

Implementation of marketing research in Kosovo businesses

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Abstract

The implementation level of Marketing Research towards completing a business, should be an important factor for the achievements of a business. In this case, the cultural level includes the cultural side of the businesses related to the implementation level of the Marketing Research in different development phases of businesses in the Republic of Kosovo. To develop a business, the first idea is about what do we want to do, how, where and when. The powerful support about all these things are finances, but before anything else, the implementation of the research methods in the market and in the environment where we want to do business.

The purpose of this paper is to determine the real situation of businesses related to the level of implementation of Marketing Research as well as their influence in success. Based upon the circumstances and the business mindset, we should not be satisfied about how and in which way we approach business through research as a scientific method of modern time we live in.

Keywords: Marketing Research, business, scientific method.

Introduction

The first rule in solving the problems is: "Collect facts" (Thomas Edison, Valuable Opinions) and "Knowledge is power" (Francis Bacon, 70+ sayings about knowledge). The implementation of research methods of marketing, in starting and developing a business in Kosovo are not satisfactory. This happens because the effect and their importance it has not been comprehended by businesses. In moving ahead in implementing the research methods, special importance has the new generation of professionals coming from different levels of education, starting from the basic ones up to the University. Therefore, we should focus in these generations to make sure they get the knowledge and get trained in the field of research for business as well as in other fields.

The objective of the research is to replace the intuitive risky decisions of the decision makers with decisions based upon systemic and objective researches.

To develop a research, we should always have into account the reasons and circumstances before we come up with a decision for a research in order to assess the cost of the research and the potential value of the achievements. The cost of the research should be lower than the potential value of the achievements in order to justify the research and the resources engaged from this research for the business it is aimed for, the possibility to get the right data, appropriate time schedule available to conduct the research. After assessing all these factors, the decision should be taken whether

the research should be conducted.

Through this research, we acquire the proper information, which shows what the consumer expects from a business, what can be offered to him/her and at the same time it helps us meet the expectations.

Regardless of the form implemented during the conduct of this research, the result will be positive as to the decision to develop or not a business, because this decision as well as the manner of conducting it will be based upon the collected facts from this research. The safety in making the decision will be high and the risk on the other hand will be low.

The decisions based upon the research in terms of the percentage are high in the safety in achieving the aimed results.

Method of conducting a Marketing Research

Through the text below, I like to contribute to the education and in increasing the cultural level for the research for our own businesses.

To conduct a research, first we should have:

- the idea about what do we want to achieve;
- the objective;
- manner how we are going conduct;
- who we are going to produce or service for and many other accompanying factors.

If we have the answers for these questions, then we can formulate the research problem from which the answers will be extracted as accurate as possible during the marketing research. After this, we should approach the research development related with our business. The basic methods through which a research can be conducted are:

- surveys;
- experiments;
- observations;
- historic methods.

The phases this research goes through are:

- drafting of the research plan;
- data collection;
- processing and analysis of the data;
- presentation and interpretation of the research results;
- and at end the implementation of the results is made through the marketing research.

An integral part of the research process as well as the necessity to be up to date with IT developments as well as with time speed, it is also the implementation of the system of information SI in the development process of every business. Establishing the database for all the internal and external developments of the business for the business.

The research can be conducted by:

- ourselves;
- cooperation and engagement of other persons which will help us through their skills and professional opportunities;
- but also through the engagement of the specialized research institutes.

