

Spring 3-2011

## PROBLEMS CUSTOMER SATISFACTION IN KOSOVA

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University for Business and Technology  
School of Computer Sciences and Engineering

**PROBLEMS CUSTOMER SATISFACTION IN KOSOVA**  
Bachelor Degree

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03/2011  
Prishtine



University for Business and Technology  
School of Computer Sciences and Engineering

Bachelor Thesis  
Academic Year 2008/2009

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**PROBLEMS CUSTOMER SATISFACTION IN KOSOVA**

Mag. Dr. Dr. Schari Zafarpour

03/2011

This thesis is submitted in partial fulfillment of the requirements for a  
Bachelor Degree

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## 1. INTRODUCTION

## 1.1. Background

Last economic crisis affected the entire world in any way. They damaged big enterprises first, small businesses, and then private individuals. Depending from the countries, how much they were stable and how much they were strong to face economic crisis, some of them evoked huge failures and some them attained to escape bankruptcy with big losses.

After big economic and global crisis, people remained without jobs, which means they remained without money. It became difficult for them to become educated and for many of them almost difficult to survive. When there are no educated people, countries cannot go further, countries cannot be developed and cannot have a sensational future. Since I come from the newest country in the world – Kosova, I will be focused on its problems and I will talk mostly for my country. Kosova is a small country, which has just 3 years when it became independent. It passed many years under Serbian occupation, it passed a war and for 10 years or more it is passing through transition. So, countries like mine have more difficulties to prevail from crisis. They do not have any budget or reserves to use when anything sudden or strange happens.

As I said Kosova has a grievous history until now, which lets us understand why it has a backward economy. Not all of Kosovars had a chance to become educated, even if they had a chance to finish their studies, they did not have a chance to build a carrier. They had limitations about their small businesses or whatever they got and so it is difficult today to have a tradition or a culture of investing in country's economy. Kosovars were used to work everything and everywhere just for surviving and that was it. Many of them went abroad to work or study and did not come back anymore.

Today, you can see that Kosova is becoming functional. There are opened many and different universities, where people are being educated. There are opened different private and public enterprises, small businesses, different institutions and job opportunities, in which people are employed and have chances to contribute in development of our new country.

## 1.2. Research Problem

Even though Kosova is going further with safe steps, the past is affecting it in every aspect. Because of lack in education, Kosovars found themselves working on their own and private businesses. They started with something that did not know how much it is risky or unachievable to have success.

There are also people that are ready and want to do almost everything in order to reach the peak of success of their business, but they do not know how to do the market research. From these dilemmas, those who are being most damaged are customers of those businesses. Customer's harm happens mostly from seller's (business owner's) lack of knowledge about market, customer behavior and customer needs. They do not know the rule that says: "customer is King". After this, government is the second one, which does so little or nothing for customer's rights. Business law and the law for customer's protection exist but who is aware about this??

There are businessmen that are educated and know very well how should do business, how to do market research, how to find out customer's needs, how they should treat their clientele but there are cases when they are corrupted and hungry to make as much as possible money, no matter how. Ignorance of these things brought Kosova's economy in this situation.

### **1.3. Why is this topic important?**

This topic is very important, because today life became very dynamic and very hard to win money and make it safe. There is no job for everyone, that's why people decide to start different and their own business in order to survive. But not all of them have knowledge about business area and relationship with the market or target group.

I do not know if someone is dealing or is caring about doing a research about this topic, but I have seen these kind of problems from two aspects: from that of being customer and from that of being seller in my private father's business. I have seen many TV programs discussing about these problem between them and I came up with this idea.

The benefit of the topic, I hope will be mostly for customers. I would be focused on their rights and the law that should protect them. But this would be helpful also for sellers, to see where they should be improved regarding to their clientele. The outcome of my thesis would be if I show up most common problems of customers with sellers and vice versa and try to find out some of best solutions to minimize those unlike cases between them.

### **1.4. Research Objectives**

My work relates to others in that of creating a bridge from customers to sellers. The relationship between customers and sellers should always exist, in order to coordinate together. To find out the best ways of balancing between these two pairs, I will point most important things I studied at university from business management, international business management, customer behavior and needs and sales management that would help economy in Kosova. I will compare those theories with reality in Kosova. I will also analyze how operates business law for customers and sellers here, what does government about this cases, how is the situation of corruption in public and private sectors and what are customer's satisfactions in different sectors interviewing sellers and customers.

## 2. THEORIES

### 2.1. Business Management

Managing business is a very important issue that influences economy. It helps businesses to avoid crisis, problems, losses and different sudden things that can happen to every enterprise or company. If every business does a business plan and follows it step by step, it means that there is a good management of it and success will be there. Business plan contains details for one year or more, about the production, sales, import or export, whatever the business is about. Business management also means implementing the strategies through planning, organizing, motivating and controlling. When I asked different enterprises and small businesses in Kosova, if they do business plan or any strategy for the next year, 80% of them laughed and said to me that it is just lost of time and money to do it. They work without any statistics, analysis or notes from previous years. Their interest is focused just in profit and nothing else. They are not so interested in developing or enhancing their companies.

I had a chance to see these things better during the last summer. I was working as internee in Raiffeisen Bank of Kosova in the department of loans for Small & Medium Enterprises. When we went as bank to do business analyzes, to see how a particular business operates and if it really merits earning a loan from our bank, I saw that many of them do not work as they should. They do not work as I studied at university. Most of them do not know the rules and conditions they should fulfill in order to function as business. Adversity of this is that they even do not know who should ask for something like that, what they should do, if there is any possibility to learn new things about business world. There are also many of them that know very well how a company should operate, but they do not care so much about the laws and regulations. They just want to earn profit.

### 2.2. International Business Management

International business plays an important role in every county's economy, especially in Kosova's one. This happens because Kosova has lack of different factories and production in general. 12 years ago, our country had different factories that functioned successfully, but during the war they were destroyed and there is no capacity to open them again. This problem did not affect just local production but it caused other social, political and economical problems, such are: people got unemployed; businesses today have to import stocks from abroad, and in this way monies go always outside the country, etc.

Even though National business or management is easier to do, because in a particular country is spoken one language, people know their competitors, factors and environment; small and 'poor' countries as ours, is pushed to do international management of trade or business, because it helps them to bring demand and supply together. Joining or integration of this kind of economy has its opportunities: lower import-export costs, common market, division of labor, etc; but it has its risks too: monopolies, dependence from other nations, etc. Based on these conditions, businessmen of Kosova are pushed to practice 'international business management'.

Globalization is part of international business management and makes liberalization of 4 markets: capital, labor, information and technology market. It also impacts on government level, which helps social, economical and political stability. Part of international business management is cross cultural management, which helps companies to understand where they are standing comparing with other cultures. Here take place: social competence, which means capability to receive, react and improve reactions and signals; professional competence, which depends on capital and time; and cross cultural competence itself, which is alike with social competence but with the focus from abroad.

