Impact of Innovation Types on Enterprises Sales Growth: Evidence from Kosovo

Shaqir Elezaj1, Ramiz Livoreka2*

1 Department of Management, University for Business and Technology, Prishtina 10000, Kosovo
2 Department of Marketing, University “Hasan Prishtina”, Prishtina 10000, Kosovo

Corresponding Author Email: ramiz.livoreka@uni-pr.edu

https://doi.org/10.18280/ijsdp.170521

Received: 11 May 2022
Accepted: 15 July 2022

Keywords: innovation types, Kosovo, sales growth, logic model, L25, L26, O31

ABSTRACT

This paper aims to analyze the impact of the types of innovations in increasing the sales of Kosovo’s enterprises. The findings of this paper confirm the hypotheses that organizational innovations, product/process innovations and marketing innovations have a positive impact on increasing the level of sales. This empirical research was conducted with enterprises in Kosovo, so the main limitation of this research is the non-inclusion of enterprises of Albania, Montenegro, North Macedonia, Bosnia and Herzegovina, etc. The involvement of enterprises from these countries would provide a broader picture of the research issues for transition countries. This empirical research is of particular importance because it studies the impact of types of innovation on increasing the sales level of enterprises in transition countries. Kosovo suffer from weak enterprises sector and underdeveloped entrepreneurship sector. Without the development of an innovative system of the private sector and the entrepreneurial sector, Kosovo cannot overcome the transition process. Therefore, this paper could be a reference point for the government policies of Kosovo, which should support all enterprises in the development of all types of innovations.

1. INTRODUCTION

The Republic of Kosovo has not yet completed transition. This process is characterized by changes of macroeconomic nature [1, 2]. In terms of economic structure, Kosovo does not differ much from Montenegro, Albania, North Macedonia, Bosnia and Herzegovina, but Kosovo differs in terms of political problems and the transition process [3-5]. Historically, Kosovo has always suffered from underdevelopment and economic backwardness. Due to ethnic tensions, Kosovo’s economy began to decline in the early 1980s.

After 1999 Kosovar economy is not able to recover [6, 7]. Despite the fact that every year Kosovo has an economic growth of 4%, this increase is not enough to alleviate the unemployment rate and to expand economic activity [8]. The development of entrepreneurial activities, the support of start-up businesses, the support of SMEs are seen as a generator of economic growth and employment growth [9]. According to Scase and Goffee [10]; McIntyre [11], most entrepreneurs in transition countries are necessity-based entrepreneurs. Many Kosovars opened small businesses during the nineties to survive. So they did not open them out of a great desire to become an entrepreneur or a businessman but out of a great need to survive as a result of poor economic and material conditions.

This is the background of this research. Meanwhile the idea of this research originates from the heavy history of the Kosovar economy and the impact that innovations can have on the performance of the enterprises of this country in the current circumstances, where the enterprises of Kosovo as a result of the oppression and circumstances of the nineties are still unable to develop and to grow. Therefore, the purpose and significance of this paper originates from this. The reason for this research lies in the fact that it is thought that the development of innovations itself improves the performance of Kosovar enterprises which have not yet taken the appropriate step of development.

The concept of innovation in business, unfortunately it can be said that it is still not a very applicable concept for businesses in transition countries such as Kosovo [12]. The figures show that although some companies in the information technology or software sector apply innovations extensively, many Kosovar companies still do not develop enough innovative activities. For this reason, Kosovar exports are at a low level, and at the same time the production within GDP is very solid.

Therefore, this is a problem that is very evident in Kosovar enterprises. The findings of this paper aim to provide instructions on how to solve this problem. The idea of the research is to analyze the impact of all types of innovations on raising the level of sales, specifically on their performance. This will be achieved through research methods: qualitative (literature review) and quantitative (econometric model) methods.

There are different definitions of innovation in the management literature. Innovation is usually the process of creating new ideas in the enterprise and these new ideas aim to increase business performance [13]. Innovative activities also vary from enterprise to enterprise. Enterprises pay special attention to all types of innovation. The conceptualization of innovation and the level of development of countries moderates the link between innovative activities and success in increasing the level of production.

