

The role of advertising in small business development and learning and economic development in Kosovo

PhD Candidate Shpresa Mehmeti

Abstract - The main objective of this paper is to study the impact of the relationship between advertising and SME development and economic development in general. The data of this study are based on the method of primary data collected through the survey method with representatives of some enterprises in Kosovo (mainly in the Pristina region), while these field data were analyzed through SPSS statistical software. The sample inclusion is based on data obtained from representatives of manufacturing, service and trading, super and mini markets. The results show that 53.3% of the respondents claim that advertising affects the development of small and medium enterprises and economic development in general. Representatives of small and medium-sized enterprises think that regardless of the products being sold or those not being sold, there should be advertising so that small and medium-sized enterprises are informed of what consumers are looking for in the market, thus creating a link in the market business-marketing-market-consumer chain. Over 90% of interviewers state that advertising is an investment that benefits enterprises. About 60% of enterprise representatives stated that when making a decision to advertise their products or services they will engage the firm whose business is advertising.

Index Terms - SMEs, advertising, comparative analysis.

1 INTRODUCTION

The term "enterprise" in theory as well as in economic practice has different meanings, depending on the aspect of its consideration. Different authors give different definitions regarding the differences between enterprises, depending on the place and time when this issue was considered. The science of commerce gave rise to and developed the science of enterprise economics, which aims to determine the basic and general organizational forms of economic activity, the basic subjects of economics, and the motives of their activity [3] and [4]. Enterprise is primarily related to small and medium-sized enterprises, which today, in virtually every modern state, have an important position in creating new jobs and creating added value for the economy. The first meaning of the enterprise is related to the entrepreneur (entrepreneur), it is believed that it was the name of the enterprise. Understanding enterprise and entrepreneurship have the same root, based on the theory of enterprise economics. By clarifying the meaning of the enterprise and the entrepreneur, one can easily understand the genesis of the word enterprise. Economics expert Peter Drucker [2] explains the entrepreneur and entrepreneur as a person who looks for change, has responsibility for change, and explores change. Economists today agree that entrepreneurship stimulates economic growth and increases employment opportunities in society. In the world economy SMEs are the

es, effectively and efficiently combining the factors of production with the aim of realizing profit and enterprise growth [3].

2 MATERIAL AND METHODS

The research (sampling) was conducted mainly in the region of Pristina and some enterprises in other cities (Prizren, Peja, Mitrovica and Gjilan). The research was conducted in July-August 2018 and is based on 150 interviews conducted with representatives of enterprises mainly in the marketing sector. The average duration of an interview was approximately 15 minutes. Market research was preceded by the compilation and discussion of the questionnaire, which considered the key attributes such as: type of enterprise, place of residence, education of enterprise representative. The research was based on data collection through direct interview with representatives of different enterprises. Random sampling was taken into account during the interview. Mostly, the interview was conducted correctly where interviewees answered the questions asked by the authors. In the framework of the work methodology for conducting the paper we have also used the method of analysis, the method of comparison and the method of description. Data were obtained from the interviewer and at the same time were recorded in the questionnaire. After the interviews, the data were recorded on a SPSS statistical program [1].

3 RESULTS AND DISCUSSION

The field sampling was based on interviews with 32 manufacturing firms, 40 commercial firms, 34 service firms, and 44 super-mini markets (there are 150 interviews with enterprise representatives in total). The results regarding the opinion of the enterprise representatives in the advertising report are presented in Table 1.

• *Shpresa Mehmeti is currently pursuing PhD degree program in Department of Marketing, Faculty of Economic State University of Tetova, North Macedonia, Address: Sut Rectorate-Ilinden No 12 Tetovo, North Macedonia, E-mail: international@unite.edu.mk.*

• *Emil: shpresa--m@hotmail.com and*

• *shpresa.mehmeti@universitetiiaab.com*

main engines of generating new jobs, increasing incomes and reducing poverty. Entrepreneurship is a process of seeking for innovative opportunities in unfamiliar and risky circumstances.

Table 1: What is your opinion for advertising?