The most preferable part of international business management for Kosova's businessmen is foreign trade; it is 'spirit' of every after war countries' economy. Across the border processing of foreign trade happens because of outsourcing of production due to capacity and export promotion. While internationalization of labor, capital, services and production is a special type of foreign trade, which means to be sold a part of well known company's brand. (Such is McDonald's). These big companies have success in every country they exist, because of their well known brand name and lack of something better than it in that particular country.

### **2.3. Customer Behavior and Needs**

Purpose of business organizations should be to satisfy customer needs at a profit to the firm, which would permit them to develop marketing strategies and gain competitive advantage. To identify those needs businesses should consider customer behavior principles. This helps to understand meaning of customer value, which would also be base for their brand equity (earnings potential of current and future customers). In order businessmen (sellers) identify customers' needs, they should determine if brand meets customer needs on each attribute.

An important role on this plays also post-purchase evaluation. Some customers are loyal to some particular brands. This can be called habit of customers, because they trust on that company, they are satisfied and they find support from them for every kind of problem. In these cases most 'lucky' companies or brands that have loyal customers are those that pay attention to post-purchase evaluation. After doing this process they can find out customers' satisfaction and dissatisfaction level and post-purchase dissonance.

Personality of customers is another point that indicates their behavior. Sellers can not communicate or do business with everyone same. They should adapt with different personalities such are sociable, aggressive, passive, compulsive, etc. Customer's life style is another key that sellers should realize and then start selling or whatever they have to. Sellers should have their capability or skill to identify customer's tastes, interests and opinions in order to know the area where they can approach to customers' needs.

### **2.4. Sales Management**

Although market and customer orientation is important to every company today, the limited sales resources, the marginal contributions and different customer claims put clear limits. So, customers' satisfaction 'must pay off'. at the sale a seller must first recognize the ideas and needs of a customer, so that after this he/she can influence the customer to use their product or service. After a professional account classification a planned and systematic customer service can be carried out. A simple thing what sellers can do for



their current customers is a post call analyze. The main advantage of this analyze would be a professional competence that would come more strongly to the effect.

Some measures or possibilities that businesses can take for customer service can be telephone, mailings, e-mail, market research, customer interviews, trainings with the customer in the house of one's own, invitations for different fairs, expositions, presentations, etc. The personal relation to the customer is the foreground also the long-term relation and confidence is important to the customer.

Another advantage of the sales management would be support for the customer, in this way customer is not left 'alone', customer is stopped from turning to the competitor and the customer has the feeling of a 'good support'. This would also help to have competitors information such are strengths, weaknesses, conditions, customers, competitors of competitors, etc.

## **2.5. Staff Management**

Having a qualitative staff is the key of success for every business or company. It is very important to have a trained staff, which would be ready and well informed for their product or service and be ready to help customers for every kind of problem. In Kosova many sellers are not trained, because businessmen do not pay attention to this detail, so they have lack of qualified and motivated staff. They are not aware how much is important to invest in their staff. The precondition for successful staff development means a positive working atmosphere, for which management is responsible. Businessmen or management should know that only the best trained staffs safeguard a company's success in the long-term.

## 3. BUSINESS LAW

### 3.1. Customers

Customer's protection is directly related with human rights. Regulation of this issue supports three important things such are: customer's health, security and protection of their rights and economic interests.

15<sup>th</sup> of March is the international day of customer. This means that there is a law that protects customers as main part of the market. Like in every developed country that exist this particular law, in Kosova it is powerful from the year 2004. I saw a documentary in Radio Television of Kosova, where was invited minister of trade and industry, Mimoza Kusari-Lila. She said that in 70% of the cases this law is not applied. This percentage means that our country has a serious problem with customers' satisfaction.

The Law on Costumer Protection regulates the protection of fundamental right of consumers upon purchasing goods and services, as well as on other forms of receiving goods and services in the market, such as:

- The right to protect economic interests of costumers
- The right to life protection, health and asset
- The right to legal protection of costumers
- The right to information and re-education of costumers
- The right in costumer associations in order to protect the costumers' interests

The right of representation and participation in representation of costumers in the work of bodies dealing with issues related to the interest of costumers.

Customer's Rights are based on 10 most important principles, such as:

1. Buy whatever you want, where you want
2. If not function, send it back
3. High secure standards for goods and services
4. Know what toy are eating
5. Contracts should be in customer's favor
6. Customers can change their mind
7. Make prices comparable
8. Customers should not be disoriented

9. Protection during the vacancies
10. Effective compensation for misunderstandings

### **3.2. Sellers**

Sellers are those who should give everything to make customers satisfied, be competitive, make reasonable or rational prices, and offer different services after selling.

Sellers of services are liable to place safe goods and services in the market. Safe goods and services are considered such goods and services which meet:

- Domestic standards
- European standards defined in International Covenants
- Legitimate costumers requirements related to safety

### **3.3. Government**

Ministry of trade and industry in Kosova is the one that makes laws and regulations in order to keep the balance between sellers and customers.

The Costumer Protection Program of Kosova in particular sets out:

- The principles and goals of consumer protection policies
- Tasks with priority upon drafting the costumer protection polices
- The program for utilization of financial resources required for the implementation of tasks outlined in the national program
- The size of the program framework for the utilization of financial funds required to promote development and activities of consumer organizations

Ms. Kusari-Lila declared that products (goods, merchandise) that is imported from abroad in Kosova's market is qualitative, because it is checked and managed from ministry of trade and industry. By this they try to stable the market here, part of which are: Customers, traders and producers.

## 4. CORRUPTION

### 4.1. Corruption in Public Sectors

The clear definition of Corruption is misuse of power for personal gain. The most effective approach that can be acceptable is finding the best way to describe definition of corruption". According to Alam corruption is defined as 1)" the sacrifice of the principal's interest for the agent's or (2) the violation of norms defining the agent's behavior." Even nowadays economist have different approach regarding corruption, nevertheless they agree that corruption is seen as way for profitability.

According to the article "Introduction to corruption" there are four approaches to help determining what is right and what is wrong concerning corruption; Transparency, Accountability, Reciprocity and Generalization. People that are in power and have position are more exposed to get corrupted; therefore it does not mean that lower level is excluded from this issue.

Countries that are in the stage of development are more exposed to corruption, rather than countries that are developed, because they have different attitude and behavior toward corruption. The case with Kosova is a bit different. A country that just closed the Chapter War faced with a lot of problems and many challenges that where almost in every sphere of life.

After the post-war in Kosova where involved a lot of international organizations and foreign people that provide they experience and professionalism for certain fields. With their capability they "ruled" everything and pushed the officials to do as they told them, since they represent us. Later on was revealed that they did not choose the right approach. The perception for corruption in countries that faced war experience, corruption it is not the major issue that people deal with, whereas their interest is in ensuring sufficient funds for their basic needs. So, people where not so interested about corruption, as they were trying to survive and ensure some money for their family. However, the society as whole was not so well informed about the bad effects of corruption and his impact in the near future.

