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ANALYZING CONSUMER BEHAVIOR IN BANKING SECTOR OF KOSOVO

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Abstract

Considering the importance of understanding, analyzing and studying consumer behavior and behavior model, it was deemed necessary to conduct a research on this issue. As part of this research, consumer behavior models in the banking system of Kosovo were studied and analyzed. The first part of the study is characterized by a review of various literature, publications and scientific journals related to understanding the role and importance of consumer behavior in enterprises. Whereas the second part of the study includes a survey questionnaire, with a 500 individual client sample base, randomly selected from commercial banks in Kosovo. This survey was done with the purpose to collect data to determine behavior models of existing consumers in the banking sector and analyze various internal and external factors which influence such behaviors. Finally, data obtained from questionnaire surveys were used to draw conclusions on issues central to this research and issue recommendations which may be useful to commercial banks currently operating in Kosovo, as well as other financial institutions interested in this field.

Keywords: Models, Consumer Behavior, Internal Factors, External Factors, Value Model, Fishbein Model, Bank, Banking System

1. Introduction

The fact that the consumer is "king" means that no company can exist without consumers. If there are no consumers, there are no sales, and companies head towards failure – bankruptcy. Therefore, understanding and studying consumer behavior by companies today is one of the most difficult challenges they face. Especially when it comes the services' sector, such as the banking sector, the consumer behavior analysis becomes more complex and difficult to understand and analyze. Services design in the banking sector, according to Chaker (2015, pp. 25 – 34) "is very different from design in manufacturing, because services are intangible,

warranty or repair processes are not as important as recovery or reimbursement processes. Moreover, the design of the services must take into account such variables as customer moods and feelings because these affect customer perceptions of service quality".

The development of this study is divided into two parts – theoretical and practical. The first part includes a review of literature of various authors, publications and scientific journals on understanding the role and importance of consumer behavior in enterprises. It briefly addresses definitions of various authors regarding the behavior of end consumers, factors that affect the behavior, behavior models and decision-making process in purchasing. Data obtained from this literature review provided for a sufficient basis which was used as a reference point for the second practical part of the study.

The second part of the study, on the other hand, includes a survey questionnaire, with a 500 individual client sample base, randomly selected from commercial banks in Kosovo. The purpose of the survey was to collect data to determine behavior models of existing consumers in the banking sector and analyze various internal and external factors which influence such behaviors.

Finally, data obtained from questionnaire surveys were used to draw conclusions on issues central to this research and issue recommendations which may be useful to commercial banks currently operating in Kosovo, as well as other financial institutions or other insttutions or organizations interested in this field.

2. Consumer Theory

It is important to emphasize that if a company wants to be successful in the market where it operates, it must make all efforts to satisfy its consumer needs. How able is a company to build and maintain strong relationships with its consumers depends on how the company managed to understand its consumers' dinamic and turbulent behavior.

Consumer behavior, according to Solomon *et al.* (2006, pp. 6), "is the study of the processes involved when individuals or groups select, purchase, use or dispose of products, services, ideas or experiences to satisfy needs and desires." Authors Kotler and Armstrong (2013, pp. 435), define purchasing consumers behavior as "end consumer behavior, who may be individuals and households that buy goods and services for personal consumption." All these end consumers, according to Kotler *et al.* (1999, pp. 229), together form the so-called consumer market.

Thus, according to the above-mentioned definitions of consumer behavior, we can understand that end consumers purchase products or services for personal, household or social use. In other words, they do not purchase products or services in order to earn money from them, but rather only to meet their needs and desires.

Consumer behavior is influenced by several factors (Kotler and Keller, 2012, pp. 151), such as: cultural, social and personal factors. On the other hand, according to Kurtz (2008, pp. 148), factors influencing consumer behavior are divided into two categories: interpersonal factors influencing consumer behavior, and personal factors influencing consumer behavior. According to Kotler *et al.* (1999, pp. 230), the end consumer behavior is influenced from cultural, social, personal and psychological factors.

Notably, definitions of influencing factors on consumer behavior do not vary from one author to another, the only distinctive feature being only how they grouped such factors together. The group of cultural factors that influence consumer behavior includes: culture, subcultures and social classes (Kotler and Armstrong, 2013, pp. 147). Social factors, according to Elmazi and Bytyci (2007, pp. 255), include reference groups, household, social roles and statuses.

According to Blythe (2005, pp. 54), the category of personal factors includes demographic, situational factors and the level of consumer involvement in the process of purchasing the products or services, whereas the group of psychological factors, according to Kotler and Keller (2012, pp. 160) includes motivation, perception, learning, emotion and memory (remembering).

All these factors above have a significant impact on the purchase decision-making process of the consumer. The purchase decision-making process goes through several phases, according to Lilien *et al.* (1992, pp. 25 - 26):

a) Needs identification;

b) Information search – after determining the problem, consumers need the right information to solve it better. Searching for information, according to Solomon *et al.* (2006, pp. 265) is the process by which the consumer explores its environment or surrounding to obtain relevant information in order to get to a reasonable decision.

c) Evaluation of alternatives – is the phase where consumer uses the information obtained to make the selection between alternatives to various brands of products or services that best meet its needs. There are two main types of models that marketing specialists use to view and validate how consumers evaluate various alternatives to brand products/services or own companies. The first is the value model, which, according Elmazi and Bytyci (2007, pp. 256), is characterized with a combination weighs that the consumer gives to the attributions of the product/service. This model is calculated by the formula: $\mathbf{Vk = \sum Vip}$, (Vk is the consumer's evaluation;Vip is the evaluation of characteristic i for product p). The other model, known as the expected value model, which was first developed by Fishbein and Ajzen, (2009, pp.1139) adds to the previous evaluation of characteristics i for the product p and weighing of the characteristic i for the consumer. This model is expressed according to this formula: $\mathbf{Vk = \sum Vvip * Ri}$ (Vk – represents the consumers' evaluation; Vip – represents the evaluation of the characteristics for the product p; Ri – represents the weight of the characteristic i for the consumer.

d) The decision to purchase - represents the stage of the process of deciding to purchase, where, according to Kotler *et al.* (1999, pp. 258), the consumer makes the decision about the brand of product/service to purchase.

e) Post-purchase feeling – after the consumer purchases and uses the product, as stated by Lilien *et al.* (1992, pp. 28), he/she may feel a certain level of satisfaction or dissatisfaction. According to Swan and Combs (1976, pp. 25 - 33), the level of customer satisfaction is a function of expectations that the customer has for the product purchased and the perceived performance of the product by the customer. Thus, companies need to increasingly try to better satisfy customers' needs and offer products and services that at least meet the expectations of customers for them.

