

DEVELOPMENT OF MARKETING ORIENTATION IN SMALL AND MEDIUM-SIZED ENTERPRISES EVIDENCE FROM EASTERN EUROPE

Andrzej Kobylanski, Penn State Greater Allegheny
Radoslaw Szulc, University of Warmia and Mazury in Olsztyn

ABSTRACT

One of the most important aspects that determine an organization's market position is the entrepreneurs' approach to market orientation and marketing actions. The aim of this study was to investigate the process of marketing orientation development in SMEs in the country of Eastern Europe, where the economy changed from one of a central planning system to a "free" market economy. Authors investigated to what extent small firms that have survived long enough on the market are competitive because of their adoption of a marketing orientation. For research purposes authors used theoretical concepts that characterize marketing orientation using five attributes: customer orientation, integrated marketing functions, marketing information, strategic marketing planning and operational effectiveness. The empirical evidence presented in this article suggests that customer orientation is critical for SMEs. However, investigated SMEs often focus on the sales level, which is characteristic for organizations with sales instead of marketing orientation.

JEL: M13, M31, O52

KEYWORDS: marketing orientation, small business, SMEs in Poland

INTRODUCTION

Small and medium-sized enterprises (SME) play a major role in countries at all levels of economic development (Caniels and Romijn, 2005). Many acknowledge that developed economies have a high proportion of small businesses, and it is predicted that the number of such entities will continue to grow, due to declines in manufacturing and growth in the service sector (Burns, 1996; Carson, 1993).

As markets are becoming more global, many business opportunities are opening for small and medium-sized businesses, but competitive pressure is increasing at the same time (Caniels and Romijn, 2005). They need to adjust their actions to the environmental challenges through active market development, a continuous search for market opportunities and expansion of their customer base. There are many interesting aspects to marketing and small firms, and numerous authors deal with this in careful and expertly-written ways with numerous references to original literature. Many researchers and practitioners are looking to find the answer to the fundamental question as to why some organizations are profitable with good perspectives for growth (why they are successful), while others cannot achieve this state (Beverland and Lockshin, 2005).

One of the challenges that small firms are facing is that managers/owners often rely only on previous experience and common sense, because in their perception the boundary between marketing and selling becomes very blurred. One of the most important aspects that determine an organization's market position is the entrepreneurs' approach to market orientation and marketing actions. Small business managers' attitude toward a structured approach to marketing can be seen as a sign of maturity and responsible decision making that can lead to a positive business performance. Small business marketing strategies are very often described as a process of "crafting" (Beverland and Lockshin, 2005), where marketing tools are adapted to meet immediate needs and react to threats, rather than designed to achieve long-term goals.

Therefore, some studies suggest that it may be desirable to provide some marketing education to potential entrepreneurs before they launch a business (Carson, 1993).

While the underlying principles of marketing are equally applicable to large and small firms alike, smaller firms are facing problems with the implementation of marketing tools (McCartan-Quinn and Carson, 2003). It is generally accepted that the characteristics of the small firm influence marketing practice. Smaller companies have a different approach to marketing activities because they have much leaner resources compared to large firms (Zontanos and Anderson, 2004). Small firms face marketing challenges which are related to the general characteristics of small businesses, like a limited customer base, limited marketing activity, expertise and impact, reactive rather than planned marketing and difficulties in exploring marketing opportunities (Stokes and Fitchew, 1997). However, in contrast to large firms, small firms can build marketing advantages based on a close relationship between entrepreneur/manager and customers (Zontanos and Anderson, 2004). They are close to their markets, have greater flexibility and can implement decisions much faster.

LITERATURE REVIEW AND BACKGROUND

The argument that marketing orientation is a practical and theoretical problem is not new. This issue has been investigated using a conceptual and empirical approach for more than 50 years worldwide, and about 20 years in Poland (Kleczek, 2002). This subject is very interesting to investigate in the segment of small and medium-sized business organizations, because empirical evidence suggests that organizations with a high level of marketing orientation outperform competitors that represent a low level of marketing orientation.

