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## BRINGING NEW CUSTOMS TO AN OLD VILLAGE: RHETORICAL LEGITIMATION STRATEGIES IN A PERIPHERAL COUNTRY

Leyla ADİLOĞLU-YALÇINKAYA<sup>1</sup>

#### **Abstract**

Actors' efforts against surrounding institutional pressures to pursue legitimacy are critical. Although scholars have mainly focused on the importance of gaining legitimacy, little is known about the context-specific rhetorical strategies of the actors to legitimate the business model in a peripheral country. In this article, based on extensive material, efforts behind the legitimation of a new airline business model in a peripheral country were explored. This study employed a qualitative research method. The data set consisting of multiple secondary data was analyzed based on the content analysis. Drawing on new institutional theory, this study contributes to previous studies on legitimation and business models by showing actors' arguments content and providing a more nuanced understanding of how actors work on legitimation and how they use context-specific explanations during this legitimation process.

Keywords: Airline Business Model, Legitimacy, Peripheral Country, Rhetorical Legitimation Strategies

**JEL Codes:** L00, M00, B52

# ESKİ KÖYE YENİ ADET GETİRMEK: ÇEVRE ÜLKEDE RETORİK MEŞRUİYET STRATEJİLERİ

#### Öz

Aktörlerin, çevredeki kurumsal baskılara karşı meşruiyet peşinde koşma çabaları kritik öneme sahiptir. Bu doğrultuda, araştırmacılar, meşruiyet kazanmanın önemine odaklanmış olsalar da çevre ülkede iş modelini meşrulaştırmak için aktörlerin bağlama özgü retorik stratejileri hakkında çok az şey bilinmektedir. Bu çalışmada, kapsamlı bir veri setine dayanarak, çevre bir ülkede, yeni bir havayolu iş modelinin meşrulaştırılmasının ardındaki çabalar incelenmiştir. Bu çalışmada nitel araştırma yöntemi deseninden yararlanılmıştır. İkincil verilerden oluşan veri seti, içerik analizi ile analiz edilmiştir. Yeni kurumsal kurama yaslanan bu çalışma, meşruiyet kazanmak için aktörlerin nelerin üzerinde durduklarını göstererek ve aktörlerin meşrulaştırma üzerinde nasıl çalıştıklarına ve meşrulaştırma süresince bağlama-özgü açıklamaları nasıl kullandıklarına dair bir anlayış getirerek, meşrulaştırma ve iş modelleri ile ilgili önceki çalışmalara katkıda bulunmaktadır.

Anahtar Kelimeler: Havayolu İş Modeli, Meşruiyet, Çevre Ülke, Retorik Meşruiyet Stratejileri

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<sup>1</sup> Dr. Öğr. Üyesi, Özyeğin Üniversitesi Havacılık ve Uzay Bilimleri Fakültesi, <u>leyla.adiloglu@ozyegin.edu.tr</u>, <u>https://orcid.org/0000-0001-7656-</u>0352



#### INTRODUCTION

Organizations cope with different challenges while introducing a new business model. One of the significant challenges for organizations is 'gaining, maintaining, and repairing legitimacy' in a field (Suchman, 1995). The view that legitimacy, which extends to the studies of Weber (1978) and Pearson (1960), affects actors is an indisputable fact today (Deephouse and Suchman, 2008; Suchman, 1995), but legitimacy cannot be taken for granted (Bourgoin, Laszczuk, and Langley, 2020). Even transferring wellknown practices (Erçek and Say, 2008; Özen, 2017) and business models (Ahlgren Ode and Louche, 2022; Amit, Snihur, and Zott, 2021; Snihur and Zott, 2015) require gaining legitimacy in the context. For this reason, actors actively work on legitimacy construction (Hoefer and Green Jr, 2016; Suddaby, Bitektine, and Haack, 2017). Although legitimation has been frequently studied in the literature, we know little about actors' strategies to gain legitimacy (Laïfi and Josserand, 2016, p. 2343; Patala, Korpivaara, Jalkala, Kuitunen, and Soppe, 2019, p. 399) and the contextual factors which play role in legitimation (Suddaby, Bitektine, and Haack, 2017, p. 462). Insomuch that the scholars call for research in this area to deeper understand language use in a specific context (Vaara and Langley, 2021, p.549). In this sense, this study examines context-specific discourses with the idea that legitimacy is grounded in the social context (Haack, Schilke, and Zucker, 2021). Furthermore, in light of the calls for research on emerging countries and the mentioned importance of understanding context-specific arguments (Barkema, Chen, George, Luo, and Tsui, 2015; Filatotchev, Wei, Sarala, Dick, and Prescott, 2020; Morris, Aguilera, Fisher, and Thatcher, 2023), we explore the actors' rhetorical strategies during the transfer of a business model in a peripheral country.

After critically reviewing collected data, we show how actors' thoughts are reflected in the statements by clarifying the meanings embedded in the context. In other words, this paper focuses on how the actors have used language and what kind of persuasive arguments have been generated for legitimation in a peripheral country. Accordingly, with this study, we explore the legitimation process of the actors introducing a new business model in Türkiye based on content analysis. Although the diffusion of the low-cost airline business model was apparent in the USA and Europe, how organizations respond to the institutional pressures in the hometown to gain legitimacy for a business model remains unexplored. Our study presents valuable insights into management literature by providing a better understanding of the arguments behind legitimizing the transferred business model.

