

INNOVATION

Getir: A Remarkable Example of a Digital Disrupter from An Emerging Market

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The e-grocer has quickly introduced a disruptive, innovative, and lucrative business model.

Imagine you are living in a megacity with some 20 million inhabitants and congested, chaotic traffic. You spend typically several hours a day commuting to and from work. The last thing you want to do at the end of a hectic day is to spend more time shopping for groceries and fighting traffic and crowds.

Now, imagine also that you have a convenient alternative to in-store shopping that will eliminate the need for such a chore. You can order your groceries from your digital device, choosing from a menu of 1,500 items, using the services of a trusted e-retailer that promises –and delivers – your groceries at your doorstep in under 10 minutes!

Remarkably, this is not a hypothetical scenario; but already a reality in five populous western European cities. Based on a 10-minute grocery delivery proposition, GETİR (www.Getir.com; <https://www.Getir.uk/>) has introduced such a disruptive and innovative business model and become a unicorn in a short period of time.

There are several noteworthy facts about this e-grocer. First, no, it is not a company that has a history of several decades, not even a decade. Second, it did not start out with a huge capital reserve. Third, it did not have any experience in retail business. Fourth, it does not hail in from a western country. In fact, it originates from an emerging market with considerable regulatory and bureaucratic barriers. Further, its home country consumers seek variety in retail choices and are accustomed to shopping across many retail formats, including large supermarket chains and smaller, neighborhood grocers.

This digital disrupter is Getir, a six-year-old digital start-up that got its beginnings in Istanbul, Turkey. Getir (which means “to bring” in Turkish, with a pronunciation that conveniently sounds like “get here”) now operates in London, Berlin, Amsterdam, Paris in addition to 28 provinces in Turkey and is about to launch e-grocery services in New York city. Most recently, Getir acquired *Blok*, a similar rapid delivery service from Spain. This acquisition will enable the firm access to such cities as Madrid, Barcelona, and Milan. Founded in Istanbul in 2015 by five business partners, Getir is valued at \$7.5 billion as of July 2021, with the participation of such well-known venture capital firms as Tiger Capital, Goodwater Capital, Silver Lake, Sequoia and others.

What makes Getir spectacular rise as a major player in digital business possible? A novel value proposition for the consumers? A disruptive delivery model? Digital capabilities? Entrepreneurial initiative and vision of its founders? Operational excellence? High-achieving and highly motivated talent pool? Value-added partnerships? Timing? Certainly, all these factors and more contributed to GETIR's ascension to a super-sized international retailer. Let's elaborate.

What contributes to GETIR's success?

A combination of many interrelated factors lies behind the rapid success enjoyed by Getir:

- **Digital disruption:** Running the whole service operation via an application and operating system backed up by sophisticated AI and data science tools makes GETIR a digital disruptor or maybe an IT company.
- **Unique positioning:** Getir has come up with a rather ambitious and unique proposition by raising the bar in grocery delivery to 10 minutes at most. This seems to be a bull's eye proposition since the competition in retailing is centered around delivery time as evidenced by the related initiatives launched by major retailers one after another. The only proposition to beat Getir seems to be instant delivery enabled by teleport of matter. Until that time, Getir will probably remain the market maker where 10 minute delivery is the primary point of difference.
- **Strategic vision of founders:** Getir was founded by Mr. Nazim Salur and several of his business partners (<https://theorg.com/org/Getir/org-chart/nazim-salur>). The founders have a vision of becoming global company with Turkish origins. They aim to be the first significant mover in each market they operate.
- **Leadership:** The founders demonstrate a high entrepreneurial spirit which also leads to a somewhat unorthodox management style that facilitates extreme agility and speed in execution.

- **Exceptional talent base:** Getir has enjoyed having direct access to the abundant pool of young talent in Turkey. Acquisition of the right talent who are well-educated, competent, ambitious, and have superior work ethic has provided Getir with a highly competitive human resource capital.
- **Human-centric management:** Management at Getir believes strongly in the value of human resource capital for a company and walks the talk. As a result, management has been successful in making the company a preferred employer of choice. This has facilitated talent acquisition and retention even further. The company values each employee at every level and cares about their motivations and aspirations. In addition, Getir offers fair compensation and implements various professional development opportunities for its employees.

As an example, turnover is typically extraordinarily high among delivery people that work in the field which leads to a learned helplessness in the delivery business. GETİR has defied this learned helplessness by providing private health insurance to all its drivers, along with all the other employees. This is such a disruption in the delivery business in that it contributes to retention of Getir's drivers well beyond the industry average. Getir takes care of its people who are on the streets to fulfill the value proposition concerning the last mile in retail. It is a clear example of disrupting a long-time presumption. Furthermore, employees are offered stock options at each investment round, making them part owners of the company.