According to Oakey (1991) most often the small firms' marketing activities occur during the selling process. More in-depth analysis provides a better picture of marketing in small organizations. Carson (1985), based on small business organizations in Ireland, described the conditions of marketing orientation as a function of marketing management and created the four-stage evolution model. He presented progress on the path to becoming a medium-sized firm as a four-step evolution process: 1) initial marketing activity; 2) reactive selling, which entails the need for more sales, and change in attitude; 3) the DIY marketing approach; and 4) integrated proactive marketing. Each stage represents an organization's progress through growth in sales level, whereas the fourth stage represents the highest dynamic of this growth. However, Carson (1985) pointed out that all of the small business organizations have the biggest problems when advancing from the third level to the fourth. This indicates that only a small number of enterprises are using the marketing approach to manage their business. Works of Hooley et al., (1990), as well as research conducted by Preston et al., (1993), confirmed that marketing orientation is a result of the evolutionary process that, because of a changing environment, takes the company from complete unawareness of the concept to full acceptance. Stokes and Fitchew (1997) argue that small firms in their initial phase of development seem to give marketing low priority compared to the other functions of their business. However, just as the firm must evolve to survive, so marketing evolves to reflect the owner-manager experience and the needs of the firm (Carson, 1985).

Implementation of marketing tools often does not translate into understanding and utilization of marketing management strategy. It also does not guarantee successful creation of sustainable competitive advantage (SCA). This is a situation when identifiable marketing orientation can be proven – an organization is implementing marketing tools and techniques to respond to changes in external and internal dimensions. Correct understanding of marketing orientation means that an organization will create values inside the organization, which will enable it to successfully respond to the external challenges. This type of mindset will indicate the important role of marketing in the overall business strategy and will provide conditions to create and develop marketing orientation in the organization.

The basic assumption behind the successful implementation of marketing strategy is cooperation among all functional areas in the organization to achieve a synergy effect. Coordination of the actions in the outside dimension (competitors, customer needs), and the internal dimension, where a marketing approach is adopted by existing structures in the organization, is a foundation of the established market orientation. An organization with a clear marketing orientation is designing its actions to collect information about customers and competitors' capabilities. It is able to utilize this information across departments and to use the information to create customer value proposition. Increasing the marketing role in a firm can usually be achieved by creating values and an organizational structure that supports orientation to the external environment – customer and competition. Heiens (2000) strongly suggests that market orientation can be conceptualized as inclusion of two major components: (1) customer-focus and (2) competitor-focus. Only after fulfilling these conditions can we identify the position of marketing in the organization's overall strategy. Then the organization would be able to create and maintain marketing orientation.

Marketing orientation can be defined in various ways, depending on the perspective that is taken into consideration. However, most researchers agree that acknowledgment of customer needs and expectations is the main component of marketing orientation. Deshpande and Webster (1989) define it as: “a shared set of beliefs and values that put the consumer into the center of the firm's thinking.” Avlonitis and Gounaris (1999) define three priorities of marketing orientation: customers and product's ability to satisfy specific customer needs; marketing as a dominant culture of the company and ability to adjust products as a response to the changes in customer needs and wants in order to deliver customer satisfaction. Others (Harris and Ogbonna, 1999) are focusing on the organizational aspect, where marketing orientation is “an organizational culture focused on the market.” Some (Houston, 1986; Dixon, 1990) distinguish it as a company philosophy. This approach is fully represented by the definition provided by Narver and Slater (1990): “the organizational culture that most effectively and efficiently creates the necessary behaviors for the creation of superior value for buyers and thus continuous superior performance for the business.” Kohli and Jaworski (1990) define marketing orientation rather as a process or activity-based characteristic of the firm. They focused on the organizational behavioral perspective, where indicators of marketing orientation are represented by the actions connected to utilization of market intelligence.

