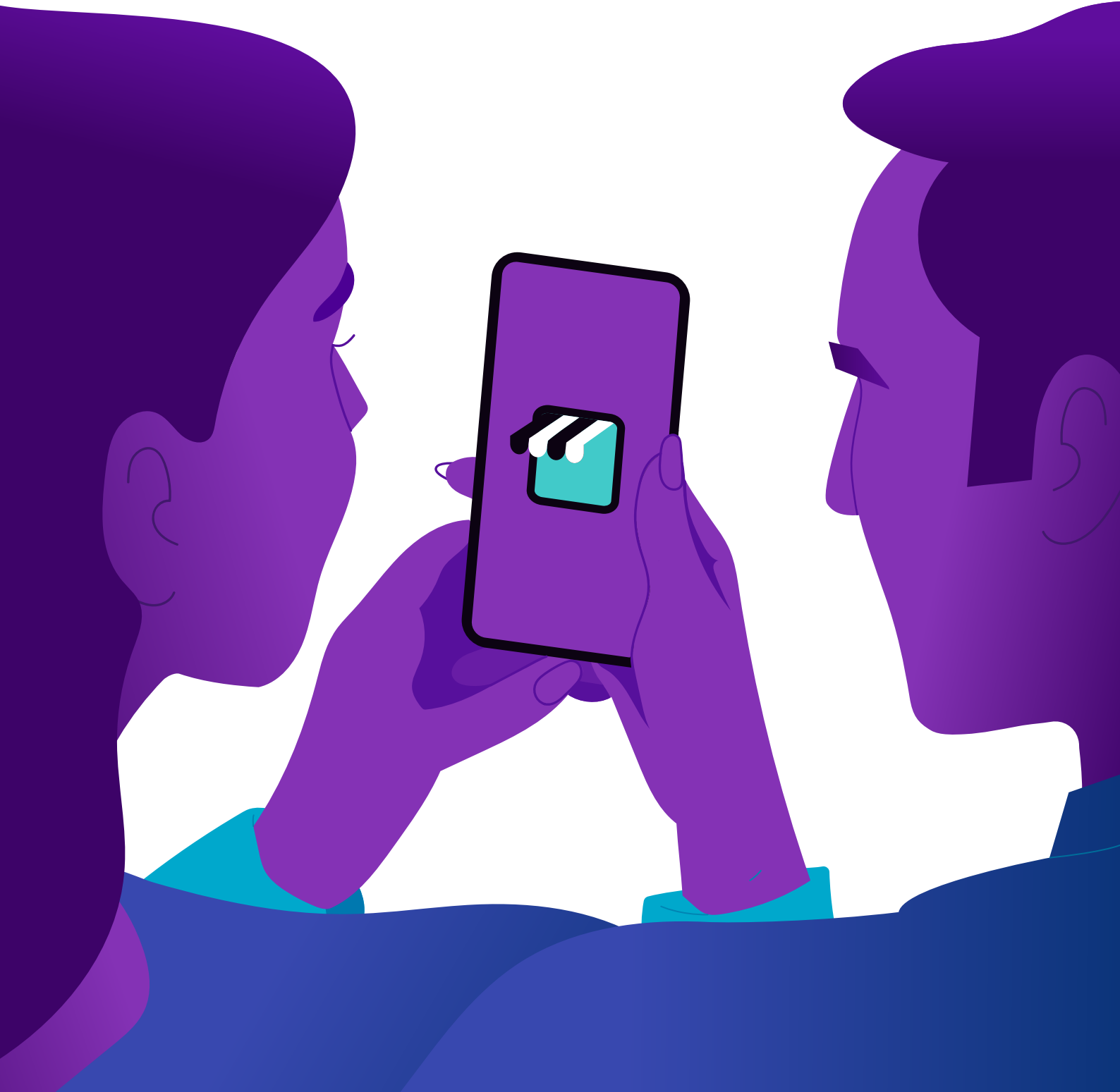


Empowering Women-owned and Minority-owned Businesses in Kosovo through e-commerce



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March 2025

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List of abbreviations

CBK	Central Bank of the Republic of Kosovo
CEFTA	The Central European Free Trade Agreement
COVID-19	Coronavirus Disease 2019
e-commerce	Electronic Commerce
eID	Electronic Identification
EU	European Union
Fintech	Financial Technology
GAP	GAP Institute
KIESA	Kosovo Investment and Enterprise Support Agency
MSME	Micro, Small, and Medium Enterprises

Executive Summary

E-commerce has become crucial for the growth and competitiveness of micro, small, and medium enterprises (MSMEs). It allows businesses and customers to connect remotely, offering convenience, easy access, and more options for products and services. Data from 2020 show that 51% of internet users in Kosovo engaged in online shopping, ranking the country second among the Central European Free Trade Agreement (CEFTA) members for e-commerce activity. This report shows that women-owned and minority-owned businesses in Kosovo are engaging with e-commerce, but many are still in the early stages of fully using digital platforms for significant growth.

Results from the GAP survey indicate that 57% of women-owned businesses and 56% of minority-owned businesses in Kosovo have an online presence. However, among those with an online presence (via social media, websites, or integrated platforms) only 28% of women-owned and 49% of minority-owned businesses use this digital presence for e-commerce. Among minority-owned businesses that engage in e-commerce, 63.8% are owned by men, 27.5% owned by women, and 8.7% co-owned by men and women.

Most businesses that engage in e-commerce work within the wholesale and retail trade sectors. In terms of revenue generation, survey findings indicate that both women-owned and minority-owned businesses generate less than 25% of their total revenue through e-commerce. The 35 to 44 and 45 to 54 age groups are the most active participants in e-commerce, showing substantial representation across all revenue levels (low, mid, and high). Although women-owned and minority-owned businesses in Kosovo are increasingly taking part in e-commerce, their revenue growth is still relatively low. The findings also indicate that more established women-owned and minority-owned businesses, particularly those founded between 2010 and 2019, achieve higher sales through e-commerce compared to newer businesses established during the COVID-19 pandemic or afterward.

Integrated e-commerce platforms have proven to be highly beneficial for businesses, enhancing both their visibility and credibility in the marketplace. Approximately 70% of women-owned and minority-owned businesses who participated in the focus groups view these platforms as effective, mainly because they provide integrated logistics solutions that enable micro and small businesses to manage inventory, order processing, and delivery more efficiently.

The report highlights a pressing need for digital marketing training among women-owned and minority-owned businesses, given that 83% of women-owned and 80% of minority-owned businesses have never received training on leveraging technology and marketing for promoting their businesses. Qualitative data shows that only a few businesses can afford professional marketing services, yet such skills are essential for expanding their online presence and improving the overall business performance.