- **Business Eco System / Partner Network:** 'Partner first' philosophy facilitates partner-driven aspect of Getir's strategy. Extraordinary compassion and goodwill are shown towards suppliers and other partners. From all indicators, the company is a strong believer in a win-win approach for its relationships throughout its ecosystem and partner network.
- **Stakeholder (not shareholder!)-centric company culture:** GETİR embraces a holistic stakeholder management perspective in setting up and running its business. The company acknowledges all parties involved, going well beyond the shareholders.

It follows and acts on the value offered to and received by its employees (including operational and field teams), traditional retailers, suppliers, consumers, and its shareholders.

- **Operational excellence:** Akin to Toyota's highly acclaimed just-in-time manufacturing and kaizen processes, not only minutes, but seconds matter! This includes all processes from order reception, processing, fulfillment and follow up. Shaving a few seconds from fulfillment time is a cause for big celebration. Operational excellence is achieved by efficient and data-driven supply chain management, superior fulfillment, sourcing, delivery, operations, human resources and training, and financial systems.
- **Learning from earlier business ventures:** The earlier experience of the lead founder, Mr. Nazım Salur, with Bitaksi (www.bitaksi.com) has been very relevant. Bitaksi is a digital taxi hailing business in Istanbul with the taxi arriving within 3 minutes of the request. This and other experiences accumulated at home have been tremendously helpful in launching Getir. Fulfilling such an aggressive time-sensitive value proposition in a crowded city with very heavy traffic such as Istanbul has been a great learning experience in terms of setting up and executing a sophisticated, detailed, and data-centric operation.
- **Creative execution:** Executional initiatives such as setting up 'dark stores' in low rent areas or capability to produce marketing communication content and material within hours, agility in decision making, encouraging creativity in all aspects of the business, openness to new ideas to improve the business and/or the operation, and an innovative orientation have all been an integral part of GETİR.

International expansion

Following a successful launch in Istanbul and initial growth in Turkey – that spans some two dozen urban centers around the country – GETİR's expansion into other large, urban areas in western Europe has been swift and deliberate.

Getir's international expansion targeted populous urban centers in western Europe. London was the first market entered outside Turkey followed by Amsterdam, Paris, and several German cities. A recent acquisition will expand its coverage to Spain and Italy. New York City is on the expansion timeline which is slated for later in 2021.

Deployment of valuable experience from home country operations has been highly instrumental in Getir's international expansion. *Home-country advantages* include: refinement of operational excellence, development of digital systems, building an exceptionally qualified talent base, and sufficient experience to entice venture capital. Innovations, process or service improvements are first tried out in Turkey before deployed in international markets. Currently, only the original Getir model is taken to international markets and the expansion of the adjacent businesses developed in Turkey are not considered.

Getir was an innovator in Turkey with no competitor with a similar business model at the time it was founded. Some followers who entered the market later (e.g., Glovo) were not successful and Getir has been enjoying both the first mover and the first significant mover advantages in its home market.

International Market Entry Strategy

Getir's international expansion is funded largely through venture capital. The company considers not necessarily a country but an urban area in its market potential analysis. Thus, best prospects are in mega cities with large populations, congested traffic, and an appreciation of consumers for quick delivery of groceries. In addition to urban density, other critical factors in market selection are strategic considerations. The management wishes to be in key financial centers to gain visibility to potential venture capital. Potential purchasing power of consumers, local regulations supporting digital businesses, and suitability for direct investment are also relevant considerations.

Mode of entry choice for Getir is direct investment where some employees are relocated to the new markets and select tasks (e.g. digital marketing communication, MARCOM creativity and production, supply chain management) are carried out by teams in Turkey

through remote work. The latter enables high speed execution and efficiency. GETİR may consider partnerships for some markets (e.g., China) in the future.

Getir management seems intent on rapid expansion in international markets. Timing is of the essence. Even if Getir is not the first company in any one market, the goal is to be the ‘first significant player’ (e.g., Getir became #1 in the U.K. in a very short period although it was the fourth entrant in that market).