According to Misiag (2001), marketing orientation is more than the effect of the spontaneous and intuitive processes under the pressure and influence of the outside environment. It is the internal driving force that will have an impact on marketing actions. It is going to influence not only customers, but also employees of the organization and the relationship within. In the current environment, without established marketing orientation, business organizations will not survive and will not have a chance for growth. Therefore, implementation of the marketing orientation is the highest stage of development for organizations and critical component of the successful business performance. It can be developed based on the actions determined by the level of importance. Starting from management actions (marketing management), preparation and coordination (marketing planning), as well as implementation.

Implementation of marketing orientation means creation and management of marketing actions, such as: environmental scanning, assessment of customer needs and expectation, and the design of goals and objectives that are based on organizational constraints; which finally lead to the design of marketing strategy.

In order to be successful in their marketing the owners/managers need to understand and accept marketing rules that determine appropriate actions. These actions are essentially connected with marketing orientation attributes. Kleczek, et al. (1997) distinguished five attributes. The first one is represented by *customer orientation* - fulfillment of customer needs and expectations that should lead to satisfaction. The second is *integrated marketing functions* – an organizational system that is focused around marketing goals and ways to achieve them. The next distinguished attribute is called: *marketing information (market*

intelligence) – market and marketing research. The two remaining areas are: *strategic approach/perspective* (strategic marketing planning) and *operational effectiveness* (tactical and operational plans for implementation of marketing actions and control system).

More recent study (Carr and Lopez, 2007) propose similar integrated approach, in which there are three components of marketing orientation - customer orientation, competitor orientation and cross-functional coordination. Miles and Arnold (2001) view the customer orientation, customer satisfaction, integrated marketing actions and profitability as the key components of marketing orientation. These aforementioned approaches present similar concepts and therefore we have been able to use them as a framework for our research purposes - investigation of marketing orientation in SMEs in Poland.

METHODS

This section reports the research methods underlying the empirical study. This research is based on the assumption that small and medium-sized enterprises in the Warmia and Mazury district (one of the economic regions in Poland) are implementing rules of marketing orientation in their business activities. Businesses are most vulnerable when they are very young and very small. As many research projects confirm, only a small percentage stay in business for a longer time period. Over two-thirds close in the decade in which they opened (Zontanos and Anderson, 2004). Therefore, it could be beneficial to investigate to what extent small firms that have survived long enough on the market are competitive enough because of their adoption of marketing orientation. The purpose of this research project is to verify the hypothesis:

H1: Organizations with longer presence in the market have a higher level of development of marketing orientation.

To investigate the research topic, we need to find answers to the following questions. What types of marketing actions are taken by investigated enterprises? Can they be summarized as a consistent approach described as a marketing orientation? Are investigated enterprises different from each other in terms of implemented marketing actions and the duration of being present on the market?

The data were collected from 170 randomly selected business organizations from one geographical region in Poland. Selected organizations were chosen from the Polish national registrar system REGON and were pre-screened using the following conditions: active business organizations, organizations that started business before January 1st, 1999, employment under 250 employees, and organizations that belong to one of the five categories of Polish Classification of Business Activity developed by the National Census Bureau of Poland and recorded highest level of sales in goods and services.

The screening process limited population to 45,000 businesses, from which a random selection process has been conducted. Further verification of a business resulted in 80 enterprises that were finally selected. The structure of research sample is presented in Table 1. Selected enterprises were divided into two groups based on the time in the market. Group 1 consisted of organizations that started their business activity during the market transformation time in Poland (1990-1994). Group 2 included organizations that started their business operations in relatively stable economic environment (1995-1998). Both periods of time had variations in terms of the periods of market prosperity and slowdowns. They could be characterized by the changes in GDP, inflation and unemployment rates as well as changes in legal and political environment. Enterprises from one group could be present on the market for eight years, while organizations from the second group could be in the start-up phase of operations. Recorded date of starting business operations has been established as an independent variable, because we assume that duration of time directly influences the learning curve, accumulation of market experience and evolution

of marketing orientation. Overall, we didn't notice big differences in distribution (except in one section) in terms of number of organizations in each group.