1. Introduction

Digitalization is a major driver for MSME growth, development, and competitiveness.¹ E-commerce, short for Electronic Commerce, refers to buying and selling of goods and services using digital platforms.² E-commerce changes business strategies by helping smaller businesses compete with larger ones, boosting sales, and lowering operational costs.³ It allows businesses and customers to conduct transactions without physical interaction, offering convenience, accessibility, and often a wider selection of products or services.⁴ As such, e-commerce offers several well-recognized advantages, including access to an extensive selection of products from both local and international markets, access to customers' product reviews, to name a few.⁵

Recently, financial technology (fintech) companies have begun operating in Kosovo, offering digitalized payment and e-banking services to Kosovo citizens. Although Kosovo adheres to EU standards for e-commerce and customer protection,⁶ the country still lacks an electronic signature (eID)⁷ system. Nevertheless, as part of the EU4Innovation project, an eID system is in the final test phase.⁸ Once implemented, the eID system will provide users faster and safer e-banking, e-business, and e-health services.⁹

In recent years, access to digital payment options has increased with the financial institutions embracing e-banking platforms, with most commercial banks offering e-banking and utility providers offering online bill payment options.¹⁰ Similarly, various payment methods are available for e-commerce transactions, including e-banking transfers, credit card, and cash-on-delivery for purchases within Kosovo.¹¹ Notably, online credit or debit card purchases have grown from 2,053,180 payments in 2021 to 2,671,237 in 2022, marking a 30% increase.¹² This growth is in part driven by the development of e-banking platforms, new integrated Kosovo digital platforms, and the increase in the number of private express delivery service companies. These factors collectively support the growing e-commerce landscape in Kosovo.

Furthermore, while Kosovo's internet penetration rate is 96.6%,¹³ integrating e-commerce into business operations and embracing digitalization seems to depend on strategic business planning.¹⁴ In 2020, 51% of internet users in Kosovo engaged in online shopping, positioning the country as the second highest among the CEFTA members for e-commerce participation.¹⁵ Notably, a total of 98% of online purchases in Kosovo are made from national sellers.¹⁶

1 World Economic Forum. ["Smaller and mid-sized businesses are fighting for survival. This is how they could prosper."](#) Centre for the Fourth Industrial Revolution, 2023.

2 World Bank Group. [The Virtual Market Place, Connecting Women Owned SMEs to E-commerce Platforms in MENA.](#) 2019.

3 Dërguti, A., & Shabani, L. [The Impact of Electronic Business on the Development of Small and Medium Enterprises in the Republic of Kosovo.](#) European Journal of Business, Economics and Accountancy, 3(4), p.1., 2015.

4 Ibid.

5 Eurostat. [E-commerce Statistics for Individuals.](#) European Union, 2024.

6 International Trade Administration. [Kosovo Country Commercial Guide.](#) Kosovo e-commerce, 2024.

7 The electronic signature (eID) provides evidence of the origin, identity, and status of an electronic message, including the sender's consent.

8 Ministry of Economy. [Testing the functionalities of the eID Kosovo platform before its final launch.](#) Media, 2024.

9 Ibid.

10 Gashi, F. & Abazi – Alili, H. ["The Impact of Electronic Banking Products on Economic Growth: The Case of Kosovo."](#) Journal Transition Studies Review, 29(2), 91-106, 2023.

11 See International Trade Administration. [Kosovo Country Commercial Guide.](#) Kosovo e-commerce, 2024. Third-party payment services like PayPal and Payoneer are still unavailable in Kosovo, therefore some individuals find alternative solutions by using banks in neighboring countries.

12 Central Bank of the Republic of Kosovo. [The use of payment cards in Kosovo.](#) p.19, 2023.

13 Kemp, S. Digital 2024: Kosovo. DataReportal, 2024

14 Jashari, E. [The Impact of COVID-19 on Digital Transformation.](#) Konrad Adenauer Stiftung, 2020

15 E-commerce4all. [Internet use in the last 3 months as a percentage of individuals.](#) Ecommerce Data in CEFTA Region, 2023.

16 Ibid.

Moreover, the COVID-19 pandemic measures motivated the private sector¹⁷ to use alternative sales methods, thereby accelerating their digitalization.¹⁸ As a result, e-commerce surged during the pandemic and remains higher than pre-pandemic levels.¹⁹ However, there is no available data comparing the impact of the pandemic on e-commerce adoption between women-owned, minority-owned, and men-owned businesses. While some women business owners report using online platforms and digitalizing their business operations, limited financial resources hindered substantial investments. This challenge was compounded by insufficient support from local and national authorities in facilitating the transition to digital operations, as well as the absence of consultations with women-owned businesses when drafting COVID-19 recovery strategies.²⁰

Despite the fact that women-owned businesses are growing and contributing to the overall economic growth, there are numerous barriers such as competitiveness, financial constraints, lack of governmental support and the like, that prevent them from unlocking their potential.²¹ However, digitalization plays an important role in assisting those businesses in enhancing their performance. Some of the key benefits that e-commerce offers to women business owners are fewer barriers for entering the market, lower start-up costs, more flexibility, and better access to clients.²² First, digitalization means women business owners can establish their business at a lower cost, therefore, overcoming some entry barriers. Second, e-commerce and digitalization, enables women business owners to provide business services and products regardless of the location and working hours. Third, e-commerce offers businesses a greater client reach. Altogether, these factors contribute to the growth and expansion of businesses.²³

Therefore, this report evaluates the impact and potential of e-commerce platforms for empowering women-owned and minority-owned businesses in Kosovo, identifying challenges, opportunities, and strategies to enhance their digital engagement and business growth.

1.1. Methodology

The primary objective of this research is to assess the impact and potential of e-commerce through social media, websites, and integrated digital platforms as a tool for empowering women-owned and minority-owned businesses in Kosovo. Specifically, this research aims to identify the current status of e-commerce adoption among women-owned and minority-owned businesses in Kosovo; analyze the challenges for engaging in e-commerce; explore the benefits of e-commerce for these businesses, including market expansion and economic growth; and propose strategies and recommendations to overcome said barriers by leveraging e-commerce for growing these businesses.

This study used a mixed methodology, collecting data from surveys, in-depth focus groups, and individual interviews. The survey was administered by the GAP Institute and conducted by IDRA Research and Consulting Company in Kosovo. Sampling deployed a stratified random selection of 757 valid responses

17 GAP Institute, [The impact of COVID-19 pandemic on Kosovo's economy](#), p.4, 2020.

18 GAP Institute, [Market access challenges and opportunities for women-owned and minority-owned businesses in Kosovo](#), p.4, 2023.

19 Central Bank of Kosovo. [The use of payment cards in Kosovo](#), p.25, 2023.

20 KWN, ["The Pandemic Knows No Gender"? A Gender Fiscal Budget Analysis: The Government of Kosovo's Response to the COVID-19 Pandemic from a Gender Perspective](#), 2020.

21 GAP Institute, [Market access challenges and opportunities for women-owned and minority-owned businesses in Kosovo](#), 2023.

22 World Economic Forum. [How to unlock women's potential in the digital economy](#), 2023.

23 Ibid.

with 95% confidence level. More specifically, the survey sample set included a total of 757 women-owned and minority-owned businesses, engaging 399 women-owned businesses and 358 minority-owned businesses.²⁴ Of the total surveyed minority-businesses, 79.8% are owned by men, 17.1% are owned by women, and 3% are co-owned by both men and women. The sizes of the businesses were mixed, and included micro, small, and medium sized enterprises; 98.9% of women-owned businesses are micro enterprises (1 to 9 employees), while 1.1% are small enterprises (10 to 49 employees). Among minority-owned businesses, 95.3% are micro enterprises and 4.6% are small enterprises. With regards to age groups, the highest participation rates were among individuals aged 35 to 44 for both women-owned and minority-owned businesses (see Appendix 3).²⁵

The majority of women-owned businesses surveyed work in wholesale and retail trade, manufacturing, and professional activities.²⁶ Whereas, the majority of minority-owned businesses work in wholesale and retail trade, manufacturing, and agriculture. The survey sample included women-owned and minority-owned businesses from 38 municipalities of Kosovo; however, women-owned businesses located in Prishtinë/Priština, Prizren, Ferizaj/Uroševac, Malishevë/Mališevo and Pejë/Peć had the highest participation rate. Conversely, minority-owned businesses located in Prizren, Graçanicë/Gračanica, Mitrovicë e Veriut/North Mitrovica, Leposaviq/ Leposavić and Shtërpçë/Štrpce had the highest participation rate.

