PhD THESIS

University of Kaposvár
Faculty of Economic Science
Institute of Economics and Management
Department of Marketing and Trade

Head of Doctoral School:
DR. GÁBOR UDOVECZ
Doctor of the Hungarian Scientific Academy
Professor

Head of research:
DR. ZOLTÁN SZAKÁLY
Assistant professor

EXAMINATION OF THE MARKETING ACTIVITY OF HUNGARIAN SMEs WORKING IN THE DAIRY AND MEAT PROCESSING INDUSTRY

Author:
ZSOLT POLERECZKI

KAPOSVÁR
2011

CONTENT

1. BACKGROUND AND AIMS OF THE RESEARCH

Nowadays, the existence and the operation of small and medium size enterprises (SME-s) is one of the most important questions of the Hungarian economic policy. This sector gives the engine for economic development, the place where new and innovative solutions are born and last but not least they employ the majority of employees in countries with modern market economy at different rate in each country. The SME sector is going through a turbulent transformation period in Hungary, in which the stake is either to reach positions similar to those of the western countries, or a full submission to the huge superiority of multinational enterprises. Analyzing the situation of the two industrial branches (dairy industry and meat industry), the future prospects based on our present knowledge can obviously be outlined at first sight: the position of the small and medium size enterprises sooner or later becomes impossible because of the huge import-dumping, till finally they drop out of the market and only few enterprises producing very special products will survive.

However, we should not forget that at present these enterprises are only studying those sophisticated market mechanisms that have been used for decades or centuries by the Western-European enterprises. The example of these enterprises shows that these firms can operate in the big shade of big enterprises as well, and the sector of small enterprises can be profitable in the long run by utilizing the adequate market niches, interest enforcement methods and marketing sources. We should not be afraid to study from the former practice of these countries because we could use their experiences satisfactorily by adapting them to the Hungarian conditions. Our neighbour's, Austria's case can be mentioned as an example, where the food industry narrowly became a loser of EU-accession in the short run (TÖRZSÖK, 1998), because enterprises had to face a similar situation as the enterprises in our country nowadays. However, applying the proper marketing tools the enterprises operating in the Austrian food industry have become the beneficial owners of the common market for today.

The aim of the dissertation is – by analyzing the marketing activity of the small enterprises in the two branches of industry, and by analyzing the factors affecting it – to contribute to the formation of the entrepreneurs' attitude and to meet and understand marketing as an effective instrument properly. Listing the primariness of attitude in the first place is not accidental because in order to be able to use the wide range of marketing tools it is necessary to understand their role and importance, and to come clear with the benefits offered by them. This is why we have tried hard in the dissertation and during its preparation to provide such material that is valuable not only for scientific researchers working in this field, but for managers working in practice as well.

Accordingly, the aim of the dissertation is to make the picture – which is dismal at first sight – more tinged and to help create an alternative vision of the future using the new information.

1.1. Aims of the research

Researches that test enterprises' market orientation characteristically did not deal with the specificity of food industry in Hungary, the existing surveys analysed it independently from industrial branch and excluding almost all micro-enterprises and a big part of small enterprises.

On the other hand, it has to be mentioned that food industrial marketing researches are characteristically focusing on analysing the consumers' behaviour. This is why the aim of this dissertation to form a comprehensive picture that introduces the marketing activity of food industrial small and medium size enterprises in Hungary through the example of two sectors that are dairy and meat industry.

The following concrete aims were drawn up within this general aim:

1) Meeting the factors influencing the marketing activity of Hungarian dairy and meat industrial SMEs.
2) Analysis of the marketing mix elements of the examined enterprises.

3) Revealing groups of enterprises with the same behaviour.
4) Characterisation of each company group.
5) Creating a model that accounts for the marketing activity of food industrial SMEs that can be tested extensively later.
6) Establishing marketing strategic proposals regarding the enterprises surveyed based on secondary and primary results.

2. MATERIALS AND METHODS

The two fundamental methods of marketing research – primary and secondary data collection - were used to collect results that are introduced in this dissertation.

2.1. Secondary data collection

We wanted to process all the available data of information sources during secondary data collection that can offer relevant data in this topic. During secondary data collection our aim was to map the results of researches investigating the marketing activity of the Hungarian small and medium size enterprises theoretically establishing the survey. Moreover, all of the international information was also processed that might mean a useful example in Hungarian practice, and at the same time that also contributes to the establishment of the theoretical background of the research. To reach international special literature I have used the searchable online databases of scientific professional articles, such as Science Direct, EISZ or EBSCO. Moreover, I have reviewed several copies of journals published in printed form as well as I have looked over books and statistical databases in the topic.

2.2. Primary data collection

Primary data collection can be separated into two phases: the phase of preparation and quantitative data collection.

The questionnaire that is introduced in the dissertation was tested previously by 11 enterprises of the South-Transdanubian Region in 2005, then based on the obtained experiences it was remodelled to the current, final form.

The field work of the national in-hall test was carried out in June and July in 2008 with the help of the countrywide network of Szocio-Gráf Market and Public Research Institute seated in Pécs.

To fill in the questionnaires was the task of previously prepared questioners who filled them personally with marketing leaders of enterprises, or if there were not any with a leader of each enterprise who had full overlook to the whole activity of the enterprise.

The determination of basic abundance's consistence was prepared by KSH (National Statistical Office) in December 31, 2005 according to the number of categories and according to the register of sectors. According to this 1079 enterprises operated in Hungary belonging to the processing industry of these two sectors. These enterprises meant the basic abundance of the research. We wanted to ensure representativity regarding size-categories and the relation of the two sectors in the survey. It caused serious problems that several enterprises rejected the questionnaires and that the size of the basic abundance is very small, as well as, the low number of enterprises that could be found in our database. These problems caused that the respresentativity of the sample can be taken into consideration in relation of the two sectors.

The basis of sample-forming was created with the help of a database that has been received from a query of 1511, 1512, 1513 (meat processing) and 1551, 1552 (milk processing) TEÁOR* numbers – which occur in KSH's fourth quarterly CÉG-KÓD-TÁR publication of 2007 –, as well as on the basis of the size of enterprises. This database contained data of 688 enterprises. Its random type was ensured with a random number generator that helped choose enterprises from the database to get into the inquiry. *Table 1* contains the composition of the sample.