Furthermore, our study details the legitimation practices at Pegasus Airlines, which introduced a new business model and succeeded in being sustainable. We then demonstrate how a text may reflect the organization's aim and arguments embedded in the context.



In the following sections, we briefly explain the theoretical background that informs our research lens and methodology. Then, we present the findings drawn from the content analysis of the arguments for legitimizing the transferred business model. Finally, the last part presents the study's conclusions and suggestions for future studies.

#### THEORETICAL BACKGROUND

#### Legitimation

As it has been widely stated in the literature, institutional environments require the legitimacy of organizations (Berger and Luckmann, 1966). Scott (2008) defines this legitimacy term as "compliance with relevant rules, laws, normative pressures, and cultural-cognitive frameworks." This concept provides the point of view for taking into account when establishing a new organization or bringing a new approach into the field (Suddaby and Greenwood, 2005). Indeed, the new institutional theory claims that organizations need to be accepted in the area in which they operate, and if they succeed in gaining legitimacy, the chance of being sustainable increases (Deephouse and Suchman, 2008; Dowling and Pfeffer, 1975; Meyer and Rowan, 1977).

Legitimacy, which has been widely discussed in the literature (Suddaby, Bitektine, and Haack, 2017), is classified into three types: pragmatic, moral, and cognitive (Suchman, 1995). While pragmatic legitimacy points to the interests of the organizations themselves and their target audience, moral legitimacy relates to assessing the correctness of the activities of the organizations. Lastly, cognitive legitimacy highlights the relations between established cultural structures and organizations' support (Suchman, 1995). Similarly, Scott (2008) classifies legitimacy as regulative, normative, and cultural-cognitive. The first is about conformity to regulations; the second is related to obtaining deeper moral values. The third one, the cultural-cognitive dimension, which relates to more general perception, describes the suitability of generalized socially constructed common interpretation (Scott, 2008). While these classifications enable the details of legitimacy to be understood, they also point out that legitimacy is quite complex, and it covers different aspects which require the massive efforts of the organizations.

Accordingly, legitimacy is a challenge, but how do the actors succeed in this, especially in a peripheral country? That is the purpose of this paper to shed light on it. Considering legitimation as a process, the actor's role in implementing social change and their purposive efforts become important (Suddaby, Bitektine, and Haack, 2017). While there are considerable researches on rhetoric strategies to understand the diffusion and legitimation of the practices (Patala et al., 2019; Suddaby and Greenwood, 2005), relatively little emphasis has been placed on legitimacy efforts for transferred practices (Özen and



Berkman, 2007), especially in the peripheral country. As scholars discussed, the research on peripheral countries can extend the theories that were developed at the center and may develop new novel contributions by utilizing pre-existing theories and by taking an 'inside-out approach' based on homegrown concepts (Morris et al., 2023, p. 3). This offers a chance to gain a deeper knowledge of how local actors use their own meaning systems to legitimize practices developed in the center (Özen, 2014, p. 93).

To this end, this study examines how the legitimation of the transferred low-cost airline business model, new to the context, has been built by the actors in the peripheral country by searching arguments and thoughts reflected in words.

#### **Rhetorical strategies for legitimation**

Understanding the meanings of utterances is important for understanding social life. Language is the main contributor to the social construction of organizational and strategic phenomena (Vaara and Langley, 2021). Berger and Luckmann (1966) highlight that language constructs immense edifices of symbolic representations over the reality of everyday life. As a reflection of the language, words are "powerful resources for making and signifying an organization's strategy" (Balogun, Jacobs, Jarzabkowski, Mantere, and Vaara, 2014). In recent years 'language use', which plays a significant role in strategy and strategic change, has been increasingly analyzed by scholars from different perspectives (Vaara and Langley, 2021). Scholars highlight the importance of the discursive strategies for legitimation to understand how organizations promote and protect their goals against institutional pressures (Berger and Luckmann, 1966; Kim, Croidieu, and Lippmann, 2016) and how communication could be used for understanding the diffusion of the practices (Green Jr, 2004).

Actors' roles and verbal persuasion techniques are prominent research topics today (Erkama and Vaara, 2010; Harmon, Green Jr, and Goodnight, 2015) but have long been debated. Aristotle brought the concepts of ethos, pathos, and logos and clarified the issue by stating that the actors follow strategies to convince other stakeholders (Aristotle, 2006). While 'ethos is used for normative and moral legitimacy', 'pathos appeals to emotional legitimacy' and lastly, 'logos is used to elicit judgments of efficiency or effectiveness' (Green Jr, 2004; Özen and Berkman, 2007; Siraz, Claes, De Castro, and Vaara, 2022). Based on this study, many scholars have contributed to the literature (Brown, Ainsworth, and Grant, 2012; Hoefer and Green Jr, 2016; Özen and Berkman, 2007; Vaara, Kleymann, and Seristö, 2004). Scholars also propose different rhetorical legitimation strategies of actors in different fields. For instance, based on the previous research (Van Leeuwen and Wodak, 1999), Vaara, Tienari, and Laurila (2006) identified rhetorical legitimation strategies: rationalization, normalization, moralization, authorization, and narrativization that



are most commonly discussed in the literature (Korkeamäki and Kohtamäki, 2020; Mendoza, Alfonso, and Lhuillery, 2021; Patala et al., 2019). Specifically, rationalization strategy refers to functions of specific practice; normalization strategy is about past actions or future references for things to come; moralization strategies refer to norms and values; authorization strategy refers to legislation and rules and narrativization strategies refer to stories or dramatized narrative structures to attract targeted audiences (Mendoza, Alfonso, and Lhuillery, 2021; Patala et al., 2019; Vaara, Tienari, and Laurila, 2006).