In addition to the survey, 20 women-owned and minority-owned businesses participated in the focus groups. Half of these businesses engage with integrated platforms in Kosovo, such as GjirafaMall or Dyqani, while the other half were not engaged with any platforms. Further, all these businesses are familiar with basic concepts of e-commerce as they conduct online sales through social media.

The majority of the businesses that participated in the focus-groups are women-owned and minority-owned businesses that work in manufacturing, and wholesale and retail trade. Geographically, focus-group participants operate in Prishtinë/Priština, Deçan/Dečani, Gjiilan/Gnjilane, Viti/Vitina, Lipjan/Lipljan, Istog/Istok, Sukarekë/Suva Reka, Podujevë/Podujev and Rahovec/Orahovac. The research also included interviews with four minority-owned businesses from Prizren, Graçanicë/Gračanica and Kamenicë/Kamenica. Out of these, three were engaged with at least one integrated e-commerce platform and only one did not engage in e-commerce activities.

2. Analysis of Business Owners' Needs: Survey Data Analysis and Findings from In-depth Focus Groups

2.1. E-commerce sales through social media and websites

Survey data indicate a similar adoption of social media presence for both women-owned and minority-owned businesses, with 57% of women-owned businesses and 56% of minority-owned businesses, respectively, who report having an online presence. As per focus-group insights, all women-owned and minority-owned business participants reported an online presence to complement their traditional methods of in-person sales, meaning that these businesses utilize at

²⁴ Minority-owned businesses surveyed include Serbs (225), Bosniaks (26), Roma (26), Ashkali (24), Egyptians (21), Turks (33), and Gorans (3).

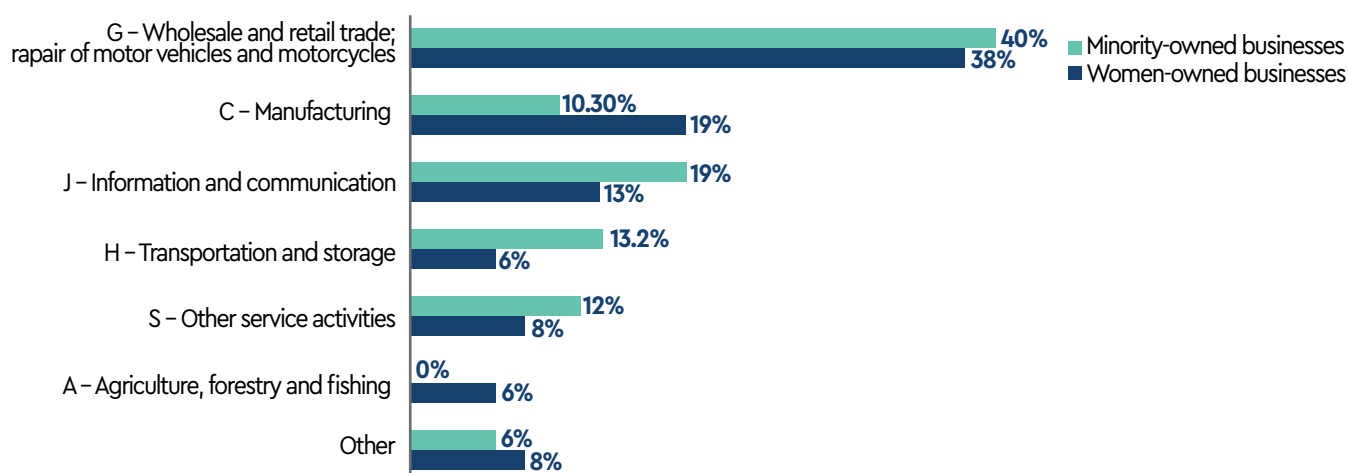
²⁵ Kosovo Agency of Statistics. [Statistical Report on Economic Enterprises in Kosovo](#), p.11, 2023.

²⁶ In the NACE classification system (Nomenclature of Economic Activities), "Other Professional Activities" (Section M) includes services primarily related to professional, scientific, and technical support. This may include legal and accounting services, architecture and engineering activities, management consulting, scientific research and development, and advertising and market research, among others.

least one online platform, such as social media, integrated e-commerce platforms, websites, etc., through which they advertise and sell their products. The adoption of digital platforms – whether through social media or integrated e-commerce platforms – reflects a broader trend in the business landscape in Kosovo providing these businesses with a wider reach, allowing them to connect with a larger audience and boost their sales.

Out of the total women-owned businesses that have an online presence through social media and/or websites, only 27.3% use these platforms for e-commerce. In comparison, 48.6% of minority-owned businesses reported using social media and/or their website to sell products or offer services to clients, demonstrating a higher use of e-commerce. Data analysis indicates that, of the women-owned businesses (38%) and minority-owned businesses (40%) that engage in e-commerce through social media and/or their website, most are concentrated in wholesale and retail trade (Figure 1).

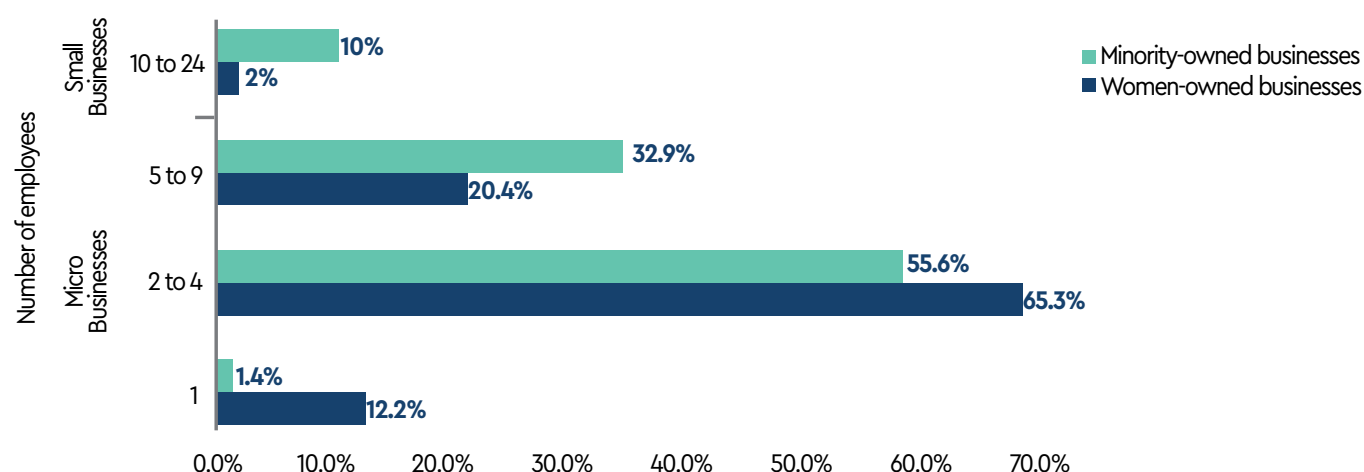
Figure 1. Women-owned and minority-owned businesses engaging in e-commerce through social media and their websites, by primary economic activity



Source: GAP based on Survey results, 2024

Survey results show that women-owned and minority-owned businesses with two to four employees are the most engaged in e-commerce through social media and/or websites. Businesses consisting of more than nine employees show lower involvement in e-commerce activities (Figure 2).