Situation of businesses in Kosovo

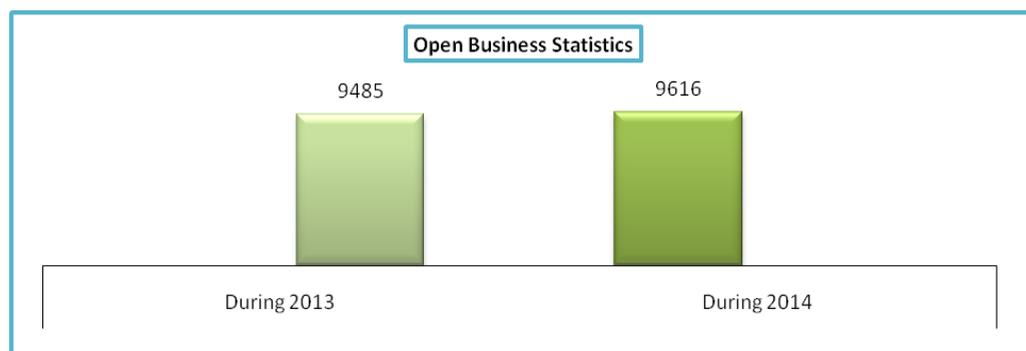
To have the initial basis in order to come up with conclusions regarding the level of implementation of market research of businesses in Kosovo, first, we should analyse the situation of businesses based upon the secondary data. Below, we'll present the statistics with regards to starting, closing and consequences of these developments in the business in Kosovo in the employment situation of the population capable to work.

Tendency of starting businesses

The data below help us to see how much opening of the busines has been increased in Kosovo.

According to the data of Kosovo Statistics Agency (ASK.), we have the information from the spokesperson of the Ministry of Trade (MTI, 20123), which states that since 2000 in Kosovo there have over 120 thousand businesses registered. "According to the statistics of the Agency for Business Registration which operates within the MTI, the total number of businesses in Kosovo is 120.570".

In 2014, there have been registered 9616 businesses and 1663 have been closed. While in 2013, there have 9485 businesses registered, 1515 have been closed. The reasons have not been stated.(AKB.(2015)



Graphics- 1 .(Authors

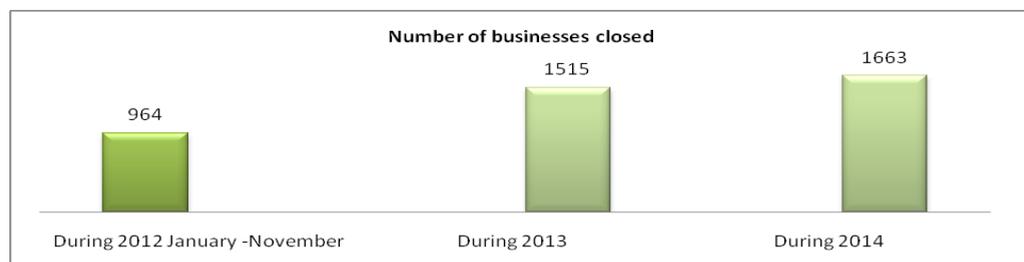
Tendencies of closing businesses

Closing of businesses as well as their bankruptcy continues to follow our businesses in Kosovo.

Actually, according to statistics, the number of businesses closed in recent years has increased considerably comparing to the first years after the war. During the first five months of (2012), there have been 359 businesses closed, while during(2011), 964 have been closed down (MTI, May-2012).

“From 01.01.2012 to 08.11.2012, there have been 879 businesses closed” (MTI, November 2012).

Whereas, according the Agency for Business Registration in Kosovo (KBRA), during the period 2000-2011, in our country, 10.921 businesses have bankrupted(KBRA-May 2012).



Graphics- 2 (Authors)

The President of the Kosovo Business Alliance, Agim Shahini, says that many businesses which go bankrupt are not de-registered due to the procedures that they have to go through, such as the obtaining the certificate from the Tax Administration of Kosovo that proves that businesses have paid all their taxes (KBA.(2014)).

At the beginning of 2011, the Agency for the Support of SMEs (ASSME) has conducted a research with 800 SMEs with regards to the main problems these enterprises face. This study shows that these are the main problems:

- access to finance;
- lack of electricity and
- informal competition (Small business days support agency, 2012,35).

As a result, the World Bank has ranked Kosovo low for two years 2010-2011 in the Report for Doing Business (American Chamber of Commerce in Kosovo, Special edition for Diaspora, 2012, 25).