The decision-making process of buying services by consumers includes almost the same phase. According to Lovelock and Wright (2001, pp. 88), the process of buying services by customers goes through three main stages: *Pre-purchase Stage* – which includes: need arousal, information search, evaluating alternatives; *Acquisition of service* – which includes: service request from the selected provider and acquisition of the service; *Post-purchase stage*: evaluation of the service performance and objectives for the future.

Notably, there is no essential difference between the purchase decision-making process of the consumer for products and services. Stages of this process are almost the same both for the purchase of products and of services, with the exception of minor differences the authors have made during their elaborations, mainly on the various characteristics of products and services. Based on the discussion above regarding the key factors influencing consumer behavior in final purchase decision, the consumer behavior model is shown below.

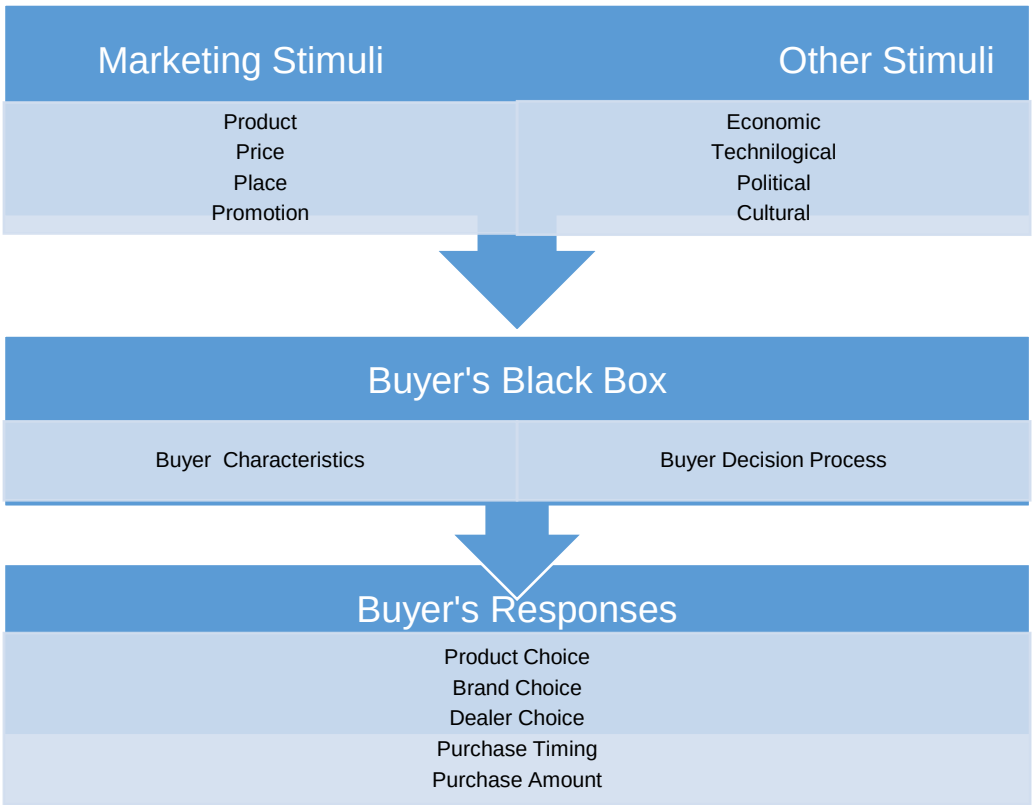

Figure 1. Consumer Behavior Model
Source: Adapted from Kotler *et al.* (1999)

As can be seen in the figure above, consumer behavior is highly complex and is affected by many external and internal factors. According to Kotler and Keller (2012, pp. 160), marketing and external environment incentives enter the consumers' consciousness ("black box"), which, together with a group of psychological processes, combined with certain consumer features, affect the consumer's decision to purchase, and how the purchase is made.

3. Data and methodology

The first part of the study includes data collected from secondary sources, such as literature of different authors and publications in scientific journals. These data, through the method of description and analysis, were used to review and draw conclusions about the understanding the role and importance of the study and analysis of consumer behavior in certain enterprises. In addition, comparisons were also used for the data obtained by various authors regarding terms, definitions and concepts that each author drew. All this work was done to ensure that, by comparing, we reach the concept, the idea and a better understanding of end consumer behavior, factors that influence their behavior, as well as the decision-making process of their purchase.

Of particular importance in the second half of the study is the application of the quantitative methods of data collection, namely the questionnaire used in the online survey platform. Data obtained from this online survey served as important variables, to prove the importance of the management of consumer behavior in the banking sector in Kosovo, and learn how customers evaluate services and care that such institutions offer them. Also, the data were used to draw conclusions as to which are the key driving factors that affect banking customers in selecting the bank and banking services. The sample of 500 respondents were surveyed, the results of which were processed and analyzed through different statistical methods, such as bivariate correlation analysis – which measured the strength between

independent variables with the dependent variable, and the multivariable regression analysis, which was used to confirm or refute the assumptions determined.

In addition, the methods of synthesis, induction and generalization were applied in the study, mainly in the last part where, after all practical research materials were analyzed and reviewed carefully, conclusions were drawn.

