

# Turkey Is Becoming A New Kind Of Silicon Valley



**My Say**, CONTRIBUTOR

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When you hear the word “startup,” the first place that comes to mind probably isn’t Turkey. Between Silicon Valley, New York City, Moscow and Tel Aviv, an exclusive collection of startup hubs around the world has been creating buzz and dominating entrepreneurial attention for years. So when I was offered the chance to join a startup in Istanbul, Turkey in 2013, I was curious about this new market, and accepted the job immediately.

Now, after living and working in Istanbul for almost a year, I’ve witnessed the city undergo a major transformation, driven by the incredible power of technology and entrepreneurial spirit. While Turkey’s move toward a startup ecosystem has been building for years, cutting-edge ideas around emerging technology — like wearables, beacon technology and mobile commerce — are at an all-time high, sometimes cropping up in Istanbul before anywhere else in the world. With so much innovation meeting in the middle, Turkey has been catapulted to the forefront of innovation in a big way, and is only slated to grow even further.

## Starting Up

While it has gained ground in recent years, Turkey’s transformation has been a long time coming, thanks to a unique mix of cultural, economic and even governmental elements that somehow all add up. A huge factor in Turkey’s startup success are the country’s demographics. An entire [half of Turkey’s population is under the age of 30](#), resulting in a predominantly well-educated workforce and a massive talent pool of early adopters and tech-savvy thinkers. Additionally, [mobile](#)

[penetration in Turkey is through the roof](#), with more than 68 million people in Turkey owning a mobile device—that’s 84% of the population. Turkey’s mobile users are also reported to be the [most active consumers in the world for mobile shopping](#), mobile banking and QR code scanning, and are third in the world for mobile wallet technology usage. As the country’s population gravitates toward an increasingly mobile lifestyle, consumers are by passing internet and desktop trends of the past, leapfrogging to mobile and embracing its massive potential for innovation.

Turkey’s internal infrastructure has even followed suit, working to become more conducive to entrepreneurship. Local venture capital and angel investor organizations, such as [212 Capital](#), [Aslanoba Capital](#) and [Galata Business Angels](#), are recognizing the potential of Turkey’s innovative startups from right on the ground. These indigenous financiers have played an instrumental role in constructing the ecosystem, where they have set out to showcase the credibility of Turkish entrepreneurship and have worked to refine the financial investment process in this young market. Local incubator [Endeavor Turkey](#) also works to connect entrepreneurs to mentors, investors and even potential partners to keep ideas flowing and people sharing.

All this local VC activity has even caught the attention of various international capital firms. Y Combinator-like funding organizations are beginning to take serious interest in Turkey’s growing startup scene, with Intel Capital, eTohum and even Kleiner Perkins backing promising ideas in the region. With the [acquisition of GittiGidiyor by eBay](#) for over \$200 million in 2011, people both inside and outside of Turkey’s borders took note.

But what’s really most inspiring to me? Turkish culture has long been characterized by an inherent entrepreneurial nature, where necessity is undoubtedly the mother of invention and where things that need improving receive improvements. Thanks in large part to social media, young, bright Turks are finding inspiration and guidance from the startup progression in other parts of the world, and are applying this to their own technological endeavors. Young people are meeting in government-funded [technoparks](#) to work together, share ideas and house their inventions. Now, technology and innovation are some of the leading industries in Turkey, and are becoming more socially accepted. It’s no longer an anomaly for young people to take up careers in the tech market; in fact, it’s a badge of honor.

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## Staying at the Forefront

Thanks to Turkey's well-balanced ecosystem, small startups and larger companies have begun working to tap into the country's massive mobile opportunity, releasing rounds of innovation at an increasingly faster clip. Across every industry, I've seen new approaches to mobile take shape, carefully filling a long-existing demand in the Turkish market for mobile-centric technology. In retail, companies like [Trendyol](#) — a Turkish version of Gilt Groupe — have demonstrated massive appeal, bringing products and purchasing power directly to mobile. [Lidyana](#), another mobile fashion retailer backed by Endeavor, and [Hepsiburada](#), an Amazon-like e-marketplace partnering with international software company ThoughtWorks, are also working to bring much-needed mobile commerce potential directly to consumers. I'm even seeing m-commerce companies turning to beacon technology to bring customized, location-based rewards straight to mobile consumers on the go. One such company leveraging the power of location on mobile? [BiTaksi](#), a Flywheel and Uber-like app, matches locals and especially tourists in Istanbul, Ankara and Antalya with hard-to-find cab drivers in the area via mobile, while [Yemeksepeti](#) offers remote food ordering and delivery to smartphone users, almost a Turkish GrubHub. Turkey's m-commerce potential has gone through the roof, and savvy startups are taking the challenge seriously, focusing on wielding mobile to address the country's unique demands.

Additionally, with Google Glass emerging as the first publicly realized example of wearable technology, Turkish companies in almost every sector have begun determining ways to interact with consumers on these new devices. In banking, for instance, we're increasingly seeing app designers incorporating ATM location possibilities, real-time account updates and stock information into wearable devices, offering consumers a level of convenience we've never seen before. In entertainment, we'll be able to bet on international sports games or athletic events instantaneously, with updates and opportunities sent directly to a consumer's Google Glass. Turkish companies — mine included — see massive possibilities around wearable technology, and have been developing new ideas accordingly. When the price point on these devices inevitably drops, Turkish startups and app companies will undoubtedly be among the first with a wearable strategy in place.

## Looking Ahead

As the buildup of Turkey's startup culture comes to fruition, it's not hard to imagine a bright future for this Middle Eastern innovation hub. But with Turkey's

advantageous set-up comes some heavy burdens to bear. Many have heard of [Prime Minister Erdogan's ban on social media](#)— in response to public outcry against corruption scandals — and admittedly, Turkish startups took a measurable hit. After all, social media is a key marketing tool for many startups, and it's all but impossible to sell VCs on investing in a startup if your country is seen as a political risk. However, the vast majority of Turks [found careful ways around the ban](#), using VPN to access social networks remotely and continue contributing to an important political conversation. The way Turks beat the ban serves as testament to natural Turkish resourcefulness — and technology's mighty power, widespread reach and the Turkish ability to problem-solve.

Despite the country's admitted tumult, most indicators in Turkey are pointing up and to the right: institutional capital is growing, education is only becoming more important and a mixture of Eastern-Western geography has begun to propel Turkey's innovations to new parts of the world. Plus, as a physical bridge between the newly developing tech scene in Asia and the veteran inventions of Europe and North America, inspiration, leadership and expansion potential are well within reach. As a city at the crossroads of history and future — and east and west — Turkey is proving to be the startup hub to watch in the Middle East for years to come.