



# “The effect of strategic marketing on creating competitive advantages of the dairy industry in Kosovo”

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<b>ARTICLE INFO</b>	Fellanze Pula, Arberesha Qerimi and Fidan Qerimi (2022). The effect of strategic marketing on creating competitive advantages of the dairy industry in Kosovo. <i>Innovative Marketing</i> , 18(4), 174-188. doi: <a href="https://doi.org/10.21511/im.18(4).2022.15">10.21511/im.18(4).2022.15</a>
<b>DOI</b>	<a href="http://dx.doi.org/10.21511/im.18(4).2022.15">http://dx.doi.org/10.21511/im.18(4).2022.15</a>
<b>RELEASED ON</b>	Tuesday, 20 December 2022
<b>RECEIVED ON</b>	Saturday, 22 October 2022
<b>ACCEPTED ON</b>	Monday, 05 December 2022
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<b>JOURNAL</b>	"Innovative Marketing "
<b>ISSN PRINT</b>	1814-2427
<b>ISSN ONLINE</b>	1816-6326
<b>PUBLISHER</b>	LLC “Consulting Publishing Company “Business Perspectives”
<b>FOUNDER</b>	LLC “Consulting Publishing Company “Business Perspectives”



NUMBER OF REFERENCES

**34**



NUMBER OF FIGURES

**7**



NUMBER OF TABLES

**13**

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## BUSINESS PERSPECTIVES



LLC "CPC "Business Perspectives"  
Hryhorii Skovoroda lane, 10,  
Sumy, 40022, Ukraine  
[www.businessperspectives.org](http://www.businessperspectives.org)

**Received on:** 22<sup>nd</sup> of October, 2022  
**Accepted on:** 5<sup>th</sup> of December, 2022  
**Published on:** 20<sup>th</sup> of December, 2022

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**Conflict of interest statement:**  
Author(s) reported no conflict of interest

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# THE EFFECT OF STRATEGIC MARKETING ON CREATING COMPETITIVE ADVANTAGES OF THE DAIRY INDUSTRY IN KOSOVO

## Abstract

This study aims to analyze the effect of marketing strategies on creating competitive advantage through strategies such as customized products strategy, pricing strategy, distribution strategy, promotion strategy, and innovation orientation strategy. The study was carried out on the basis of primary data, where part of the quantitative research were 15 categorized dairies, with low capacity (300-3,000 liters per day), with medium capacity (5,000-100,000 liters per day), and with high capacity (over 100,000 liters per day). From these dairies, 150 workers in leadership positions were surveyed, from which the marketing strategy with the greatest impact on creating competitive advantages was identified. Questionnaires were physically distributed and data were processed through Statistical Package for Social Sciences, version 26. Based on the multiple regression analysis, it was found that there is a statistically significant correlation that marketing strategies affect the creation of competitive advantage based on the value of R-square = 0.787, where customized products strategy, price strategy, and distribution strategy were found as important strategies. While innovation strategy and promotion strategy left the model due to the increased value of significance  $p > 0.05$ . Through this study, the dairy industry receives feedback on the type of strategy that should be used to create a competitive advantage, more so in the specific case where imports are very high and competition is very fierce.

## Keywords

price, product, distribution, promotion, innovation,  
dairy industry, Kosovo

## JEL Classification

M31, M21, Q13

## INTRODUCTION

The rapid change of the environment has made it more difficult for enterprises to operate, especially in a modern and complex business environment, where the use of strategic plans has a positive correlation with the instability of the environment (Popczyk et al., 2020; Brews & Purohit, 2007). Taking this into account, through strategic management, it is possible to preserve the competitive advantage that will influence the achievement of above-average results of business activities (Cegliński, 2016). The development of strategic marketing management affects all tactical marketing programs, enabling the support of the goal and objectives, conveying stable feedback to the clientele. Through this approach, it is possible to improve the efficiency of a company, the income, the expansion of the market, minimizing the expenses and increasing the profit. In this way, enterprises undertake initiatives to create a competitive advantage influencing success in the market (Dagnino et al., 2022).

The main shyness of companies is related to the creation of competitive advantage, which is typical for most industries today, where com-

panies must develop appropriate marketing strategies for market segments that effectively create competitive advantages in the market (Agzamov et al., 2021). Therefore, all organizations strive to increase performance and survive in their competitive market. This success is achieved through different ways, where part of the organizations keeps the focus on their internal capabilities, another part keeps the focus on their external position, and the third group is focused on internal and external capabilities. For an organization to have good business performance, it must provide products for which the customer is willing to pay more than the cost of production, this means that the orientation of the organization must be to create value for its customers. Value creation based on this is the focus of any successful marketing strategy where as a condition to create value, the organization must have a competitive advantage and ensure that the advantages are sustainable (Aghazadeh, 2012).

## 1. LITERATURE REVIEW

Scientific literature contains different definitions of marketing strategy (Li et al., 2000), but despite this there is a consensus where strategic marketing practices are aimed at providing a way to use the resources of an organization where the goal is to achieve the defined objectives. If summarizing the definition of strategic marketing, it aims to adapt the marketing mix to the environmental forces.

Lavie (2006) qualifies that the purpose of marketing strategy development is about creating, building, protecting and maintaining competitive advantage (Lavie, 2006). To take advantage of the market opportunity, companies need to implement a marketing strategy that allows them to overcome various threats from internal and external sources, i.e., actions taken by a company compared to its competitors (Sari & Gultom, 2020). Through these actions taken, a company's goal is to excel in relation to the competition and in this way fulfill the company's goal to capture market share, i.e., achieving long-term goals and gaining competitive advantage in the market (Puspaningrum, 2020).