Admittedly, the rhetorical strategies of the actors in the construction of legitimacy are a topic discussed previously and extend to the studies of Aristotle (2006). Although there is interest in this topic, we still know very little about context-specific language use, which plays a role in legitimation (Vaara and Langley, 2021). In this study, the content and meaning of speeches and the writing of the actors were analyzed to explore rhetorical legitimation strategies for the business model, which is new in the context.

#### **Legitimation in Business Model**

As it is discussed in the literature, the emergence of new business models or business model innovation requires legitimation (Amit, Snihur, and Zott, 2021; Snihur and Zott, 2015; Wu, Zhao, and Zhou, 2019). For instance, Amit, Snihur, and Zott (2021) share examples from different fields and highlight that gaining legitimacy may create challenges and take time for the organizations. On the other hand, Wu, Zhao, and Zhou (2019) discuss that organization may change their services due to mismatching in normative, regulative, and cognitive legitimacy while transferring business models.

Although the literature to date has said a lot regarding legitimacy, which sheds light on today's understanding and provides propositions that extend the discussions regarding legitimacy in business models based on conceptual analysis, they are still limited (Biloslavo, Bagnoli, Massaro, and Cosentino, 2020) and there is a need for empirical analysis related to legitimacy dynamics for business model innovation (Amit, Snihur, and Zott, 2021, p. 34). To this end, this paper explores the process more deeply to understand the arguments while presenting a low-cost airline business model transferred from outside the country.

#### **Emergence and Diffusion of Low-cost Airline Business Models**

The low-cost airline business model in the United States dates back to 1945 when Pacific Southwest Airlines began operating between Oakland and San Diego in the California market (Kenneth Button, 2012; Gittell, 2005). In Europe, Laker Airways was founded in the UK, which started its operations as a charter airline in 1966 and began offering a scheduled and low-priced service called "Skytrain" in 1971 (Kenneth



Button and Ison, 2008; Cannon, 1985; Teece, 2010). After these attempts, in the following years, the first successful low-cost airline business model, the business model of Southwest Airlines, was founded in 1967 (Southwest, 2018; Taneja, 2017; Vasigh, Fleming, and Tacker, 2018). This model has been considered the first version of the low-cost airline business model (Wensveen and Leick, 2009), and the diffusion of this model has been widely analyzed by scholars (Ison, 2017). The impact of Southwest Airline's business model on the aviation industry was called as "Southwest Effect" (ICAO, 2015; Pitfield, 2008; Vowles, 2001), and Southwest Airlines was described as "a new paradigm airline" (Taneja, 2017) in the aviation literature. In general, low-cost airlines with point-to-point networks offer short and medium-haul flights to secondary airports with a single aircraft type; their target market consists of price-sensitive passengers; they offer lower prices but inflight meals are not free compared with network carriers (Corbo, 2017; Whyte and Lohmann, 2020).

Considering the research area, the low-cost airline business model was first presented in 2005 in Türkiye. Eventually, low-cost airline business models in Türkiye have emerged or transferred too late than other countries. The reasons behind these late improvements, explained by scholars from different perspectives, are out of this paper. The paper's primary focus covers arguments regarding gaining the legitimacy of a low-cost business model.

#### **METHODOLOGY**

The general approach in this study is to explore reactions to challenge the taken-for-grandness in aviation and bring a new approach to the field. Primary attention is given to the top managers' efforts to impact the institutionalized perceptions of air transportation and introduce a new business model. Thus, the research question of this study is: "How have arguments been made to gain legitimacy for a transferred airline business model in a peripheral country?"

Considering that definition of legitimation is "objectivation and constructing the meaning" (Berger and Luckmann, 1966), and this meaning-making occurs through language which is used by the actors (Suddaby, Bitektine, and Haack, 2017), motivated us to explore the reflections of legitimacy efforts on the text, statements, and words. Within the interpretive paradigm (Burrell and Morgan, 2017), the research question was explored using the qualitative research method. Our roles in this analysis were to find out the rhetorical strategies through the speeches, dialogues, and text to contribute to the literature by understanding the role of the actors and the language used by these actors for legitimation.



We conducted case study research to gain a greater in-depth understanding of the efforts made by the executives in Pegasus airlines after changing the business model. The case study method helps to analyze a case or phenomenon within its own context by using multiple data sources (Yin, 2018).