Table 1

Composition of the sample of research (db)

Industry	0-9 heads	10-19 heads	20-49 heads	50-249 heads	Altogether
Meat processing, production of meat products	27	14	20	15	**76**
Production of dairy products and ice creams	9	1	3	7	**20**
Altogether	**36**	**15**	**23**	**22**	**96**

The applied questionnaire can be separated into two blocks of questions that are followed by background variables. Altogether 61 questions were put to respondents and as a last group of questions statements were created, in which the agreement of respondents were examined. This question-group helped form clusters. At the end of the questionnaire 7 background variables took place.

Characteristically closed type questions were applied with two or more possible answers. However, respondents were allowed to give opinions different from the given ones in the "Others" answer-category. In the questions – where scales had to be used – Likert scales expanding from 1 to 5 were applied in all cases. In these scales only the first and the last points were named.

The first group of questions examined the information collection habits of the respondents; the second one studied the presence of enterprise's planning; the third one considered the leading structure; the fourth one examined the expansion conceptions and cooperation willingness of enterprises. The next four groups of questions analysed the marketing tools according to the 4P. At the end of the questionnaire – as a ninth question-group – 44 statements suitable to form took place clusters. With these statements the respondents' agreement was analysed.

The applied research method was chosen according to the methodology of the Hungarian enterprise market-orientation researches.

2.3. Methods of analysis

The data received from the research were analysed with the help of SPSS 13.0 statistical software package.

Frequency superscripts from one variable statistical analyses, arithmetic average from medium values, connected to this standard deviation (square average-mutation) from deviation superscripts were applied (SAJTOS and MITEV, 2007; MOLNÁR, 2007). These methods are widely known and their application is a daily practice in market research tasks, this is why we do not consider necessary to introduce them.

The questions' connections with each other and with the background variables were analysed in crosstabs, where the connection was evaluated with the help of Pearson's chi-square. In order to establish the tightness of the connection Cramer-type V index was applied, because (at least) one of the examined variables is measurable on at least one of the nominal scales.

During forming the factors I had the problem that the number of variables involved in factor-analysis was hardly more than half of the element number of the sample. Whereas, the acceptable ratio was at least triple. In order to eliminate this problem the following procedure was used. As a first step – in order to determine the number of factors – the factor-analysis was applied using all the variables. In the course of this not only the factors with an own value above 1 were counted to be usable, but the explaining values of each factor were also considered. So, the number of usable factors was determined according to two point of views: on the one hand, its own value had to be above 1, and on the other hand, it was considered that involving another factor how much the whole explained variance got better. The dividing line was drawn where the new factor did not improve the explained variance significantly. Both point of views were realized in case of 4 factors, where the whole explained variance was 78.3%.

After this it was examined that which variables were ranged by the program to the factors received by Varimax-rotation and uncorrelated in pairs. In this way, four variable-groups were received as a result of factor-analysis. In the next step the factor-analyses was carried out only with variables belonging to one-one group. This means that four different factor-analysis were carried out in the course of which at most 24 variables were examined at the same time. In this way there is not a contradiction between the number of variables involved into the factor-analysis and the element number of the sample. As a final result of the factor-analysis carried out in the groups, the strongest (the first) of the factors was saved in all cases. Thus, four factors, not independent in pairs, were received, the explaining value of which is as follows one by one: factor 1: 64.2%, factor 2: 62.2%, factor 3: 60.7%, factor 4: 60.4%.

In the next step cluster-analysis was carried out using the results of factor-analysis. This took place in two steps. First, in order to determine the ideal number of clusters the so called Single Linkage was used from the hierarchical methods. This is based on the principle of the nearest neighbour. So, first those two observed elements get into one cluster between which the distance is the closest, then the distances are recounted. The distance between two clusters is always determined by the distance of the two closest points (SAJTOS and MITEV, 2007).

During forming the clusters a dilemma emerged according to which such a cluster with low element number appeared that cannot be explained as a classic cluster, much rather it got into a special group because of its considerable difference from the average. In order to verify also in an alternative way the opportunities of cluster-forming opposed to K-means method which is sensible to the element number of the sample, the grouping was also carried out using hierarchical method. But this brought the same result: analyzing the dendogram the groups with low element number appeared already in the first step.

Three views were taken into consideration in the final determination of the number of clusters. On the one hand, the sudden increase of the value found in the coefficient column of the so-called Agglomeration Schedule received during the hierarchical cluster-analysis, on the other hand, the dendogram, and finally, the professional interpretability of the possible clusters.

3. RESULTS

The dissertation investigates the results of the research divided into two parts. In the first part it analyses the enterprises of the two sectors involved into the research together. In the second part the two sectors are analysed separately. The theses summarize the main statements of the research carrying a message value.

3.1. Marketing situation report on food industrial SMEs

As an element of the examined enterprises' information collection habits, I wanted to know that in how big proportion the enterprises do market-research/data collection activity. 69.8% of the respondents do some kind of information collection in order to meet their potential target markets. This rate can be regarded quite favourable until we take into consideration the channels used to get information, which are summarized in *Table 2*.

Table 2

Information sources used to meet the potential target markets (N=67)*

Answer-category	Division of answers	
	Respondents	**%**
Acquaintanceship	55	82,1
Database, available in public	29	43,3
Own research of enterprises	19	28,4
Market-researcher company	3	4,5
Others	3	4,5

* Respondents could give more than one answer

It can be seen that these information sources are suitable characteristically to get knowledge about general market tendencies (acquaintanceship, public databases).

Those channels that could give concrete consumer information about the enterprises' products (own research of enterprises, market research company) got rather back on the list. According to this, the target market selection based on market information is characteristic only 3.1% of the respondents. Nevertheless, the respondents judge the level of information-supply sufficient.

Thus, it is not surprising that planned marketing activity is characteristic only a very low rate. 29.2% of the respondents stated to make a marketing plan, which seems a good rate at first. The examination of the further elements of the group of questions focusing on planning got more and more detailed, e.g.: presence of marketing budget, its controlling and lifecycle analyses. The former determined number began to decrease seriously after the detail questions. Only 15.6% of them have a marketing budget, which is controlled regularly by 14.6% of them (the way of control is not mentioned yet), and only 9.4% follow and evaluate their products' lifecycle. So the former 29.2% pretty much decreased as the questions got more detailed.

