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CUSTOMER BEHAVIOR IN COMMERCIAL BANKS OF KOSOVO

VJOSA FEJZA, HYKMETE BAJRAMI, RAMIZ LIVOREKA

Abstract:

Taking into account the importance of analyzing and studying consumer behavior, it was seemed necessary to conduct a research on this issue. As part of this research, consumer behavior in the Kosovo's Commercial Banks were studied and analyzed.

This study is divided into the three main parts: the first part of the study includes a review of various literature, publications and scientific journals related to understanding the role and importance of consumer behavior in enterprises.

The second part of the study includes a survey questionnaire with a 500 individual client sample base, randomly selected from commercial banks in Kosovo in order to determine behaviors of existing customers in the banking sector, and analyze various internal and external factors which influence such behaviors.

Finally, data obtained from the literature review and 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.

Keywords:

Consumer behavior; internal factors; external factors; bank; banking system.

JEL Classification: M31, M31, M31

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Introduction

Nowadays, if an enterprise wants to be successful in the market where it operates, it must make all efforts to satisfy its consumer needs. How able is it to build and maintain strong relationships with its consumers, depends on how the enterprise managed to understand its consumers' behavior.

Consumer behavior, according to the authors Pride and Farrell (2003), represents "the process of decisions and actions of people involved in the purchase and use of products or services". Whereas, according to Solomon et al. (2006), "Consumer behaviour 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."

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.

According to Kurtz (2008), factors influencing consumer behavior are divided into two categories: 1) interpersonal factors influencing consumer behavior, and 2) personal factors influencing consumer behavior. The first category includes cultural, social and family factors. The second group includes personal or internal influencing factors, such as needs and motivations, perceptions, behaviors, learning and personal concepts of deciding to purchase. On the other hand, according to Kotler et al. (1999), 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 is based on how they grouped such factors together.

The group of cultural factors that influence consumer behavior includes: culture, subcultures and social classes (Armstrong & Kotler, 2013). Social factors, according to Elmazi and Bytyçi (2007), include: reference groups, household, social roles and statuses.

According to Blythe (2005), 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) includes: motivation, perception, learning, emotion and memory (remembering).

All these factors above have a strong 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) these phases are divided into 5 levels: 1) Needs identification – which is the first phase of the process of deciding to purchase. A need, according to Lilien et al. (1992), can be activated by external and internal incentives; 2) Information search – after determining the problem, consumers need the right information to solve it better. Searching for information, according to Solomon et al. (2006) is the process by which the consumer explores its environment or surrounding to obtain relevant information in order to get to a reasonable decision. According to Kurtz (2008), information search may include internal sources (including all information located in the mind of the person) and external sources (including gathering of information from all kinds of external sources, such as family, friends, advertising, sales personnel, magazines, portals, etc.). Purchases that require high consumer involvement, according to Kurtz (2008), there should be a broader search of information and for purchases with a lesser involvement, less information search may be needed; 3) Evaluation of alternatives – is the phase where consumer uses the information obtained to make the selection between alternatives to of various brands of products or services that best meet its needs. According to Armstrong

and Kotler (2013), consumer evaluation of alternatives is not a simple process: how consumers wander among alternatives of evaluating purchase decisions depends on the individual and the concrete situation of purchase. In some circumstances, prior to making the purchase, consumers make careful calculations and use logical thinking; in others, consumers decide themselves on purchases, while in other situations they decide together with friends, relatives, etc. Hence, it is a rather complicated process which, if marketing specialists are successful to understand, they can claim they found the key to the success of their business; 4) The decision to purchase - represents the stage of the process of deciding to purchase, where, according to Kotler et al. (1999), the consumer makes the decision about the brand of product /service to purchase. Regarding to Armstrong and Kotler (2013), it is important to note that between the intention and the decision to buy the certain product brand there are two factors that come into play: views of others and unexpected circumstances; 5) Post-purchase feeling – after the consumer purchases and uses the product, as stated by Lilien et al. (1992), he/she may feel a certain level of satisfaction or dissatisfaction. According to Swan and Combs (1977), 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, namely: if the product meets the customer's expectations, then he/she is satisfied; if it exceeds customer's expectations, then he/she is delighted; but, if the performance of the product fails to meet customer's expectations, the customer will be dissatisfied. 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. Regarding to Armstrong and Kotler (2013), customer satisfaction is a key to build profitable relationships with customers, to retain and add customers to them, and collect their value. Satisfied customers will rebuy products that they were satisfied with, will speak positively to others about products, and will pay less attention to competing brands. Therefore, as to Kotler et al. (1999) have stated, many companies have already started to go beyond meeting the expectations of customers, as they aim to fascinate clients.