Marketing strategy can also be described as a detailed plan of the goals an organization claims to achieve through a product in the market (Sari & Gultom, 2020).

Kotler and Armstrong (2014) called the marketing strategy a detailed marketing guide, which aims to enable the best combination of marketing components, where through this it reaches the target market through the use of strategies such as price, product quality, promotion, and distribution (Kotler & Armstrong, 2014). If one analyzes all the

definitions for the marketing strategy, one can say that the marketing strategy is a set of goals and objectives created by a company itself to direct the marketing activities, as well as to enable the provision of instructions for each activity which will be carried out to achieve the company's marketing objectives.

The marketing strategies used to analyze the achievement of competitive advantage in this study are: customized products strategy, pricing strategy, promotion strategy, distribution strategy, and innovation orientation strategy. Product-related marketing strategies are important to the operation of any organization, which incorporates product design, the use of technology used to develop the product, and the selection of distribution channels. The product strategy includes those products or services that are offered for purchase or even consumption and function to meet the needs and desires of the customer, so the product is considered much more than a commodity offered for sale, since it incorporates the benefits and the services that are achieved by that product (Amstrong & Philip, 2005). Product strategy contains many elements such as packaging, labeling, branding, as well as product attributes (quality, design, style and features).

The price is defined as the value for goods or services for which customers express willingness to pay for their consumption (Rapert et al., 1996), whereas the role of price in the marketing strategy depends on the product, the target market and the distribution chosen by a company (Kienzler & Kowalkowski, 2017). As for the price strategy, it is considered as a systematic decision-making process related to the aspect of price determination by an organization (Ali & Anwar, 2021), therefore,

the purpose of pricing strategy is to provide a general and consistent approach to organizations after pricing their products. Promotion strategy it is considered as a means of informing consumers about new services and products, as well as about the attributes they possess, in order to influence the demand for them (Balabash et al., 2021). This strategy aims to provide information to the client about the product or service, about the offer, and about the impact it has on attitudes, perceptions and behaviors, so it can be generalized as a process that aims at informative and persuasive communication for clients (Gan et al., 2021).

Distribution strategy means providing the right products to customers where and when they need them. It is part of a vertical system through which transaction and logistics responsibilities are carried through a number of levels (Moretti, 2019), proved distribution as part of trading, which should be considered in any trading system (Febriansyah, 2019).

Innovation orientation strategy includes behavior in the same markets for a new product or service to promote it to end customers or to improve the characteristics of these products or services, which are only current in the market through quality improvement (Norris & Ciesielska, 2019). Dobni (2010) estimates that product innovation includes the creation of a new product or the change of the design of existing products in the market, therefore, this strategy is presented in two forms, such as the creation of new products and the improvement of existing ones (Dobni, 2010). So, this strategy is mainly employed to extend a product's market cycle, improve product quality, and increase revenue when product sales are declining (Pramuki & Kusumawati, 2021).

Price as the first strategy used is considered one of the most important attributes for consumers to make purchasing decisions (Ritonga et al., 2022), according to Kotler and Keller (2016), there are four goals for determining the price that fits the competitive advantages of a company. The first goal is survival, in the case when a company is faced with strong competition with low or excess capacity, as well as changes in consumer preferences. The second goal is to achieve a maximum profit where the organization calculates the costs

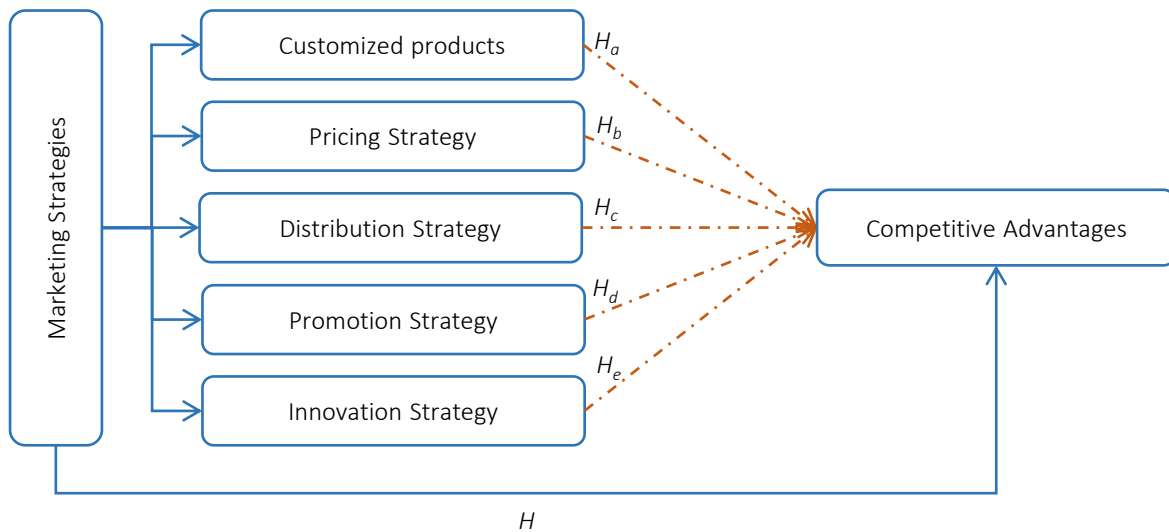
and makes a proper selection of price alternatives. The third goal has to do with covering the largest part of the market through increasing sales volume, with cheap prices and generating income in the long term. And the fourth goal is the analysis of the market price in cases where a company applies new technology to produce a product (Kotler & Keller, 2016).

