

## IMPACT OF MARKETING AND THE INCREASE OF PURCHASING ABILITIES OF CUSTOMERS

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### ABSTRACT

Successful sales promotion requires clear strategic direction and effective marketing in an economy. Marketing finds justification to the needs and desires of human beings. Mainly, the need arises from a feeling of lack of something. To survive man, he needs to work, earn and invest in the area where they live, as one needs to eat, to wear, to housing, to be sure, to be member in a group, to be valued. Such needs are not created nor society, nor from marketing. They exist in a state of general nature of people and can develop and produce their effects in the economy. For the marketing impact and effect on the economy, there are many definitions, but we will refer to the definition of Philip Kotler, "marketing is the economic and social mechanism through which individuals and groups satisfy their needs and desires in the process of creating and sharing products and other components of value ". Promotion of investment can have a major impact on the level of foreign direct investment in one location. While there is an increased interest in investing in emerging markets, companies have very little experience or knowledge of specific opportunities for new businesses or even from other countries of the developed world. Almost every country has created agency dedicated to the promotion of investments as a key informer for promoting and facilitating internal investment into the country, thus assisting investors can be successful only when an investor understands the local environment and has access to, and it has the support of local and national decision makers. The importance of investment promotion is not limited in attracting foreign direct investment but also to local companies from the country, the same may also not have access to full information on investment opportunities in municipalities, since the principles of promoting investments can be applied equally also to attract local investors from other parts of the country.

**Keywords:** Marketing, investments, the effect on the economy, growth and development.

### IMPACT OF MARKETING AND THE INCREASE OF PURCHASING ABILITIES

By the end of the nineteenth century activities that today are known as "Marketing" and in that time were called sale, in the majority of enterprises were considered as auxiliary, because the main problem for them was the production and not sales. Also given that there were no modern equipments of production and the main concern of enterprises were products and services necessary, where was more difficult to produce than selling. We have to understand that we are living in a world of possibilities, where each of us has the possibility of selection and reselection. Therefore, globalization offers opportunities for sustainable business development and trade in products which cannot be traded on a market, but can enjoy good demand in another market sometimes in remote market.<sup>3</sup>

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<sup>3</sup> Robert Alexandriysky, "Marketing Plan for export "-  
<http://www.ks.undp.org/content/dam/kosovo/docs/AFT/Plani%20i%20Marketingut%20per%20Ekспорт%20-%20Udhezues%20Hap%20pas%20Hapi.pdf> (25. 08.2015)

Enterprise directors were more worried to improve production techniques than to find the necessary financial resources or to improve the methods of organization. Thus, the directors of enterprises were inventive or technicians and marketing was only a supplementary function. In the social hierarchy, engineer or accountant were estimated more than marketing specialist. In the beginning of twentieth century and especially after the First World War, sale became a major worry for the companies. This evolution was due to what we call "consumer society". Today should be less to build a plant than to win a market. In major economic sectors it is passed from a seller's market to a buyer's market. Where, the impact of marketing in one place enables the transformation and development of the economy and increases investments, and increasing competition between businesses or firms, at the same time the effect of international marketing increases the production of attractive products for foreign markets with qualitative products.

The meanings of the word marketing is understanding what buyers want or need and then provide them with it, on benefit of all involved in the transaction. Rapid economic developments have led to a great deal of attention to foreign investment, which through proper marketing can achieve the attraction of potential investors. The importance of marketing is more obvious today. Marketing is so present in our daily life that greatly affects our life style by constantly transforming it and society in general. Although it tends to suit the economy and particular society, marketing in the latter instance changes our lives, our behavior.

For marketing there are many definitions, but we will refer to the definition of Philip Kotler, "Marketing is the economic and social mechanism through which individuals and groups satisfy their needs and desires in the process of creating and exchanging products and other ingredients of value".

Even more simply, the notion and function of marketing can be expressed through this postulate: "The right **product**, at the right time, with proper **price** (reasonable), in the right **place**, through an information - **promotion** to go to the buyer - customer".