Figure 2. Women-owned and minority-owned businesses engagement in e-commerce through social media and/or website, by the number of employees

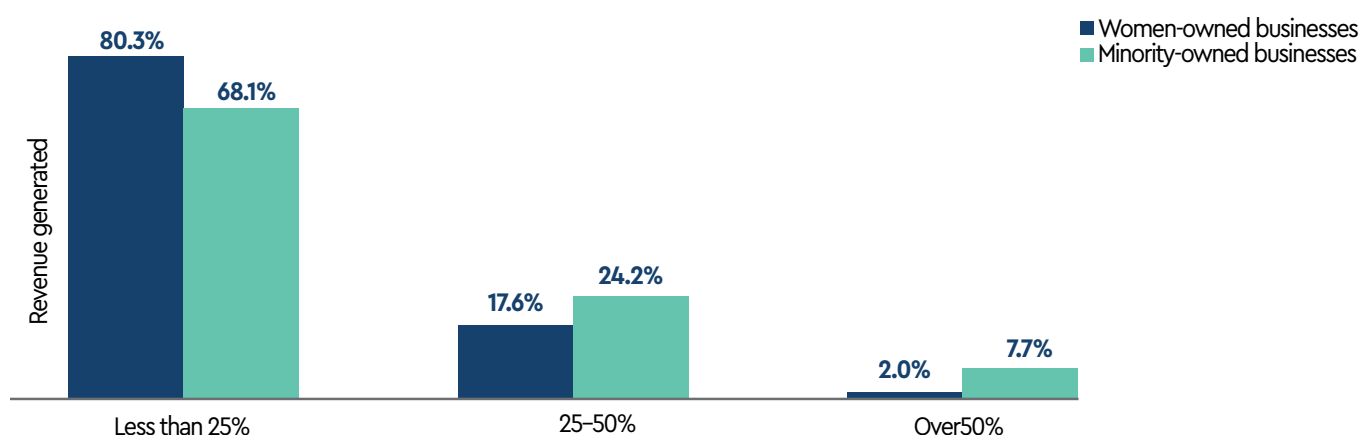


Source: GAP based on Survey results, 2024

Business focus group participants without physical stores (9.5%) emphasize the importance of having an online presence. Their online presence enables these businesses to reach customers outside their immediate geographic area, overcoming the constraints of location and increasing their potential customer base. This is important since many micro and small businesses lack resources to maintain a physical space for their business operations. These businesses mainly operate from home, through online orders or direct orders from their social network (family, friends, neighbors), and/or potential orders from a regular contractor.

In terms of revenue generated through all e-commerce platforms, the majority of women-owned businesses, specifically 80.3% report receiving less than 25% of their revenue from these platforms, 17.6% report between 25–50%, and only 2% generate more than half of their revenue through e-commerce platforms. In contrast, among minority-owned businesses, 68.1% report generating less than 25% of their total revenue from e-commerce, 24.2% report between 25–50%, and 7.7% generate more than half of their revenue through these platforms. Accordingly, minority-owned businesses demonstrate a more effective use of e-commerce platforms for revenue generation (Figure 3).

Figure 3. Revenue generation through e-commerce platforms for women-owned and minority-owned businesses.^{27, 28}



Source: GAP based on Survey results, 2024

Regarding the correlation between age and revenue generation from e-commerce for women-owned businesses, the 35–44 age group stands out as the most active, with significant representation across all e-commerce revenue levels (low, mid, and high). Women aged 25–34 also show moderate e-commerce activity, especially in mid-level revenue generation. Women between the ages 35–44 and 45–54, also have the highest percentages of businesses earning over 50% of revenue through e-commerce. Conversely, younger (18–24) and older age groups (55+) generate less revenue through e-commerce (Table 1).

For minority-owned businesses, the 25–34 age group stands out as the most representative, particularly at the high revenue level, where 90.9% of businesses earn over 50% of revenue through e-commerce. This age group also shows moderate representation in mid-level revenue through e-commerce (25–50%). The 35–44 and 45–54 age groups have substantial proportions of businesses

²⁷ For women-owned businesses, n=139 for less than 25%; n=31 for 25–50%; and n=4 for over 50% of revenue generation through e-commerce.

²⁸ For minority-owned businesses, n= 96 for less than 25%; n= 34 for 25–50%; and n=11 for over 50% of revenue generation through e-commerce.

earning less than 25% of revenue through e-commerce. Like women-owned businesses, younger (18–24) and older age groups (55+) generate less revenue through e-commerce (Table 2).

Table 1. Revenue generation from e-commerce among women-owned businesses across age groups

Women-owned businesses Revenue/Age	18–24 years old	25–34 years old	35–44 years old	45–54 years old	55–64 years old	Over 65 years old
Less than 25%	/	18.8%	41.9%	27.4%	11.4%	/
25–50%	/	32.2%	32.3%	25.8%	3.2%	6.4%
Over 50%	/	/	66.7%	33.3%	/	/

Source: GAP based on Survey results, 2024

Table 2. Revenue generation from e-commerce among minority-owned businesses across age groups

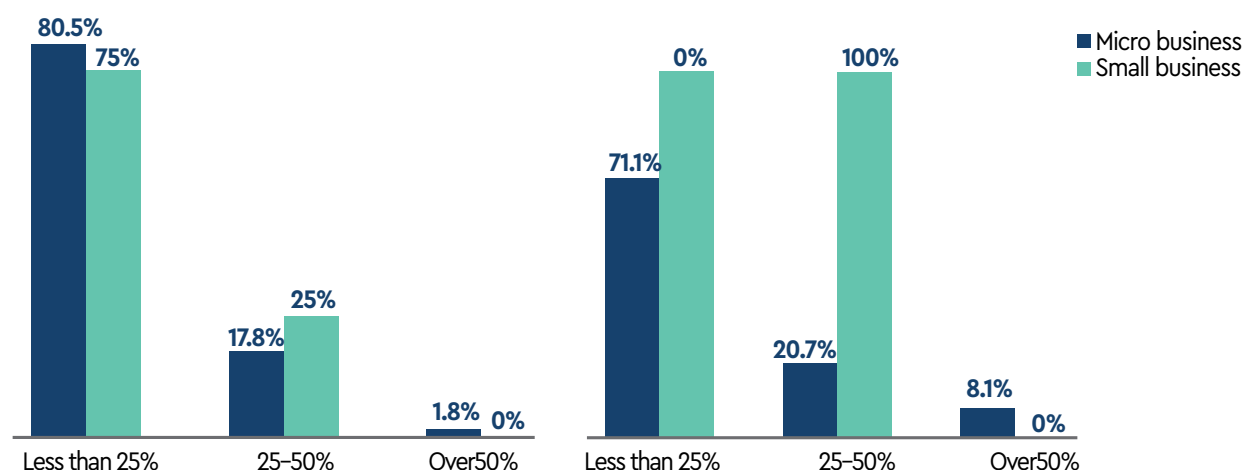
Minority-owned businesses Revenue/Age	18–24 years old	25–34 years old	35–44 years old	45–54 years old	55–64 years old	Over 65 years old
Less than 25%	2.2%	26.5%	29.5%	34.8%	7.5%	/
25–50%	/	38.2%	32.3%	29.3%	/	/
Over 50%	/	90.9%	/	9.1%	/	/

