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NEW PRODUCT DEVELOPMENT: FROM IDEA TO MARKET LAUNCH – EVIDENCE FROM KOSOVO BANKING SECTOR

ABSTRACT

Purpose: New products are vital to the success of firms and represent opportunities for business growth and development. The transition from the idea to the launch of a new product represents a process as complex as it is interesting for a firm. This is especially true for banking products. The purpose of this paper is to analyze how much a bank strategy influences the development of new banking products and whether customer preferences have an impact on the launch of new products by commercial banks.

Methodology: Regression model, correlation, KMO and Bartlett's test will be used to analyze the impact of independent variables on the launch of new products on the market.

Results: The results of this research show that the strategy of Kosovo commercial banks influences the creation and development of new products.

Conclusion: Therefore, it can be said that commercial banks do not lack strategies which have the launch and creation of new products as their element. Banks also take into account customer and society requirements regarding the development of new products.

Keywords: New product development, business, marketing, technology, bank

1. Introduction

Most firms in all sectors constantly strive to develop innovations with the aim of developing new products and perfecting existing ones. Although it is a difficult and risky process, new product development has the potential to bring huge benefits to the company, such as gaining market share, improving sales of existing products, retaining customers and providing services that the company must provide to increase funding and keep its doors open. This is especially important for sectors such as banking, pharmaceuticals, and medicine. Companies consid-

er that close to half of all sales come from new products commercialized in the last three years; then it will be necessarily understood that the development of another winning product or service cannot be left to chance (Goldsmith, 2012; Jusufi et al., 2020).

Only a few decades ago the focus was totally on the development of tangible products, but nowadays it is about the development of ideas, plans, strategies and the creation of solutions instead. At the same time, there is a growing emphasis on the contribution of products and services to the realization of global sustainability. This means that new prod-

ucts should not be “new and improved”, but “new to improve” the society in which they function (Joore, 2010). New products are central to the success of a modern company. For example, in 1986, it was estimated that 40% of manufacturers’ sales in the U.S. came from products that firms did not have five years before. Further, a study of senior executives reveals that, by an eight-to-one majority, they believed their firms would be more dependent on new products in the future. A Coopers and Lybrand survey reported that most companies are counting heavily on new product development for growth and profitability in the years ahead (Cooper & Kleinschmidt, 2011).

Developing and launching a new product on the market requires not only great effort but also sophisticated tools and methods to reach the customer or client. New product development is among the key achievements for companies and an excellent opportunity to gain market share in return. Simply, not only an idea is enough to come up with a new product but also sophisticated plans and methods that enable the success of the product in question. The stages from the initial idea to the final process (i.e. a product launch) are almost the same in different business operations. The stages of new product development need to be followed wisely because the process can make the difference between new product success and failure.

When company develops a new product or service, there is a process that is common to this development, and it can help ensure that you make the best product or service for your target audience. The challenge, however, is that some entrepreneurs or companies are tempted to skip one of these steps, hoping that this would shorten the process, but

that usually ends up short-changing the quality of the product or service they are developing. Understanding the necessity of each phase of new product development can give the confidence to stick with it, even during the most frustrating moments (Quain, 2019, p.12).

The research goals of the paper are as follows:

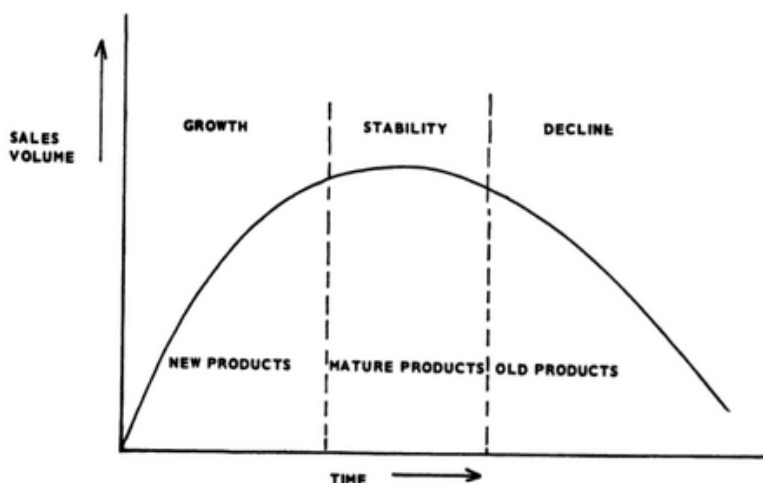
- 1) Review the literature on new product development, marketing and a new product development strategy, social media and new product development, and the impact of technology on new product development;
- 2) Analyze the impact of a banking strategy on the development of new banking products;
- 3) Analyze the impact of customer preferences on new product development.

