

## MARKETING THEORY AND METHODS IN THE STATE OF THE TRANSITIONAL ECONOMY: THE CASE OF LITHUANIA

### Vytautas Pranas Pranulis

Habil. Dr., Professor,  
Head of Marketing Department  
Vilnius University  
Saulėtekio al. 9, (Building I, Room 515)  
LT 2040 Vilnius, Lithuania  
Tel. (370 2) 366 148  
Fax. (370 2) 366 150  
E-mail: [vytautas.pranulis@ef.vu.lt](mailto:vytautas.pranulis@ef.vu.lt)

### Borisas Melnikas

Habil. Dr., professor,  
Head of Department of International  
Economics and Management  
Vilnius Gediminas Technical University  
Saulėtekio al. 11  
LT 2040 Vilnius, Lithuania  
Tel./fax. (370 2) 698 879  
E-mail: [vyftevk@vv.vtu.lt](mailto:vyftevk@vv.vtu.lt)

### Regina Virvilaitė

Dr., Assoc. Profesor,  
Head of Marketing Department  
Kaunas University of Technology  
Laisvės al. 55  
LT 3000 Kaunas, Lithuania  
Tel. (370 7) 300 585  
Fax. (370 7) 208 757  
E-mail: [regina.virvilaite@vf.ktu.lt](mailto:regina.virvilaite@vf.ktu.lt)

*This paper discusses the evolution of marketing thoughts, theories and practical adaptation in countries undergoing turbulent transition. Every country undergoes certain kinds of changes and flow from one condition to another. However, not every change is defined as transition. In this paper we investigate the changes in the economic and social environment of Lithuania and other Baltic states that are defined as transitional. Through this survey we aim to show that comprehension and adoption of marketing is a specific expression of transitional changes in Lithuania.*

*The survey covers three major questions: the comprehension of the transitional context, the comprehension of marketing as a business management theory, and marketing in the business practice of a transitional country.*

*Keywords: marketing, transition, theory, term, definition, concept, business, company*

## Introduction

### *Decision Level Problem*

The comprehension and use of marketing theory and methods as a tool for solving business problems in a transitional country such as Lithuania is still poor. In just the past three-four years we have moved from moaning about “destroyed production” to questions about “how to create, win, and dominate markets.” Such bias shows changes in political orientation, but provides only a hazy understanding of how and what should be done in order to move faster toward strategic objectives. In March, 2002, in the Ministry of Foreign Affairs, discussions took place on the project of the economic development strategy of Lithuania. Unfortunately the working group gave oral and written presentations about where Lithuania can go but not about where and how Lithuania should be in the coming 15 years.

Obviously there is a lack of knowledge and experience about how to use marketing theory and practice efficiently in business and the state’s economic and social development.

Marketing has evolved since the inception of the discipline in the early 1900s (Sheth, Gardner, Garrett 1988). According to Kotler and Sheth, Gardner, Garnett (1999, 1988) until the early 1960s there were three more traditional schools of marketing thought. The *commodity* approach described the characteristics of different products and buyer behaviour toward those products. The *functional* approach described how various marketing activities – advertising, sales force, pricing – perform in the marketplace.

More contemporary schools of thought led to the approach toward marketing from a *managerial* point of view. Developed market economy countries pass all these stages. Marketing in the developed and even in the develo-

ping countries has become a professional occupation. However there are many more deceptions and complications regarding the perception and adoption of marketing in the economies in transition.

There are two reasons for focusing on this topic. First, some initial investigations show that in the transitional environment there are obvious social and psychological limitations and distractions in the perception and acceptance of marketing as a theoretical and methodological basis for decision making and performance in the competitive market (Pranulis 2000, 1996). Second, marketing is entering turbulent times as we get over the transition from plan to market and enter the extended period of transition toward internationalisation and globalization. Changes in the environment of the business world are creating new decision making situations that demand professional knowledge and skills in marketing.

### *The Research Problem*

The discipline of marketing is entering transitional times with controversies on both the *perceptual* and *adoption* levels.

On the *perceptual* level we focus on the question of differences in the marketing term, definition and concept in developed and developing countries. Do the societies in transition comprehend marketing the same as in the developed market economy countries?

On the *adoption* level we look into two questions. First, what is, or should be, the proper domain of marketing in the business management practice firms that operate in the transitional environment? Second, what is, or should be, the proper domain of marketing in the marketing strategy design of countries in transition, related to target marketing, positioning, and new-product planning?

The goal of this study is to analyse the process development of the state in the specific transitional situation on the bases of marketing theory and methods. More specifically, the goal is to reveal how marketing theory, as it is comprehended and accepted can direct the orientation and efforts of decision makers in a more efficient way.

The scope of the study is adapted to the assumption that transition as passing from one condition to another first begins on a mental level and then acquires a new shape of reality.

## 1. Methodological Issues

The research approach employed in this study is framed by three questions:

1. What is the transitional context in Lithuania and the other Baltic countries?
2. How does the comprehension of marketing come about?
3. What is the process adaptation of marketing in the growing business of a transitional country?

