The European Proceedings of
Social & Behavioural Sciences
EpSBS

Future Academy ISSN: 2357-1330

https://dx.doi.org/10.15405/epsbs.2019.01.02.5

Joint Conference: 14th ISMC and 8th ICLTIBM-2018

EFFECT OF BRAND AND MARKET PERFORMANCE ON COMPETITIVENESS IN MERGERS AND ACQUISITIONS

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Abstract

Today's intense global competition conditions have led the local and small markets to leave their places to bigger and more developed markets. In addition to this, businesses have to make different strategic decisions in order to survive and profit. One of the ways for firms that fail to increase their brand equity with their own resources is to go through a merger and / or acquisition transaction with a different firm. In this way, firms which benefit from each other's strengths are striving to exist, differentiate and grow in an international competitive environment with the impact of globalization. The main purpose of this research is the effect of market and brand performance on competitiveness in the context of mergers and acquisitions transactions which are done in Turkey. The universe of the study is the firms that have performed mergers and acquisitions transactions in Turkey. Between 2010 and 2017, 2287 firms that have performed mergers and acquisitions transactions constitute the sample framework of the study and the sample size is limited to 243 enterprises. As a result of the analyses, the current status of the effect of brand performance on competitiveness according to our findings has been evaluated, and new proposals regarding this topic have been made for future researches.

Keywords: Merger, acquisition, brand performance, market performance, competitiveness.

https://dx.doi.org/10.15405/epsbs.2019.01.02.5
Corresponding Author: T. Sabri Erdil
Selection and peer-review under responsibility of the Organizing Committee of the conference
eISSN: 2357-1330

1. Introduction

Mergers and acquisitions, brand, brand value, brand performance, and competitiveness are factors which started to be intensively used especially in Europe and the USA in the 1980s and have been seen as important issues by firms (Baydaş, 2007). Concepts such as brand performance, market performance and brand value are receiving increasing attention in the marketing literature from the beginning of the 1990s (Vazquez, Del Rio, & Iglesias, 2002) with academics interested in these subjects and their studies (Kocaman & Güngör, 2012). In addition, thanks to the manufacturers' position on the market and the impact on their financial performance, it can be seen that brands are a financial value that can be expressed in greater numbers than the tangible assets (Franzen, 2002). Competitive firms that want to succeed in the global market are now turning to significant branding with higher quality products and production. With the life spans of products getting shorter, product-oriented competition strategies have been replaced by brand and market / firm oriented strategies, and as a result of these changes branding, market performance and brand performance have become more important firm strategies (Bridson & Evans, 2004; Urde, 1994). Businesses are generally engaged in mergers and acquisitions with the aim of enhancing their competitiveness in growth, empowerment, internationalization, and consequently competitiveness with other businesses in both local and global markets. In this study, the effects of brand performance and market performance on competitiveness were investigated as a result of mergers and / or acquisitions performed by the companies at the national or international level. In this respect, the concepts of brand, brand performance and market performance, competition in local and global markets, mergers and acquisitions activities and effects of firms at the national and international level are examined. According to the findings of this research, it can be said that those findings are the ones that will help both the academics and the professionals working in the sector.

2. Literature Review and Theoretical Framework

2.1. Brand, Brand Performance and Market Performance

Brand; "Branding" studies that took place in Medieval Europe for the first time, it was found in the markings the hieroglyphs from the Egyptians and on the pottery and ceramics dating from the 1300s B.C. which were made in China, India, Ancient Greek and Roman civilizations.

In the 18th century, branding gained a new value with the replacement of the trademark names with the names of famous people or places.

In the 19th century, brands began to be used to emphasize the perceived value of the product, and in the 20th century, issues such as how to make and sustain brands became important (Farquhar, 1989; Motameni & Shahrokhi, 1998).

According to the American Marketing Association (AMA), "A brand is a name, a term, a mark, a symbol or a design that aims to identify and separate products and services from a dealer or a group of sellers." (https://www.ama.org). The brand gives the product a distinctive superiority over its competitors by identifying it. At the same time, it increases the competitive power and provides an abstract advantage. Firms give the products competitive advantage in markets with brands (Tek & Özgül, 2005). When evaluated in the financial context, the brand gained a saleable value attribute (Uztuğ, 2003).