2. Theoretical and conceptual framework

2.1 New product development processes

According to James and Woelfel (2000), new products represent business opportunities for the future, just as existing firm products represent business opportunities for the current or past period. The product life cycle in Figure 1 describes a phenomenon that most products go through - from birth, through an initial growth stage of a new product, then a relatively stable maturity stage, and finally, to the declining stages related to old age leading to eventual death. Creating and launching new products is a high-risk process, but despite this, there is an essential need to create new products so that the company is in step with current developments and future processes.

Figure 1 The product life cycle



Source: James & Woelfel (2000)

Whenever the decision is made to develop and launch new products, this decision can be seen as the tip of the iceberg in terms of the company's long journey in a harsh and highly competitive global market environment. Regardless of their size, companies are aware that the frequency of market failure after the launch of new products is really high. Clancy et al. (2006) share their experiences saying that with both consumer services and business products and business services the failure rate of new products is at least 90%. They also add that no more than 10% of all new products or services are successful. So even after 3 years their success is very limited.

This is true for product categories such as medical, pharmaceutical, consumer, financial services, etc. Marketing executives know that companies need to maintain a steady flow of new product growth or keep pace with competitors. Technological advances, changing consumer tastes and competition all mean that companies must continue to innovate to avoid being hit by the wheels of change. Loch and Kavadias (2008) and Jusufi and Ramaj (2020) claim that new product development in a common context encompasses a large number of topics and challenges in a company such as strategy formulation, deployment, resource allocation, and coordinated collaboration among people of different professions and nationalities, as well as systematic planning, monitoring and control. New product development has been an important topic for several business research disciplines, certainly economics, marketing, organizational theory, operations management and strategy.

In order to be successful as new products mature, companies need to develop new strategies and working methods. But according to Claessens (2015), out of thousands of products entering the process, only a small portion reach the market. Therefore, it is essential to understand consumers, markets and competitors in order to develop products that offer superior value to customers. In other words, the consumer should not be overlooked, who is the reference point for new products both in the field of business and in the field of medicine and pharmacy.

An idea is conceived and qualified in terms of the opportunity and overall business sense. There are costs associated with these activities, such as market planning cost, surveys, customer visits, and demographics data analysis. There are also opportunity costs and costs referring to market data feedback

and their coalescence into a product opportunity. The scope of the target market is accounted for in this stage and the product platform must be laid out to enable the product to reach the market as cost-effective (Annacchino, 2007; Qorraj & Jusufi, 2019, p. 23). Major steps commonly used in the new product development processes are: *the idea generation phase, idea screening, the research phase, the concept development phase, the concept testing phase, marketing strategy development, commercialization or the release phase.*

Idea generation is the first phase of new product development. It refers to a systematic search for new product ideas. The idea generation phase helps a company go through a number of different iterations of a product or service to determine which one has the unique characteristics that will make it stand out in the industry in which the company competes (Quain, 2019). Typically, a company generates hundreds of ideas, maybe even thousands, to find a handful of good ones in the end. Two sources of new ideas can be identified:

- Internal idea sources: the company finds new ideas internally. This implies R&D, but also contributions from employees.
- External idea sources: the company finds new ideas externally. This refers to all kinds of external sources, e.g. distributors and suppliers, but also competitors. The most important external source are customers, because the new product development process should focus on creating customer value (Claessens, 2015).

It is important to remember that a product or service must be something that can improve the image of a company, enhance its sales and revenues, and upgrade to account for changes in the wants and needs of the target audience (Quain, 2019; Beqaj et al., 2019).

Idea screening is a process of filtering the ideas to pick out good ones suitable for the overall company objectives. All ideas generated are screened to spot good ones and drop poor ones as soon as possible. While the purpose of idea generation was to create a large number of ideas, the purpose of the succeeding stages is to narrow and reduce the number of ideas. The reason is that product development costs rise greatly in later stages. Therefore, the company would like to go ahead only with those product ideas that will turn into profitable products (Claessens, 2015).