The methodological approach of this study is based on the analysis and interpretation of theoretical and empirical information.

## 2. The Transitional Context in Lithuania and Other Baltic Countries

The distinct characteristic of Lithuania and other Eastern and Central European countries in the recent 10–15 years has been the transitions representing *complex dramatic changes in all spheres of life*. Taking into account that transitions indicate *a major trend* of political, social and economic development of these countries, the states of Eastern and Central Europe are referred to as *transition countries*.

Political, economic and social development in the transition countries are characterized by some features *common* to all of these coun-

tries as well as by *specific* features characteristic to only some transition states. The ability to determine both general and specific features of transition allows us to define the situation in a particular country, the priorities of its development as well as identify and solve the most urgent problems.

In determining the general features representing the major trends of political, social and economic development in the transition period, the following most important issues should be emphasized:

1. *A constant orientation toward a new quality life*, implying that in the period of transition efforts are made to realize the norms, standards, ideals, and behaviour stereotypes of a new quality life. The changes associated with the quality of life take place in the period of transition, and are aimed at changing life for the better. Thus, a new society, based on such values as democracy, humanism and openness, as well as declaring the priority of human rights, freedom and well-being, has been formed in the states of Eastern and Central Europe in the time of transition.

2. *A complex character of transition*, meaning that major changes are complex, embracing major areas of political, social and economic life as well as the development of modern technologies, environmental protection, laws and other areas of social importance. *A complex character* of transitions may be considered one of the major features characteristic of the development of Eastern and Central European countries. In the recent 10–15 years, qualitative changes have taken place in the political, social and economic structures of the society, while a new scale of values, lifestyles and priorities has been introduced and a new social order, combining the elements of Western democracy and some Eastern European traditions, has been established. Moreover, the complexity of transitions in these countries ma-

nifests itself in versatile effects on various spheres of life, which may be controversially assessed, because the results of the changes are not definitely outlined.

1. *The uneven character of transitions*, implying that social changes often take place as a *leap* forward from one quality to another. These leaps are also characterized by *profound and sudden* changes. It is important to note that in the period of transition society may experience *shocks*, when traditional values and priorities are suddenly rejected, being replaced with some new values, of which the people have only superficial knowledge and are not ready to adopt. In the transition period, the formation of a political, social, economic, cultural and ideological vacuum is usually observed in the countries of Eastern and Central Europe due to a sudden character of changes often accompanied by instability.

2. *The simultaneous and controversial character of transitions*, meaning that different transitions may and do take place simultaneously, being, however, *conflicting and imbalanced*. As a result, the situation arises when one kind of transition is contrary to others, which in turn may cause problems and even stress for the community. The experience of the states of Eastern and Central Europe provides many examples of controversial transitions, when, say, social and economic changes contradict the political transitions, while the changes taking place in some countries of Eastern and Central Europe do not conform with the transitions occurring in other states or regions of the same territory.

Such negative phenomena, hampering the advance of the above states, call for the idea of *harmonizing* the transitions of controversial character, implying balancing of the different changes.

3. *The innovative character of transitions*, meaning that any transition accumulates so-

me novelty. In the transition period, the *innovative potential* is intensely developed by providing conditions for innovative activities. The novel character of transitions may be expressed in two ways. First, conditions are created for *adapting well-known models and solutions to some situation in a new way*. In this case, they are considered to be innovative. Second, *completely new, previously unknown models and solutions* are created. In this case, these newly created patterns, having no analogues, are considered to be innovations. The development of two types of novelties in the transition period illustrates the importance of innovative activities for the countries of Eastern and Central Europe.

4. *A positive character of transitions*, implying that transitions yield *positive results* in most cases. In spite of the fact, that both positive and negative results are actually obtained in the conditions of transition, the predominance of positive results is a particular feature of transitions.

5. *The idealistic and disappointing character of transitions*, meaning that this period is characterized by the recurrence of “searching for ideals – disappointment” cycles. The above cyclicality shows that at the beginning of transition the solution of urgent problems is usually associated with the achievement of certain ideals, while later the period of disappointment, both in the very ideals and in the transition itself and its outcome, follows. For example, in the transition period in the countries of Eastern and Central Europe this was much expected from the democratization and free market development. However, later the community was much disappointed with the results obtained. At the same time, the cycles of “idealization – disappointment” demonstrate the maturing of the society in the course of transition as well as its adaptability to the actual environment.

6. *Openness* in the period of transitions, meaning that the tradition of *openness, publicity* and “*transparency*” becomes established, making it possible to develop democracy and a free market economy. However, it is evident that the patterns of “the open society” being formed in the countries of Eastern and Central Europe do not completely conform to the long-standing traditions of openness existing in Western countries, especially in Europe. Nevertheless, the developing tendency of openness in the states of Eastern and Central Europe is generally considered as one of the major developmental trends in the transition period.

