

Analysing competitiveness of Denizli home textile sector

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ABSTRACT – REZUMAT

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Turkey, which is the biggest home textile supplier for European Union, is the fourth biggest home textile supplier of the world. Besides, Denizli province is the place where this sector is clustered and strongly operated in Turkey. Therefore, Denizli home textile sector is a structure, which explicitly and accurately represents Turkish home textile sector. In this context, this research aims to analyse the competitiveness of Denizli home textile sector, which substantially contributes to Turkish textile and clothing sector. In accordance with the aim of the research, the competitiveness of Denizli home textile sector is analysed by using Porter's diamond model. According to the obtained results, competitiveness of Denizli home textile sector is determined as high.

Keywords: home textiles, Denizli home textile sector, Porter's diamond model, competitiveness

Analiza competitivității sectorului textilelor de uz casnic din provincia Denizli

Turcia, cel mai mare furnizor de textile de uz casnic pentru Uniunea Europeană, este al patrulea cel mai mare furnizor de textile de uz casnic din lume. În plus, provincia Denizli este locul în care acest sector este clusterizat și activ în Turcia. Prin urmare, sectorul textilelor de uz casnic din Denizli este o structură care reprezintă în mod explicit și precis acest sector din Turcia. În acest context, această cercetare își propune să analizeze competitivitatea sectorului textilelor de uz casnic din Denizli, ce contribuie substanțial la sectorul textil și de îmbrăcăminte din Turcia. În conformitate cu scopul cercetării, competitivitatea sectorului textilelor de uz casnic din Denizli este analizată utilizând modelul diamantului lui Porter. Conform rezultatelor obținute, competitivitatea sectorului textilelor de uz casnic din Denizli este determinată ca fiind ridicată.

Cuvinte-cheie: textile de uz casnic, sectorul textilelor de uz casnic din Denizli, modelul diamantului lui Porter, competitivitate

INTRODUCTION

Home textiles, can be defined as textile products, which are used to fulfil the indoor needs. Home textiles, generally involve textile and/or apparel products such as bedclothes, bed linens (sheets, pillowcases and duvet covers), curtains, upholstery fabrics, towels, bathrobes, tablecloths, swabs, carpets and rugs, blankets, quilts, pillows and cushions [1].

In this context, home textiles, constitute one of the product groups which are prominent in textile and clothing market and whose consumption is gradually increasing. Thus, Turkey, which is one of the most significant players and exporters of global textile and clothing market, is one of the leading countries in home textiles.

If the leading global home textile exporters are analysed, it can be seen that China takes the first place with 31.3 billion dollar exports. India follows China with 4.8 billion dollar home textile exports, whereas Pakistan takes the third place with 3.3 billion dollar exports. Turkey is the fourth biggest home textile exporter of the world with 2.8 billion dollar exports [2].

Turkish home textile sector, which has actualized 2.7 billion dollar exports in 2017, takes 4.5% share from global home textile market [3].

The global home textile market has reached to 90–95 billion dollar size in 2018 and the ranking of leading global home textile exporters has remained the same. Turkey, which is the biggest home textile supplier of European Union, has exported home textiles to more than 170 countries and has continued to be the fourth biggest home textile exporter of the world after China, India and Pakistan, with its design and production potential [4]. As it can be seen, Turkish home textile sector possesses a significant place in Turkish economy due to its export and added-value creation potential. Besides, Denizli province is the place where home textile sector is clustered and strongly operated in Turkey.

Approximately 57% of Turkey's towel, bathrobe, sheet and duvet cover exports are actualized from Denizli [3, 5]. In this context, this research, aims to analyse the competitiveness of Denizli home textile sector, which is the strongest home textile cluster in

Turkey, by using Porter's diamond model. There are many researches in the literature, which analyse the competitiveness of different nations/countries and dissimilar industries/sectors by using Porter's diamond model. Besides, there are studies, which analyse the competitiveness of textile and clothing sectors of different countries (China, India, Thailand, Iran, South Korea, Vietnam, Italy, Turkey) [6–18]. However, there are not any researches, which analyse the competitiveness of home textile sector, which is one of the most important sub-sectors of textile and clothing sector. At this point, this study differentiates from other researches and contributes to the literature by focusing on Turkey, which is one of the most significant global home textile exporters, and Denizli home textile sector, which is the strongest home textile cluster in Turkey.