The *research phase* should in a way be the first one because it is the step in which companies research their market and determine whether the idea will appeal to the target audience - costumers or clients. Some of the questions a company needs to ask include the following:

- a. Which problem will the product solve?
- b. What want or need will the product satisfy?
- c. Does the product satisfy the need that competitors do not meet?

The research phase can also provide the qualities and characteristics that the audience/target wants to see in your product or service (Quain, 2019; Rrustemi et al., 2020).

The *concept development* phase takes a product concept into consideration and creates intellectual property required to develop a concept and reduce the costs of material and manufacturing processes for service provider companies or banks. Technical, labor, development, tool, appliances, and other capital equipment costs are included in this phase (Annacchino, 2007). Quain (2019) states that development is the phase in which a company begins to build a product or service. It may sometimes be a frustrating process as a company will most likely go through a few prototypes before landing the one that is the most viable. In some cases, it may learn that a competitor has already launched the same product or service, which will require the company to make last-minute changes which make it spend more than previously planned. According to Claessens (2015), the marketer's task is to develop this new product into alternative product concepts. Then, the company can find out how attractive each concept is to customers and choose the best one. As given above, these concepts need to be quite precise in order to be meaningful. Each concept is tested in the sub-stages.

The *concept testing phase* is the next phase in the new product development process when attractive ideas must be developed into a product concept. A product concept is a detailed version of the new product idea stated in meaningful consumer terms. A company should distinguish between:

- a product idea, i.e. an idea for a possible product,
- a product concept, i.e. a detailed version of the idea stated in meaningful consumer terms, and
- a product image, i.e. the way consumers perceive an actual or potential product (Claessens, 2015).

The best way for a company to find out if a product or service is attractive to the market is to test it. At this stage of testing, it is necessary to select a focus group in the selected target audience, and then use this target group to test the new product or service. After initial testing, the company analyzes important factors such as ease of use, product or service traction and operation, as well as whether the target customers will purchase a new product or service (Quain, 2019).

In the *marketing strategy development* phase, the product and its proposed marketing program are tested in realistic market settings. Therefore, test marketing gives the market experience with product marketing before going into huge costs of full presentation. In fact, it allows the company to test the product and its entire marketing program, including a targeting and positioning strategy, advertising, distribution, and packaging before starting to fully invest in the product. The amount of marketing needed varies with each new product. A lot of test marketing can be performed especially when a new product is introduced that requires a huge investment, when the risks are high, or when the firm is unsure about its product or marketing program (Claessens, 2015).

The *commercialization or release phase* - After all months or years spent developing an idea, it is the right time to introduce the product or service to the market. The launch of the product is essential to its long-term success. The biggest mistake companies make is that they do not continue to market their product or service after it has been launched (Quain, 2019). Commercialization means nothing else than introducing a new product into the market. Large amounts may be spent on advertising, sales promotion and other marketing efforts in the first year (Claessens, 2015). Without a strong marketing strategy, the product life cycle curve will be short (Quain, 2019). Important factors such as timing and place should be considered before the product is launched or commercialized in the market.

Introduction timing has to do with the fact that in the period of a decline in economic activity, it would be wise to wait until next year to launch the product. However, if competitors are willing to introduce their products, the company should demand that the new product be introduced sooner. **Introduction place** has to do with where a new product should be launched and whether it should be released in a single country, a region, the national

market or the international market. Normally, companies do not have the confidence, capital and capacity to launch new products into full national or international distribution from the outset. Instead, they usually develop a market plan over time. Very few products actually have a chance to become a success, so in all of these steps of the new product development process, the most important focus is placed on creating superior customer value. Only then can the product become a success in the market. The risks and costs are simply too high to allow every product to go through every stage of the new product development process (Claessens, 2015).

Finally, according to Annacchino (2007), the product is in the customer. The company can start enjoying profits. These gains come when commercialization is done properly at the right time and the right place. In addition, funds should also be channeled back to product planning and market planning to allow for the necessary costs to verify product viability, market program viability, and future improvements and products that make the company strong and competitive in the market.

2.2 Marketing and strategies for new products

Marketing is extremely important for any product, therefore, given that new products need special initial support in the early stages after being placed on the market, this means that without a proper and appropriate marketing strategy, the product can hardly enter the market or even survive (Rrustemi et al., 2021). Nowadays, marketing channels are many, so companies can easily reach their target not only in the local or state-operated market, but it is very possible to reach customers globally through these channels. Advances in technology, more precisely the Internet, are connecting the world and its market like never before. This makes it easy for many businesses to cross borders and sell their products, widely in the market without being physically there, so with a good marketing plan and strategy, companies increase their chances for a prosperous future.