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Brand Performance; although different definitions have been made for the brand performance in literature, there is no generally defined and accepted definition and scale of a commonly accepted brand performance. It can be said that brand performance is an important consequence of the strategies and activities of the firms. At the same time, the concept of brand performance refers to the brand power of a firm on the market. According to some researches brand performance consists of growth rate, profitability, market share and similar concepts (O'Cass & Ngo, 2009). Therefore, it can be said that brand performance is a concept expressing the effect of the brand, which is used to reach concrete targets such as sales volume and profitability, which are targeted by firms. According to Baldauf, Cravens, & Binder (2003) brand market performance (sales intensity and market share) and brand profitability performance (profit and profit share) are used together. Brand performance helps to understand how successful a brand is in the market by identifying the strategic advantages of the brand. In addition to marketing mix members, most of the overall strategic activities of a firm are the precursors of brand performance (Aaker, 1991). These precursors include both concrete aspects of the product and its price, as well as channel management and product distribution. Even sales and after-sales services and their talents and characteristics can be said to have a significant effect on brand performance (Kapferer, 2012). In the research by Wong & Merrilees (2007), brand awareness and brand reputation have been identified as factors that measure brand performance. Chaudhuri & Holbrook (2001) focus on relative pricing and market share as brand performance criteria. In some studies in the marketing literature, brand performance was considered as a one-dimensional structure (Baldauf et al., 2003) while in some studies, it is considered as two-dimensional (Kumar, Stern, & Anderson, 1993; Styles, 1998). In various studies brand performance was measured with taking into account different dimensions. In these studies, factors that measure brand performance can be listed as profit, profit share, sales increase rate, financial attractiveness, sales volume, sales revenue, sales potential, and market share.

Market (Firm) Performance; it has been determined that market performance and firm performance concepts are used interchangeably in literature research related to the subject. "Market performance equals to the company's success in the market and is often referred to as "firm performance" (Çalık, Altunışık, & Sütütemiz, 2013). Market performance shows the level of achievement of business strategies at the end of a given period, in other words the performance level of the market (Porter, 1991, p.95). Market performance is expressed in the definition of Lebas and Euske (2002) as "a set of necessary processes that lead managers to implement appropriate strategies in the current situation for proactive and efficient company operation" (Neely, 2002) Marangoz and Biber (2007) have tried to explain market performance in terms of factors such as satisfaction of customer expectation and satisfaction of customers, increase of image and value of the firm in the society, achievement of the aimed service quality, increase of the market share of the financial competence level and attainment of the service quality aimed (p. 215). Akman, Özkan and Eriş (2008) regard market performance as a five-dimensionality of the company's overall performance, market share, increase in sales, sales and product quality (p. 94). According to Hansen and Wernerfelt (1989) there are two main methods on factors determining market performance in business policy literature (p. 400). One is based on the behavioral and sociological paradigm, while the other is based on the classical economy and emphasizes the importance of the foreign market factors in determining the success of the firm and the organizational factors and its adaptation to the environment are identified as the greatest determinants of

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success. Volonté and Gantenbein (2016) argue that the international experience of firms affects the market performance positively (p. 139). In addition, as a result of the study it has been determined that international market experience is positively related to acquisitions. However, international acquisitions and market performance have been found to be negatively associated with experience related to CEO's. At the same time, the study suggests that CEO's do not realize their own deficiencies in the internationalization process.

2.2. Competitiveness

It is difficult to say in the literature that there is a complete definition of the concept of competitiveness. The concept of competitiveness is defined in different ways depending on the area and the criteria covered. It can be examined and defined in macro and micro dimensions as well as in the fields of country, industry and firm. According to Krugman (1994), competitiveness is a concept that has to be addressed at the firm level and has the same meaning as productivity at the country level, which is why it is not very meaningful. Firms compete with each other in such a way that the loss of one is the gain of the other, but according to the law of comparative advantage, they can all gain together in the case of the countries. Thus, according to Krugman (1994), the concept of competitiveness has different meanings for firms and countries. The concept of competitiveness can be examined at three levels. These levels are:

Competitiveness at the firm level; Competitiveness at the firm level is the ability of firms to produce and sell products at prices that are equal to or lower than their competitors' prices (Cockburn, Siggel, Coulibaly, & Vézina, 1999). According to Porter (1998) productivity is the most important indicator of competitiveness in terms of market share (p. 84). According to (Jenkins, 1998) competitiveness at the firm level is "A firm which produces goods and services at a lower cost or more superior quality than domestic or foreign competitors" (p. 24). Competitiveness at the firm level is "the ability of customers to choose the goods and services offered by the company on a sustainable basis" (Ulusoy, Özgür, & Taner, 1997). Increasing competitive power at the firm level is connected to the ability to sell cheaper and / or better quality products compared to its competitors (Cockburn et al., 1999). Therefore, "entrepreneurs need to gain superiority over their competitors in the stages of designing, producing and pricing products and services" (WEF, 1989).

Competitiveness at the industrial level; It is more difficult and unclear to define competitiveness at the industrial level. While the competitiveness of a company operating in the local market can be compared with competitors in the same market or region, an industries' competitiveness can be compared to other industries which are located in other countries or regions. Therefore, the competitive industry is the industry that has competitive firms at regional or international level (McFetridge, 1995, p. 11). According to Markusen (1992), industrial competitiveness is the ability to reach an efficiency level equal to or higher than the competitors of an industry and the ability to produce / sell products at a cost equal to or lower than their competitors (p. 8).

National and International Competitiveness; Markusen (1992) defines competitiveness at the national level: "A country is a competing country if it can maintain a real national income growth equal to that of its trading partners while balancing foreign trade under free trading conditions" (p. 7). In other words, national competitiveness is "A countries ability of increasing the real income of its people in the long run and producing goods and services in line with international market conditions and standards under

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free and fair market conditions" (President's Commission on Industrial Competitiveness, 1992, p. 237). Competitiveness is not only the ability to sell goods outside and balance foreign trade but also the ability to increase the income and employment level of a country (Fagerberg, 1995), to be able to provide acceptable and continuous increases in welfare level (Hatsopoulos, Krugman, & Summers, 1988 p. 299) and increase its share in international markets (dos Reis Velloso, 1990, p. 29). According to the International Institute for Management Development (IMD), "Competitiveness is the ability to create an environment which can generate a continuous increase in value added taxes" (Hounie, Pittaluya, Porcile, & Scatolin 1999, p.20).

2.3. Mergers and Acquisitions

Merging between firms, which is considered to have begun in the 1890s, is divided into five major turning points. These periods, which are called merger waves can be listed from the 1890s, the 1920s, the 1960s, the 1980s and the 1990s to the present day (Gregoriou & Renneboog, 2007). It is seen that this phenomenon appeared in the USA when the historical development of mergers in both national and international markets was examined. In Turkey, merging between firms has appeared with increasing concentration of economic structure in the 1980s. The first merger transaction in Turkey has emerged in the banking sector (Sarıca, 2008). Mergers and acquisitions, which are frequently seen in Europe, are preferred with the aim of adapting to changing economic conditions, globalization and increasing competitive conditions. The main driving force in between European firms is external competition, particularly competition with US-owned firms (Lipczynski & Wilson, 2001; Scherer & Ross, 1990). It is referred to as a merger of two or more independent firms as an independent new entity under a new name, collecting all assets and capabilities under the same roof, terminating their former identity and legal entity (Ülgen & Mirze, 2013). Mergers are referred to as "acquisitions" if the merger takes place through takeover. Acquisitions take place if a firm takes over all the assets and liabilities of the target firm, and if the legal entity of the acquiring firm or acquired the firm cease to exist (Çelik, 1999). In mergers, more than one independent firm brings together all the assets and capabilities of the current situation by ending the old identity and legal entities and is operating as an independent new firm under a new name. At this point, the goal is to achieve a stronger position by equally combining the two firms' powers, thus maintaining their assets, providing competitive advantage and growing. Acquisitions take place if a firm mostly or completely takes over the other firm's shares, therefore taking control over it (Ülgen & Mirze, 2013). The acquisition process is regarded as the purchase of a small-scale firm by a large-scale firm. Large-scale firm buy small businesses to enter different markets or to increase the variety of products. Thus, a large-scale firm can present new products to the market with less cost or operate on different markets. In the case of purchases taking place between firms of different sizes, the company loses its legal and economic independence (Phillips & Zhdanov, 2013). The difference between mergers and acquisitions arises from legal grounds rather than economic aspects of transactions. In other words, merger and acquisition are two different concepts, but serve the same purpose. In this context, authors explain the causes of merger and acquisition transactions; globalization, growth, synergy, diversity, tax advantages and psychological factors. According to Mueller (1989) the main motivation for the B&S firms is to reduce the market power, efficiency gains, financial gains and risk gained by merging to a minimum by the synergy achieved (p.2).