THE PURPOSE AND THE METHOD OF THE RESEARCH

Turkish textile and clothing sector possesses a significant place in Turkish economy due to its production, exportation and employment potential. Besides, it is one of the leading global textile and clothing suppliers due to its export potential. In other words, it owns both national and international success and competitiveness. At this point, home textile sector appears as a sub-sector which substantially contributes to this success. In addition to this, Denizli, which possesses the highest home textile production and exportation in Turkey, is the province where home textile sector is clustered. Approximately 57% of Turkey's towel, bathrobe, sheet and duvet cover exports are actualized from Denizli in 2016 (the year when the research is actualized) [3, 5]. The towel, bathrobe, sheet and duvet cover exports of Denizli home textile sector is actualized as 784,414,000 dollars in 2016, 797,563,000 dollars in 2017, 750,384,261 dollars in 2018 and 711,458,000 dollars in 2019 [5, 19, 20]. Similarly, about 52% of Turkey's towel, bathrobe, sheet and duvet cover exports are fulfilled from Denizli in 2019 [20, 21]. Turkey's average home textile unit export price per kilogram is actualized as 8.52 dollars in 2016. The unit export prices of towels and bathrobes and sheet and duvet covers, whose exports are mainly actualized by Denizli home textile sector, are fulfilled as 8.08 and 8.49 dollars per kilogram [22]. In 2019, Turkey's average home textile unit export price per kilogram is actualized as 8.41 dollars, whereas the unit export price of towel and bathrobe per kilogram is fulfilled as 8.25 dollars and unit export price of sheet and duvet cover per kilogram is actualized as 8.63 dollars [21]. As it can be seen, Denizli home textile sector has provided significant contributions to Turkey's home textile exports and has created added value in the year when the research is actualized and even afterwards. Therefore, Denizli home textile sector is a structure, which explicitly and accurately represents Turkish home textile sector. In this context, this research aims to analyse the competitiveness of

Denizli home textile sector, which is the strongest home textile cluster in Turkey and therefore, which substantially contributes to Turkish textile and clothing sector with regard to home textile products.

In accordance with the aim of the research, the method is determined firstly. There are many methods in the literature, which can be used for competitiveness analysis. Porter's diamond model, which is one of these methods, is frequently and effectively used in competitiveness analysis. In this context, the competitiveness of Denizli home textile sector is analysed by using Porter's diamond model.

The diamond model is an economical model developed by Michael Porter in his book *The Competitive Advantage of Nations*, where, in 1990 he published his theory of why particular industries become competitive in particular locations [23, 24]. To investigate why nations gain the competitive advantage in particular industries, Porter conducted a four-year study of ten important trading nations and suggested the diamond model [8]. The model evaluates internal and external factors that create advantages in the global market [25]. Porter concluded that a nation succeeds in a particular industry if it possesses a competitive advantage relative to the best worldwide competitors [8]. Therefore, it provides an excellent framework to analyze the competitiveness of a particular industry within a country [9]. In other words, it is a framework that defines the rules of competition in an industry and highlights what is important in order to have long-term competitive advantage. Thus, it is widely used to establish a conceptual frame in competitiveness analysis of industries and nations [26].

Porter defines the competitiveness of a location as the productivity that companies located there can achieve. He believed that measuring competitiveness is a mapping of competitive environment of an organization which helps the nation to form a sound basis for business strategies and developments [6]. Porter argued that the competitiveness is created, not inherited and claimed that the source of competitiveness is the competitive advantage, which is created and sustained through a highly localized process [7]. According to Porter, competitive advantage in a given industry is a combination of the ability to innovate, to improve processes and products as well as to compete. To determine national competitive advantage in different industries, Porter developed a conceptual framework which he labeled diamond that consists of four interrelated determinants [27]. Those determinants, individually and as a system, constitute the diamond model of national advantage, which serves as a playing field that each nation establishes and operates for its industries. The competitiveness will increase when each of these determinants are improved [7].