Table 1: Characteristics of the Investigated Firms

Type of organization based on time of existence in the market	Number of organizations	Level of employment		
		A (1-9)	B (10-49)	C (> 49)
Group 1 (1990-1994)	35	28	6	1
Group2 (1995-1998)	45	41	3	1
Total	80	69	9	2

This table shows the characteristics of the investigated firms that includes number of overall sample, number of organizations that have been formed during different time periods: Group 1 (1990-1994) and Group2 (1995-1998) and the level of employment within particular group.

Enterprises that are longer on the market have a greater chance to develop marketing orientation, because they have a longer time to evolve. On the other hand, enterprises that enter markets in later years have been operating under different environment conditions, where all businesses and their managers have been familiar with the concept of the free market and competitive environment. In order to test our hypothesis we used t-test for independent groups with unequal variances.

In order to gain understanding and an explanation of the research problem, structured interview was considered to be the appropriate method for data collection. The interviews were conducted with owners-managers using standardized questionnaires that included 33 questions. The instrument was developed to collect information about types of analyses conducted by the firms. We used this method to investigate managers' areas of interests, as well as time and frequency of these analyses. This information is useful to determine the level of market activity by the organization. Another investigated issue was managers' knowledge of customer needs and expectations as well as knowledge about competitors. We also investigated issues directly related to the basic elements of the market: pricing of competitors' products and rules of supply and demand. We assume that with better knowledge in this area, comes better competitive positioning and more effective decision making.

Investigated topics are strictly connected with demand for market information; therefore we conducted analysis to determine methods of collecting market information. We assume that if firms implement more advanced methods, then there is greater demand for market information.

FINDINGS

Consumer Orientation

One of the five attributes that define marketing orientation is consumer orientation. We investigated what decisions and actions reflect this orientation. The basic rule in marketing states that all projected actions and decisions should be focused on meeting and fulfilling needs and expectations of the selected customer segment – target market. Knowledge and information about this market is critical, not only in short but also in long-term perspective. They allow monitoring changes in customer behavior and are helpful to predict future trends with their impact and direction. Therefore, during the process of data analysis, we also investigated managers' depth of knowledge about market and market conditions, which reflects their competence and understanding of marketing orientation. We investigated the following variables: competitors, customers, demand, supply and price (Table 2). Thus, respondents were asked to rank their level of knowledge of provided variables using a scale of 1 to 5, where 1 represent deep knowledge of the investigated variable and 5 represents lack of knowledge. We found that among investigated firms, answers vary from good to satisfactory (spread 1.37 – 2.49).

We used t-test for independent variables, where we conducted statistical analysis of the means in two investigated groups. Computed statistics suggest that tests are significant in two cases: knowledge of demand and knowledge of customer needs and expectations (Table 2), where the knowledge of general demand is weaker than the knowledge of the target market. Therefore, general knowledge about demand and its characteristics is the least recognizable element of the market.

Table 2: The Level of Knowledge of Market Components

Knowledge of:	Mean Group 1	Mean Group 2	t	p	St. Dev. Group 1	St. Dev Group 2	F-test
Competitor	1.857	1.778	0.518	0.606	0.733	0.636	1.331
Customer	1.371	1.689	-2.947***	0.004	0.490	0.468	1.096
Demand	2.057	2.489	-3.135***	0.002	0.639	0.589	1.179
Supply	1.914	1.978	-0.376	0.708	0.659	0.811	1.5188
Price	1.914	2.156	-1.448	0.152	0.658	0.796	1.463

*This table shows the results for t-test for independent variables and analysis of variance F-test, where $n_1=35$ and $n_2=45$. Respondents answers are ranked on the scale of 1 to 5, where 1 - very well, and 5 - not at all. Significance levels are denoted *, **, *** for the 0.1, 0.05, and 0.001 respectively.*

The survey results point out that customer orientation as a component of the marketing orientation is very important for small and medium-sized businesses. We observe that investigated firms are customer-oriented and they know the expectations of their customers. Overall, they have a decent knowledge about other variables: competitors, determinants of pricing and determinants of supply. However, organizations have great difficulty collecting and using information about customer demand.