Therefore, the impact of types of innovations on the
economic performance of small and medium enterprises is of great importance in the research of authors in the field of management and marketing. The results of these authors, conclude that innovative activities have a tremendous impact on the business growth of all enterprises regardless of size, sector and country [14].

The research questions of this paper can be summarized as follows:

1. What is the impact of product innovations on increasing the sales level of Kosovan enterprises;
2. What is the impact of marketing innovations on increasing the sales level of Kosovan enterprises;
3. What is the impact of organization innovations on increasing the sales level of Kosovan enterprises;

Based on these research questions, research hypotheses have been formulated which are presented in the methodology section. The literature review will make it possible to better understand the impact of these types of innovations on increasing the sales level of these enterprises of different sectors. The expected results will provide information on the impact of the types of innovations separately on the level of sales of Kosovan enterprises. So various sources from eminent international authors who have elaborated the impact of types of innovations on the economic performance of enterprises will serve as the basis for setting up our econometric model. Existing research results affirm that different types of innovations have different impact on the performance of Kosovan enterprises, some affirm that product innovations have significance, while others marketing innovations. Therefore, the relevance of this paper lies in the fact that it can be cited and used when any other more extensive research is done on this issue.

2. REVIEW OF LITERATURE

The literature on innovations in management and marketing is extensive and is enriched from year to year as a result of various research which is conducted on this issue. Bloom and Van Reenen [15]; Oke et al. [16]; Bessler and Bittelmeyer [17]; Chetty and Stange [18] classify innovations as product, process, marketing, and organizational innovations. Meanwhile Hult and Ketchen [19]; Calantone et al. [20]; Millenner et al. [21] in their studies researched the impact of innovation on business activities. Of course, the results achieved by these authors prove that innovations have a great impact and are significant indicators of the success of enterprises in their business.

Stočić and Hashi [22] claim that innovation is of great importance both for the growth of businesses and for the improvement of national economies. The object of their research was the output of innovations and its impact on enterprise productivity. They even claim that the impact of innovation varies from enterprise to enterprise, so enterprise heterogeneity has a great impact on determining the impact of innovation on enterprise. The costs incurred by the enterprise in Research and Development play a major role in its innovative potential. Also, these authors in their research have achieved similar results as our research, so all types of innovations have a positive impact on increasing the performance of the enterprise.

Krasniqi and Kutlovci [23] in their research, they have concluded that the market and the consumer are the main elements that force enterprises from all economic sectors to innovate. Consumer needs, requirements and desires are the element that forces all companies to work and engage to the maximum to develop innovations of all types. Were it not for the market, demand and supply in the market, none of the companies would try to innovate, because the market is the driving force of any business activity.

Li and Atuagene- Gima [24]; Langley et al. [25]; Arañiza et al. [26]; Lee et al. [27]; Bozic [28]; Balakrishkanagul [29]; Vicente et al. [30]; Jusufi et al. [31]; Ramaj et al. [32] in their studies concluded that product innovations are very important for enterprises. These authors in their research showed that business performance is positively impacted by product innovations. Those companies that develop product innovations achieve greater success in the market. Also according to these researches, product innovations are important for exporting companies because the success in export depends a lot on the products that are exported.

Lukas and Ferrell [33]; Bozic [34]; Schubert [35]; Hernandez-Espallardo and Delgado-Ballester [36]; Rosi and Sidek [37]; Moreira and Silva [38]; Krasniqi and Desai [39]; Tankosic and Vapa [40]; Cieslik and Michalek [41]; Slogar and Bezik [42]; Reçica et al. [43] have researched in more detail the relationship between product innovation and enterprise success. These authors as well as the above authors have come to the conclusion that product innovations are essential for the business success of the enterprise. These authors even emphasize the fact that if the consumer orientation and market share of the enterprise is large, the product innovations will be greater.