Source: GAP based on Survey results, 2024

Most women-owned micro (80.5%) and small businesses (75%) generate less than 25% of their revenue from e-commerce. Overall, there is a lower percentage of revenue generation for the 25–50% range, with small businesses performing slightly better than micro businesses, whereas very few women-owned businesses generate more than 50% of their total revenue through e-commerce (Figure 4.1). For minority-owned micro businesses, most of them generate less than 25% of their revenue from e-commerce. All small minority-owned businesses, consisting of 10–49 employees, generate 25–50% of revenue from e-commerce (Figure 4.2).²⁹

²⁹ None of large women-owned or minority-owned businesses that use e-commerce for business operations were part of the survey.

Figure 4. Revenue generation from e-commerce among women-owned and minority-owned businesses, by business size



Source: GAP based on Survey results, 2024

Of the focus-group participants, the majority of women-owned businesses reported that less than 25% of their total revenue comes from e-commerce sales. About 40% of them stated that online transactions contribute between 20% and 50% of their total revenue, and only a small number of businesses, those more committed to using e-commerce, reported that the majority of their revenue comes from using e-commerce for their business' operations. Similarly, on average, minority-owned businesses derive between 25% and 50% of their total revenue from e-commerce sales. These data suggest that while both women-owned and minority-owned businesses in Kosovo are engaging with e-commerce, many are still in the early stages of using e-commerce platforms for significant revenue generation.

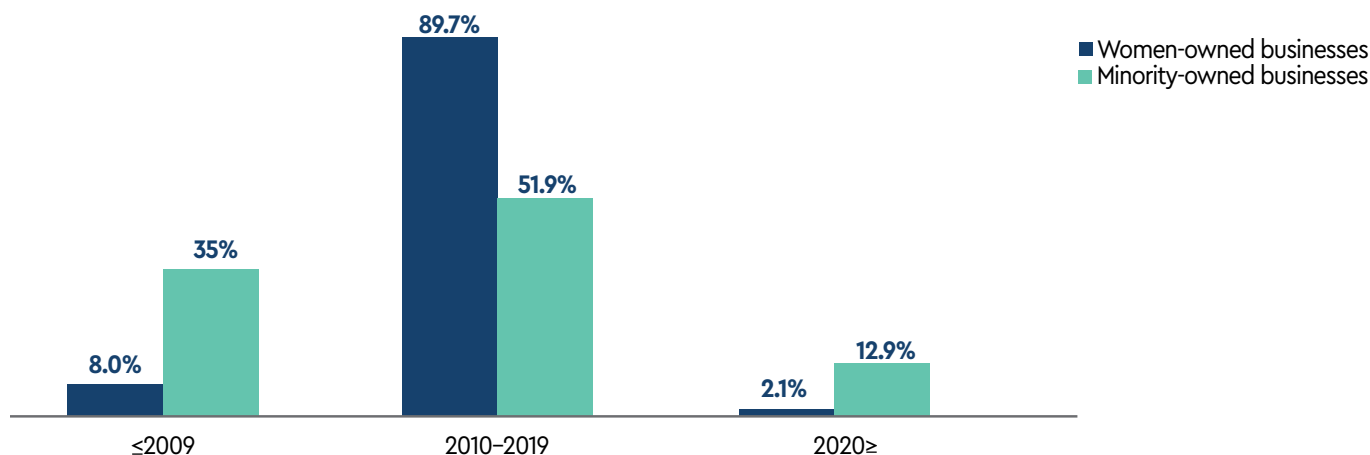
Furthermore, focus group insights suggest that the COVID-19 pandemic changed the dynamics of online sales. As restrictions on in-person shopping were implemented, businesses had to quickly adapt to e-commerce to continue operating. Focus group participants indicated that this shift was not a temporary measure but a lasting change in how businesses engage with customers. They noted that the pandemic highlighted the importance of a strong online presence and accelerated the adoption of digital sales channels. Businesses that had been using social media and other online platforms for sales before 2020 were typically those established earlier. These early adopters were better equipped to handle the pandemic's restrictions. Their prior experience with e-commerce enabled them to adapt more quickly and effectively, giving them a competitive edge.

While the survey results do not offer a clear picture of differences in e-commerce sales for women-owned and minority-owned businesses before, during, or after the COVID-19 pandemic, the vast majority of the surveyed businesses reported a decline in total sales and revenues. According to the survey, 83.3% of women-owned businesses and 63.5% of minority-owned businesses experienced a decline in total sales revenue during the COVID-19 pandemic.

For businesses that engage in e-commerce, the survey data indicate that the majority of women-owned businesses (89.7%) were established between 2010 and 2019, with a smaller proportion (8%) established before 2009, and 2.1% from 2020 onward. For minority-owned businesses, 51.9% were founded between

2010 and 2019, 35% before 2009, and 12.9% from 2020 onward (Figure 5). This indicates that businesses founded between 2010 and 2019 have higher revenues from e-commerce, especially when compared to those established during the COVID-19 pandemic or later.

Figure 5. Engagement in e-commerce of women-owned and minority-owned businesses, by year of registration



Source: GAP based on Survey results, 2024

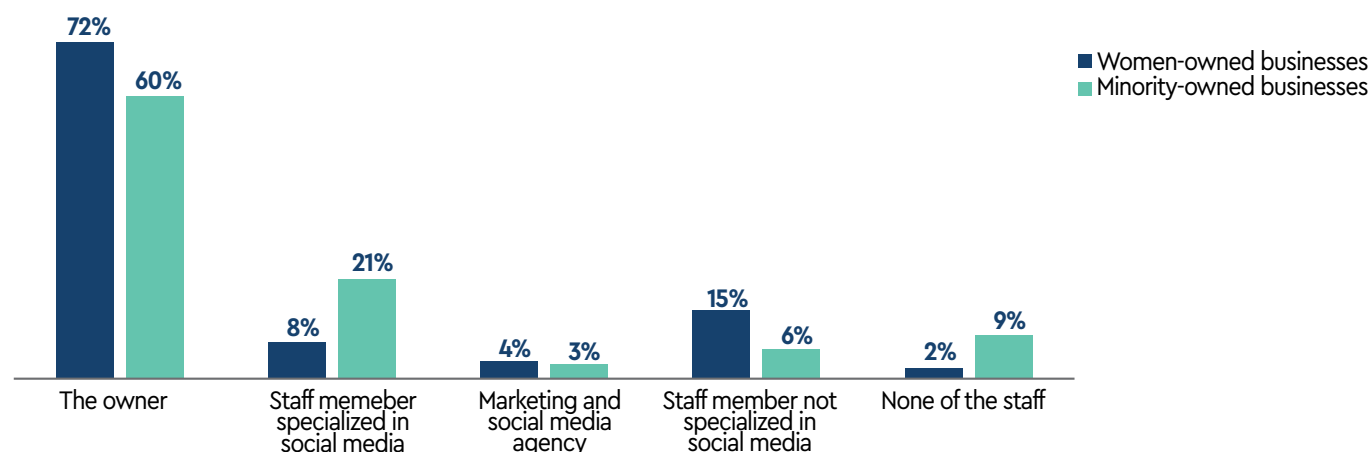
2.2. Social media management, capacities, and training needs

Social media is playing an increasingly significant role in e-commerce. Focus group insights indicate that businesses use social media to engage with customers, promote products, and manage orders. However, this practice is informal, lacks full integration with payment systems, and may not involve a physical store. Survey results show that, among women-owned businesses using social media platforms, 43% use Facebook, 51% use Instagram, 5.3% use TikTok, and 0.8% use LinkedIn to enhance their digital presence and sometimes receive customer orders through these platforms. Similarly, among minority-owned businesses using social media platforms, 52.3% use Facebook, 42.6% use Instagram, 3.3% use TikTok, and 1.8% use LinkedIn for the same purposes.