The decision-making process of buying services by consumers includes almost the same phase. According to Lovelock and Wright (2001), the process of buying services by customers goes through three main stages:

- **Pre-purchase Stage** – which includes:
 - **Need Arousal;**
 - Information search (determination of needs, exploration of choices, identification of alternatives of the providers of services which meet the identified need);
 - Evaluating Alternatives (review of documentation – e.g., advertisements, brochures, websites, etc., - consultations with other people – e.g. society, family, other customers – visiting potential service providers; communication with staff).
- **Acquisition of service** – which includes:
 - Service request from the selected provider, or the beginning of the self-service to the selected provider;
 - Acquisition of the service.
- **Post-purchase stage:**
 - Evaluation of the service performance;
 - 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.

Given the discussion above regarding the key factors influencing consumer behavior in final purchase decision, the consumer behavior model is shown below.

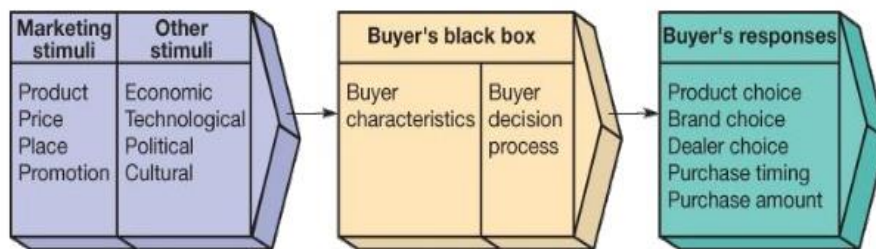


Figure 1. Consumer behaviour model

Source: Adapted from Kotler, P., Armstrong, G., Saunders, J., Wong, V.. *Principles of Marketing, Second European Edition*. Prentice Hall Europe, 1999) Pg. 230.

As 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), 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 the how the purchase is made.

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) 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. To summarize and to have a general view of the current state of the banking sector of Kosovo, the analysis of this sector are presented below.

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 (2015), until June 2015 the banking sector was characterized by an accelerated annual growth of credit activity of 6.1% (3.5% in June 2014). 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 2015 on the financial system as published by the Central Bank of Kosovo (CBK) (2015), there 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 the following figure.

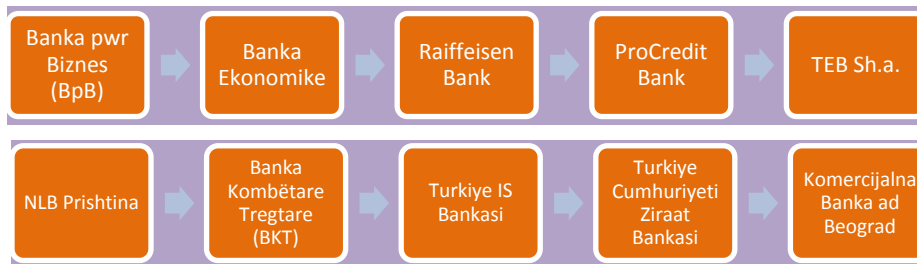


Figure 2. Commercial Banks in Kosova.

Source: CBK 2015

The total value of assets in this sector recorded in June 2015 (2015), 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 below shows the value of assets of commercial banks and changes it went through over the years in value, expressed in euros.