3.1. Determination of hypotheses

The hypotheses for this study were determined based on the literature review elaborated above, which enabled the determination of variables that may affect the choices consumers make for the type of bank. The hypotheses are listed below:

H_1 *– Consumer satisfaction rate with banking services has a significant positive impact on the customers' decision for choosing the bank.*

H_2 *– Prices applied in banking services have a major negative impact on the customer's decision for choosing the bank.*

H_3 *– Location of banks and their branches has no impact on the customer's decision for choosing the bank, as banks already offer many banking services online (e-banking) and mobiles (m-banking).*

H_4 *– The way consumers evaluate various banking alternatives and make their choices about bank varies depending on the type of model used for evaluation.*

3.2. Sampling

As mentioned above, one of the methods applied in this study is the quantitative method of data collection, which includes an analysis of primary data collected through questionnaires. According to Sakaran (2003, pp. 286 - 290), the ideal sample size to conduct the survey ranges from 30 to 500 respondents. The sample size of this survey was 500 respondents, of various ages, genders and categories. The selected sample included citizens of the Republic of Kosovo who are clients of any of the commercial banks operating in Kosovo. As the questionnaire was developed on the online platform, to these respondents were sent the questionnaire online and through e-mail and social networks (Facebook, Instagram, Twitter, Viber, etc.).

The questions of the survey were formulated on the basis of the funnel method, ranging from general questions, mainly regarding demographic variables, to concrete questions directly related to the main purpose of study. The replies of consumers were used to produce tables to compare variables in order to draw conclusions on consumer behavior models in the banking sector in Kosovo, as well as key factors that influence their behavior and decisions they make on the choice and purchase of banking services.

3.3. Data processing

Data collected from the survey questionnaire were processed through two different programs. Firstly, the Statistical Package for Social Sciences (SPSS), was used to extract various tables and different statistical tests were applied, such as the coefficient of Pearson correlation, showing the strength of connections between variables studied, and the multivariable regression analysis used to test hypotheses **H_1** to **H_3**. Secondly, Microsoft Excel of Microsoft Office was used to create consumer behavior models from the data obtained earlier from the Value and Interest Model and Fishbein's model. The results achieved by these two models were used to test hypothesis **H_4**.

3.4. Study's limitations

In addition to its benefits, there are also limitations in this study, mainly in the part of the practical research implementation, with difficulties in collecting all relevant information required for the full implementation of this study. Some limitations can be listed as follows:

- Difficulty in identifying the exact number of customers of commercial banks in Kosovo. The bureaucracy in our institutions render it impossible for us to have access to records of financial institutions, which would indicate the exact number of customers in the banking sector in Kosovo.
- Difficulty in identifying the exact number of customers in each the commercial bank Kosovo. Also, despite our efforts, it was not possible to obtain any documentation by any bank in Kosovo on the exact number of customers in the market.
- Inability to identify the exact number of customers in the banking sector in Kosovo rendered it impossible to use the stratified sampling method. As seen in the analysis of the survey results, the number of consumers surveyed was not divided into proportional layers for each commercial bank in Kosovo, in order to reach to a more reliable result. However, despite these difficulties, satisfactory conclusions were achieved.

4. Findings and analysis of the data

4.1. Banking sector analysis in Kosovo

The banking sector in Kosovo is one of the areas studied and analyzed by many experts of economy in the country. However, the focus of this study is in the analysis of end consumer behavior models of this sector. According to the quarterly report on the economy for the second quarter of 2015, published by the Central Bank of Kosovo (Central Bank of Kosovo, 2016) until June 2016 the banking sector was characterized by an accelerated annual growth of credit activity of 6.1% (3.5% in June 2015). On the other hand, according to the same report, deposits saw a slower growth, in an annual rate of 6.3%, compared with the same period of the previous year, 10%. This occurred as a result of the sharp fall in the interest rate on deposits.

According to monthly information of August 2016 on the financial system as published by the Central Bank of Kosovo (CBK) (Central Bank of Kosovo, 2016) here are 10 commercial banks in Kosovo, of which 8 are foreign owned, and only 2 of them are locally owned. These banks are shown in Figure 4.

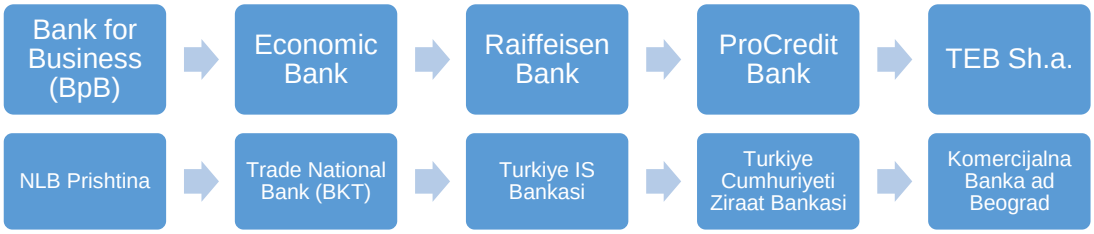

Figure 2. Commercial Banks in Kosovo
Source: Adopted from Central Bank of Kosovo (2016)

The total value of assets in this sector recorded in June 2016 (Central Bank of Kosovo, 2016), was 3.27 billion euros, representing an annual growth of 6.9%, while the same period of the previous year marked a higher increase of 9.8%. The figure 5 shows the value of assets of commercial banks and changes it went through over the years in value, expressed in euros.

The structure of assets in the banking sector is again dominated by loans, despite the fact that this category saw a slight decrease, compared with the previous year. According to the CBK (Central Bank of Kosovo, 2016) the banking sector in the past two years was characterized by an excellent performance. It realized a net profit of 46.2 million euros by June 2016, compared with 26.9 million euros recorded in the same period of the previous year, 2015. This increase in net profit of 19%, compared with the previous year, is a result of significant cost reduction, whereas revenues slightly declined.

Since this sector, according to indicators elaborated above, is quite profitable, it was studied and analyzed from a different perspective, which is very important for every enterprise, regardless of the sector they belong. The objective of the study is based on models of consumer behavior, i.e. the behavior of end customers of commercial banks in Kosovo.