According to the American Marketing Association (AMA) Board of Directors, marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. When done brilliantly, marketing is driven by a small, disciplined subgroup, and is immersed in a culture (Cohen, 2011). Marketing strategies have a substantial impact on new product development. A business strategy has always relied heavily on marketing ideas, but in recent years the

influence of marketing on strategy has grown greatly. Today, more than ever, strategy is dominated by ideas that sink their roots deeply into the discipline of marketing. Customer satisfaction, the idea of getting close to customers, creating a customer-driven company, the profit impact of new product introductions, and explosion of product variety are among the ideas that now dominate strategic thinking. They supplement market share, market growth, and myriad other ideas that have previously been mainstays in strategy.

Marketing bywords such as “customer,” “product,” and “market” reverberate loudly throughout the study of strategy. Knowing your business, your customers, your markets, and your products are essential ingredients for strategic success (Schnaars, 1998). Commonly, marketing strategies are broad and can differ in terms of the field and market products they refer to. Therefore, strategies can be narrowed down to fit the products and the market targeted by the producers or companies. According to Moschis (1994), the strategic marketing management process includes analysis of business growth opportunities, market segmentation and targeting (positioning), and the development of a marketing program.

Growth opportunities

Intensive growth opportunities refer to opportunities attractive to companies that have not fully exploited opportunities associated with their current products and markets. They include market penetration, market development, and product development. Integrative growth is desirable for firms in industries that have growth potential and in situations where a company can increase its profitability, control, or overall efficiency by integrating with other companies at the same or different levels of distribution in the same industry. A company may seek backward, forward, or horizontal integration.

Market segmentation

Market segmentation involves breaking down the entire market into smaller submarkets or subgroups that can be reached more effectively with different marketing programs. The question of market segmentation is a managerial one, i.e. should the market be segmented? The answer to this question relies on the managers since they are the ones who can examine and scrutinize the benefits of market segmentation vis-à-vis its costs. Market targeting distinguishes among many market segments, selects one or more of these segments and develops products in marketing mixes tailored to each segment.

Developing marketing programs

After choosing a target market or markets, marketing programs or plans for action must be designed to reach these markets. This process involves tactical strategic decisions on specific marketing activities, including decisions on the levels of marketing expenditures and dozens of elements of the marketing mix such as pricing, distribution and promotion decisions. Pricing strategies include decisions on whether the product should be priced at competitive levels, a skimming strategy should be used where high introductory prices are set, or the company should use penetration pricing, where the company sets a relatively low price in an effort to quickly penetrate the market. Distribution strategies deal with decisions on the types and numbers of distribution outlets that should provide incentives to distributors to promote the product (“push” strategy) or to create consumer demand (“pull” strategy). Promotion decisions vary with respect to the types of promotion that should be used (i.e. advertising and sales promotions) as well decisions on specific promotional strategies such as media and message strategies.

2.3 Social media and new product development

Yip and Blaclard (2019) emphasize that in today’s fast-paced life, the majority of people rely heavily on the electronic devices such as smart phones, tablets, laptops and the like. In addition to the opportunity to be in touch with everyone and to be informed in real time, every owner of those intelligent electronic devices is the target market of many companies in the world. Since those devices have become an individual mobile virtual “market place” and a liaison tool between sellers and buyers, they are simply used as potential buyers by almost any company that intends to inform about and sell their products and services. This trend is used by companies as an easy gateway to reach customers and clients through social media and to inform, educate, sell and in some cases also seek help regarding new product ideas.

According to Smith (2016), social media is so beneficial to new product development that a company has achieved success in product development through customer feedback on social media. Every day, billions of people talk on social media about where they have been, what they have bought, and express their feelings and opinion about products and services. This information is a gold mine for the

industries facing consumers, including retail, consumer goods, banks, insurance, the pharmaceutical industry and healthcare. But few companies have developed plans and strategies regarding these valuable data. Social media is changing the way consumer product companies develop, market and package their products. Consumers and companies are beginning to discover a range of opportunities offered by social media. This new approach, driven by social platforms, is increasingly informing about new product development, marketing, operations, and the international expansion of consumer product companies.