It is also interesting to examine how Getir responds to the issue of standardization vs. adaptation in international business. The marketing programs applied in different countries illustrate that Getir thinks globally and acts locally! Local tastes, customer preferences, and national holidays are recognized. Pricing, processes, physical environment characteristics and human-centric approach are similar to those applied in Turkey. On the other hand, the product portfolio, promotion, and distribution vehicles are subject to local adaptation. As an example, the product mix in the U.K. and Netherlands has only about ten percent overlap with those offered in Turkey. Bicycles are preferred as delivery vehicles instead of scooters depending on the topography, traffic congestion and local practices. Brand name and logo are kept constant, and marketing communication production is centralized (for the time being). Yet, the communication message and primary appeals are also adapted locally. Some adaptation is also needed in employee recruitment criteria due to varying human resource practices, norms and employee expectations.

Insights For Disruptors

It is possible to generalize the lessons learned from Getir’s experience as a disruptor and draw some implications for any organization vying to become a change agent in their respective industry. These include the following prescriptions:

- Novel idea, unique customer value, diligent execution, and thoughtful leadership still win the day!
- Digital disrupters replace conventional lifestyles and traditional marketing channels with totally new value-chain partners and challenge incumbents.

- Sophisticated digital technology plays a huge role in the success of disruptors. The algorithm and the digital platform required to connect multiple parties (users, suppliers, delivery teams, etc.) are sophisticated systems, embedded with big data, AI, machine learning, and so on.
- Disruptors build totally new partner-eco systems. Getir's partner network includes numerous local suppliers, 'dark room' operators, drivers, small retail businesses, and venture capital firms. Partners share reciprocal benefits and build a formidable barrier to potential new entrants.
- Digital disruptors must **rush** to build a critical mass of user community; speed at which such a loyal community is built determines success.
- Often, the initial novel idea or the business proposition renders competitive advantage for the disruptor for only a limited time. Subsequent innovations and benefits must follow to stay ahead of emulators and new entrants. Getir appears to be accomplishing this in two major ways.

First, the company expanded into adjacent areas of retail over the past few years. Thus, **Getir Büyük** is positioned as an alternative to supermarkets, **Getir Yemek** offers hot food delivery from local restaurants, and fast-food stores and, lastly **Getir Çarşı** (marketplace for local neighborhood mom & pop brick and mortar stores) is transforming Getir into a retailer with a much larger scope and competitive frame of reference. Second, Getir launched an ambitious internationalization drive, first entering London in January 2021, only six years after its founding. It followed this in Amsterdam (May 2021), Berlin (June 2021) and Paris (June 2021).

- Ambitious disruptors like Getir must internationalize beyond their domestic markets for several reasons. One is to reap the benefits of their innovation (often a monopolistic advantage) as rapidly as possible. Initial superiority may be short lived with the addition of emulators and other new entrants. Internationalization is also desirable as the venture capital partners will be counting on prolonged success to elicit maximum returns for their investment.

- Home market experience is extremely critical for international market success. Learnings, best practices, and operational routines accumulated at home serve as building blocks for success abroad. Getir depends substantially on its home experience and talent base in cultivating new markets. Its rich talent teams at the home office in supply chain, procurement, information systems, and customer loyalty provide crucial support to all international teams.
- In recent years, most multinational companies discovered the value of looking beyond the aggregate 'national' market potential to consider the potential that exist in large urban areas and regions. This new practice of city-based or urban-based marketing is exactly what Getir also follows.
- New market selection is foremost a question posed around what each large urban area offers (population, income, traffic congestion, and so on) and secondarily, a matter of the country characteristics (e.g., preference for financial capitals, proximity to venture capital sources).

Insights for Incumbents

Challenged by industry disruptors, incumbent firms must take quick action. Some may be able to transform their business model and emulate the disruptors. Others may contend for smaller segments of the market and strive to offer alternative benefits to consumers such as cost advantage. This would require streamlining existing operations, refining processes, or simply improving efficiency as a way of preserving their sustainability. Those incumbents who stand on the sidelines and remain unresponsive will surely make themselves vulnerable to redundancy.

Conclusion

While Getir serves as an example of a new economy company that achieves impressive growth and success, it may be more of exception than the rule. While many start-ups flood the digital marketplace partly because entry barriers are relatively low, great majority of

such start-ups fails. Indeed, only a small fraction reaches the status of a unicorn.

The case of Getir offers rich implications for executives. It also serves as a reminder of a trend we have seen in recent years – democratization of opportunity and wealth acquisition. In the new global economy, entrepreneurs from emerging markets can be in the forefront of innovation and business model disruption. Digital technology serves as an enabler, leveling the playing field for those countries and enterprises that are not necessarily the innovators themselves but are quick adopters. In this way, the playing field between the innovator nations and emerging markets tends to level.

► References

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