All business owners participating in the focus-group unanimously reported using Facebook as their primary platform for marketing. This widespread adoption highlights Facebook's effectiveness as a marketing tool. Its features, such as targeted advertising, marketplace listings, and interactive posts, make it a versatile platform for businesses of all sizes. In addition to Facebook, a majority of these business owners also use Instagram in their marketing strategies. Instagram's visually driven platform is especially attractive to businesses aiming to showcase their products through photos and short videos.

Survey findings from women-owned businesses using social media reveal that 71.7% of owners manage their accounts themselves; 7.7% have a dedicated staff member for social media management; 3.8% hire a specialized marketing and social media agency; 14.6% employ a staff member who is not specialized in social media marketing; and 2.2% have no one specifically managing their social media for their business. Similarly, survey findings from minority-owned businesses show that 60.4% of owners manage their social media accounts themselves, 21.2% have a dedicated staff member, 3.1% hire a marketing and social media agency, 6.2% employ a staff member not specialized in social media marketing, and 9.2% have no one specifically managing their business social media (Figure 6).

Figure 6. Social media management for women-owned and minority-owned businesses



Source: GAP based on Survey results, 2024

Focus group discussions also revealed that the majority of participating business owners manage their social media accounts themselves or with the help of family members. They believe that this approach allows them to maintain direct control over their brand image and customer interactions. By managing their accounts, business owners can respond promptly to customer inquiries, post timely updates, and tailor their content to their audience's preferences. For businesses with several employees, there is often a dedicated staff member responsible for managing social media. This role typically includes creating content, tracking engagement metrics, and addressing customer feedback. Focus-group insights suggest that having a dedicated social media manager enhances a business' online presence, providing consistency and professionalism, which can be particularly beneficial for larger businesses aiming to maintain a cohesive brand image across multiple platforms.

Only a small number of businesses in the focus groups reported hiring marketing agencies to manage their social media accounts. While outsourcing may provide professional expertise and save time, it also incurs additional costs. Businesses that opt for this approach are typically those that can afford the expense and seek to leverage the agencies' specialized knowledge in digital marketing strategies, analytics, and content creation. These businesses noted that agencies offer a more strategic approach, helping businesses to optimize their online presence and achieve their marketing goals more efficiently.

Overall, focus group participants agreed that there is a need for training in digital marketing strategies. To date, training for women-owned and minority-owned businesses, provided by Kosovo Investment and Enterprise Support Agency (KIESA) and international organizations, have primarily focused on business development, management, and sales, areas where many participants already have substantial experience. However, participants highlighted a lack of sufficient training in marketing strategies, branding, and related topics, which are in high demand. Developing skills in using social media tools, interactive content creation, and product advertising could expand businesses' online presence and positively impact performance.

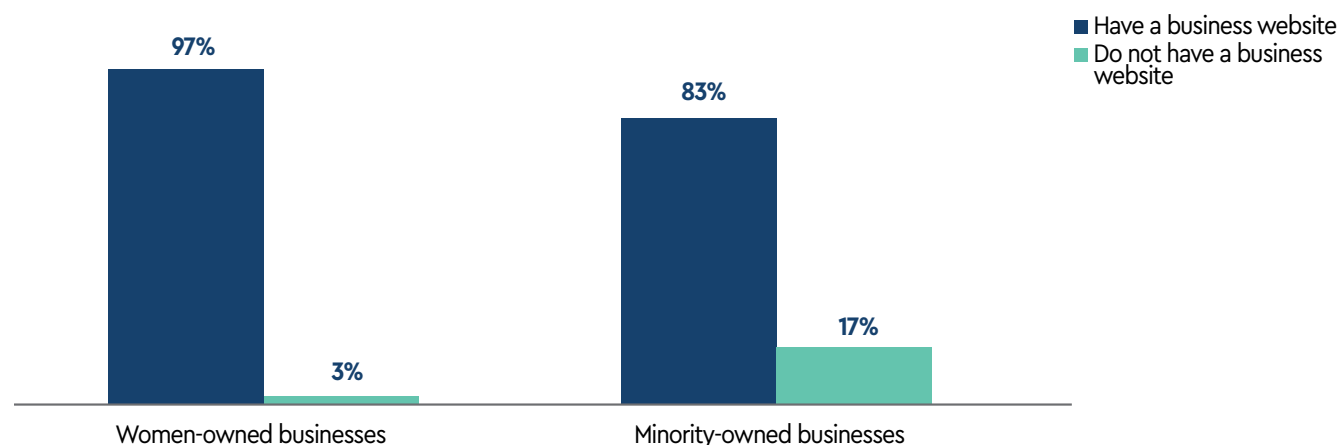
Survey data further supports the challenge of insufficient training in e-commerce for women-owned and minority-owned businesses. Accordingly, 83% of women-owned businesses and 80% of minority-owned businesses reported never receiving training for using technology and marketing to promote their businesses on social media. Moreover, 71% of women-owned and 62% of minority-

owned businesses expressed a need for training on using technology to enhance their businesses' social media presence. Addressing this gap could begin with equipping business owners with practical skills in social media management, website maintenance, and techniques for improving brand visibility. These skills, identified in the focus groups and individual interviews, can serve as a starting point for building broader competencies in digital engagement and organizational branding.

2.3. Business websites

The majority of women-owned and minority-owned businesses in Kosovo do not have their own websites. Survey data show that 97% of women-owned businesses and 83% of minority-owned businesses operate without a website (Figure 7). Among the women-owned businesses that do have websites, all are micro-sized businesses, while 89% of minority-owned businesses are also micro businesses. Overall, this limited online presence may restrict these businesses' ability to expand their market reach and improve competitiveness.

Figure 7. Business websites adoption, women-owned and minority-owned businesses³⁰



Source: GAP based on Survey results, 2024

In contrast, focus group findings reveal that 11 women-owned and minority-owned businesses have websites. Despite owning this digital asset, these businesses reported receiving fewer orders through their websites than through other channels, such as social media or in-person sales. This discrepancy highlights several challenges relating to website management and effectiveness, including limited visibility in search results and difficulties in maintaining an engaging, user-friendly experience compared to social media platforms.

A primary challenge that businesses face with their websites is the cost of development and maintenance. Creating a professional, functional website often requires significant financial investment, which can be a burden for micro businesses with limited budgets. Initial setup costs typically include domain registration fees, hosting services, website design, and development. Moreover, ongoing maintenance costs for updates, security, and troubleshooting further contribute to the financial strain.