These results forecast the level of the enterprises' marketing knowledge. One element of the question-group examining the management of the company searched its source. *Table 3* contains the results of this question-group.

Table 3

Source of marketing knowledge (N=96)*

Answer-category	**Division of answers**	
	Respondents	**%**
From experiences in the course of business	76	79,2
From journals and special books	13	13,5
From participation in professional conferences	10	10,4
The enterprise has a leader with marketing qualification	9	9,4
Others	3	3,1

* Respondents could give more than one answer

Probably the following tendency can be found in the background of the not too favourable results concerning the situation of marketing: enterprises consider the experiences obtained in the course of business satisfactory for marketing activity. A question arises here: what kind of knowledge these enterprises can receive from each other if none of them have marketing knowledge? Altogether 9.4% of the enterprises have a colleague with – in most cases medium level – marketing qualification.

Analysing product-policy, it has been found that the examined enterprises try to compete on the market with their products' good quality. However, they do not possess any information about their consumer judgement. The product's pretended consumer judgement coincides with the respondents' admittedly own opinion in this question. Moreover, they are convinced that the product's quality would be the most important factor of competition in food industry nowadays, with an average rate of only 3,64 on a one to five scale. Some 65.6% of the respondents deal with the production of mass products that provide the majority of their income.

Analysing price-strategy together with product-policy it can be proved that the enterprises believe that the basis for positioning obviously is in the dimension of lower price and good quality. The basis of the respondents' pricing is formed by firstly, the consumers' acknowledged market value, secondly, by the production costs and thirdly, by the profit maximization. Among pricing point of views there was not observed any consideration resulting from marketing aims (e.g. positioning considerations).

Enterprises do not carry out conscious channel-policy: 60.4% of the respondents do not select their markets, they try to be present everywhere where they can. 58.3% of the respondents use a channel with one or two elements in order to pass their products to consumers, but in spite of this, the average rate for this question is 3,47 on a one to five scale ("1" means "I cannot follow at all" and "5" means "I am completely able to follow it").

An important character of their communication is that 53.1% of them do not possess a brand-name. Those who do some kind of planned communication, characteristically target the final users, and they target intermediate persons at a lower rate, or a group with 15.6% of respondents wants to send messages to both groups. The characteristic applied tools are consumption inspiration and direct selling, while intermediate persons are mostly motivated with gifts. Both communication forms are done at low intensity.

3.2. The appearing latent demand

Several Hungarian researches (SAJTOS, 2004; SZABÓ, 2009; POLERECZKI and SZABÓ 2005; JÓZSA, 2004) show the same unfavourable picture analysing the small enterprises' marketing activity as the above mentioned situation. A question arises here whether the judgement of marketing as a tool is so really unfavourable among Hungarian small enterprises or not. In order to give an answer we had better analyse what companies think about future, which fields they expect development in.

NYERS and SZABÓ in 2003 asked enterprises in their survey about which fields they see the main future success-factors. The answers are shown in *Table 4.*

Table 4

The main success-factors determined by SMEs

Main success-factor	**The rate of high (5) agreement**	
	Firms in foreign property	**Firms in Hungarian property**
Better service of clients' needs	**39,3**	**44,8**
Occupation of new markets	**26,2**	**26,3**
Introduction of international quality assurance	31,1	24,3
Forming individual markets	**13,1**	**16,2**
Introduction of a new product or service	**21,3**	**15,1**
Improvement of employees' qualification	9,8	13,7
Introduction of modern information system	13,1	12,9
Developing new technology	8,2	11,7
Development of cooperation	13,1	11,5
Service providing	**16,4**	**10,3**
Opening export-markets	**11,5**	**8,1**

Source: NYERS and SZABÓ, 2003

If we examine the answers written in bold letter in *Table 4*, then we can see that respondents named fields in big proportion that are in strict connection with marketing. Forming new markets, better understanding of the clients' needs, creating individual (niche) markets are all tasks that can be developed classically with the help of marketing tools.

The results of our research also show a similar tendency. The results that can be seen in *Table 5* show the respondents' ideas about future development. The respondents also named several fields that can be covered with marketing tools in big proportion, such as extension of the group of clients, or product-innovation.

Table 5

Possible future development directions according to respondents (N=96)*

Answer-category	Division of answers	
	Respondents	**%**
Extension of the group of clients	**45**	**46,9**
Product-innovation in the field of mass-products	**26**	**27,1**
Product-innovation on the market of niche-market products	**26**	**27,1**
Development of marketing activity	**10**	**10,4**
Forming horizontal integrations	5	5,2
Forming vertical integrations	2	2,1
Other	4	4,2

* Respondents could choose from more than one answer

In another question respondents stated that they would be able to make an acceptable profit by an average of 18.23% price level increase. The tools of reaching a higher price level according to enterprises are summarized in *Table 6*.

Table 6

The tools of reaching a higher price level according to respondents (N=96)*

Answer-group	**Division of answers**	
	Respondents	**%**
Development of connection system	**36**	**37,5**
Product-innovation on the market of niche-market products	**27**	**28,1**
Product-innovation in the field of mass-products	**22**	**22,9**
Development of marketing activity	**11**	**11,5**
Horizontal cooperation with other processors	10	10,4
Application of brand-names	**6**	**6,3**
Vertical cooperation	3	3,1
Others	10	10,4

* Respondents could choose from more than one answer

The fields that also need an important marketing activity were also emphasised in this case.

Another important aspect of the results is that respondents ranked marketing activity behind in both *Table 5 and Table 6* only about 10-11% of them think it could be important in the future. It can be stated that enterprises do not consider marketing a key-factor from the point of view of their future, but at the same time they name such directions important that belong definitely to this field.

The apparent contradiction can be resolved as follows. It is well known that these enterprises' real marketing knowledge is very low. In other words we can say that these enterprises do not really know what activities marketing really contains. In spite of this, they instinctively see their way out of this more and more difficult market fight in such fields that are in strong connection with marketing. This is nothing else but a latent demand for an effective marketing activity present in enterprises.