Another authors, as they are Vega-Jurado et al. [44] claim that technological competencies, industrial branch and the level of innovation are the main determinants of the success of the enterprise in the development of innovative activities. An enterprise which possesses sophisticated and modern technology will naturally develop innovations in particular product and process innovations. The stages of new product development will be easier for this enterprise. The new product will also be multidimensional.

Some industrial sectors tend to support various innovations, for example the services sector, the competition that develops in this sector is a determining factor in the development of innovations, in particular product or process innovations as well as marketing ones. The manufacturing sector also supports enterprises in developing innovations, in particular product innovations because a new and quality product is essential to the success or failure of manufacturing enterprises.

Halpern and Murakozey [45], and Mahmutaj-Rexhepi and Krasniqi [46] are among the few authors who provide evidence that product and process innovations do not positively affect the business performance of the enterprise. According to them, despite the fact that product innovations are important for the enterprise, they are not a determining factor of the enterprise’s success in increasing sales and turnover. In contrast to these authors most of the analyzed authors provided theoretical and empirical evidence that product and process innovations have a positive impact on enhancing business performance.

Rhee et al. [47]; Naidoo [48]; Gupta and Malhotra [49]; Gupta et al. [50]; Spychalska-Wojtkiewicz [51] attaches great importance to marketing innovations. According to their, despite the fact that a certain company creates product or process innovations, it can not achieve success or profit if it does not choose the right marketing methods. Increasing the level of sales depends a lot on marketing innovations. So all types of innovations depend on marketing innovations. The
genesis of it all is marketing innovation. Contrary to the evidence of this author, Schmidt and Rammer [52] asserts that the genesis of marketing innovations are product and process innovations. So there has to be something material and tangible, to be sold then or even to do marketing.

Product innovations and marketing innovations have been discussed so far, while organizational innovations will be discussed in the following paragraph. The authors of the paper could not find sufficient theoretical and empirical evidence regarding organizational innovations. Evangelista and Vezzani [53]; Zaied Ben [54]; Krasniqi and Dula [55] are some of the authors or researchers who have dealt with organizational innovations. They have defined organizational innovations, their importance in management as well as their effects on the organization.

Whereas the authors like Sanidas [56]; Rosenbusch et al. [57]; Sapprasert and Clausen [58]; Yamakawa Tsuja and Ostos Marino [59]; Seifried and Katz [60]. Fernandes Rodrigues Alves et al. [61]; Stojčić et al. [62] investigated the impact of this type of innovation on enterprise performance. Their evidence shows that organizational innovations have a positive impact on the enterprise performance of each economic sector. So all the theoretical evidence or rather the vast majority of theoretical and empirical evidence show a positive relationship between the types of innovation and the performance of the enterprise. Therefore, the findings of this paper show that all types of innovations have a positive impact on the performance of the enterprise.

The status of research related to innovations, it can be said that from the international point of view there are many sources that have elaborated this issue and each of them has brought an innovation to the academic world. Even in this section, most of the literature sources were from international authors. Since the 1960s, the international literature on innovations has progressed. Usually, most of the authors who have elaborated on this problem are from England, USA, Turkey, etc.

Despite this, there are still problems related to this issue. As understood from the literature review of this paper, most research on innovations has been conducted on product and process innovations. Therefore, there is little research and evidence related to marketing and organizational innovations. However, as far as the local aspect is concerned, there are very few researches related to innovations. It can be said that there are only 3 to 4 researches that have been done on the impact of innovations in the environment of Kosovar enterprises.

The biggest breakthrough of this paper is the treatment of such a topic, thus adding to the literature on innovations and their types with special emphasis on Kosovo. So this is the greatest theoretical value of this paper, because it has dealt with literature sources of international and local authors as far as they are. Therefore, for this reason, the authors have come up with a proposal to address such a topic. At the end of this section, it can be said that the relationship between the questions and the field of research is positive, so the theoretical evidence shows that there is a positive relationship between the types of innovation and the increase in sales of Kosovar enterprises.