According to Salie Gajtani Journalist "the society is not well informed as it should be or comparing with our neighbors they provide such information". But here just few people talk about it, that's not enough comparing with whole society in Kosova. One reason why they are not informed is poverty. According to World Bank "almost 45% of populations live in poverty.

Kosova's public sector is not well developed compared with region countries; there are many problems and difficulties they face: low salaries, promotion, inequality and other factors that contribute people behavior as consequence of their personality. Thus, they are forced in one way or another to find second job. To fulfill their needs they should find another way financing their needs and especially easy money that in most of cases come as "gift". The best and easiest way to secure such funds is by using it position and influence through people, which in most cases they are elected or appointed by their political view.

From some people this is not identified as corruption, just paying extra money for extra services that a certain person requires. But there is no need to pay extra money for services that are offered for every citizen of this country does not matter at what level of

society you belong, since that employee is there to do same job for the salary that he signed a contract and his responsibility is to follow procedures and obey laws.

The Government of Kosova should be focused on decreasing the level of corruption within public sectors, public administration and omit redundant bureaucracy.

Government should activate its mechanism and make sustainable environment for investors and businesses in general.

#### **4.2. Corruption in Private Sectors**

Few rich people do not represent the real welfare of society, standard of living and condition of life. That represents a small portion of population as the whole. All they have done is used their connections and resources to obtain something they wanted. This is very common nowadays. They have somehow used the welfare of people for personal gain, just in legal way. This is not a concern for private sector as all they want to know is profit and decision making. What was to be concern is that all of them have bribed or corrupted someone just to be in the place where they are. Corruption discourages foreign and domestic investments. Some other factors that lead to corruption are: low salary, absence of transparency, culture, greedy, power-hungry politicians, etc.

Another reason why people should tend to stay away from corruption topics is that mostly in corruption affair are involved high-level official, people with influence and power. They are very good in controlling people brains, thoughts; also any manner of “convenience” is mastered and applied.

In the patriarchal society, father’s role is defined as” money maker “and he is not that much interested about what corruption is and its effects, but just in accomplishing his duties. The problem of poverty contributes to other problems as well. Poverty also contributes to destabilization within a country, where countries with higher level of poverty are often incorporated in illegal businesses and the state is directed from specific interest group of people.

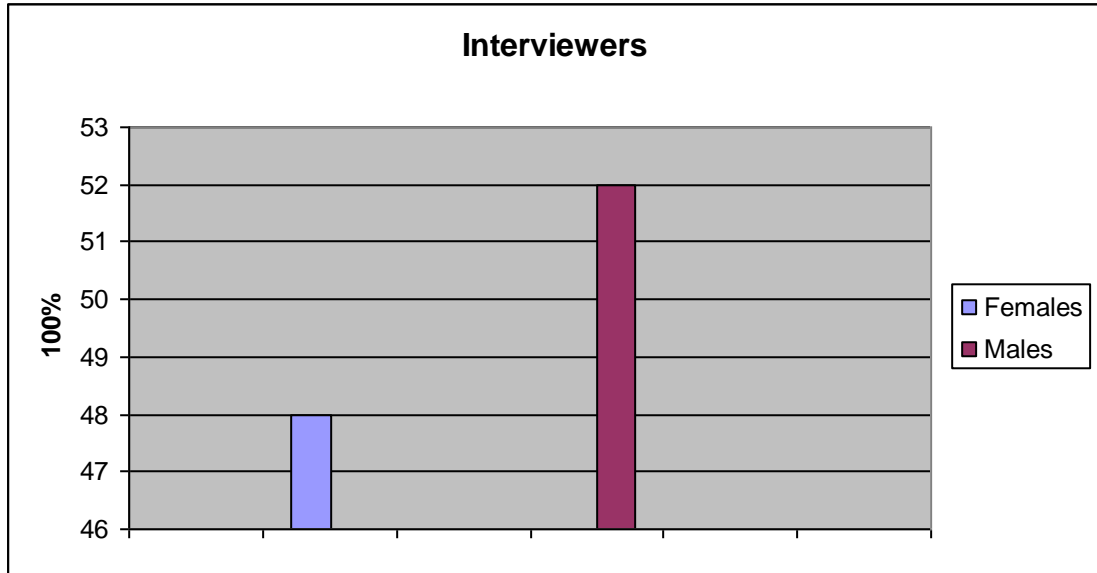
Corruption harms economy in many ways: struggles economic growth, prohibit free market, and helps underground economy. “The importance of the shadow economy has been well documented, especially for many developing countries and economies in transition where legal and political institutions are not adequate to support efficient market activities”

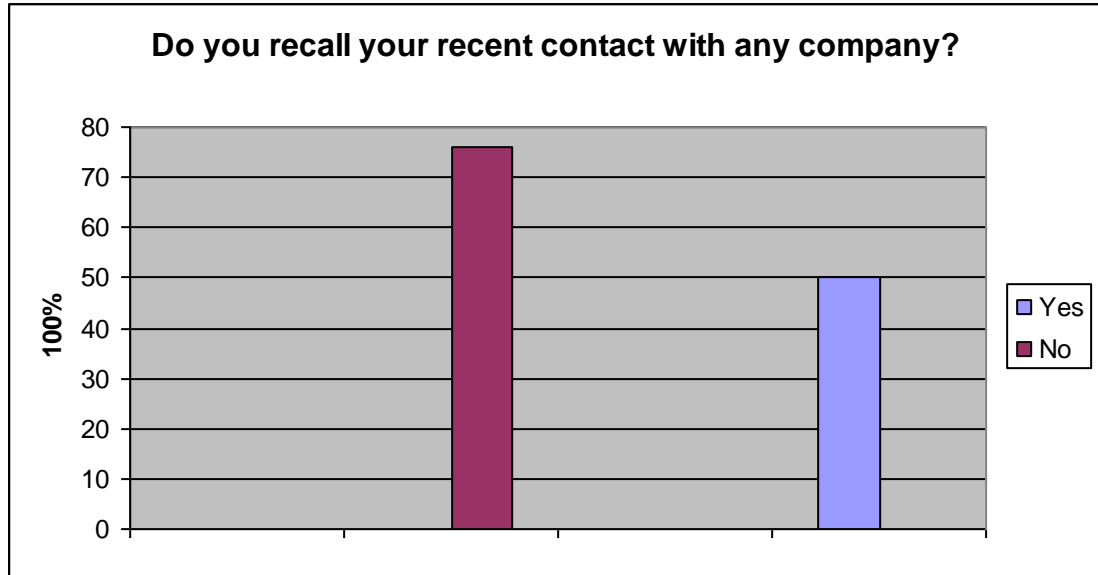
Another factor that leads to corruption is power-hungry politicians. For these kind of group’s power is everything, because through the potential power that they have they can control and influence the people to act in the way that they want, just to get what they want. By knowing the fact that these people are in love with power, they can be harmful more than a corruption does to economy. All this love come from advantages that a power gives to them and decision that they made for others, that my party is right and not yours, even though they can go beyond that they can control even the business that brings a lot of money to government, considering here also luxury goods.

