The Impact of Marketing in Increasing the Level of Competitiveness for Agro-Food Products in Albania

Gjokë ULDEDAJ[1] and Gjovalin Gjeloshi[2]

Abstract

The climate that prevails in Albania and the type of agricultural land are favorable for new cultures and agricultural products that have higher benefits than other products that have been cultivated so far. Developing and increasing the capacities of existing products is one of the main components in a small or medium-sized company. A progressive company should preemptively address the planning and expansion of its product range and diversity of culture where it operates in order to remain competitive in the market. To achieve this, companies nowadays need to implement the most effective marketing strategies. Marketing is increasingly emerging as the most significant aspect for companies in the agro-food sector, serving as the primary means of customer orientation, with arguments as to why they should choose a company's products or services over other competitors. With the advancement of technology, the utilization of marketing and its elements is increasing more and more, as the best way to achieve the desired profit, target performance and competitiveness in the market. The purpose of this paper is the analysis of the existing situation in the development of the competitiveness of agro-food products as a result of the application of marketing, through which the market will be studied and make the agricultural producer aware of the increase of their performance in the market, through the production of quality and cost-effective products. The results reveal that agro-food production companies and farms have started to apply marketing in various forms, both in social and traditional media, creating better competitive positions in the market and increased production capacities allowing for the substitution of imported products with local products. Consequently, it has influenced the increase in consumer confidence in Albanian products and brands.

Keywords: *Marketing, Agricultural Products, Competitiveness, Competitive Advantages*

INTRODUCTION

Agriculture and Agroindustry are among the main sectors of development of the Albanian economy, also due to the fact that Albania is a developing country with increasing employment needs. The sustainable development of agriculture holds a multi-functional importance because, in addition to the production of foodstuffs, its role is to extend to rural employment, revitalizing social life in underdeveloped areas, maintaining population balances, protecting nature and improving health. Agriculture bears greater economic importance for countries that intend to be members of the EU (Albania, Kosovo, North Macedonia, Montenegro, Bosnia and Herzegovina, and Serbia) than EU member countries (Council of Ministers of the Republic of Albania, 2016).

Despite facing many challenges, Albania has created evidenced policies to support the agricultural sector, through which it has aimed to increase local production capacities, increase competitiveness and reduce agricultural imports, as well as alignment of agricultural policies with the common EU agricultural policies. These policies aim to improve competitiveness, increase productivity, and reduce import dependence for agricultural products. Albania has yet to identify comparative potentials and competitive advantages as well as increase production, in order to replace imported products with local products, particularly agro-food products (SASPAC, 2022).

In this paper, special importance is given to the impact of marketing and its elements on increasing the performance of businesses, mainly companies in the agro-food sector. This article aims to address marketing with its elements, functions, advantages, and the positive effects it has on the products of this sector. Marketing in agriculture and agroindustry differs from marketing in other sectors of the economy because of the specific features of this sector. This is due to the fact that production is seasonal and concentrated in geographical areas

---

[1] Qiriazi University College, Department of Business Management, Albania; E-mail: international@qiriazi.edu.al

[2] Qiriazi University College, Department of Food Technology, Albania

that are usually far from the final consumer (Xhepa and Liperi, 2021). Additionally, agricultural products must be collected, carefully selected and transported to the market or stored in warehouses for a certain period of time. Referring to these characteristics of agricultural products, until they are presented on the market, they go through several other stages, such as: storage, transport, processing, and sale.

Based on all the aforementioned features, it can be concluded that marketing in agriculture can be defined as a combined activity that enables the movement of products from the producer to the final consumer, while the marketing system can be defined as a set of systems and factors that enable movement of the goods from the producer to the final consumer (Ministry of Agricultural and Rural Development, 2019). Marketing stands out as one of the most important elements that influence the increase in the performance of agro-food products. Marketing is essential and has a direct impact, for achieving goals and increasing competitiveness in the target market.

This study focuses on Albanian producers who have conducted prior market research, managed to secure contractual agreements within or outside the country with buyers, based on the quality of the product and being competitive in the market, and also have managed to provide better prices for their products compared to other competing products and in addition have provided some form of guarantee and security in the market for the following years (Hoxha, 2022).