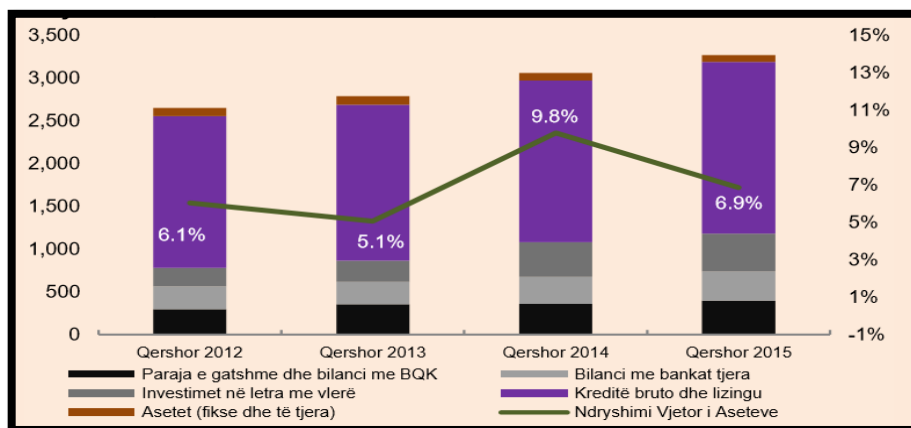


Figure 3. Assets of Commercial Banks in Kosova, annual changes, in million euros.

Source: CBK 2015

As seen in the figures above, 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 (2015), 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 2015, compared with 26.9 million euros recorded in the same period of the previous year, 2014. 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 consumer behavior, i.e. the behavior of end customers of commercial banks in Kosovo.

Materials and methods

As it was mentioned above, this paper is divided into three main parts. 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.

In the second half of the study has been applied the quantitative methods of data collection, namely the questionnaire used in the online survey platform, <https://www.surveymonkey.com/>. 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. 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.

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:

H1 – consumer satisfaction rate with banking services has a significant positive impact on the customers' decision for choosing the bank.

H2 – Prices applied in banking services have a major negative impact on the customer's decision for choosing the bank.

H3 – 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).

H4 - Professionalism of the bank's staff has a direct impact in decision for choosing the bank.

H5 – customers' satisfaction rate with the customer care and the behavior of bank staff towards the needs and requirements of customers has a significant positive impact on the customers' decision for choosing the bank.

Sampling

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), 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. Since it was impossible to be reached a customer data list by commercial banks in Kosovo and the Kosovo Central Bank, I used the help of my relatives, friends, and colleagues to find a way to reach out to these respondents. 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 <https://www.surveymonkey.com/>, 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.

Data processing

Data collected from the survey questionnaire were processed through the Statistical Package for Social Sciences (SPSS), which was used to extract various tables and different statistical tests that 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 H1 to H5.

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, I failed 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.

Results of the study

The study used a survey conducted through an online questionnaire (<https://www.surveymonkey.com>) 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 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, has been chosen to present the results of demographic data collected from the respondents. All these data are presented in the table below.

Table 1. Frequency table of personal data.

Personal Data					
Age		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Until 18 years old	12	2.4	2.4	2.4
	From 18 - 35 years old	408	81.6	81.6	84.0
	From 36 - 65 years old	76	15.2	15.2	99.2
	Above 65 years old	4	.8	.8	100.0
	Total	500	100.0	100.0	
Gender		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	254	50.8	52.5	52.5
	Female	230	46.0	47.5	100.0
	Total	484	96.8	100.0	
Missing	System	16	3.2		
	Total	500	100.0		
Category		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Employed	172	34.4	35.1	35.1
	Self-employed	28	5.6	5.7	40.8
	Unemployed	50	10.0	10.2	51.0
	Student	233	46.6	47.6	98.6
	Retiree / pensioner	6	1.2	1.2	99.8
	Infant	1	.2	.2	100.0
	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 easier 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 the following table are presented the data obtained from respondents about the questions which are 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 Kosova?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	414	82.8	85.4	85.4
	No	71	14.2	14.6	100.0
	Total	485	97.0	100.0	
Missing	System	15	3.0		
Total		500	100.0		
Which bank have you chosen?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	N/A	1	.2	.2	.2
	Bank for Business (BpB)	11	2.2	2.7	2.9
	Banka Ekonomike	11	2.2	2.7	5.6
	Raiffeisen Bank	109	21.8	26.5	32.0
	ProCredit Bank	91	18.2	22.1	54.1
	TEB Sh.a.	111	22.2	26.9	81.1
	NLB Prishtina	42	8.4	10.2	91.3
	Banka Kombëtare Tregtare (BKT)	33	6.6	8.0	99.3
	Turkiye IS Bankasi	3	.6	.7	100.0
	Total	412	82.4	100.0	
Missing	System	88	17.6		
Total		500	100.0		