Integrated Marketing Functions

All activities focused on establishing and achieving marketing goals reflect the level of integration among marketing functions. Usually it can be described as involvement of all employees in marketing actions, starting from the process of planning, through the implementation and control phase, which could be identified as their non-formalized involvement in formulation and execution of marketing strategy. Based on collected data we could identify that finding new customers was the most important goal among analyzed firms. This goal was set by 20 firms (57%) and 20 firms (45%) in group 1 and group 2, respectively. We observed strong focus to achieve this goal, because increased sales through new customers is a main strategic goal for 50% of analyzed enterprises. We can conclude that this is a very important aspect for small businesses. However, such a significant focus on sales is characteristic for organizations with sales orientation not marketing orientation. Therefore, we found this contradictory to the stated hypothesis.

Investigated organizations most often utilized penetration strategy, where they are competing with present product and present markets. This strategic approach makes organizations more competitive, but in the long term there will be no benefits for small organizations or their customers. This is an example where lack of marketing orientation limits firms' abilities to grow through innovativeness (product development strategy) and new customers (market expansion, and diversification).

Marketing Intelligence

The study conducted by Kohli and Jaworski (1990) stresses the importance of the market intelligence (collection, dissemination and responsiveness to collected data) as important components of a marketing oriented company. Small businesses have a major deficiency in the ability to forecast future demand for products, resulting in a slow reaction to changes in marketing environment and a consequential less than

optimum deployment of production resources (Ong, 1997). Others (Beverland and Lockshin, 2005) stress that entrepreneurs are focused more on the need to gain competitive advantage, rather than into research about customers' requirements. They prefer to have contact with the customers, listen and respond to them, rather than undertake formal marketing research to understand the marketplace (Carter and Jones-Evans 2000, Zontanos and Anderson 2004). They gather intelligence in an informal manner and prefer face-to-face communication in doing so. Therefore, they can access inexpensive, vital and timely market information that can lead to making informed marketing decisions. Investigated organizations are able to collect data using multiple methods; however they have many financial and organizational constraints that limit their ability to gather information. In order to consider the process of generating market intelligence as part of marketing orientation, we need to analyze not only how these firms are using this information, but also how often they perform data collection and what type of methods they are using. We can assume that in an organization where there is a greater level of marketing orientation there is a greater need for marketing information and therefore more sophisticated methods for collecting data are used. On the other hand organizations that are smaller in size also have different needs for intelligence, compared to larger, formalized organizations. Among investigated organizations we identified specific methods of collecting information, according to initial segmentation for two groups (Table 3).

Table 3: Marketing Research Methods Used by Investigated SMEs

Research methods	Mean Group1	Mean Group2	t	p	St. Dev. Group1	St. Dev. Group 2	F-test
Observation	2.057	1.956	0.376	0.708	1.282	1.127	1.293
Surveys	3.857	3.578	2.2697***	0.026	0.430	0.621	2.087**
Customer interview	1.857	1.756	0.5114	0.610	0.810	0.933	1.328
Interview with members of the supply channel	2.257	2.400	-0.5302	0.597	1.291	1.116	1.339
Analysis of competitors	3.057	3.489	-2.164***	0.033	1.136	0.626	3.293***
Secondary data analysis	3.371	2.800	2.688***	0.009	0.770	1.057	1.885*

*This table shows the results for t-test and analysis of variance F-test, where $n_1=35$ and $n_2=45$. Respondents answers are ranked on the scale of 1 to 5, where 1 – very often, and 4 - not at all. Significance levels are denoted *, **, *** for the 0.1, 05, and 0.001 respectively.*

In order to measure how often the identified methods have been used to collect information, we used a scale from 1 to 4, where 1 means “very often” and 4 - “not at all.” So, the lower mean in the group translates into more frequent use of investigated methods. We observed that statistically significant differences exist in methods that are less often utilized.