Promotion strategy is a strategy of communicating information about the product or service with consumers, where a company aims to influence their attitudes and behaviors (Perreault et al., 2017). The more the promotion strategy will be applied, the more there is a tendency for customers to be influenced and make decisions to buy products or services. Promotion as part of the marketing mix has proven to be effective in creating a competitive advantage (Chumaidiyah, 2014). The distribution strategy means the movement of goods from the producer to the final consumer through intermediaries, where among many distribution alternatives the company selects one channel to distribute their products. A company, in the case of selecting the distribution, must take into account the established strategy and be in accordance with it so that the defined goals of the company are achievable, where the distribution in accordance with this strategy will influence the product reaching consumers as quickly as possible. This is considered an advantage for the company when marketing its products.

Innovation orientation strategy is used by a company to create quality and innovative products, through which the competitive advantage of the company will increase and influence the performance for the benefit of the company (van Lieshout et al., 2021). According to the researchers, the innovation strategy to succeed must be in coordination with the company's general strategy, where, despite the risks, product innovation is considered one of the most important strategies for achieving competitive advantage (Hutahayan, 2020).

## 2. AIM OF THE STUDY

This study aims to analyze the effect of strategic marketing on creating a competitive advantage in the dairy industry in Kosovo through product



**Figure 1.** Framework of research

strategy, price, promotion, distribution and innovation orientation. In this form, it is possible to fill the gaps between what is found in the literature and the findings of this study.

This paper has presented one hypothesis and five sub-hypotheses:

- H:* There is a statistically significant correlation that strategic marketing has an effect on creating competitive advantages.
- H<sub>a</sub>:* Customized products strategy has an effect on creating competitive advantages.
- H<sub>b</sub>:* Pricing strategy has an effect on creating competitive advantages.
- H<sub>c</sub>:* Distribution strategy has an effect on creating competitive advantages.
- H<sub>d</sub>:* Promotion strategy has an effect on creating competitive advantages.
- H<sub>e</sub>:* Innovation orientation strategy has an effect on creating competitive advantages.

### 3. RESEARCH METHODOLOGY

The research was carried out based on primary data, where part of the quantitative research were dairies with low capacity (300-3,000 liters per day),

with medium capacity (5,000-100,000 liters per day), and with high capacity (over 100,000 liters per day). From these dairies, 150 workers were surveyed, from which the marketing strategy with the greatest impact on creating competitive advantage is identified.

The questionnaire used was divided into three sections. Part of the first section were demographic questions, gender, age and the level of education, to have an accurate overview of the demographics of respondents. Part of the second section were the used marketing strategies divided into five sub-sections such as customized products strategy, pricing strategy, distribution strategy, promotion strategy, and innovation orientation strategy. And part of the third section was the category that measured the competitive advantage. The second and third categories were created through the Likert scale from minimum 1 = Strongly disagree to maximum 5 = Strongly agree. The data were processed through the statistical package of social science, version 26.

The independent variables are: customized products strategy (CPS), pricing strategy (PS), distribution strategy (DS), promotion strategy (PRS), and innovation orientation strategy (IOS), while dependent variable is competitive advantage (CA). The relationship between the variables is presented in Figure 1.

The presentation of the descriptive results is realized through the average and standard deviation,

as well as the graphic presentation through the percentage frequency. The correlation coefficient is determined by dividing the covariance by the product of the standard deviations of both variables, where standard deviation is considered a measure of data distribution from the mean. Whereas covariance represents the measure of how two variables change together. To present the relationship between the independent variables (marketing strategies) and the dependent variable (competitive advantage), Pearson's correlation was used through the following equation:

$$r = \frac{1}{n-1} \sum \left( \frac{x - \bar{x}}{S_x} \right) \left( \frac{y - \bar{y}}{S_y} \right). \quad (1)$$

Simple linear regression represents the linear regression model through an explanatory variable. So according to this, simple linear regression deals with two-dimensional sample points through the dependent and independent variables. So, the OLS model was used to see the impact of each marketing strategy separately on creating competitive advantage based on the following equation:

$$\hat{a} = \bar{y} - (\hat{\beta}\bar{x}), \quad (2)$$

$$\hat{\beta} = \frac{\sum_{i=1}^n (x_i - \bar{x})(y_i - \bar{y})}{\sum_{i=1}^n (x_i - \bar{x})^2} = \frac{s_{x,y}}{s_x^2} = r_{xy} \frac{s_y}{s_x}. \quad (3)$$

Multiple linear regression represents the regression model, which aims to evaluate the relationship between the dependent variable and two or more independent variables through the use of a straight line. Given that, there are five independent variables (marketing strategies) and one dependent variable (competitive advantage) in this study to measure the impact of marketing strategies on creating competitive advantage, multiple linear regression was used through the equation below:

$$b_1 = \frac{(\sum x_2^2)(\sum x_1 y) - (\sum x_1 x_2)(\sum x_2 y)}{(\sum x_1^2)(\sum x_2^2) - (\sum x_1 x_2)}, \quad (4)$$

$$b_2 = \frac{(\sum x_1^2)(\sum x_2 y) - (\sum x_1 x_2)(\sum x_1 y)}{(\sum x_1^2)(\sum x_2^2) - (\sum x_1 x_2)}, \quad (5)$$

$$a = b_0 = \bar{Y} - b_1 \bar{X}_1 - b_2 \bar{X}_2. \quad (6)$$

## 4. RESULTS

According to Table 1, the total reliability of the study instrument is  $\alpha = 0.909$ , which means that the reliability of the questionnaire is acceptable. The reliability value of the instrument for each section is found in the Table 1.