At this point it is worth mentioning the work of CHIKÁN and CZAKÓ (2002) in which they explain that the position of marketing has become stronger in enterprises during the past few years, but at the same time it is well behind the level of western countries. According to the results of ACHROL and KOTLER (1999) this tendency can be reckoned as natural because it is observed in their research that the marketing-orientation of enterprises operating under hard competition conditions was getting stronger. So enterprises exposed to hard competition consider marketing more and more as a strategic tool. It can be concluded that with a stronger competition in Hungary a stronger marketing-orientation can be expected.

It can be stated that with a fiercer market competition among the investigated enterprises such field are expected to develop in the future that might lead to an improvement in their marketing orientation in the future.

3.3. The appearance of marketing-orientation

In the next step a question arises: if this latent demand really exists among the analysed enterprises then does it appear at the level of real activity and can it be identified.

In order to clear up this question, factor- and cluster-analyses (K-means) were carried out on the basis of agreement of 44 statements appearing at the end of the questionnaire regarding the enterprise's way of thinking and activity. The results of research showed the following: 4 different characteristic behaviour-models succeeded to be identified during factor-analysis among which the marketing-oriented way of thinking could already be found. These are those who consider it necessary to pay emphasised attention to understanding the consumers' needs. They try to form product features according to these needs at an economically justifiable level considering point of views of sustainability. However, it has to be noted that this factor could barely be identified.

In the next step cluster-analysis was carried out on the basis of factors. Four characteristic behaviour-groups were identified. Firstly, the cluster with "C" sign was called as the group of "careful price competitors", those who believe that the main instrument to reach market advantage is the lower price. Therefore in the future they want to focus on improving productivity and widening distribution.

The following "E" cluster are the "relationship oriented", who extraordinarily agree with the statements regarding the importance of internal and external relationships.

Several contradictions were revealed in case of the third “F” group called “strugglers with contradictions”. Probably due to this inside tension a successful enterprise group with full of contradictions is outlined, which, due to these disorders, looks into the future with fears.

The fourth “G” group can be called as “improving optimists”. They also believe in the importance of relationships. The key of market success are the stressed consumer orientation, and beside it, the infrastructural background of the company.

It can be seen from the results that none of cluster groups are characteristically marketing-oriented. The presence of marketing could be found only in one group, but even there marketing got a very subordinated and executive function with no noticeable effect on the enterprise’s strategy. So, the presence at the level of factors, as we expected, cannot complete itself in forming a group with characteristic behaviour.

Although marketing-oriented way of thinking could not be proved at the level of enterprise cluster, a further examination was carried out in order to try to find an enterprise group with marketing-oriented attitudes. For this reason four fields were stressed from the question block connected to marketing information-collection and marketing planning. Answers given to these questions gave the basis of determining sufficient marketing activity. These four fields are the following: market information collection serving the basis for product-features, an existing marketing plan with own budget, control of amounts spent on marketing as well as analysis and use of product life cycle. Thus, the rate of enterprises that carry out market information collection as a basis of marketing planning for concrete products, which possess formerly determined own marketing budget, which control the utilization of this money, and which set their planning to the current life cycle of their products/product-groups figures out 2.3% of the whole sample. This rate increases to 8.3% in case the proper operation of three of the listed four elements is considered sufficient.

Testing these enterprises regarding the enterprise size two poles can be found. Their common feature is that all but one of them belong to meat industry and all of them operate in the form of an Ltd., as well as they do not show local uniformity. A smaller group of them belong to small enterprises with between 0-20 employees and maximum Ft 250 M net income. Enterprises with 20-100 employees and more than Ft 750 M net income form a bigger part. These are the firms that can be called innovators – to the example of consumer novelty acceptance – in the examined group of small enterprises.

According to the results it can be stated that the marketing-oriented way of thinking already exists among the enterprises of both examined industries, although, it has only small effect on SMEs operating in the sectors.

3.4. The logical structure of the marketing activity of food-industrial small and medium size enterprises

It is important to analyse what kind of factors have an effect on the development of the marketing activity in the examined group of enterprises in order to present the logical system of the results that came to the light during the research.

For this, external and internal elements determining the marketing activity of food industrial SME sector (*Figure 1*) were summarized in a logical frame. During creating this we disregarded describing those elements that mean external features/environment. Its aim was to understand what external stimulus means to the enterprise, as well as to present the connections between internal processes.

My approach is basically divided into two main levels: the first is the place of marketing as enterprise philosophy in the management's way of thinking; the second is the enterprise's function role originating from the enterprise's operation.

In the first level, the leader of the enterprise has a determining influence on the enterprise's philosophy approach of marketing. Basically, the owner or owners unanimously and exclusively determine(s) the effect of consumer-oriented way of thinking on the enterprise characteristically because of the family ownership. The judgement of this group of owners determines the employed leaders' and subordinates' opinions about marketing. If the owner group is committed to marketing as an enterprise's leading philosophy, then it influences the whole enterprise. In SME sector the management and the owners are usually the same, which makes their central role clear. These two statuses are basically separated in the case of big companies. In this way, the different way of thinking of these two groups influences the whole organization in different ways.

.

