Peculiarities of Competitive Advantage Development of Panevezys City Companies through the Elements of Marketing Culture

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While seeking to survive and expand in the competitive market, many companies of Panevezys, search for the methods to improve their performance. Under difficult conditions the issue of survival becomes particularly important to companies. Numerous theories have been created for the analysis of competitiveness of companies searching for long lasting competitive advantage and analyzing the effectiveness of marketing activity.

Strengthening of competition often causes contradictions within companies. The success and profitability of a contemporary company depend on the changes of global environment, whereas new strategies, markets, competitors, technologies, management initiatives and changing requirements of the customers represent routine facts of operating in such environment. The future of companies is increasingly more chaotic and the issue of survival constantly hovers, however, after uniting employees for the common purpose, integrating information, processes and technologies, never-ending movement is obtained, which is oriented towards problem-solving, leading the companies to new business opportunities.

All companies take part in social or economic exchanges and first and foremost they should, therefore, monitor the value orientations of the society and their changes, to pay due consideration to the effect of national culture to their activities and form the appropriate marketing culture for successful development of their business. The creation of marketing culture in the company can be good opportunity to strengthen competitive advantages as marketing culture is a very important feature of company’s (organization’s) culture due to which the companies provide higher value of goods to the customers and thus strengthen their position in the market most effectively and efficiently. It can be reached by developing close relationships with customers and suppliers as well as other market subjects paying big attention to the changes in the market and company’s possibilities to use these changes better as competitors do.

This study aimed at finding out, which elements shaping competitive advantage should be focused to by the companies operating in different spheres: production, services and sales, in order to survive in the market. Many managers of companies realize that it is rather difficult to survive and work profitably under market conditions. The market is not endless, and the competitors do not drowse away, either. The winners are those who acquire competitive advantages, employ the means and actions of marketing creatively. However, spontaneous and unfocused use thereof will not bring the expected success. A company which strives to survive and function in the market should assess its capabilities, i.e., whether it will manage to continue strengthening the customers’ trust and expanding its activities under constantly changing market conditions.

Keywords: competitive advantage, marketing culture, elements of marketing culture.

Introduction

Marketing analysis has received much attention seeing as it is related with the results of company’s activities, such as growth of the company in the long-term, provision of increased satisfaction to the customer, competitive advantage (Dunn, Norburn, Birley, 1994; Webster, 1995; Sin, Tse, 2000; Kok, Hillebrand, Biemans, 2003; Zostautiene, 2002; Palaima, Auraskeviene, 2006; Juscius, Snieska, 2008). Severe competition and rising requirements for quality, rapid changes in customers’ behaviours show that it is not enough to use traditional marketing means seeking for effectiveness of marketing activity (Virvilaite, Dovaliene, 2003). Norburn, Birley, Dunn, Payne (1990) state that companies maintaining close relationships with their customers uphold common values and monitor changes in the market. Effectiveness of marketing activity is generally much better and results of activities are higher of those companies, which maintain close relationships with customers and suppliers than those which pay little attention to changes in the market and maintenance of close relationships with the customers (Sin, Tse, 2000). Enhancement of marketing effectiveness related to marketing culture formation becomes a highly critical task to companies (Webster, 1995; Dunn, Norburn, Birley, 1994), and it is, therefore, important to identify the peculiarities of competitive advantage development through the elements of marketing culture.

**Purpose of the article** is to identify the peculiarities of competitive advantage development of Panevezys city companies through the elements of marketing culture.

**Object of the article:** competitive advantages.

**Tasks of the article:**
1. To reveal the essence of and necessity for competitive advantages.
2. To present the conception and elements of marketing culture.
3. To justify the possibilities for competitive advantage development through the elements of marketing culture.
4. To present the interpretation of the results of the study “Peculiarities of competitive advantage development of Panevėžys city production, services and sales companies through the elements of marketing culture”.

**Methods of work:**
1. scientific literature analysis;
2. questionnaire survey.

**Essence and necessity of competitive advantages**

Numerous theories have been created for the analysis of competitiveness of companies; the most famous among those is the Porter’s, M. theory of national competition. According to it, although there are companies that compete in international markets, the prerequisites for their competitiveness are shaped by certain conditions of economic activity in the sectors from which these companies originate. Porter, M indicates four main conditions – resources, conditions of demand, competition conditions for companies and related (supporting) sectors of economy, as well as two complementing factors – activities of the state and opportunities (i.e., favorable opportunities) (Zitkus, Mickevičiene, 2004).