**Table 1.** Reliability of the instrument

Sections	Cronbach's Alpha
Customized products strategy	.881
Pricing strategy	.906
Distribution strategy	.960
Promotion strategy	.911
Innovation orientation strategy	.901
Competitive advantage	.898
TOTAL	.909

Of the 150 workers surveyed, in the marketing department of the dairy industry, 28.66% (N = 43) were female and 71.33% (N = 107) were male. The age distribution of workers was different, 6% (N = 9) were 18-27 years old, 26% (N = 39) 28-37 years old, 38.66% (N = 58) 38-47 years old, 20% (N = 31) 48-57 years old, and 8.66% (N = 13) belonged to the age over 58 years old. Regarding the level of education, 1.33% (N = 2) had high education, 74.66% (N = 112), and 24% (N = 36) had master's studies.

**Table 2.** Respondent characteristics

Item	Category	N	Percent (%)
Gender	Female	43	28.66
	Male	107	71.33
Age	18-27 years old	9	6
	28-37 years old	39	26
	38-47 years old	58	38.66
	48-57 years old	31	20.66
	Over 58 years old	13	8.66
	Level of education	High school	2
Bachelor		112	74.66
Master		36	24

Note: N = 150.

Table 3 presents descriptive analyses for marketing strategies and competitive advantage. According to the results, the mean of the customized products strategy is  $\bar{x} = 4.28$  and SD = 0.516, that dairy products factories above the average level offer a wide product line, possess products for different customer groups (based on need), the realistic products strategy and accurate, innovative new

**Table 3.** Descriptive results for study variables

Variables	N	Minimum	Maximum	Mean	Std. deviation
Customized products strategy	150	2.75	5.00	4.2833	0.51603
Pricing strategy	150	2.83	5.00	4.0500	0.54470
Distribution strategy	150	1.25	5.00	3.7633	1.11758
Promotion strategy	150	1.60	5.00	3.3907	1.01594
Innovation orientation strategy	150	1.00	5.00	3.1567	0.99813
Competitive advantage	150	1.89	5.00	3.5585	0.77505

products, products that have wide market appeal, ensure the quality and reliability of dairy products and use product technology in product development and distribution. The mean of the pricing strategy is  $\bar{x} = 4.05$  and  $SD = 0.544$ , which means that above the average level (referring to the Likert scale) workers of the dairy industry have declared that the pricing strategy for dairy products is realistic, they use reasonable prices for the products, they apply price promotions and discounts, use pricing systems to adapt to market changes, monitor prices and competitor price changes, and assess that their prices are below the average of external competition. The average of distribution strategy is  $\bar{x} = 3.76$  and  $SD = 1.11$ , which means that above the average level, it is stated that the points of sale of dairy products have incorporated technology in the provision of services, that the products are found in all the points of sale of the products food, ensure that it is efficient in meeting the wishes of customers and use selective distribution through the best distributors available. The average of the promotion strategy is  $\bar{x} = 3.39$  and  $SD = 1.01$ , which means that above the average level they focus on meeting consumer needs, as well as integrating all the activities of the organization to satisfy their needs, they take care of the use of programs of integrated marketing communications, loyalty programs are offered to customers, as well as taking care of providing discounts to customers. The mean of innovation orientation strategy is  $\bar{x} = 3.14$  and  $SD = 0.99$ , which means that dairy industries take care of bringing products with incremental innovations, use the latest technology in the production process, that the production process is modernized, and take care of bringing innovation in product packaging. The mean of competitive advantage is  $\bar{x} = 3.55$  and  $SD = 0.77$ , where, according to the results, workers have declared above the average level that their products

and services are highly valued by customers, creating an obstacle to competitive products and services, that it is difficult for competitors to copy the competitive advantage of the local dairy industry, that competitors find it difficult to understand the creation of the competitive advantage, that they protect the advantage legally through copyrights and patents. They also stated that employees are the source of competitive advantage and ensure that they are not lost to competitors, and they estimated that the competition would find it difficult to acquire the managerial skills needed to create a similar competitive advantage.

According to Figure 2, most of the respondents agreed that the factory in which they work offers a wide range of dairy products, has a realistic and accurate strategy, brings innovative products, and works to ensure that the products they produce are of high quality and reliable. The degree of non-compliance for customized products strategy is very small. As for the second strategy, the pricing strategy, which can be found in Figure 3, they also emphasize that the degree of compliance is high, where most of the respondents agreed that the pricing strategies for dairy products are realistic, that apply promotions and price discounts; it is possible to monitor the prices and price changes of competitors; they also estimated that the prices for their products are below the average of non-local competition products. Even for this marketing strategy, the level of non-compliance is low. Figures 2 and 3 show the distribution of percentages among the alternatives.

