

Strategic marketing by change agents in Poland: the case of domestic marketing consulting firms

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Abstract

Focuses on the marketing strategies used by Polish marketing firms and their role as change agents after the fall of communism and the transition to a market economy. A survey of 93 marketing consulting firms in four large Polish cities was conducted in 1996-1997. The results suggest that this sector is thriving, and the two most important success factors are on-time delivery and high service delivery.

Introduction

The collapse of communism in 1989 in Poland led to internal turmoil as the program of privatization ushered in new and unfamiliar ways of doing business. However by 1992 the economy was not simply recovering but had begun a new trajectory of rapid economic growth and structural change. The suddenness and speed of the changes in Poland warrant the title of transformation and chaos in the sense that the market economy was very undeveloped at the beginning, making it a major undertaking for everyone to learn how to market in the new regime. This process has been helped by the ability to resurrect pre-war commercial laws, though it has been impeded by the slowness of the banking sector to be de-regulated.

The economy of Poland was particularly turbulent during the first five years of market transition (1989-1994). In common with the Czech Republic, this transition was particularly painful for tens of thousands of small retailers who were unable to compete against the more modern and larger competitors, from France, Germany and the United States of America. Similarly, a number of ex government factories did not survive after they had been privatized. This image of pain and suffering needs to be placed in perspective by the magnitude of change, with 1.6 million businesses created (Hills *et al.*, 1995; Grabowski and Kulawczuk, 1992). The growth process has been dominated by newly formed small and medium sized businesses which has been referred to as organic privatization (Cox *et al.*, 1995; Frydman *et al.*, 1993, Estrin, 1994; Gomulka and Jassinska, 1993). The emphasis by all of these authors that new private business was the main engine to development in Poland is echoed in Johnson

and Loveman (1995). They note that privatization of government businesses was fairly slow, especially in Poland and therefore could not be a major influence.

Apart from their own learning by doing, how do local Polish firms learn the art and science of marketing? The business education sector has made a contribution to the learning process, assisted somewhat by Polish translations of Philip Kotler's *Marketing Management* book. The entry of multinationals has helped inject marketing knowledge into the system, though this has been a trial and error process and not an immediate upward stimulus to marketing know-how. Additional learning has arisen with various international management-training programs, particularly from Western Europe and North America.

Another group that has made an on-going contribution to marketing knowledge in Poland is that of marketing consultants. Marketing consultants can be seen as a change agent in any country, but take on a special role in emerging markets, such as Eastern Europe. Marketing consultants provide the means of schooling their clients in the basics and subtleties of marketing in a business language that they can relate to. This facilitates the transfer of marketing know-how. Note that we do not attempt to fully explore how the marketing consultants themselves obtained their marketing knowledge, other than to indicate that about 90 percent of our sample did have at least a Masters degree level of qualification.

It is in the context of diffusing marketing know-how throughout Poland that the current paper has been inspired. We confine ourselves to one aspect of this process, namely to identify the marketing strategies used by domestic Polish marketing consulting firms in their dealings with their clients. As such, the study focuses on how the



Polish consulting firms were conducting their business. More specifically our study is a focus on the marketing strategies used by one particular sector in Poland, notably a sector with relatively greater and more sophisticated marketing skills. This sector might be considered as one of a number of sectors at the leading edge of marketing sophistication within Poland and therefore it is of interest to document the marketing strategies used by this group, keeping in mind that most other sectors may be less advanced.

Literature review

The Western road to Eastern Europe has been paved with many marketing mistakes. For example, the McCann-Erickson advertisement for Eurotel mobile telephones failed because most Czechs thought they were walkie-talkies or citizens band radios (Marsh, 1992). This is an indication that multinational marketers and advertising agencies have not adequately adapted their methods to consumers accustomed to 40 years of communism. This poor image has not been helped by the flow of inferior goods into Poland. Following an enthusiastic reception for imports, many Poles were initially disappointed with the quality of cheap goods entering Poland (Marsh, 1993a).