According to these statistics, we see that the registration of businesses has increased,

so did the closing of businesses as well, which shows that the depth of the problem are not only about the obstacles in the business environment, but also from the approach towards the business from the owners themselves as well as their management staff.

Also, the assessment from the scientific paper of the Republic of Kosovo states that: Due to the legacy from the previous regime, Kosovars have limited tradition of entrepreneurship. In Kosovo, as well as in other countries in transition, there is a lack of a widespread basic business management as well as technical/skills of production as it is for example the capability to conduct a strategic planing of a business, the organizational and operative management and the financial analysis. As a result, most of the business activities today are focused in limited fields/sectors that provide less return of investment and have less types available. (Government of Kosovo, Employment Strategy, 2012).

Consequences of closing a business in employment.

The high unemployment rate remains a concern for Kosovo. Since the employment rate is conditioned from the current situation in the country, below we'll present statistics which show that this problem is affected from this situation.

According to the World Bank, the unemployment rate in Kosovo in 2009 scored 45.4%. On the other hand, the Ministry of Labor and Social Welfare reported an employment rate up to 39.4% in 2011. The unemployment is more common among women and the people between 25-39 years old (American Chamber of Commerce in Kosovo, Special edition for Diaspora, 2013, 14).

Method of influencing in the cultural awareness of the research

Each member of our society and especially those that are engaged in increasing and developing the awareness of the generations, through:

- education,
- studying,
- communication,

should pay attention in educating the future generations in the spirit of scientific methods in developing a business in our country. The purpose of this engagement should be the increase of the cultural research in the whole business environment in Kosovo.

This would have been supported by the state policies with regards to the education at all levels towards increasing this level. This can achieved even through implementation of the strategies presented below from the state institutions.

Kosovo Accreditation Agency (KSA) which will continue in accrediting and licensing all the providers of higher education (both public and private ones) in compliance with quality criteria presented in the legal provisions and under the stipulated standards by the Bologna system. The strategy will aim even the increase of the scientific capacities and the research of higher education while implementing programs of the National Scientific Council and through establishing the Center for Innovation and Transfer of Technology (Government of Kosovo, "Employment

Strategy2010 – 2012”, 25-26) .

According (National Scientific Council, March 2010) the research and technological development (RTD) is still a marginal initiative in Kosovo. Until recently, general expenses for Scientific Research and Development (S&RD) in Kosovo were around 0.1% of the GNP (Gross National Product). Specific purposes (objectives) of science and technology (S&T) that are needed to support the social-economic development of Kosovo towards a Knowledge based Society are:

- The development of human resources for research-scientific activity
- The development of the scientific research infrastructure
- Internationalization of the scientific-research activity
- Strengthening the link between science, society and economy to provide the incentives for the economic and social development.
- Perfection in scientific-research activity. (NATIONAL SCIENTIFIC COUNCIL, Pristina , March 2010,Pg-5)

Primary data

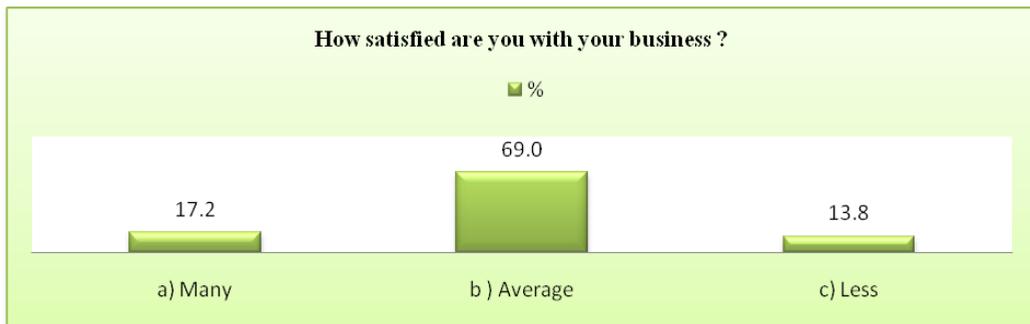
In order to answers the questions about the research problem, we raise the hypothesis related with it.

