FACULTY OF ECONOMICS

Master Thesis

“IMPLEMENTATION OF PROMOTION IN ENTERPRISES OF MILK PROCESSING / CASE “KABI” DAIRY”

Mentor:                        Candidate:
Prof. asoc. dr. Shaip BYTYQI    Arta AJETI

Pristina, 2016
# Content

Abstract ........................................................................................................................................... 2

Introduction ....................................................................................................................................... 5

The aim of the paper ......................................................................................................................... 6

Meaning of marketing, marketing mix and promotion ................................................................. 7

Meaning of marketing ....................................................................................................................... 7

1.2 Marketing mix ............................................................................................................................. 9

1.2.1 The product .......................................................................................................................... 10

1.2.2 The cost ............................................................................................................................... 11

1.2.3 Distribution .......................................................................................................................... 11

1.3 The promotion ........................................................................................................................... 12

II. Dairy processing industry in the Republic of Kosovo .......................................................... 16

2.1 Kosovo’s economy .................................................................................................................... 16

2.2 Agriculture and farming .......................................................................................................... 17

2.3 Dairy industry .......................................................................................................................... 18

2.3.1 Milk features and chemical composition ............................................................................ 20

2.3.2 Collection and transport of milk ......................................................................................... 21

2.3.3 Analysis of the milk market ............................................................................................... 23

2.4 Legal infrastructure .................................................................................................................. 23

III. IMPLEMENTATION OF PROMOTION IN MILK PROCESSING INDUSTRY IN KOSOVO .... 25

3.1 IMPLEMENTATION FORMS OF PROMOTION ..................................................................... 25

3.2 IMPLEMENTATION OF PROMOTION IN SOME KNOWN DAIRIES IN KOSOVO .......... 27

3.2.1 “VITA” Dairy – Devolli Group ......................................................................................... 27

3.2.2 “Eurlona” Dairy .................................................................................................................. 28
3.2.3 “Bylmeti” Dairy ........................................................................................................... 29
3.2.4 “Abi” Dairy ................................................................................................................. 30
3.2.5 “Eko Sharr” Dairy ........................................................................................................ 30
3.2.6 “Golaj” Dairy .............................................................................................................. 31
IV. The case of the enterprise "KABI" .................................................................................. 32
4.1 History of the enterprise “KABI” .................................................................................... 32
4.2 Marketing mix of “KABI” ............................................................................................... 33
  4.2.1 The product .................................................................................................................. 33
  4.2.2 Production activities ................................................................................................... 34
  4.2.3 Suppliers of the “KABI” enterprise ........................................................................... 35
  4.2.4 The life cycle of “KABI’S” products .......................................................................... 36
  4.2.5 The cost ....................................................................................................................... 37
  4.2.6 Distribution ................................................................................................................ 40
4.3 Implementation of promotion in ntsh “KABI” .................................................................. 40
4.4 Plan of marketing ntsh “KABI” ....................................................................................... 42
4.5 Budget of sales marketing .............................................................................................. 42
4.6 Enterprise market “KABI” ............................................................................................... 43
  4.6.1 Market size .................................................................................................................. 43
  4.6.2 Trends in market size .................................................................................................. 44
  4.6.3 Competition in the market ......................................................................................... 45
  4.6.4 Consumers’ preferences ............................................................................................ 46
Conclusions and recommendations ...................................................................................... 56
Literature .............................................................................................................................. 58
Appendices .......................................................................................................................... 60
Abstract

Kosovo in the past also at present was and is very dependent on imports of dairy products. By using the results of this paper, at least the market, characteristics of milk products, the production process will be known, which will enable the increase of production capacity and sales on the national level in this important and profitable sector for the economy of Kosovo.

Data collected and presented in this paper are the primary character and secondary data. In the primary sources are included all the data that are collected through questionnaires for customer satisfaction from the consumption of "KABI" Dairy products in the municipality of Gjilan. Places in which the primary data are collected, are several shopping malls and grocery promenade in the town of Gjilan. Secondary data which are used in this paper are taken from the management of "KABI" Dairy, from this dairy’s web site, from different texts by different local or foreign authors, the plan for Agriculture and Rural Development 2010-2013 of the Ministry of Agriculture, Forestry and Rural Development ... etc. The results achieved will try to make a better and clearer understanding of the implementation of promotion in the dairy processing industry. Therefore, through this paper is expected to achieve results that will contribute to the definition and creation of different strategies and business policies in the field of processing and production of milk products in Kosovo. Also the results obtained from this paper will enable better recognition of the enterprises which operate in this industry, especially of "KABI" Dairy, which also is the subject of study and research in this paper.

Keywords: Promotion, marketing mix, the customer
Conclusions and recommendations

To enable sustainable development of industrial sector dairy, processing capacity should be expanded, the modernization of technological lines and implementation of food safety standards be done.

Local production should be oriented mainly towards the creation of new products (diversity of products) that are continuously imported and for which requests are growing in the market of Kosovo and follow the preferences of customers who increasingly are moving towards formal sector products. Our institutions should do more on the awareness of leaders of large supermarkets and smaller businesses to give more space to promote local products.

Manufacturers and processors make it official and respect the contracts between them. Preparation of the farmers to exploit much more the direct payments for the subsidize of milk (contract, notification of farmers, many administrative procedures).

Therefore, if we want to reduce unemployment and avoid poverty in rural areas it is very important to continue the strong support of this sector with subsidies and other forms of support in order to enable the increasing of heads of cattle and noble races in Kosovo.

The impact of the application of the promotion in the sect of dairy processing is vulnerable and low rate of utilization by not following the performances of the customers.

To face aggressive competition in the market of Kosovo in the new circumstances and conditions and the position of our state has no place for dissatisfaction, new conditions necessarily impose us the mode of action in the market. So that customers are satisfied with the services and products of this enterprise.

Techniques that the enterprise "KABI" uses are high level as in the approach of services has a professional staff, meanwhile their work eases with significantly ancillary equipment originating from European countries, which enable the manufacture of a product better.

Improvement of operating conditions and efficiency in this industry can be enabled by the application of promotion in enterprises of this industry, thus enabling a nearer access to the customer. Dairy "KABI" should be an example for all enterprises of the industry of processing milk in our country, with continued effort aiming to increase product quality, implementation of marketing for the promotion of dairy products, improving conditions in the working environment etc.