Marketing has a key role in identifying the needs of the market, the formulation of the strategy, therefore it can be concluded that the vision of the company is closely linked with the market, with the customer. Therefore, every business or firm before investing defines investment strategy in an industry. The industry is one of the sectors where through marketing can find a way for placement of final products in the global market. In a free market situation the existence of enterprises or their longevity in the market depends entirely on the customer's choice, accept or reject the product or service provided in relation with products or competitive services in market. Marketing enables that the customer behavior be better identified, to explore the market, to present ideas, to communicate with public. Depending on the method of promoting products and services will depend on customer demand for them and the result of the firm.

The extent to which investments can help economic growth depends on a variety of factors. Among the main factors we can mention the size of the market, the opening of trade, the level of human capital, policies favorable to foreign investment, quality of institutions, infrastructure of the country, international marketing etc., In order that the countries of the world have in the map where we are, what we offer and what we have better. Also marketing has an important role in other sectors of the economy such as agriculture, agribusiness and tourism. International Marketing has significant impact on the functioning of the economy of the Republic of Kosovo, raising the possibility of a "return" on foreign markets.

The world economy has changed since then and emerging markets, where developing countries and former socialist countries, are moving quickly to the front of global investment and trade. Investing is a very large economic term which means an act or process of investment of money for profit or material benefit. In the simplest form of investments may be foreign or domestic. Increase of investments affects positively the economy, which can have such investments in economic growth and development make countries around the world that seek to attract internal investments to provide new capital, new jobs, new technology and new skills to improve infrastructure, export capacity and attractiveness.<sup>4</sup> Investing is a very large economic term which means an act or process of investment money for profit or material benefit.

*This definition is based on six concepts:*

1. *needs, desires and demands*
2. *the value, cost and satisfaction,*
3. *Products*
4. *exchange, transactions and relationships,*
5. *Market,*
6. *Marketing.*

### **Needs, desires and demand**

Marketing finds justification in the extraordinary diversity of needs and desires of human beings. The need arises from a sense of lack of something. To survive, one needs to eat, to wear, to housing, to be safe, to feel a member of a group, to be assessed. Such needs are not created nor society, nor from marketing. They exist in a state of general nature of people. The desire has to do with a privileged opportunity to satisfy a need. The need to feed can be supplemented with something to cook at home, or a hamburger. Need to wear can be supplemented with a dress or a clothing market firm. It must be said that, while needs are limited in number, desires are unlimited. They are subject to constant modifications by social institutions: school, family, company.<sup>5</sup> The demand corresponds with the desire to buy some products, being supported by an opportunity and willing to purchase. Many people would like to have expensive things. This depends not only on the willingness to buy, but also the opportunity to realize it. Therefore, an enterprise can not only realize the wishes but should evaluate resources and attitudes of buyers. In conclusion it can be said that marketing does not cause needs as they exist, but influences together with other social forces on desires. Obviously acts on request making the product attractive and acceptable.<sup>6</sup>

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<sup>4</sup> Handbook for Promoting Foreign Direct Investment in the Municipality medium low budget to new markets, Columbia University 2009, <http://mci.ei.columbia.edu/files/2012/12/MCI-City-Investment-Promotion-Handbook2.pdf> (28.07.2015)

<sup>5</sup> Nail Rashidi, "Marketing Concept", Prishtina, 2010, pg. 48-52

<sup>6</sup> Marketing Basics of management - <http://data.planetar.edu.al/files/Marketing793.pdf> (29.05.2015)

## Value, cost and satisfaction

How would you do a consumer choosing between different products that can satisfy the same need? Someone, whose workplace is far and cannot go on foot, must make his way with bicycle or motorcycle, or car, or public transport. All these constitute ways that community choice assessments, associated with speed, safety, comfort and cost. These are the criteria for making the choice by determining the value of each product for us. Value will be called the ability of a product to satisfy a set of needs. Ideally, we would prefer a quick, safe, and comfortable and preferably for free. Existing products will preferably start from this ideal. From economic view would be required to optimize the choice, to choose the vehicle that with an equal price maximizes satisfaction, giving voters with the highest value. The terms of value, satisfaction and cost are essential for marketing.

## Products

The human being satisfies its needs and desires through the products. In large terms, the product corresponds with anything capable to satisfy a need or a desire. The notion of product can bring us to mind the best long-term use and goods of immediate consumption. A product can take the form of an object, a service, an activity, an idea or an organization. Since the concept of the product is somehow broader, it attaches the concept source or offer. It is important to distinguish the product of the functions it fulfills. Rarely it happens to buy a product for that what it is, usually we buy a product for what it meets. So the main element of a product is the service that he brings, a service that marketing specialist seeks to promote.