According to Porter's diamond model, four main determinants that underlie conditions or platform for determination of the national competitive advantage are factor conditions, demand conditions, related and supporting industries and firms' strategy, structure and rivalry [7]. These elements interact with each

other [23]. Porter also proposed government policies and chance as exogenous shocks (as auxiliary elements), which supported the whole system of national competitiveness with four above-mentioned determinants [7, 23].

Factor conditions implies the country's access to factors of production, or in other words, factor conditions refer to the production performance of a country's certain industry [23, 28]. Factor conditions represent the factor endowment of a country or industry and can be distinguished in basic factors and advanced factors [27]. According to Porter, the availability of the basic factors of production (labor, land, natural resources, capital, infrastructure etc.) impacts the economic activity. It is the availability of these factors that will determine the balance between exports and imports. However, Porter considers the advanced factors (highly trained labor force, national communications infrastructure etc.) as more important to influence a country's competitive advantage. The existence of these advanced factors, as well as country's capability to develop them, will define a country's competitive advantage [29].

Demand conditions refer to the domestic demand of a product or service which is provided by a certain industry [23, 27]. It concerns the size and nature of domestic demand [28]. Demand conditions in the home market can help companies create a competitive advantage, when sophisticated home market buyers push firms to innovate faster and create more advanced products than their competitors. Demand conditions can improve the industry's efficiency through the power of economies of scale. Meanwhile, the country's expected demand can lead to the improvement of industrial competitiveness [23].

Related and supporting industries concerns the presence or absence of supplier industries or related industries that are internationally competitive [28]. They provide a preponderant network for competitive advantage of industries. This network can be formed by a top-down spreading process [23]. The presence of related and supporting industries, which are internationally competitive, provides effective and efficient supply of cost-effective inputs. Also, it promotes innovation and improvements through the increased flow of information and technology [29]. Moreover, the relation between the related and supporting industries leads to sharing of know-how and encouraging each other by producing complementary products [30].

Firms' strategy, structure and rivalry are firms' organizational structure and management situations and the performance of competitors in domestic market [23]. In other words, it describes the conditions of a country determining how firms are organized and run [27]. The intensity of rivalry will push firms to review their operation, quality and innovation. Porter considers domestic rivalry to be more important than international rivalry because the former is more intense and direct [29].

Chance can affect the four key elements. Chance can come in different ways including; inventions in

basic science and technology, the emergence of disruption in traditional technologies, a sudden increase in production costs caused by external factors, significant changes in financial markets or exchange rates, a surge in market demand and a government's major policy decisions or war. This external factor is important because it can create discontinuities in which some organizations gain competitive positions and some lose [23].

Government can influence factor conditions, demand conditions in the domestic market and competition between firms. Government intervention can occur at local, regional, national or supranational levels. Governments should influence conditions by creating new opportunities and reducing pressures within industry. The areas which government should directly invest in are those whereby firms cannot take strong action including; infrastructure development, opening up channels for capital and developing information integration capabilities [23].

After the research method is specified, the main and sub-factors of the model, which analyse the national and international competitiveness of the sector, are determined. According to this, the model consists of 6 main, 45 sub-factors (figure 1). In the third stage, a questionnaire form consisting of 45 questions is prepared for analysing these factors. The survey is conducted between September 2016 and December 2016 by using face to face interview method. The surveys are answered by senior managers [31].

The research universe consists of enterprises, which operate in Denizli home textile sector. According to the enterprise information, which is obtained from Denizli Chamber of Industry, 264 enterprises operate in Denizli home textile sector. However, when this information is analysed in detail, it is found out that 116 of these enterprises only produce woven fabrics, 25 of them actualize contract manufacturing, 2 of them only produce knitted fabrics, 6 of them do not produce home textile products anymore and 2 of them are closed. Due to these reasons, only 113 enterprises are incorporated in research universe [31]. The research aims to analyse the competitiveness of Denizli home textile sector. Therefore, the criteria, which reflect the research universe and actualize research's aim, are taken into consideration. These criteria are determined as; operating in Denizli home textile sector, being classified as big-sized enterprises according to annual turnover and employee number and possessing research and development and/or design departments/centres. Research sample has been consisted of the enterprises, which meet these criteria, because it is thought that, these enterprises can give accurate, explicit and objective information about the sector's competitiveness. Besides, most of the small and medium sized enterprises, which operate in the sector, supply products to big-sized enterprises, which meet the determined criteria. In this context, these enterprises possess knowledge accumulation, which can majorly analyse the competitiveness of small and medium sized enterprises. 12 enterprises out of 113