7. *The harmonization of objective and subjective elements*, implying that the character and orientation of transition largely depend on a number of *objective factors* characterizing the objectively existing background of political, social and economic transformations, as well as on *subjective elements*, reflecting personal interests, influence and the lobbyist activities of various subjects (i. e. individuals, groups of people of various levels, clans etc.). The above objective and subjective elements are characterized by a certain degree of coordination and harmonization, therefore the harmony of these two factors should be considered as a naturally determined phenomenon of the development of Eastern and Central European countries in the transition period. It should be noted that *subjective factors* play a particularly important role: the interests of individual persons, groups of people of various levels, clans, etc., have a considerable effect on the political, social and economic development of these countries.

8. *The integrity and comparable character of transitions on a world scale*, meaning that local transitions are integrated into the higher-level transition systems. This indicates that the above transitions are of an international cha-

acter, promoting the process of globalization as well as the internationalization of political, social and economic development and demonstrating that they are comparable and can be coordinated at an international level. It may be stated that the transitions taking place in the countries of Eastern and Central Europe are of paramount importance for their integration into the global and international political, social, economic, cultural and information structures, as well as being a factor contributing to the convergence of the mentality and lifestyles of the inhabitants of various countries.

9. *The resonance factor*, conditioning those transitions of various origin and nature could coincide in time. Therefore, the community has to endure a *heavy burden of a number of transitions* taking place simultaneously. The phenomenon of resonance indicates itself as the timing of political, social and economic changes causing a heavy burden on the community, which in turn may threaten its safety and stability.

The above-listed appropriate phenomena show the *general trends* of transition, which are *universal* and *similar* in all the states of Eastern and Central Europe. Along with these major trends some *specific features* may be observed in the political, social and economic development of particular countries or groups of countries. The above trends are particularly characteristic of transitions taking place in the Baltic countries, including Lithuania. The Baltic region is specific in many ways; therefore the transitions taking place within it may be considered a specific case of conformity to natural laws.

The following features of transitions may be distinguished as mostly characteristic of the Baltic States, including Lithuania:

1. *A higher resonance of transitions*, implying that in the Baltic states some additional

transitions, associated with regaining independence and forming new modern states as well as the priority of integration into the Western system, took place alongside the political, social and economic transitions, characteristic of other countries of Eastern and Central Europe. This means that the transition resonance in the Baltic states was caused not only by the democratization of market relations common to the Eastern and Central European countries, but also by the transitions associated with very rapid development of new national states and their integration into the Western system. Thus, transitions in the Baltic States were more diverse and extensive than those taking place in the other countries of Eastern and Central Europe.

Therefore, it may be stated that *the higher transition resonance* is a major characteristic feature of the Baltic region.

2. *The conflicting character of national priorities and regional integration and internationalization trends*, indicating that *two opposite as well as mutually complementary tendencies* are developed in the Baltic States. On the one hand, national businesses are seeking *autonomy*, even *closeness* and *self-isolation*, in trying to get established on the national market by exclusive right. On the other hand, the tendency of integration of the whole Baltic region and the cooperation of the *three Baltic States* in political, social and economic areas is constantly growing. Though the three Baltic States often *compete* with each other, more and more possibilities are revealed to pursue the *unified policy* of cultural, economic and information development.

Needless to say, some *more specific features of transition* taking place in the Baltic States may be identified. Undoubtedly, they may refer to one of these countries, for example, Lithuania. The transitions taking place only in one of the states may be referred to as *indivi-*

*dual features* characterizing the development of a particular state.

Thus, the analysis of individual features of transition taking place in Lithuania enables us to determine the effect of various geographical characteristics (e. g. the configuration of neighbouring countries, the exceptional geographic position of the Kaliningrad region and the like) on their development. Some other individual and specific factors also influence transition processes in Lithuania. Among them are cultural and historic features (e. g. the influence of Catholic ethics, the development of the Lithuanian state and the formation of the Lithuanian nation, urbanization, the location of agricultural zones etc.).

The specific features of transitions taking place in Lithuania complete a general system of naturally determined trends of development in the periods of transformation.

The proper understanding of these phenomena helps to improve political, cultural, social and economic life.

Further investigation and evaluation of naturally determined transitions and their major features would allow the states of Eastern and Central Europe to pursue a more efficient policy of improving the conditions of development as well as promoting the integration of these countries into international political, social and economic structures.

All of these factors are very important in the area of political, social and economic development.

Business creation and development is a distinct expression of the transition from a planned to market economy in Lithuania and the other Baltic countries. Marketing emerged in developed countries as the theoretical basis of business management. Part 4 of the paper is devoted to the problem comprehension of marketing as business management theory in the transitional environment.

### 3. The Comprehension of Marketing as a Business Management Theory

Before applying marketing as a tool for solving real business problems, it should be accepted as a set of ideas, or, in other words, as marketing theory. According to Baker (1995) people normally associate the word "theory" with the development of ideas or conjectures about the manner or ways in which part of the world works.