Pegasus Airlines was founded in 1990, then acquired by Sabancı family members- the powerful founding family of Sabancı Holding and Esas Holding (Karaevli and Yurtoglu, 2018)- and changed its business model from charter to low-cost airline business model in 2005 (Pegasus, 2022b). It is worth highlighting that while most airlines went bankrupt in Türkiye after the first and second liberalization periods (the 1980s and 2000s), Pegasus Airlines survived in Türkiye. As highlighted in the literature, the research area, Türkiye, is one of the peripheral countries where management approaches are strongly affected by US influence (Üsdiken and Wasti, 2009).

The boundaries of research are the years between 2005 and 2020, after presenting the low-cost business model, which was a new business model and different from existing business models but transferred from abroad. Bringing a new airline business model in the field, being the oldest airline among the private airlines in Türkiye, and being traded on the Istanbul Stock Exchange (Companies, 2018) were reasons for selecting this airline. As Patton (2015) states, selecting a case rich in data allows a deeper understanding of the research question. Thus, following the legitimacy as a process view (Suddaby, Bitektine, and Haack, 2017), having a long history is essential for understanding legitimation. When viewed as a process, the purposive efforts of actors become standout quarterbacks in socially constructed legitimacy (Suddaby, Bitektine, and Haack, 2017). Furthermore, contrary to the life story of Pegasus Airlines, the high rate of bankruptcies in the field (Battal and Kiracı, 2015) caused the study to rely on the assumption of the necessity of legitimacy.

As it is shown in the following table, the data set covers multiple secondary data.

Table 1 Research data

Secondary Data	No.	Secondary Data	No.
News about the company or executives	493	Competition Authority Decisions	34
Interviews   speeches were given by executives	68	Pegasus Magazine	57
Pegasus Bulletin & Announcements	266	Advertisements	301
Annual reports	13	Other	6



The collection of the data started with a search for "Pegasus" keywords and executives' names (e.g., Ali Sabancı, Güliz Öztürk, Sertaç Haybat, etc.) who joined Pegasus Airlines in 2005 and mentioned in the publication of the airlines as a team that introduced the low-cost airline model to Türkiye' (Pegasus, 2013b). In addition, current executives' speeches were also added to the dataset. To diversify the data, we also used the official website of the airline; annual reports, bulletins, announcements, and other secondary data (Table 1) were added and reviewed because they are most of the important channels that the organizations have control over them and use to communicate with the public (Patala et al., 2019). To expand data, the search engines (e.g., Google), online video-sharing sites (e.g. Youtube, MediaCat, Vimeo) and databases for the news (e.g., Press Reader, Milliyet Newspaper Archive, Cumhuriyet Newspaper Archive) were also used to collect data. Furthermore, we bought the news related to Pegasus Airlines from Ajans Press Media Monitoring Center, which covers all the newspapers in Türkiye, and added it to the dataset. With the news, we examined the provided or restructured arguments that are justified in the media. Then, the research was expanded to Competition Authority Decisions to explore arguments, critics, and expressions of the company.

We uploaded all collected data (Table 1) on MAXQDA, a qualitative data analysis software, first, then we systematically reviewed the data set, we read all written documents, we watched the videos and took notes, and then we coded them in the MAXQDA at the same time one by one. MAXQDA is a software that allows for systematic examination of the different types of the data, such as text, videos, and/or images, categorizing them and evaluating the relations (Creswell and Poth, 2016; Kuckartz and Rädiker, 2019). To this end, we conducted content analysis, the most common technique in studies regarding legitimacy (Suddaby, Bitektine, and Haack, 2017) to analyze these data and find arguments and strategies while transferring the low-cost airline business model in the field to legitimate it. From the open coding phase, meanings were derived and categorized inductively from the data. The themes were extracted from these categories at the end of this process based on their meanings (Yin, 2016). The executives' speeches were the key to deciding to transition from codes to themes. Multiple iterations between the data, categories, and emerging themes were performed during the data analysis. To probe deeper into the idea, the quotations and the codes were reviewed with the help of the tools such as retrieved segments or visual tools of the software. This research was conducted in compliance with the generally accepted ethical principles. To ensure trustworthiness, the strategies proposed by Creswell and Poth (2016) were followed, such as prolonged engagement, using multiple sources, peer review, external audits and consultation during the research process.



Thus, the final version of the codebook with definitions is shown in the Appendix-1. The following section presents findings based on the extracted significant themes.

#### **FINDINGS**

Based on a content analysis of extensive material for the organization and executives, findings show that two types of discursive practices that characterize legitimacy in this context in 2005–2020 are as follows:

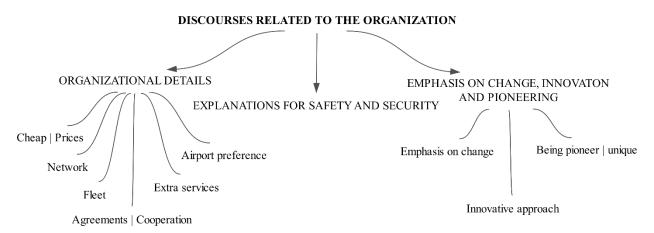
- 1st Theme: Discourses related to the organization
- 2<sup>nd</sup> Theme: Discourses related to the field

Codebook with definitions for the themes; representative quotations and relations with the codes, categories, and themes are presented in the Appendix-2.

#### **Discourses Related to the Organization**

The first pattern extracted from the data is explanations related to the organization. This includes organizational details, emphasis on changes, being innovative and a pioneer, and lastly, explanations for safety and security. Figure 1 presents the categories for the first theme and Appendix-2 shows MAXMap-Code-Theory Output of First Theme.