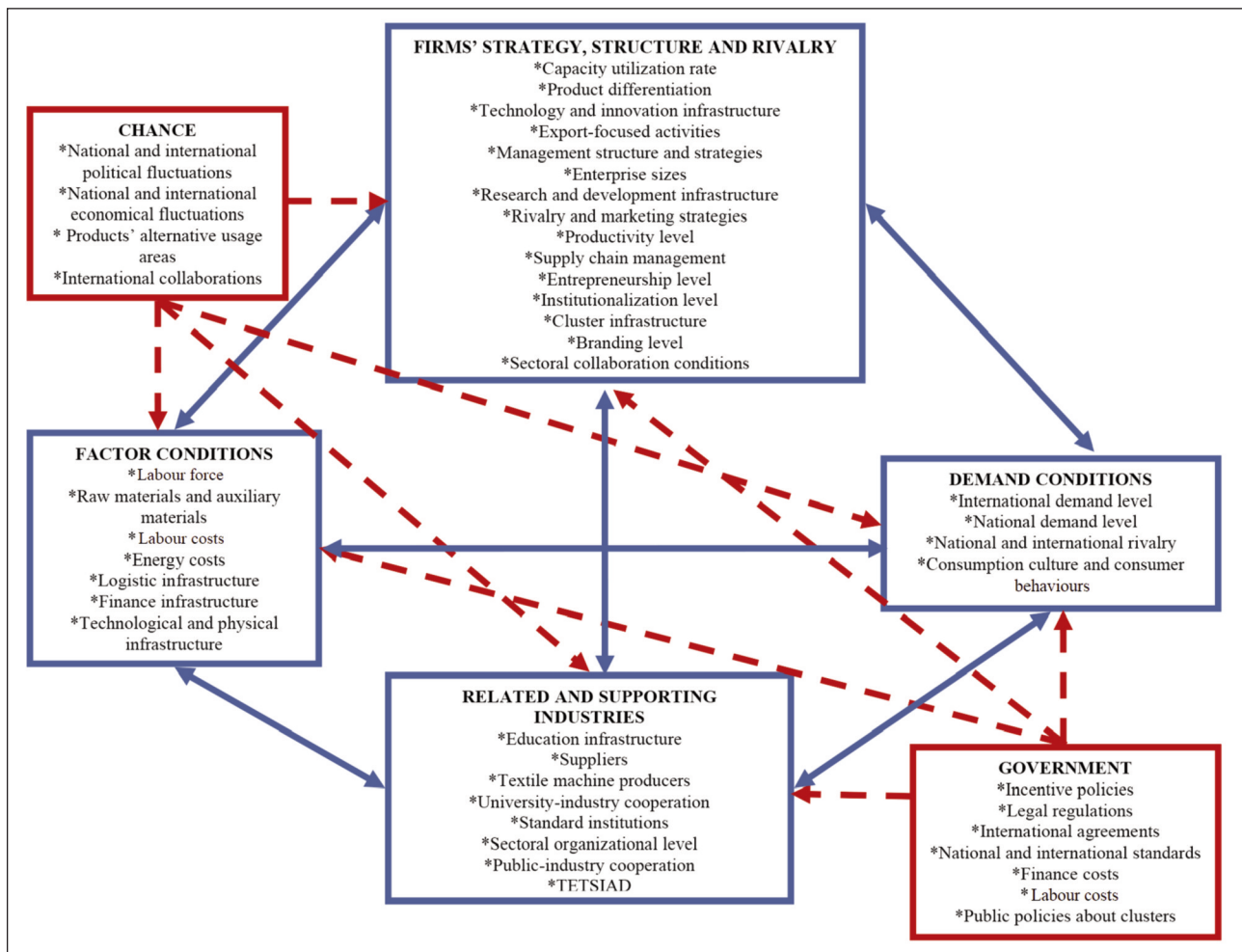


Fig. 1. The diamond model of the research

meet the determined criteria and 10 out of 12 enterprises have accepted to be participated in the research. After the repatriation and evaluation 10 questionnaires have incorporated to the research. Obtained data are analysed by using Porter's diamond model.