A useful analysis of the initial mistakes made by Western firms marketing business services to Central Europe is Lunsford and Fussell (1993) who identified four types of marketing mistakes. First, business service strategies were developed on the false assumption that a purchasing process was clearly established in the emerging private firms when in fact it may not have existed. Second, Western firms failed to correctly assess the needs of emerging firms. The self-confidence of the new European entrepreneurs created the false impression of competence. Third, Western firms initially over serviced their clients in Central Europe. A level of service considered basic in the West was often perceived as too expensive, requiring too much time to implement and with too many unnecessary features. Before we move to the fourth and final point made by Lunsford and Fussell (1993), we can ask what these three points have in common? The irony, it would seem, reflects that situation that the "superior marketing machines" of the West (our expression) have failed to apply the most rudimentary of marketing skills when it came to Central European expansion!

The fourth point raised by Lunsford and Fussell (1993) warrants special attention. They argue that the Western business service providers failed to consider the societal transition still in progress (as of 1993, but perhaps still in progress as of 1997). Therefore, despite the dramatic changes in the economy, the business climate was initially more similar to the controlled economy of the past than to the market economies of the West. The entrepreneurial drive was very early in its development, with limited shared field of reference due to lack of managers with formal business education. This fourth point provides an over-arching frame for the other three points and, it seems to us, is not highlighted enough in books on international business. Daniels and Radebaugh (1995) is one of few international business books to recognize that the East and Central European developments are a "market transformation". However even their treatment does not sufficiently convey the holistic, radical and turbulent change that has taken place in these economies and therefore the general difficulties for everyone, both outsiders and insiders, doing business under constantly changing "rules of behavior". Institutions taken for granted in the West have been introduced slowly. For example, the country's first private national television station POLSAT was launched as a private satellite television service in 1992. It was legalised by the government in 1993 and granted a regional broadcast license and was about to move from limited service to national broadcasting later that year (Butler, 1994).

Given the transitional nature of the economies in Eastern Europe, it is not surprising that marketing mistakes have occurred. Rapid learning was required by both Western and local businesses. One way of handling the uncertainties caused by economic turbulence is to enter these markets with the low risk strategies of import/export and joint ventures. This was the research finding of Shama (1995) in his survey of 166 US companies doing business in the former Soviet bloc countries. It was noteworthy that none of the 87 US firms that entered Russia did so through a manufacturing strategy. Oliver (1991) also emphasised joint ventures as an entry strategy to Eastern Europe.

A second way of handling the uncertainties is by undertaking or commissioning or being aware of relevant market research. For example, Jaworska (1992) researched industrial goods purchases in Poland as of 1990 and concluded that the buying function was not well developed, more akin to

“selling” than “marketing” (see also Iwinska-Knop, 1992). This finding is similar to that noted by Lunsford and Fussell (1993) above in relation to business services. In a study of 688 Polish firms across all industry sectors, Cox *et al.* (1995) also found a relatively low use of the marketing approach (see also Hooley *et al.*, 1996). They found that:

- 60.2 percent of the sample of firms used a product orientation; “we make what we can and sell to whoever will buy” (this was particularly the case in the agriculture industry);
- 17.6 percent of the sample used a selling emphasis; “we place major emphasis on advertising and selling to ensure sales” (this was particularly the case in retailing and wholesaling);
- 22.2 percent of the sample adopted a marketing emphasis; “we place major emphasis on prior analysis of market needs, adapting our products and services to meet them if necessary” (this was particularly the case in manufacturing and to a lesser degree retailing).

What market research that has been done points to limited understanding of good marketing practice, with a general tendency for the majority of firms in Poland having inconsistent marketing, namely inconsistency in distribution, product offering and planning. This was also the conclusion of Muth (1995) in his observations of 22 Polish cities. Muth noted that small and medium sized companies had difficulty defining their customers and competitors, defining their competitive advantage, organizing marketing departments, conducting market research and planning, and developing pricing strategies.