Given these circumstances, it is imperative to find a marketing model, suitable for producers, that enables them to be more competitive in the local market, but also penetrate regional markets and beyond, based on marketing strategies which enable the creation of a suitable and easily applicable model by the manufacturers of these products with the main goal of reducing costs and creating competitive advantages in this very competitive market category not only from domestic products, but also from imports.

RESEARCH METHODOLOGY

The purpose of this paper is to analyze the current situation in the development of the competitiveness of agricultural products as a result of the application of marketing. This analysis involves studying the market and raising awareness among agricultural producers about increasing their performance in the market. Additionally, the paper aims to propose a marketing model for the Albanian agricultural producer to reduce cost and increase competitiveness in the market.

The main objectives in achieving the purpose of the work are:

Analysis of marketing implementation and preparation of research methodology according to the requirements arising from the questionnaires and basic hypotheses.

Drawing conclusions and providing recommendations to agricultural producers and proposing a marketing model to be followed by Albanian agricultural producers.

In order to carry out this work and to achieve the aim and objectives of the work, a basic hypothesis has been put forward:

Hypothesis 1: The application of marketing to agricultural products increases their competitiveness in the market.

RESEARCH QUESTIONS AND EXPECTED CONTRIBUTION

Throughout the paper, two fundamental research questions are addressed:

What is the state of implementation of marketing and how oriented are agricultural businesses in the application of marketing?

What is the competitive position of local producers in comparison to agricultural products that are imported from abroad?

While the expected contribution will be the proposed model for marketing to agro-food companies in Albania.

METHODOLOGY AND METHODS

This research can be considered exploratory or confirmatory. In this context, confirmatory research tests hypotheses. The results achieved help in decision-making, suggesting a specific orientation of actions.

The quantitative method of data collection includes the analysis of the main data collected mainly through questionnaires. The sample size is not less than 30 and not more than 50, which is deemed suitable for conducting this study.

It is essential to emphasize that the applied methodology in this paper aligns with its purpose and is based on these research elements:

Data sources: Combination of secondary and primary data were used. The main research is supported by the data collected through the questionnaires distributed to the interviewed business managers, while the secondary data is the result of the information provided through the literature.

Research methods: Throughout this paper, the quantitative method of data collection was employed, mainly utilizing questionnaires. This method has facilitated the comparison of the different variables used to test the hypotheses presented.

Data processing: It is based on the application of various statistical methods such as SPSS Excel, descriptive analysis, cross tables and analysis methods, as well as representation and correlations between phenomena.

Research samples: 30 different businesses involved in the production or processing of agricultural products were surveyed, from which: 5 producers/processors of milk, 7 producers/processors of non-alcoholic beverages from trees, 7 producers from vegetables, 5 producers of alcoholic beverages, 2 meat processors, 2 processors of flour products, and 2 processors of oil products.

Period the study: this research was carried out in the period March - November 2023.

RESEARCH METHODS

Research methods in this study encompass statistical methods, multivariable methods along with factor analysis, regression techniques, correlation and forecasting techniques.

The multivariable method serves as a technique aiming to unveil relationships and decisions about marketing models, which emerge as a result of the interaction and interdependence between the main variables simultaneously. For this purpose, the following frequency model was used:

THE VARIABLE

	Frequency	Percent	Valid Percent	Total Percent
Valid				

Factor analysis helps identify relationships between variables and forms "scores" (factors) for these variables. It usually determines the company's marketing image, consumer behavior and attitudes. In our case, the "Pearson Correlation" was used, whose formula is expressed as:

$$r = \frac{n(\sum xy) - (\sum x)(\sum y)}{\sqrt{[n\sum x^2 - (\sum x)^2][n\sum y^2 - (\sum y)^2]}}$$

Where:

r = correlation coefficient

n = number of pairs or points

Σxy = sum of products or points

Σx = sum of x points

Σy = sum of y points

Σx2 = sum of x points squared

Σy2 = sum of y points squared

ANALYSIS OF STUDY RESULTS

The findings of the research are primarily based on responses to general questions, followed by questions related to marketing activities and concluding the validation of hypotheses according to the Pearson Correlation model.