Many assume that the most popular method of collecting information is via survey. However our findings present a different picture, where an interview with the customer is the most common method of collecting information. Intuitively it makes sense because small businesses are very close to customers. We noticed that even firms with longer presence on the market don't utilize surveys as a valuable tool. Interestingly, secondary data about past performance, which is easily obtainable by owners/managers is not perceived as a helpful method to generate market intelligence.

Strategic Approach/Perspective

Market research indicates that entrepreneurial organizations don't use the long-term approach. Instead, their marketing strategies often rely on crisis management, gut feelings and actions designed to deal with immediate competitive pressures. Strategic marketing planning is a continuous process, designed to help management create, change or retain a business strategy, to create strategic visions and build long term competitive advantage. Based on collected data we see that only 31.15% of small and medium sized firms are planning marketing activities using a strategic approach. The majority (68.85%) are neglecting this process, focusing on day-to-day activities and problem solving.

Table 4: Strategic Marketing Planning among the SMEs

Strategic Marketing Planning (SMP)	Total		How long strategic planning has been implemented					
	80	100	1 – 3 years			More than 3 years		
			total	% of SMP	% of all	total	% of SMP	% of all
No	61	68.85	x	x	x	x	x	x
Yes	19	31.15	5	26.32	6.25	14	73.68	17.50

This table illustrates the structure of organizations that do not implement strategic approach at all, and organizations that are implementing Strategic Marketing Planning (SMP) for less than 3 years or for more than 3 years.

With more in-depth analysis of the size of the organizations and how long they have been on the market, we notice that almost 79% of them are firms employing up to nine workers. More than half of them (52.63%) are preparing strategic marketing plans for more than three years. Among larger firms, that employ 10 – 49 people, 21% of them also prepare strategic marketing plans for more than three years. From the overall sample of selected firms that are preparing strategic plans (19 out of 80), twelve of them belong to the second group of companies (those which established market presence in recent years). Therefore, these findings do not support the hypothesis that firms which are longer on the market have developed better marketing orientation.

Operational Effectiveness

Operational effectiveness can be achieved when an organization has sufficient resources and marketing competencies, appropriate operational/tactical plans and a control system. We asked about scope of plans and how the gathered data are used in the process of forecasting. Table 5 presents respondents’ answers to this question.

Table 5: Utilization of the Marketing Research Results in the Process of Planning and Forecasting

Type of plans and forecasting	Number of organizations	%
Short term planning (tactical plans)	30	37.5
Mid-range planning (business plans)	6	7.5
Long term planning (Strategic Marketing Planning)	19	23.75
Sales revenue forecasting	15	18.75
Sales level forecasting	10	12.5

This table shows the utilization of the marketing research results in the process of planning and forecasting in terms of the number and percentage of investigated organizations.

Investigated firms are more focused on short-term planning (37.5%) than long term (23.75%). They specify that important indicators of operational effectiveness are projected level of revenue and projected changes in the sales level (market share).

DISCUSSION

Statistical analysis and hypothesis verifications didn’t provide an optimistic picture. There is a brighter spot in this analysis, though. Respondents evaluated a critical component of the marketing orientation - consumer orientation as a very positive and necessary step in small and medium-sized enterprise evolution. However, it doesn’t translate immediately to full adoption of marketing orientation. The dominant strategy adopted by these firms is market penetration. Analysis of the third area of marketing orientation, needs for marketing information, proves that firms still have a long way to evolve to develop marketing orientation. This situation has been indicated by low demand for information and an unclear understanding of the information needs. Thus investigated organizations don’t take advantage of making informed decisions and using information in the planning process. Weakness in marketing orientation is also suggested by the number of firms that take a strategic approach to design and implement strategic

plans. However, all of them are using some sort of planning process and sales forecasting. Therefore, they have established criteria that can be used to evaluate operational efficiency, but in their current state they don't utilize this at all.