Figure 4 presents the distribution strategy, where the results show that the level of compliance is lower than in the two previous strategies, but if comparing the alternatives among themselves, the level of compliance is the one that dominates

CUSTOMIZED PRODUCTS STRATEGY

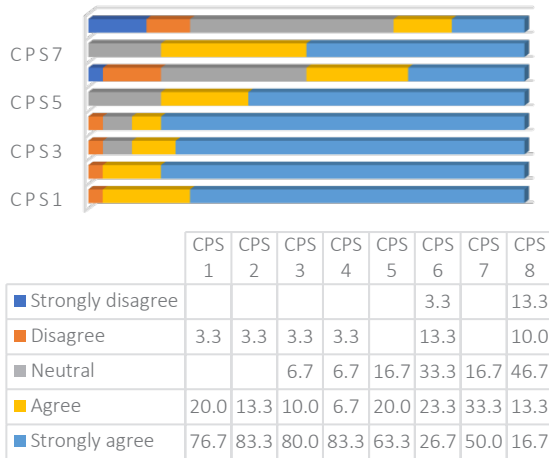


Figure 2. Customized products strategy

among the five Likert scales. According to this, the workers have agreed that the points of sale of dairy products have incorporated technology in the provision of services, that their products are found in all points of sale of food products, that they are ensured to be efficient in fulfilling the wishes of customers, as well as use selective distribution through the best available distributors. As for the level of non-compliance, the results are low. The other strategy analyzed in this study is the promotion strategy, where, according to the results, the dairy industries are not very oriented towards product promotion. Figures 4 and 5 show the distribution of percentages among the alternatives.

PRICING STRATEGY

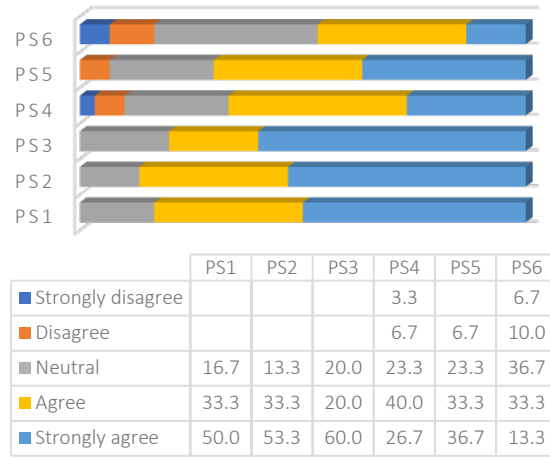


Figure 3. Pricing strategy

Figure 7 presents the innovation orientation strategy, where according to the results the degree of compliance is lower compared to other strategies. The results showed a greater neutrality of workers in terms taking care of the production of products with incremental innovations, the use of the latest technology in the production process, as well as bringing innovations to product packaging. So, the dairy industry is not very innovation-oriented, but rather they pay attention to other strategies addressed in this study. Figure 6 shows the results of competitive advantage, where according to statistics, the degree of compliance regarding competitive advantage is higher, and according to cus-

DISTRIBUTION STRATEGY

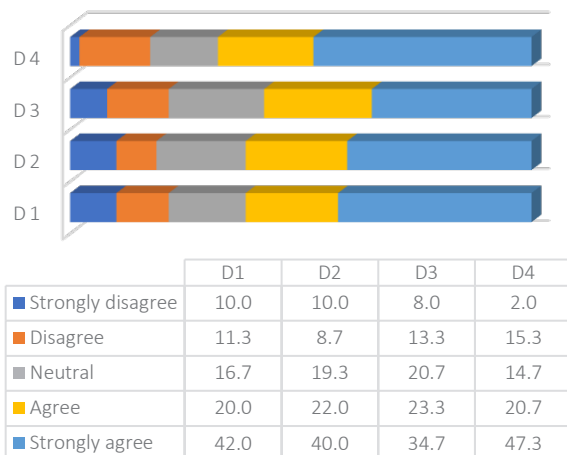


Figure 4. Distribution strategy

PROMOTION STRATEGY

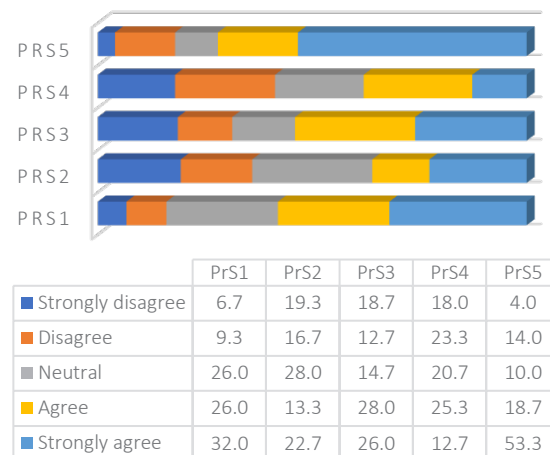


Figure 5. Promotion strategy



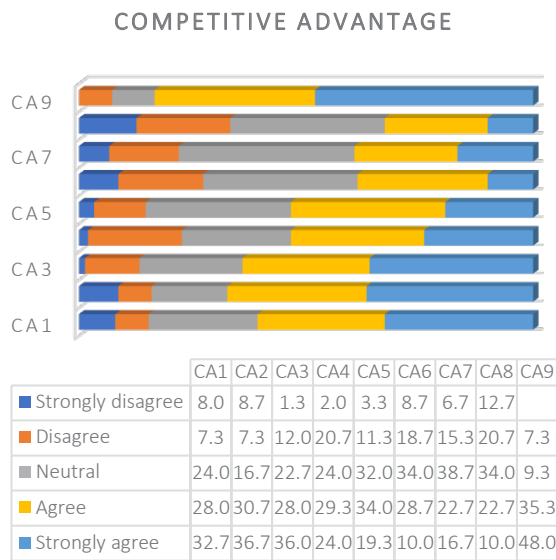


Figure 6. Competitive advantage

customer evaluation, their products and services are highly valued by customers, creating an obstacle to products and competitive services.