To analyze this paper, the study involved interviewing 30 managers of 30 companies representing various agricultural sectors. The selection criteria include companies and farms with more than 10 employees.

Table 1 - What are the forms of marketing that your company mostly implements?

		Frequency	Percentage	Valid Percentage	Total Percentage
	• Internet Marketing	15	25.0	25.0	25.0
	• Television and radio marketing	4	6.7	6.7	31.7
	• Catalog marketing	2	3.3	3.3	35.0
	• Internet Marketing + Television and Radio Marketing	6	10.0	10.0	45.0
Valuable	• Internet Marketing + Television and Radio Marketing + Catalog Marketing	19	31.7	31.7	76.7
	• Internet and catalog marketing	13	21.7	21.7	98.3
	• Internet Marketing + Fairs	1	1.7	1.7	100.0
	• Total	60	100.0	100.0	

The most commonly forms of marketing used by the interviewed business managers are as follows:

The combination of Internet Marketing + Television and Radio Marketing + Catalog Marketing with 31.7%,

The combination of Internet Marketing comprises 25%,

The combination of Internet Marketing and catalogs makes up 21.7%.

Competition in the market is perceived as strong by all sectors, as more than 80% of the company managers in each sector have stated that they encounter strong competition.

Table 2- What competition does your business face in the market?

		Frequency	Percentage	Valid Percentage	Total Percentage
	Strong competition	48	80.0	80.0	80.0
Valuable	Average	11	18.3	18.3	98.3
	We have no competition	1	1.7	1.7	100.0
	Total:	60	100.0	100.0	

Based on the data from Table 2, it is evident that more than 80% of the surveyed business managers think they encounter strong competition in the market, while 18.3% perceive the competition as average, and only 1.7% or one business considers that there is no competition.

Table 3- Do you consider that your competition is increasing the pressure to reduce product prices?

	Frequency	Percentage	Valid Percentage	Total Percentage

	Yes	43	71.7	71.7	71.7
	Average	10	16.7	16.7	88.3
Valuable	Low	7	11.7	11.7	100.0
	Total:	60	100.0	100.0	

It appears that 71.7% of respondents believe that competition heightens the pressure to lower product prices. 16.7% of respondents feel that competition exerts average pressure to reduce prices, while one interviewee, who faces no competition in the market, asserts that there is no pressure from competitors to reduce prices.

Table 4- How do you rate your customers in terms of purchasing power?

		Frequency	Percentage	Valid Percent	Total Percent
	High	6	10.0	10.0	10.0
	Average	47	78.3	78.3	88.3
Valuable	Low	7	11.7	11.7	100.0
	Total:	60	100.0	100.0	

Of all the interviewees, 78.3% of them evaluate the purchasing power of the consumer as average. 11.7% evaluate the purchasing power of the consumer as low, while 10% of the interviewees evaluate the purchasing power of the consumer as high.

RESULTS FROM CROSSTABS

In this section, the results obtained through processing with SPSS are presented, mainly through the model of cross tables. This model is used to showcase the correlation between the independent variables (x) and the dependent variables (y), as well as the cross tables where the results confirming the correlation or rejecting it are presented through the "Pearson Correlation" accompanied by a two-sided significance test (sig 2 – tailed).

Table 5.- Correlation- Market price- market success- Correlations

		Do you think that the price of the product is decisive in creating a competitive advantage in the market?	Do you think that for success in the market, the company should be based on: quality, price, or both?
Do you think that the price of the product is decisive in creating a competitive advantage in the market?	Pearson Correlation	1	-.196
	Dig(2-Tailed)		-.133
	N	60	60
Do you think that for success in the market, the company should be based on: quality, price, or both?	Pearson Correlation	-.196	1
	Dig(2-Tailed)	-.133	
	N	60	60

In Table 5, two variables are compared and the results indicate that a Pearson Correlation coefficient reveals no positive relationship between the two variables, r = -.196, n = 60, p = 0.133.

In general, there is no strong positive relationship between "Do you think that product price is decisive in creating a competitive advantage in the market?" and "Do you think that for success in the market, the enterprise should be based on: quality, price, or both?"