Competitive advantage is one of the most popular terms in the strategic management literature. It is important to note that competitive advantage is analyzed from the point of marketing (Korsakiene, 2004). Competitive advantages may be associated with different aspects such as prices, assortment of goods or services, quality of product (service), service level of product (service), etc. However, a substantial number of factors can be easily imitated by competitors. Moreover, an insignificant advantage over competitors may have no effect, i.e., not represent advantage. Because of this, companies ought to strive for long-term advantages. Long-term competitive advantages refer to those true benefits which are manifested through inability of competitors to imitate them easily and within a short period of time. These do not include the advantages which facilitate the competitive battle for the companies only temporarily.

Vasiliauskas (2002) points out common areas, which have to be thoroughly analyzed when searching for long-term competitive advantages (Table 1).

Beside long-term advantages, Jewell (2002) also distinguished other advantages, which were described as essential ones, referring to the entirety of different capabilities, merits and procedures that constitute the basis for the ability to compete and long-term advantage in the relevant activity. Essential advantages are:

- characteristic only to companies which are ahead of the average of the industry;
- distinctive to each company;
- difficult to copy;
- related with meeting the customer needs;
- based on distinctive relationships with the customers, sales agents, helpers and suppliers;
- based on knowledge and abilities (Jewell, 2002).

Competition strategy must take into account all forces determining the competitiveness within the industry, their origination sources and the identified strengths and weaknesses of company’s competitiveness. Subject to the source of each competitive force, critical points of company’s competitiveness are established and competitiveness strengthening priorities are then set.

Strategic selection of organization’s types of activities forms competitive advantages as well as enables retaining them. Furthermore, it is very difficult for the competitors, while sometimes altogether impossible, to copy the types of activities that are coordinated among themselves. Emphasis on peculiarities in competition strategy greatly enhances the uniqueness of the company’s status within the industry and competitive advantage (Maksytiene, 2002).

As the society evolves, its world-view, values, social and political beliefs change. In the monograph “Strateginis organizacijų vystymas”, Jucevicius, R. quotes Drucker (1993), who stated that one of the key features of modern society is the fact that traditional categories used by economists and describing the main means of production – land, labour and capital, - although not extinct, but are becoming secondary. Knowledge and exceptional skills, which can determine the success of competitive battle, are becoming the main means of activity. In economic terms, knowledge is valuable inasmuch as it is realized when creating new value of the product or service. The objective and purpose of any company (profit-seeking or non-profit) is integration of various special knowledge and skills, when seeking for common goals (Jucevicius, 1998).

In summary it could be stated that competitive advantages are the factors through which companies are provided with better capacities to procure production resources, expand sales markets and establish themselves in the market. For that purpose, competition strategy is formed, which enables shaping competitive advantages as well as retaining them in the long term.

To acquire competitive advantages, the company’s management has to be well aware of the situation in the market. This is very important, seeing as company’s strategy is formed based on that. One of the key modern methods for strengthening the company’s competitiveness is constant systemic analysis of company’s current situation: collection and interpretation of all possible information about the market in which the company operates and the company itself. Company’s situation analysis searches for the answers to two questions:

1) What is the company’s current situation and
2) In what direction does the company move?

When making the decision on how to compete, it is important to decide in which direction the company plans to develop its activities. Subject to the objectives of the company and the advantages it wants to develop, different methods of competitiveness research are applied and appropriate strategies selected.

Market research is necessary for the company to define the degree of industry attractiveness, its development perspectives and to forecast the potential decline of activities in the industry. During the research, shortcomings of company’s activities and measures to rectify them become clear, methods of work enabling increasing the company’s competitiveness become obvious even in cases when only insignificant positive changes of company’s activities are observed.
Changes in the internal environment instead of just the future, to choose the right strategy while seeking to respond to the changes that have already occurred. It allows the managers to set the priorities for the use of resources and preconditions. Later on, it is important to draw attention to processes, which link those layers (i.e., layers of culture), working in the field of organizational culture as vital when analyzing the organizational culture. For example, Trice and Beyer (1984) distinguished such layers of organizational culture, encompassing the entirety of values, norms (rules), measures and behaviors prevailing within it, which reflects the individuality of the company through its culture interact among themselves).