FINDINGS OF THE RESEARCH AND THEIR ANALYSIS

The survey offers 45 factors, which analyse the competitiveness of Denizli home textile sector. All participants (senior managers of home textile enterprises) are required to choose the sector's competitiveness level according to the quinary Likert scale. In other words, they are required to answer a question (How advantageous is the sector in this factor with regard to competitiveness?) for each factor. In quinary Likert scale, definitely advantageous is coded as 5, advantageous is coded as 4, neither advantageous nor disadvantageous is coded as 3, disadvantageous is coded as 2 and definitely disadvantageous is coded as 1. Afterwards, arithmetic means are calculated for each sub-factor and main factors' arithmetic means are calculated by using those means. Finally, general arithmetic mean is calculated by using main factors' arithmetic means. The findings are given in table 1.

As it can be seen from the obtained results, competitiveness of Denizli home textile sector is determined as high (3.98). In other words, Denizli home textile sector is specified as advantageous according to the factors, which analyse competitiveness. Sector is mostly advantageous (mostly competitive) in factor conditions (4.34). This main factor is followed by firms' strategy, structure and rivalry (4.11), chance (3.98), demand conditions (3.95), government (3.86) and related and supporting industries (3.61) respectively.

If the sub-factors of factor conditions (the most competitive factor of Denizli home textile sector) are analysed, it can be seen that, labour force is determined as the most advantageous sub-factor in terms of competitiveness. This sub-factor is followed by raw materials and auxiliary materials, technological and physical infrastructure, labour costs, finance infrastructure, logistic infrastructure and energy costs respectively. Turkish textile and clothing sector has maintained its importance within the national economy for many years due to its employment and added-value creation potential. Thus, Denizli home textile sector, which constitutes a significant part of this sector, is lucky and wealthy in terms of labour force. Sector, can easily find and employ qualified and low-cost labour (both blue and white collars), who has

COMPETITIVENESS ANALYSIS OF DENIZLI HOME TEXTILE SECTOR				
Main factors	Sub-factors	Arithmetic means of sub-factors	Arithmetic means of main factors	General arithmetic mean
Factor conditions	Labour force	4.60	4.34	3.98
	Raw materials and auxiliary materials	4.50		
	Technological and physical infrastructure	4.50		
	Labour costs	4.40		
	Finance infrastructure	4.20		
	Logistic infrastructure	4.11		
	Energy costs	4.10		
Firms' strategy, structure and rivalry	Capacity utilization rate	4.67	4.11	
	Product differentiation	4.67		
	Technology and innovation infrastructure	4.56		
	Export-focused activities	4.44		
	Management structure and strategies	4.33		
	Enterprise sizes	4.22		
	Research and development infrastructure	4.22		
	Rivalry and marketing strategies	4.22		
	Productivity level	4.22		
	Supply chain management	4.00		
	Entrepreneurship level	3.88		
	Institutionalization level	3.80		
	Cluster infrastructure	3.63		
	Branding level	3.60		
Sectorial collaboration conditions	3.22			
Chance	National and international political fluctuations	4.11	3.98	
	National and international economical fluctuations	4.00		
	Products' alternative usage areas	4.00		
	International collaborations	3.80		
Demand conditions	International demand level	4.60	3.95	
	National and international rivalry	4.00		
	Consumption culture and consumer behaviours	3.80		
	National demand level	3.40		
Government	Incentive policies	4.50	3.86	
	Legal regulations	4.00		
	International agreements	4.00		
	National and international standards	3.90		
	Finance costs	3.90		
	Labour laws	3.50		
	Public policies about clusters	3.22		
Related and supporting industries	Education infrastructure	4.60	3.61	
	Suppliers	4.20		
	Textile machine producers	4.10		
	University-industry cooperation	3.40		
	Standard institutions	3.30		
	Sectorial organizational level	3.22		
	Public-industry cooperation	3.20		
	TETSIAD (Turkish Home Textile Industrialists' and Businessmen's Association)	2.89		

been specialized on home textile production. The obtained results also support this argument. On the other hand, although the labour costs are the same or more feasible according to other sectors' labour costs, they are high with regard to their Far Eastern rivals. However, the sector differentiates from its Far Eastern rivals due to its qualified products and services and therefore, the sector can ignore the effect of relatively high labour costs on competitiveness.