There are three levels of comprehension of marketing theory in transitional countries. The first is the problem of *term* as a word used to express a definite marketing concept. The second is the problem of *definition* as a statement of the precise meaning of a word. Third is the problem of *concept*, as a generalized idea or notion.

"Term" can arise and come into the practice of a nation or country in two ways: 1) as a common result of the evolution of science and practice, and 2) as an interception of scientific and empirical knowledge and experience of other nations and countries. In the first case there is a consequent and relatively smooth evolution of practice and science. The process can be expressed as such: *Concept*  $\Rightarrow$  *Definition*  $\Rightarrow$  *Term*. The first is the emergence of something new, however difficult in understanding and without definition. Later, when the phenomenon becomes more obvious and better comprehended, it appears in written concepts. These concepts require a more compressed expression, which leads to definition. Marketing was developed as something new, which did not fall under the concepts or definitions of economics, trade, management or psychology, but was a new combination of all of the above.

Nevertheless not always and not everywhere was the evolution of concept, definition and term disposed in the above-mentioned sequence. In the countries and regions that are far

from the environmental context or the development of concept and definition and undergoing transition, the elements of the above-mentioned process are arranged in another sequence and could resemble the following: *Term*  $\Rightarrow$  *Definition*  $\Rightarrow$  *Concept*. The consistency of the process shows the interception of scientific and experiential knowledge. The interception of the new subject in the transitional environment could be of three different levels:

- 1) *level of the term;*
- 2) *level selection, creation and adaptation of definitions to the locally understood subject;*
- 3) *level of local and generalized comprehension of the subject through studies and practical experience.*

The *level of the term* embraces a stratum of professionals and specialists who know what marketing is about and how it can be used for decision-making in a competitive environment. Professionals of this stratum as usual have a deep theoretical knowledge and practical experience in marketing activities. Both marketing studies in the universities and colleges and market economy practice in Lithuania in general began in 1990.

The term *Marketing* is a problem for Lithuanian society, especially for philologists. While displaying a generous sense of resistance to the global diffusion of national culture, they seek a Lithuanian substitute for the term "marketing," with great effort to safeguard linguistic attributes of national culture necessary to emphasize some new specific reactions to the phenomenon of cultural globalization.

*First*, the globalization of culture has an enormously long history (David Held, Anthony McGrew, David Goldblatt and Jonathon Peraton 1999). Despite the fact that all major sciences have worldwide accepted uniformly sounding names – Economics, Cybernetics, Mathematics, Psychology, Philosophy, Philolo-

gy, Physics, Chemistry, Sociology, Literature etc., there are no discussions concerning translation of these terms into Lithuanian. However, here there is a much different approach to newly emerging sciences and their names in the present transitional time. For instance, the term *marketing* collides with the attitudes of Lithuanian philologists, who strongly pressure for a Lithuanian term for "marketing."

Next, since there is almost no or only a poor comprehension what marketing theory is about, some Lithuanian substitutes were suggested for the marketing term: "Rinkodara" ("market-making") and "Rinkotyra" ("market research"). These suggested terms cover only a part of marketing theory and illustrate how problematic and primitive the acceptance is of unknown theories with which we have little experience.

There was neither much time nor a favourable environment for the spreading of generalized marketing knowledge and experience in the society of transition. The process and stages for spreading marketing theory and practice in the transitional country are shown in the chronology below.

#### *Stage I*

Year 1990. Start of market economy and marketing studies in practice.



#### *Stage II*

Year 1995. Universities and college graduates with marketing knowledge and poor market economy experience put it into practice.



#### *Stage III*

Year 2000 and later. The quantity and quality of educated marketologists has been increasing. The professional quality and conception of the term *marketing* is nearly the same as the professional qu-

ality and conception of marketologist in advanced market economy countries. However, there are still few high level marketing professionals in the transitional economy country. This comes from the poor comprehension of marketing on the decision making level and the shape of educational schemes.

*Level selection, creation and adaptation of definitions to the subject as comprehended locally.* The problem of defining marketing is the problem of marketing professionals. Do we really comprehend marketing in the same ways as Western marketologist do? This problem is a concern of academicians and scientists. Benevolence toward marketing in the transitional environment is at the same time an expression of benevolence to democracy and the market economy. Paradoxically, the universities, where the social sciences have stronger positions, are less favourable and flexible toward marketing. The quality, content and scheme of marketing studies shows *how marketing is understood and accepted by the authorities of Lithuanian universities.* For instance, the Faculty of Economics and Management of the Kaunas University of Technology offers marketing studies on both the bachelor and master program levels. Moreover, the marketing studies program at Kaunas University of Technology exists not only in management studies but in economic studies as well. Marketing diploma studies at four major universities are shown in Table 1.

Despite obvious demand for specialists and experts in marketing, there is no marketing studies programme at Faculty of Economics of Vilnius University. Marketing here is offered only as a subject but not as a degree program on the bachelor and master level studies.

