

**NEAR EAST UNIVERSITY**  
**FACULTY OF ECONOMICS AND ADMINISTRATION SCIENCES**  
**DEPARTMENT OF BUSINESS**



**COMPANY ANALYZE**  
**OF**  
**YTONG**

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# TABLE OF CONTENTS

## INTRODUCTION

1.1 OBJECTIVE OF THE STUDY .....	1
1.2 METHODOLOGY .....	1
1.2.1. PERSONAL INTERVIEW .....	1
1.2.2. OBSERVATION .....	2
II. HISTORICAL BACKGROUND .....	3
III. FUTURE OBJECTIVE AND STRATEGIES .....	4
3.1. CORPORATE MISSION .....	4
3.2. CORPORATE OBJECTIVE .....	4
3.3. GROWTH STRATEGY .....	4
IV. ANALYSES .....	5
4.1. MARKET OVERVEIW .....	5
4.2. POTERS FIVE FORCE MODEL .....	6
4.2.1. RIVALRY AMONG COMPETITORS .....	6
4.2.2. POTENTIAL ENTRY .....	6
4.2.3. SUBSTITUTE PRODUCT .....	7
4.2.4. BARGAGING POWER OF BUYER .....	7
4.2.5. BARGAGING POWER OF SUPPLIER .....	7
4.3. CRITICAL SUCCESS FACTORS OF YTONG .....	7
4.3.1. LOCATION .....	7
4.3.2. PRICE .....	8
4.4. PEST ANALYSES .....	8
4.4.1. POLITICAL .....	8
4.4.2. ECONOMIC .....	8
4.4.3. SOCIAL .....	9
4.4.4. TECHNOLOGY .....	9
4.5. PORTFOLIO ANALYSES .....	9
4.6. SWOT ANALYSES.....	10
4.6.1. STRENGTH .....	10
4.6.2. WEAKNESSES .....	10
4.6.3. OPPORTUNITY.....	10
4.6.4. THREATS .....	10

<b>4.7. KEY ASSUMPTION .....</b>	<b>11</b>
<b>4.8. KEY ISSUES TO BE ADDRESS .....</b>	<b>11</b>
<b>4.9. VALUE CHAIN .....</b>	<b>11</b>
<b>4.9.1. SUPPORT ACTIVITY .....</b>	<b>11</b>
<b>4.9.1.1. INFRA STRUCTURE .....</b>	<b>11</b>
<b>4.9.1.2. HUMAN RESOURCES .....</b>	<b>12</b>
<b>4.9.1.3. TECHNOLOGY .....</b>	<b>12</b>
<b>4.9.2. PRIMARY ACTIVITY .....</b>	<b>12</b>
<b>4.9.2.1. INBOUND LOGISTIC .....</b>	<b>12</b>
<b>4.9.2.2. OPERATION .....</b>	<b>12</b>
<b>4.9.2.3. OUTBOUND LOGISTIC .....</b>	<b>12</b>
<b>4.9.2.4. MARKETING AND SALES .....</b>	<b>12</b>
<b>4.9.2.5. SERVICE .....</b>	<b>13</b>
<b>4.10. COMPETITIVE ADVANTAGE AND STRATEGIES .....</b>	<b>13</b>
<b>4.11. MARKETING MIX .....</b>	<b>13</b>
<b>4.11.1. PRICE .....</b>	<b>13</b>
<b>4.11.2. PLACE .....</b>	<b>13</b>
<b>4.11.3. PRODUCT .....</b>	<b>14</b>
<b>4.11.4. PROMOTION .....</b>	<b>14</b>
<b>4.12. ANSOFF MATRIX .....</b>	<b>14</b>
<b>4.13. MARKETING SEGMENTATION OF YTONG .....</b>	<b>15</b>
<b>V. BASIC FINDINGS AND RECOMMENDATION .....</b>	<b>16</b>
<b>5.1. BASIC FINDINGS .....</b>	<b>16</b>
<b>5.2. RECOMMENDATION .....</b>	<b>16</b>
<b>VI. REFERANCES .....</b>	<b>18</b>

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## **INTRODUCTION**

### **1.1.OBJECTIVE OF THE STUDY**

In literature, YTONG is being known as “Gas Concrete” that has inside because of 151 holes, have hugh heet. It is light, elastic, endure at earthquake or fire, high technological constrancion material. It is not made by soil, it is made by mixing of kuvarsit or sand, water, lime and cement.