4.2. Results of the study

The study used a survey conducted through an online questionnaire with a sample of 500 respondents within the territory of Kosovo, regarding their behavior during the choice of the bank and banking services, and factors affecting such choices. The responses received were used to extract the interest and value model and the Fishbein model. These models were then used to draw important conclusions on evaluations that consumers applied to banks in Kosovo, discussed below. The study and research were conducted to understand the behavior of individual consumers in the banking sector in Kosovo.

To see and analyze the responses received from respondents took part in the survey, the results are presented and interpreted below. At the beginning, the results of demografic data collected from the respondents have been chosen to present. All these data are presented in the Table 1.

Table 1. Frequency table of personal data

	Age	Frequency	Percent	Valid Percent
Valid	Until 18 years old	12	2.4	2.4
	From 18 - 35 years old	408	81.6	81.6
	From 36 - 65 years old	76	15.2	15.2
	Above 65 years old	4	0.8	0.8
	Total	500	100.0	100.0
	Gender	Frequency	Percent	Valid Percent
Valid	Male	254	50.8	52.5
	Female	230	46.0	47.5
	Total	484	96.8	100.0
Missing	System	16	3.2	
Total		500	100.0	
	Category	Frequency	Percent	Valid Percent
Valid	Employed	172	34.4	35.1
	Self-employed	28	5.6	5.7
	Unemployed	50	10.0	10.2
	Student	233	46.6	47.6
	Retiree / pensioner	6	1.2	1.2
	Infant	1	0.2	0.2
	Total	490	98.0	100.0
Missing	System	10	2.0	
Total		500	100.0	

According to the data above, from 500 interviewed customers, 81.6% of them were between 18 to 35 years old, 15.2% were between 36 to 65 years old, 2.4% of them were under 18 years old, and only 0.8% of them were above the 65 years old. For as much as the questionnaire were designed in online platform, it is obvious that the people who represented the age above 65 years old could not be easily achievable, because most of them do not have the appropriate knowledge about using computer and/or internet. In the other hand, based on the data generated from the table above, from the 500 customers who were part of this study, 50.8% of them were male and 46% of them were female. As it sees, 3.2% of respondents skipped this question.

Regarding to question which relates to category, from 500 interviewed respondents 34.4% of them declared that they are employed, 5.6% declared that they are self-employed, 10% declared that they are unemployed, 46.6% declared that they are students, 1.2% declared that they are pensioners and only one person (0.8%) declared that he/she is infant. 2% of respondents have chosen to skip this question.

In Table 2 are presented the data obtained from respondents about the questions related to the fact that if respondents are customers of any commercial bank in Kosovo and if so, which bank they have chosen.

Table 2. Frequency table of questions related to types of banks

Are you a customer of any of the commercial banks in Kosovo?				
		Frequency	Percent	Valid Percent
Valid	Yes	414	82.8	85.4
	No	71	14.2	14.6
	Total	485	97.0	100.0
Missing	System	15	3.0	
Total		500	100.0	
Which bank have you chosen?				
		Frequency	Percent	Valid Percent
Valid	N/A	1	0.2	0.2
	Bank for Business (BpB)	11	2.2	2.7
	Banka Ekonomike	11	2.2	2.7
	Raiffeisen Bank	109	21.8	26.5
	ProCredit Bank	91	18.2	22.1
	TEB Sh.a.	111	22.2	26.9
	NLB Prishtina	42	8.4	10.2
	Banka Kombëtare Tregtare (BKT)	33	6.6	8.0
	Turkiye IS Bankasi	3	0.6	0.7
	Total	412	82.4	100.0
Missing	System	88	17.6	
Total		500	100.0	

As seen in the table above, from 500 respondents 82.8% of them declared that they are customers of any commercial bank in Kosovo, and only 14.2% of them claimed that they do not have any open account in any commercial bank in Kosovo. From the interviewed respondents, 3% of them have denied to answer in this question, so for unknown reasons they chose to skip it.

In the other side, from 414 respondents who claimed that they are clients of any bank in Kosovo, 22.2% of them declared that they are clients of the TEB Sh.a. Bank, 21.8% of them declared that they are clients of the Raiffeisen Bank, 18.2% of them declared that they are clients of Pro Credit Bank, 8.4% declared that they are clients of the NLB Pristina Bank, 6.6% declared that they are clients of BKT Bank, and the rest respondents have chosen the other banks. Table 3 presents collected data from respondents about their level of satisfaction with their banks that they have chosen.

As seen in the table below, the most respondents are satisfied (33.8% of them) and moderately satisfied (22.6% of them) with locations of their banks. Also, the most interviewed respondents declared that they are satisfied (38.4% of them) with banking services which their bank offers to them. About the level of satisfaction with prices of banking services, most of the interviewed customers declared that they are moderately satisfied (29.6% of them) and satisfied (23.6% of them). But, as it is shown in the table above, 14% of the respondents, declared that they are unsatisfied with the prices of banking services. This might be “an alarm” for commercial banks in Kosovo to consider applying new price policies to reduce the banking services prices in order to meet their clients’ expectations.

Table 3. Frequency table of independent variables

Customer Satisfaction with Location				
		Frequency	Percent	Valid Percent
Valid	N/A	2	0.4	0.5
	Very satisfied	86	17.2	22.3
	Satisfied	169	33.8	43.8
	Moderately satisfied	113	22.6	29.3
	Unsatisfied	16	3.2	4.1
	Total	386	77.2	100.0
Missing	System	114	22.8	
Total		500	100.0	
Customer Satisfaction with Banking Services				
		Frequency	Percent	Valid Percent
Valid	N/A	1	0.2	0.3
	Very satisfied	79	15.8	21.0
	Satisfied	192	38.4	51.1
	Moderately satisfied	86	17.2	22.9
	Unsatisfied	18	3.6	4.8
	Total	376	75.2	100.0
Missing	System	124	24.8	
Total		500	100.0	
Customer Satisfaction with Prices of Banking Services				
		Frequency	Percent	Valid Percent
Valid	N/A	4	0.8	1.1
	Very satisfied	31	6.2	8.4
	Satisfied	118	23.6	31.8
	Moderately satisfied	148	29.6	39.9
	Unsatisfied	70	14.0	18.9
	Total	371	74.2	100.0
Missing	System	129	25.8	
Total		500	100.0	

4.2.1. Correlation between variables

The analysis of correlations between two variables is usually used to depict the direction, nature and significance of bivariate relations among studied variables (Rahman, 2013). In the table below, based on the analysis of bivariate correlations, are presented the studied variables, among which: independent variables such as rate of customer satisfaction with banking services; rate of customer satisfaction with banking service prices; rate of customer satisfaction with bank locations; and a dependent variable – the selection of the bank by the consumers.