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However, the structure of the industry and the impact on competition may not always be positive for these gains, which are considered earnings for the firm.

2.4. The Effect of Merger and Acquisition on Brand Performance

Brands play an important role in helping firms increase their competitiveness and achieve growth and profitability. The realization of this potential of brands creates a key point in the creation of business strategies that target sustainable competitive advantage (Urde, 1994). Lee, Lee, & Wu, (2011) examined the relationship between two brand images variables and the dimensions of brand value after mergers and acquisitions. The firm that performs the acquisitions from the other firm which is used in the research has the weak brand image and the target business has strong brand image. This study tries to explain how two separate businesses with weak and strong brand images influence the brand value of the target business. The findings show that a firm with a negative brand image improves the consumer-based brand value significantly by acquiring a brand with a strong image. In other words, by acquiring a better brand, businesses improve the existing image of the brand.

H_1: Brand performance of merger and acquisitions have positive effect on competitiveness.

2.5. The Effect of Mergers and Acquisitions on Market Performance

As a result of Sorensen's (2000) study, it is seen that the firms that make acquirements are more profitable than both the target firms and firms which do not merge. Vanitha and Selvam (2007) reviewed 17 firms that engaged in mergers and acquisitions in India between 2000-2002. They stated that after merging, there was an increase in the profitability of the firms, a positive change in the debt payment power and a better liquidity structure. There are studies showing that mergers and acquisitions have a positive effect on market performance, as well as studies showing that they do not reduce profitability or affect profitability. Pazarskis, Vogiatzogloy, Christodoulou, & Drogalas (2006) analyzed 15 mergers and acquisitions in Greece between 1998 and 2002 and found strong evidence that corporate profitability was reduced due to mergers and acquisitions. The vast majority of studies of firms, marketing and strategic management literature assume that there is a direct positive correlation between competitive advantage and market performance. Customers evaluate advantageous offers and companies gain competitive advantage when they make acquisitions. This, in turn, increases the manufacturer's market performance (Kaleka & Morgan, 2017).

H_2: Market performance of merger and acquisitions have positive effect on competitiveness.

3. Research Method

This study aims to investigate the effect of brand and market performance on competitiveness in the context of mergers and acquisitions. The secondary purpose of the study is to investigate the relationship between brand and market performance. Assessing the current situation of companies which carried out

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merger and acquisition transactions in Turkey in the context of brand performance, market performance and competitiveness is another aim of the present study.

3.1. Sample and Data Collection

The universe of this study is the firms which carried out mergers and acquisitions and the sample frame is the firms which carried out mergers and acquisitions between 2010 and 2017. The list of these companies obtained from the reports of mergers and acquisitions which were prepared and published by Ernst and Young Turkey between 2010 and 2017. It can be seen in the reports that total number of merger and acquisition transactions is 2287 (Ernst & Young 2010-2017 Mergers & Acquisitions Report). A total population sampling method was employed to gather data from the companies. Contact information for all listed companies were gathered and each were contacted. The survey could be applied to 243 out of 2287 businesses. The sample of the study consisted of 243 firms. Computer aided telephone interview (CATI) method was used to gather data. The CATI method was preferred because of the fact that the businesses included in the sample frame were located in different regions, and obstacles such as time constraints which stem from managers intensive work tempo could be reduced by this method (Burns & Bush, 2015). The respondents comprise of managers who work at various stages of the companies. In the case of any item that was not understood by the respondent, these items were immediately explained in detail by the interviewer and the survey was continued. Explaining the items that were not understood and being in contact during the survey process ensured the completion of the questionnaires thoroughly. All 243 completed surveys were subjected to analyze. The data was collected between 31th of January and 15th of March 2018.