The robust relationship does not exist as the price of the product does not create a competitive advantage in the market in relation to success as a result of quality, price or both. Consumers of agricultural producers place a higher value on the brand (brand name) and exhibit loyalty built over years towards the agricultural products of the companies/farms that serve as a case study for this paper.

Table 6-. Correlation- Market success- product price- Correlations

		Do you think that for success in the market, the company should be based on: quality, price, or both?	Do you think that the price of the product is decisive in creating a competitive advantage in the market?
Do you think that for success in the market, the company should be based on: quality, price, or both?	Pearson Correlation	1	-.196
	Dig(2-Tailed)		-.133
	N	60	60
Do you think that the price of the product is decisive in creating a competitive advantage in the market?	Pearson Correlation	-.196	1
	Dig(2-Tailed)	-.133	
	N	60	60

Table 6-. Correlation- Market success- product price- Correlations

		Do you think that for success in the market, the company should be based on: quality, price, or both?	Do you think that the price of the product is decisive in creating a competitive advantage in the market?
Do you think that for success in the market, the company should be based on: quality, price, or both?	Pearson Correlation	1	-.196
	Dig(2-Tailed)		-.133
	N	60	60
Do you think that the price of the product is decisive in creating a competitive advantage in the market?	Pearson Correlation	-.196	1
	Dig(2-Tailed)	-.133	
	N	60	60

In table 6, the following two variables were compared: "Do you think that the price of the product is decisive in creating a competitive advantage in the market?" and "Do you think that for success in the market, the company should be based on: quality, price or both?"

The results indicate that a Pearson Correlation coefficient revealed no positive relationship between the two variables, r = -.196, n = 60, p = 0.133.

In general, there is no positive relationship between the following two variables: "Do you think that for success in the market, the enterprise should be based on: quality, price, or both?" and "Do you think that the price of the product is decisive in creating a competitive advantage in the market?"

The absence of a positive relationship between the two variables indicate that companies do not consider only price and quality when determining competitive advantage. Consequently, other variables that have an impact on creating competitive advantage in the market should be analyzed.

Table 7-. Correlation- Place of action- industry- Correlations

		Country/ Region of Operation?	Industry where it operates?
Country/Region of Operation?	Pearson Correlation	1	-.250
	Dig(2-Tailed)		-.045
	N	60	60
Industry where it operates?	Pearson Correlation	-.250	1
	Dig(2-Tailed)	-.045	
	N	60	60

In Table 7, the variable "Country/Region of operation" is compared with the variable "Industry where it operates?". The calculations reveal a Pearson Correlation coefficient, indicating a strong positive relationship between the two variables, r = .250, n = 60, p = 0.045.

In general, a strong positive relationship exists between the two variables, signifying that the place of activity or operation and the industry, mainly the sector, have a positive relationship that is reflected in the working conditions, geographical region, origin of the raw material, proximity to the supplier, proximity to the collection points, and also in the proximity to the potential consumer, which consequently can be concluded that all these elements combined influence the reduction of the cost of agro-food products.

VERIFICATION OF HYPOTHESES

The tables below present the validation of the hypotheses

H1: Consumer loyalty to agricultural product brands shows a positive correlation with the studied consumer activities directed by the companies that offer these products.

Table 8-. Hypothesis 1

Correlations

		How loyal are consumers to your brand, compared to those of the competition?	Have you ever analyzed your customers (through observation or survey)?
How loyal are consumers to your brand, compared to those of the competition?	Pearson Correlation	1	-.289
	Dig(2-Tailed)		-.025
	N	60	60
Have you ever analyzed your customers (through observation or survey)?	Pearson Correlation	-.289	1
	Dig(2-Tailed)	-.025	
	N	60	60

Table 8 summarizes the results of the first hypothesis which can be proved as fully accepted. The first hypothesis posits that consumers who are loyal to a firm's brand compared to competitors is correlated with consumer search activities.

A Pearson correlation coefficient revealed that there is a positive relationship between the two variables, $r = 0.289$, $n = 60$, $p = 0.025$.