Bazhanov (2017) claims that Parmalat Canada Inc. is an example of how this corporation used social media to help consumers with the idea of a new product. Social media and various online customer search forms are playing an increasingly important role in identifying new trends and generating product ideas for Parmalat Canada Inc. One example of using social media to generate new product ideas is the “New Ideas” portal that has recently been added to the company Intranet. Employees have been very enthusiastic about delivering their new product ideas, as well as reviewing and voting the best ideas online. The most popular ideas are then further investigated by the respective marketing teams and presented to the Innovation Committee. The program is supported by the Human Resources Department, which helps to administer the contributions of the participants and advance them to the presentation phase.

Many advertisements are offered and broadcast online in an effort to inform customers and clients firsthand about new products and services, news, changes and other attractive activities of the company. Today, almost every company, including banks, various corporations, small and medium businesses, utility companies, public companies, insurance, healthcare companies, pharmaceutical companies and an infinite number of other businesses, has its official website on various social media such as Facebook, Twitter, LinkedIn, Pinterest, YouTube, Tumblr, Skype, Google+, Flickr and Instagram. Undoubtedly, social media serves as a platform not only to inform existing virtual communities, but also to attract and engage potential buyers in free marketing with various campaigns aiming at profitable productivity while generating higher revenue.

2.4 Technology impact on new product development: Focus on the banking system in Kosovo

Technology innovation has assumed considerable importance in the contemporary business world. In most industries, the very survival of firms is increasingly dependent on their ability to rapidly develop and introduce innovative products and services (Cooper, 2001; Schilling & Hill, 1998). Throughout modern history, technology has progressed through many business cycles and profoundly impacted economic activities. Business information technology (IT) and the Internet are linchpins of contemporary high technology that provided the opportunities and enabled new products to be created, developed and commercialized. High technology (IT, electronics and biotechnology) has changed markets, products, services and marketing systems. The pace of technology development and application has “globalized” communication, commercialization and changed the industrial infrastructure through software applications such as enterprise resource planning (ERP). It has created new industrial products and Internet services that have replaced traditional banking services, e.g. ATMs and online capability (Rafinejad, 2007).

Kosovo has experienced an immense revolution in the banking sector since 2000. The banking sector has played a vital role in Kosovo’s economy serving businesses and individuals with present-day products and services. In addition to its proven efficient functioning, over a relatively short period of time, the banking industry in Kosovo was able to implement international standardization frameworks, modernize banking services, and deliver highly attractive and innovative products, by creating new opportunities for improvement in the overall business environment in the country and boosting competition (Lumezi, 2019). Just like its counterparts in the developed countries, Kosovo’s banking sector is adjusting to the increasingly dynamic nature of information technology leading to innovation in the field of digital financial services (Mehmeti, 2019). Banks are pushed to transform by leaving the typical traditional model and gradually transitioning to a model that provides advanced electronic technology based products and services (Gashi, 2019).

With the support of technology, banks in Kosovo have improved and aligned their services via advanced and viable secure products through which they gained business and customer trust. Increased reliability of banks caused companies and indi-

viduals to increase their use of almost every new banking product. The latest technology advancements have made many customers shift from PCs to smartphones to enjoy financial services provided by banks. Laptops, smartphones and tablets are new tools used by customers for banking services because they want to obtain a faster and more efficient response in daily communication. That is why self-service digital channels are an important gateway to stimulate customers to engage more in the use of digital services and obtain banking products faster and safer (Batalli, 2015, p. 23). It is worth mentioning that new products that have recently been launched by banks in Kosovo are almost state-of-the-art products that could be found at most prominent banks in the world, e.g. Private Business Bank (originally BPB) is the first bank in Kosovo that launched contactless cash withdrawal technology, a fully digital, secure and fast option of withdrawal (BPB, 2020). NLB Bank LLC Prishtina introduced the newest product in the Kosovo banking market, the NLB Pay mobile wallet - a digital wallet mobile payment application, which supports all MasterCard brand cards (NLB Bank, 2019), to name but a few.

This unique product in the Kosovan market allows NLB Bank clients to execute their payments at POS terminals at home and abroad through a mobile phone application, which replaces the use of physical cards. ProCredit Bank Kosovo has recently launched a new product called a contactless sticker (ProCredit Bank, 2019). It is a debit MasterCard sticker that allows customers to make contactless payments at each and every POS terminal everywhere in the world where MasterCard logos are exposed along with a contactless payment sign. Raiffeisen Bank Kosovo has also launched a new product called STICK 'N' PAY (Raiffeisen Bank Kosovo, 2019). It is a sticker card on a cell phone or any other piece of equipment. Clients can pay at all merchants equipped with a POS terminal that accepts contactless card payments or whenever you see a contactless payment sign. A sticker card and POS terminals use an advanced technology protected with a chip. All codes are unique for each transaction. Moreover, the bank offers to its clients the same security levels as those applicable to regular cards.