It is important to note that the correlation coefficient is an indicator of relations between two variables and can be between -1.00 and 1.00 (Trek, 2017). Values -1.00 and 1.00 show a strong correlation between studied variables, whereas values closer to 0.00 show a poor correlation (Trek, 2017). Negative values indicate an inverse relation between variables, whereas positive values indicate a direct relation between them. The level 0 means no correlation (Slahor *et al.* 2015, pp. 38-50). In this study was used Pearson's Correlation which could be defined as follows (Slahor *et al.* 2015, pp. 38-50):

$$r = \frac{\sum(X-\bar{X})(Y-\bar{Y})}{[\sum(X-\bar{X})^2 \sum(Y-\bar{Y})^2]^{1/2}} \quad (1)$$

where $\bar{X}$ and $\bar{Y}$ are mean values of the sets.

As may be noted from the table 4 below, all independent variables have a significant statistical relation between them. The correlation between the scale of services and satisfaction with service prices shows that there is a significant average positive correlation between the two variables, with the coefficient correlation of r = 0.454 at the p < 0.00 significance level. There is a strong and significant positive correlation between the rate of customer satisfaction with bank

services and satisfaction with the location, r = 0.607, with a significance level of p < 0.00. On the other hand, the correlation coefficient between the rate of satisfaction with banking services and bank selection is very weak and negative, r = -0.012 at the significance level of p < 0.816, which means that these two variables are not significant for one another, because the significance level exceeds that of 0.05.

There is a weak positive correlation between customer satisfaction with service prices and customer satisfaction with the location of branches of their chosen bank, with a correlation coefficient of r = 0.352, at the p < 0.00 level. On the other hand, the correlation coefficient between the rate of satisfaction with bank service prices and selection of the bank by customers of a significant weak negative nature, with a correlation coefficient r = -0.114 at the p < 0.029 level, which means that these two variables have an inverse relation with each other. In other words, if service prices in a given bank are higher, they may impact customers' choice to select another bank, and vice-versa.

Table 4. Table of correlations between variables

		Customer Satisfaction with Banking Services	Customer Satisfaction with Prices of Banking Services	Customer Satisfaction with Location	Which bank have you chosen?
Customer Satisfaction with Banking Services	Pearson Correlation	1			
	Sig. (2-tailed)				
Customer Satisfaction with Prices of Banking Services	Pearson Correlation	0.454**	1		
	Sig. (2-tailed)	0.000			
Customer Satisfaction with Location	Pearson Correlation	0.607**	0.352**	1	
	Sig. (2-tailed)	0.000	0.000		
Which bank have you chosen?	Pearson Correlation	-0.012	-0.114*	0.041	1
	Sig. (2-tailed)	0.816	0.029	0.422	

Note: a. Dependent Variable: Bank selection by customers. b. Predictors: (Constant), Rate of customer satisfaction with bank services, Rate of customer satisfaction with bank service prices, Rate of customer satisfaction with branch location of the bank they have selected.

The correlation coefficient between the rate of customer satisfaction with the bank location and selection of the bank, shows the existence of a very weak positive correlation between these two variables, with a correlation coefficient r = 0.041, but also their relation is not significant, as the significance value is higher than p < 0.05, respectively p < 0.422. As shown by the results, the variable that is related to the rate of customer satisfaction with bank branch locations does not have any strong linkage with other variables compared above.

This data analysis reveals that the only occasion with a higher significance and correlation is that between dependent variable - the selection of the bank, and an independent variable, such as the rate of customer satisfaction with bank service prices. Here, there is a weak negative correlation between the two variables, meaning that the increased service prices may have an influence on customers' selection of the bank, however, being that the correlation is weak, this means that the two selections are not necessarily related. Also, the significance of this correlation lies in the low significance values (under p < 0.05).

4.2.2. Multivariable regression analysis

The multivariable regression analysis was used to analyze what is the effect of independent variables on dependent variable. Independent variables are usually marked with "X", including all those discussed and analyzed in the section on correlation coefficients, namely X_1 – Rate of customer satisfaction with bank services, X_2 – Rate of customer satisfaction with bank service prices, X_3 – Rate of customer satisfaction with branch location of the bank they have selection. On the other hand, dependent variable is usually marked with "Y", which is the letter that marks

the variable Y – Bank selection by customers. The formula which is used to calculate the multivariable regression analysis is presented below (Trek, 2017):

$$Y' = a + b_1 x_1 + b_2 x_2 + b_n x_n \quad (2)$$

where, Y' = a predicted value of Y (which represents the dependent variable);
x = is the independent variable through which we will try to predict a value of Y;
a = the "Y Intercept";
b_1 = the change in Y for each 1 increscent change in X_1;
b_2 = the change in Y for each 1 increscent change in X_2;
b_n = the change in Y for each 1 increscent change in X_n;

The table 5 presents the multivariable regression analysis.

Table 5. Multivariable regression analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	0.220[a]	0.048	0.027	1.337

ANOVA[a]

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	28.521	7	4.074	2.280	0.028[b]
Residual	561.169	314	1.787		
Total	589.689	321			

Statistical significance of independent variables

Coefficients[a]

	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
	B	Std. Error	Beta	T	Sig.	Tolerance	VIF
(Constant)	4.373	0.292		14.973	0.000		
Rate of customer satisfaction with bank service prices	-0.319	0.100	-0.207	-3.194	0.002	0.720	1.389
Rate of customer satisfaction with branch location of the bank	0.173	0.117	0.104	1.478	0.140	0.611	1.636
Rate of customer satisfaction with bank services	-0.009	0.145	-0.005	-0.060	0.953	0.450	2.223

Note: a. Dependent Variable: Bank selection by customers. b. Predictors: (Constant), Rate of customer satisfaction with bank services, Rate of customer satisfaction with bank service prices, Rate of customer satisfaction with branch location of the bank they have selected.