**Areas of competitive advantage development**

(Prepared according to Vasiliauskas (2002))

<table>
<thead>
<tr>
<th>Areas of competitive advantage development</th>
<th>Explanation of the areas of competitive advantage development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low costs</td>
<td>Development of low-cost production allows the company to defeat the competitors by lowering the prices or selling products at similar prices to those of competitors, while providing added value of the given product at the same price.</td>
</tr>
<tr>
<td>Product differentiation</td>
<td>Differentiation refers to the company’s branching out into production of several versions of the same product of the same intended purpose, in order to adapt more flexibly to specific needs and requirements of individual segments of customers or even individual customers. Rapid customization of production to ever-changing needs and requirements of customers ensures increasing number of customers for the company.</td>
</tr>
<tr>
<td>Marketing niche</td>
<td>The company analyzes specific needs of the customers, selects one narrow segment of the market (niche) and concentrates all marketing efforts on establishing itself in that segment. Product being produced is maximally oriented to the needs and requirements of the customers in the chosen market segment.</td>
</tr>
<tr>
<td>High-level technology and operations</td>
<td>The level of technologies and operations is the basis for all organizations in general. It ensures low costs, possibilities for product differentiation and long-term establishment in the market. Patented technologies and particularly highly qualified employees help the organization to better distinguish itself from the competitors.</td>
</tr>
<tr>
<td>Product quality</td>
<td>There are companies which engage in producing goods of such quality that cannot be offered to the market by competitors. For instance, Japanese automotive manufacturers lately have been ensuring reliability of their product of such degree, to attain which the manufacturers of other countries would need much time and effort. It should be remembered that the acquired image as manufacturer of excellent quality and reliable product spreads widely and persists among the customers for a rather lengthy period of time.</td>
</tr>
<tr>
<td>Service</td>
<td>There are companies, which deliberately choose to provide a very high level of service that cannot be offered by competitors. Service of such level ensures loyal regular customers. The acquired and widely-prevailing image associated with good service allows the company to attract some of its competitors’ customers.</td>
</tr>
<tr>
<td>Synergy</td>
<td>Diversification of company’s activities often enables the company to attain the so-called effect of synergy, when the overall result of the company exceeds the sum of results of its individual activities. This occurs as a corollary of a portion of fixed costs of the company being allocated between individual activities and of the possibility to distribute technologies and labour force available in the company among different activities. However, not all activity diversification strategies guarantee the effect of synergy. Nonetheless, this area of analysis is deemed to be important.</td>
</tr>
<tr>
<td>Vertical integration</td>
<td>The company can ensure long-term competitive advantage by acquiring companies producing parts and components, sales agencies, transport companies, etc.</td>
</tr>
<tr>
<td>Organizational culture and leadership style</td>
<td>The overall level of organizational culture and leadership style is quite often the long-term competitive advantage, which is the most complicated for the competitors to imitate. This area of analysis, although the most difficult to describe accurately and specifically, requires serious attention. High organizational culture and suitable leadership accelerate innovations, help to respond in timely manner to external changes and create favorable climate for creation and implementation of strategy.</td>
</tr>
</tbody>
</table>

**Table 1**

Conception and elements of marketing culture

Narver, Slater (1990) define marketing culture as organizational culture, which creates the behavior of employees conferring exceptional value to the users of company’s goods and enables achieving excellent business results the most effectively and profitably. These scientists emphasized that if market orientation were a simple complex of different activities, completely dissociated from the main values of the company, then regardless of the organizational culture, the company could easily at any time introduce market orientation. However, changing culture does not come easily. Definition of Narver, Slater (1990) reflects the essence of the marketing culture; however, it does not take into account the differences between different layers of culture, which has been pointed out by scientists working in the field of organizational culture as vital when analyzing the organizational culture. For example, Trice and Beyer (1984) distinguished such layers of organizational culture: values, norms and experience. Schein (1992) singled out three main layers of organizational culture, including the main preconditions, values and visible expressions of behavior. Hatch (1993) stated that the organizational culture model of Schein (1992) put too much emphasis on layers of culture and paid too little attention to processes, which link those layers. When analyzing organizational culture, firstly its layers should be distinguished (i.e., that culture comprises measures, values and preconditions). Later on, it is important to draw attention to processes, linking those layers (i.e., layers of culture interact among themselves).