A third way of handling uncertainties is by taking on a pioneering philosophy and attitude in tackling new market frontiers. This seems to have been the model of Colgate-Palmolive when they started in Poland in 1991 (Lawrence, 1991; Schares, 1993) and Avon in Eastern Europe (Marsh, 1994; Byrd, 1994). Proctor and Gamble conducted more than 50,000 customer interviews in Eastern Europe in an effort to test products and advertising. The company responded to Eastern Europe’s poor distribution structure by building a new network of distributors and retail customers (Pepper, 1995). The pioneering philosophy requires Western companies to be ultra sensitive to local tastes and nuances (that is, more local than global marketing strategies) and to work hard at identifying and removing blockages to marketing success, ideally by putting in place their own marketing system.

Uncertainty is removed by the new certainty forged by new marketing systems that are clearly imprinted by enterprising market actions. The role models are not just Western firms, but include many local special achievers. The latter includes Jerzy Szafranski, Managing Director of the former state-owned (now owned by Unilever) Detergent Works Pollena in Bydgoszcz. Szafranski developed a sophisticated television and outdoor board campaign that featured a pair of jovial Polish lords from the year 200 B.C. (Marsh, 1993a). Relatedly, Hills *et al.* (1995) have conducted a very useful study of the strategic survival factors among entrepreneurs in Poland. Entrepreneurs are usually associated with a pioneering philosophy and attitude in tackling new market frontiers. Eighty entrepreneurs from Gdansk, Lodz, Warsaw, Krakow, Plock, Kielce, Poznan and Bydgoszcz were interviewed using a survey instrument initially used on US entrepreneurs. In both countries five of the top eight elements pertained to product and market sensitivity, such as: “responsiveness to customer desires/requests”; “high quality product/service”; “good reputation with the customer (and image)”; and “fine tune product/service to fit the market”. There were differences, with less emphasis on people management in Poland, which Hills *et al.* (1995) attribute to the communist tradition of worker power combined with an eroded work ethic and the greater pool of available unemployed workers. The use of a long-term view was less important in Poland, which Hills *et al.* (1995) attribute to the difficulty of long-term forecasting in the context of overwhelming changes and uncertainties. Additional case studies of successful local marketers during the 1990-93 period are given in Johnson and Loveman (1995) who note that some of the entrepreneurs of the 1990s learned at least some of their skills in the early cooperative structures in the 1980s.

In summary, the literature review draws four conclusions. First, the economy of Poland was particularly turbulent during the first five years of market transition (1989-1994). Second, the admittedly small number of research studies generally suggest that this phase of market transition was characterized by low level local marketing skills and practices based on fairly limited marketing strategies. Third, the marketing efforts of Western firms in Eastern Europe have not been much more successful than the efforts of local firms. Western firms have generally used low risk entry strategies, such as export/import. However this strategy has backfired for some Western firms because

initially it led to the wrong goods with the wrong features and with excessive servicing being exported to Eastern Europe.

These three conclusions are of course generalizations. Countervailing these points is our fourth conclusion that out of the haze of uncertainty and turbulence have emerged a number of local and Western role models of successful marketers. However these success stories are selective and not well documented. Additionally, there are likely to be a number of other success stories which have not yet been told. One such group could be the domestic marketing consulting firms, with the paucity of information of this sector broken by a brief case study of the Doradca firm associated with Jan Krzysztof Bielecki in Johnson and Loveman (1995, pp. 126-32). The success of marketing consultants in general is particularly important because it has a "multiplier" effect on the transmission of marketing knowledge throughout the Polish economy. One thousand marketing consultants at say five new clients per year means that every year up to 5,000 more Polish firms have a greater exposure to and possible possession of marketing knowledge. In turn, there is another wave of influence as these 5,000 firms interact with their clients and suppliers, further raising the marketing standards in Poland. This is the context for our study of Polish marketing consultants.

The research design

The purpose of the study was to identify the marketing strategies used by Polish marketing consultant firms using a survey instrument. The survey instrument was initially developed and translated in Australia, but modifications were made in consultation with Polish marketing professors to ensure that the right vernacular was used.