As we see from Table 1, Kaunas University of Technology, Vilnius Gediminas Technical



**Table 1. Marketing Diploma Studies at four Lithuanian Universities**

	Marketing diploma studies		
	Bachelor	Master	Doctoral
Kaunas University of Technology	Yes	Yes	Yes
Vilnius Gediminas Technical University	Yes	Yes	Yes
Vytautas Magnus University	No	Yes	Yes
Vilnius University	No	No	Yes

University and Vytautas Magnus University are more positive and flexible toward marketing studies. The demands of business practice and the initiatives of marketing professionals and the project of marketing diploma studies initiated by the Marketing Department were not a strong enough or persuasive argument for establishing a marketing field of studies or degree program at Faculty of Economics of Vilnius University in the last twelve transitional years.

#### **4. Marketing in the Growing Business of a Transitional Country**

In all the market economy countries, marketing has been the basis for business performance for several decades. Even though there were different understandings and evaluations of marketing in different periods of time, nobody doubts its importance for company performance today.

The economic and political situation in Lithuania did not promote interest in marketing for a long time. The situation changed in 1989, when the planned economy system began to fall and the market economy began to grow. The growing national market size and international business relations also increased interest in marketing.

The potential possibilities together with local and international competition forced Lithuanian companies to realize the need to learn their customers' needs and requirements and to adapt their marketing mix to the business environment.

However, marketing performance in most Lithuanian companies was not purposeful during the first years of independence. Executive managers had poor knowledge and experience and did not pay strong attention to marketing; only a few companies had a marketing department. The basic function of marketing managers was to find new partners and markets in West European countries. The approach to this problem without adequate marketing knowledge led to the bankruptcy of many Lithuanian production companies. On the other hand, the trade and service industry prospered, because only imported foreign goods could meet the new requirements of the Lithuanian consumers.

In addition, we have to admit that the managers of the new stock companies and private companies began to realize that in order to compete in the local market, strong marketing knowledge is needed. In trying to cover the marketing knowledge gap in various enterprises, business consulting centres were established. The first business consulting centres were established using the funds of the PHARE program. The management specialists of the European countries, including the marketing management professionals, together with the professors of Lithuanian universities, rendered the newest knowledge to managers of Lithuanian enterprises. In the first three-five years of independence more obvious interest in marketing was expressed by the managers of the joint stock companies: "Kauno grūdai" (Kaunas grain) "Panevėžio pienas" (Panevėžys milk), "Biržų pienas" (Biržai milk), "Malse-na" (Grind) etc. These were among the first

who began to study marketing and to use it in practice.

During the first years of independence business managers paid more attention to theoretical studies of marketing. Since 1992 there is more evidence of marketing adaptation in business practice. This could be explained by the extension of functions performed by the employees of marketing departments. Marketing managers began to express more interest in market research in order to learn customers' needs and requirements and to get more information about competition.

In the beginning of the independence period we could see mainly foreign advertisement appeals translated into the Lithuanian language. However, now there are advertising agencies capable to work out an advertising strategy for every company. On the other hand, production, trade and service companies began to practice more intensive elements of the promotion complex, such as sales promotion, public relations and personal selling.

However, not every production, trade or service company has its marketing strategy. This is because of the lack of attention paid to marketing strategy preparation. On the other hand, some joint stock companies – “Šilutės baldai” (Silutes Furniture) “Žemaitijos pienas” (Žemaitijos milk), “Rokiškio sūris” (Rokiškio cheese) and limited joint stock company “Kaitra” have prepared their marketing strategies.

The key product of the joint-stock company “Rokiškio sūris” is fermented cheese. Another key product is butter. By improving the technology and quality of production and highlighting the exclusive attributes of the key product – fermented cheese, the company strengthened their product leader position in the Lithuanian cheese market.

The stock company “Rokiškio sūris” focused on market expansion and market share augmentation objectives. The company adap-

ted both differentiated and undifferentiated marketing strategies. The marketing strategy selected by “Rokiškio sūris” provides some advantages against its main competitors:

The stock company “Kauno grūdai” (Kaunas grain) specializes in flour and composite forage production. However, its industrial and commercial activities are of a wider scale. At this time “Kauno grūdai” is a “stalker,” it uses competitive “force” strategy and is an “arrogant lion.” But it also can use a leader strategy and become “the first swallow,” as it allocates big funds for the implementation of new technologies, marketing and has a lot of loyal customers.

Estimating the present situation in Lithuania, where the supply for goods and services exceeds demand and the consumer has many options in choosing products or producers, a question arises – how does the consumer make a decision in choosing a good or service? This became a hot issue for Lithuanian enterprises. That is why the perception of consumer behaviour is one of the most important marketing tasks. However, Euro integration and globalization processes determine economic, social and technological changes, which determine a wide range of unconventional tasks, associated with the changes of Lithuanian goods and services, consumer requirements structure, motivation and priorities. Under such conditions, the understanding and foresight of consumer behaviour is one of the basic conditions for up-to-date business development. Recently, service companies and newly established production and trade companies pay much attention to consumer behaviour research. For example, SPVA Stumbras executed the consumer behaviour research in order to ascertain the perspectives of alcohol consumption. The enterprise UAB Korio laboratorija conducted research in order to define cultural values and their influence on con-

consumer behaviour toward vitamins and nutritional supplements.