Based on collected data from one economic region in Poland, we see the potential to conduct comparative studies in other countries. We could take a twofold approach based on the type of economy. One possibility is to conduct a similar study in another country in Eastern Europe, where the economy also went from the central planning system to the "free" market economy. This will allow us to confirm our findings as specific to the economies that went through a transformation process or verify that the findings are only specific to Poland. The second approach would be to compare findings from a country with an established, traditional market-oriented economy. This perspective will provide additional insights to confirm or reject our findings as a general rule in the process of the development of marketing orientation.

SUMMARY

Changes in the external environment make unavoidable impact on small and medium-sized enterprise development. In order to adjust to those changes they need to monitor market signals and identify market information that might have strategic importance to the organization's development. Through market analysis as well as recognition of the scope, immediacy and impact of changes in external environment, organizations can make informed marketing decisions and therefore build a better competitive position in the market. The only way to achieve this position is to get access to the information about external environment. It can be gathered through appropriate methods of data collection, considering all types of constraints characteristic to small and medium-sized business organizations.

Our findings in the area of collecting information and using it in business operations are consistent with existing findings in the literature. Small and medium-sized business organizations are usually implementing marketing actions only on a small scale. Organizational limitations and constraints are causing them to be very simple, intuitive and not coordinated. Most of them are influenced by the owner/manager's marketing skills, knowledge and attitude. This aspect was clarified in the question: "Who in your organization is responsible for strategic marketing planning, information collection and analysis?" with the most common answer - owner of the business. Very seldom were managers/owners asking for support and input from staff members and never from specialized service firms.

Investigated firms are focused on their markets and trying to closely monitor trends and processes that influence them, however they are mainly focused on consumer actions and behaviors. Unfortunately, they leave all other aspects of external environment outside their scope of market research. Therefore, we can conclude that the duration of time that the enterprise is active on the market does not significantly influence marketing actions taken by the firm and has no positive impact on the development of marketing orientation. Finally, we are able to see that small and medium-sized enterprises are more likely to present an entrepreneurial and reactive approach to marketing, where many decisions are made in the intuitive way (often bearing higher market risk), than actions dictated by conscious and information-based decisions.

REFERENCES

Avlonitis, Gounaris (1999) "Marketing orientation and its determinants: an empirical analysis," *European Journal of Marketing*, vol. 33(11/12), p. 1003-1037

Beverland, Lockshin (2005) "Crafting a competitive advantage: tempering entrepreneurial action with positioning-based values," *Qualitative Market Research*, vol. 7(3), p. 172-182

Burns (1996) "The Business Plan" in Paul Burns and Jim Dewhurst (eds.), *Small Business and Entrepreneurship*, Second edition, Houndmills, Basingstoke: Macmillan Small Business Series, Macmillan Press Ltd., p.180-197

Caniëls, Romijn (2005) "What works, and why, in business services provision for SME: insights from evolutionary theory," *Managing Service Quality*, vol.15 (6), p. 591-608

Carr, Lopez (2007) "Examining Market Orientation as Both Culture and Conduct: Modeling the Relationships between Market Orientation and Employee Responses," *Journal of Marketing Theory and Practice*, vol. 15(2), p.113-125

Carson (1985) "The Evolution of Marketing in Small Firms," *European Journal of Marketing*, vol. 19(5) p.7-16

Carson (1993) "A Philosophy for Marketing Education in Small Firms," *Journal of Marketing Management*, vol. 9, p. 189-2004

Carter, Jones-Evans (2000) *Enterprise and Small Business: Principles, Practice and Policy*, Pearson Education, Edinburgh.