³⁰ Women-owned businesses (n=399)

3. E-commerce through Integrated Platforms: Insights from Focus-Group Discussions with Women-Owned and Minority-Owned Businesses

Focus group participants uniformly believe that e-commerce platforms play a crucial role in expanding online sales by increasing reach and visibility, as these platforms provide access to a broad audience. Marketing tools, such as sponsored listings and targeted advertising, enable women-owned and minority-owned businesses to effectively showcase their products. Additionally, transport solutions and partnerships with logistics providers help businesses manage deliveries efficiently, ensuring reliable services for customers.

Among the businesses involved in the research, ten were part of the e-commerce platform GjirafaMall, and three participated in both GjirafaMall and Dyqani. While the GAP Institute was unable to obtain sales reports to compare the sales before and after joining these platforms, businesses claim that the integrated platforms indirectly boosted their sales on other channels. According to GjirafaMall, the top-selling products from women-owned and minority-owned MSMEs on their platform are cosmetic products.

Focus group participants agree that listing products on popular e-commerce platforms enhances business' marketing efforts and brand visibility. They all believe that customers are more likely to trust and purchase from businesses associated with a reputable platform. However, focus-group discussions revealed that after seeing the products in GjirafaMall, many customers opted to place orders through the businesses' social media rather than ordering from GjirafaMall. This highlights a concern that many customers are uncomfortable with online transactions via e-commerce platforms and prefer to order through direct messages with the seller on social media, paying upon receipt of the product.

Businesses not participating in any e-commerce platforms were asked if they believed these platforms could benefit their business. The majority expressed confidence in the potential of integrated e-commerce platforms, rating them as either effective or very effective in expanding their customer base, increasing sales, and improving visibility. However, a small number of participants were more skeptical, rating these platforms as slightly effective or not effective at all for their business models.

Businesses already using e-commerce platforms report several benefits, such as order management and access to detailed sales analysis and reports. However, concerns persist regarding the lack of sufficient training opportunities to enhance brand visibility and credibility, which are key for effective selling and the platforms' commitment to promoting their products. Additionally, participants explained that product photography for listing on these platforms is the responsibility of business owners, a task many believe should be managed by the e-commerce platforms themselves. These challenges highlight areas where business owners see potential for improvement in their e-commerce partnerships. Another key point raised by the focus-group participants is customer service and measuring customer satisfaction. E-commerce platforms offer customer service support, helping micro businesses effectively serve customers across different regions, all hours of the day. This is particularly beneficial for micro businesses with fewer employees, as it allows employees to save time and focus more on production.

Most importantly, focus group participants believe that e-commerce platforms

offer access to international markets, enabling micro businesses to reach international customers. They believe that product advertisements, cross-border shipping, and international payment options make it easier for them to expand beyond local markets. This could significantly broaden their customer base and revenue potential. However, businesses participating in this research have not yet engaged in export activities through any of the existing platforms. Nevertheless, they believe that prolonged presence on the platform will enhance brand visibility and enable future exports.

All business owners expressed intentions to expand their online presence and increase sales through digital channels in the near future. However, they recognize the need for support in managing marketing and product promotion on social networks, collaborating with e-commerce platforms, and forming partnerships with logistics companies to optimize delivery operations.

Most businesses using integrated e-commerce platforms report receiving financial support for their membership over the past year. Many consider the first year a trial period and believe that continued support would enhance brand recognition and efficiency, potentially leading to better results. As a result, businesses that did not achieve satisfactory sales may struggle to maintain their agreements with e-commerce platforms without additional financing.

E-commerce platforms often offer integrated logistics solutions that help micro businesses manage their inventory, order processing, and product delivery more efficiently. Focus-group participants noted that this reduces their administrative burden. These platforms help women-owned and minority-owned businesses overcome challenges such as online payment processing, lack of social media management skills, competition from larger enterprises, and, to a lesser extent, meeting demand capacity.

Approximately half of the businesses participating in the focus group discussions reported using express delivery service providers to deliver products to their customers. The remaining businesses reported handling delivery themselves through using in-person methods. Additionally, business owners expressed concerns about potential issues such as product damage and occasional payment delays caused by delivery service providers. This concern is heightened because many of the items are fragile and require careful handling during storage and transportation.

Businesses participating in integrated platforms report that managing orders and logistics through the platform is easier for them. Their only logistical responsibility is delivering products to the e-commerce company's warehouse, after which the company handles the customer deliveries, making logistics more efficient and reducing delivery costs for the selling businesses. Additionally, e-commerce platforms provide warehousing services, allowing businesses to store their products in strategically located storage facilities.

4. Conclusion and Recommendations

The transition to online sales has become a crucial element of modern business strategies. This report highlights the growing recognition among businesses of the value of an online presence, whether through social media or integrated e-commerce platforms. The COVID-19 pandemic has significantly accelerated the shift to online sales, compelling businesses to adopt digital sales practices. Women-owned and minority-owned businesses exhibit different levels of reliance on online sales, with minority-owned businesses utilizing e-commerce more effectively for revenue generation. However, data suggests that while both women-owned and minority-owned businesses in Kosovo are engaging with e-commerce, many are still in the early stages of fully utilizing e-commerce platforms to generate significant revenue. This highlights the need for continued support and resources to help these businesses fully capitalize on e-commerce's potential.

Social media platforms are essential to the marketing strategies of many businesses. Women-owned and minority-owned businesses in Kosovo also use these platforms to accept orders, with payment made upon delivery. A smaller proportion of these businesses are also integrated into e-commerce platforms.

E-commerce platforms have significantly increased visibility and reach, particularly benefiting women-owned and minority-owned businesses through tools like sponsored listings and targeted ads. These platforms also offer efficient product delivery solutions and partnerships with logistics providers. Although comparative sales data is unavailable, businesses report increased sales through other channels, as their presence on e-commerce platforms enhances brand image and drives customers to make purchases via social media. Challenges in using e-commerce platforms include customer reluctance to complete transactions through the platform, insufficient digital marketing training for business owners, and a need for improved marketing skills. Overall, businesses are eager to expand their online presence and seek support to optimize marketing, logistics, and delivery.

Insights from focus groups and survey results reveal that many women-owned and minority-owned businesses lack understanding of basic digital concepts and tools, discouraging them from fully utilizing e-commerce.

Based on these findings, the GAP Institute recommends the following actions to the Government of Kosovo, as well as national and international donors:

- Provide tailored training programs, including interactive workshops and ongoing support, to equip business owners with the skills necessary to build and optimize their digital presence across social media, websites, and e-commerce platforms.
- Provide financial support prioritizing the development of cost-effective, user-friendly websites for businesses without online storefronts, as well as training on integrating social media with e-commerce platforms for businesses that prefer using social networks as their primary sales channel.
- Provide subsidies for professional marketing services to help businesses expand their reach and improve the effectiveness of online promotions, enabling them to compete more successfully and boost customer engagement.
- Subsidize e-commerce platforms membership fees for women-owned and minority-owned businesses to increase their participation, enhance brand image and visibility, and promote a more inclusive online marketplace.
- Facilitate the creation of networks or forums where women-owned and minority-owned businesses can share experiences and best practices for digital success, fostering collaboration, mentorship opportunities, and the exchange of innovative strategies to prosper in the digital economy.