As shown by the data of the table above, the R value, which represents the multivariable correlation coefficient is R= 0.220. The value of R squared, which represents the determination coefficient is R^2 = 0.048 and the calculated standard deviation is 1.337. According to these results, the value of R is equal to 0.0220, which does not represent a satisfaction prediction level for dependent variable Y (bank selection by customers). Also the result of R^2 = 0.048, shows that independent variables (X) can interpret only 4.8% of the variability of dependent variable Y, as is the case in the selection of banks by customers.

In the same table above was depicting the variance analysis statistical test, the so called ANOVA. According to the data presented in the table above, it may be concluded that all independent variables X have significant relations with the dependent variable Y, which in our case is "bank selection by customers", with the value reaching F (7,314) = 2.280, and significance value p = 0.028 (therefore of significant value, since the p is lower than 0.05).

Also the last part of the table 5 above shows the result of independent variable tests, in order to see if they are of any statistical significance. The last column of this table depicts collinear statistics, which are under the tolerance level for each independent variable analyzed

and the VIF value (Variance Inflation Factor), which assists in proving multi-collinearity. The data resulting from the calculation of VIF shows that in all cases values are under 10, which means that the results are acceptable, as long as used in compliance with the Coakes and Steed standard (Coakes and Steed, 2007), which requires for the standard values to be VIF < 10.

Also the table implemented the t-test, which is used to confirm or deny hypotheses from $\mathbf{H_1}$ to $\mathbf{H_3}$. Data on the significance level, which corresponds with the t-test, reveals that only the dependent variable which pertains to the rate of customer satisfaction with service prices is statistically significant ($p = 0.002$), namely has significance levels under $p < 0.05$, whereas none of the analyzed dependent variables in this table are statistically significant, being that their significance levels have resulted higher than the required standard ($p < 0.05$).

Based on these results, it is clear that $\mathbf{H_1}$ hypothesis: "Rate of consumer satisfaction with bank services influences the selection of the bank by customers" is not valid, since the significance value required by the standard is under $p < 0.05$, whereas in our case, the variable significance level related to the rate of customer satisfaction with bank services resulted to be $p = 0.953$. Further, hypothesis $\mathbf{H_2}$: "Rate of customer satisfaction with the prices of services offered by the banks has inverse effect on bank selection by customers" is confirmed, since the significance value is lower than $p < 0.05$, namely in the analyzed case, the significance value is $p = 0.002$. Further, the value of Beta B = -0.207 is a negative value, which confirms the inverse relation between these two variables.

Similarly, hypothesis $\mathbf{H_3}$: "Rate of customer satisfaction with bank locations does not influence on the selection of the bank by customers," is confirmed, since the result of the significance value for the independent variable, which is customer satisfaction with the bank location, exceeds 0.05 ($p = 0.140$). Therefore, this confirms that the relation between these two variables is not statistically significant.

4.3. The interest and value model and Fishbein model

Literature review reveals that one of the very important final customer decision-making process phases in purchasing is the evaluation of various offers and alternatives. Therefore, it is feasible to present the concrete case of the surveyed customers of the banking sector in Kosovo in accordance with the two alternative assessment models obtained from literature.

Before being able to present these models in the table, initially it was elected to compare, in a tabular form, two main variables which comprise the basis of the model, such as: the bank selected by customers and reasons, respectively attributes that have pushed the customers to select said bank. These comparisons are presented in the Table 6 below:

Table 6. Comparison between the bank selected by the customers and attributes they evaluated most in a bank

Banks:	Banka për Biznes (BpB)		Banka Ekonomike		Raiffeisen Bank		ProCredit Bank		TEB Sh.a.		NLB Prishtina		Banka Kombëtare Tregtare (BKT)		Turkiye IS Bankasi		Responses in percentage	Number of Responses
Attributes	No. of Responses	%	No. of Responses	%	No. of Responses	%	No. of Responses	%	No. of Responses	%	No. of Responses	%	No. of Responses	%	No. of Responses	%		
Security	5	16%	3	17%	43	17%	19	15%	20	9%	5	7%	7	10%	0	0%	13.20%	102
Transparency	3	10%	1	6%	19	7%	5	4%	16	7%	6	8%	6	9%	0	0%	7.40%	57
Proffesionalism of bank staff	3	10%	0	0%	23	9%	9	7%	13	6%	2	3%	4	6%	0	0%	7.20%	56
The quality of bank services	2	6%	2	11%	24	9%	11	9%	22	10%	7	10%	7	10%	0	0%	10.10%	78
Variety of bank Services	2	6%	1	6%	20	8%	22	17%	37	17%	2	3%	3	4%	0	0%	10.60%	82
Client Care	7	23%	3	17%	35	14%	20	16%	36	16%	8	11%	13	19%	1	50%	12.60%	98
Adequate Location	2	6%	4	22%	27	11%	27	21%	22	10%	14	20%	6	9%	1	50%	13.30%	103
Lower tariffs of bank services	3	10%	1	6%	9	4%	3	2%	23	10%	13	18%	11	16%	0	0%	8.10%	63
Appropriate interest rates	2	6%	1	6%	7	3%	2	2%	10	4%	4	6%	5	7%	0	0%	4.30%	33
Goodwill of the Bank	2	6%	2	11%	47	19%	11	9%	25	11%	10	14%	5	7%	0	0%	13.30%	103
Total:	31	**100%**	18	**100%**	254	**100%**	129	**100%**	224	**100%**	71	**100%**	67	**100%**	2	**100%**	**100.00%**	**775**

Note: Answered question: 395, skipped question: 16

When asked which were the attributes that have affected their choice, respectively which attributes have they evaluated most in the bank they selected, customers had the possibility to choose between more than one alternative in giving their responses, therefore the total sum of responses obtained reaches 775, whereas only 395 customers from the total 500 surveyed answered this question.