Deshpande, Webster (1989) "Organizational Culture and Marketing: Defining the Research," *Journal of Marketing*, vol. 53(1), p. 3-17

Dixon (1990) "Marketing as production: the development of a concept," *Journal of the Academy of Marketing Science*, vol. 18(4), p. 337-43

Harris, Ogbonna (1999) "Developing a market oriented culture: A critical evaluation," *The Journal of Management Studies*, vol. 36, p.177-196

Heiens (2000) "Market Orientation: Toward an Integrated Framework," *Academy of Marketing Science Review*, vol. 1, p.1-4

Hooley, Lynch, Shepherd (1990) "The marketing concept: putting the theory into practice," *European Journal of Marketing*, vol. 24(9), p. 7-23

Houston (1986) "The marketing concept: what it is and what it is not," *Journal of Marketing*, vol. 50(2), p. 23-39

Jaworski, Kohli (1993) "Market orientation: Antecedents and consequences," *Journal of Marketing*, vol. 57, July, p. 53-70.

Kleczek, Kowal, Wozniczka (1997) "Strategiczne planowanie marketingowe," (Strategic Marketing Planning), PWE, Warsaw, Poland.

Kleczek (2002) "Stan badan orientacji marketingowej w Polsce," (The Current State of Research into Marketing Orientation in Poland) in Z. Kędzior and E. Kieźel (Eds.), *Konsumpcja i Rynek w Warunkach Zmian Systemowych. (Consumption and Market during Systemic Changes)* PWE, Warsaw, Poland, pp. 302-308

- Kohli, Jaworski (1990) "Market Orientation: The Construct, Research Propositions, and Managerial Implications," *Journal of Marketing*, vol. 54(2), p.1-18
- McCartan-Quinn, Carson (2003) "Issues which impact upon marketing in the small firm," *Small Business Economics*, vol. 21(2), p. 201-213
- Miles, Arnold (2001) "The relationship between marketing orientation and entrepreneurial orientation," *Entrepreneurship Theory and Practice*, vol. 1(15), p.49-65
- Misiag (2001) "Metodyczne problemy badania orientacji marketingowej" (Methodical Problems in Marketing Orientation Research," *Marketing i Rynek (Marketing and Market)*, no 10
- Narver, Slater (1990) "The effect of a market orientation on business profitability," *Journal of Marketing*, vol. 54, October, p. 20–35
- Oakey (1991) "Innovation and the Management of Marketing in High Technology Firms," *Journal of Marketing Management*, vol. 7(4), p. 343-356
- Ong (1997) "Productivity improvements for a small "made-to-order" manufacturing environment," *Industrial Management + Data Systems*, vol. 97(7), p. 251
- Preston, Saker, Smith, (1993) "Culture driven strategic marketing planning", in Chias, J. and Sured, J. (Eds), *Marketing for the New Europe: Dealing with Complexity*, 22nd EMAC Conference, 25-28 May, Barcelona, Spain, p. 1267-1277
- Stokes, Fitchew (1997) "Marketing in Small Firms: Towards a Conceptual Understanding," in *Marketing without Borders*, Proceedings from the Academy of Marketing 1st Annual Conference, p. 1509-1513
- Zontanos, Anderson (2004) "Relationships, marketing and small business: an exploration of links in theory and practice," *Qualitative Market Research*, vol. 7(3), p. 228-236

BIOGRAPHY

Andrzej Kobylanski, Ph.D. is an Assistant Professor of Marketing at the Pennsylvania State University. He can be contacted at Penn State Greater Allegheny, 4000 University Drive, McKeesport, PA 15132, (412) 675-9455, U.S. email: auk20@psu.edu (corresponding author).

Radoslaw Szulc, Ph.D. is an Assistant Professor of Marketing in the Department of Marketing and Market Analysis, Faculty of Economic Sciences at the University of Warmia and Mazury in Olsztyn, Poland. He can be contacted at University of Warmia and Mazury in Olsztyn, Prawochenskiego 19, 10-720 Olsztyn, Poland, email: radasz @uwm.edu.pl .