In general, a strong positive relationship exists between consumer brand loyalty and the marketing activities conducted by firms for consumer analysis aimed at meeting consumer needs. This correlation is further supported by the responses from the participants, where a significant majority, 83.3%, affirm that they consistently undertake activities for customer analysis, either by engaging the internal staff (the marketing department and personnel from other departments) or in cooperation with in-house and outsource personnel, predominantly specialized marketing agencies.

Hypothesis 2: The profitability of companies that deal with agricultural products has a positive correlation with consumer loyalty towards the brands of these companies.

Table 9-. Hypothesis 2

Correlations

		Do you consider that the industry in which you operate is profitable?	How loyal are consumers to your brand, compared to those of the competition?
Do you consider that the industry in which you operate is profitable?	Pearson Correlation	1	-.354
	Dig(2-Tailed)		-.006
	N	60	60
	Pearson Correlation	-.354	1

How loyal are consumers to your brand, compared to those of the competition?	Dig(2-Tailed)	-.006	
	N	60	60

Table 9 presents the results related to the second hypothesis, which is also proved as fully accepted. The second hypothesis was based on the assumption that the business profit of firms is strongly associated with the loyalty of their customers.

The Pearson correlation coefficient sheds light on the positive correlation between the two variables, $r = 0.354$, $n = 60$, $p = 0.006$.

In this context, we can conclude that firm profitability exhibits a robust positive relationship with customer loyalty. This is confirmed by the responses of 63.3% of managers who asserted that the agricultural sector is profitable, and 37% of respondents who believe that there is an average profit in this sector.

These opinions are aligned with and reinforce the hypothesis based on consumer satisfaction and consumer loyalty towards the products of the surveyed companies. Many managers have stated in many of their responses that they have assessed customer loyalty, and this has influenced the increased profits of these firms.

Hypothesis 2: The annual performance measurement for meeting the managerial objective through the marketing activities of enterprises has a positive correlation with the increase in sales of agricultural products.

Table 10-. Hypothesis 3

Correlations

		If yes, have you concluded that the performance has met the management objective?	If so, has this marketing activity had an impact on increasing sales?
If yes, have you concluded that the performance has met the management objective?	Pearson Correlation	1	-.612
	Dig(2-Tailed)		-.000
	N	60	60
If so, has this marketing activity had an impact on increasing sales?	Pearson Correlation	-.612	1
	Dig(2-Tailed)	-.000	
	N	60	60

Table 10 summarizes the results of the third hypothesis which can be proven and accepted as accurate. The third hypothesis assumes that the annual performance measurement for meeting the managerial objective through the marketing activities of enterprises has a positive correlation with the increase in sales of agricultural products.

A Pearson correlation coefficient revealed that there is a very strong positive relationship between the two variables, $r = 0.612$, $n = 60$, $p = 0.000$.

In general, a very strong positive relationship exists between performance measurement and effective marketing activities carried out by the enterprises that are part of this study. Over 55% of the respondents express satisfaction with the achievement of management objectives and the increase in sales as a result of good

performance in the market, while 36.7% of them are moderately satisfied with the improvement in performance and its impact on sales growth.

PROPOSED MODEL FOR AGRICULTURAL PRODUCERS

Based on the literature reviewed in the course of this work as well as the results derived from the research conducted with processing companies in the agricultural sector with the aim of enhancing competitiveness in the market, the companies that are a case study in this work, but not limited to them, are proposed a model to improve competitiveness in the market, taking into account all the actors (interest groups) important in the process of closing the cycle, spanning from the producer to the final consumer. Interest groups encompass the immediate competitive environment (suppliers, creditors, competition and consumers) and the broader environment (government and international organizations), as illustrated in Figure 1.