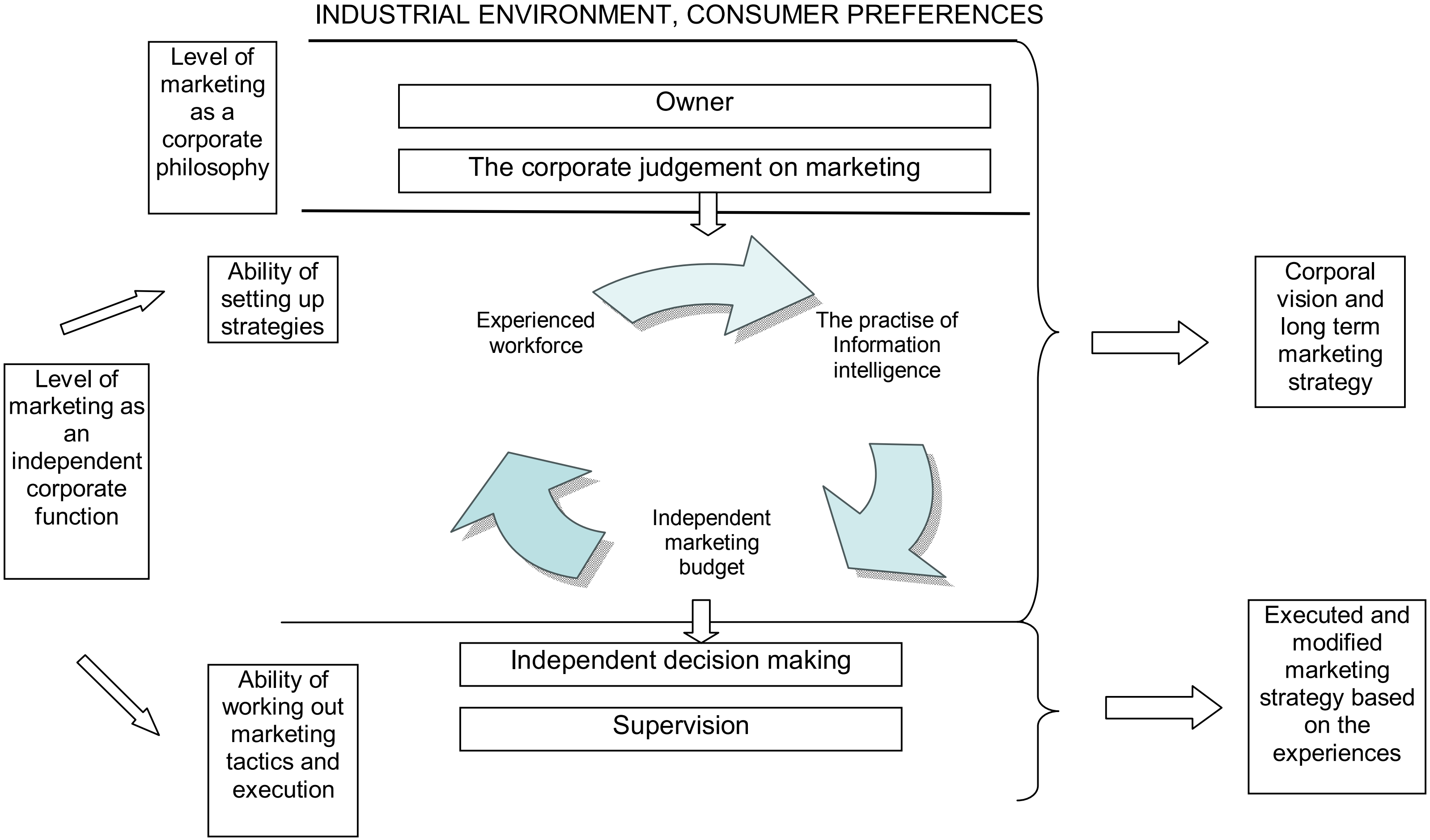

Figure 1.: Logical frame of marketing activity of the SMEs working in the food industry

Marketing as an independent corporate function can be found on the next level. In case leaders committed to marketing were found on the previous level, then on this level a strong marketing function can be found.

Two different factor groups can be separated on the level of corporate function. One of them are the factors that determine the strategy building abilities of the SMEs. These are the existence of experienced workforce, the information collection practice and the independent marketing budget, the creation of which is based on market goals. These three factors jointly affect the level of the marketing strategy ability of the enterprise, on the other hand, the experienced workforce has an outstanding importance. An organized marketing activity could be found in case of SMEs that were in possession of this factor.

The previously introduced two levels – a committed management to marketing as a corporate philosophy and a strategy making ability – can jointly result in the creation of marketing strategy in harmony with the enterprise aims and the ability of long term planning, which are the results of the process.

The second field of the functional level is the execution. It includes two factors: one of them is the independent decision making and the other is the claim to supervise the marketing budget efficiency.

The presence or the lack of independent decision making can fundamentally influence the execution success. In case the responsible leader of the execution of the formerly created marketing strategy has the right to make independent decisions, then it can contribute to its success.

An astonishing result of the research is that the frequency of the supervision is really low among the examined enterprises even if they have planned marketing budget and a marketing plan. The satisfactory level of supervision creates the conditions for the control of the marketing strategy. There is not a planned marketing activity without it.

If this level works satisfactorily then a marketing strategy realized effectively and modified based on the results can be created, which can be defined as the output of the effective operation of the three described levels. In this case we can talk about a dynamic marketing plan that continuously adapts to the changes of the environment and which takes long term strategic aims into consideration as well. The dynamic character of planning is ensured by the presence of the feedback.

4. CONCLUSIONS

According to the results information collection pertaining to the general market tendencies is typical of the respondents, and few of them have particular information about their own product. Otherwise they believe that their market research activity is at the required level. It shows that they do not perceive the lack of information and it is not believed as an obstacle from the view of their market success.

Therefore the presence of marketing planning is low in the sample, on the other hand, it is not linked to budget and subsequent supervision. The tested enterprises usually do not have an employee with marketing qualification, therefore there is not a permanently responsible person for the marketing activities. This kind of behaviour is behind the lack of strategic approach. It causes the disability of setting up long term conceptions. It also results in the low marketing efficiency even among companies that have some kind of planned marketing activity.

An overwhelming majority of the companies believe that the way to future is the improvement of mass products, on the other hand, more and more of them want to produce special products as well. It is mainly caused by the lack of alternative future perspectives, which is due to the lack of information about the consumer demands, and the production and sale oriented approach. They do not have the abilities to plan the company's activities on a consumer oriented way, or to reach the target groups effectively, and no more than 8,3% of them have the adequate marketing skills. It means that a marketing oriented way of thinking can be measured among the factors, on the other hand, at the same time it is characteristic of such a few enterprises that an independent behaviour group (cluster) cannot be found. It also means that a market oriented way of thinking is getting stronger among SMEs in the food industry, which is defined as one of the side effects of stronger market competition by the literature.

Their product policy focuses on producing mass products, which is linked to a lower price position. 72,9% of them are able to make profit at present prices, but they would like an average price rise of 16,7%.