Appendices

Appendix 1

Focus Group Guide used in focus group discussions with women-owned and minority-owned businesses (July 2–3, 2024)

1. Business:
2. Gender of the owner(s):
 - Woman
 - Man
 - Both (co-owners)
3. Age of the owner:
4. Municipality:
5. Primary activity:
6. Main product/service:
7. First business operation year:
8. The year the business was registered through KBRA:
9. Do you have a business premises or shop/warehouse, or do you operate from home?
 - Shop/warehouse
 - Home
 - Both
10. Number of employees:
11. Which social media platforms do you use for marketing your business? (Facebook, Instagram, TikTok, others)
12. Who manages your business's social media accounts?
13. The year you first started selling online:
14. Through which social media networks do you receive orders? (Facebook, Instagram, TikTok, other)
15. Do you have a website?
If yes, do you receive orders through the website?
If not, why?
16. What percentage of your total sales revenue comes from online sales? (Less than 25%, 25–50%, over 50%)
17. How do you deliver online orders to your customers? (Through postal services, through family members, others)
18. Do you have an agreement for selling products with any e-commerce platform? (e.g., GjirafaMall, Foleja, 75-mall, Dyqani, etc.)
19. Year when you established an agreement with e-commerce platforms:
20. Monthly cost for these agreements:
21. Number of sales per month made through this/these platform(s)? (What percentage of your total sales is generated through these platform(s)?)
22. List services received from these platforms: (Order management, product marketing, sales analysis and reports, training for product sales, product photography, other)
23. Do you export through these platforms?
24. What difficulties do you most often encounter during online sales?

- Online payments
- Lack of skills to manage social media
- Competition with businesses that have solid e-commerce presence
- Inability to meet demand capacity
- Other

25. Do you have plans to expand your e-commerce operations in the near future?

26. What would help with expanding your online sales?

27. How effective do you believe memberships in e-commerce platforms (e.g., GjirafaMall, Foleja, 75-mall, Dyqani, etc.) would be for your business operations? (for businesses that are not currently part of e-commerce platforms)

- Very effective
- Effective
- Somewhat effective
- Slightly effective
- Not effective at all

Appendix 2

Survey Questions (July-August, 2024)

1a. Do you have social media accounts for your business?

- Yes
- No

1b. Which social networks do you use for your business? (select all that apply)

- Facebook
- Instagram
- TikTok
- LinkedIn
- Other

1c. Do you sell online through social networks?

- Yes
- No

2a. Do you have your own business website?

- Yes
- No

2b. Who manages the website or social networks?

- I (business owner or manager)
- A dedicated social media staff member
- Agency specialized in marketing and social networks
- Another business employee, not specialized in marketing
- We do not have a special person who manages the social networks of the business

3a. What percentage of your total sales turnover do you make through online sales?

- Less than 25%
- 25% to 50%
- More than 50%

4a. Have you ever participated in the training listed below?

- Finance, capital assurance, budgeting
- Human relations – management, professional development and training
- Marketing – sales, market research, business promotion
- Development of new ideas/products
- Planning and organization of business activities, organization structure
- Use of technology – business promotion in social networks

4b. Which of the following training are you interested in attending in the future?

- Finance, capital assurance, budgeting
- Human relations – management, professional development and training
- Marketing – sales, market research, business promotion
- Development of new ideas/products
- Planning and organization of business activities, organization structure
- Use of technology – business promotion in social networks

Appendix 3

Survey demographics: Women-owned and minority-owned businesses participating in the survey, by age

Age/Businesses	Women-owned businesses	Minority-owned businesses
18 to 24	0.2%	0.9%
25 to 34	15.7%	22%
35 to 44	33.3%	39.8%
45 to 54	32%	24%
55 to 64	15.9%	12%
65+	2.7%	0.9%



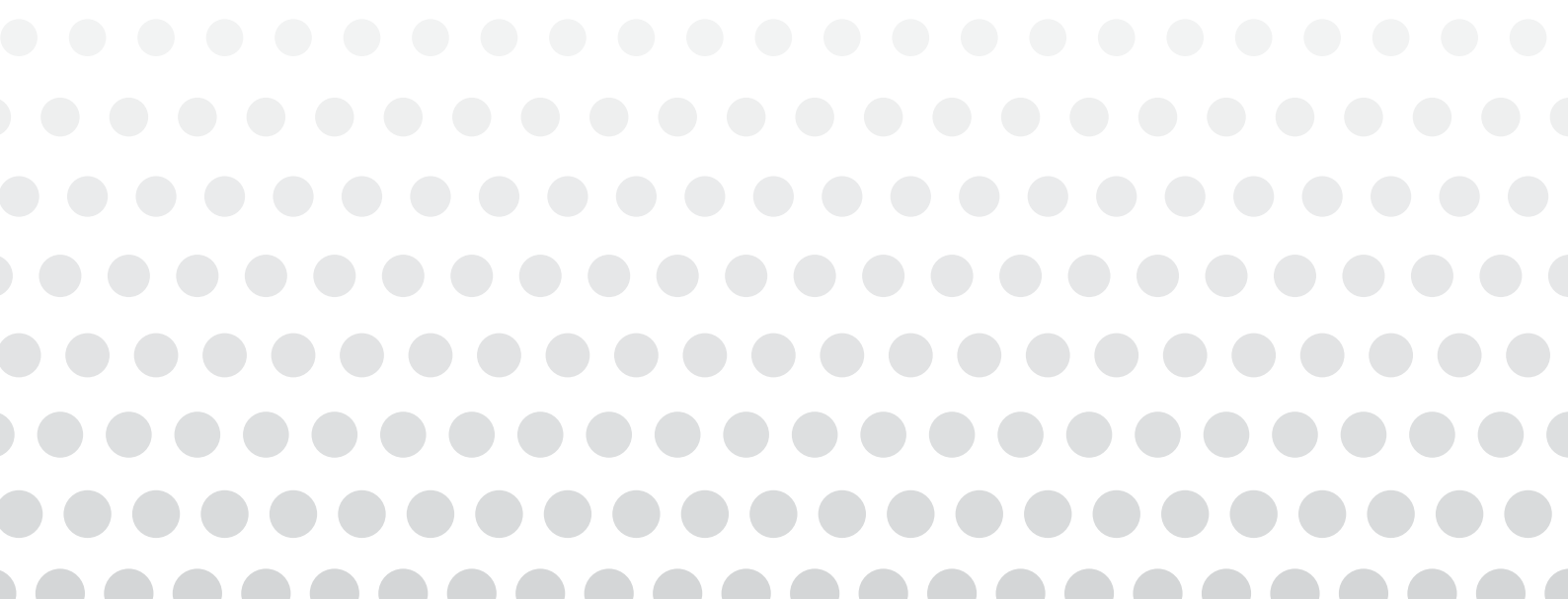
GAP Institute is a Think Tank established in October 2007 in Kosovo. GAP's main goal is to attract professionals to create an environment of professional development and research, as seen in similar institutions in Western countries. This also provides Kosovars with opportunities to research, develop and implement projects in order to advance the Kosovo society. Priority for this Institute is the mobilization of professionals to address the country's economic, political and social challenges. GAP's main goals are to fill the gaps between government and citizens, and between problems and solutions.

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and Minority-owned Businesses
in Kosovo through e-commerce**