Corruption raises business costs and decrease profits. This is not how one business would like to operate. One businessman that is ready to invest in place such Kosova, the government should provide them the necessary things what they as business need such as infrastructure, power supply, tax reduction for everyone factory or building that they build. And what is more important, a free market and good environment where you can sell goods or services that they as a business offer. “The economy’s growth rate involves

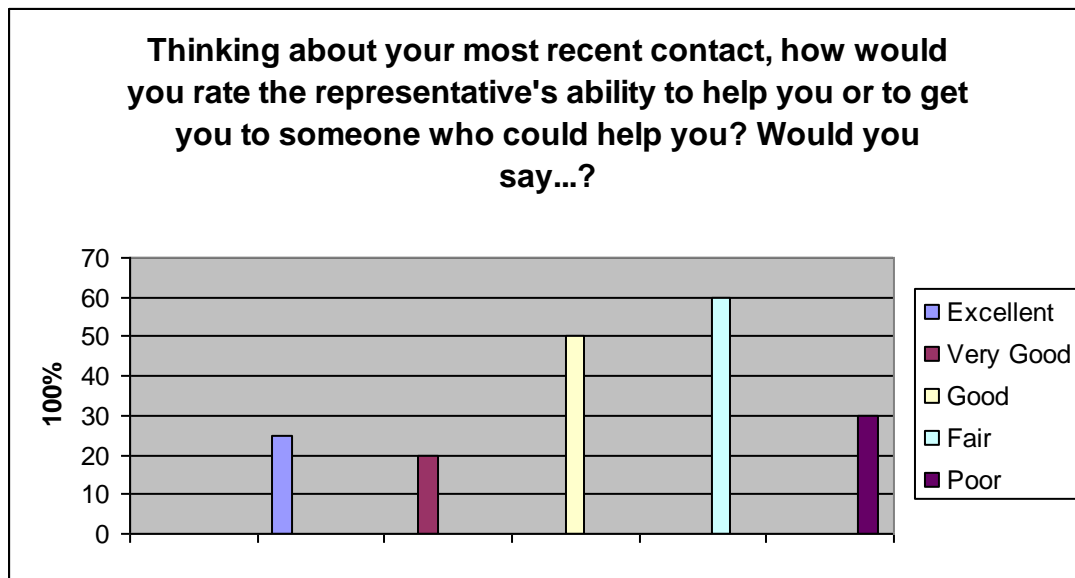
a trade-off in which inventions are encouraged by a greater private reward to discoveries, whereas efficiency-after inventions have already been made-dictates free access by many competitors to the available technologies. The government should take a neutral position, that means not favored any of the business does matter that field they operate.

## 5. CUSTOMER'S SATISFACTIONS IN DIFFERENT SECTORS INTERVIEWING SELLERS AND CUSTOMERS



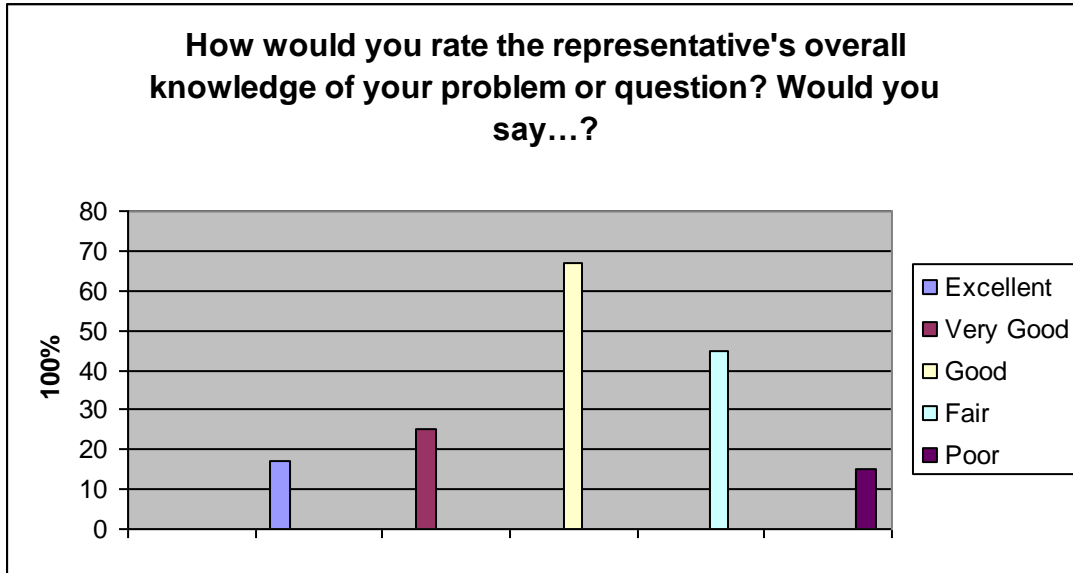


I interviewed about 83 different people, such are: doctors, teachers, economists, lawyers, students and different unemployed people. 76 of them do not recall their contact with any company; their reasons were different and of course all of their answers had as a conclusion their dissatisfaction in between.