Test of normality proved that the data distribution is normal, since  $p < 0.05$ , so the use of lower tests such as correlation and regression is possible.

To measure the relationship between marketing strategies and competitive advantage, Pearson's correlation was used, where the independent variables are the marketing strategies, and the independent variable is the competitive advantage. According to the coefficient value,  $r = .780$  and the significance value  $p = .000$ , one can say that there is a strong positive linear relationship between Customized Products Strategy and competitive advantage. According to the coefficient value,  $r = .754$  and the significance value  $p = .000$ , it can be said that there is a strong positive linear relationship between pricing strategy and competitive advantage. According to the value of the coefficient,  $r = .602$  and the value of significance  $p = .000$ , there is a moderate positive linear relationship between distribution strategy and competitive advantage. According to the coefficient value,  $r = .564$  and the significance value  $p = .000$ , it can be said that there is a moderate positive linear relationship between promotion strategy and competitive advantage. According to the coefficient value,  $r = .440$  and the significance value  $p = .000$ , it can be said that there is a weak positive linear relationship be-

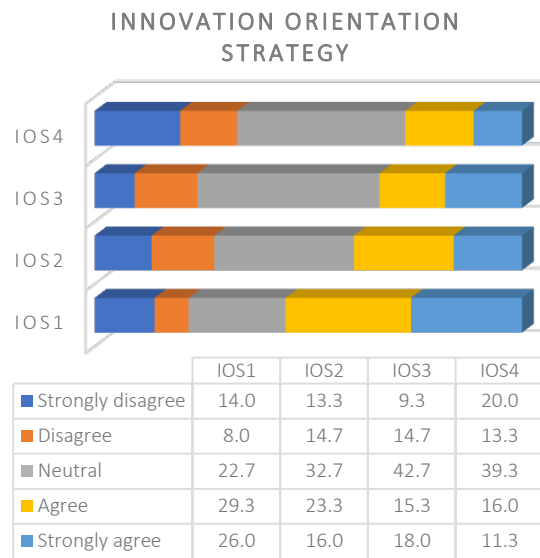


Figure 7. Innovation orientation strategy

tween Innovation orientation strategy and competitive advantage. According to correlation analysis, marketing strategies and competitive advantage are in direct proportion to each other, which means that as one variable increases, the other also increases.

Table 4. Correlation matrix

Variable	CPS	DS	PS	PRS	IOS	CA
CPS	1	-	-	-	-	-
DS	.451**	1	-	-	-	-
PS	.269**	.351**	1	-	-	-
PRS	.579**	0.141	.759**	1	-	-
IOS	.390**	.834**	.601**	.350**	1	-
CA	.780**	.602**	.754**	.560**	.440**	1

Note: \*\* Correlation is significant at the 0.01 level (2-tailed). CPS = Customized products strategy; PS = Pricing strategy; DS = Distribution strategy; PRS = Promotion strategy; IOS = Innovation orientation strategy.

Table 5 shows the OLS model for the impact of each marketing strategy on creating competitive advantages in the dairy industry, where according to the value  $R^2 = 0.608$  ( $\beta = 1.067$ ;  $t = 15.150$ ;  $\text{Sig} < 0.05$ ), 60.8% of the competitive advantage is achieved through customized products strategy. Based on the value  $F(1, 148) = 229.520$  and  $\text{sig} = 0.000$ , the model used is significant at every level;  $R^2 = 0.568$  ( $\beta = 0.825$ ;  $t = 13.946$ ;  $\text{Sig} < 0.05$ ), means that 56.8% of the competitive advantage is achieved through pricing strategy. Based on the value  $F(1, 148) = 194.500$  and  $\text{sig} = 0.000$ , the model used is significant at every level;  $R^2 = 0.362$  ( $\beta =$

**Table 5.** OLS model for variables of the study

Variable	$\beta$	R	R Square	Adjusted R Square	t	F	Sig.	Durbin Watson
CPS	1.067	.780	.608	.605	15.150	229.520	.000	2.392
PS	.825	.754	.568	.565	13.946	194.500	.000	2.153
DS	.823	.602	.362	.358	9.168	84.046	.000	2.120
PRS	.726	.560	.313	.309	8.129	67.568	.000	2.500
IOS	.795	.499	.249	.244	7.000	48.996	.000	2.138

Note: CPS = Customized products strategy; PS = Pricing strategy; DS = Distribution strategy; PRS = Promotion strategy; IOS = Innovation orientation strategy.