3.2. Research Model

In order to measure the effect of brand performance and market performance on competitiveness, brand and market performance were used as independent variables and competitiveness was used as dependent variable. Brand performance was measured by eight items which were adapted from Wong and Merrilees (2008); Hirvonen and Laukkanen (2014). Market performance was measured by six items which were adapted from Çalık et al., (2013). Competitiveness was measured by fourteen items which were adapted from Lii and Kuo (2016).

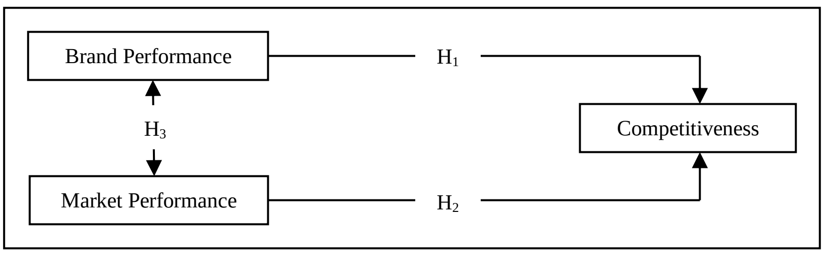

Figure 01. Research Model

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The questionnaire which was used in the research consists of 36 questions and two parts. Of these questions, 28 items are five-likert types, 8 items are multiple-choice. All items were measured using a 5-point Likert scale (1: Strongly disagree, …, 5: Strongly agree).

4. Findings

The demographic characteristics of respondents can be seen in the Table 1. It can be seen in Table 1 that 67,5% of participant firms carried out mergers and 39,9% of participant firms carried out acquisitions. The number of merger and acquisition transactions is more than 243. This stem from 18 companies performed both transactions. In the analysis of the study, the answers given by these 18 businesses were separately coded for the merger and acquisition transactions and the analyses were carried out after this process.

Table 01. Demographic Characteristics of Firms

	Transaction								
	Merger		**Acquisition**		**Merger and Acquisition**		**Year**	n	%
Level	**n**	**%**	**n**	**%**	**N**	**%**	2010	50	21
National	40	27	47	59	13	72,2	2011	25	10
International	106	73	32	41	5	27,8	2012	28	12
Total	146	100	79	100	18	100	2013	39	16
N= 243					%100		2014	31	13

Age of Firm			**Number of Employee**			**Internationalization Level**					
									2015	23	9
Year	**n**	**%**	**Employee**	**n**	**%**	**Level**	**n**	**%**	2016	23	9
0-5	25	10,3	1-9	21	9	National	75	30,9	2017	24	10
6-10	43	17,7	10-49	55	23	International	131	53,9	**Total**	**243**	**100**
11-15	41	16,9	50-149	57	23	Global	37	15,2			
16-20	55	22,6	150-249	29	12	**Total**	**243**	**100**			
21 year and +	79	32,5	250 and +	81	33						
Total	**243**	**100**	**Total**	**243**	**100**						

27 % of the merger transactions are national mergers while 73 % are international mergers. 59 % of the acquisition transactions are national acquisitions while 41 % are international acquisition. Considering the years in which transactions were carried out, it can be seen that the maximum amount of transaction was performed in 2010 and 2013. When the level of internationalization of companies is examined, results reveal that 30.9 % of the companies are national, 53.9% are international and 15.2% are global companies. While 32.5% of the businesses had been operating for over 21 years, 33 % employ 250 people or more.

Table 02. Demographic Characteristics of Respondents

Respondents'					
Tenure			**Position Held**		
Year	**n**	**%**	**Position**	**N**	**%**
0-5	121	50	***Sub-Level***	79	32,5
6-10	81	33	***Mid-Level***	110	45,3
11-15	27	11	***Top Executive***	54	22,2
16-20	10	4	***Total***	***243***	***100***
21 year and +	4	2			
Total	***243***	***100***			

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Table 2 shows the demographic characteristics of respondents. 50 % of respondents work in these firms for 0-5 years. 32.5% of the respondents said they work at sub-level, 45.3% at middle level and 22.2% at top executive positions.