According to Schiffman & Kanuk (1997), cultural values predetermine consumer behaviour. They maintain that any product market analysis has to begin by identifying the cultural values of the present and potential consumer, which have an influence on consumer behaviour. The above-mentioned authors have been exploring consumer cultural values for many years and identified 11 basic values, which have the biggest influence on consumer behaviour. These cultural values and their influence on consumer behaviour are shown in Table 2. As we can see, different cultural values

have different influence on consumer behaviour.

The Lithuanian vitamin and nutritional supplement market settled only after the declaration of Lithuanian independence. Therefore, the supply for vitamins and nutritional supplements in pharmacies was very small. In 11 years, the situation in the market of vitamins and nutritional supplements has substantially changed. Now we can find a large assortment of vitamins and nutritional supplements in every drugstore. However, many pharmacy companies, including JSC *Korio laboratorija*, faced some problems: it is hard to define the consumers of vitamins and nutritional supplements.

**Table 2. The Main Cultural Values in Relation with the Consumers' Behaviour**

Cultural values	Main features	Influence on consumer behaviour
Achievement and success	Hard work is respected and guarantees success	Serves as an excuse for goods purchase ("I deserve that")
Activity	It is good and natural to be busy	Increases interest in goods that save time
Effectiveness and practicality	Admiration of things that solve problems, e. g. save time and power	Encourages the choice of those goods that act effectively and save time
Improvement	Pursuit for improvement / perfection, development and change	Promotes interest in new goods that satisfy the need for progress. Usually such people favourably regard goods that are "new" or "improved"
Material comfort	"Good life"	Encourages interest in luxurious and comfort goods that add more joy and entertainment to life
Individualism	Wish to be independent, unique	Encourages interest in unique, special goods that provide a person with the possibility to express himself
Freedom	Freedom of choice	Encourages interest in a wide assortment of goods
Social recognition	Behaviour that is acceptable to all, wish / desire to be acknowledged among others	Promotes interest in goods that are used and popular among other people of the same social group
Humanism	Concern with other people	Encourages the choice of goods of those companies which compete with the market leaders
Youthfulness	Wish to remain young always	Encourages interest in goods that give the illusion of eternal youth
Sportsmanship and health	Taking care of your body and health	Encourages interest in wholesome foods, sport goods etc.

ments, for the attitude towards the vitamins and their meaning in a person's life is inexplicit among particular consumer groups.

The rise of this problem, without a doubt, was influenced by the fact that there were no studies done about the behaviour of vitamin and nutritional supplement consumers in Lithuania. Thus it was not possible to clearly define consumer requirements and needs for vitamins and nutritional supplements. The main cultural values of consumers and their relation to consumer behaviour are provided below.

Taking into consideration the situation existent in the market of vitamins and nutritional supplements and evaluating the marketing activity problems of the company *Korio laboratorija*, the following goals of the research to investigate the behaviour of vitamin and nutritional supplement consumers were identified:

1. To identify the cultural values of vitamin and nutritional supplement consumers;
2. To evaluate their influence to consumer behaviour while choosing and purchasing vitamins and nutritional supplements; based on this, to determine the segments of the Lithuanian vitamin and nutritional supplement market.

In order to achieve these goals, the following tasks were formulated:

1. To define what the consumers' attitudes toward vitamins, nutritional supplements and their importance in a person's life are;
2. To identify what human characteristics and life values are the most important for consumers of vitamins and nutritional supplements;
3. To evaluate if consumers' gender, age and cultural values influence their behaviour in choosing and purchasing vitamins and nutritional supplements;

4. To set what features of vitamins and nutritional supplements are the most important to consumers;
5. To determine what environmental factors and information sources have the largest influence on consumers while choosing and purchasing vitamins and nutritional supplements;
6. To identify the segments of the Lithuanian market of vitamins and nutritional supplements.

After identifying the main goals and tasks of the research of vitamins and nutritional supplements consumer cultural values and their influence on consumer behaviour, the hypotheses of this research were formulated:

1. The majority of Lithuanian society thinks that vitamins and nutritional supplements are necessary for health;
2. The cultural values of consumers belonging to different age groups differ;
3. The influence of cultural values on the behaviour of vitamin and nutritional supplement consumers in Lithuania is not very significant.

Therefore, trying to implement the above-mentioned goals and tasks, the first study was conducted, investigating the cultural values of vitamin and nutritional supplement consumers in Lithuania and what influence these cultural values have on consumer behaviour. A certain survey method was selected for the research. In conducting the quantitative research, the method of stratified sampling was chosen. Aiming to examine the cultural values of vitamin and nutritional supplements consumers and the influence of these cultural values on consumer behaviour, a straight-line and cross analysis of the results received during the quantitative research was conducted.

In summarizing the results of the quantitative research, one could maintain that Lithua-

nian consumers realize the importance of vitamins and nutritional supplements for people's health and they think that they are necessary for everyone. This confirms the first hypothesis that the majority of Lithuanian society thinks that vitamins and nutritional supplements are necessary for health.

The second research hypothesis could be confirmed as well. The second hypothesis stated that consumers belonging to different age groups have different cultural values. To sum up the survey results that confirm this hypothesis, the characteristics of different age groups could be discerned. The market of vitamins and nutritional supplements could be divided into the following segments:

1. 15–19 year-old consumers.

- The representatives of this group place importance on vitamins and nutritional supplements and use them regularly during winter and spring.
- They hold such instrumental cultural values as honour, honesty, responsibility, independence and courage.
- For the consumers of age 15-19 the most important terminal cultural values are those associated with man, i.e. with themselves (interesting, active, life, comfort, and material welfare). After that come the cultural values oriented to the environment such as achievement at work, education, social recognition, and self-esteem.
- The main impact on their choice of vitamins and nutritional supplements is their friends' advice.
- The price of vitamins and nutritional supplements is not very important to the representatives of this group.
- The most important sources of information for this group are those such as the magazine *Panelė* (Miss), TV advertising of vitamins, the daily *Lietuvos rytas*, ads flyers and booklets.

- Most of them think that the advertising of vitamins and nutritional supplements should be original and uplifting.

2. 20–29 year-old consumers.

- Even though the representatives of this group understand the importance of vitamins and nutritional supplements for health, they use them only occasionally.
- They hold the following instrumental cultural values: responsibility, independence, honesty, fairness and intelligence.
- The 20–29 year-old consumers give importance to the terminal cultural values related to themselves, such as comfortability, material welfare as well as to the cultural values oriented to the social environment such as achievement at work, education. Despite these, they attach large importance to the terminal cultural values oriented to other people such as family security.
- The recommendations of the apothecaries influence these consumers the most when purchasing vitamins and nutritional supplements.
- The price of vitamins and nutritional supplements is rather important to this group of consumers.
- While purchasing vitamins and nutritional supplements, the 20–29 year-old consumers are mostly influenced by such sources as the magazine *Laima*, daily *Lietuvos rytas* and TV ads of vitamins as well as the family TV program *Baltojo katino svetainė* (The Room of the White Cat).
- The majority of these consumers give priority to advertising of vitamins and nutritional supplements, in which energetic and strong people are depicted.

3. 30–49 year-old consumers.

- The representatives of this group think that vitamins and nutritional supplements are important to health. Some of them use vita-

mins and nutritional supplements in winter and spring, while others only sometimes.

- They focus on such instrumental cultural values as honesty, fairness, responsibility, intellectuality and lenity.
- The consumers of this group as well as those of 20–29 year-old group render importance to such terminal cultural values related to themselves as an interesting and active life. They also hold cultural values oriented to the environment like stability of life. In addition, they place much significance on terminal cultural values oriented to other people such as family security.
- The recommendations of doctors and apothecaries influence these consumers the most, when purchasing vitamins and nutritional supplements.
- The most important sources of information for this group in choosing vitamins and nutritional supplements remain TV ads for vitamins, ads flyers and leaflets.

#### 4. Consumers over the age of 50.

- The representatives of this group understand the benefits of vitamins and nutritional supplements, but they value fruit and vegetables more. They use vitamins and nutritional supplements only in winter and spring.
- The most important instrumental cultural values for them are honesty, fairness, intellectuality and lenity.
- The representatives of this group do not hold the terminal cultural values related to the individual. These people placed the most importance on the cultural values oriented to other people (security of the family) as well as terminal cultural values such as stability in life and material welfare, which are oriented toward the environment.
- The recommendations of doctors and apothecaries had the largest influence on their

choice for vitamins and nutritional supplements.

- The information sources that most impact the choice of vitamins and nutritional supplements for this age group are the following: the health program *Sveikatos ABC* (Health ABC), the daily newspaper *Kauno diena* (Kaunas Day), TV ads for vitamins, the health program *How are you?*, the magazine *Moteris* (Woman) and advertising leaflets.
- The majority of this group thinks that the best advertising of vitamins and nutritional supplements show how a person feels before and after the use of vitamins.

After thorough analysis of the research results, instrumental and terminal cultural values typical to consumer groups of a certain age and behavioral peculiarities, one needs to emphasize that the influence of cultural values on the behavior of vitamin and nutritional supplement consumers is not very significant. As the research results revealed, even though the cultural values of various age groups differ, their behavior in choosing vitamins and nutritional supplements does not differ so much. Many researchers of consumer behavior maintain that the influence of cultural values is especially strong when choosing and purchasing the goods that are used in public. Vitamins and nutritional supplements do not belong to those goods that are used in public; therefore the influence of the cultural values to their behaviour is not fundamental.

