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**CONNECTION BETWEEN MARKET RESEARCH  
AND COMPANY'S GROWTH (Case of Republic Macedonia)**

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***Abstract:** How good we know the market is how good our company is going to be there. Marketing research is a process where data from the market is gathered. Need of precise information is essential when bringing decisions about business. It is relevant for everyday activities in the company, because that is the only way of being effective and staying profitable. We have raised interest in the connection between market research and company's growth because we believe that our economy needs to increase knowledge about market research, its positive effects on companies and at the bottom line, company's growth and expansion on the global market is in close connection with market research.*

***Keywords:** market research, company's growth, marketing, business expansion, economy of Macedonia*

**INTRODUCTION**

Macedonia's economy is very specific example for examination. It is because Macedonia is a small country, and the situation in the past decade, conditions did not give opportunity to have a bigger prosper and development of the economy. What is specific for our economy is that it is composed of small and medium sized companies that are major players.

Market research and information gathering are factors giving another perspective and openness for the company. We find SMEs to be most important and relevant factor in the economy that should trigger better climate and build better competitiveness in the society/economy as a whole. With the characteristics that SME's have, they appear to be more adjustable, flexible, innovative and creative. This is the main reason why they give greater challenge to the economy. Right information used in right moment is basic for company's growth. Companies' part on the market and its positioning comparing to the competition is in close connection with its daily usage of researches and analyses on the market. For such case, organizations need to have more educated employees in order to use their capabilities to research the competition and market as a whole. Expertise of the employees can lead the company to strengthen their competitiveness. Training and continuing education of the employees should help to be more successful and effective in everyday activities and that is the only way for building better

positioning for the company on the market. Democratic leadership should be best way to motivate employees to feel as a very important part of the team.

Percentage of SME's in Macedonia's economy is close to 98%. Employment in Macedonia is 60% and about 92% are employed in these enterprises. Almost 50% of Gross Domestic Product comes from these companies.

Three indicators measure the strength of the SME's in the economy: SME's participation in the employment; SME's participation in recognized benefit in the economy and SME's participation in Gross Domestic Product (Taki, Vasileva-Markovska, Veriva & Milford, 2007).

In order to perceive the situation about SMEs in Republic Macedonia and their influence on the economy we have made a research on 73 SME's in the region. The results should give a clearer picture about the actual positioning of the SME's and the factors that will improve this picture.

### STATISTICAL EVALUATION OF THE RESULTS

In this research, we used SPSS for statistical analyzing and presentation of the indicators. For data realization and testing the hypothesis, we have consulted descriptive statistic, statistical assessment and Correlation and Regression analyze, ANOVA parameters and  $\chi^2$  – test. Dependent and independent variables in this statistical model are shown and defined in *Tables 1-2*.

**Table 1**

#### Dependent variables in the model

RVR	Number of employees
PMPV	Growth dynamic of the company
GO	Annual turnover
BRKL	Number of clients
DRF	Average monthly salary for employee
UFP	Companies part on the market
NFVS	Most invested finances of the company

*Source: compiled by authors*

**Table 2**

#### Independent variables in this model

GRANKA	Field of the company
VRBIZ	Existence on the market
PFP	Company's positioning
FSK	Positioning comparing with competition
SKAP	Everyday usage of market research
VPO	Type of data used
AKRM	Agencies/experts that exist in Macedonia for market research
NKMI	Agencies consulted for market research
PSKMI	Benefits from everyday usage of market research
PMIOP	Support for marketing research within the company
FP	Employee for marketing within the company
SPP	Situations when is necessary to use information from the market
DSKF	Differentiation of the company comparing to the competition
SIKZB	Conducted market research when starting the business

*Source: compiled by authors*

These variables were concluded as a result of analyzing data by using Data Analysis in Microsoft Excel. Appropriate statistical indicators for these variables are shown in *Table 1* and their results of descriptive statistics. Results show average values of the variables. Variables that are more significant have higher values of the attributive model (numerically shown). The highest values of standard deviation have the following variables: NFVS (most invested finances of the company) and SPP (situations, when is necessary to use information from the market). The lowest value in the results have the following variables: PMIOP (support for marketing research within the company) and NKMI (Agencies consulted for market research). Viz. for those questions, we received the most similar answers. The highest value of standard mistake in the answers is noticed among answers of the questions: *For what do company invest the most? In what situations is necessary to have market information? Does the company have employed a marketer or marketing sector exist within the company?* The lowest value of standard mistake has answers, where following variables were found: usage of external capacities for marketing research and respondents agree the most for the cost-effectiveness of their usage.

In *Table 3* are given values of basic statistics calculated on statistical data from questionnaire: range, minimal and maximum statistical value, average value, standard deviation and variance from where we have received present information for 73 SME in Republic of Macedonia.

**Table 3**

**Appropriate statistical indicators and their results of descriptive**

Number	Variable	Average value (M)	Median (Me)	Standard deviation (SD)	Standard error (SE)
1	GRANKA	2,25	2	0,619	0.072
2	VRBIZ	2,479	3	0.626	0.073
3	BRVR	1,630	1	0,773	0.090
4	PMPV	1,904	2	0,581	0.068
5	GO	1,959	2	0.889	0.104
6	BRKL	2,575	3	0,686	0.080
7	PFP	2,205	2	0,552	0.065
8	FSK	2,260	2	0,602	0.070
9	DRF	2,068	2	0,608	0.071
10	UFP	2,014	2	0,905	0,106
11	SKAP	1,671	2	0,554	0,065
12	VPO	1,548	2	0,501	0.059
13	AKRM	1,521	2	0,503	0.059
14	NKMI	1,877	2	0,331	0.039
15	PSKMI	1,329	1	0,473	0.055
16	PMIOP	1,534	2	0,055	0.059
17	FP	2,096	2	0,945	0.111
18	SPP	2,120	2	1,021	0.120
19	NFVS	3	3	1,143	0,134
20	DSKF	1	1	0	0
21	SIKZB	1,370	1	0,486	0,057

*Source: compiled by authors*

From *Tables 3-4*, we can realize intensity of correlations and identify statistical important correlation that exist among dependent and independent variables defined

in the regression model. Viz. there are some statistical important interactions between variables in regression model. Variable PMPV (growth dynamic of the company), on the level of risk of 0.01 in statistical conclusion, is in biggest correlation with positioning of the company, competition in the field and support for marketing research within the company. In addition, variable UFP (companies' part on the market), on the level of risk of 0.01 in statistical conclusion, is in biggest correlation with number of employees, annual turnover and everyday usage of analyses and activities of marketing sector within the company.

**Table 4**

**Values of descriptive statistic for variables included in the regression model**

	N	Range	Minimum	Maximum	Mean		Std.	Variance
	St	St	St	St	St	St	St	St
VRBIZ	73	2	1	3	2.48	.073	.626	.392
BRVR	73	2	1	3	1.63	.090	.773	.597
PMPV	73	2	1	3	1.90	.068	.581	.338
GD	73	2	1	3	1.96	.104	.889	.790
BRKL	73	2	1	3	2.58	.080	.686	.470
PFP	73	3	1	4	2.21	.065	.552	.304
FSK	73	4	1	5	2.26	.070	.602	.362
DRF	73	2	1	3	2.07	.071	.608	.370
UFP	73	3	1	4	2.01	.106	.905	.819
SKAP	73	2	1	3	1.67	.065	.554	.307
VPO	73	1	1	2	1.55	.059	.501	.251
AKRM	73	1	1	2	1.52	.059	.503	.253
NKMI	73	1	1	2	1.88	.039	.331	.110
PSKMI	73	1	1	2	1.33	.055	.473	.224
PMIOP	73	1	1	2	1.53	.059	.502	.252
FP	73	2	1	3	2.10	.111	.945	.893
SPP	73	5	1	6	2.11	.120	1.021	1.043
NFVS	73	5	1	6	3.00	.134	1.143	1.306
DSKF	73	0	1	1	1.00	.000	.000	.000
SIKZB	73	1	1	2	1.37	.057	.486	.236
Valid N	73							

Source: calculated by authors

Results when dependent variable is company's growth dynamic (PMPV) and independent are all other variables are shown in *Table 5*.

**Table 5**

**Results from regression model**

Model <sup>B</sup>	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error	Change Statistics				
					R	F	df1	df2	Sig. F
1	.670 <sup>A</sup>	.449	.252	.503	.449	2.273	19	53	.010

A Predictors: (Constant), SIKZB, FKS, VRBIZ, VPO, GRANKA, UFP, SPP, BRKL, NFVS, PSKMI, NKMI, DRF, AKRM, PMIOP, SKAF, PFP, FP, GD, BRVR

B Dependent Variable: PMPV

Source: calculated by authors

Multiple correlation coefficient between all mentioned independent variables and company's growth dynamic (PMPV), as dependent variable, is 0.670 that shows very strong and significant positive correlation. Coefficient of multiple determination

shows that 44.9% of the changes made in company's growth dynamic (PMPV) are a result of changes that are made in determined variables by regression model. This interaction is statistical significant that is recognized in the value of significant  $F$  as realized level the risk of error.

From ANOVA (Table 6) we can draw statistical conclusion that partial regression coefficients (that considers all mentioned independent variables) are not equal. It means all independent variables have different influence on the company's growth dynamic (PMPV).

**Table 6**

**Test for regression model ANOVA (b)**

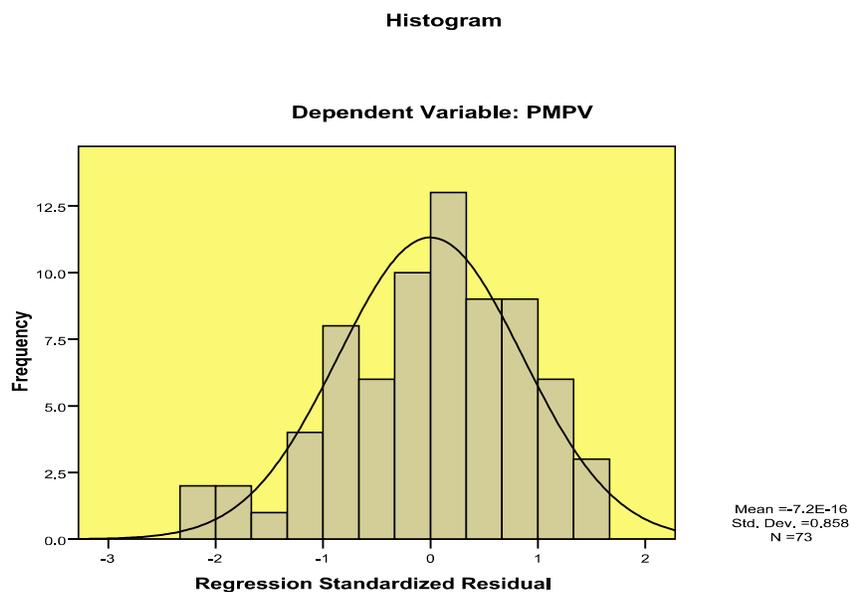
Model	Sum of Squares	df	Mean Square	F	Sig.
1					
Regression	10.924	19	.575	2.273	.010
Residual	13.404	53	.253		
Total	24.329	72			

A Predictors: (Constant), SIKZB, FKS, VRBIZ, VPO, GRANKA, UFP, SPP, BRKL, NFVS, PSKMI, NKMI, DRF, AKRM, PMIOP, SKAF, PFP, FP, GD, BRVR

B Dependent Variable: PMPV

Source: calculated by authors

We can see correlation directions and intensity of correlation between dependent variable company's growth dynamic (PMPV) and all other variables from regression model, primarily statistically most significant. The histogram (Figure 1) shows the concentrations of the values of the residuals around the average. In addition, in addition, the value of the average variability of the residuals is represented, that is the standard deviation, which confirms approximation to the normal theoretical distribution.



**Figure 1: Histogram of dependent variable - company's growth dynamic (in standardized form of its residuals)**

Source: built by authors

Table 7

### Regression coefficients and their estimated values

Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95% Confidence Interval for B		Correlations			Collinearity Statistics		
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VF	
1	(Constant)	.586	1.094		.536	.594							
	GRANKA	-.065	.119	-.069	-.545	.588	-.304	.174	.105	-.075	-.056	.647	1.545
	VRBIZ	.062	.124	.067	.500	.619	-.187	.310	.128	.068	.051	.584	1.711
	BRVR	.124	.152	.165	.815	.419	-.181	.429	.476	.111	.083	.254	3.932
	GD	.233	.130	.357	1.794	.079	-.028	.494	.476	.239	.183	.263	3.801
	BRKL	.067	.108	.079	.622	.537	-.150	.284	.140	.085	.063	.639	1.564
	PFP	-.174	.170	-.165	-1.020	.312	-.515	.168	.106	-.139	-.104	.398	2.514
	FSK	.040	.161	.042	.251	.803	-.283	.364	.112	.034	.026	.373	2.684
	DRF	.093	.132	.098	.706	.483	-.172	.359	.137	.097	.072	.541	1.848
	UFP	.013	.088	.020	.143	.887	-.164	.190	.214	.020	.015	.550	1.818
	SKAP	.340	.156	.325	2.181	.034	.027	.654	-.013	.287	.222	.469	2.131
	VPO	.072	.138	.062	.523	.603	-.204	.348	.135	.072	.053	.737	1.356
	AKRM	-.298	.171	-.258	-1.742	.087	-.642	.045	-.444	-.233	-.178	.473	2.113
	NKM	.282	.230	.160	1.224	.226	-.180	.743	-.062	.166	.125	.606	1.651
	PSKMI	-.204	.177	-.166	-1.155	.253	-.559	.150	-.338	-.157	-.118	.503	1.990
	PMIOP	-.171	.213	-.148	-.805	.424	-.598	.256	-.298	-.110	-.082	.307	3.255
	FP	.076	.106	.124	.714	.478	-.138	.290	-.185	.098	.073	.347	2.884
	SPP	-.048	.067	-.084	-.714	.478	-.183	.087	-.099	-.098	-.073	.745	1.343
	NFVS	.078	.062	.153	1.254	.215	-.047	.202	-.063	.170	.128	.698	1.432
	SIKZB	.028	.156	.024	.181	.857	-.285	.342	-.069	.025	.018	.608	1.644

a. Dependent Variable: PMPV

Source: calculated by authors

In Table 7 there are given results of the values of regression coefficients, standard errors for all regression coefficients. From that value, we have calculated lower and upper perimeter in the interval evaluation. This takes in consideration-evaluated regression coefficients of the statistical sample (all SME's that were examined in Republic of Macedonia). This estimated value is with a 95% significance threshold.

## CONCLUSION

According the results, managers of Macedonia's SMEs are aware about factors that can influence company's growth such as products quality, reasonable prices, good positioning, serving existing customers and finding potential one, good established network of marketing communications, greater investments etc.

Company's growth dynamic is in direct correlation with support from marketing research, positioning of the company and competition. Company's part on the market is in close correlation with number of employees, annual turnover, and everyday usage of analyses and activities of marketing sector within the company. Concerning fact in Republic Macedonia is that more than 60% of SME's do not use marketing researches in everyday activities. This means that SME's are not aware for benefits that regular usage of this process can bring to the company. According to the main SME's characteristics, mainly their limited financial and human resources, they should become aware of the benefits from engaging marketing agency for such process. Service and expertise of those agencies can guarantee to the SME's accurate information that can be useful for bringing right decisions in the precise moment.

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