3. METHODOLOGY

The research methods of this paper are qualitative (literature review) and quantitative (econometric model) methods. The methodology of each research is special, therefore the methodology of this paper is special because it contains practical and theoretical values. At the beginning of the research it was stated that 400 enterprises were involved in the research and these enterprises are from different sectors such as production, trade and services. The reason for the involvement of enterprises from all sectors of the economy is the fact that Kosovo has a small number of enterprises and that most of Kosovo enterprises belong to the services sector, followed by production and the trade sector.

The manufacturing sector is underdeveloped because Kosovo's industry was destroyed during the 1990s. After 1999, Kosovo's giant companies lost market share in the former Socialist bloc countries, while their products were not sold in Western countries. Thus, Kosovar entrepreneurs were oriented towards the establishment of service and commercial or trade enterprises. The few manufacturing companies that exist in the Kosovo market are the majority of companies that produce products from wood, food and metal.

Regarding the information related to the survey it can be said that these enterprises were interviewed by the authors of this paper, within a period of several months, namely from August 2021 to December 2021. The interview was conducted directly with CEOs, human resource managers, sales and marketing managers, financial managers, etc. The geographical area of Kosovo is not very large so these companies have been interviewed in every location and region of Kosovo. Kosovo has 7 regions: Pristina which represents the largest region, then Prizren, Peja, Mitrovica, Gjilan, Gjakova and Ferizaj. The largest number of Kosovar businesses are concentrated in the region of Pristina, Peja and Ferizaj.

Pristina is the capital of Kosovo and it can be said that most of Kosovo's economy is concentrated in this region. Meanwhile, Peja and Ferizaj are regions that have a tradition in business development, especially trade and industry. Data related to location, business size, business organization, number of employees, business sector, are provided by the Ministry of Trade and Industry of Kosovo. This ministry possesses data on enterprises of all types in Kosovo. This number of 400 enterprises constitutes about 60% of Kosovar enterprises. Their size can be claimed to be medium and large.

In contemporary literature this research methodology is widely used. We have tried to present this methodology according to the conditions of the research and the circumstances of the enterprises and the economy of Kosovo and that of the Western Balkans. It should be noted that there is not enough literature in the field of business innovations and their impact on business activity for the Western Balkan countries such as Kosovo, North Macedonia, Bosnia and Herzegovina, etc. In the results section, some resources are given which can be compared to this research or paper. The research so far that has focused on the Western Balkan countries has usually focused on macroeconomic issues, structural economic problems, the unfinished transition, and very few of them have focused on enterprise innovation. Therefore, there is very little research that can be compared to our research.

Our econometric model does not include many variables, but only those that are essential to measure the impact of innovation types on sales growth of these enterprises. Table 1 shows the variables of this model and also the categories of these variables.
Lagorio et al. [63] claim that Urban Logistics is about the movement of goods and describes the transport of goods in urban areas. So this describes the movements within a city. This concerns the supply of end customers as well as the supply of retail, industry or trade. In this model, the dependent variable can have only 2 categories and no more. So the basic characteristics of logistic model is the fact that the dependent variable in this model consists of 2 categories.

Therefore the dependent variable of our paper consists of 2 categories. Specifically, the representatives of the enterprises were asked by the authors of the research whether their sales have increased as a result of the types of innovations they have developed within a period of five years. 56% of enterprises answered that they have increased, while 44% of enterprises answered that their sales have not increased. The following section will present the results achieved from the empirical evidence obtained as a result of the statistical model.

Based on these data, the econometric model can be presented as follows:

\[
P(Y_i = 1) = \beta_0 + \beta_1 \text{Marketing innovation} + \beta_2 \text{Product or Process innovation} + \beta_3 \text{Organizational innovation} + \epsilon_i
\]

The hypotheses of our paper are as follows:
H1: Product innovations positively affect the growth of sales level of Kosovo enterprises;
H2: Marketing innovations have a positive impact on increasing sales level of Kosovo enterprises;
H3: Organizational innovations have a positive impact on increasing sales level of Kosovo enterprises.