The essence of the survey was to impute each firm's marketing strategy based on a list of 20 questions that referred to various components of the respondent's marketing strategy, such as price or quality. The respondents were asked to rate each one on a 1 to 10 scale, with 10 the highest. The questions were based on the standard marketing tools of price, quality, on-time delivery, customer service, promotion expenditure and "understanding client needs", but more specially were drawn from the services marketing literature (Loveloek and others) given the nature of marketing consulting services. This added other components such as "a no-frills service", "impression marketing", "high quality and

experienced staff", and "flexibility in operations", "skilful bundling of services", "word-of-mouth advertising", "quality tenders or proposals and quality", "relevant reports to clients". The objective of the study is to initially rate these various components to see what is important in the marketing strategies of Polish marketing consulting firms. Subsequently, further analysis was employed to allocate the sample of consulting firms to clusters. This enables a more holistic interpretation of the marketing strategies used by these firms.

Further data has been collected on the critical success factors perceived to be relevant to this industry. Data has also been collected on the perceived competitive advantages that each firm possesses. This information is of interest *per se* in terms of more fully understanding the strengths of firms competing in a transition economy. However it is of interest to know the extent to which the strengths of firms are aligned towards the critical success factors in an industry.

Benchmark data has been collected in terms of the size and performance of the firms. This includes information on the number of staff, the number of branches of the firm, the sales growth performance, profitability performance and service quality performance.

Sampling frame

The aim was to obtain a representative sample from the Yellow Page listing of marketing consultants from four large Polish cities, namely Warsaw (population about 1.7 million); Poznan (population about 590,000); Wroclaw (population about 650,000); and Krakow (population about 750,000). These cities were chosen because of their large size and because of the greater activity of marketing consultants in these cities *vis-à-vis* other Polish regions. Warsaw is the capital, the largest city and strong academic center and usually first attracts foreign businesses as a port of entry to Poland. Poznan has a strong marketing/management department at the local university and is also the location for the Center for Annual International Expos "Poznan Fair". Krakow has historically been a strong academic center. Note that the sample frame was domestic marketing consulting firms.

The research was conducted in Poland over the 1996-1997 period. The final sample was 93 marketing consulting firms. This represented a response rate of 20 percent, which is fairly low by Western standards, but

not unreasonable in a society still suspicious of being too open in public surveys. Resource constraints, including time that one of the authors was in Poland to conduct the surveys, allowed only a limited follow-up survey, thereby restricting the response rate. There are insufficient benchmarks to gauge a keen appreciation of the non-response bias, so this limitation is acknowledged and should be noted by the reader.

As expected, small and medium sized firms dominate the sample. A total of 73 of our sample of 93 firms operated a single outlet. A further 20 firms had multiple branches, including nine firms that had three or more branches. Size wise, 27 of the 93 firms were very small with less than four employees, 41 of the firms had between four and 20 employees, while 25 were fairly large firms for a service industry and had more than 20 employees.

Results

Table I summarises in descending order of importance the ratings of marketing strategy components used within our sample of Polish marketing consulting firms. The top five components included high service quality, having a base of satisfied customers, good on-going communication with clients, on-time delivery and understanding client needs. This suggests a sound base of the Polish marketing consultants in that they had a

high priority on the things that count the most with customers, namely getting a quality service, on-time with good communication. Quality relevant reports to clients led the next five most important components of marketing strategy, but at a distinctly lower level than the top five. It is interesting that staff rated so highly at 7.33 out of 10 in light of Hills *et al.* (1995) finding that people management was one of the Achilles heels among Polish entrepreneurs. It may be that professional marketing consultants (and other types of professional service firms) are the exception to the rule, though we revisit this issue when we discuss capabilities.

Table I also indicates that low prices and high promotional spending play a minor role in the marketing strategies of Polish marketing consultants. This is not radically different from the West for this type of professional service. On the other hand, there are some components which are rated low, but which one would associate with a more sophisticated Western consulting firm. These components included "quality tenders or proposals". The lack of importance of such in the Polish case may reflect the level of development of professional service marketing in that economy.

