

INTEGRATED MARKETING COMMUNICATIONS IN SMALL AND MEDIUM ENTERPRISES IN THE REPUBLIC OF SRPSKA

Adriana RADOSAVAC
Ruzica ĐERVIDA
Željko ONDRIK
Nemanja STOJKOVIĆ

***Abstract:** Market competitiveness means adapting to new market conditions. Survival implies constant effort to improve business processes, that is, constant improvement of products and services. Achieving business excellence is the way for small and medium enterprises to position themselves and survive on the market, adapting to the requirements of modern business. Domestic companies face the problem of competitive position in the global market, and one of the main causes of this phenomenon is the inadequate application of marketing concepts and modern methods and techniques. That is why in the future we should try to improve the domestic marketing practice. The goal is to improve the business and business processes of small and medium enterprises through the application of integrated marketing communication.*

***Keywords:** competitiveness, small and medium enterprises (SMEs), business improvement, integrated marketing communications*

INTRODUCTION

In the world market globalization process small and medium enterprises (SMEs) have emerged as a necessary element in the development of each country's economy. They have gained this position through quality internal and external communication, flexibility and adaptability to new management trends, innovation and job creation. Adapting to the demands of global markets in nowadays business environment is a long and difficult process that requires SMEs to constantly invest and be engaged. This means that domestic companies need to change their business philosophy and adapt to the requirements of

the global market, apply the modern concept of entrepreneurship in order to achieve business excellence.

According to Riderstrale and Nordstrom (Riderstrale and Nordstrom, 2004), the education is becoming a competitive weapon for both individuals and businesses. If you want to attract and retain the best people, you need to train them.

In the transition process knowledge is increasingly becoming a determinant of entrepreneurship development, through the education of professionals and company executives (Radosavac, 2014). The aim should be acquiring knowledge in order to successfully manage the company and the business, which will result in increased productivity.

According to some opinions (Tisen, et al., 2006), there are three business rules considered essential nowadays:

1. The smartest company wins,
2. Being the smartest company means having the smartest people,
3. In order to have the smartest people, never stop learning.

According to Draker (Drucker, 2006), effectiveness is a habit; a set of established procedures, and procedures can always be learned. This refers in particular to a broader acceptance of a new marketing model, determined by technological development and presented through an integrated marketing communication model in the communication component of marketing, development of integrated management systems based on quality management standards, application of benchmarking and reengineering techniques, etc.

By the 1980s, it was believed that only large enterprises were the sole carriers of economic development. Previous attitudes and opinions are changing, large companies are failing and the increasing importance of SMEs is being recognized. These enterprises (small and medium) are today's main driver of development in all modern market economies. Together with large companies, they represent a healthy pillar of economic development.

INTEGRATED MARKETING COMMUNICATIONS

Integrated marketing communications are inseparable from the strategic management of the organization and only observed altogether they can be adequately implemented.

Through integrated marketing communication, the organization coordinates its promotional activities. The aim is to deliver a message to

the target public, both about themselves and about their products/services. The goal of integrated marketing communication is to communicate the right message in the right way, to the target public, at the right time. The concept of integrated marketing communication achieves a clearer position for organization and products/services in the minds of customers, resulting in better business and sales results. The trend of integrated marketing communication is one of the most significant marketing achievements of the 1990s. Until then, organizations often perceived communication instruments as separate activities, when integration took place.

The simplest definition of integrated marketing communication says that it represents a unified marketing communication activity. For many, integrated marketing communication is the process that integrates all elements of the promotional mix. There are also limitations of the implementation of integrated marketing communication: this is a relatively new concept, evolving day by day. Its practical application has not reached its zenith, especially in the domestic market. Other limitations are: resistance to change, numerous activities that such implementation comprehends, poor development of horizontal communications, decentralization of decision-making process, problem of measuring the effects of integrated marketing communication, need for different structure of organization that would decide on its implementation, etc. (Milisavljević et al. , 2005). In addition to all the obstacles, a well-planned and carefully implemented marketing communications program cannot, by itself, guarantee success – it will unequivocally depend on the balance of all marketing mix instruments. It is necessary to emphasize the importance of experience, especially one enriched by constant testing and measuring, in the permanent search for better results (Smith, 2002).

POSSIBILITIES AND LIMITATIONS OF INTEGRATED MARKETING COMMUNICATION IN SMES IN THE REPUBLIC OF SRPSKA

The criteria for determining the size of a company are not the same in different countries and depend on several factors. According to the SME Development Law, small businesses are defined as businesses that employ less than 50 workers and have a total annual income of less than KM 2,000,000, or whose average value of business assets at the end of the year is less than KM 1,000,000. Micro-enterprises employing up to 10 workers are also distinguished within small businesses. The same law

defines that medium enterprises are economic entities employing between 50 and 250 workers, having a total annual income of KM 2,000,000 to 8,000,000, or whose average value of business assets at the end of the year is less than KM 4,000,000 (Official Gazette of the Republic of Srpska, 2013). According to the data of the Republic Agency for Development of Small and Medium Enterprises, in 2018 in the Republic of Srpska operated 39,970 SMEs. The total number of employed workers in SMEs in Republic of Srpska in 2018 was 144,858.

In 2003 Bosnia and Herzegovina signed the European Charter for Small and Medium Enterprises, a document adopted in 2002 by EU leaders. This document calls on the Member States of the European Union and the European Commission to support and assist the development of SMEs in key areas such as education, entrepreneurship, the creation of more effective legislation, the taxes and financial system. The European Charter for Small and Medium Enterprises has been replaced by the EU document – Small and Medium Enterprises Act, but the obligation to implement the Charter remains.