Hypothesis: Application of the Marketing research from businesses in Kosovo is low. In order to have a complete assessment relied upon facts, the first research has been conducted, which implies the interview of the owners of several businesses through a questionnaire composed from nine questions. The questionnaire has been half opened, containing open and closed questions. The selected sample was the probability method.

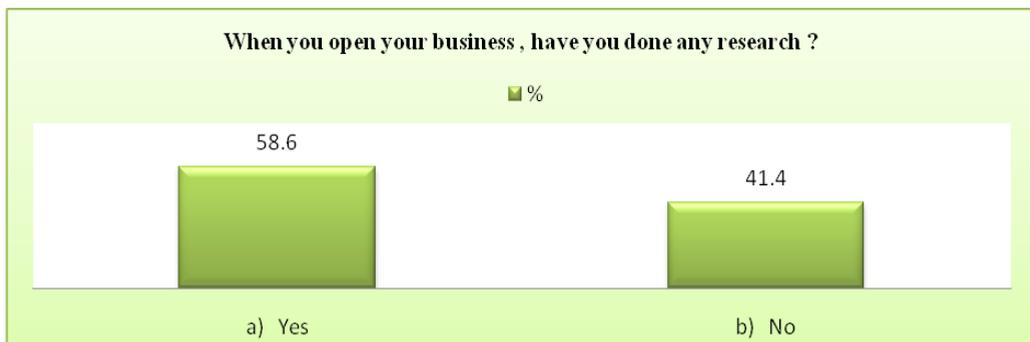
There have been visits to 40 businesses of three basic profiles: production, trade and services, and 29 out of 40 have responded to the questions. The interview has achieved 71% based upon the number who responded to our interview. Other results, to this search are available to be seen in graphics below, through which we can come up with the respective conclusions.



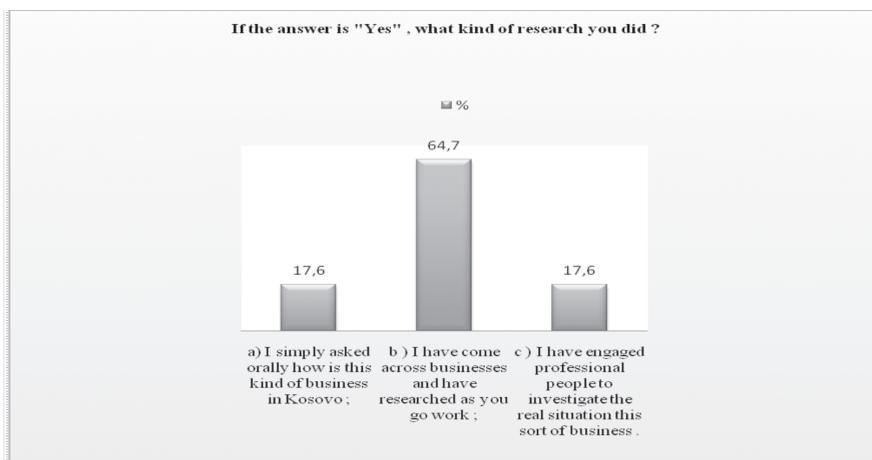
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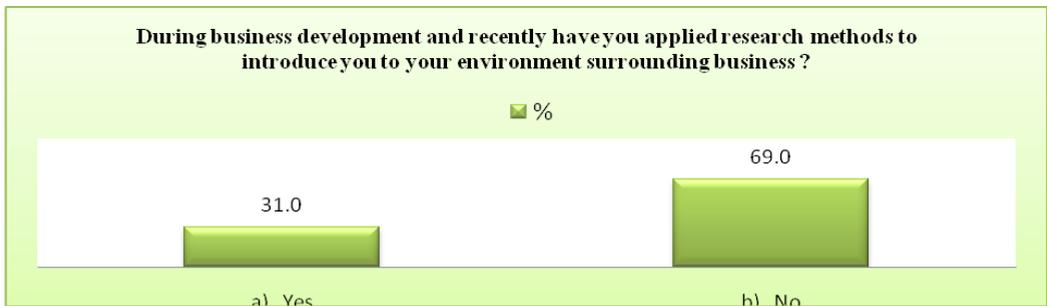
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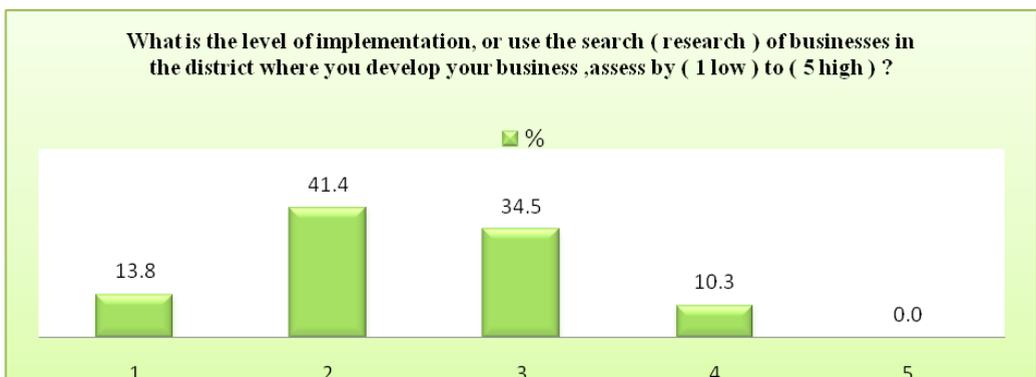
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Conclusions