Figure 1. The proposed model for competitiveness
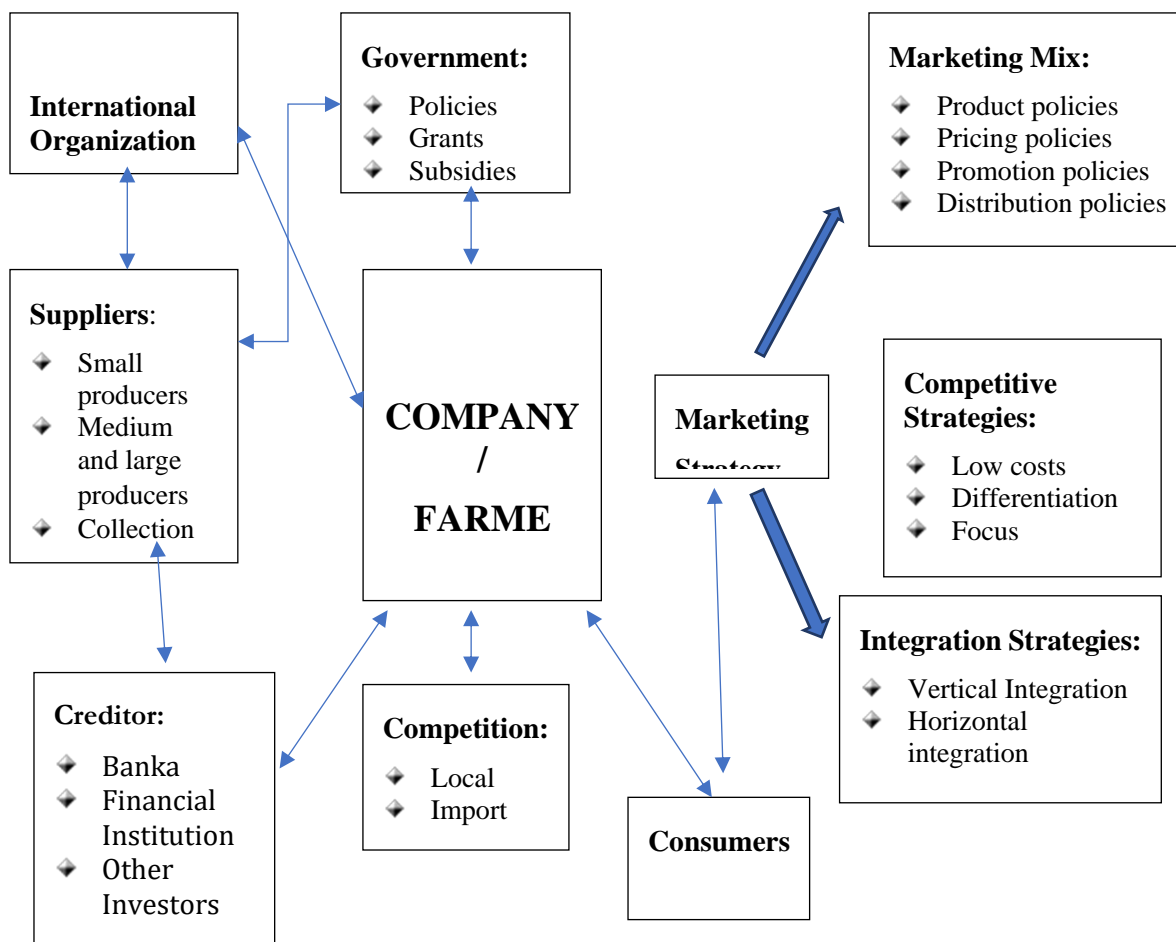
Prepared by Uldedaj, Gj., and Gjeloshi, Gj.

The agricultural company needs to analyze each interest group thoroughly because through a comprehensive and detailed analysis, as outlined below, can increase its competitiveness in the market, and, in this context, lead to market participation and higher sales through the sale of more products to existing customers and higher sales to new customers.

Suppliers are among the most significant interest groups including small producers, plantations and collection centers (Kotler, Kartajaya, and Setiawan, 2021). The competitors are a group of interest to which the company requires the utmost attention. Close competitors (vendors) and distant competitors (importers) are direct

competitors that significantly affect the company's competitiveness, market share and overall sales. The marketing department or the designated individual within the enterprise must consistently analyze the market dynamics related to the competition and, in particular, their products (quality, type, packaging), competition prices for the same or similar products, promotional policies and distribution channels, and, above all, thoroughly analyze and understand the marketing strategies used by the competitors. This enables the company to stay ahead of the competition at all times, maintaining and increasing its competitiveness in the market (Vërçuni and Uldedaj, 2023).

