights industry innovation trends, and indicates areas that require more examination. In accordance with the principle, innovations manifest themselves in one of three areas, regardless of the industry: production, value proposition, or user experience. There are a total of ten distinct categories of innovations that are distributed throughout three separate domains (Tiwary & Pradesh, 2011).

In order for an organization to thrive and grow, it is essential to have innovation. However, for innovation to drive processes, it is necessary to have strategies that focus on creating value based on consumer expectations (Shou, 2012). Businesses that lack an innovation strategy may face challenges in evaluating the disadvantages of other tactics, such as consumer participation and co-creation (Zwass, 2003). Business innovation strategies prioritize the company's core

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values and development potential to meet customer demands and explore untapped markets. The ten types of innovation model, created under the leadership of Larry Keeley from the Doblin innovation firm, provides a comprehensive approach to innovation (Nemati, 2007). It includes not only the performance of the product, but also factors such as the network, structure, process, value proposition, and user. By matching their plans with this model, e-commerce enterprises can discern unexplored prospects and provide a pathway to get a competitive edge.

In this study, we examine two separate competing strategies: the "red ocean", which refers to increased competition within established market limits, and the "blue ocean", which represents unexplored market area with significant potential for profitable growth. Using this perspective, we assess how e-commerce enterprises establish their position in the market and explore the consequences for customer satisfaction and engagement.

We explore the specific areas in which e-commerce platforms could invest substantial resources in innovation, including production, value proposition, and customer engagement. This analysis identifies opportunities for enhancing the overall customer experience and addressing typical obstacles, such as shipment delays, gaps in product information, and customer service concerns, through prospective upgrades and inventive solutions.

This study offers e-commerce organizations useful insights and techniques to compete and survive in the competitive and always-changing digital industry (White et al., 2007). This entails comprehending the intricacies of client experiences, employing the 10 types of innovation models, and adopting innovation and customer-centric methodologies. The primary objective is to help e-commerce enterprises navigate the competitive environment, expand into untapped markets, and establish lasting and robust customer relationships. The main objective of this study is to provide counsel and expertise that will enhance the success of e-commerce enterprises in the rapidly evolving and thriving digital industry (Coulter et al., 2022).

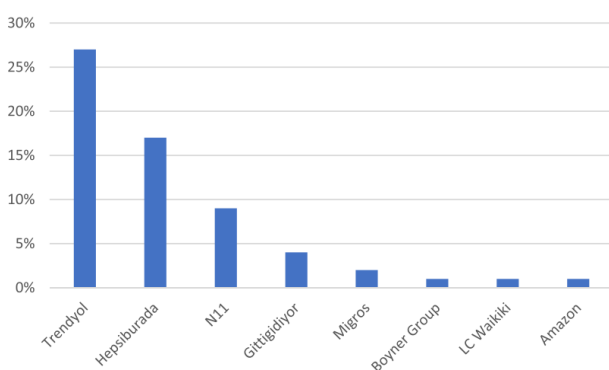


Fig. 1. Top e-commerce platform for 2021-22 in Turkey (Warren, 2018)

2. Strategies for fostering innovation

A strategy is just a commitment to a set of interconnected actions that are designed to achieve a specific competitive objective. Based on this principle, an innovation strategy organizes stages of growth to meet client needs that have not been fulfilled. These strategies assist firms in staying current, adjusting to changing market conditions, and taking advantage of new possibilities. According to many authors, innovation strategy refers to a set of context-specific and logically justified decisions that act as management tools for creating new ideas and products in a certain industry. It is essential to note that innovation plans can encompass a wide range of activities, including introducing new products and services, improving internal processes, and implementing novel business models.

Companies that opt for a complex innovation strategy, which involves innovations in product, processes, organization, and marketing, outperform both companies that do not innovate at all and those that only focus on simple innovation strategies. These findings suggest that a comprehensive approach to innovation leads to better future productivity.

Business innovation models assist organizations in sustaining a competitive edge over their rivals. Disruptive innovation is the introduction of novel items, services, or business models that fundamentally change the functioning of an industry. The primary focus of incremental or radical innovation is to make small or large improvements to existing items, services, or method. Open innovation involves engaging with external entities such as suppliers, clients, research institutes, start-ups, universities, or business incubators to jointly generate and develop new ideas, goods, or services.

Authors asserts that a significant proportion of Chinese industrial businesses exhibit inefficiency in their research and development (R&D) activities. Competition drives firms to prioritize improving the efficiency of innovation. However, it also undermines teamwork and leads to unforeseen research and development outcomes, neglecting other potential opportunities such as channel and consumer interaction. The findings indicate that companies require assistance in formulating appropriate innovation strategies to achieve sustained success in innovation. Business strategy is essential not only for small and medium-scale enterprises but also for large corporations like Amazon.