Hypothesis H_4: "The way consumers evaluate various banking alternatives and make their choices about bank varies depending on the type of model used for evaluation," needs to be tested. In order to test this hypothesis, above all, we need to perform calculations on the two models, in order to reach relevant conclusions.

In order to calculate said models, two variables are taken into consideration: type of bank selected by customers; and reasons or attributes they evaluated most highly for the banks in general, which were best met by the selected bank. Therefore, the variables of the table above were used, in an extended form, by adding new columns necessary for the calculation of the relevant model.

As may be noted from the table data on Table 7 below, the Value and Interest Model was calculated by extracting assessments 0 to 10 from each attributed listed in the rows, namely 0 meaning that the attribute has no value for the customer in assessing alternatives, whereas 10 meaning that the attribute is most highly evaluated by the customer and has played a key role in its decision on bank selection.

Of all attributes listed in the table below, customers that have selected Banka për Biznes, TEB Bank, Banka Kombëtare Tregtare, and one of the customers of Turkiye Is Bankasi, evaluated "client care" as the most important attribute influencing their decision on bank selection. As may be noted from the table below, customers of TEB Bank, in addition to the "client care" attribute, also evaluated very highly the "variety of services" this bank offers to them. On the other hand, customers of Banka Ekonomike, ProCredit Bank, NLB Prishtina Bank and one of the Turkiye Is Bankasi, considered the "adequate location" of the banks and branches to be the most important attribute when selecting their bank of choice. Customers of Raiffeisen Bank considered the "good image of the bank" as the most important attribute, while the "security" attribute ranks second in the list of attributes shaping their decision on bank selection

Upon evaluation of attributes with values from 0 to 10, points in each column were added for each bank, thus resulting with the calculation of the Interest and Value Model. The formula for calculating this model is provided in relevant literature:

$$Vk = \sum Vip \tag{3}$$

Where, V_K – is consumer evaluation;
Vip – is the evaluation of characteristics i for product p, in our case for the given bank.

The results deriving from the calculation of this model reveals that customer evaluation (Vk) for Banka për Biznes equals 44, for Banka Ekonomike 45, for Raiffeisen Bank 54, for ProCredit Bank 48, for TEB Bank 61, for NLB Prishtina 51, for Banka Kombëtare Tregtare 52 and for the Turkiye Is Bankasi 20. According to these results, most customers should opt for the higher graded bank. And this is also confirmed in the data presented above under the data analysis in chart 3, which shows that most surveyed customers had selected TEB Bank (26.9% of them), which ranks highest according to the value and interest results.

On the other hand, the same table was used for the calculation of the Fishbein model, which was applied by having the evaluation of attributes given by customers multiplied by the weight of the significance of such attributes for customers. The formula for calculating this model is the following:

$$Vk = \sum Vip * Ri \tag{4}$$

Where, V_k – is consumer evaluation;
Vip – is the evaluation of characteristics i for product p,

Ri – is the significance of the characteristic for the customer.

The resulting calculations reveals Fishbein Model results, according to which Banka për Biznes has the result of Vk = 4.65, Banka Kombëtare Tregtare 5.19, Raiffeisen Bank 6.07, ProCredit Bank 5.50, TEB Bank 6.48, NLB Prishtina 5.42, Banka Kombëtare Tregtare 5.30, and Turkiye Is Bankasi 2.59. In this case too, most customers should have opted for the bank that has the highest value when compared to other alternatives. Similar to the Value and Interest Model above, this model ranks TEB Bank as the most evaluated bank, when compared to other banks in the country.

Table 7. Model of Interest and Model of Fishbein

Banks:	Banka për Biznes (BpB)			Banka Ekonomike			Raiffeisen Bank			ProCredit Bank		
Attributes:	No. Of Responses	Evaluation of Attributes (from 1 to 10)	Vk = ∑vip * Ri	No. Of Responses	Evaluation of Attributes (from 1 to 10)	Vk = ∑vip * Ri	No. Of Responses	Evaluation of Attributes (from 1 to 10)	Vk = ∑vip * Ri	No. Of Responses	Evaluation of Attributes (from 1 to 10)	Vk = ∑vip * Ri
Security	5	7	0.94	3	8	0.99	43	9	1.20	19	7	0.93
Transparency	3	4	0.32	1	3	0.18	19	4	0.30	5	2	0.14
Proffesionalism of bank staff	3	4	0.31	0	0	0.00	23	5	0.35	9	3	0.24
The quality of bank services	2	3	0.29	2	5	0.50	24	5	0.51	11	4	0.41
Variety of bank Services	2	3	0.30	1	3	0.26	20	4	0.45	22	8	0.86
Client Care	7	10	1.26	3	8	0.95	35	7	0.94	20	7	0.94
Adequate Location	2	3	0.38	4	10	1.33	27	6	0.76	27	10	1.33
Lower tariffs of bank services	3	4	0.35	1	3	0.20	9	2	0.16	3	1	0.09
Appropriate interest rates	2	3	0.12	1	3	0.11	7	1	0.06	2	1	0.03
Goodwill of the Bank	2	3	0.38	2	5	0.66	47	10	1.33	11	4	0.54
Model of Interest and Value (Vk = ∑vip)		**44**			**45**			**54**			**48**	
Modeli of Fishbein and Rozenberg (Vk = ∑vip * Ri)			**4.65**			**5.19**			**6.07**			**5.50**