As it sees in the table above, from 500 respondents 82.8% of them declared that they are customers of any commercial bank in Kosova, and only 14.2% of them claimed that they do not have any open account in any commercial bank in Kosova. 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 Reiffaisen 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 (as it sees in the table above).

Below, is shown a table in which were presented collected data from respondents about their level of satisfaction with their banks that they have chosen.

Table 3. Frequency table of independent variables.

Customer Satisfaction with Location					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	N/A	2	.4	.5	.5
	Very satisfied	86	17.2	22.3	22.8

	Satisfied	169	33.8	43.8	66.6
	Moderately satisfied	113	22.6	29.3	95.9
	Unsatisfied	16	3.2	4.1	100.0
	Total	386	77.2	100.0	
Missing	System	114	22.8		
Total		500	100.0		
Customer Satisfaction with Banking Services					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	N/A	1	.2	.3	.3
	Very satisfied	79	15.8	21.0	21.3
	Satisfied	192	38.4	51.1	72.3
	Moderately satisfied	86	17.2	22.9	95.2
	Unsatisfied	18	3.6	4.8	100.0
	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	Cumulative Percent
Valid	N/A	4	.8	1.1	1.1
	Very satisfied	31	6.2	8.4	9.4
	Satisfied	118	23.6	31.8	41.2
	Moderately satisfied	148	29.6	39.9	81.1
	Unsatisfied	70	14.0	18.9	100.0
	Total	371	74.2	100.0	
Missing	System	129	25.8		
Total		500	100.0		
Customer Satisfaction with the professionalism of the bank staff					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	N/A	2	.4	.6	.6
	Excellent	118	23.6	33.5	34.1
	Good	172	34.4	48.9	83.0
	Moderately good	54	10.8	15.3	98.3
	Bad	6	1.2	1.7	100.0
	Total	352	70.4	100.0	
Missing	System	148	29.6		
Total		500	100.0		
Customer Satisfaction with the bank staff attitude and care to their needs and requirements					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	N/A	3	.6	.9	.9
	Excellent	131	26.2	38.2	39.1

	Good	150	30.0	43.7	82.8
	Moderately good	50	10.0	14.6	97.4
	Bad	9	1.8	2.6	100.0
	Total	343	68.6	100.0	
Missing	System	157	31.4		
Total		500	100.0		

As it sees in the table above, 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). In the other hand, 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.

About the level of satisfaction with the professionalism of the bank staff, most of respondents were declared that is good (34.4% of them) and excellent (23.6% of them). Also about the level of satisfaction with the bank staff attitude and care to their needs and requirements, most of respondents declared that is good (30% of them) and excellent (26.2% of them).

Discussion

In this part of the paper, different statistical methods which were applied are going to be shown, such as correlation between variables and multivariable regression analysis. The first one’s aim is to show if there exist any correlation between dependent and independent variables. The second method were used especially to test the hypothesis, which were set before the research was done.

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, among which: independent variables such as 1) rate of customer satisfaction with banking services; 2) rate of customer satisfaction with banking service prices; 3) rate of customer satisfaction with bank locations; 4) rate of customer satisfaction with bank staff professionalism; and 5) rate of customer satisfaction with the behavior and attention exhibited by bank staff towards their needs and demands; 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. Values -1.00 and 1.00 show a strong correlation between studied variables, whereas values closer to 0.00 show a poor correlation. Negative values indicate an inverse relation between variables, whereas positive values indicate a direct relation between them.