Table II reports on the critical success factors for the marketing consulting industry, as identified by the respondents. Each respondent was asked to nominate up to five critical success factors and these responses were summed and then ranked. The two most important critical success factors for this industry are on-time delivery and high service quality. The next group of three includes high quality and experienced staff; repeat business linked to a base of satisfied customers; and giving clients quality and relevant reports. The sixth and seventh critical success factors were "understanding client needs" and "strong

Table I

Ratings of the importance of various components of the firm's marketing strategy: the case of Polish marketing consultants, 1996-97 (n = 93)

Component of marketing strategy	Rating
High service quality	8.52
Repeat business, a base of satisfied customers	8.40
Good on-going communication with client	8.25
On-time delivery	8.16
Understanding client needs, focus	7.86
Quality relevant reports to clients	7.70
Strong customer service	7.53
High quality and experienced staff	7.33
Word of mouth advertising, reputation	7.03
Name recognition, high profile	6.77
Skilful bundling of services	6.41
Flexibility in operations	6.11
Quality control in operations	5.99
Impression marketing	5.81
Low fees	5.41
Effective alliances and networks	5.13
A no-frills service	4.87
A one stop service, wide range of services	4.65
Quality tenders or proposals	4.40
High promotional media spending	3.70

Note: Rating on a 1 to 10 scale, with 10 the highest

Table II

Critical success factors for the Polish marketing consulting industry, 1996-1997

Ranking of critical success factors

Two most important

1. On-time delivery
2. High service quality

Next most important

3. High quality and experienced staff
4. Repeat business linked to a base of satisfied customers
5. Providing clients with quality and relevant reports
6. Strong customer service
7. Understanding client needs

customer service”, respectively. This is the group of seven factors that all firms need to meet if they are to survive in the marketing consulting industry. Of the remaining 13 factors, four received almost zero nominations. These included high promotion spending, a no-frills service, a one-stop shop service and alliances and networks.

Table III shows the top seven areas where the Polish firms perceive that they have a competitive advantage relative to their competitors. The list is very similar to that in Table II, although the rankings are somewhat different. The top three sources of competitive advantage are a base of satisfied customers, high service quality and understanding client needs. Experienced staff appears as a critical success factor in Table II, but does not appear in the top seven competitive advantage factors in Table III. Good on-going communication appears as a relatively common source of competitive advantage, but this was not a critical success factor as shown in Table III.

Table IV highlights the results of questions asked about organizational capabilities. The respondents were asked to rate out of 10 (with 10 the highest) the extent to which of each of 20 capabilities enabled the firm to actually deliver services to customers. The eight strong capabilities included, in order of strength: strong marketing culture, general marketing skills, ability to understand client needs, ability to streamline operations, ability to customize services, market research skills, ability to manage service encounters and skills in relationship marketing. Seven of the eight top strengths have a clear marketing character. The six weakest capabilities, starting with the weakest, included: niche marketing skills, financial capabilities, strategic alliances and networks, people management skills, management information systems and loyal staff. Although this list of six includes some specialized marketing skills, such as niche

Table III

Common nominated sources of competitive advantage in the Polish marketing consulting industry ($n = 93$)

Source of competitive advantage	Percentage
Base of satisfied customers	73
High service quality	72
Understanding client needs	69
Strong customer service	65
On-time delivery	65
On-going communication with clients	60
Quality and relevant reports to clients	59

Notes: Firms can nominate more than one source

Table IV

Business capabilities of Polish marketing consulting firms, as perceived by the firms

Nature of capability	Average rating (out of 10)
Strongest capabilities	
Strong marketing orientation culture	7.87
General marketing skills	7.77
Ability to understand client needs	7.75
Ability to streamline operations	7.39
Ability to customize services	7.18
Market research skills	6.70
Ability to manage service encounters	6.65
Skills in relationship marketing	6.63
Weakest capabilities	
Niche marketing skills	4.87
Financial capabilities	5.29
Strategic alliances and networks	5.58
People management skills	5.70
Management information system skills	6.20
Loyal staff	6.45

Note: Capabilities rated on a 1-10 scale, with 10 the highest

marketing, in the main they refer to more general management and organizational skills.