Becouse of safety use for build houses or apartments, turistic places, industrial buildings, floor and roof covering, YTONG materials and employees are simply the best.

At 1989, YTONG came to North Cyprus and became the one with comfort , safety and keeping heet inside. Becouse of all this, It interested me to search more, than decided to take as a graduation project.

### **1.2.METHODOLOGY**

While preparing my graduatin project, I took the information from;

- Sales reports at 1989-2000
- Interview with Directors of the Company
- Web-page at Internet
- Brochures of YTONG

#### **1.2.1.PERSONAL INTERVIEW**

The dircetors of TRNC are Ozdil Nami and Tamer Nami. I made the interview with the owner of the company Erdil Nami and take most of the information about YTONG.

## 1.2.2.OBSERVATION

The information taken from the Web-page, sales offices and YTONG head office at Nicosia.

The information taken from the Web-page, sales offices and YTONG head office at Nicosia.



## II. HISTORICAL BACKGROUND

YTONG is one of the biggest group of producing and sale Gas Concrete. They are the leader at world and today 27 country and 51 factory are producing and marketing approximately 10 million M<sup>3</sup> YTONG.

At 4th Nov, 1963 Turkish YTONG Industry Company enter the market with German International YTONG Licence. First factory open at Pendik on 1966, then on 1993 at Gebze, on 1997 at Trakya, at Antalya on 1998 and last June 1998 at Gaziantep.

At TRNC, it started to come on 1989 from Pendik. When they open the factory at Antalya on 1998, it started to come from there and still it does.

Till 13 years, YTONG is been used for several buildings here, like Eastern Mediteranean University, Hotel Colony, Jasmine Court Casino, Hotel Shato Lambousa, Celebrity Hotel and Enver Emin Chemicals depot.

### **III.FUTURE OBJECTIVES AND STRATEGIES**

#### **3.1.CORPORATE MISSION**

- To increase the sales by specialities of the product( Keeping heet inside the building, be strong for earthquakes/fire)
- To give the maximum customer satisfaction

#### **3.2.CORPORATE OBJECTIVE**

- To grow and improve our company
- By possibility of solving the Cyprus Problem, to distribute YTONG all over the island
- To improve our showroom at european standards.

#### **3.3. GROWTH STRATEGY**

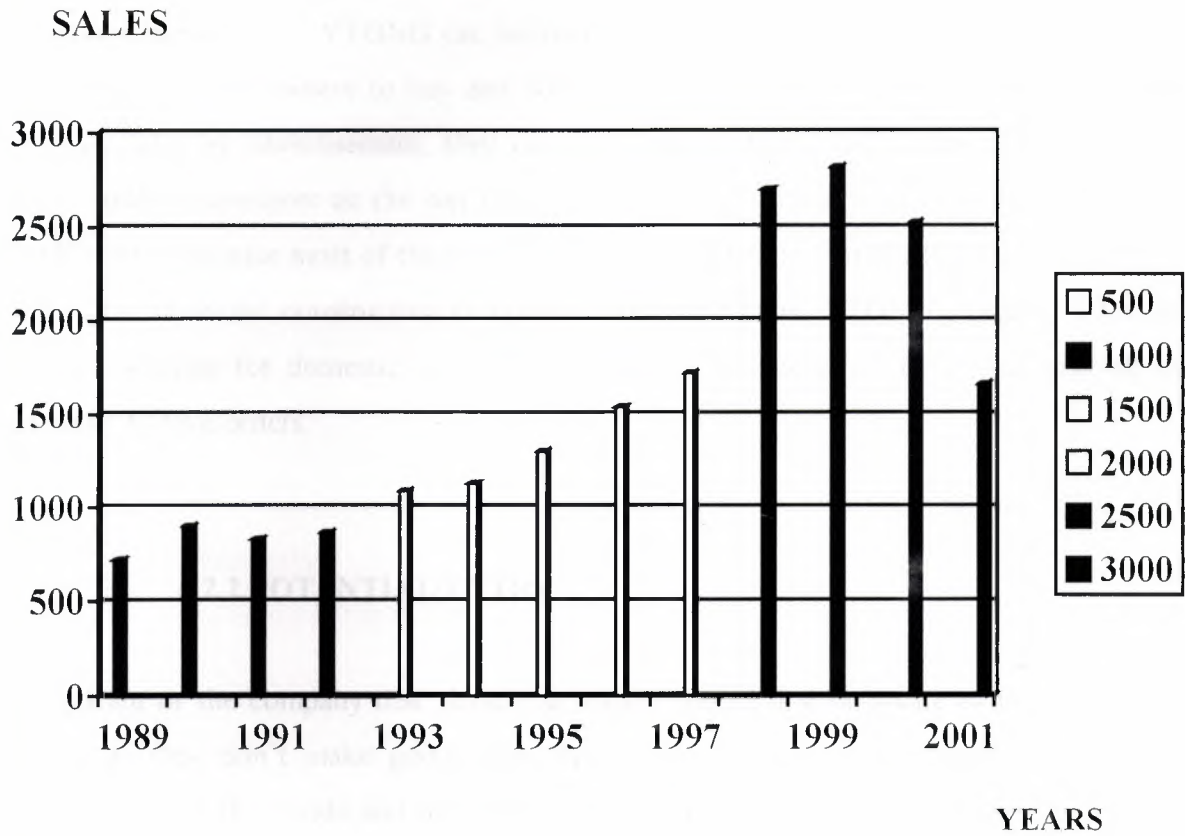
- More control to Marketing and Advertising Departments.
- To catch the technological developments and bring it into the YTONG
- Open new showrooms.