As may be noted from the table No. 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 $r = .454$ 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, $r = .607$, with a significance level of $p < 0.00$. There is a significant average positive correlation between the rate of customer satisfaction with bank services and the professionalism of bank staff, with a correlation coefficient of $r = .490$, at the level of $p < 0.00$. There is similarly an average positive correlation between satisfaction with bank services and customer satisfaction with the behavior and attention exhibited by the bank staff towards customer demands and requests, with a correlation coefficient rate of $r = .515$ at the 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, $r = -.012$ 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 $r = .352$, at the $p < 0.00$ level. The correlation coefficient $r = .291$ at the level of $p < 0.00$, shows a weak significant positive correlation between the rate of satisfaction with service prices and rate of satisfaction with bank staff professionalism. The correlation coefficient $r = .274$, at the $p < 0.00$ level, confirms the existence of a significant weak correlation between the rate of satisfaction with service prices and rate of satisfaction with the behavior and attention shown by bank staff towards customer needs and requirements. 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 $r = -.114$ 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	Customer Satisfaction with the professionalism of the bank staff	Customer Satisfaction with the bank staff attitude and care to their needs and requirements	Which bank have you chosen ?
Customer Satisfaction with Banking Services	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	376					
Customer Satisfaction with Prices of Banking Services	Pearson Correlation	.454**	1				
	Sig. (2-tailed)	.000					
	N	369	371				
Customer Satisfaction with Location	Pearson Correlation	.607**	.352**	1			
	Sig. (2-tailed)	.000	.000				
	N	376	371	386			
Customer Satisfaction with the professionalism of the bank staff	Pearson Correlation	.490**	.291**	.338**	1		
	Sig. (2-tailed)	.000	.000	.000			
	N	350	347	352	352		
Customer Satisfaction with the bank staff attitude and care to their needs and requirements	Pearson Correlation	.515**	.274**	.353**	.666**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
	N	341	338	343	338	343	
Which bank have you chosen?	Pearson Correlation	-.012	-.114 [†]	.041	.076	.038	1
	Sig. (2-tailed)	.816	.029	.422	.158	.485	
	N	374	369	384	351	342	412

Correlation coefficient between the rate of customer satisfaction with the location and satisfaction with bank staff professionalism shows a significant weak positive correlation of $r = .338$ at the $p < 0.00$ level. Correlation coefficient $r = .353$ at the $p < 0.00$ level, shows the existence of a significant weak positive correlation between the rate of customer satisfaction with the bank location and rate of satisfaction with bank staff behavior and attention to their needs and demands. On the other hand 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 $r = .041$, but also their relation is not significant, as the significance value is higher than $p < 0.05$, respectively $p < .422$. 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.

The correlation coefficient between the rate of customer satisfaction with the professionalism of bank staff and rate of satisfaction with the behavior and attention to customer needs and demands shows the existence of a strong positive correlation between these two variables, with a correlation coefficient of $r = .666$ at the $p < 0.00$ level. On the other hand, the correlation coefficient between the rate of satisfaction with bank staff professionalism and bank selection shows the existence of a very weak positive correlation between these two variables, and a significance value higher than $p < 0.05$ ($p < 0.158$), which means that the relation between these two variables is not significant.

Finally, the correlation between the rate of satisfaction with bank staff behavior and attention to client needs and demands and the bank selection shows a very weak positive correlation between the variables, with a correlation coefficient of $r = .038$, and as proven by the significance value of $p < 0.485$ these two variables do not have a significant relation between each-other, since the resulting significance value exceeds $p < 0.05$.

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 $p < 0.05$).

Multivariable regression analysis

The multivariable regression analysis was used to analyze what is the effect of independent variables on dependent variables. Independent variables are usually marked with "X", including all those discussed and analyzed in the section on correlation coefficients, namely X1 – Rate of customer satisfaction with bank services, X2 – Rate of customer satisfaction with bank service prices, X3 – Rate of customer satisfaction with branch location of the bank they have selection, X4 –Rate of satisfaction with the professionalism of bank staff, X5 – Rate of satisfaction with the behavior and attention of bank staff to customer needs and demands. On the other hand, dependent variables are 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 (Stat Trek. Teach Yourself Statistics, 2017):

$$Y' = a + b_1x_1 + b_2x_2 + b_nx_n \quad (1)$$

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 increasment change in X_1 ;
 b_2 = the change in Y for each 1 increasment change in X_2 ;
 b_n = the change in Y for each 1 increasmet change in X_n ;

The table below, presents the multivariable regression analysis.