Table 03. Sectoral Distribution of Participating Firms

Sector	n	%	Sector	n	%
Information	37	15,2	*Mining*	1	0,4
Energy	27	11,1	*Media*	5	2,1
Financial Services	17	7	*Automotive*	3	1,2
Real Estate	8	3,3	*Retail*	12	4,9
Food	20	8,2	*Health*	14	5,8
Services	21	8,6	*Carrying*	1	0,4
Pharmaceutical	1	0,4	*Textile*	4	1,6
Manufacturing	26	10,7	*Tourism*	14	5,8
Building	5	2,1	*Transportation*	15	6,2
Chemical	12	4,9			
Total	***n=243***		***%100***		

Table 3 shows the distribution of the firms according to the sector they operate in. 15,2% of the companies operate in the information sector, 11,1% in the energy sector, 10,7% in the manufacturing sector, 8,6% in the service sector and 8,2% in the food sector.

Table 04. Mean, Standard Deviation and Cronbach's Alpha Values of Variables of All Scales

Scale		Item	Mean	sd	α
Brand Performance	**BP1**	Our firm has developed the desired brand image in the market.	4,43	0,691	*0,894*
	BP2	Our firm has built a strong brand awareness in the target market.	4,41	0,689	
	BP3	Our firm has built a solid reputation.	4,56	0,616	
	BP4	Our brand image makes it easy for us to offer new products on the market.	4,46	0,717	
	BP5	Our brand image helps us to acquire new customers.	4,51	0,652	
	BP6	Our firm is very satisfied with our brand marketing.	4,47	0,657	
	BP7	Our firm has built strong customer brand loyalty.	4,53	0,682	
	BP8	Our promotional activities create the desired brand image on the market.	4,35	0,764	
Market Performance	**MP1**	Our market share is high compared to the sector average.	4,25	0,841	*0,883*
	MP2	Our sales volume is higher compared to the sector average.	4,30	0,837	
	MP3	Our sales revenues are higher compared to the sector average.	4,27	0,828	
	MP4	Our firm is able to acquire new customer or market share compared to the sector average.	4,28	0,736	
	MP5	Our sales to our new customers are increasing compared to the sector average.	4,26	0,794	
	MP6	Our firm is successful in meeting new customer expectations compared to the sector average.	4,41	0,694	
Competitiveness	**COM1**	Conformance quality	4,45	0,675	*0,925*
	COM2	Product durability	4,38	0,708	
	COM3	Product reliability	4,51	0,670	
	COM4	Performance quality	4,48	0,706	
	COM5	Being able to provide fast-response deliveries from order to end customer	4,44	0,716	
	COM6	Order fulfilment lead time	4,39	0,760	
	COM7	Delivery lead time	4,40	0,717	
	COM8	Capability to adjust or modify the operational processes to speedily accommodate changes	4,28	0,770	
	COM9	Ability to rapidly change production volumes	4,16	0,850	
	COM10	Manufacture broad product mix within same facilities	4,17	0,896	
	COM11	Ability to rapidly modify methods for materials	4,17	0,820	
	COM12	Ability to rapidly modify methods for components	4,14	0,839	
	COM13	Offering lower-priced products	4,04	9,24	
	COM14	Manufacturing similar products at a lower cost than our competitors	4,06	0,916	

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Table 4 shows mean, standard deviation values and Cronbach's alpha values of the variables. The item "*Our firm has built a solid reputation"* (4, 56) has the highest mean in brand performance scale and the item *"Our promotional activities create the desired brand image on the market"* (4, 35) has the lowest mean. The item *"Our firm is successful in meeting new customer expectations compared to the sector average"* (4,41) has the highest mean in market performance scale and the item *"Our market share is high compared to the sector average"* (4,25) has the lowest mean. Finally, the highest mean acquired by *"Product reliability"* (4, 51) in competitiveness scale and the lowest mean was acquired by *"Offering lower-priced products"* (4, 04).

Table 05. Results of Factor Analyses

		Brand Performance	Market Performance	Competitiveness
KMO		0,903	0,878	0,914
Bartlett's	**Chi-Square**	942,593	718,258	2253,229
	df	28	15	91
	Sig.	0,000	0,000	0,000

All of the scales used in the research were subjected to factor analysis. Kaiser-Mayer-Olkin values were 0,929, 0,878 and 0,914 and Bartlett Test significant level was 0,000, so that the sample was both adequate and sufficient for the factor analysis. According to factor analyses, brand and market performance were singled out in one factor group, competitiveness was singled out into two factor groups. These factor groups were named as *"product competitiveness"* (COM3, COM1, COM2, COM4, COM6, COM5, COM7, COM8) and *"operational competitiveness"* (COM13, COM12, COM11, COM14, COM10, COM9). These two factor groups Cronbach's Alpha value are 0,910 and 0,892 respectively. The research model (see. Figure 2) and hypothesis of this study were revised after factor analysis as follows;

H_1: Brand performance of merger and acquisitions have positive effect on competitiveness.