## IV. ANALYSES

### 4.1. MARKET OVERVIEW

GRAPH 1. MARKET OVERVIEW



As we can see from the graph 1, between 1989-1995 years, the sales were generally increased. Between 1995-97 years, still the sales rises. Specially between 1997-1998 years, they had perfect sales and continued till 2000. But in 2001, there were an economic crise in Turkey and automatically effected YTONG Company at TRNC. So the sales decreased by 1662 M<sub>3</sub>.

## **4.2.POTERS FIVE FORCE MODEL**

### **4.2.1.RIVALRY AMONG COMPETITORS**

Rivalry Among Competing sellers is usually the most powerful of the competitive forces . To become the powerful competitor in this market, first YTONG should be aware of its competitors as NUH and ÇİMENTAŞ Companies, also YTONG should intensify competitive pressure by ; YTONG can improve their selling activities by promotions. Because people want to know where to buy and how to use. So they can give advertisement. While increasing sales by advertisement, they can also open a showroom. And so they did. They start to build a showroom on the way of Lemar at Kyrenia. The main sales department should be at Kyrenia. Because most of the tourists who they want to stay at Northern Cyprus, choose Kyrenia and domestic construction companies. And they know YTONG's quality. They can arrange a seminar for domestic companies in order to promote YTONG. And visit all the companies to take orders.

### **4.2.2.POTENTIAL ENTRY**

New entrant or the company that already at market should first be aware of their inventory. Because as they don't make good sales, their inventory are not too much. They should decrease price of the goods and their prices are much higher than YTONG. Specially, while distribution stage, their packages damaged, because of bad packaging. The main factory of YTONG is at Mediterranean area. But factor of NUH and factor of CIMENTAS companies are not. So they should arrange the transportation and it increases the cost. If a company wants to enter the market first, they should build up their factory at much closer area.

#### **4.2.3.SUBSTITUTE PRODUCT**

YTONG should hire more employees in order to open extra shops and also they can give their goods to other big shops. Also they can give agency to Kyrenia and Famagusta.

#### **4.2.4.BARGAGING POWER OF BUYER**

They deliver the goods to buyer at the time of they desire. Than they follow, if customer know How to do or not. Because customer satisfaction is more important then everything.

#### **4.2.5.BARGAGING POWER OF SUPPLIERS**

Within coming 3 years, YTONG can decrease the costs of first year in order to increase their market share and customer satisfaction; also they can take the advantage for competition. For the second and third years, they can open new showroom at KYRENIA and FAMGUSTA. Also, they can be in guaranty if TRNC Government will accept the Law of Isolation. In 3 years, if the CYPRUS problem will nearly solve, new companies would enter the market and completion will take YTONG at the better place in TRNC.

### **4.3.CRITICAL SUCCESS FACTORS OF YTONG**

#### **4.3.1.LOCATION**

The head office of YTONG is at GERMANY. As most of the European country does, TURKEY has produce and wade the sales of YTONG. In TRNC it is imported from TURKEY and located at Nicosia.



#### **4.3.2.PRICE**

It is expensive material because of its specialties of safety, quality, light and priced on Dollar (\$).