Figure 1 Code-subcode relations of the first theme



Organizational Details: As it is seen in Figure 1, the findings demonstrate first discursive feature around legitimation was explanations of the features of the organization, which cover mainly highlights of the low prices, information regarding the networks and fleet, offered extra services and information related to the agreements, cooperation or code sharing with other organizations. For the discursive construction of



a new business model, the airline showed the benefits of this model, such as accessibility for everyone in Türkiye regardless of social status. While the airline offers low prices, it invites passengers to visit different places or creates discussion around the hometown in the advertisements by asking the question, "Didn't you miss Türkiye?"(Pegasus, 2017a) and giving a role to the people with a lower economic profile (e.g., barber, taxi driver, student). For instance, the advertisement of the organization shows the feelings of a barber for flying to his country (Pegasus, 2014c):

"Well, I wish it could be as cheap as you said. I'm longing for my home, but. It's just not possible!"

We observed that reflections around the organizational structure were mainly about the networks and prices. Sabancı highlights the offered prices as follows (Radikal, 2005): "We are trying to create a new market with 55½ prices". Behind these explanations, the airline invites ordinary people to fly and tries to convince them that flying is not a luxury; it is not only the right of the rich people. The discussion turns around through pursuing a "flying is everyone's right" (Pegasus, 2016b) which might be linked to the narrativization strategy. These reflections comply with the state's statements, "Everyone will fly at least once in their life" (Cebeci, 2004), which will be discussed in the following section of this paper. On the other hand, the organization insists on explaining new routes, connections, and the number of domestic and international flights. The Chairperson of the Board of Pegasus Airlines (former CEO) highlights the value of their guests as follows (Nane, 2018):

"We're continuing to increase our flight points to add value for you, our much-valued guests".

The finding reveals that over the years, the airline keeps sharing information about the fleet, such as the number of aircraft in the fleet, type of aircraft, aircraft orders, and the age of the fleet. To give an example airline paid attention to the 100-aircraft order (Sayar, 2013) and the age of the aircraft. It can be observed that the executives highlight the age of the fleet and the importance of having the new aircraft frequently. For instance, Sabancı explains the reason behind renewing their fleet as follows (ANTGIAD, 2015):

"Why is a new aircraft important? Because there is " When the meat is cheap, don't expect a good stew<sup>2</sup>" thoughts, for this reason, new aircraft provide confidence".

This expression has a meaning in the context and might be linked with narrativization strategies. From the after mentioned proverb, the organization tries to break cognitive barriers and build trust with new

496

<sup>&</sup>lt;sup>2</sup> A Turkish proverb (Gürata, 2004) was translated from "Ucuz etin yahnisi yavan olur" proverb literally means "Cheap things are useless" (TDK, 2022)



aircraft while offering low prices because there is widely believed that if something is cheap, there is probably something wrong there. Thus, the organization tries to manage the perceptions by renewing the fleet. Another critical finding is naming practices for aircraft in the fleet. Ali Sabancı gave his mother's name for the first ordered aircraft (Radikal, 2007), then the airline started to give the names of the newborn daughter of the employees in 2008 (Pegasus, 2022c). This practice was extended to the passenger's daughters in 2011 (Pegasus, 2015b).

Other findings, which are shown in Figure-1, are information about agreements with other organizations, selecting International Sabiha Gökçen Airport as a hub, and offering extra services for the passengers to increase its efficiency and passenger satisfaction.

Regarding Explanations for Safety and Security, findings reveal that airline tries to build trust with explanations for safety or security. Expressions are examples for narrativization and authorization strategies. For instance, Sabancı states that "Safety comes first before low prices" (Radikal, 2005). The same explanations were provided by Chairperson of the Board of Pegasus Airlines (former CEO) M.T. Nane (Pegasus, 2020b):

"Our highest priority throughout everything we do is to provide you, our valued guests and employees, with a healthy and safe journey".

As shown in Figure 1, the last category under this theme covers arguments related to the Organization's Changes, Innovative Approaches and/or Pioneering Works. It was found that the organization has used the following expression: "We did not start aviation in Türkiye, but we transformed it" (Pegasus, 2014c) for a long time to highlight its role in the field. Sabancı explains the sense of innovation provided by their airline as follows: "What we are doing is what the people say, "bringing new customs to an old village".

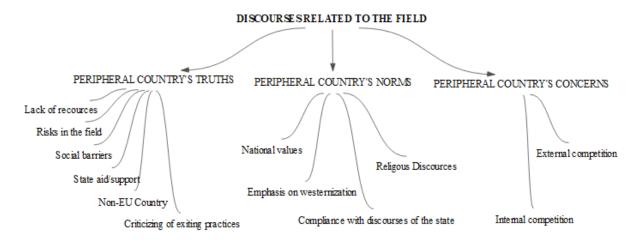
Furthermore, airline calls passenger to change their traditions and invite them to reward loved ones with the gift of a flight (Pegasus, 2014b, 2015a), and invite the passengers to visit different places in their commercials. An executive describes their initiatives as "Either we improve the new model, or we do the business with new paradigm" (Ceylan, 2010).