H_{1a}: Brand performance of merger and acquisitions have positive effect on product competitiveness.

H_{1b}: Brand performance of merger and acquisitions have positive effect on operational competitiveness.

H_2: Market performance of merger and acquisitions have positive effect on competitiveness.

H_{2a}: Market performance of merger and acquisitions have positive effect on product competitiveness.

H_{2b}: Market performance of merger and acquisitions have positive effect on operational competitiveness.

H_3: There is a correlation between brand performance and market performance.

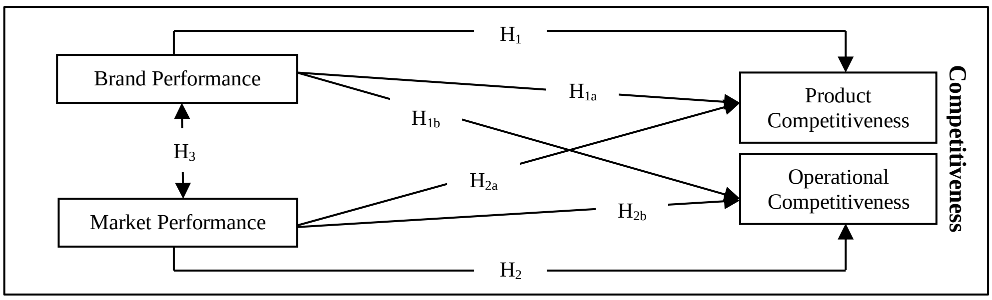

Figure 02. Revised Research Model

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In order to predict the effect of brand performance and market performance on competitiveness and competitiveness' dimensions regression analyses were performed.

Table 06. Results of Regression Analyses

		UnStd. Coefficients	**Std. Coefficients**	**T**	**Sig.**	**F R Square**
Model (Hypothesis)		**B**	**Beta**			
Model 1(H_1)	(Constant)	1,926		7,072	0,000	**F**= 76,417 **R^2**=0,238
	Brand Performance	0,530	*0,491**	8,742	0,000	
Model 2 (H_{1a})	(Constant)	2,246		8,033	0,000	**F**= 61,226 **R^2**= 0,450
	Brand Performance	0,487	*0,450**	7,825	0,000	
Model 3 (H_{1b})	(Constant)	1,501		4,229	0,000	**F**= 55,302 **R^2**= 0,187
	Brand Performance	0,587	*0,432**	7,437	0,000	
Model 4 (H_2)	(Constant)	2,332		10,873	0,000	**F**= 85,236 **R^2**= 0,261
	Market Performance	0,456	*0,511**	9,232	0,000	
Model 5 (H_{2a})	(Constant)	2,854		12,505	0,000	**F**= 47,996 **R^2**= 0,166
	Market Performance	0,364	*0,408**	6,928	0,000	
Model 6 (H_{2b})	(Constant)	1,636		6,077	0,000	**F**= 87,061 **R^2**=0,262
	Market Performance	0,579	*0,515**	9,331	0,000	

*p<0, 05

Model 1 (H_1) Dependent Var.: Competitiveness
Model 2 (H_{1a}) Dependent Var.: Product Competitiveness
Model 3 (H_{1b}) Dependent Var.: Operational Competitiveness
Model 4 (H_2) Dependent Var.: Competitiveness
Model 5 (H_{2a}) Dependent Var.: Product Competitiveness
Model 6 (H_{2b}) Dependent Var.: Operational Com.