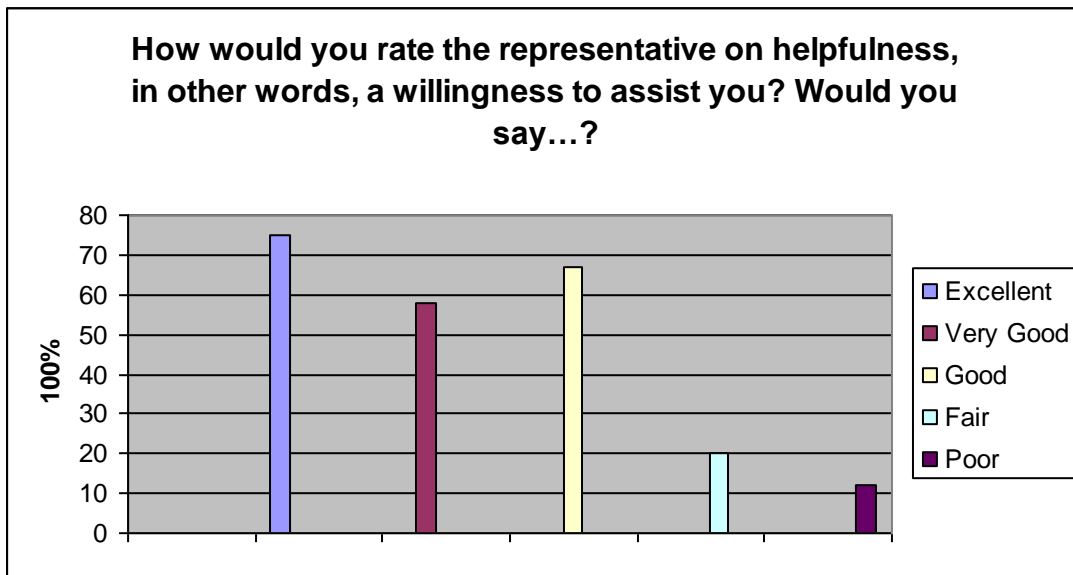
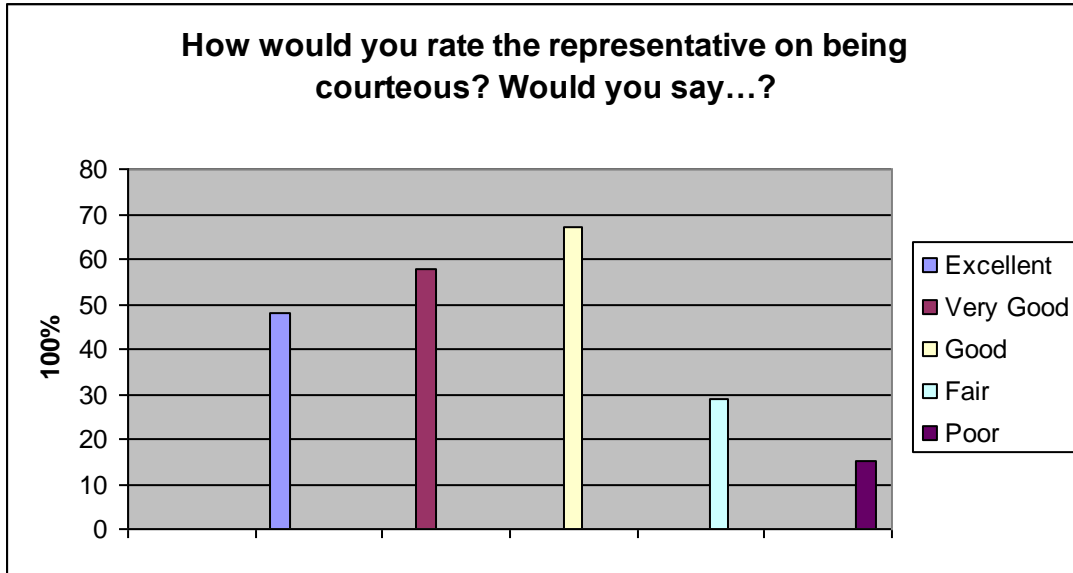


Based on the survey, representative's ability is in minimum to help costumers about anything they need. They can get help just from people that work at that store for more than 2 years and really knows how his/her product or service function. This problem affects too much customer's satisfaction towards the particular company. It is very unprofessional for every company to have an untrained staff.

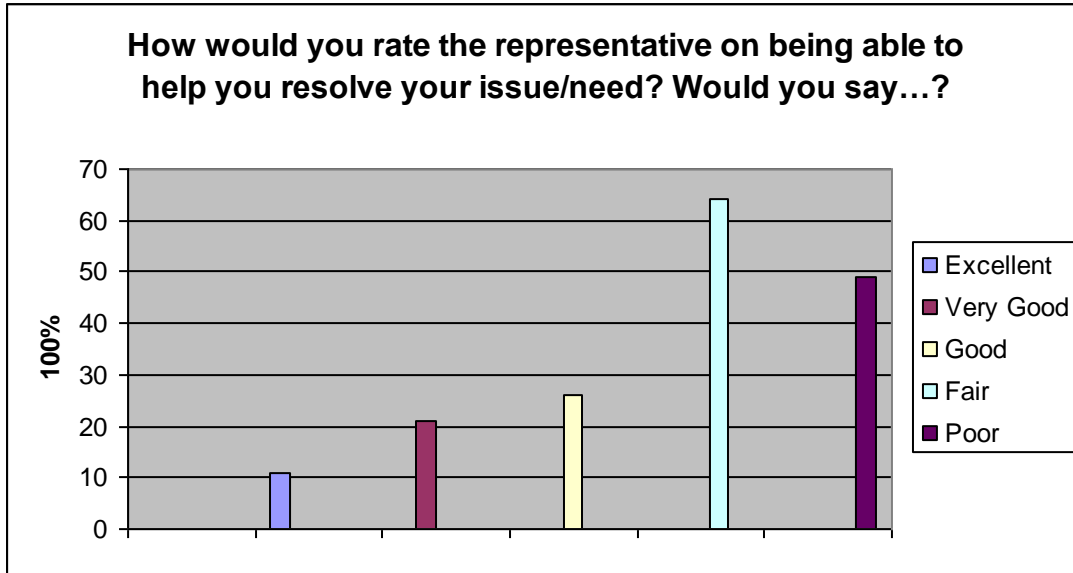




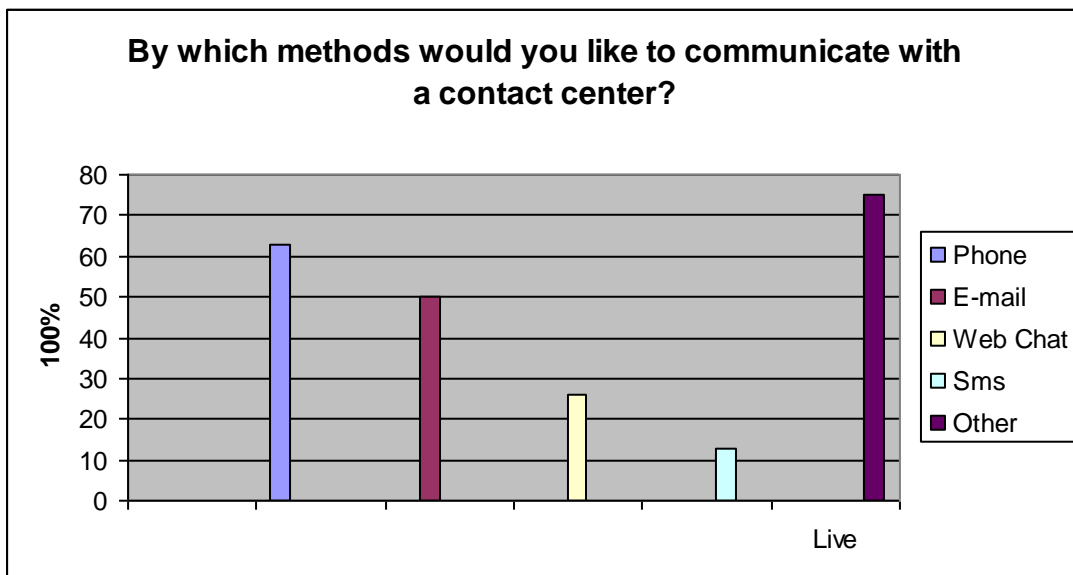
Representative's overall knowledge of interviewed customers is rated mostly good and sometimes fair. This means that people who work at any company are not specialists or trained for that particular job. Their only aim is to earn money in the end of the month. This is an important role to keep existing customers, or to get new ones.