## Exchange, transactions and relationships

The existence of needs and products to satisfy them is not enough to define marketing, which appears when we decide to fulfill the needs and wants through exchange. In order to have exchange five conditions must be met:

- *Existing of two pairs;*
- *Each part must own something that might have value to another;*
- *Each part must be able to communicate and deliver what is to be exchanged;*
- *Each part must be free to accept or refuse the offer;*
- *Each part must call the exchange as an appropriate solution to their problem.*

When these conditions are fulfilled, there truly exists the exchange. But to achieve it should be an agreement between the parties. With transaction we understand the value exchange between two parties. In the modern world the majority of transactions are cash. A transaction constitutes an agreement for goods which will be exchanged, for the time and place of the exchange. In general in order to limit conflicts, is implemented a system of rules.<sup>7</sup> When the seller and the buyer requests approximate, it may become possible the transaction. The notion of the transaction can be expanded up to relationship. Today many companies are trying to build "partnership networks" acting with more diversified offerings. This network which brings together clients, manufacturer or suppliers leads in building strong and helpful relations. Some transactions require long-term commitments.

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<sup>7</sup> *ibid!*

## Market

The notion of sharing leads us naturally to the notion of the market. With market we understand the union of customers who have special needs or desire who through the process of exchange, like, and have the will and the ability to meet the need or desire. The size of a market depends on the number of persons who:

- Desire for a product;
- Resources needed to buy;
- Willingness to share resources with the product they want.

At the origin of the word "market" is the place where buyers and sellers meet to exchange their goods. To an economist, the notion of the market relates to the community of buyers and sellers to exchange a product or a service. In marketing the use of word seller is to describe supply and demand for buyers. Relation between supply and demand is presented in the figure below. So the company sent products, services and communication for the market, which sends money and information.

## Marketing

Marketing and market are presented as two notions as unsolvable: marketing is interested for markets, understood as the possibility of exchanges, in order to satisfy the needs and desires. When a part is more active than the other to promote the exchange, it takes the trade name, and the other one prospect. Trader expects a response from the prospectus, in the form of purchase or sale. In other words, the trader may be as buyer and seller. In the case where both sides are mixed in exchange, then speaks about bilateral marketing. Many companies today are oriented to the market. This means that the company's products and services respond to customer demand. In general there are three ways to do this: the customer-oriented approach, the identification of changes in market and product renovation.<sup>8</sup>

**Marketing practices** is seen as a creative industry, which includes advertising, distribution and sale. In fact marketing services package is much more extensive and specialized. Marketing goes before the needs and future consumer trends, which are often discovered through what is called "*market research*," market research.<sup>9</sup> Overall traders take the form of an enterprise, to which addresses a request in terms of competition. Enterprise and competitors are supplied from suppliers and resell their goods directly or through intermediaries such as distributors. Both of them are under the influence of the environment or under the influence of many factors (demographic, economic, natural, technological, political-legal and socio-cultural).<sup>10</sup>

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<sup>8</sup> Bardhyl Ceku, Hamit Aliu & Hasim Deari, - "Principles of Marketing", Tetovo, 2010 pg. 178-180.

<sup>9</sup> Marketing and Selling - <http://www.albconsulting.org/shqip/shqip/marketing-dhe-shitje> (06.06.2015) <sup>10</sup> Ibid!

## CONCLUSION

From this assignment we came to the conclusion that the perspective of marketing and the growth of sales in business means that the primary task of companies is to determine the needs and desires of the market, and produce the desired pleasures in profitable and efficient way of competition. During this assignment, I tried to treat this subject in a global level, but in particular I focused on the effects of marketing on increasing sales in small and medium enterprises and the development of an innovation strategy and quickly selling products. The very end of the paper, knowing that businesses operates in a competitive market, then, for one of the famous names in the field of marketing, Philip Kotler said: "The key to achieve organizational goals consists in the ability of the company which in more efficiently way than its competitors, creates, distribute and communicate with consumers in target markets.

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