#### Discourses Related to the field

Another notable pattern is discourses related to the field. Executives usually talk about the field besides sharing information about the organization. This group includes peripheral countries' truths, norms, and concerns in general (See the output of MAXMap in Figure 2).



Figure 2 Code-subcode relations of second theme



-Peripheral Country's Truths (see Appendix-2): Findings reveal that the first discursive feature around legitimation was explaining the challenges and opportunities in the field. Shifting the debate from the organization's offering to the field helps to understand the context in which the organization is embedded. To this end, while executives share their thoughts regarding current situations, they also criticize existing practices. Examples for criticizing existing practices can be given from the expressions to help stakeholders to question the taken-for grandness in aviation in Türkiye which are related to the narrativization strategies.

They criticized the delays, flight cancellations, or postponement of flights via advertisements in 2005 by giving the following examples from daily life activities (Semercioğlu, 2005):

"Imam Bayıldı (the name of the dish, literally means The Imam fainted), he will be delayed by 15 minutes," and "White Bean Stew (name of the dish), is canceled" are announced to the customers waiting in the restaurant".

Along the same lines, the airline also shares wedding commercials, and the video shows that couples whose weddings have been postponed or canceled are getting sick (Semercioğlu, 2005).

Starting with lack of the resources, it can be observed that, due to the fast-growing demand, the airline faces different challenges, such as finding qualified employees; for this reason, Civil Aviation Authority lets airlines hire foreign pilots as a temporary solution and suggest them to have collaboration with the universities (Referans, 2004). Then it was found that Pegasus airlines started to provide scholarships for student pilots in a public university (Hürriyet, 2006b). On the other hand, former CEO of the airline, S.



Haybat points out airport infrastructure as an influencing factor in the field as follows: Delays are caused by insufficient airport infrastructure (Sabah, 2005b). Not only lack of resources but other barriers and risks in the field are also expressed by the executives. For example, S. Haybat explains the difficulties of running an airline in a periphery country by saying (Sayar, 2014): "Offering low prices against the exchange rates is not easy".

It was also written in the organization's annual report that geopolitical risks and security threats around Türkiye were the reasons for the decreasing number of passengers (Pegasus, 2016a). These show the difficulties in the area and dependencies on other countries. In addition to these challenges, the executives mentioned the profile of the passengers in their speeches. They explained that the number of passengers who preferred air transportation was low in the 2000s (Dünya, 2006), which created difficulties for the operations or demand of the organization. For instance, Chairman Ali Sabancı witnessed some passengers asking for a break during the flights (Hürriyet, 2005). Considering the later speeches of the chairman, it can be seen that he highlights positive improvements in these social barriers as "people get used to flying" (Dünya, 2007).

It was also observed that being an airline in a non-EU country constrains the airline on the international routes but helps protect them on the domestic routes simultaneously (Pegasus, 2013a). In conjunction with the country's truths, the executive shares their thoughts regarding state aid or support. Although sometimes they agree with the authorities' decisions, findings reveal that sometimes they do not agree with the decisions made by the authorities. For instance, Sabancı states that (Dünya, 2007): The boom in domestic flights and services started with the initiatives of a Minister of Transport. On the other hand, executives express disagreement with the Airport Authority as follows (Dünya, 2007):

"Airport Authority's last-minute decision the changing the airport taxes from Dollar to Euro is not correct".

Findings reveal that another discursive feature around legitimation was criticizing the practices in the organizational field and existing business models. Construction of lighting is about explaining that existing practices and accepted features of business models need to be more satisfactory to meet the needs of society and compete with competitors. In other words, the findings reveal possible nuances in how executives' express disagreement on the provided services. The following comment from the chairman at Pegasus Airlines demonstrates this kind of thinking (Sabancı, Interview with Ali Sabancı):



"Let's say you find a flight ticket for 100 TL and 180 TL. Will you say, "I'll buy the ticket at the price of 180 TL because the salad offered is really good on that airline"? If you want to eat a good salad, your priority should not be the airplane; I think you should eat it at the restaurant".

The manager also criticizes a national flag carrier's approach as the following:

"I trusted THY for the market entry decision. Not only we but the world sees this, semi-public organizations have been doing a public obligation for years, but the logic cannot go beyond that public duty. There is no competition, so they are busy with transportation, but they are not interested in guests' needs".

To sum up, showing realities from different perspectives by giving examples from life can be seen as one of the steps for constructing the legitimization of the new business model by following narrativization and normalization strategies. Mainly discussions around existing business models were linked with criticizing the lack of resources (e.g. the number of aircraft), social barriers (e.i. passenger profile), and existing business models, emphasizing the support of the state and the difficulties of being in a non-EU country. These are examples of the authorization rhetorical legitimation strategies.

-Peripheral Country's Norms (see Appendix-2): In addition to the arguments associated with discussions on the peripheral country's truths, there are also a number of highlights that need to be considered under the second theme. As it is presented in Figure 2, these are categories of the codes such as a) showing respect to the national values (e.g., Atatürk, citizens, etc.), b) emphasis on westernization (e.g., respect to the western countries; efforts on the isomorphism), c) using same or similar expressions with the representatives of the current state, in other words, compliance with discourses of the state and lastly d) religious discourses.