Sector, can reach to necessary qualified raw materials and auxiliary materials with affordable prices by benefiting from the integrated structure of Turkish textile and clothing sector and therefore, it can be competitive in this factor. Similarly, it can be competitive in technological and physical infrastructure by benefiting from the integrated structure and Denizli home textile cluster. Besides, sector specifies itself as advantageous with regard to competitiveness in finance and logistic infrastructures due to the various and easily accessible financial resources and developed logistic sector which serves with high quality. In addition to these, sector determines that it is also competitive in energy costs. Although the energy costs in Turkey are relatively high according to the Far Eastern rivals, the diversity, productivity and quality of the energy is much more with regard to them. Therefore, the sector stated that its competitiveness is especially high in terms of national rivalry. The sector is also competitive in firms' strategy, structure and rivalry. Capacity utilization rate and product differentiation are determined as the most advantageous sub-factors in terms of competitiveness. If the Turkish textile and clothing sector is compared with other manufacturing industry segments, it can be seen that it possesses high capacity utilization rates. Capacity utilization rate of manufacturing industry in 2016 is 77.36% whereas it is 77.71% in textile production and 78.46% in clothing production [32]. Therefore, Denizli home textile sector, which is a sub-sector of this sector, also possesses high capacity utilization rates and it can easily compete against its national and international rivals. On the other hand, sector gives necessary importance to research and development activities and product development activities and pays ultimate attention to product differentiation in order to differentiate from its rivals. The technology and innovation infrastructures of enterprises within the sector are generally in good state. Especially, the big-sized enterprises give great importance to technology and innovation and follow the current developments. Consequently, the sector's competitiveness in this factor is high.

Most of the enterprises within the sector operate as export-focused. As a matter of fact, approximately 57% of towel, bathrobe, sheet and duvet cover exports of Turkey are actualized from Denizli. Therefore, the sector's high competitiveness in export-focused activities is extremely usual. On the other hand, the sector possesses high competitiveness in other sub-factors such as management structure and strategies, enterprise sizes, research and development infrastructure, rivalry and marketing

strategies, productivity level and supply chain management. Sector significantly contributes to both textile and clothing sector and national economy with its knowledge accumulation and labour, export, technology and management potential. The sector should be competitive in these factors in order to provide and maintain these contributions. The enterprises within the sector specify that their competitiveness is at intermediate level in entrepreneurship, institutionalization, cluster, branding and sectorial collaboration conditions. Most of the enterprises within the sector operate as small and medium sized enterprises and family business. Thus, the entrepreneurship capacities and institutionalization levels are found to be low. Besides, the branding levels are determined as insufficient due to the restricted budgets, which are spent to other important factors in terms of being competitive. Therefore, the sector's competitiveness is decreased in these factors. On the other hand, the enterprises within the sector persist in seeing each other as rivals and do not benefit from cluster synergy. Thus, both the cluster infrastructure and sectorial collaboration conditions are negatively affected.

Sector's competitiveness is determined as high in chance factor. Chance factor is existed as an auxiliary factor within the diamond model. However, this auxiliary factor is determined as very important (more important than other two main factors). This situation can be explained with variability of Turkey's economical conjuncture and the continuity of middle income trap. National and international economic and political fluctuations are specified as the most advantageous sub-factors in terms of competitiveness. The country has been used to political and economic crises due to its geographical location and its long-standing classification as a developing country. Therefore, the enterprises, which operate in the country, are experienced in turning the crises into opportunities, because frequent crises have educated enterprises in terms of adapting to alterations. Enterprises can be able to manufacture with small amounts in short deadlines by using flexible production techniques in order to satisfy the high product variety demand. Besides, they benefit from the price advantage, which is constituted due to the depreciation of Turkish Lira within international markets. Consequently, Denizli home textile sector specifies the economic and political crises as an opportunity and determines its competitiveness as high. Besides, the sector indicates that its products have alternative usage areas. In other words, home textile products are not only used by individuals in houses. They are also used in hotels, schools and public institutions. On the other hand, sector determines its competitiveness in international collaborations as intermediate-high. Although the enterprises within the sector give great importance to international collaborations, they refuse many opportunities due to loss fear (they believe that their confidential business information would be stolen by their partners and/or their enterprises would be bought by them).