#### **4.4.PEST ANALISES**

##### **4.4.1.POLITICAL**

###### **FAVORABLE:**

When we import the goods, we won't pay the custom tax.

###### **UNFAVORABLE:**

If the taxes and fees would decrease, they can much more compete with brick.

YTONG involves the materials which helps to keep heat and at TRNC there is no code of law to prevent the lose of heat.

##### **4.4.2.ECONOMIC**

###### **UNFAVORABLE:**

As the prices are at Dollar (\$) currency and now we are in the floating exchange market nowadays, the prices generally raises and because of decrease in purchasing power the sales goes down and become more difficult to sale the goods.

In our economy, day by day the value of TL decreases and this causes the decrease of welfare. So people start to make short-term plans and buy low price goods.

#### 4.4.3.SOCIAL

The sales made to the Hotel contractions and the people who has good salaries.

#### 4.4.4.TECHNOLOGICAL

##### FAVORABLE:

YTONG has several types as block type and panel type. The most important one is panel type. Because it is more easy and fast to build. It saves time.

### 4.5.PORTFOLIO ANALYSIS

#### SBU'S OF YTONG

#### RELATIVE MARKET SHARE

	HIGH	LOW
MARKET GROWTH RATE (%)	*	?
	CASH COW	DOGS

In the portfolio analysis of YTONG; they take place in the “Star” part (stage). The reason for this is; firstly they have high market shave (60 %) when compared with its competitors and secondly because of high market growth rate the YTONG company taken place in the “star” stage and became of thin, YTONG is a profit-generator.



## **4.6.SWOT ANALYSIS**

### **4.6.1.STRENGTH**

YTONG produced by natural materials like water, cements, lime and kuvarsit.

YTONG is safety and carries 30 or 60 Ton of cargo.

YTONG is light, because of this building becomes lighter so while earthquake it becomes more safety.

YTONG is strong for the 1200 C fire.

With YTONG building becomes warmer at winter and cool bat summer.

### **4.6.2.WEAKNESSES**

The first cost is so high compare with brick. When we compare with brick one by one YTONG is much expensive than brick.

It is not well known goods. So people afraid to use.

### **4.6.3.OPPORTUNITY**

YTONG is flighty so the building becomes more endure for earthquakes.

It exceeds the speed contraction market. Because as it flighty, they can carry easily then arrange in a row in order to build up, after that they put a light plaster and start to dye.

Give comfort to houses by keeping heat. Inside and save our money for heat.

### **4.6.4.THREATS**

The companies of NUH and CIMENTAS decrease their prices in order to sell their goods, construction material.



## **4.7.KEY ASSUMPTION**

YTONG should promote their product at market and explain the specialty of the goods to each and every person at market. Other important point is TRNC is not acquainted from the world. And they could not distribute their goods to everywhere at Island. If there will be an agreement, between the sides, then YTONG could satisfy both sides orders and this would give company really big profit. We know that, GREEK side took YTONG from GREECE and it costs too much for price and time.

## **4.8.KEY ISSUES TO BE ADDRESS**

The main and important thing is promotion of our product and to bring it at well-known stage. Also they can arrange the Internet sales and become the first at Island.

## **4.9.VALUE CHAIN ANALISIS**

### **4.9.1.SUPPORT ACTIVITIES**

#### **4.9.1.1.INFRA STRUCTURE**

We notify the expected annual sales to factory and if we agree on that, decrease the price of the goods. We would give high quantity of the order and we would give fix price at once.

#### **4.9.1.2.HUMAN RESOURCES**

They do not have employee at contraction

#### **4.9.1.3.TECHNOLOGY**

They could use the technological developments like the use of Internet. Consumers can give the orders from Internet and this can give fast service and saving from personnel.

#### **4.9.2.PRIMARY ACTIVITY**

##### **4.9.2.1.INBOUND LOGISTIC**

They are using all the materials inside from the country except YTONG stone. Company imports the YTONG stone from the Turkey.

##### **4.9.2.2.OPERATIONS**

The goods ordered and imported from the Turkey, distributed directly to the consumers/

##### **4.9.2.3.OUTBOUND LOGISTICS**

Advertisements made from SIM FM five times a day. YTONG's most important advertisements are consumer care and services.

##### **4.9.2.4.MARKETING AND SALES**

They are making marketing activities by Cyprus agent Erdil and Sons Import and Export Company, and also showroom, which will open in January at Kyrenia.

