

Chapter 59

The Kosovo Agriculture Market and the Marketing Concept

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ABSTRACT

Considering marketing as main contributor to the contemporary development, it has encouraged us to raise discussion regarding the role of the marketing in business decision-making and economic development as a whole. The concept of marketing is becoming a necessity tool for survival and the development of different business enterprises. The main objective of the study was to find out about the level at which Kosovo enterprises understand and apply marketing and how do they distinguish marketing from advertising. Moreover, the study seeks for Kosovo households' opinion on marketing and advertising, if they distinguish it from advertising, and how the advertising influences the household behavior in buying decision making. A sample size of 150 businesses and 150 household, covering the whole Kosovo regions were interviewed and analyzed. The results of the collected data were processed and analyzed using Statistical Program for Social Sciences (SPSS). Out of 46% of the total surveyed businesses considered that adv is same as marketing. About 64% of surveyed households declared that adv is done for the products of low quality, but 62% of businesses consider adv necessity even for products of best quality. Surveyed households, about 63% declared that their bought has been based on previous purchases, 17% on sellers' statement and 20% on adv basis. The share for promotion by some Kosovo agriculture businesses is from 4% to 20% of the profit, increasing the selling from 3% to 10%.

INTRODUCTION

The developed world countries spend for advertising up to 2% of their GDP (or a 1,000 Euro per head), and food industry is the biggest one

in terms of share of the expenses allocated for advertising. A market is known as a keen battle among food producers and food products, which in a way fulfill the same need. It often happens when adv were criticized in creating a higher

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costs for informing consumers, over passing the created value, and at the same time manipulating them. The raised question is if it is the right way to intervene the consumers' independency and the freedom of choice. Should farmers deal with the advertisement of their farm products? In the less developed countries such as Kosovo, farms usually are small and the number of farmers is usually high, producing small quantity of a homogeneous product. Their individual adv costs are higher than adv utility. An individual adv increases farm's selling but it associates with a high cost. On the other hand such adv will be of help for the other farmers producing the same products but that do not invest on adv. This problem could be solved through general adv helping all products or the same group of the products. In the USA it is an obligated experience for the farmers to make a pressure through low gathering fond money in promotion campaigns (e.g. in the milk industry 15 cents per 100 liters of the milk produced and in the meet industry 1\$ for head of the beef go for promotion) (Kolnikaj et al., 2000).

Nowadays for businesses is not enough to have a good quality of the product and at reasonable price, if the consumers are not aware about the product substance, about the needs fulfilled by the product, where the product can be find, at what price and the benefit consumers will get by buying and consuming the product. All of these makes possible promotion, respectively mix promotion: advertising, sales promotion, publicity, public relation and the personal selling (M. Pillana & W. Schiebel, 2010).

Years ago, agriculture sector in Kosovo was characterized with big agricultural producers, but nowadays they do not exist anymore, instead of them there was established a big number of the individual small scale producers/farms. For these producers the biggest problem was how to find a market, and the keen competition of the other producers producing the same kind of the product which fulfills the same need. Due to many reasons like ignorance, misunderstanding, and hesitation,

majority of the Kosovo producers' do not apply promotion. Most of the producers believe in the words like "good product sells itself" "good product does not need the promotion" "do not have money to invest in promotion" "my business will perform well enough without the promotion." The main critic about the promotion is that it causes additional cost in the production costs and the selling price increases. The promotion has its cost, but the cost needs to be considered like an investment which impacts the selling and decreasing the production costs. Also it must be kept in mind that the promotion is not a magic stick which can solve immediately all the kind of problems. For many businesses the promotion is considered as a very helpful tool to achieve their business goals. Foreign businesses applying marketing philosophy as well as promotion like an integral part of the marketing are successfully present in the Kosovo market through communicating with the consumers of this market.

The marketing is identified with an advertisement, selling and commercial affairs. For the marketing development and its application there are many obstacles like a non awareness, hesitation, bureaucratic obstacles. The concept and the marketing system were of help for many businesses that today without the marketing concept cannot be imagined. Consumers' behavior, their needs, wants, desires and attempts to fulfill their wants are on focus of the businesses. Kosovo producers are in a very difficult situation dealing with abroad keen competition of the products which fulfill the same needs. It is the marketing result of the foreign businesses in the Kosovo market.

This paper brings important information on the Kosovo market on the marketing and the promotion. The paper highlights what manufacturers think about the marketing but also what consumers think about an advertising of the products by manufacturers. A large number of the foreign agricultural and the food products have flooded into the Kosovo market and the consumers prefer and buy these products. Why? What the reason is?

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