The classical channels (retail trade, wholesale trade, HORECA) dominate their sales. Their communication is accidental and the market position of their products is the lower price-proper quality. 53,1% of them do not have an own brand-name and 60,4% of them have no web page. Their communication strategy is built up according to the pull strategy, therefore the target of their messages are the final consumers, on the other hand, the push strategy is less wide-spread. It can be stated that the push strategy is more useful for them regarding the characteristics of their products and the features of these two strategic options.

Four different clusters were found during the research. They are the careful price-competitors, the relation oriented, those affected by contradictions and the developing optimists. The examination of their characteristics supported the fact that marketing as a corporate philosophy cannot be found among the tested companies. The highly developed idea considers marketing as an executive function, on the other hand, it has no effect on the company's way of thinking.

5. NEW SCIENTIFIC RESULTS

The small and medium sized enterprises operating in the food industry were investigated during the research through two model-sectors: the dairy and meat processing industries. The accomplished researches and the drawn conclusions resulted in the following new scientific results:

1. **The characteristics of SMEs operating in the model-sectors were revealed starting from their information collection and data processing, through their marketing activities based on these to the ways of their supervision.**

According to the results among the respondents information collection referring to the general market tendencies is characteristic, only few of them have particular consumer information about their products.

Therefore the presence of the marketing planning is not common in the sample and it is not linked to budget and supervision. The tested SMEs usually do not have an employee with marketing qualification, therefore there is not a permanent person responsible for this field.

It can be stated that at present marketing appears as a “stepchild” among the examined enterprises, but a latent demand for an effective marketing activity is being formed in case of small group.

2. **The features of the marketing activity of small and medium-sized enterprises operating in the two examined sectors were separated.**

The rate of enterprises operating in the dairy industry and obtaining market information through own market researches is higher than the average, on the other hand, it does not mean a higher rate of marketing planning. Plenty of them want to broaden their product supply with niche products despite that the mass products dominate their improvements.

The features of enterprises operating in the meat processing industry are behind the dairy sector, which means less market intelligence about costumers. Despite this the rate of effective marketing planning (written marketing plan with a budget and permanent supervision) is higher in this sector.

3. **Four typical marketing behavioural clusters were revealed in the examined sectors and were described in details.**

The group of "careful price competitors" thinks that the lower price is the most important instrument to reach market advantage. Therefore they focus on improving productivity and widening sales.

The following "relationship oriented" group extraordinarily agrees with the statements concerning the importance of internal and external relationships.

Several contradictions were revealed in case of the third group called "strugglers with contradictions". Probably it is due to these internal tensions that the picture of group full of inherent contradictions is being outlined, which due to these contradictions is sceptical about their future.

The fourth group can be called as "improving optimists". They also believe in the importance of relationships. The key of market success are the stressed consumer orientation and beside it the infrastructural background of the company.

4. **The logical frame of the SMEs interpreting their marketing activity was worked out, which later on may serve as the base of a model.**

The idea can be divided into two main levels: the first one is the role of marketing as corporate philosophy, the second one is the corporate function coming from the previous level. The owner of the enterprise has determinant influence on the way of thinking about market orientation on the first level. One of the main characteristics of SMEs is their disproportionately large influence on the company, which comes from the family ownership.

Marketing as an independent corporate function can be found on the second level. If there is a tight commitment to market orientation at the previous level, then a powerful marketing function can be found at this level.

6. PROPOSALS

There are two ways of improving the marketing activity of SMEs operating in the food industry based on the results. One of them is the optimisation of marketing tasks inside the company. The second way is to build up a special organisation within the framework of horizontal integration and to coordinate marketing within them.

On the other hand, the building up of that kind of organisations is based on matured market relationships and confidence, in which the effective integrator has a key role of. The integrator has to be an experienced, acknowledged and accepted person who has detailed consumer information. That can be the base of the vertical integration. None (or few) of the examined companies meet these requirements.

Therefore, the research puts forward some proposals concerning the first option because the willingness to cooperate of the examined companies is low and a confidential crisis can be experienced, therefore in my opinion the formation of that kind of integrations is not possible in the following 5-10 years. On the other hand, I am convinced that cooperation has no alternatives, and the long term surviving requires to strengthen networks and to set up integrations.

The proposals aim to build up the niche marketing activity of the examined enterprises. The first part of it is the employment of a marketing expert with a degree in marketing field permanently responsible for it. This person is the base of building up of a function integration team later, which can guarantee the proper operation of the “marketing department”. Another suggestion is to make a written marketing plan with a well-defined budget.

The proposals include the definition of the role of marketing within these companies. Nowadays the main target is to build up marketing as an equal management function that can be reached with its appropriate positioning and with making it known.

Two different strategic alternatives were defined among the marketing strategy proposals for enterprises working in the examined industries. Both of them mean niche marketing activity, that is the utilization of segments with special needs the size of which is available and manageable for an SME.

One of the alternatives is to produce high added value products that are positioned of excellent quality. It is connected to a higher price that companies have to get the consumers to accept. It requires a professional marketing activity and an increase in the efficiency of marketing within the company. This way is for those companies that are able to effectively reach the target groups of these products.

The other way is to build up a "cheap basic" product group. These products have average good quality, as simple package as possible, larger presentation and lower-medium price. On the other hand, enterprises should pay attention to realizing that this way of product development does not mean what we can experience in case of many products. Namely that besides a continuous decrease in the quality and enjoyment value of the product it tries to make consumers believe with exclusive packaging and messages, but without actual background that it is of excellent quality and is available at a reasonable price. The idea aims to reposition emphasis, which means that the main goal is to keep the nutritional value while packaging and the communication are pushed into background a bit.

7. PUBLICATIONS IN THE FIELD OF THE DISSERTATION

I. Book items

1. Szakály Z., Polereczki Zs. (2010): Marketing terv. In: Nábrádi A., Pupos T. (szerk): A stratégiai és üzleti tervezés gyakorlata. 73-88. p.