Table 5. Multivariable regression analysis.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.220 ^a	.048	.027	1.337

a. 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 selection, Rate of satisfaction with the professionalism of bank staff, Rate of satisfaction with the behavior and attention of bank staff to customer needs and demands.

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 R² = 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 R² = 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.

Below is the table depicting the variance analysis statistical test, the so called ANOVA.

Table 6. Results of the variance analysis statistical test - ANOVA.

ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	28.521	7	4.074	2.280	.028 ^b
Residual	561.169	314	1.787		
Total	589.689	321			

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 selection, Rate of satisfaction with the professionalism of bank staff, Rate of satisfaction with the behavior and attention of bank staff to customer needs and demands.

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).

Table 9 below shows the result of independent variables 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 assist 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 & 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 H1 to H7. 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 ($p < 0.05$).

Table 7. Statistical significance of independent variables.

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	4.373	.292		14.973	.000		
Rate of customer satisfaction with bank service prices	-.319	.100	-.207	-3.194	.002	.720	1.389
Rate of customer satisfaction with branch location of the bank	.173	.117	.104	1.478	.140	.611	1.636
Rate of customer satisfaction with bank services	-.009	.145	-.005	-.060	.953	.450	2.223
Rate of satisfaction with the professionalism of bank staff	.247	.148	.135	1.671	.096	.463	2.161
Rate of satisfaction with the behavior and attention of bank staff to customer needs and demands	-.074	.137	-.043	-.540	.589	.482	2.074

a. Dependent Variable: Bank selection by customers

Based on these results, it is clear that H1 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 H2: "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 H3: "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.

Hypothesis H4: "Rate of customer satisfaction with bank staff professionalism affects the selection of the bank by customers," is not valid, being that its significance value of $p = 0.096$ exceeds the standard $p < 0.05$, proving that these two variables do not have a significant statistical relation.

Finally, hypothesis H5: "Rate of customer satisfaction with bank staff behavior and attention to their needs and demands affects the selection of banks by customers," is similarly not valid, being that its significance value of $p = 0.589$ is higher than the standard required for

this value ($p < 0.05$), meaning that there is no significant relation between these two variables.

Conclusions and recommendations

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.

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.

Also, results of the survey reveal that there are no statistically significant relations between the professionalism of bank staff, rate of customer satisfaction with the behavior and attention exhibited by bank staff towards their needs and demands, and the decision of the customer to select a given bank. This may be a consequence of the fact that each bank employs staff of similar professional levels, which applies similar behaviors towards clients, while the preservation of client confidentiality is evaluated by customers almost equally for all commercial banks in Kosovo. 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. Main reasons for this could lie on the fact that of all respondents, 29.9% have stated that they do not need to visit bank offices or branches, because they obtain services online, respectively through e-banking. However, responses given by customers to question number 4 in the survey reveal that one of the characteristics that influences their bank selection is location (26.1%).

Recommendations

In the conclusion of this paper, it was considered reasonable to use the results that derived from the practical research conducted thereunder with Kosovo banking system customers to provide a number of recommendations for the sector's commercial banks:

- Increase the level of awareness on the fact that customer behavior is very complex and needs to be analyzed, studied and understood to the extent possible, in order to have the opportunity to provide their customers with offers that are best adjusted with their expectations.
- Pay more attention to understanding factors that influence customer behavior, in order to have the knowledge on how to act in relation with them, and use said knowledge in bank's favor.
- Support their activity in the provision of banking services offers with acceptable prices for their customers, since results of the analyses of studied variables have revealed this matter as one of the most influencing factors in customers' selection of banks.
- Strive to provide services that differ them from their competition, since research results reveal that almost all commercial banks in Kosovo offer similar services for their customers, thus forcing customers to consider this factor as insignificant during the bank selection process.

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