0.823;  $t = 9.168$ ;  $Sig < 0.05$ ), which means that 36.2% of the competitive advantage is achieved through distribution strategy. Based on the value  $F(1, 148) = 84.046$  and  $sig = 0.000$ , the model used is significant at every level;  $R^2 = 0.313$  ( $\beta = 0.726$ ;  $t = 8.129$ ;  $Sig < 0.05$ ), which means that 31.3% of the competitive advantage is achieved through promotion strategy. Based on the value  $F(1, 148) = 67.568$  and  $sig = 0.000$ , the model used is significant at every level;  $R^2 = 0.249$  ( $\beta = 0.795$ ;  $t = 7.000$ ;  $Sig < 0.05$ ), which means that 24.9% of the competitive advantage is achieved through innovation orientation strategy. Based on the value  $F(1, 148) = 48.996$  and  $sig = 0.000$ , the model used is significant at every level.

According to the R square value, 78.7% of the competitive advantage is achieved through customized products strategy, pricing strategy, distribution strategy, promotion strategy, innovation orientation strategy, while the remaining 21.3% is described by strategies not included in the model. The Sig. F Change value  $< .000$  represents the significance of the model, while the Durbin-Watson test value (2.43) indicates that the model has no autocorrelation problems.

Based on  $F(5, 144) = 106.570$ ,  $sig = .000$  result, the model is significant, according to ANOVA.

According to the multiple linear regression coefficients, even in the absence of marketing strategies,

**Table 6.** Model summary<sup>b</sup>

Model	R	R square	Adjusted R square	Std. error of the estimate	Change Statistics					Durbin-Watson
					R square change	F change	df1	df2	Sig. F change	
1	.887 <sup>a</sup>	0.787	0.780	0.43855	0.787	106.571	5	144	0.000	2.430

Note: a. Predictors: (Constant), IOS, PRS, CPS, DS, PS; b. Dependent variable: CACPS = Customized products strategy; PS = Pricing strategy; DS = Distribution strategy; PRS = Promotion strategy; IOS = Innovation orientation strategy; CA = Competitive Advantage.

the competitive advantage will be  $\beta_0 = -1.941$  ( $Sig. = .000$ ), with each unit increase in the independent variables (customized products strategy, pricing strategy, distribution strategy, promotion strategy, innovation orientation strategy), the competitive advantage will increase.

See model below for details:

$$y = \beta_0 + \beta_1 \cdot x_1 + \beta_2 \cdot x_2 + \beta_3 \cdot x_3 + \varepsilon, \quad (7)$$

$$y_{(CA)} = -1.941 + .695 \cdot x_{(CPS)} + .590 \cdot x_{(DS)} + .640 \cdot x_{(PS)}. \quad (8)$$

**Table 7.** Multiple linear regression coefficients

Model	Unstandardized coefficients		Standardized coefficients	t	Sig.
	B	Std. error	Beta		
(Constant)	-1.941	0.300	-	-6.466	0.000
CPS	0.695	0.094	0.634	7.370	0.000
DS	0.590	0.106	0.371	5.585	0.000
PS	0.640	0.119	0.468	5.388	0.000
PRS	-0.363	0.120	-0.280	-3.038	0.503
IOS	-0.190	0.114	-0.139	-1.657	0.100

Note: a. Dependent Variable: CA; CPS = Customized products strategy; PS = Pricing strategy; DS = Distribution strategy; PRS = Promotion strategy; IOS = Innovation orientation strategy; CA = Competitive Advantage.

Based on the multiple regression analysis, it turned out that there is a statistically significant correlation that marketing strategies influence the creation of competitive advantage, where customized products strategy, pricing strategy, distribution strategy were found to be significant strategies. Whereas the other two strategies such as promotion strategy and innovation orientation strategy were excluded from the model because  $p > 0.05$ .

So, according to the results, the hypothesis  $H_a$ ,  $H_b$  and  $H_c$  are confirmed, while  $H_d$  and  $H_e$  are excluded from the model due to the high value of significance.

## 5. DISCUSSION

The findings of this study showed that strategies such as product strategy, price strategy and distribution strategy have an impact on creating competitive advantage. Ibidunni (2011) also brought consistent findings in his research, according to which product, price, promotion and distribution marketing strategies affect competitive advantage and have an effect on customers in creating an effective performance in the market (Ibidunni, 2011).

Distinct findings between the current study and that by Ibidunni (2011) is because the promotion strategy was not significant and left the model. Even Jobber (2004), Ongoto (2012), and Best (2010)

in their findings proved that price is a determining indicator in creating competitive advantage, where price strategies that are focused on customers would have an effect on ensuring of customer satisfaction, creating customer loyalty and competitive advantage in the marketplace (Jobber, 2007; Nair, 2019).

As for the impact of product strategy on creating competitive advantage, the findings of this study are completely consistent with Berger et al. (2009), where product activities such as form, design, innovations, influenced the purchase decision and this strategy was considered one of the main strategies for increasing competition and creating a competitive advantage (Berger et al., 2007).

The results of the innovation orientation strategy in the findings of this research were not significant, which shows different findings from Taleghani et al. (2013) and Dewi and Ekawati (2017), who brought significant findings between product innovation and competitive position, where, according to them, market orientation had a positive and significant impact on the creation of competitive advantage and marketing performance (Narver et al., 1999; Yasa et al., 2020). While completely different findings with the aforementioned ones were brought by Prabawati et al. (2019), according to which product innovation was not directly related to competitive advantage (Pramuki & Kusumawati, 2020).

