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FACULTY OF ECONOMICS

DEPARTMENT: MANAGEMENT AND INFORMATICS

POST DIPLOMATIC-MASTER STUDIES

THEME:

**ROLE OF MARKETING IN SMEs**

**Case study:” EVKO – Production Enterprise,” Obiliq**

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## CHAPTER I

### *Introduction*

SMEs are one of the main components of Kosovar economy, they constitute about 99% of enterprises established in general, small, and medium enterprises retain their core competitiveness essentially in: variety of activities, collection, flexibility, decision-making and in small cost.

But the essence of conservation as competition has started to weaken due to several factors as: increasing of competition, opening new markets, free trade liberalization etc.

Since their strengths are broken slowly, they are bound to their orientation to turn the market, or produce what they can sell. Kosovo suffers from imbalance of payments where imports dominate exports significantly. This is mainly due to the fact that Kosovo's SMEs are not competitive at the international level. Exporting SMEs inhibit the further contribution of SMEs to GDP, creation of jobs and economic growth. Exports are dominated by base metals and minerals produced by large companies.

Due to the unfavorable environment for business and a lack of creative entrepreneurial culture, Kosovo lacks innovative firms with rapid growth, which are major contributors to the creation of jobs in developed western economies.

Over 90% of all SMEs operating in the commercial sector are characterized by small and unproductive investments. This followed model with the copying pattern "me too" of new businesses, limiting the ability of the SME sector for generating job locales. In terms of development policy, the report of "Policy Index of SME, 2009" shows that Kosovo for several different reasons, is still in the stage of completion of the basic institutional, legal, and regulatory dealing with SME policy. So, the access to the consumer is important and you need to be able to fulfill their needs.

## **Description of the problem**

Kosovo's economy since 1999 has been driven mostly from the international assistance, the public sector, and remittances. The role of the private sector, especially of SMEs has been relatively weak. Despite this, Kosovo is still in the phase of transition where entrepreneurs and creation of small businesses are expected to play an important role on the road to a modern free market economy and thus towards development and economic growth.

Since SMEs are the arteries of economic development of a country, they also deserve to have an added attention and strong support in order to enhance the quality of management, to create customer value and increase their profitability.

The main problem of SMEs in Kosovo remains to mismanagement, and every failure of an enterprise directly relates to bad governance, business orientation into quick profit and without creating customer value is exactly one planning to fail, Prof. Kotler in his new book on marketing based on the value says "Manage the present, forget the past selectively, and create the future" (Kotler, 2010).

## **Aim**

The basic aim of this paper is to define the marketing role in micro, small and medium enterprises, identification of problems, obstacles that slows down the development of their activities, while at the same time identifying the needs and requirements of the community to improve the situation, advancing the development processes and the development of positive trends in strategic livability.

## **CHAPTER V**

### *Conclusions*

The role of marketing in SME development in Kosovo is inevitable and is not in doubt that it should be given a very great importance.

We have done a research to understand its impact on enterprises of businesses of different activities throughout Kosovo, which is confirmed essential statistics that can be useful for all interested parties, including economists, entrepreneurs, or citizens.

According to the survey of enterprises we can conclude that: it still continues to dominate the number of businesses trading activities, then still a small number of businesses, and it is known that Kosovo has the need for production since the import value is very high, 2.5 billion euros per year.

As in the past, even today, the main financial sources of the foundation of SME are own resources since the interest from commercial banks still continues to be very high.

About the owners about the marketing area, we see that we have a 53% figure of which have stated that they have average knowledge, but in my opinion this figure cannot be not as enjoyable as it is known how important this sector is.

It is surprising and disturbing at the same time, the fact that from the survey only 20% of businesses have the marketing department in the business hierarchy, according to results.

Approximate figures are in the same in the case of SWOT analysis, where only 27% of respondents said they have done at least once a SWOT analysis for their business.

However, those enterprises which have handled marketing as serious area and still continue to do so, have clearly understood the significance and their effect, so their answers were almost expected, so they were of the opinion that the role of marketing in their development has a high impact.

Another concerning fact from the survey has to do with lack of department for consumer protection, this means that the number of businesses that assumed they have a kind of department that protects their customers is very small, only 13%.

We have a good and average report between quality and prices, according to responses on the survey. Decision-making as a very important process through the company continues under the hierarchical manner.

Apparently, market segmentation is treated seriously by enterprises since 60% of them (per survey) have said that they have segmented the market and this figure already is continuing to get better.

As known from all, customer requirements are what push an enterprise to stand out in the market with a new product or service, and they still refer to their demands and needs.

87% of SMEs say that they attach importance to the quality of their products because it is a key factor in the effect of their sales.

Finally, we can conclude that increasing the awareness of small and medium enterprises to investment in marketing is growing, and that about 67% of them have admitted that they are willing to invest financial means to do different marketing.

Maybe we cannot blame some enterprises in Kosovo that have not been as active in marketing. Because, generally business financial situation in Kosovo is not to be commended, their debts are huge, but with the hope that these problems will be overcome and we hope that we will have the best results in the way they function in the daily life.