Sector's competitiveness is also specified as high in demand conditions. International demand level is indicated as the most advantageous sub-factor in terms of competitiveness. The sector operates as export-focused. Therefore, the sector does not experience any difficulties in terms of international demands. Moreover, sometimes it misses some orders. On the other hand, the competitiveness level is determined as intermediate in national demands, because the sector gives more importance to foreign markets rather than domestic market. Also it mostly operates towards foreign markets. Thus, its competitiveness in national demands is found to be low. Besides, the sector determines its competitiveness as high in national and international rivalry and consumption culture and consumer behaviours. Sector's production and export figures can be shown as evidence to these competitive advantages.

Sector determines its competitiveness in government factor as intermediate-high. Incentive policies are determined as the most advantageous sub-factor in terms of competitiveness. Although the sector complains about the inadequate government incentives, it extremely benefits from the proper incentives. Moreover, the sector especially benefits from the incentives which are related with research and development and design centres. As it can be seen, sector benefits from existing government incentives and sees itself advantageous about this sub-factor. However, it continuously demands increments in these incentives. On the other hand, the sector possesses high competitiveness in legal regulations, international agreements, national and international standards and finance costs. As it can be seen, sector can turn the legal regulations' and international agreements' disadvantages and finance costs' highness into advantages. The sector decreases the finance costs by benefiting from long-term finance possibilities and by using equity capital in their investments as far as possible. In addition to these, it eliminates the disadvantages of international agreements' and standards' costly obligations by manufacturing high added-value products. Sector specifies its competitiveness in two sub-factors (labour laws and public policies about clusters) as intermediate. Sector defines the labour laws' legal obligations as loads and indicates that public policies about the clusters are inadequate.

Finally, sector determines its competitiveness in related and supporting industries factor as intermediate-high. Education infrastructure is determined as the most advantageous sub-factor in terms of competitiveness because the sector possesses qualified labour. Besides, it gives necessary importance to vocational education and allocates enough funds. In addition to these, the employees' educational level gradually increases and enterprises give great importance to continuous development. The sector has realized that qualified and issueless production requires qualified labour and qualified labour requires sufficient and qualified education. On the other hand, sector also specifies high competitiveness in terms of

suppliers and textile machine producers. Turkish textile and clothing sector is an integrated and experienced sector. Therefore, Denizli home textile sector, which constitutes an important part of this sector, is advantageous in finding qualified and accoutred suppliers. Besides, the sector gives necessary importance to technological development and closely connects with machine producers (especially with foreign ones). Sector specifies its competitiveness in four sub-factors (university-industry cooperation, standard institutions, sectorial organizational level and public-industry cooperation) as intermediate.

Although the sector possesses developed and integrated infrastructure (production possibilities, raw material possibilities, technological infrastructure etc.) and cluster, it can't be able to reach to the desired level in university-industry and public-industry cooperation, which are the sub-factors of cluster. Therefore, the university-industry cooperation and public-industry cooperation are determined as unsatisfactory. In this context, Denizli home textile sector loses its competitive advantage (especially its international competitive advantage) in these factors. Besides, sectorial organizational level is found out to be low due to inadequate sectorial collaboration. The enterprises within the sector see each other as rivals. In addition to these, the sector indicates that TETSIAD (Turkish Home Textile Industrialists' and Businessmen's Association), which constitutes a significant part of sectorial organization, does not contribute to its competitiveness in any way.