4. RESULTS

The empirical results achieved by the statistical research will be presented in this section of the paper. The table above presents the variables and their categories. Meanwhile the following statistics present Hosmer and Lemeshow’s Goodness of-fit test, Multicollinearity test, logic model estimation, and specifications of the Logit Model. Initially, the following table presents the Hosmer and Lemeshow’s Goodness of-fit test and the below table the Test of Multicollinearity.

In case Hosmer and Lemeshow’s Goodness of-fit test is not significant, it indicates that the data fit our model. The values of this test show that everything is fine regarding the statistics achieved.

Following the results of this test, the following table presents the values achieved by the logistic model. The achieved results show that all types of innovations represent significance in our paper. Table 2 presents Hosmer and Lemeshow’s Goodness of-fit test.

Meanwhile, Table 3 presents Multicollinearity test. This test is very important.

Table 4 shows the values of the logic model. So, Logic model estimation was presented below.

### Table 1. Variables with categories

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increasing the level of sales</td>
<td>1- Yes; 0- No</td>
</tr>
<tr>
<td>Marketing innovation</td>
<td>1- Yes; 0- No</td>
</tr>
<tr>
<td>Product or Process innovation</td>
<td>1- Yes; 0- No</td>
</tr>
<tr>
<td>Organizational innovation</td>
<td>1- Yes; 0- No</td>
</tr>
</tbody>
</table>

### Table 2. Hosmer and Lemeshow’s Goodness of-fit test

<table>
<thead>
<tr>
<th>Number of observations</th>
<th>400</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hosmer-Lemeshow chi²</td>
<td>8.91</td>
</tr>
<tr>
<td>Prob&gt; chi²</td>
<td>0.785</td>
</tr>
</tbody>
</table>

### Table 3. Multicollinearity test

<table>
<thead>
<tr>
<th>Variables</th>
<th>VIF</th>
<th>SQRVT</th>
<th>Tolerance</th>
<th>R-Squared</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing innovation</td>
<td>1.17</td>
<td>1.09</td>
<td>0.96</td>
<td>0.191</td>
</tr>
<tr>
<td>Product or Process innovation</td>
<td>1.22</td>
<td>1.02</td>
<td>0.89</td>
<td>0.145</td>
</tr>
<tr>
<td>Organizational innovation</td>
<td>1.14</td>
<td>1.11</td>
<td>0.92</td>
<td>0.169</td>
</tr>
</tbody>
</table>

### Table 4. Logic model estimation

<table>
<thead>
<tr>
<th>Variables</th>
<th>B</th>
<th>S.E.</th>
<th>Wald</th>
<th>df</th>
<th>Sig.</th>
<th>Exp(B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product or Process innovation</td>
<td>0.851</td>
<td>0.633</td>
<td>1.444</td>
<td>1</td>
<td>0.051**</td>
<td>1.158</td>
</tr>
<tr>
<td>Marketing innovation</td>
<td>1.334</td>
<td>0.518</td>
<td>3.229</td>
<td>1</td>
<td>0.018*</td>
<td>1.201</td>
</tr>
<tr>
<td>Organizational innovation</td>
<td>0.869</td>
<td>0.645</td>
<td>1.548</td>
<td>1</td>
<td>0.003***</td>
<td>1.047</td>
</tr>
<tr>
<td>Constant</td>
<td>5.888</td>
<td>1.967</td>
<td>5.559</td>
<td>1</td>
<td>0.011</td>
<td>1.009</td>
</tr>
</tbody>
</table>

*** Significant at 1% level, ** significant at 5%, * significant at 10% level

It should be noted that there is very little research on the impact of innovation types on the performance of Kosovar enterprises. Some of these few researches that have addressed this issue are Reçica et al. [43], Jusufi et al. [14], Rexhepi-Mahmutaj and Krasniqi [46], Jusufi et al. [64]. These authors in their research have used variables similar to our variables, but unlike our research, these authors have used control variables.