3. Methodology and output

3.1. Context and individuals involved

The research employed a structured interview as the methodology, focusing on the participants' experiences pertaining to social interactions and connections inside the realm of e-commerce. The study sample consisted of 200 individuals from various locations of the world who possessed significant expertise in e-commerce. Table 1 presents specific attributes of individuals, such as their age, geographic location, gender, frequency of online shopping, and occupation.

The saturation point in the qualitative approach refers to the point at which no new information or insights are being obtained, and it indicates the optimal number of researchers involved in the study. Nevertheless, research showed that a range of 9-17 is statistically satisfactory, assuming the subject, geography, and individuals are homogeneous. Many authors

argue that when the presence of diverse aspects grows, it becomes imperative to augment the number of speakers. We increased the number of participants until we obtained representation from every domain (with a minimum of 20 people) associated with the 'ten types of innovation'.

Table 1. Demographic information (Zwass, 2003)

Age	Region	Gender	Frequency (e-purchase per year)	Occupation
20-29%	Black Sea %	F %	Seldom %	Student %
3430-	12Marmara %	75 M %	21Some %	10Housewife %
39%	34Ege & Med %	25	57Frequently %	34Officer %
3640-	24East %		3 2	6Worker %32Self-employed %18
49%	19Southeast %11			
2650-				
59%4				

3.2. Categorization

The findings were classified into 10 distinct innovation kinds, shown in Fig. 2. Our approach focuses on assessing the equilibrium between favorable and unfavorable statements made by customers regarding their experiences. This assessment is a useful tool for determining the current market conditions and identifying chances for innovation. If the number of positive statements greatly exceeds the number of negative statements, it indicates that customers are typically content with the current options. In such instances, there may be a restricted scope for creativity, and the market can be compared to a 'red ocean,' distinguished by fierce rivalry within established market limits. On the other hand, if the quantity of positive and negative statements is approximately the same, it indicates that there are still possibilities for innovation. This scenario aligns with the commonly referred to concept of a 'blue ocean.' In this context, the market has not been fully explored yet, and there is an opportunity for enterprises to develop innovative products and experiences in order to acquire a competitive edge.

However, if the number of negative statements is more than the number of positive ones, it suggests that there are substantial deficiencies in the current products. There are several potentials for innovation in this situation, and firms should actively strive to overcome these challenges and improve the customer experience.

Our examination of the ratio between positive and negative customer statements allows us to evaluate market conditions and the opportunity for innovation. It helps us determine whether the market resembles a red ocean with restricted innovation prospects, a blue ocean with unexplored potential, or a scenario where there is a definite requirement for innovation to meet customer problems.

4. Discoveries

The 10 sorts of innovation model provides a thorough and forward-looking approach to innovation. It provides organizations with the necessary skills and knowledge to adjust, prosper, and discover new untapped opportunities in their specific industry. Adopting this paradigm enables organizations to surpass the limitations of conventional thinking and navigate a path towards long-lasting growth and achievement. Companies may strategically deploy resources and foster innovation across their whole organization by prioritizing three essential pillars: production, value proposition, and user experience.

In contrast to traditional research and development-focused methods, the ten types of innovation model include a wide array of individuals and groups in the process of generating ideas. Forward-thinking firms recognize that innovation is not solely the purview of scientists and engineers, but rather necessitates the collaborative endeavors of the entire business and its leadership. Although R&D is primarily accountable for product performance advancements, other departments, such as human capital for organizational framework, sales and finance for profitability, and marketing for brand

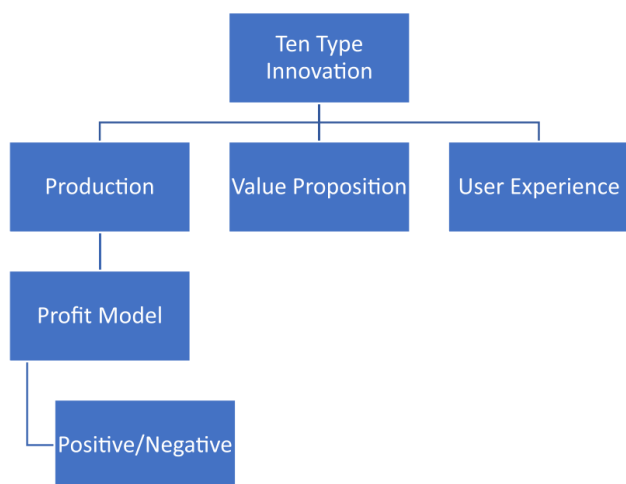


Fig. 2. Categorization (Warren, 2018)

development and consumer interaction, also have significant contributions to the innovation process. The model's focus on engaging various stakeholders in the process of generating ideas underscores the significance of collaborative endeavor in promoting innovation. This statement emphasizes that innovation is not confined to particular departments, but rather necessitates a comprehensive strategy guided by visionary leadership.