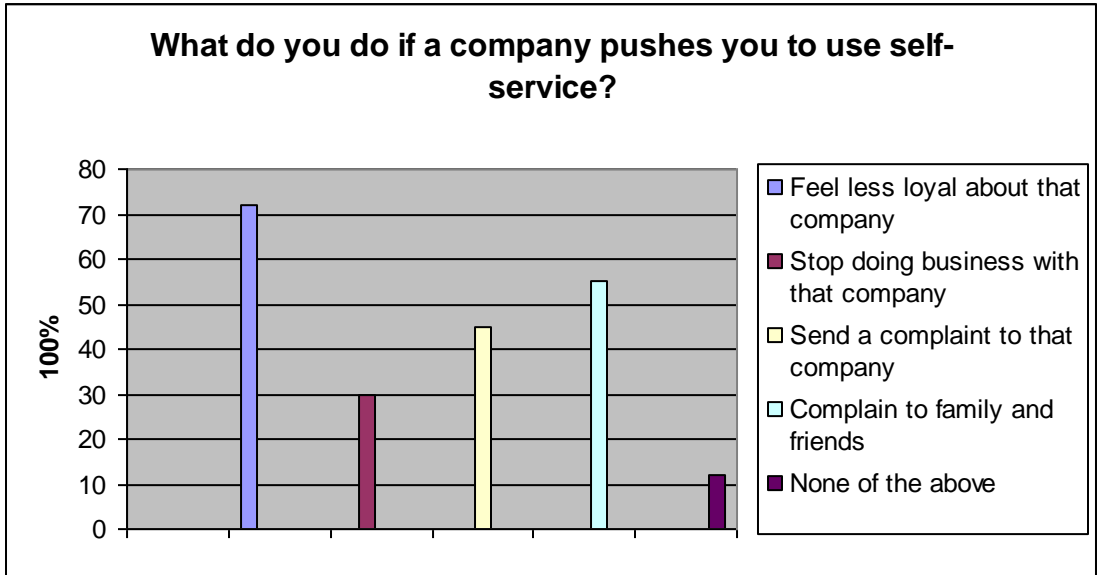
Sometimes, it is interesting or astonishing how some sellers try to be very helpfulness, in other words, a willingness to assist their customers is very high!! It does not happen often, but there are people that try to be kind and polite during their working time. Even though they cannot help customers always, they attract them with their courtesy.



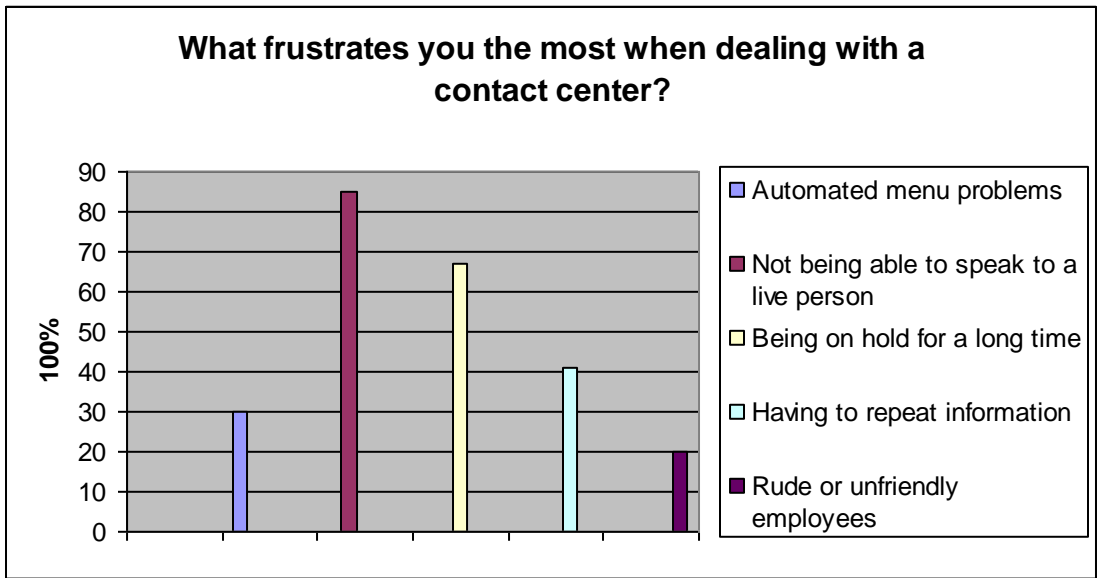
Asking interviewed people, what they think that would affect on employees professionalism, I got 70 same answers: Trainings!



Majority of customers would like to communicate with a contact center Live, or by phone when it is very urgent. They prefer to see the representative in front of them and explain easily their problem.

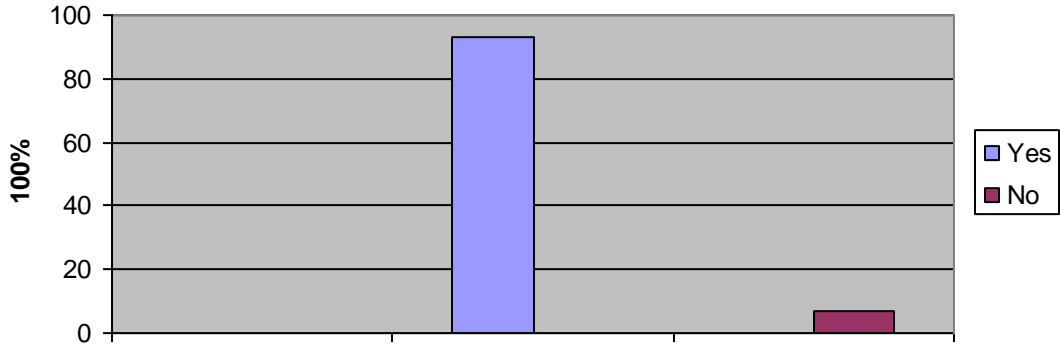


If a company pushes their customers to use self-service, clients would backfire feeling less loyal about that the company, send a complaint to them, to their families and friends and some of them would also stop doing business at all with that particular company.