Marketing culture is approached as integral part of organizational culture, encompassing the entirety of values, norms (rules), measures and behaviors prevailing within it, which reflects the individuality of the company through its
interaction (relationships) with the market players.

Researchers working in the field of organizational culture contend that different layers of culture are resiliently linked. Deshpande, Webster (1989) perceived the organizational culture as a model of values and beliefs, which helps the staff to understand the functioning of the company and provides for the norms of employee conduct. Marketing culture comprises a dynamic set of values, norms (rules) means and behaviors, acquired by the members of the company through conveyance. This statement emphasizes the layers of culture, meaning conveyed and process interaction among the employees of the company.

Structure of marketing culture comprises three levels, separated by identifiability and tangibility:

- the first level corresponds to the first layer of marketing culture – values;
- the second level – to norms (rules);
- the third level – to third and fourth layers, representing means and behaviors respectively.

According to Schein (1992), values could be defined as the concept, either explicit or implicit, of the aspired object, which is inherent to the individual or characteristic to the group and which affects the choice subject to the prevailing customs, approach and outcome of actions. The values of marketing culture, such as open communication and employee responsibility, as emphasized by Webster (1993) most strengthen the company’s market orientation. It is likely, that those companies, in which the main marketing cultural value is open communication, will have a strong market orientation, as market information is disseminated throughout the entire organization. Employee responsibility as the main marketing cultural value creates conditions for decentralized decision-making, in this way facilitating faster market orientation processes. (Zostautiene, 2002).

Norms (rules) differ from values by a higher degree of specificity and stronger association with specific behavior. Values in the company constitute the basis for development of norms (rules) of specific behavior. Norms (rules) are set for expected behavior or its outcomes, which are at least partially common to a social group. Norms (rules) form a specific code of conduct for the respective group and lay down the patterns of behavior determining the activities of members in that group (Homburg, Pfessser, 2000).

Marketing culture norms facilitate market-oriented company behaviour. When organizational members share the common value of open communication, the specific norm associated with this value is open communication regarding market-related issues. As another example, employee responsibility for market activities is a norm, related to the value of employee responsibility (Zostautiene, 2002). Means comprise accounts, agreements, rituals and language, created in the organization and have strong meaning characteristic to symbols (Schein, 1984, 1992). Means of marketing culture have been best examined in marketing literature; however, we have to realize that means of marketing culture extend beyond, for example, information systems (Jaworski, Kohli, 1993; Kohli, Jaworski, 1990) and comprise the entirety of physical and verbal means to be used in marketing activities. Behaviors refer to the patterns of conduct in the company. These layers of marketing culture differ by visibility and interpretation.

When studying market orientation, Narver and Slater (1990) singled out the marketing culture as a very important feature of company’s (organization’s) culture due to which the companies provide higher value of goods to the customers and thus most effectively and efficiently strengthen their position in the market. Deshpande, Farley and Webster (1993) presented the market orientation approach, based upon the set of beliefs, where the customer benefit is the key emphasis in market orientation. Company’s market orientation comprises three main formations, which are inter-related:

1. customer orientation;
2. competitor orientation;

A little bit later, Harrison and Shaw (2004) pointed out that “marketing culture is considered to be an abstract of higher level than market-oriented culture” (Harrison, Shaw, 2004). Marketing culture promotes market orientation, constant interest in new information about customers, competitors and major trends in the market.

Theoretical aspects for the competitive advantage formation potential through the elements of marketing culture

The companies are facing the need to rethink the fundamentals of competition and to make the company different from competitors. In this regard, marketing and its culture are highly important, as they confer to the company distinction in its relationships with its internal as well as external customers. Juscius, Navickas & Jonikas (2006) conclude that maintaining relationships and partnerships between the company and customer as well as other market subjects help in formulating company competency and competitive advantages. Marketing culture grants distinction to the company and emphasizes its individuality, seeing as culture lives as long as it is fostered by other members of the group and conveyed from one to another. As communication processes occur, the culture little by little acquires new features, which may turn into the company’s advantages over competitors. Although competitive advantages of contemporary companies quickly become obsolete due to rapid changes in environment, the fact that advantages acquired through marketing culture are more difficult to copy for competitors and therefore grant a longer-lasting advantage, to the company is a very important feature of marketing culture as competitive advantage.