Banks:	TEB Sh.a.			NLB Prishtina			Banka Kombëtare Tregtare (BKT)			Turkiye IS Bankasi			Responses in percentage	Relative Value	Response Count
Attributes:	No. Of Responses	Evaluation of Attributes (from 1 to 10)	Vk = ∑vip * Ri	No. Of Responses	Evaluation of Attributes (from 1 to 10)	Vk = ∑vip * Ri	No. Of Responses	Evaluation of Attributes (from 1 to 10)	Vk = ∑vip * Ri	No. Of Responses	Evaluation of Attributes (from 1 to 10)	Vk = ∑vip * Ri			
Security	20	5	0.71	5	4	0.47	7	5	0.71	0	0	0.00	13.2%	0.13	102
Transparency	16	4	0.32	6	4	0.32	6	5	0.34	0	0	0.00	7.4%	0.07	57
Proffesionalism of bank staff	13	4	0.25	2	1	0.10	4	3	0.22	0	0	0.00	7.2%	0.07	56
The quality of bank services	22	6	0.60	7	5	0.50	7	5	0.54	0	0	0.00	10.1%	0.10	78
Variety of bank Services	37	10	1.06	2	1	0.15	3	2	0.24	0	0	0.00	10.6%	0.11	82
Client Care	36	10	1.23	8	6	0.72	13	10	1.26	1	10	1.26	12.6%	0.13	98
Adequate Location	22	6	0.79	14	10	1.33	6	5	0.61	1	10	1.33	13.3%	0.13	103
Lower tariffs of bank services	23	6	0.51	13	9	0.75	11	8	0.69	0	0	0.00	8.1%	0.08	63
Appropriate interest rates	10	3	0.12	4	3	0.12	5	4	0.16	0	0	0.00	4.3%	0.04	33
Goodwill of the Bank	25	7	0.90	10	7	0.95	5	4	0.51	0	0	0.00	13.3%	0.13	103
Model of Interest and Value (Vk = ∑vip)		**61**			**51**			**52**			**20**				
Modeli of Fishbein and Rozenberg (Vk = ∑vip * Ri)			**6.48**			**5.42**			**5.30**			**2.59**	**100.0%**	**1.00**	**775**

Note: Answered question: 395 Skipped Question: 16

An important finding from the results of both these models presented in the table no. 7 above, is the ranking of ProCredit Bank, which ranks behind NLB Prishtina in the Value and Interest Results (Vk = 48 versus Vk = 51), whereas in the Fishbein model the former is evaluated higher than the latter (Vk = 5.50 versus Vk = 5.42). The dilemma for this bank lies in the fact the question: what model will be used for the customers to make their selection. Also, the same finding were derived from this two models, which is related to the ranking of NLB Prishtina which ranks behind Banka Kombëtare Tregtare (BKT) in the Value and Interest results (Vk = 51 versus Vk = 52), whereas in the Fishbein model the former is evaluated higher than the latter (Vk = 5.42 versus Vk = 5.30). There are no other similar discrepancies between the results of calculation of different models when comparing the evaluation of different attributes by customers.

According to the results of these two models, hypothesis **H_4** is confirmed: "The manner in which customers evaluate alternative provided by different banks and select their bank of choice differs depending on the type of model used for making such assessments," although it is clear from the above that it is possible for a given result to be higher in customer assessments for a given alternative in one model and lower in the other, or vice-versa.

5. Conclusions and Recommendations

5.1. Conclusions in the Theoretic Aspect

Based on the findings of this paper, the literature quoted in this paper and the survey of individual customers of the banking sector in Kosovo, we have concluded that if financial

institutions wish to survive and be remain competitive in the current dynamic and ever growing market, they need to understand, analyze and pay due attention to the behavior of their customers. Customers are “kings” and the lifeline that will keep “afloat” or “drown” a given business.

The way how customers evaluate and select between different alternatives, as emphasized in the literature and confirmed in practice through the survey, comprises a rather complicated procedure and is affected by different factors of both factors of external nature (surroundings, work, family, society, bank offers, marketing programs, etc) and internal nature mostly related to psychological aspects that lead customers to act in one way or another. Therefore, commercial banks in Kosovo should pay great attention to the analysis of such factors before marketing new customer packages, if they wish to be successful in their sector.

Customer behavior towards a given bank may vary, as they may establish their different perceptions and stances over attributes of a given bank based on different factors that influence this. Therefore, this comprises an “alert” for commercial banks, which need to know how to influence their customers and change their perceptions and stances in their favor.

The literature provides lengthy discussions on customers’ purchase-related decision-making processes, which goes through a number of phases, often difficult to comprehend and decipher. There are many customers who, when deciding on a purchase, seek no preliminary information on the enterprise or related products/services; there are customers who directly approach a company and impulsively select one product or service, without having weighed other alternatives at all. This shows that banks need to be wary on how to draft and serve customers their relevant marketing programs, in order to attract more customers and maintain longer the existing customers.

5.2. Conclusions in the Practical Aspect

Based on the results deriving from statistical analyses and tests applied in this paper, it is confirmed that there are no statistically significant relations between customers’ decision to select a given bank and the services provided by banks. This may occur due to the fact that almost all commercial banks in Kosovo provide more or less the same service packages to customers. The only differences lie in the slightly different prices for such services. Therefore, if a bank wishes to be distinguished from its clients, it needs to be inventive and create new services, or modify existing services with supplementary elements, in order to provide something new in the market.

Results and analyses of the responses obtained through the survey of 500 respondents show that there is a significant negative relation between banking sector prices and the selection of banks by customers. This shows that prices comprise an important attribute for banking sector customers and that the increased prices of banking services may result with customer withdrawals from a given bank, and vice-versa. Therefore, commercial banks in Kosovo, in addition to other elements and considerations, need to treat the price of services as one of the elements that could be used to maintain existing customers and attract new ones.

Multivariable regression analysis confirms that the relation between the location of banks and their branches and customer decisions on the selection of banks is statistically insignificant. This may occur due to the fact that almost all commercial banks in Kosovo provide Internet Banking and Mobile Banking for their customers. Hence customers are not affected by locations of the banks while they make a decision which bank to choose.

Also, based on the results of models calculated in this paper, it may be concluded that customers’ selection of banks may vary based on the moment or manner in which they chose to evaluate different attributes. Therefore banks need to remain vigilant and refrain from complacency with the current customer base. They need to continue their efforts to find the best means possible to maintain customers as long as they can, maintain their loyalty, and provide them with different offers, in order to prevent their transfer to other banks that compete in the market.

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