H_1 showed that brand performance had a significant and positive effect on competitiveness (β: 0,491 - sig: 0,000) and so H_1 was supported. H_{1a} revealed that brand performance had a positive effect on product competitiveness (β: 0,450 - sig: 0,000) and so H_{1a} was approved. H_{1b} demonstrated that brand performance had a positive effect on operational competitiveness (β: 0,432 - sig: 0,000) therefore H_{1b} was supported. H_2 showed that market performance had a significant and positive effect on competitiveness (β: 0,511 - sig: 0,000) as well as H_{2a} proved that market performance had a significant and positive effect on competitiveness (β: 0,408 - sig: 0,000) and so H_{2a} was supported. Lastly, H_{2b} confirmed that market performance had a significant and positive effect on competitiveness (β: 0,515 - sig: 0,000) and so H_{2b} was accepted.

Table 07. Results of the Standard Deviations, Means, and Correlations

	Mean	**Sd**	**1**	**2**	**3**
1. Brand Performance	4,4655	0,51904	**1**		***0,491***
2. Market Performance	4,2949	0,62775	***0,691***	**1**	
3. Competitiveness	4,2916	0,56030		***0,511***	**1**

https://dx.doi.org/10.15405/epsbs.2019.01.02.5
Corresponding Author: T. Sabri Erdil
Selection and peer-review under responsibility of the Organizing Committee of the conference
eISSN: 2357-1330

Correlation and regression analyses were employed to test the hypothesis. It can be seen in the Table 7 that result of correlation analyses. According to the table, it has been found that statistically significant relations exist between all the variables as the significance level of up value is below 0,05 in the correlation analysis. The relationship between brand performance and market performance has been found to be at 0,691 level which indicates that the relationship is moderate and positive. Similarly, it has been concluded from the results that the relationship between market performance and competitiveness is moderate and positive. However, the relationship between brand performance and competitiveness has been found at the 0,491. It can be said that this level indicates the presence of a weak but positive relationship between these variables (Durmuş, Yurtkoru, & Çinko 2011). In conclusion, the H_3 hypothesis was supported as its significance level is below 0.05.

5. Conclusion and Discussions

This paper aims to investigate the effect of brand performance and market performance on competitiveness in the context of mergers and acquisitions. The results of the correlation analyses showed that there is a positive relationships between brand performance, market performance, and competitiveness. It is possible to say that the strongest relationship has occurred between brand performance and market performance. To gain desired market share and performance in the long term can be achieved by investing in branding activities. On the other hand increasing market share and performance will promote branding activities and brand performance. Customers have been in search of well-known goods and services. Branding is one of the ways to reinforce the reputation of a firm and so investing in branding will help to increase market performance and brand performance mutually and strategically.

Dimensions of competitiveness emerged in this study have been observed to be *"product competitiveness"* and *"operational competitiveness"*. It can be said that these both dimensions reflect the perception of competitiveness of the firms which performed merger and acquisition transactions. Regression analyses were employed with the purpose of revealing the effect of brand performance and market performance on competitiveness and its dimensions. The results of the analyses indicated that brand performance and market performance had positive effect on competitiveness as well as its dimensions. Comparing β values demonstrated that market performance was more effective on competitiveness and operational dimension of competitiveness. Than it was on brand performance while brand performance was more effective on product competitiveness than it was on market performance. For firms seeking to increase their competitiveness it is reasonable to undertake operations which would increase their market performance. The results suggested a stronger interaction between brand performance and product competitiveness (check β values). The concept of brand is more likely associated with tangible goods in the minds of customers. In this aspect, companies included in the sample set of this study acquired product competitiveness through branding and brand performance. Product reliability and product quality are the most important activities to acquire product competitiveness. Manufacturing broad product mix within same facilities and ability to rapidly modify methods for materials are the most important activities to acquire operational competitiveness.

In conclusion, businesses are in search of competitiveness and mergers and acquisitions are alternative ways to gain competitiveness. On the other hand brand performance and market performance levels are the determinant of a firm's financial and non-financial performance. It can be said that increasing brand and market performance by merger and acquisition transactions can also increase competitiveness. Mergers and acquisitions which are strategically planned and possible outcomes of which are predicted can be effective on achieving successful firm performance.

As with every study, this paper has its own limitations. The findings can be generalized only for firms which carried out mergers and acquisitions. Further research may reveal other dimensions of competitiveness and their relations with other independent variables by using another comprehensive competitiveness scale. Investigating export performance and strategic results of merger and acquisition transactions can be studied by scholars in the future research.

Acknowledgments

This study was supported by Marmara University Scientific Research Projects Commission within the scope of the project SOS-A-111017-0589.

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