We have not used control variables because we are interested in knowing the effect of these types on the sales growth of the analyzed enterprises, without introducing other variables that do not directly affect sales growth such as types of innovations. We think that innovations have a tremendous impact compared to the number of employees, the size of the enterprise or even the level of education of managers and middle and lower level employees. These obtained statistics reflect the extraordinary importance of the types of innovations in the business performance of the enterprises that are the subject of our research.

Product/Process innovation represents significance in our research. So the more Kosovar companies develop such innovations, the more likely they are to increase their sales. New products are essential for increasing the sales of Kosovar companies. Unfortunately, a considerable number of Kosovar companies develop new products. The services sector leads in terms of product innovations. In particular, Kosovar companies that develop their business activity in the field of information technology, software are leaders not only in Kosovo but also beyond. This type of innovation also has a positive relationship with the dependent variable.

It should be said that the independent variables represent significance in our model, well the level of their significance differs from 1% level, 5% level, and 10% level. The Marketing innovation variable is significant at 10%. Kosovar companies apply marketing according to market needs and it can be said that especially service companies make marketing innovations...
often because there is strong competition in this sector, so to survive they in addition to product and service innovations must develop marketing innovations. Many companies from this sector, are creating amazing ads, are developing new and fast distribution channels, are applying favorable prices for the Kosovar consumer basket, etc. Small enterprises stand badly in this regard because due to insufficient financial and human resources, they can not develop marketing innovations.

Organisational innovation is also significant in our model. Kosovar enterprises from all sectors, in particular large and medium enterprises, create new organizational structures. They are also constantly designing their organizational policies. Although there is a lack of foreign investment in Kosovo, Kosovar companies adapt their organizational structure in line with those of foreign companies, from countries such as Bulgaria, Turkey, Croatia, Germany, Switzerland, etc. So even in this aspect, Kosovar enterprises do not stand badly. Therefore, our empirical results prove that organisational innovations have a positive impact on increasing the level of sales of Kosovar enterprises in each economic sector.

The above table provided us with statistical evidence regarding the impact of types of innovations on increasing the level of sales of Kosovar enterprises. The following table or Table 5 provides evidence regarding the suitability of our model.

Table 5. Specifications of the logit model

<table>
<thead>
<tr>
<th>Model fit</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>n</td>
<td>400</td>
</tr>
<tr>
<td>-2 log-likelihood</td>
<td>354.49</td>
</tr>
<tr>
<td>χ²</td>
<td>1.183</td>
</tr>
<tr>
<td>Nagelkerke R2</td>
<td>0.018</td>
</tr>
<tr>
<td>Overall percentage of predictions correct</td>
<td>57.1</td>
</tr>
</tbody>
</table>

*** Significant at 1% level; ** significant at 5%; * significant at 10% level.

As can be understood from these statistics our econometric model is a suitable model for our data and to investigate the elaborated problem. The suitability of the model is of great importance because without the suitability of the model the desired statistical and econometric results cannot be achieved. In terms of supporting the hypotheses of this paper, the first hypothesis is supported because product or process innovations are significant in our research. The statistics achieved are the best evidence that product and process innovations have a positive impact on increasing the level of sales of Kosovar enterprises in all economic sectors.

The second hypothesis is also supported because marketing innovations show significance in the econometric model specifically in the logistic model. Even in the literature review it was mentioned that without sophisticated marketing methods, sales advertising can not achieve success in raising the level of sales. Therefore, these theoretical evidences are supported by the empirical evidences achieved by the authors of this research. So this paper is a powerful proof that supports marketing innovations as essential for any enterprise of all sectors and of all sizes.

The third and final hypothesis is supported by the empirical evidence of our research. An enterprise that does not have an appropriate organizational structure that supports innovation, employees who have knowledge of innovative processes, can not normally be expected to succeed organizational innovation. So it can be concluded that for the enterprises of a country in transition such as Kosovo, all types of innovations are of great importance. It can not be said that one or the other is specific to increasing the level of sales.