Utilizing the 10 types of innovation models in the e-commerce sector yielded significant findings regarding user

experiences and satisfaction levels. E-commerce platforms can gain a better understanding of their strengths and shortcomings by identifying regions with high, moderate, and low levels of competition. This knowledge allows them to make focused adjustments. Organizations can unlock untapped potential and create value by investing in structure, channel, and product systems, as well as focusing on network, process (change), and customer interaction. This approach allows organizations to succeed even in the absence of direct competition.

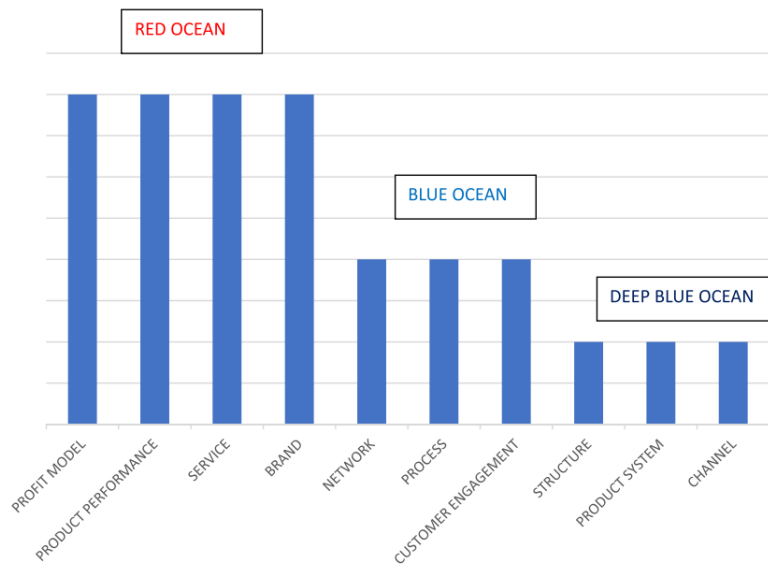


Fig. 3. Competition in the Turkish market (Warren, 2018).

In order to stand out and expand in markets dominated by a few large corporations, businesses must constantly strive to distinguish themselves and explore new opportunities for expansion, either through groundbreaking innovations or strategic acquisitions. Utilizing frameworks such as the ten categories of innovation can offer a systematic approach to identifying unexplored possibilities and achieving success in both competitive and potentially uncharted market situations.

Amazon entered the Turkish market with the goal of expanding its worldwide reach and taking advantage of the expanding e-commerce industry in the nation. In order to do this, they prioritized tackling specific crucial factors including profit margins, product assortment, customer service, and brand awareness. These regions were considered crucial for developing a competitive position in the Turkish e-commerce industry (Fig. 3).

Nevertheless, Amazon encountered the obstacle of existing competitors dominating these industries. The fierce pricing competition has already tightened profit margins, and both local and international firms are already offering a wide range of products and services. Moreover, Amazon faced the challenge of meeting elevated customer expectations for exceptional service, which hindered its ability to distinguish itself substantially. Establishing a brand presence in such a highly competitive environment was likewise a challenging endeavor.

As of 2023, Amazon's innovation activities in the Turkish market are showing both high and low levels. They are currently stuck in a highly competitive market where other brands have already established themselves. This includes their profit model, product performance, service, brand, and features such as return and refund of products, tracking of cargo, and secure payment. Within a red ocean, enterprises engage in intense competition within established market parameters, frequently resulting in pricing conflicts and restricted profit potential.

5. Conclusions

In this study, we conducted a comprehensive search of prominent e-commerce platforms with the aim of introducing innovative practices to enhance their company operations. Amazon, as a prominent international entity, has established a robust competitive stance in the realm of branding. However, upon entering the Turkish market, it started to see a decline in market share because of the presence of well-established brands as Trendyol and Hepsiburada.

By employing the Ten Types of Innovation Framework, we analyzed the innovations present in online platforms and discovered that the industry was trapped in a state of intense competition focused on adding new features. The majority of the rivals focused their efforts on innovation in the "offerings" category. This included strategies such as providing specific products at competitive prices, implementing a service

system that promptly addresses consumer complaints, and building strong brand identities. The framework also identified areas lacking in innovation, such as customer engagement and channel.

In an oligopolistic market, it is imperative for any firm, including a formidable one like Amazon, to emphasize disruptive technologies in order to acquire a competitive advantage and expand its market share. In the absence of such breakthroughs, the company may experience stagnation and find it challenging to differentiate itself in the face of intense competition. Nevertheless, if it is not possible to achieve significant advancements or if the company's resources and abilities are not well-suited to support such attempts, pursuing acquisition opportunities may be a more secure method.

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