#### **4.9.2.5.SERVICE**

YTONG`s aim is to introduce a quality contraction goods to the market and to make plans of the investment projects at TRNC. Also help to bring projects into life in short-run.

#### **4.10.COMPETITIVE ADVANTAGE AND STRATEGIES**

- Young presentable and dynamic managers
- Give perfect service to the customers
- To have a safety and good name at market
- To be honest as a company

#### **4.11.MARKETING MIX**

##### **4.11.1.PRICE**

YTONG can open new shops at Kyrenia and Famagusta in order to increase their sales. Also they can increase the advertisements and hire new sellers.

##### **4.11.2.PLACE**

There is lack of sale points at Island. But in January, they will open a new showroom and they are trying to take office (inside the Nicosia) at more comfortable place.

### 4.11.3.PRODUCT

Customer satisfaction is most important thing for YTONG, so they pursue the product. Also take the building from customer as skeleton and give them back after dying.

### 4.11.4.PROMOTION

YTONG discounts to customers on amount of product buy. Specially the consumers who buy hugh quantity of YTONG goods.

## 4.12.ANSOFF MATRIX

		DIFFERENTIATION	COST
NUMBER OF MARKET SEGMENTS	MANY	1	2
	FEW	3	4

As the YTONG company, has differentiation from its competitors and they have few number of market segments. Because of these, YTONG takes place in the 3<sup>rd</sup> region

#### 4.13.MARKETING SEGMENTATION OF YTONG

For YTONG Company we should divide the market into customer needs and then we can develop a marketing mix to satisfy those needs. Because from a customer-oriented perspective, the ideal method for segmenting a market is on the basis of customer's desired benefit:

- People who wants to build villa
- People who wants to build Hotel and Casino
- People who wants to build University
- People who wants to build Apartments

## **V. BACIS FINDINGS AND RECOMMENDATIONS**

### **5.1. BASIC FINDINGS**

YTONG started to produce on 1963 at Turkey and imported to TRNC on 1989. During 13 years, YTONG had a powerful brand name and increase sales. The buildings used YTONG, became strong, keeping heat inside the building so save from the money, healthy rooms and minimum risk for fire.

If we look at the sales, we can see that during 10 years 1989-1999 the sales increase. With the economic crises from 2000-2001 effected the sales and decreased the sales.

YTONG now with their young and dynamic managers and employees, and following the new technological developments, they are one step in front of competitors and day by day growing up.

### **5.2. RECOMMENDATIONS**

YTONG would have a growing demand for their product if;

- The Cyprus problem will ended with an agreement and said that we can sell and buy everything between both sides. If that happen, now YTONG is much cheaper than other side. Because YTONG comes south side from Greece and it costs too much for them.
  
- In TRNC there should be a law of saving heat as other world countries have. And we should give enough information to the people about it. Because if we would not give information, there will be the lost of energy at the buildings, and it costs too much for us. But the constructions build by YTONG saves the energy and in order to keep heat inside the building it will cost us much lower.



- We know that custom tax is not taken from the YTONG but other taxes are taken. And because of those taxes, it would rival the competition with brick. They can compete with NUH and CIMENTAS Companies, but not with brick. If the taxes of marine and other taxes would decrease, YTONG will finance their investments with other places.
- They will increase the advertisements and promotion activities.
- They would open a new shops and showrooms at other big cities as Kyrenia and Famagusta.
- They would prepare the Web page for sales and take orders also from the Internet.

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Acapulco Tatil Köyü	Otel	na	na	Girne	1989
Şato Lambusa	Otel	Osman Sarper	Emek İnşaat	Girne	1990
Belle Vue	Otel	Çetin Kürşat	CK Const.	Girne	1991
Dr. Fahri Karagozlu	Villa		Korman Const.	Lefkoşa	1992
Salih Todds	Villa	Tunç Adanır	na	Lefkoşa	1993
Özden Serak	Villa	Yücem Eröner	na	Lefkoşa	1995
Erbil Refik	Villa	Yücem Eröner	na	Lefkoşa	1996
Doğu Akdeniz Üni.	Muhtelif	na	na	Magosa	1998
Erdil Nami	Villa	Tunç Adanır	na	Lefkoşa	1998
Mete Özmerter	Villa	Yücel Köken	na	Girne	1998
Jasmine Court	Casino	Ziya N. Özkan	na	Girne	1998
Tabipler Birliđi	Merkez	na	na	Lefkoşa	1998