The implications of marketing culture on the company are considerable, because the prevailing marketing culture promotes consistency of behavior. In this regard, strong culture may replace formality. It attains the same result without written documentation, i.e., formalities. The stronger the marketing culture, the less have the management to worry about the introduction of formal rules and regulation of the staff behavior. Integration of culture in all functions of marketing in order to create customer value should lead towards market orientation within the company and successful implementation of marketing (Harrison, Shawn, 2004). Greenley (1995) described this process as harmonious handling of all resources of the company in order to create the highest added value for the current and potential customers.
According to Robbins (1997), culture performs several functions within the company. Firstly, it establishes the boundaries, i.e., separates one company from another. Secondly, it gives the feeling of identity to the members of the company. Thirdly, culture instills commitment to more than just one’s own interests. Fourthly, it fortifies the stability of a social system. Finally, culture creates meaning and control mechanisms, which help the members of the company to form attitude and behavior. Many functions of organizational culture are valuable to the company as well as its members, seeing as they promote the commitment to the company and homogeneity of the conduct of the staff. Viewed from the perspective of company members, culture is valuable because it reduces ambiguity; it becomes clear, why there is such behavior, what is important and appreciated in the company. The company’s and employees’ attitudes towards the values must agree or at least to be similar. Without such tune the increase of the company’s competitive ability is impossible. If declared company’s marketing values are incomprehensible or unacceptable for most employees and they don’t become the reason for their actions it means that these values remain only declarations (Juscius, Snieska, 2008).

When examining the behaviors of marketing culture, the following components distinguished by Kohli and Jaworski (1990) are observed in marketing literature:  
1) creation of market intelligence;  
2) dissemination of market intelligence;  
3) response to market intelligence.  

Market intelligence depends on the customer needs; it also brings out how the customers could be affected by external factors, for instance, government regulation, technologies, competitors, etc. (Kohli, Jaworski, 1990). In the meantime, Matsuno, Mentzer and Rentz (2005) contended that market intelligence comprised more factors than it was mentioned by Kohli and Jaworski (1990).

Model of Matsuno et al. (2005) is depicted in Figure 1.  
It states that company’s culture mirrors the internal environment of the company, and the macroeconomic factors – external environment. In the meantime, market intelligence is affected by market participants (competitors, suppliers, consumers) and macroeconomic environment, comprising natural, economic, political–legal, scientific-technological, socio-cultural environments, and their well-tuned running is the way to increase sales, to attain success of new product sales, trust in the company and mutual cooperation.

It is a good practice to strive that the company should allocate a portion of funds for the creation of added value for the customers thus emphasizing the significance of its goods (theory of market values). Attempts of marketing managers to improve the sales of goods with insignificant changes of packaging, by using wordplay in advertising, may result in short-term growth of sales only, seeing as they have little significance in terms of value. A company, which orients to quality and advantages given by goods, must constantly monitor cultural values and their changes as well as base upon them in its activities. In order to avoid culture difference-related issues, it is vital to understand the importance and influence of culture to customer and company behavior. Respect to differences and willingness to adapt and search for mutually acceptable solutions starts with understanding (first of all, of managers) in particular.

Marketing culture unites individual efforts of employees for the common purpose when creating added value of goods for customers, which in turn ensures stronger drive for the company in comparison with competitors. It is likely that marketing culture will help the company to better meet the customer needs and expectations to maintain customer loyalty, to attract new customers and through this, to attain the desired growth in profits and to occupy the desired market share.

Figure 1. Model of market intelligence (Matsuno, Mentzer, Rentz, 2005)
Literature about companies’ activities pertaining to meeting the needs of the customers and customer loyalty emphasize that activities in the market are directly related to the results of companies’ financial activities (Narver, Slater, 1990). Reichheld (1996) argued that loyal customers could increase profitability through reduction in sales costs, lower operating expenses and tolerance towards higher prices.