The consumer analysis requires the commitment of all company staff irrespective of their department or sector. The role of the marketing department or marketing manager is to design and implement a competitive marketing strategy that creates a better competitive and comparative advantage for the company over its competition. The marketing strategy proposed for the agricultural enterprise comprises three types of strategies: the marketing mix strategy, competitive strategies (Porter's generic strategies), and integration strategies.

CONCLUSIONS AND RECOMMENDATIONS

CONCLUSION

Drawing upon the literature, the purpose and objectives presented, the methodology used in the paper, and the findings of the research, we can derive three types of conclusions: conclusions on the theoretical level, conclusions on the methodological level, and conclusions on the practical level.

CONCLUSIONS ON THE THEORETICAL LEVEL

The globalization of the economy and the development of new markets coupled with global competition, pushed companies to be more careful in their marketing activities, a theory which also applies to manufacturing companies in the agro-food sector in Albania.

The definition of objectives must be clear and understandable for all employees of the company, while simultaneously being realistic and achievable within defined time frames.

The strategy implementation phase does not mark the end of the strategic planning process as the achieved effects should be seen and measured through the strategy implementation control (Dieppe, 2020).

The marketing budget should be prepared as a time-need for harmonizing the preliminary actions by the marketing department with other interrelated functions within the enterprise.

The promotion policy has evolved significantly, allowing companies today to choose from numerous options and forms of communication, especially through social media and online marketing, to connect more easily with costumers.

In Albania, minimal attention has been given to the treatment of marketing strategies both in the theoretical aspect, as well as in the analysis of the practical implementation of these strategies (International Trade Administration, 2021).

METHODOLOGICAL CONCLUSIONS

In order to understand the implementation of marketing activities and strategies in agricultural production enterprises in Albania, surveys were deemed necessary and were analyzed. For this purpose, agriculture enterprises employing more than 10 workers were selected as a sample, while the interviews were conducted mainly with the owners or the senior managers of these enterprises.

The questionnaire is the research instrument utilized to collect data from companies and is built from various questions primarily related to marketing activities and strategies but also covering other questions about competition, competitiveness and competitive advantage in the market through which interesting conclusions were derived, providing a clear overview of how they are being implemented in practice and the importance given to marketing in our production enterprises.

The survey also revealed a level of professional preparation and marketing skills learned or acquired in practice by the managers and/or owners of the enterprises surveyed.

The study includes comparative look between the same businesses and between different businesses within a sector.

CONCLUSIONS ON THE PRACTICAL LEVEL

Market analysis can succeed when there is consumer confidence. The growth of this trust creates conditions for retaining existing customers and attracting new customers. To achieve this, experts from the marketing field are needed. The findings lead to the conclusion that there is a very good correlation between these two elements.

Customer trust means repeated purchases from existing customers and increase in the number of customers, thereby affecting the increase in company's profits. This has been proven to be accurate also for the companies that are part of this study and in line with the proven hypothesis related to these variables.

A large part of the respondents agrees with the conclusion that the price reduction can differentiate them more easily in the market from their competitors, in fact, 83% of them confirm the question with positive answers.

The majority, approximately 78% of the respondents are of the opinion that the industry where they operate is very profitable.

Most of the respondents have not yet established a sustainable supply chain due to not concluding contracts with suppliers in advance.

Agro-food producers agree that there is strong, but genuine, competition in the market.

The respondents are of the opinion that the combination of product, quality and reasonable price, is the formula for success in the market.

The fight between international and domestic competition, according to respondents, is conducted through the lower prices offered by competitors from abroad.

Marketing research/market analysis is conducted both by internal staff and by outsourcing specialized marketing agencies externally.

The marketing tools used by small and medium-sized enterprises are mainly social media and direct marketing, while large businesses use more television and radio as forms of promotion.

A small part of businesses does zone pricing, while the vast majority do not.