Based upon the secondary data, we can see that we have a large number of businesses closed or failed, therefore it makes us understand how the failure of the application of the research impacts in developing a business.

With regards to the satisfaction of businesses with doing business in Kosovo there are 69% with average satisfaction and only 17.2% very satisfied.

The results of the answers are that 58.6% say that they have conducted a certain research when they started their business, whereas 41.4% have not conducted any research whatsoever, from those who say that they have conducted a research, we have 64.7% among them who have conducted a very simple research (simply through asking verbally current businesses how they are doing with their business), whereas only 17.6% have conducted a professional business. Therefore, we can conclude that research culture is at a very low level, most of the businesses conduct no research whatsoever when they decide to get engaged in a certain business.

The result which shows that 31% of the businesses have the Marketing service, whereas 69% do not have any, tells us that the needs of these businesses is to have the service of Marketing through which they will conduct the necessary research.

Recently, only 31% of the businesses have applied a type of a research, whereas 69% haven't done any research at all. Even now, after a certain time that a business has been running, most of them do not conduct any research and from this we come up to the same conclusion that the level of the research culture from businesses is under the average.

Responses of the interviewed ones from 41.4% for level (2) of the application of research from businesses (assessment has been from 1 to 5 as the highest) and 34.3% for level (3), it is also an indicator of the low situation of businesses with regards to application of the research.

Recommendations

The development of Marketing Research should be up to date with the market demands, with the development and expansion of the business, introduction of new products and services and to keep the management informed about the changes in the market. To achieve this, all the responsible government institutions should be engaged in order to raise the cultural level about the research from businesses in Kosovo.

The cultural research should be cultivated more and more in order to reduce the number of businesses who fail while increasing the businesses who absorb considerable number of employees.

An influential factor in the failure of a business can be also the negligence in collecting the accurate and useful information from the business market, lack of knowledge about the market demands, its absorbing capacities, lack of information about the competition, lack of information about infrastructure limitations, etc. All the information can be acquired through Marketing Research.

To achieve these, there should be investments in increasing the research culture in Kosovo.

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