National values emerge clearly in the organizations' publications or interviews with managers. For instance, to commemorate Atatürk, Chairperson of the Board of Pegasus Airlines (former CEO) M. Nane shares his thoughts in the following words (Pegasus, 2017c):

"Great Leader Mustafa Kemal Atatürk, the founder of our Republic... He was not just a successful soldier and statesman; at the same time, he was a modern educator and our headmaster".

Similarly, the following statements might be seen in the later official magazine of the airline, too (Pegasus, 2020a):



"In respectful commemoration of all our heroes who bestowed this victory to us, and especially our great leader Atatürk".

Besides the campaigns and events during the national days, the airline also mentioned important days in their commercials during these official days. Another critical finding regarding national values is persuasive arguments that the organization differs from 'flag carrier' (the oldest airline, Turkish Airline) in the field. As a chairman put it:

"We are doing what the people say, 'bringing new customs to an old village'. There is an airline (literally THY, 1933) two years older than my father, and their business differs from ours. I have to explain to the politicians that what we are doing is not bad; it enlarges the market and increases competition."

It can also be seen that the airline promotes the differences from the flag carrier even after eight years of introducing the low-cost airline in its presentation as follows: "Our business model is fundamentally different from THY" (Pegasus, 2013b). The persuading efforts of the actors are the reflection of nationalism which shows the understanding of the historical role of the flag carrier as a symbol of the state and its importance in the cultural meaning system. These explanations are opposite to the expressions in the 'criticizing of existing practices' part and mean the actors are following a moralization rhetorical legitimation strategy.

Regarding the emphasis on westernization, it was found that the airline had pursued a normalization and narrativization strategy by calling for modernization, showing good examples with a similar business model from developing countries (Hürriyet, 2006a) and trying to convince the stakeholders like the following (Atılım Girişimcilik ve İnovasyon Kulübü, 2016):

"They have been (literally the USA) doing this since the 1970s, and we are still questioning it".

Respect to the Western countries or expression regarding the efforts on the isomorphism among low-cost airlines popped up from several interviews such as (Referans, 2006):

"We are following the improvements outside; we are not the first ones that started this".

Another part of this category is 'Compliance with discourses of the State'. We found quite remarkable insight provided by the organization aligned with the discourses of the state. Considering the explanations of the representatives of civil aviation authorities regarding the encouragement for flying of citizens, such as (DGCA, 2009) "Every Turkish citizen is going to fly at least once in a lifetime", we may say that airline



frequently shares the same explanations in their publications and advertisements (Pegasus, 2014a). This evidence emerged from several publications such as (Pegasus, 2017b):

"Following the principle established by our government that "the airlines belong to all of the people".

Similarly, the mission of the organization complies with the discourses of the Ministry of Transport at that time (Pegasus, 2022a):

"We believe that everybody has the right to fly".

On the other hand, the support for provided improvements is reflected in the speeches of the executive, such as (Sabancı, 2010):

"Mr. Binali (former Ministry of Transport) started these wonderful improvements in the domestic market. Since I say 'wonderful,' they will say 'stop sycophancy towards him,' but I'll explain with the numbers".

Lastly, despite offered discounts during religious holidays (Kıraç, 2006), religious discourses emerge clearly in the speeches of managers or in the publications of the airline (Nane, 2017):

"As we are in the bountiful days of Ramadan, the month eagerly awaited each year by the Islamic world, I would like to send you all my warmest wishes for a Happy Ramadan".

Showing respect for national values and religion might be linked with the moralization legitimation strategy followed by the actors.

-Peripheral Country's Concerns (see Appendix-2): Arguments of the executives include concerns in the domestic and international markets. The emphasis of internal competition is mainly on the increasing number of airline and influencing factors for the competition between stakeholders in the field. For example, the former Ceo of the airline, S. Haybat, explains the lack of competition among the airports and ground handling services as follows (Yıldırım, 2005):

"In Türkiye, there is no competition in the Airport Authority. They announce the airport charges and implement them. The biggest problem threatening airlines is the lack of a competitive environment between service providers".

Despite the lack of competition among service providers such as airports and ground handling companies, the increased number of airlines in the domestic market was explained as a concern for this



organization. After the deregulation of domestic flights, an increased number of airlines created an unstable situation in the market. Sabancı illustrates his concern with the proverb in Turkish (Sabancı, 2006): Same as other things, we overstepped the limits of competition in aviation.

Other concerns are related to the external competition they have been experiencing in recent years. The managers frequently pointed to the threats as "Western airlines are looking for this market. "Reflection concerning the Western competition could be found in the following sentences described by the chairman at Pegasus Airlines (Sabah, 2005a): "Europeans do not pick pears (literally means Europeans were not idly sitting around); they are interested in this market".

Findings reveal that while the actors also follow the rationalization rhetoric legitimation strategy by focusing on the benefit and efficiency, on the other hand, they also follow the narrativization strategy by using proverbs to gain legitimacy.

#### **CONCLUSION**

This study aims to investigate the actors' justifications for obtaining legitimacy for a low-cost airline business model in Turkey, a peripheral country. The case study method was employed to examine the research question, and the collected secondary data were analyzed using the content analysis methodology. This research is founded on legitimacy theory and aims to elucidate the part of actors in the legitimization process.