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## CONCLUSION

This study aims to analyze the effect of strategic marketing on creating a competitive advantage in the dairy industry in Kosovo through product strategy, price, promotion, distribution and innovation orientation. In this form, it is possible to fill the gaps between what is found in the literature and the findings of this study. So, based on the results of the descriptive analysis, the highest score when referring to the arithmetic mean was customized product strategy. This means that a company has a wide range of milk products, different product categories for different market segments, has an accurate and realistic strategy, creates innovative products, ensures product reliability through quality management, uses new technology for product development, and uses advance promotion for new products. But the lowest result, when one refers to the arithmetic mean, had innovation orientation strategy. According to this, the dairy industry in Kosovo is not oriented towards innovation strategy, where it does not take care of bringing products with incremental innovations, the use of the latest technology in the production process is low, the modernization of the production process is at a low level, and the orientation towards bringing innovations in product design is at a low level.

According to the correlation analysis, customized products strategy and pricing strategy have a strong positive linear relationship with the creation of competitive advantage, which means that companies in the dairy industry that are oriented towards the development of these strategies will create greater competitive advantages in shop. Distribution strategy and promotion strategy have a moderate positive relationship with competitive advantage, while there is a weak positive linear relationship between innovation orientation strategy and competitive advantages.

Based on the multiple linear regression analysis, it can be concluded that 78.7% of the creation of competitive advantage is described by the strategies used in this study. Regression analysis showed that the application of customized products strategy, pricing strategy, and distribution strategy positively affects the creation of competitive advantage. The other two strategies, promotion strategy and innovation orientation strategy, were excluded from the model due to the increased significance value.

## AUTHOR CONTRIBUTIONS

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Formal analysis: Fellanze Pula.  
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Writing – original draft: Fellanze Pula, Arberesha Qerimi, Fidan Qerimi.  
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## APPENDIX A

### Questionnaire

#### Session 1. Demographic questions

**1. Gender**

- b) Female
- c) Male

**2. Age**

- a) 18-25 years old
- b) 26-33 years old
- c) 34-41 years old
- d) 42-49 years old
- e) Over 50 years old

**3. Level of education**

- a) Primary school
- b) High school
- c) Bachelor
- d) Master
- e) Ph.D.

#### Session 2. Marketing strategies

**Table A1.** Customized products strategy

CPS1 – The company has a wide range of dairy products	1	2	3	4	5
CPS2 – The company has different product categories for different market segments.	1	2	3	4	5
CPS3 – The company has product strategy which is accurate and realistic	1	2	3	4	5
CPS4 – The company creates innovative products	1	2	3	4	5
CPS5 – The company offers dairy products to attract different customers	1	2	3	4	5
CPS6 – The company through quality management ensures the reliability of the products	1	2	3	4	5
CPS7 – The company uses new technology for product development and develops distribution every time	1	2	3	4	5
CPS8 – The company uses advance promotion for new products	1	2	3	4	5

Note: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree.

**Table A2.** Pricing strategy

PS1 – The pricing strategy for dairy products is realistic	1	2	3	4	5
PS2 – The dairy uses reasonable prices for its products	1	2	3	4	5
PS3 – The factory applies promotions and price discounts	1	2	3	4	5
PS4 – Our factory uses pricing systems to adapt to market changes	1	2	3	4	5
PS5 – It is possible to monitor prices and price changes of competitors	1	2	3	4	5
PS6 – Our factory prices are below the average of external competition	1	2	3	4	5

Note: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree.

**Table A3.** Distribution strategy

DS1 – The point of sale of dairy products has incorporated technology into service delivery	1	2	3	4	5
DS2 – The products are available at all grocery stores	1	2	3	4	5
DS3 – The factory is ensured to be efficient in fulfilling the wishes of the customers	1	2	3	4	5
DS4 – The plant uses selective distribution through the best distributors available	1	2	3	4	5

Note: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree.

**Table A4. Promotion strategy**

PRS1 – Our factory focuses on meeting the needs of customers as well as integrating all activities of the organization to satisfy their needs.	1	2	3	4	5
PRS2 – The selected promotional strategy of dairy products arouses interest in	1	2	3	4	5
PRS3 – The factory takes care to use integrated marketing communication programs	1	2	3	4	5
PRS4 – The factory offers loyalty programs for customers	1	2	3	4	5
PRS5 – The factory takes care in offering discounts to customers	1	2	3	4	5

Note: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree.

**Table A5. Innovation orientation strategy**

IOS1 – The dairy factory takes care to bring products with incremental innovations	1	2	3	4	5
IOS2 – The factory uses the latest technology in the production process	1	2	3	4	5
IOS3 – The production process is modernized	1	2	3	4	5
IOS4 – The factory takes care to bring innovations in product packaging	1	2	3	4	5

Note: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree.

**Table A6. Competitive advantage**

The products and services are highly valued by our customers and that creates a barrier to competing products and services	1	2	3	4	5
There would be significant costs to customers, if they were to switch from our products and services to those of our competitors	1	2	3	4	5
Our competitive advantage is difficult for competitors to copy because it uses resources only, we have access to	1	2	3	4	5
It took time to build our competitive advantage and it will take time for competitors to follow a similar path	1	2	3	4	5
Competitors have a hard time seeing how we created our competitive advantage in the first place	1	2	3	4	5
Competitors could copy our competitive advantage, but it would be uneconomic for them to do so	1	2	3	4	5
We protect our advantage legally through copyrights and patents	1	2	3	4	5
Our employees are the source of our competitive advantage and we ensure that we will not lose them to competitors	1	2	3	4	5
Competitors would find it difficult to acquire the managerial skills necessary to create a similar competitive advantage	1	2	3	4	5

Note: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree.