

INNOVATIONS IN THE FUNCTION OF COMPETITIVE ADVANTAGE OF BAZAARS ON MARKET¹

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Abstract

By analyzing the importance of bazaars on domestic market we want to ascertain and acknowledge their historical, modern and future role on market of agriculture products. Innovations, as continuous adjustments to market conditions, deem necessary adoption of changes in doing business. The objective of this paper is to emphasize the importance of innovations in business and good communication with public on the bases of social marketing. Results of the research have provided a solid foundation for conclusion that the implementation of innovations may contribute to the competitive advantage for bazaars on the market. The conclusion is as well that the activities of social marketing may lead to a better communication with customers for fulfillment of the basic role of bazaars for supply of fresh agriculture products for residents, and acknowledging their importance.

Key words: *innovations, investments, bazaars, competitive advantage, market, social marketing.*

Introduction

In historical context of society and commerce development, bazaars had have special role. Development of commerce in agriculture has produced complex relations between bazaars, shops and consumers. Basic problem this paper deals with is analysis, forming integrated communication model that would embrace all kinds of communication processes between interested parts, and it would be base for solving the problem of innovation implementation. These integration models would represent the foundation for implementation of innovation in business practice of bazaars, and also an incentive for develop-

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ment of communication model that are objects of interests for science institutions for marketing and market. The final objective is forming the model of integrated communication that would lead to innovation implementation and their usage for satisfaction of mutual interests of bazaars, on the bases of social marketing. By solving problems and aims of research, we start from current state of bazaar markets, existing literature, and authors' experience and designated empirical reviews. In global sense, the projection of bazaar business should be looked for between further supply enrichment in content, infrastructure arrangement and assortment on one side, and preserving their peculiarities, on the other side. (Lovreta, 2008).

Active usage of innovations in bazaar business leads to changes in market portfolio and creates advantage over competitors. It is necessary to mention that secondary sources of data from existing literature and authors' experience are used for this research, and primary data are collected on terrain researches.

Innovations as condition for market positioning of bazaars

The aims of innovation implementations in bazaar business are:

- Improvement of quality and variety of service in bazaars on market
- Creation of conditions for increased commerce for food produce by technology equipment and temporary storage
- Defining and implementation of product quality control standards in cooperation with other interested entities
- creating special conditions for sale of domestic products with geographic origin marks, production of safe food from healthy environment
- creating brand of domestic products on separate parts of bazaar
- help of bazaars in communication with authorized administration for incentives in domestic products manufacture
- innovation technologies enabling synchronised communication between manufacturers, bazaars and wholesales markets
- creating unique interest between bazaars as bases of sale, with agriculture fairs, stock markets and other institutions of regional and wider trade
- Innovations for integrated marketing innovations in communication with target market.

With adopted strategy of precisely defined standards of innovation involvement, it is possible faster and simpler to determine extent of realised and gap between plan and realisation. (Prdić, 2019).The aforementioned implies that greatest problems of bazaars, due to lack of innovation implementation, are economic and service inefficiencies. Based on communication cognition and authors' experience, we can tell that domestic bazaars do not make changes in their business. There are changes that are related to quality of provided service, and investments and innovations in business. The greatest number of bazaars functions on old "communal" principle, not seeing changes on market and competitors activities. In such circumstances, the knowledge and creativity of employees remain unused potential of bazaars. Based on knowledge during research, a great number of employees on bazaars in Serbia remain to work for over twenty years in these companies, so that resource is very important for bazaar development upgrading experience in work with new knowledge.

On the example of research on employees potential in JKP Tržnica Novi Sad on the scale of 1 – 10, question if they have and if they could implement new ideas in bazaar business, answer had average score 7. When it comes to potential that may contribute to bazaar development using innovations, on the sample of 120 employees, the results are:

- 60% of examinees think that they have potential that could be used for bazaars development
- 30% examinees think that they should be implemented but has no special idea
- 10% examinees think that better service level may maintain competitiveness of bazaars

About previous research it is necessary to mention that it was conducted on the sample of 120 employees and those employees below secondary education have not been questioned. When we compare this number with total number, the percent of interviewed is above 70%. When it comes to education for successful implementation of innovations and modern technologies in the sample of 90 employees, the results are:

- I accept innovations and new technologies 40%
- I want to educate because of market changes and competition 27%
- Our renters and consumers will achieve economic 20%
- We will be more competitive on the market 13%.

Previous research shows awareness of employees about the necessity of changes. These changes and implementation of new knowledge by employees show awareness and responsibility for needs of company, renters and consumers.

When we speak about attitude of renters, on the sample of 30 sellers of fruit and vegetables on Fish Market in period 1-10th June 2020 about innovation implementation, the answers are:

- it is necessary 65%
- probably yes 25%
- Existing services should be improved 10%.

The conclusion is that great majority of renters – sellers think innovations are necessary. They are key element for business success in the future, having in mind competitive markets. About the future of bazaars, the same sample provided following answers (answer all given possibilities, please):

- a) Creating conditions for innovations implementation on bazaar 1 2 3 4 5
- b) Implementing technology systems for better conditions of sale and quality control of work on bazaars 1 2 3 4 5
- c) Adjustment of working conditions to customers' needs 1 2 3 4 5
- d) Enrichment of supply of organic food from healthy environment of domestic producers 1 2 3 4 5
- e) Stressing the importance of bazaars as local brands 1 2 3 4 5
- f) Social marketing for bazaars promotion 1 2 3 4 5
- g) Other services, parking and others. 1 2 3 4 5.

Results of question marked by letter a show that average mark is four. Renters realise that innovations make greater chances for sale of their products. Result market by b also has average mark 4, and candidates' explain that based on research experience, as chance for sales increase. Answer marked with letter u has also mark 4 since sellers understand that their interest is connected with consumer interests. The result with letter is marked with 3. Sellers think that there is not sufficient economic care for domestic producers of organic food supply. Answers market with letters e, f and gore graded with mark 3 since sellers think that bazaars as service companies have to take care of marketing and other services.

When speaking about attitudes of 30 vegetable and fruit sellers on market „Zeleni Venac“ in Belgrade (the same questions), about innovation implementation in business, in period 15 to 20 June 2020, the answers are:

- it is necessary 70%
- probably yes 20%
- Existing services should be improved 10%.

This research shows nearly the same results as on Riblja market. We should mention that the bazaars „Zeleni Venac“ and Fish Market are among the eldest bazaars that provide consumers by fruit and vegetables.

When speaking about data from Zeleni Venac the first four answers have grade 4. During the inquiry and acquiring communication-based knowledge, we concluded that renters have given greater grade to changes that may bring them greater economic benefits. The rest three answers in the sense of market development in the future are market by average mark 3 since they think that bazaars as service companies have to take care of marketing and other services.

Direct trade on markets enables adjustability of sellers to current market state, in the sense of product price. (Kuzman et al, 2019).

The work paper wants to show the historical significance of markets in creating prices of agriculture products on market, on one side, and to show how competitiveness may be preserved and improved, on the other side. Summing all the margins of contribution lines performed in the farm, a total contribution margin could be obtained. This margin will clearly reflect the valorisation of the success of the whole business activity. (Subić et al, 2019).

Healthy ecological products on Fish Market have separate „street“ for selling domestic safe products. Sales usually go on weekends and there are buyers that are ready to pay ecological vegetable from healthy environment.

It is obvious that there is a growing demand in rural tourism everywhere in the world, and it is driven by two factors: craving for authenticity and the desire for better life quality.(Cvijanović et al, 2019).

In Autonomous Region of Vojvodina, as an area with great production of fruit, vegetables, dairy, meat and meat products, it is necessary to organise individual husbandries in joint selling sector. If, as place for sale we take bazaars, we would have direct information about prices, quality and influence of market on further development, and new models of development based on costumers' attitudes. Circling the efficient model of village area development in order to improve agriculture production is also possible by connecting touristic potential in form of tourism and rural tourism.

Rural development concept should contribute to decrease of pressure on urban areas and to steady state development. (Matijašević et al., 2014). If we know that rural areas comprise roughly 85% territory of Serbia and agriculture is basic business of that area, it is clear that it is necessary to invest in that economy sector. Investing in rural development concept would keep people in village areas and improve agriculture production. Bazaar market and adequate buyout of production surpluses would enable agriculture development and survival of inhabitants of rural areas. Local needs are still bigger than local production in this area. (Ostojić et al, 2019).

When speaking about regional markets, we may see tendency of harmonized production in agriculture food industry, especially of production of fruit, vegetable, meat and other products. Meat production has a long tradition in Serbia and it is the part of strategy of harmonized development of domestic production and export. If we resume based on exposed, we can see that the development of agriculture production is very important. It contributes to rural areas development, individual production and farmers' standard development, supports market development and enables estimation of state of total economy in agriculture. The conclusion is that bazaars are the first and basic market intermediate for measurement of domestic agriculture state. Involving innovation in their business would create conditions for joint program of development with individual agriculture producers.