The study divided the findings into two categories: (i) discourses concerning the airline's organization and (ii) discourses concerning its operating field. Nonetheless, this paper indicates that the arguments center mostly on the field in which the airline operates, as opposed to the organization itself. While actors are talking about the organizational field to challenge the taken-for-grandness in aviation and bring a new approach to the field, the debates primarily center around notions of truth, norms, and concerns surrounding peripheral country. Therefore, it is worth noting that implementing a well-established business model requires significant efforts for actors to achieve cultural-cognitive legitimacy rather than other dimensions. This highlights that theoretical assumptions developed in the West do not fully elucidate actor behavior or all aspects in varying contexts. For example, the present study reveals that actors did not try to explain that their operations comply with regulations. To this end, the paper adds to the current discourse surrounding the significance of comprehending context-specific arguments and recontextualizing practices in peripheral countries (Barkema et al., 2015; Filatotchev et al., 2020; Morris et al., 2023; Özen, 2014).



The paper also heeds the calls in the literature (Suddaby, Bitektine, and Haack, 2017; Vaara and Langley, 2021) and contributes in the literature by showing the context-specific arguments of the successful airline in a field and by presenting the ways for legitimation dynamics for business model (Amit, Snihur, and Zott, 2021). However, this study addresses the fact that transferring a new business model to the field requires convincing society of the benefits of the new business model without harming the flag carrier's business model. This points the "uniqueness paradox" (Martin, Feldman, Hatch, and Sitkin, 1983), which means conflicting demands of organizations to be the same and different at the same time (Suddaby, Bitektine, and Haack, 2017).

Finally, the paper shows that actors actively use moralization strategies (Patala et al., 2019; Vaara, Tienari, and Laurila, 2006) in their arguments. By presenting the main themes of the arguments and the construction of the arguments, it is easier to understand the legitimation process and how actors' efforts are reflected in the texts. However, it should be noted that actors often use expressions that can be understood only by people in that society. For this reason, the analysis of these context-specific expressions embedded in the arguments of leaders or publications of the organization requires careful data analysis. To this end, as highlighted by Özen (2014) the reasons behind the non-institutionalization of practices in peripheral countries might also provide new avenues for research, and scholars might analyze the business models of bankrupt charter airlines in Turkey based on this approach.

#### **AUTHOR STATEMENT / YAZAR BEYANI**

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#### **APPENDIX**



## **APPENDIX 1** The codebook with definitions

Codes	Categories	Themes	
Cheap prices, network, fleet, agreement and cooperation, provided extra services, airport preference (SAW)	Organizational details Include the details of the organization such as business model dimensions and expression for the growth etc.		
The priorities given to safety and security, explanations after accident/incidents	Explanations for safety and security Reflect statement regarding the safety and security	Discourses related to the organization Includes constructed and	
Emphasis on change, innovative approach, being a pioneer and unique in the field	Emphasis on change, innovation and pioneering  Express messages for the changes, provided changes by the airline, innovative approaches and information regarding being pioneer in the field	maintained image of the organization	
Lack of resources, risks in the field, social berries, thoughts or expectations for the state aid/support, being airline in Non-EU Country and criticizing of existing practices	Peripheral Country Truth Explanations for the restrictions, opportunities, current situations.	Discourses related to the field Includes thoughts, expectations and norms regarding the context	
National values, emphasis on westernization, compliance with discourses of the state and religious discourses	Peripheral Country Norms Reflect statements showing respect to national values, beliefs, Atatürk and view of westernization		
Concerns regarding Internal and external competition	Peripheral Country Concerns Cover the debates on the internal competition and the competitive forces of foreign airlines		



## APPENDIX 2 Maxmap- code-theory output of themes

Representative quotations	Categories	Themes	
Pegasus started scheduled international flights We selected a sleeping airport, SAW as a hub	Explanations for the organizational details	DISCOURSES RELATED TO THE ORGANIZATION	
Our highest priority throughout everything we do is to provide you, our valued guests and employees, a healthy and safe journey	Explanations for safety & security		
We do not compromise safety			
e didn't start aviation in Turkey, but we transformed Emphasis on chang			
First low cost airline in Turkey	innovation, pioneering		
Most important obstacles are lack of the infrastructures			
Euro-dollar exchange rates affected us negatively same as other airlines		DISCOURSES RELATED TO THE FIELD	
There are risks such as political or economic instability	Peripheral Country's Truths		
Türkiye, the country which is not a member of EU	Truttis		
To stop to protect the airline and protect the customer is a solution for it.			
If the Westerners fly, the people of my country should fly, too			
We christened this newest aircraft in our fleet "Democracy" in order to express our firm belief in the people of our country following the extraordinary recent occurrences here.	Peripheral Country's Norms		
God Almighty distributes luck, we should play well.			
We realized that our guests do not come across the same low prices as Western countries			
Europeans do not pick pears, (literally means Europeans were not idly sitting around) we hear that they are interested in this market			
Competition in international flights has not improved yet. THY is still a single-designated airline for certain routes	Peripheral Country's		
In Turkey, Airport Authority announced the airport charges. The biggest problem that threatens airlines is the lack of a competitive environment among service providers.	Concerns		
The costs are high in the field not everyone can do this business.			