II. Scientific publications in scientific journals

In Hungarian

1. Polereczki Zs.: A Kapos Ternero Kft. marketingstratégiájának elemzése, különös tekintettel a fűszerezett termékek fogyasztói megítélésére – Élelmiszer, Táplálkozás és Marketing 1 2004/1-2, 121 – 124.o.
2. Polereczki Zs. – Szakály Z.: A tej- és húsiparban működő kis- és közepes vállalkozások marketingsajátosságainak vizsgálata a dél-dunántúli régióban – Acta Agraria Kaposváriensis 2005/2
3. Polereczki Zs.: A Kapos Ternero kft. marketingstratégiájának elemzése, különös tekintettel a fűszerezett termékek fogyasztói megítélésére – Acta Scientiarum Socialium XIX./ 2005
4. Nagy J. – József A. – Solymosi V. – Polereczki Zs.: Innovációs stratégia a kaposvári Finomságok Kft.-nél. Élelmiszer, Táplálkozás és Marketing, 3 2006/1 71-75.
5. Polereczki Zs. – Nagy M. Z. – Pungor T. M.: A tej- és húsiparban működő kis- és közepes vállalkozások marketingsajátosságainak vizsgálata Magyarországon Acta Scientiarum Socialium XXI./2006
6. Polereczki Zs., - Szakály Z.: A hazai élelmiszeriparban működő kis- és középvállalkozások. marketingstratégiáját meghatározó tényezők alakulása napjainkban. Acta Oeconomica Kaposváriensis 2008. Vol 2 No 1, 11-23

7. Polereczki Zs., Huszka P. (2008): Jelen és jövő a tejiparban működő kis- és közepes vállalkozások esetében – egy marketing szemléletű kutatás eredményei. Tejgazdaság, LXVIII. 2008. 1-2- szám, 33-45. p.
8. Polereczki Zs., Szakály Z. (2008): A hazai élelmiszeriparban működő kis- és középvállalkozások marketingstratégiáját meghatározó tényezők alakulása napjainkban. Acta Oeconomica Kaposváriensis, Vol 2. No. 1. 1-23. p.
9. Polereczki Zs., Szigeti O. (2009): A hazai élelmiszer kiskereskedelem elvárásai és a kisvállalkozások teljesítőképessége. Élelmezési Ipar, LXIII. évf. 5. sz. 145-154. p.
10. Polereczki Zs., Szente V., Szigeti O., Szakály Z. (2009): Hagyományos magyar élelmiszerek – Valódi lehetőség a kisvállalkozások számára? Jelenkor társadalmi és gazdasági folyamatok **4** (3-4) 49-54
11. Polereczki Zs. - Szakály Z.: Jelen és jövő a tej- és húsiparban működő kis- és közepes vállalkozások esetében – egy marketing szemléletű kutatás eredményei II. Tejgazdaság **69** (2) 23-27.
12. Polereczki Zs. - Szakály Z. (2009): Fogyasztóorientáció. Realitás vagy a jövő zenéje a hatékony kisvállalati marketing az élelmiszeriparban? Marketing menedzsment **43** (4) 52-58

In foreign language

1. P. Huszka – Zs. Polereczki: The consumption frequency of consumed dairy products in the course of different meals in Hungary- Acta Agraria Kaposváriensis 2005/2
2. P. Huszka – Zs. Polereczki: Analysis of the consumption frequency of dairy products in Hungary- Acta Agraria Kaposváriensis 2005/1 99-106. p.
3. Zs., Polereczki, Á., Temesi, A., Kuti, A., Gór, V., Szente, Z., Szakály (2009): The marketing- factors influencing the foreign market-break-in of the stifolder sausage as a southern- trandanubial hungarikum. Acta Oeconomica Kaposváriensis Vol 2. No. 2, 85-97. p.

4. P., Huszka, Zs., Polereczki (2008): The consumption frequency of consumed dairy products in the course of different meals in Hungary. Acta Oeconomica Kaposváriensis (2008) Vol 2 No 2, 77-85. p.

III. Full scientific publications in proceedings

In Hungarian

1. Polereczki Zs.: A Kapos Ternero Kft. fűszerezett termékeinek fogyasztói megítélése. I. Táplálkozásmarketing Konferencia, Kaposvár 2004. október 21.
2. Polereczki Zs.: A Kapos Ternero kft. fűszerezett termékeinek fogyasztói megítélése. „Verseny élesben" nemzetközi konferencia, Nyugat Magyarországi Egyetem Mezőgazdaság- és Élelmiszertudományi Kar, Mosonmagyaróvár, 2005. május 5-6. CD kiadvány
3. Polereczki Zs.: A tej- és húsiparban működő kis- és közepes vállalkozások marketingsajátosságainak vizsgálata a Dél-Dunántúlon. XI. Ifjúsági Tudományos Fórum, Keszthely 2005. március 24
4. Polereczki Zs. – Szabó G.: A tej- és húsiparban működő kis- és közepes vállalkozások marketingsajátosságainak vizsgálata Magyarországon. „Verseny élesben" nemzetközi konferencia, Nyugat Magyarországi Egyetem Mezőgazdaság- és Élelmiszertudományi Kar, Mosonmagyaróvár, 2005. május 5-6. CD kiadvány
5. Polereczki Zs. - Csonka A.: A tej- és húsiparban működő kkv-k marketingtervezésének színvonala a dél-dunántúli régióban. „Agráralkalmazkodás a változó gazdasághoz" c. konferencia Gyöngyös 2006. március 30-31.
6. Polereczki Zs. - Csonka A.: Marketing tervezés a tej- és húsiparban működő kis- és középvállalkozások körében. „Agráralkalmazkodás a változó gazdasághoz" c. konferencia Gyöngyös 2006. március 30-31.
7. Polereczki Zs. - Csonka A.: A közösségi marketing jelentősége az élelmiszeriparban működő kis- és közepes vállalkozások számára. 7th

International Conference on Food Science, University of Szeged, College Faculty of Food Engineering, Szeged, Hungary, 2006. április 20.