RECOMMENDATIONS

The sustainable development of the enterprise in the market requires meticulous implementation of business strategies. Implementation is a critical moment for any enterprise. Marketing managers must find the easiest possible techniques to put into practice the strategy designed to achieve the company's goals. As most of the companies, part of this study, do not have marketing experts, it is recommended that they hire experts from the field of marketing, while the companies that stand better financially, form the marketing department within their companies.

As most of the strategic decisions in the surveyed companies are made by the owners or finance managers and less by the marketing managers, it is recommended that these companies base their strategic planning on a coordination between the marketing department and other departments in the company. For companies that do not have a marketing department, it is advised hire marketing experts or outsource experts for temporary work.

RECOMMENDATIONS FOR PRODUCERS/PROCESSORS

The manufacturing companies for agro-food products, as part of this study, have to some extent integrated elements of the marketing mix, in particular promotion and distribution channels, however have deficiencies

related to the price and product differentiation. Another shortcoming that has been observed in these businesses is the use of insufficient or, more precisely, poor knowledge of marketing strategies.

The reduction of cost price can be achieved through various strategies which, according to surveys, can affect the increase of competitiveness in the market, the increase of consumer confidence and ultimately lead to the replacement of imports with local products.

The strategies that can be implemented by the producers, according to the sectors, would be:

Vertical integration strategy (up-down), and Vertical integration strategy (down-up).

The strategy of vertical integration is highly suitable for most agricultural producers in Albania.

Milk processors can implement this strategy by establishing advance agreements with farmers ensuring a regular supply of milk and guarantee them the price for milk, which would ensure stability in supply and reduce the risk of running for fresh milk through different collection points.

Processors of soft drinks derived from trees and processors of vegetables can also adopt this strategy, entering into advance agreements with farmers, plantation owners for regular supply of raw materials, alternatively buy or borrow property and plant their own trees and vegetables for cost reduction.

Producers/processors of alcoholic beverages can minimize costs by planting grape vines on leased plantations or by pre-arranging with farmers who own the plantations and cover the costs of the raw material as compensation for the lower price for the grapes.

Production and processing of flour products - the same can benefit from suppliers by buying wheat seed from them for planting, securing favorable prices from the outset.

For edible oil processors it is advised to consider agreements with Albanian farmers to plant sunflowers, pay for the seeds and establishing long-term agreement for the supply of raw materials.

REFERENCES

Council of Ministers of the Republic of Albania. (2016). National Strategy for Development and Integration 2015-2020. Retrieved from: https://www.dap.gov.al/publikime/dokumenta-strategjik/278-strategjia-kombetare-per-zhvillim-dhe-integrim

Dieppe, A. (2020). Global Productivity: Trends, Drivers, and Policies. Washington: International Bank for Reconstruction and Development / The World Bank.

Hoxha, B. (2022). Prodhimet Bujqësore, Sfidat e Eksportuesve. Monitor. Retrieved from: https://www.monitor.al/prodhimet-bujqesore-sfidat-e-eksportuesve-2/

International Trade Administration. (2021). Albania - Country Commercial Guide. International Trade Administration. Retrieved from: https://www.trade.gov/country-commercial-guides/albania-export-controls

Kotler, P., Kartajaya, H., and Setiawan, I. (2021). Marketing 5.0: Technology for Humanity. New Jersey: John Wiley & Sons.

Ministry of Agricultural and Rural Development. (2019). Udhëzim Nr. 3, Date 15.04.2019 Për Kriteret, Procedurat, dhe Mënyrën e Administrimit të Fondit të Programit për Bujqësinë dhe Zhvillimin Rural. Retrieved from: https://bujqesia.gov.al/wp-content/uploads/2019/04/Udhezimi-_Skema-Kombetare-2019.pdf

SASPAC (Agjencia Shtetërore e Programimit Strategjik dhe Kordinimit të Ndihmës). (2022). Strategjia Kombëtare për Zhvillim dhe Integrim Europian 2030, Rev. 28Oct22.

Vërçuni, A. and Uldedaj, Gj. (2023). Bazat e Marketingut. Tirana: Maluka.

Xhepa, S. and Liperi, O. (2021). Produktiviteti: Thembra e Akilit e Ekonomisë Shqiptare. Tirana: Friedrich-Ebert-Stiftung.