When taking into consideration the development of SMEs in Bosnia and Herzegovina, it should be noted that Bosnia and Herzegovina is a country in transition. The experience of developed countries where the transition process has been successfully completed suggests that the role of SMEs is crucial for their development and for strengthening macroeconomic stability (Radosavac, 2014). SMEs are seen as a major driver of economic development with a key role in the transition process (Avliaš, 2008).

Modern business conditions require SMEs to apply the marketing concept of business. Application of the marketing principles of business provides to SMEs the basis for growth and development in market conditions. Marketing represents the philosophy, concept, system, process, policy, strategy and tactics that the entrepreneurs integrally incorporate into their business (Macura, 2009).

When it comes to small enterprises, applying the marketing concept of business is especially important in order to stand out from competing companies and secure a place in the oversaturated market. However, small business owners in Republic of Srpska often do not pay enough attention to marketing and to promotion of their businesses.

Major and constant changes are the great part of the global market of marketing communications. The opinions and attitudes of the public are becoming a significant factor in the planning and realizing business activities. Practical experience shows that companies that use advantages

of marketing communication make significantly better business results. Communication activities should be an integral part of management, as a basic part of business responsibility. Marketing communication potentials should be utilized to the fullest in the realization of the company strategy. It is not a short-term advertising campaign, but a long-term communication and reputation building with the aim of achieving planned activities.

From March 2019 to September 2021, the project “Innovation and Digitization in SMEs in Bosnia and Herzegovina” will be implemented with the aim of supporting businesses to improve their innovation capacity through the use of digital technologies. Business support is focused on several areas: digital marketing, business model enhancement and digitization, digitalization of products and services, introduction of a new product with an integrated digital solution, provision of specific skills and knowledge for the use of digital technologies, and strengthening of innovative research capacity. (https://srpskainfo.com/digitalizacija_-za-200-malih-i-srednjih-preduzeća-sta-donosi-projekat-njemackog-giz-a/, 02.12.2019).

The application of the marketing concept of business, that is, integrated marketing communications results in greater innovation and more proactive behavior of the companies themselves, which results in business improvements. Today’s businesses operate in a modern and digital environment in a competitive marketplace and must be prepared to respond to constant change. This means adapting to the demands of the market, as well as analyzing approach to marketing and applying the marketing concept. Companies that embrace and turn to the application of the marketing concept, i.e. integrated marketing communication, can take advantage of market opportunities, develop and maintain competitive advantages, and achieve above-average profitability. Similarly, some authors (Davis et al., 2010) argue that managers who favor innovation and proactivity and who have a high-risk tolerance will have a positive impact on the performance of the company. The development and implementation of marketing concepts in domestic companies is influenced by the level of knowledge of marketing managers/owners. Knowledge is the initiator of all processes; therefore it is necessary to raise awareness among managers/owners of small and medium enterprises, that the application of the marketing concept of business has a positive impact on the development of the company, i.e. on the achievement of better performance of the company.

CONCLUSION

The ultimate goal of every business is to maximize value for the consumer, which can only be achieved through the use of adequate marketing. In this context, future analysis and research should focus on identifying the opportunities and limitations of integrated marketing communication modified according to the market conditions and environment in which they operate. The goal should be aimed at improving the quality of business of domestic companies, which will result in the development of a competitive position in the domestic and world markets.

There are still a considerable number of companies in Republic of Srpska that have not realized the importance of marketing and do not have a marketing orientation. Due to the increasing need for the development of marketing-oriented companies, there is also a need for conceptual solutions for improving business conditions. This implies the need to make an effort to educate entrepreneurs and managers in marketing and to develop awareness through visible examples.

The impact of the application of integrated marketing communication on the development of SMEs, especially from the aspect of companies in Republic of Srpska, as well as their impact on the business success of the company, is questionable. The current practices and experiences of the countries in the region in applying integrated marketing communication of small and medium enterprises should be considered, and the model that will contribute to their development and achievement of better performance, i.e. better business results of enterprises should be pointed out.

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NOTES ON THE AUTHORS

Adriana RADOSAVAC, PhD, Associate Professor at the Faculty of Management, Economics and Finance, University Business Academy in Novi Sad. Faculty of Applied Management, Economics and Finance in Belgrade, Jevrejska 24, 11000 Belgrade, Serbia; Research Associate in Social Sciences – Economics, E-mail: adrianaradosavac@mef.edu.rs

Ružica ĐERVIDA, PhD, Assistant Professor at the Independent Universities of Banja Luka, NUBL, Banja Luka, Republic of Srpska. E-mail: ruzica.djervida@gmail.com

Željko ONDRIK, MSc, Teacher Associate at the Faculty of Management, Economics and Finance, University Business Academy in Novi Sad, Faculty of Applied Management, Economics and Finance in Belgrade, Jevrejska 24, 11000 Belgrade, E-mail: zeljko.ondrik@mef.edu.rs

Nemanja STOJKOVIĆ, MSc, Teacher Associate at the Faculty of Management, Economics and Finance, University Business Academy in Novi Sad, Faculty of Applied Management, Economics and Finance in Belgrade, Jevrejska 24, 11000 Belgrade, E-mail: nemanja.stojkovic@mef.edu.rs