Thus the third hypothesis is confirmed, approving that the influence of cultural values on the behaviour of vitamin and nutritional supplement consumers in Lithuania is not very significant.

Despite this, the identification of cultural values characteristic to consumers of vitamins and nutritional supplements is useful. First, it

allows for describing segments of the vitamin and nutritional supplements market more exactly. The identification of the characteristics most typical for these segments will make it possible for *Korio laboratorija* (Koris Laboratory) to choose the most attractive target segments for every new kind of vitamin and nutritional supplement. Besides, the identification of cultural values inherent to vitamin and nutritional supplement consumers in Lithuania will allow the company to foresee the most suitable marketing directions as well as most effective advertising strategies and means.

Considering that Lithuania seeks integration into the European Union, more and more managers of companies acknowledge that business success is limited if the company focuses only on the local market. There is an urgent need to expand activities not only internationally but also on a global scale. Therefore the marketing managers of many companies face a new challenge – to prepare marketing strategies for local, international and global markets. *AB Trikotazas* could be seen as an example. The goods assortment of this company is very wide. One could distinguish the following assortment groups of this company: underwear, casual wear and sport clothes. After conducting SWOT analysis of this company, it becomes obvious that it works locally and internationally. According to the geographic and capital flow dimensions of global expansion, *AB Trikotazas* acts as a typical export firm selling its goods in the local,

western (Finland, Sweden, Germany, Denmark, Norway, Belgium and Austria), eastern (NVS countries, Kazakhstan and Uzbekistan) and the Baltic markets. Its main competitors in the local market are *AB Utenos trikotazas* and *AB Audimas*. *AB Trikotazas* is considered to be a company – challenger and its competitive strategy is a direct fight/struggle with the market leader.

## Conclusions

1. The comprehension and use of marketing theory and methods in practice are an expression of the transition from a planned to market economy.
2. Marketing is a determinant but not a result of transition. Competitiveness in the market and quality of life close to the level of developed countries should be considered as the result of transition.
3. There are three levels of comprehension of marketing theory in transitional countries: the problem of *term* as a word used to express a definite marketing concept; problem of *definition* as a statement of the precise meaning of a word, and problem of *concept*, as a generalized idea or notion.
4. Comprehension of marketing has two contrary flows: from the evolution of the marketing concept to definition and term in the developed market economy countries, and from acceptance of term to definition and comprehension of the marketing concept.

## REFERENCES

- Chee H. *Global Marketing Strategy* / H. Chee, R. Harris (1998). Financial Times Professional Limited.
- David Held and Anthony McGrew, David Goldblatt and Jonathon Perraton, *Global Transformations: Politics, Economics and Culture*. Cambridge: Polity Press, 1999.
- Michael J. Baker (1995). *The Need for Theory in Marketing. Marketing Theory and Practice*. Houndmills: Mackmillan Press Ltd.
- Jagdish N. Shreth, David M. Gardner, Dennis E. Garrett (1988). *Marketing Theory: Evolution and Evolution*. New York: John Willey & Sons.
- Philip Kotler (1999). *Kotler on Marketing: How to Create, Win, and Dominate Markets*. New York: The Free Press.
- Porter M.E. (1980). *Competitive Strategy: Techniques for Analysing Industries and Competitors*. New York: Free Press.

Vytautas Pranulis (1996). Cultural Origins of Business Communication in Lithuania. *Choice and Management of Entry Strategies in International Business*. Vaasa: Proceedings of the University of Vaasa.

Vytautas Pranulis (2000). Marketingas pereinamo-

jo laikotarpio ekonomikoje (Marketing in the Transitional Economy). *Economics*. Research Papers 50, 143–153.

Schiffman L. G., Kanuk L. L. (1997). *Consumer Behaviour*. Sixth edition.

## MARKETINGO TEORIJA IR METODAI PEREINAMOSIOS EKONOMIKOS VALSTYBĖJE: LIETUVOS ATVEJIS

Vytautas Pranas Pranulis, Borisas Melnikas, Regina Virvilaitė

### Santrauka

Straipsnyje nagrinėjama marketingo minties ir teorijos raida bei praktinis taikymas didelių pokyčių patiriančiose šalyse. Vienokio ar kitokio pobūdžio ir masto pokyčiai nuolat vyksta kiekvienoje šalyje. Straipsnyje pateikiama Lietuvos ir šalių kaimynių ekonominių ir socialinių pokyčių, kurie autorių požiūriu rodo esminius pereinamojo laikotarpio šalių bruožus, apžvalga. Šiuo tyrimu siekiama parodyti, kad marke-

tingo turinio samprata ir praktinis taikymas yra vienas iš svarbiausių pereinamojo laikotarpio pokyčių Lietuvoje.

Tyrimas apima tris pagrindinius klausimus:

- 1) pereinamojo laikotarpio samprata,
- 2) marketingas, kaip verslo vadyba, rinkos sąlygomis,
- 3) marketingo teorijos taikymas pereinamojo laikotarpio šalyse, praktinių pavyzdžių nagrinėjimas.