The role of social marketing in realisation of better performances of bazaars on market

Observing the importance of social marketing in public sector functioning, it is necessary to define goals of enterprise by innovation implementation. If we analyse market position of JKP Tržnica Novi Sad, it is necessary to define strategy of enterprise by innovation implementation. That strategy has to be harmonized with costumers' interests and social role of enterprise. After goals defining, the enterprise has to adopt key elements of social marketing, based on strategic planning. Above all, the role of social marketing has the aim to stress the importance of innovation implementation in business, and all subjects have interest for that. Process of introducing social marketing should be integrated with innovation implementation in business of enterprise. First, it is necessary to analyse bazaar position on the market and based on marketing research, reveal attitudes of sellers, consumers and competitors. Total activities of social marketing present combination of economic, communication and educational strategies that result

in technological and informatics changes, at the end. Marketing becomes the best platform in public agency that wants to fulfil citizens' needs and deliver real value. (Kotler & Lee, 2008).

The greatest competition to domestic individual producers in modern time are supermarkets and discount centres. At the same time, they are greatest competition to bazaars that have to find a good and mutually acceptable mechanism of common interests with producers. If we add consumers' habits for bazaar purchase, it is clear that bazaars and producers have to make marketing effort to stress the importance of bazaars as places of traditional trade, healthy products from preserved environment. (Prdić et al., 2019).

Based on gained information, bazaars take a series of marketing instruments in order to attract buyers for purchase, even using "brand" with name of the bazaar in promotion. After the analysis, it is necessary to define strategy of social marketing that will stress the importance of innovations and changes they bring, to the public. By this strategy, the public sector enterprise, through promotion, publicity and its own communication, influence social community, target groups and other public, stressing the importance of technologic innovation and informatics innovations, in order to fulfil economic interests of individuals and social community. Measuring of social marketing effects in public companies, requires competencies and engagement on finding methods for measurement of social marketing efficiency for growth and development of company. Efficiency consists from concrete benefits and effects that social marketing brings to company development. (Prdić, 2015).

Critical look and recommendations of research

Analysis of research leads to the conclusion that domestic public companies on local level, and observed enterprise do not have adopted strategy of innovation implementation, and its promotion through means of social marketing. Research shows that enterprises have not realised the importance of innovation implementation. By using strategy of innovation implementing, public local enterprises gain economic and social benefits, as one of postulates of their existence. Strategy of innovation implementation has to be harmonised with total business strategy. The resolution of bazaar management to implement innovation and define target market is the bases of strategy implementation. After that, it is necessary to identify all possibilities and resources for innovation implementation for satisfaction of service users and final consumers. In historical sense, bazaars are multifunctional markets for agriculture

products, unique source of information, and presentation of domestic production state, reputation of market and social institution of specific importance. It is necessary to develop innovative theory of internet markets as separate role of social marketing. In order to make information technologies usable in future functioning of bazaars, it is necessary to abandon personal and partial interests and realise use of technology as information tool for economic aim fulfilment. Results of conducted questionnaire research on Fish Market in Novi Sad and Zeleni Venac in Belgrade show that sellers are interested and have knowledge about internet information and technologic changes contributions to their business success. This conclusion is summary of authors based on visit and conversation. In order to change present situation and see the importance of innovation implementation, it is necessary to indicate the obstacles that exist for domestic bazaars for not embracing these activities, and working on their overcoming.

Conclusion

The state of modern bazaars in Serbia is not satisfying neither from market nor public aspects. When speaking about current state, on the bases of conducted researches, we may observe the lack of care and unclear strategy of future bazaar development. Still, in circumstances of stronger competition the importance of social marketing that would enable status of unique and public places of trade is not seen. The results of research of sellers on two traditionally relevant bazaars show that it is necessary to invest in technological and innovative systems that would enable higher quality of products and integrated communication. Innovations in future become the base of bazaar trade development that will stress traditional importance of bazaars, through social marketing. Attitudes of sellers and employees confirm that future of bazaars in development of innovation information systems that will enable integrated communication with consumers and increase the efficiency of trade. Besides the development of innovation and technologic system, the conclusion is that bazaar development is not possible without provision of additional services like parking spaces, longer staying on bazaars, catering and other services. The research confirms that sellers have clear attitudes on necessity for innovation implementation and apprehension that innovation will contribute to increase of trade of quality and fresh products by lowest prices. Attitudes of employees also confirm that knowledge is basic assumption for innovation implementation that will enable strategic position of bazaars on the market of agriculture products. The conclusion is that the research may contribute to establishing a model of bazaars development in modern conditions of

trade and market. This model will emphasise traditional and modern importance of bazaars and enable competitive advantage of bazaars on market.

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