Elements of marketing culture should prevail without exception in all fields of company’s activities, because according to Turner and Spencer (1997), they help to create a company oriented towards one goal.

Peculiarities of marketing culture elements in production, services and sales companies have been little examined in literature. The main research, referred to until these days, has been carried out by Webster (1990), Webster (1993), Webster (1995).

Marketing culture in service companies has been broadly analyzed, seeing as employees of service companies in particular must input the biggest efforts to meet the customer needs and interact with them directly. This is best attained through values (Webster, 1990, 1993, 1995) and norms (Webster, 1990, 1993, 1995; Luk, 1997; Sin, Tse, 2000). No peculiarities have been observed in marketing culture elements of sales companies. Values and norms (Meldrum, 1996) are important as much as means (Turner, Spencer, 1997; Stigliani, 2008) and behaviors (Kohli, Jaworski, 1990; Narver et al., 2004).

In production companies, behavior is particularly important, as the main objective of these companies is to create a marketable product, while identifying current and future needs of the customers (Kohli, Jaworski, 1990; Narver et al. 2004; Martin, Martin, 2005). In new product development are such means of marketing culture that promote creative process are helpful.

**Interpretation of the results of the study**

“Peculiarities of competitive advantage development of Panevezys city production, services and sales companies through the elements of marketing culture”

The research aimed at identifying the directions of competitive advantage development in Panevezys production, services and sales companies through the elements of marketing culture.

The research was carried out in August-September 2009. Questionnaire survey based on scientific works of Homburg and Pflesser (2000), Zostautiene and Urbanskiene (2002), Farrell (2005), Gainer and Padanyi (2005) was prepared. Managers of companies, directors, deputy directors and heads of divisions related with marketing activities have been surveyed while making an assumption that executive personnel of the company have sufficient knowledge about marketing.

According to the database of the Department of Statistics on indicators (access via the Internet: http://db1.stat.gov.lt [viewed on 15-04-2009]), as of the beginning of 2009 there were 2431 company operating in the city of Panevezys. Mostly these were whole- and retail sales companies (1364), service providers – 684, production companies– 380.

Statistically processed data of survey are considered to be true and reliable due to mathematical nature of statistical analysis itself. However, when presenting the results, representativeness of the research is very important. The number of respondents who need to be surveyed in order to meet the criterion of representativeness can be calculated according to Panioatto’s formula:

\[
 n = \frac{1}{(\Delta^2 + (1/N))},
\]

where:
\[
 n - \text{sample size (n)},
\]
\[
 \Delta - \text{error (\Delta=0.5)},
\]
\[
 N - \text{population size (N=2431)}.
\]

In sociological studies, 5 % is considered as standard error, when probability is 0.954. Based on Panioatto’s formula, the surveyed sample comprises 345 companies.

While taking into account the probability of refusing to participate in the research, 500 questionnaires have been prepared and distributed (delivered personally, sent by e-mail and fax). Out of them, 198 questionnaires not damaged and fully completed were returned from companies engaging in different activities in the city of Panevezys.

All result tables of the research contain average ratings. Tables of marketing culture elements’ assessment were compiled for each element of marketing culture individually (values, norms, means and behaviors), while separating their manifestation in production, services and sales companies.

The importance and observance of norms of marketing culture mostly depend on values upheld. Ratings of companies working in different fields are presented in Table 2. The first four questions represent the value of openness, other five – serve for the establishment of employee’s responsibility. Among those who replied, there were very few who disagreed completely or had no opinion, while the most frequent response showing the significance of values of marketing culture was 2.

All companies working in different fields appreciate flexibility and striving for success. Least of all, production and sales companies value the speed at which work is accomplished. Speed is one of the prerequisites of success in business and special attention should be paid when creating marketing culture. However, the results of the conducted research showed that companies do not sufficiently realize the importance and benefit of speed, as a component of value, to the company. Innovativeness is the least appreciated in service and sales companies.

Ratings of norms of marketing culture in different companies are presented in Table 3.