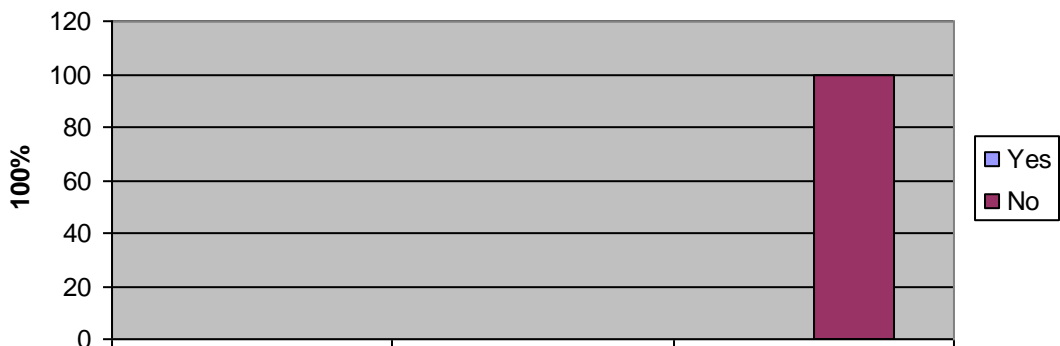


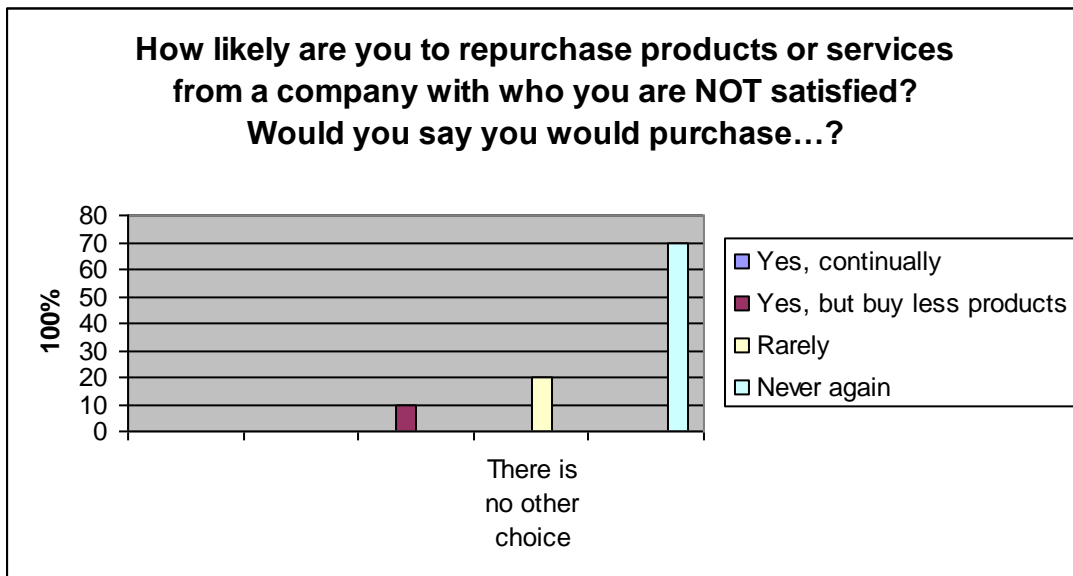
Employees' negligence and the impossibility to speak to a professional person are the main two things that frustrate clients. They feel insecure and very in embarrassment when they need a help and do not know where and how to get it.

**How likely are you to recommend a company with who you are satisfied to a friend or relative? Would you say the chances are...?**

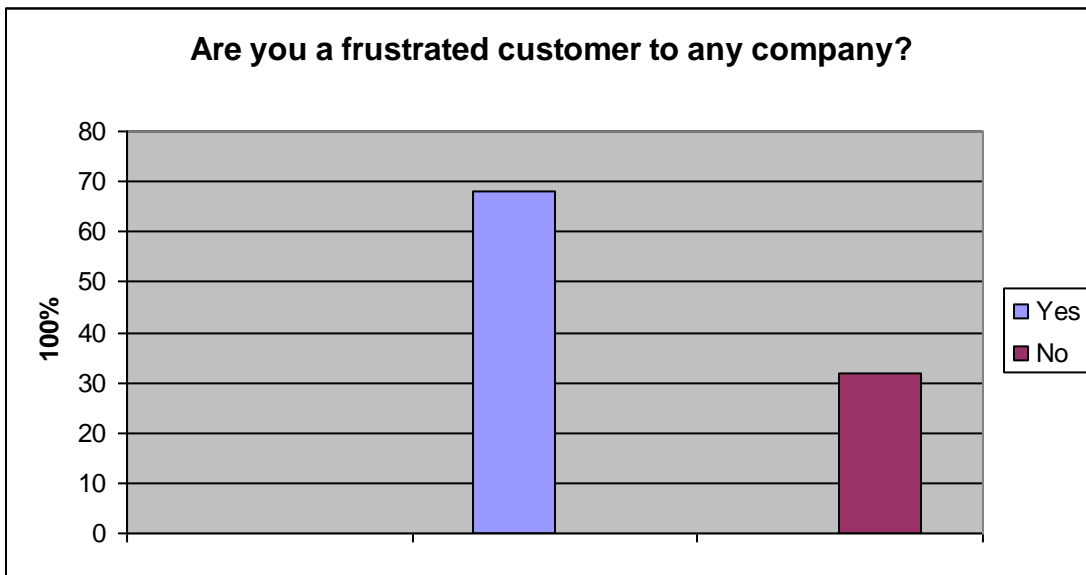
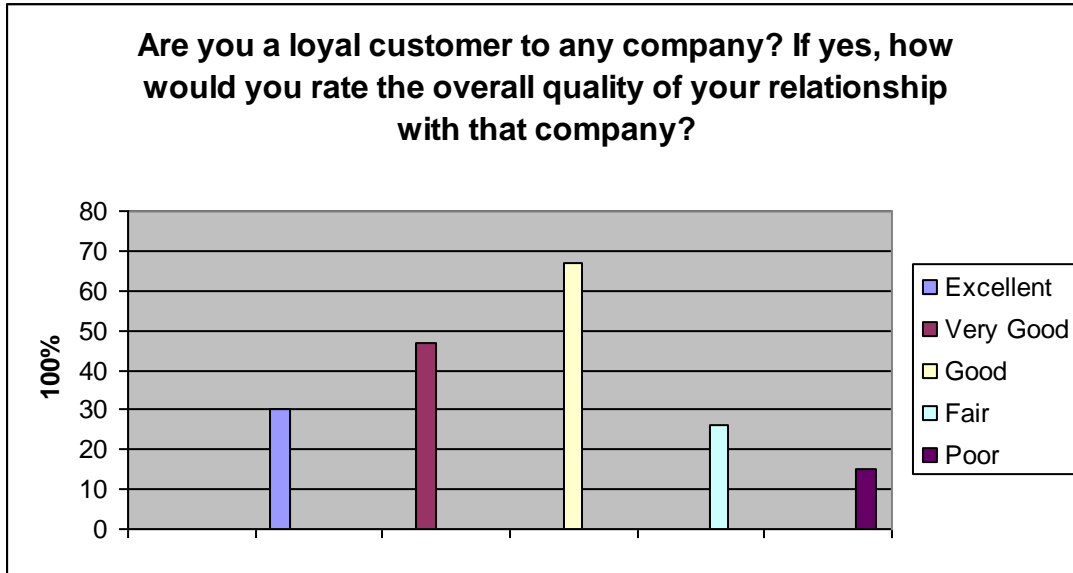