In an attempt to synthesize the marketing strategies shown in Table II into a more holistic form, we used cluster analysis to develop three distinct strategic groupings. K-Means was the particular cluster technique used. The initial variables used to discriminate among the firms' marketing strategies were the 20 variables listed in Table II. Variables were retained if they were significant at the 0.01 level of significance, based on F and p ratios in the ANOVA. In the final solution only nine of the original 20 variables provided a high level of discrimination across clusters. Three clusters were derived and are shown in Table V.

In Table V we see that the largest cluster of Polish consulting firms is Cluster 1 which we term “service-driven” emphasis in their marketing strategies. A total of 55 out of our sample of 90 firms were in this category. This group has high average ratings on strong customer service, repeat business and a base of satisfied customers, flexibility of operations and quality control in operations. All of these components intertwine to create a strong customer service orientation. At the other end of the strategy, this particular cluster made very little use of promotional media spending.

The second largest cluster is Cluster 2 that we term “promotion and distribution”

Table V

Clusters of Polish marketing consulting firms based on marketing strategy components

Strategic marketing component	ANOVA F (p value)	Cluster 1 (n = 55)	Cluster 2 (n = 27)	Cluster 3 (n = 11)
Strong customer service	74.3 (0.00)	8.42	8.46	1.83
Low fees	16.4 (0.00)	6.07	3.42	7.08
On-time delivery	7.3 (0.00)	8.40	8.62	6.50
Promotional media spending	77.5 (0.00)	1.95	7.46	3.58
Quality control	8.7 (0.00)	6.55	6.27	3.25
Flexibility	15.6 (0.00)	7.00	5.88	3.00
Good client communication	23.1 (0.00)	8.51	8.92	6.00
Repeat business/satisfied customers	4.5 (0.01)	8.69	8.54	7.25
Word of mouth reputation	13.2 (0.00)	7.24	5.69	9.00

Note: Average rating for each marketing strategy component in each cluster is based on a rating scale of 1 to 10, with 10 highest. The ANOVA F-test shows the extent to which each of the nine marketing strategy components help differentiate the clusters, using a 0.01 significance level

driven. Out of our sample, 27 of the firms were in this category, which included a number of the larger firms. This group rated second highest in terms of various services. More critically the group gave very special priority to promotional media spending, contributing to its label. The average rating on promotional media spending was 7.46, well ahead of the other two groups with 1.95 and 3.58. Additionally Cluster 2 was very strong in its emphasis on on-time delivery and on-going communication with clients. This is in keeping with an emphasis on promotion and distribution. Interestingly, this group placed a very low emphasis of attracting customers through low prices and the rating of just 3.42 on low prices suggests that this group probably had the highest fees.

The smallest cluster was Cluster 3 that we term the “price discounters”. Out of our sample, 11 were in this category. This group was well ahead with an average rating of 7.08 on low prices, thus the name for the group. Related to low prices is the very high rating for the group on a “no-frill service”. Customer service, flexibility of operations and product range were of minor importance to this group’s marketing strategy.

The face validity of the three clusters seems plausible in that the relative sizes of the clusters make sense for this type of industry. In a professional service industry it makes sense that the largest cluster is “service-driven”, followed in size by a “promotion and distribution”, with a “price driven” cluster the smallest. These are not unlike other business to business market segments, such as described in Merrilees *et al.* (1999). There was a slight tendency for the second cluster to be larger, which is consistent with their ability to afford larger promotional budgets. Notwithstanding, none

of the clusters were statistically significantly different in size or performance. Nor was there any correlation between size and performance. What these tests suggest is that there are few economies of scale in this industry. Further it would seem that most firms have adopted a marketing strategy that is congruent to their capabilities so there is no arbitrage in switching strategy.

Implications

This research is one of the first quantitative studies of marketing consultants in Poland, a group that is pivotal in the transformation to a market economy. Little has previously been reported on the marketing strategies and tactics used by this group of firms, nor on how well they have succeeded. Our conclusions are qualified by the relatively small sample size, but it is large enough to draw some tentative implications.

Based on the sample as a whole, the marketing consulting sector in Poland is thriving. The majority of the sample (61 out of 93 firms) reported sales growth rates in excess of 10 percent per annum, with a few indicating sales growth rates in excess of 100 percent p.a. Another 13 firms were growing at between 6 and 9 percent p.a., five were growing between 1 and 5 percent p.a., 11 had steady sales and three had negative growth. Additionally most of the sample perceived they were performing fairly well in terms of both service quality delivered to customers and rate of return on investment (profitability).

The study has reported on the success factors needed for the marketing consulting industry in Poland. The two most critical are on-time delivery and high service quality, followed by a need for quality and

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experienced staff, having a base of satisfied customers and giving clients quality and relevant reports. Based on a similar Australian study the ranking of the critical success factors does differ between the East and the West. Understanding client needs and strong customer service are more important success factors for Western marketing consulting firms.

Our sample of Polish consulting firms indicated where they thought they had a competitive advantage relative to their competitors. Few had any trouble indicating this. The top three sources of competitive advantage were a base of satisfied customers, strong customer service and high service quality. The main deficiency in this list was the human resource factor, which had been identified as a critical success factor, but was not a major source of competitive advantage.

Our study has also been able to explore the capabilities that underlie the business practices of the Polish marketing consultants. Five of the six top capabilities are in the marketing domain, including general marketing skills, relationship-marketing skills, ability to understand client needs, ability to customize services and a marketing-orientated culture. Again this list would be desirable and acceptable in most Western countries and points to a very strong marketing culture in the Polish consulting firms. The main exceptions were market research skills and niche-marketing skills, with a low capability reported on these aspects. Brogan (1996) has noted the difficulty of conducting market research in Poland, but the admission by our sample of Polish firms that their market research skills are inadequate is a real concern because good market research should be underpinning their advice to their clients. Perhaps niche-marketing skills are not critical at this stage of the industry life cycle in Poland, with growth at double-digit figures.

At the weakness end of the capability scale, the lack of people management skills stands out, as does the limited capacity in most general management skills. This might lead one to conclude that entrepreneurial intuition may be helping in raising the capacities and profile of marketing skills in these consulting organizations, but this has been less helpful in overcoming the long years of neglect of building up general business management acumen in the Polish commercial community. People management, financial management and management of information systems demand major attention, together with a need for stronger market research skills.

This paper has also broken new ground by identifying three clusters of marketing strategies used by our sample of Polish consulting firms. These clusters provide a more holistic way of studying the marketing strategies used. In order of numerical importance, the three clusters are:

- 1 service-driven;
- 2 promotion and distribution driven;
- 3 price discounters.

The nature of these clusters has been described in more detail above, but indicate three quite different ways of conducting marketing strategies. Different capabilities are required for each cluster, which is broadly supported by the data. For example, many of the firms which perceive that they have a competitive advantage in either customer service or flexibility in operations are in the service-driven cluster, while most of the firms which perceive that they have a competitive advantage in low fees are in the price discounting group.

We therefore find that the clusters have different foci, but within each cluster the various components of the marketing strategy seem to be fairly well co-ordinated and integrated. This is the mark of reasonably sophisticated professional marketing firms, not radically different from Western counterparts and consistent with the other evidence above. We conclude that, based on the sample at least, the Polish professional marketing service consulting industry has reached a reasonable level of sophistication (with the notable exception of market research skills), consistent with many Western countries in the growth phase of their industry life-cycle. As such, our research finding contrasts with that found for the general level of marketing prowess in the majority of Polish industries, but especially the manufacturing, wholesaling, agriculture, construction and retailing sectors (see the studies by Cox *et al.*, 1995 and others noted in the literature review).

Of course, it is not unexpected that an industry that specializes in marketing advice should have above-average strategic marketing skills. But this point had not been demonstrated before, nor had the similarity with Western consulting firms been noted or shown. Nor were the details of the Polish consulting firms' marketing strategies known. Our findings are also consistent with the thesis that the marketing consulting firms have played a pivotal role in the transformation of the Polish economy. Differently framed studies can explore this point further.

Over time we would expect other sectors of the economy to become more proficient in their marketing. This prospect can be tracked with future research studies that focus on other leading sectors in the Polish economy.

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