8. Polereczki Zs. - Csonka A.: A közösségi marketing, mint eszköz a hazai élelmiszeriparban működő kis és közepes vállalkozások kezében. XII. Ifjúsági Tudományos Fórum, Keszthely, Veszprémi Egyetem Georgikon Mezőgazdaságtudományi Kar, 2006. április 20.
9. Polereczki Zs. –Szakály Z.: A közösségi marketing lehetőségei az élelmiszeripari kis- és közepes vállalkozások körében. Erdei Ferenc IV. Tudományos Konferencia, Kecskemét 2007. augusztus 27.
10. Polereczki Zs.: Az élelmiszeripari kis- és közepes vállalkozások marketingstratégiáját meghatározó tényezők alakulása napjainkban. I. Kaposvári Gazdaságtudományi Konferencia 2007. november 09.
11. Polereczki Zs., Szakály Z. (2009): A tej- és húsiparban működő kis- és középvállalkozások termékpolitikája – stratégiai lehetőségek és jövőkép. "Mezőgazdaság és a vidék jövőképe" Tudományos Konferencia, Mosonmagyaróvár, 2009. április 17-18., 81-89. p.
12. Polereczki Zs., Szakály Z. (2009): A piaci versenyképességet meghatározó információgyűjtési szokások a hazai tej- és húsiparban működő kis- és közepes vállalkozások körében. II. Nemzetközi Gazdaságtudományi Konferencia, Kaposvári Egyetem, Gazdaságtudományi Kar 2009. április 2-3. 395-404. p.
13. Polereczki Zs., Szakály Z. (2009): Fogyasztóorientáció – realitás vagy a jövő zenéje a hatékony kisvállalati marketing az élelmiszeriparban? MMSZ-MOK 15. Jubileumi Országos Konferencia „Új marketing kihívások a XXI. században – Fenntartható fogyasztás", Kaposvár, 2009. augusztus 25-26., 508-517. p.
14. Polereczki Zs. - Szakály Z. (2009): A tej- és húsiparban működő kis- és középvállalkozások termékpolitikája – stratégiai lehetőségek és jövőkép. „Mezőgazdaság és a vidék jövőképe" Tudományos Konferencia, Nyugat-magyarországi Egyetem, Mezőgazdaság- és Élelmiszertudományi Kar, Mosonmagyaróvár, 81-89.

15. Polereczki Zs. Szakály Z. (2009): Jelen és jövő a húsiparban működő kis- és közepes válalkozások marketingjében. “Minőségmenedzsment az élelmiszeriparban.” c. konferencia, Szeged, 2009. november 12. 60-68. p.
16. Polereczki Zs., Soós M., Szakály Z. (2010): Vállalati piacorientáció az élelmiszeripari kkv-k körében. Válság közben – Fellendülés előtt c. konferencia, Széchenyi István Egyetem, Kautz Gyula Gazdaságtudományi Kar, 2010. június 1. ???
17. Polereczki Zs., Szente V., Szigeti O., Szakály Z. (2010): Élelmiszeripari kkv-k és a réspiacok – valódi alternatíva? Marketing Oktatók Klubja XVI. Konferenciája, Budapesti Kommunikációs és Üzleti Főiskola , 2010. augusztus 26-27. ???

IV. Abstracts in proceedings

In Hungarian

1. Polereczki Zs. – Szakály Z. (2008): A marketingszemlélet helye a a hazai tej- és húsiparban működő kis- és középvállalkozások körében. 50. Jubileumi Georgikon Napok, 2008. szeptember 25-26. 118. p.
2. Polereczki Zs. - Szakály Z. (2009): Jelen és jövő a tejiparban működő kis- és közepes méretű vállalkozások marketingtevékenységében. LI. Georgikon Napok, Pannon Egyetem, Georgikon Kar, Keszthely, 119.

In foreign language

1. Zs., Polereczki – A., Csonka: The position of the small- and medium sized enterprises in Hungary with special regard to the food industry. Within the European Union III. International Conference University of West Hungary Mosonmagyaróvár 2006. április 6-7.

V. Others

Popular works

Articles, studies

1. Polereczki Zs. (2009): Kisvállalati marketing helyzetkép az élelmiszeriparban. Élelmiszer, XVII. évf. 5. szám 36-37. p.
2. Polereczki Zs., Szakály Z. (2010): Réspiacok az élelmiszeriparban – valódi lehetőség a kis-, és közepes vállalkozások számára? Élelmiszer, 2010. ???

Presentations

1. Egyed L., Polereczki Zs. (2009): Innováció az egalizált súlyú sajtok piacán a Fino-Food Kft.-nél. V. Táplálkozásmarketing Konferencia. Kaposvár, 2009. június 4. Kaposvár
2. Polereczki Zs. Szakály Z. (2010): Piacorientált gondolkodás a hazai tej- és húsiparban működő kis és közepes vállalkozások esetében. XVI. Ifjúsági Tudományos Fórum, Keszthely, 2010. március 25. Keszthely
3. Polereczki Zs. (2010): A marketing és az innováció kapcsolódási lehetőségei az élelmiszeripari KKV-k körében. VI. Nemzetközi Táplálkozásmarketing Konferencia, Kaposvár, 2010. november 11.
4. Polereczki Zs. (2010): Innovatív marketing stratégiák kis-, és közepes vállalkozások részére. Kaposvári Egyetem, 2010. május 12.
5. Polereczki Zs. (2010): A vállalkozások abszorpciós képessége az innováció és a marketing területén. Élelmiszer-innováció Műhelymunka sorozatok I. – Értékinnováció az élelmiszergazdaságban. 2010. november 30. Kaposvári Egyetem
6. Polereczki Zs. (2010): Élelmiszeripari termékek marketingje és a KKV-k. 2010. december 22., K2-NET vállalkozói konferencia, Szivárvány Kulturális Központ, Kaposvár

TDK essay

1. A tej- és húsipari kis- és középvállalkozások marketingtervezésének elemzése a Dél-Dunántúlon. Kari Tudományos Diákköri Konferencia, 2004. november 26. Kaposvári Egyetem, Kaposvár, III. hely
2. A tej- és húsipari kis- és középvállalkozások marketingtervezésének elemzése a Dél-Dunántúlon. Egyetemi Tudományos Diákköri Konferencia, 2005. március 18. Kaposvári Egyetem, Kaposvár, II. hely
3. A tej- és húsipari kis- és középvállalkozások marketingtervezésének elemzése a Dél-Dunántúlon. XXVII. Országos Tudományos Diákköri Konferencia, 2005. március 31.-április 2. Szarvasi Mezőgazdasági Főiskola, Szarvas, III. hely