**How likely are you to recommend a company with who you are NOT satisfied to a friend or relative? Would you say the chances are...?**

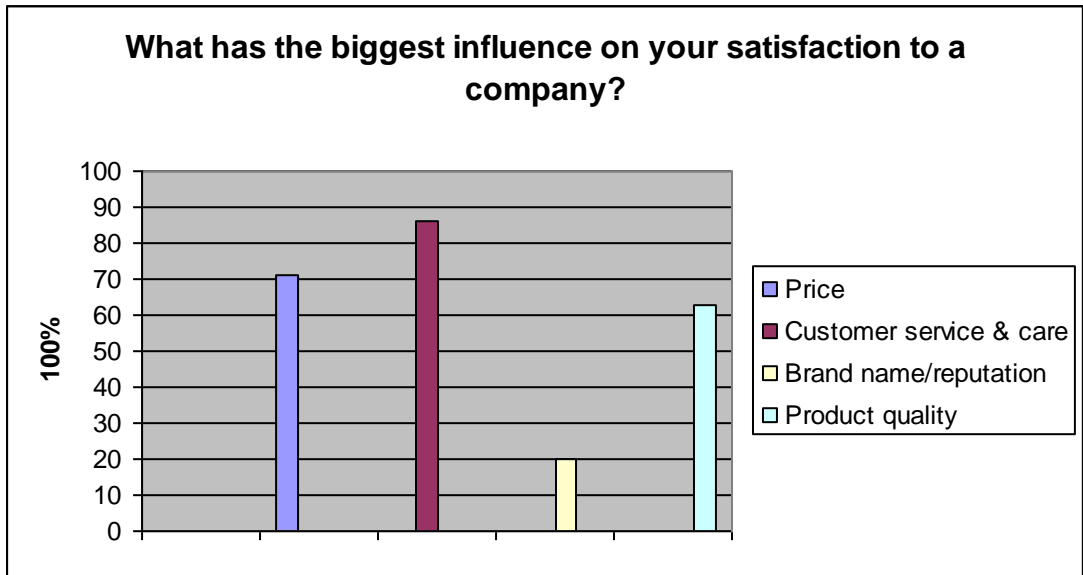
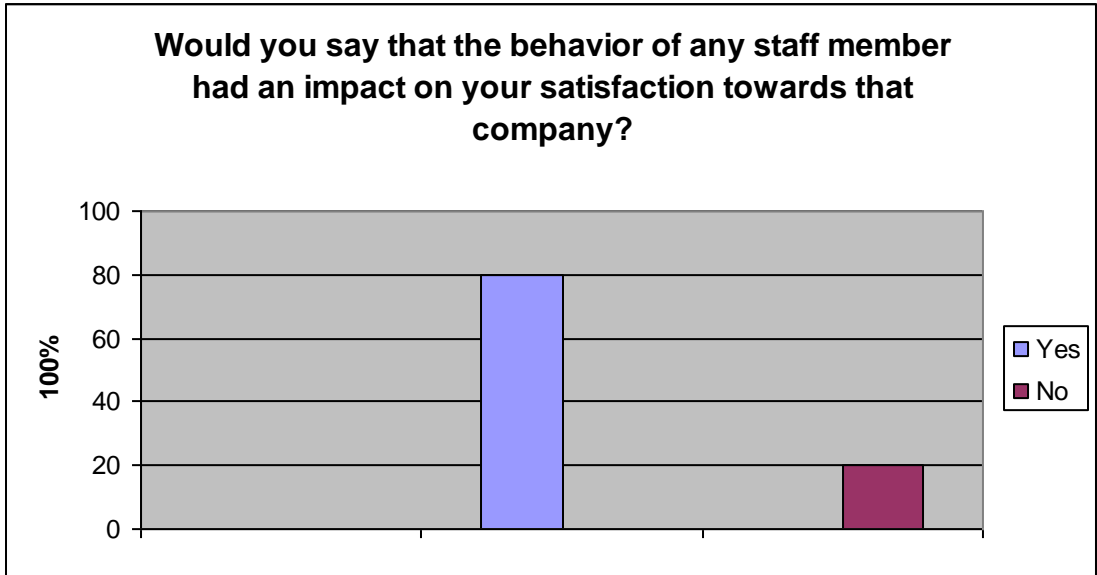




If any customer is satisfied with a particular company, he/she is ready and very happy to recommend it to a friend or relative. Also they are likely to repurchase products or services from that particular company continually. Satisfied customers are ready to do the favor of recommendation to that company, because of their facilitation they feel and of course they want the best for their family members or other friends. This would raise company's clientele, profit and image-the most important thing for every business. Otherwise, if the customers are unsatisfied with a company they would never recommend it to someone they know and would never again repurchase there, except in some special cases; for example: there is no other choice...



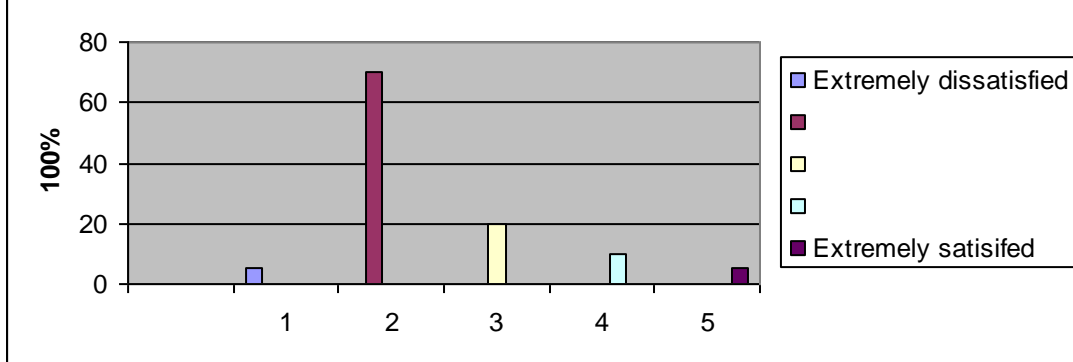
68 interviewed people from 83 are frustrated to any company! This is a big and saddens number of 'frustrated' clients. It is not for image of Kosovar companies and for their image also.



The biggest influence on customer's satisfaction has the customer service & care, and then comes product's quality and price. So, based on the survey's answers I got from regular customers, the importance of a staff member whose job is direct contact with them as customer is very high. They need to be recruited in a special way separately for every kind of business and then train them at least 2 times in a year for their job as sellers or representatives.



**On a scale of 1 to 5 where 1 represents "Extremely dissatisfied" and 5 represents "Extremely Satisfied", how would you rate our level of overall satisfaction with customer service of companies in Kosova?**



On a scale that I prepared, where 1 represents “Extremely dissatisfaction” and 5 represents “Extremely satisfaction”, interviewed people circled level 2. This means that company’s ability to help their customers is low and as result of this comes customer’s high dissatisfaction.

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