Among the submitted statements reflecting the norms of marketing culture, production and sales companies highly rate flexibility related with activity in the market and striving for quality and success, while production companies in addition appraise the employees subject to their activity in the market (it is more difficult for production companies, than for sales or service companies, to find good specialists working in a specific field able to
repair the equipment utilizing advanced technologies. Companies mostly value the speed of completion of work related with activity in the market (speed of work completion, as a value of marketing culture, was not rated so high). Service and sales companies value market-oriented innovativeness, market-oriented entrepreneurial thinking of employees and employees themselves the least. This could cause higher employee turnover. All companies rated the market-oriented inter-functional cooperation low (generally, the respondents chose 3, meaning “neither agree, nor disagree”).

Rating of the means of marketing culture is revealed in Table 4. The obtained results about means of marketing culture confirm that respondents are not sufficiently well familiarized with the benefit of means to the performance of companies. The most common ratings in the scale of 5 were 2 (disagree) and 3 (neither agree, nor disagree). Noteworthy are the ratings of service and sales companies, agreeing with the importance of market-oriented agreements and sales companies, using accounts about role-model employees, oriented to fulfillment of customer needs.

| Table 2 |
| Rating of marketing culture values in production, service and sales companies |

<table>
<thead>
<tr>
<th>No</th>
<th>Values of marketing culture</th>
<th>Production companies</th>
<th>Service companies</th>
<th>Sales companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Innovativeness</td>
<td>4.6</td>
<td>3.2</td>
<td>3.5</td>
</tr>
<tr>
<td>2.</td>
<td>Flexibility</td>
<td>4.2</td>
<td>4.6</td>
<td>5</td>
</tr>
<tr>
<td>3.</td>
<td>Openness of internal communication</td>
<td>4.4</td>
<td>3.6</td>
<td>4.5</td>
</tr>
<tr>
<td>4.</td>
<td>Inter-functional cooperation</td>
<td>4.6</td>
<td>3.6</td>
<td>4.5</td>
</tr>
</tbody>
</table>

| Table 3 |
| Rating of marketing culture norms in production, service and sales companies |

<table>
<thead>
<tr>
<th>No</th>
<th>Norms of marketing culture</th>
<th>Production companies</th>
<th>Service companies</th>
<th>Sales companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Market-oriented innovativeness</td>
<td>3</td>
<td>2.6</td>
<td>2.2</td>
</tr>
<tr>
<td>2.</td>
<td>Flexibility related with activity in the market</td>
<td>4</td>
<td>3.6</td>
<td>4.5</td>
</tr>
<tr>
<td>3.</td>
<td>Openness of internal communication on market issues</td>
<td>3</td>
<td>3.8</td>
<td>3</td>
</tr>
<tr>
<td>4.</td>
<td>Market-oriented inter-functional cooperation</td>
<td>3.2</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

| Table 4 |
| Rating of marketing culture means in production, services and sales companies |

<table>
<thead>
<tr>
<th>No</th>
<th>Means of marketing culture</th>
<th>Production companies</th>
<th>Service companies</th>
<th>Sales companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Accounts about role model employees, oriented to fulfillment of customer needs.</td>
<td>3.6</td>
<td>2</td>
<td>4.2</td>
</tr>
<tr>
<td>2.</td>
<td>Accounts and conversations about problems, impeding market-orientation</td>
<td>3.2</td>
<td>3</td>
<td>3.5</td>
</tr>
<tr>
<td>3.</td>
<td>Agreements, related with market-orientation</td>
<td>2.4</td>
<td>4.6</td>
<td>4</td>
</tr>
<tr>
<td>4.</td>
<td>Market-orientation rituals.</td>
<td>3.6</td>
<td>3.4</td>
<td>2</td>
</tr>
<tr>
<td>5.</td>
<td>Market-oriented language.</td>
<td>3</td>
<td>3.6</td>
<td>2</td>
</tr>
</tbody>
</table>

Rating of marketing culture behaviors is presented in Table 5. Ratings of behaviors of marketing culture are segregated. Meetings with customers and customer opinion research are not widely practiced by service and particularly sales companies, whereas production companies pay quite much attention to this type of activity.
Conclusions

1. Competitive advantages open to the companies larger and more favorable opportunities to procure production resources, to expand the sales markets and establish themselves in the market, while giving higher value of the product to the customer than to competing companies. It is not sufficient for companies to form competitive advantages; it is important to maintain them for a long time and to strive that competitors could not take them over or copy them easily.