5. CONCLUSION

This paper, through theoretical and empirical evidence proved the importance of all types of innovations in increasing the sales of Kosovar enterprises from all sectors. It can be argued that Kosovar enterprises, especially large and medium-sized ones do not stand badly in terms of developing innovations. Trade and service enterprises create various innovations which are related to processes, products and marketing because Kosovo is dominated by these enterprises, and to survive in this market where over 70% of enterprises are service and commercial or trade, the most original innovations must be developed and as creative as possible.

Regarding the recommendations that can be given regarding product innovations based on the empirical results achieved and the sources of the analyzed literature, the following recommendations can be given for product innovations:

1. Kosovar enterprises need to focus more on new production methods and techniques, to develop new production manuals for a given product. These are prerequisites for successful innovations aimed at developing new products and modifying existing ones. Manufacturing enterprises usually have outdated and outdated production methods. Therefore, most of these methods should be discarded and new production methods should be applied instead.

2. Based on the information obtained during the survey process, product innovations in most Kosovar enterprises are developed ad hoc. Each enterprise should have a department or task force which would deal specifically with the development of innovations specifically with the development of product innovations. Only through new products can Kosovo increase the level of exports to the EU. The Stabilization and Association Agreement (SAA) enables Kosovar companies to export to the EU market, but as long as these companies do not have new and adequate products for the EU consumer, they will not succeed at all in the EU. To overcome this defect, the activity of developing product and process innovations should be done systematically through the innovation department in the enterprise.

In terms of marketing innovations, this type of innovation is also of great importance for Kosovar enterprises and that it has a positive impact on increasing the level of sales of these enterprises. Despite the fact that a large number of Kosovar enterprises, especially service companies, use sophisticated marketing methods, there is still work to be done in terms of marketing innovations. Recommendations that can be given to Kosovar companies in terms of marketing innovations are:

1. It was mentioned above that since 2016, as a result of the start of the implementation of the SAA, Kosovar companies have the opportunity to export to the EU market without any obstacles. Kosovar companies need to develop marketing innovations that would raise their image outside Kosovo. In particular, Kosovo exporting companies need to develop major innovations in the field of marketing in order to find a foreign market or even expand the international market. So despite the benefits deriving from the SAA, Kosovar companies can not
expand their market without building a good image and brand for their products. This will be achieved as a result of marketing innovations accompanied by an effective promotion campaign.

2. This promotion campaign should be achieved through the most frequent advertising of Kosovar products which are competitive especially those of wood in the means of communication of EU countries, such as Germany, Bulgaria, Italy, Greece, France, etc. So in the countries where the Kosovar diaspora has existed for years, and where the historical and economic ties of Kosovo with these countries have existed for years.

Like the first two types of innovations, the innovations of the organization have a special impact on increasing the level of sales of Kosovar enterprises because they represent significance in our research. Recommendations that can be given for this type of innovation are:

1. Bureaucratic structure is the essential problem of all types of enterprises, especially manufacturing ones, that hinders their progress. Kosovar enterprises must carry out organizational innovations which will change the bureaucratic structure of enterprises, simply to create such an organizational structure which would ensure innovation. Organizations or enterprises in Kosovo are heavily influenced by clientelism, nepotism and corruption. Many employees who have creative skills can not move forward because they are hindered by CEOs who happen to run the organization according to the interests of certain groups. Likewise, family enterprises, their organizational structure is a problem for their advancement because untimely family members often risk bankruptcy of a certain enterprise.

2. Most of Kosovo’s oligarchs today have a strong influence on profitable and successful enterprises. Perhaps Kosovar enterprises today need organizational innovation more than any other type of innovation. There are negative social phenomena which were mentioned above and which inhibit the creative and innovative environment in the enterprise. When these negative phenomena disappear, a suitable environment for innovation will be created and with organizational changes it will be possible to create new and innovative products, new marketing methods, sales, new production processes, etc.

REFERENCES

http://dx.doi.org/10.15722/jds.18.8.202008.103