RESULTS AND GENERAL EVALUATION

Turkish home textile sector, which constitutes an important part of textile and clothing sector which has been an essential and significant sector of Turkish economy for many years, significantly contributes to sector and national economy with its production and exportation potential. Besides, Denizli home textile sector constitutes the backbone of Turkish home textile sector due to its home textile cluster and strong activities. In this context, this study, analyses the competitiveness of Denizli home textile sector, which constitutes the backbone of Turkish home textile sector, by using Porter's diamond model.

As it can be seen from the obtained results, the competitiveness of Denizli home textile sector is determined as high. Approximately 62% of the 45 factors, which analyse the competitiveness of the sector, are found to be definitely advantageous or advantageous in terms of competitiveness. As a matter of fact, approximately 57% of towel, bathrobe, sheet and duvet cover exports of Turkey are actualized from Denizli and Turkey is the fourth biggest home textile supplier of the world. Therefore, this finding is extremely usual. If the sector's competitiveness is analysed in terms of main factors, it can be seen that, the sector possesses high competitiveness in four factors, whereas it owns intermediate-high competitiveness in two factors. Sector is mostly advantageous (mostly competitive) in factor conditions,

whereas it is lowly advantageous in related and supporting industries. If the integrated structure and development of Turkish textile and clothing sector are taken into consideration, the high competitiveness of Denizli home textile sector, which constitutes a significant part of this sector, in factor conditions (in other words production factors such as labour, raw materials, auxiliary materials, technological and physical infrastructure, logistic infrastructure etc.) would not be surprising.

On the other hand, the sector possesses high competitiveness in firms' strategy, structure and rivalry. The enterprises, which operate in the sector, indicate that they can easily compete with their rivals in terms of export-focused activities, capacity utilization rates, productivity levels, management structures, rivalry and marketing strategies and supply chain management; because, they are very successful in these factors, which directly affect the enterprise success. Turkey is the fourth biggest home textile exporter of the world and can mostly compete with Far Eastern rivals (China, India and Pakistan) due to its high competitiveness in these two main factors (factor conditions and firms' strategy, structure and rivalry). As it is stated by the Denizli Home Textile Sector Analysis Report [33], which has been prepared by Turkish Republic South Aegean Development Agency, Turkey's competitiveness is higher than its Far Eastern rivals in certain factors such as; geographical closeness to European countries, products with high quality and standards (product differentiation), educated and qualified labour force, developed industry infrastructure, regulatory compliance to European Union's technical regulations, importance given to quality, health and environment.

Besides, the sector highly benefits from chance factor and it is very successful in turning the national and international economic and political fluctuations into opportunities. Sector has gained experience in this subject and has become skilled in turning crises to opportunities due to country's continuity in middle income trap, its long-standing classification as a developing country and its familiarity to economic crises.

According to other research results, sectors possess high competitiveness in demand factors, whereas its competitiveness is determined as intermediate-high in related and supporting industries. Sector does

not experience any difficulties in terms of international demands. However, its competitiveness level is lower in national demands. This situation can be explained with export-focused production. In other words, the sector gives more importance to foreign markets rather than domestic market. On the other hand, the sector specifies that it is competitive in terms of incentive policies, legal regulations and international agreements. Although the sector continuously demands increments in incentives, it extremely benefits from existing incentives. Besides, the sector does not give necessary importance to university-industry cooperation, sectorial organization and collaboration; because the enterprises see each other as rivals and find themselves adequate in terms of research and development and product development activities. In addition to these, they do not want to allocate funds for external stakeholders and they do not believe in the advantages of sectorial organization.

As it can be seen, Denizli home textile sector significantly contributes to national economy with its high competitiveness. Sector should give great importance to the factors in which its competitiveness is relatively low, in order to maintain and increase its competitiveness. In this context, sector should give great importance to institutionalization, sectorial collaboration, sectorial organization, university-industry cooperation, branding, international collaboration and domestic market and it should invest in order to fulfil these necessary needs. Sector's national and international competitiveness will increase after the fulfilment of these requirements.

Finally, this research has aimed to analyse the competitiveness of Denizli home textile sector and has used Porter's diamond model as a research method. In future researches, sector's competitiveness can be analysed by using different methods and the obtained results can be compared with this research's results in order to reveal the potential alterations on year basis and the possible differences and similarities between methods.

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