2. Marketing culture can be defined as an integral part of organizational culture that is market-oriented and comprises the elements, revealing the individuality of the company as it interacts with the market participants. While concluding that marketing culture forms a part of organizational culture, another conclusion follows that the main elements of marketing culture are the same as in organizational culture: norms, values, means and behaviors. However, their specifics manifests when striving for companies’ individuality and distinctness, fulfilling the expectations of their customers and other market participants, in the relationships of the company with other market participants.

3. Competitive advantages of contemporary companies quickly become obsolete due to the rapid changes in environment and the advantages acquired through marketing culture especially when it is common in the company and has strong orientation to the market are more difficult to copy for competitors and therefore grant to the company a longer-lasting advantage. Empirical research was done on the theoretical background that the ability of the company to act quickly in a rapidly changing environment shaping the conditions of competition and operation heavily depends on the prevailing marketing culture, it’s values, norms, means and behaviors. Values of marketing culture influence norms, which influence well seen conditions of competition and operation heavily.

4. After summarizing the data obtained during the research, some peculiarities of marketing culture elements’ expression in production, service and sales companies of Panevezys, which participated in the survey, could be distinguished. Surprisingly, production as well as service and sales companies appreciate values and norms; they agree that these are necessary to the company in order to survive in the market; however, the research of behaviors and means revealed that the values and means are little applied in practice; more often they remain postulates and do not appear in everyday work. Attention of sales and service companies should be particularly drawn to the necessity to ensure more effective cooperation of marketing division with other divisions in meeting customer needs. This would facilitate the identification of changes and the ability to respond to them, and this is perceived by production companies as important factor when striving to survive in the market.

<table>
<thead>
<tr>
<th>No</th>
<th>Behaviors of marketing culture</th>
<th>Production companies</th>
<th>Service companies</th>
<th>Sales companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Coordination of activities of individual divisions and organization of general meetings</td>
<td>3.2</td>
<td>3.4</td>
<td>3</td>
</tr>
<tr>
<td>2.</td>
<td>Cooperation of marketing division with other divisions</td>
<td>3.8</td>
<td>2.6</td>
<td>1.5</td>
</tr>
<tr>
<td>3.</td>
<td>Improvement of product/service according to customer needs</td>
<td>3.6</td>
<td>3.6</td>
<td>5</td>
</tr>
<tr>
<td>4.</td>
<td>Public dissemination of information about customer priorities for the product and essential shifts in business</td>
<td>5</td>
<td>3.75</td>
<td>2</td>
</tr>
<tr>
<td>5.</td>
<td>Dissemination of information pertaining to market and customer needs within the company</td>
<td>4</td>
<td>4.4</td>
<td>5</td>
</tr>
<tr>
<td>6.</td>
<td>Meetings with the customers and customer opinion research</td>
<td>4.6</td>
<td>3.4</td>
<td>1.5</td>
</tr>
<tr>
<td>7.</td>
<td>Assessment of environmental changes and responding to them</td>
<td>4.4</td>
<td>2.8</td>
<td>3</td>
</tr>
<tr>
<td>8.</td>
<td>Striving to meet the customer needs</td>
<td>4</td>
<td>3.2</td>
<td>4</td>
</tr>
</tbody>
</table>
References


Daiva Žostautienė, Birutė Daraškevičiūtė

Panevėžio miesto įmonių konkurcinęs pranašumų formavimo ypatumai, naudojant rinkodaros kultūros elementus

Santrauka

„rinkodaros kultūra laikoma aukštesnio lygio abstrakcija, nei į rinką orientuota kultūra“ (Harrison, Shaw, 2004, 391 p.). Rinkodaros kultūra skatina orientuotis į rinką, nuolatos domėtis nauja informacija apie vartotojus, konkurencijas ir pagrindines rinkos tendencijas.


Apklausti Panevėžio įmonių vadovai, direktoriai, jų pavaduotojai, padalinio vadovai, susiję su rinkodaros veikla. Daroma priežiūrą, kad vadovaujantis įmonės personalas turi pakankamai žinių apie rinkodarą.


Raktažodžiai: konkurenciniai pranašumai, rinkodaros kultūra, rinkodaros kultūros elementai.

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