Description	Number of interviews	Percent (%)
Advertising is marketing	70	46.7
Advertising is an integral part of marketing	80	53.3
Total	150	100.0

Table 1 shows that the margin is not so large that most of us can say that 53.3% of enterprise representatives declare that advertising is an integral part of marketing. While the rest of the 46.7% of interviewers think that advertising is marketing. Although enterprise representatives should be aware that advertising is part of marketing, these results are an indication that it may be related to the fact that some of the interviewees are not profiled (do not have adequate education to lead the marketing sector in their workplace based on their prior education).

Table 2: Which type of product should be advertised?

Description	Number of interviews	Percent (%)
Advertising should be made to the product that is being sold	29	19.3
The ad must be for a product that is not for sale	28	18.7
Both variants upper	93	62.0
Total	150	100.0

Table 2 presents the perceptions of enterprise representatives about what type of product should be advertised. Regarding what interviewers think of advertising products or services they are quite different, giving the opinion that 19.3% of the products sold should be advertised, with the remaining 18.7% of interviewers stating that the product that is not sold should be advertised, becomes an advertisement. What can be distinguished from this chart is the fact that the interviewees emphasize that both the product being sold and the product not being sold should be advertised (62.0%). How important the ads are best illustrated by the results from Table 3. 91.3% of respondents claim that advertising is an investment that benefits enterprises, while a very small portion of 8.7% think that advertising is a waste of money (Financial means).

Table 3: What the Expense is the advertising

Description	Number of interviews	Percent (%)
Advertising is the wasteful spending of money	13	8.7
Advertising is an investment that benefits enterprises	137	91.3
Total	150	100.0

The differences between these three possible variants of how the company should act when it does well in relation to advertising are presented in Table 4. Enterprise representatives favor that when the firm does well it should invest in both production and advertising. 76.2%. While 19.5% of interviewers think that the company should invest in production, and only 4.3% of the interviewees think that the company should invest in advertising.

Table 4: If your company does its job well then you should to do?

Description	Number of interviews	Percent (%)
The company should invest in advertising	6	4.3
The enterprise should invest in production	30	19.5
The enterprise should invest in production and advertising	114	76.2
Total	150	100.0

The difference between what the representatives of the enterprises of the product that sells the product think they need is shown in table 5. Here we can single out the fact that 54.7% of the respondents claim that the product sold needs advertising, and the share another 45.3% claim that they do not need ads for the product being sold.

Table 5: Product Sold, needs to do Advertising

Description	Number of interviews	Percent (%)
No advertising is needed for the product being sold	68	45.3
It needs advertising for the product being sold	82	54.7
Total	150	100.0

4 CONCLUSION

In the proper management of various enterprises aimed at supplying consumers with goods and services, small and medium-sized enterprises play an important role in the development of the economy in general.

The impact of the relationship between small and medium-sized enterprises with advertising is still not satisfactory, enterprise representatives should value advertising as part of marketing and as such should be dealt with in a fast-paced manner so that the enterprise Kosovar to be close to companies in the region and EU countries.

The results obtained are good indicators that respond to the impact of advertising on the development of different enterprises, as well as show its effect in relation to small and medium-sized enterprises, and at the same time make us understand that the impact of enterprise advertising

can serve as a good barometer of the enterprise orientation the regional and international markets have in the future.

Although in Kosovo so far there have been no such studies of the relationship between SMEs with advertising as part of the marketing and development of Kosovo's economy in general, this study is well-intentioned and may be complemented in the future to be used as a method for other studies on the impact of advertising and marketing on all enterprises in Kosovo.

REFERENCES

- [1] Andy, F. 2005. *Discovering Statistics Using SPSS*. 2nd ed. London, Thousand Oaks, New Delhi, University of Sussex, SAGE Publications Ltd.
- [2] Bridge, S, O'Neill K, and Cromie, S. (2003), *Understanding Enterprise, Entrepreneurship and Small Business*, second edition, Palgrave Macmillan.
- [3] Drita Krasniqi, 2014; *Doctoral Dissertation: Small and Medium Enterprises and their Role in Kosovo Economy*, Agricultural University of Tirana, Faculty of Economics and Agribusiness, Department of Finance and Accounting, Tirana.
- [4] Isa Myftari, 2010; *Enterprise Economics*, Pristina.

IJSER