According to Bibolli (2015), the banking sector in Kosovo has been dedicated to enhancing the quality of services for clients, and has intensified investments in banking technology. Through the

adoption of new technologies, commercial banks in Kosovo have enabled access to businesses and customers in the global financial markets and have aligned Kosovo’s economy with the global economy. So far, we have witnessed a swift response to technology innovation and conversion into suitable contemporary products and services from operating commercial banks in Kosovo. The pace of technology advances will surely be likely to continue in the future with enduring enhancement of innovative products; meanwhile, a global competitive race to expand into a new market is going to lure many international banks into regional markets which Kosovo is part of, with attractive, creative, premium and competitive product inventions. We are convinced that the operation of the banking system will continue to be bonded with up-to-date technology advances, shaping in that way jointly a bright future and fulfilling the needs and desires aimed at facilitating business activities and the daily life of citizens. Modern and cutting-edge technology adopted and applied by banks in Kosovo mark them valuable treasury anchors that foster economic growth and overall sustainability for the future of our country.

3. Methodology

Our sample consists of 100 respondents, who were interviewed by the authors of the paper related to the banking products offered by commercial banks

in the period January 2021 - March 2021. These respondents come from the capital of Kosovo, Prishtina, and from the third largest city of Kosovo, Gjilan. The research questions are as follows:

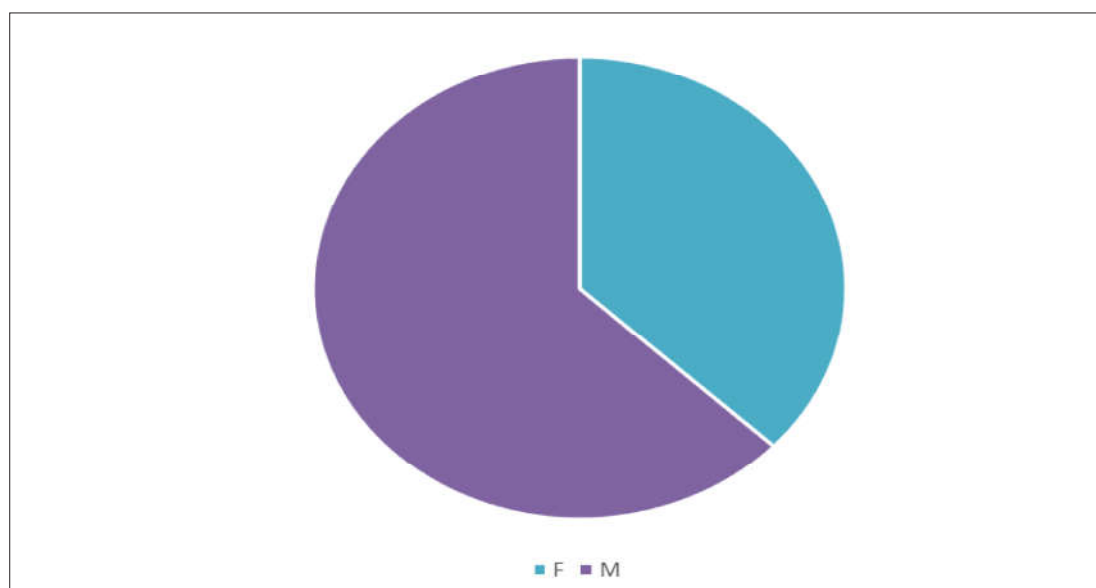
- *How much has the strategy influenced the development of new banking products?*
- *Do customer preferences have an impact on the launch of new products?*

The results achieved by these respondents will be processed in the SPSS software package. The regression model and correlation will be used for data analysis. New banking products are our dependent variable, while the independent variables are the information system, a creative idea, innovation, the efficiency strategy, and customer preferences. All of these have an impact on the launch of new products.

4. Results

Initially, descriptive statistics, which provide information about the gender, age and place of residence of respondents, will be presented in this section. As already mentioned, these respondents come from the cities of Prishtina and Gjilan as well as from the surroundings of these cities. The first figure shows that there are 37% female and 63% are male respondents.

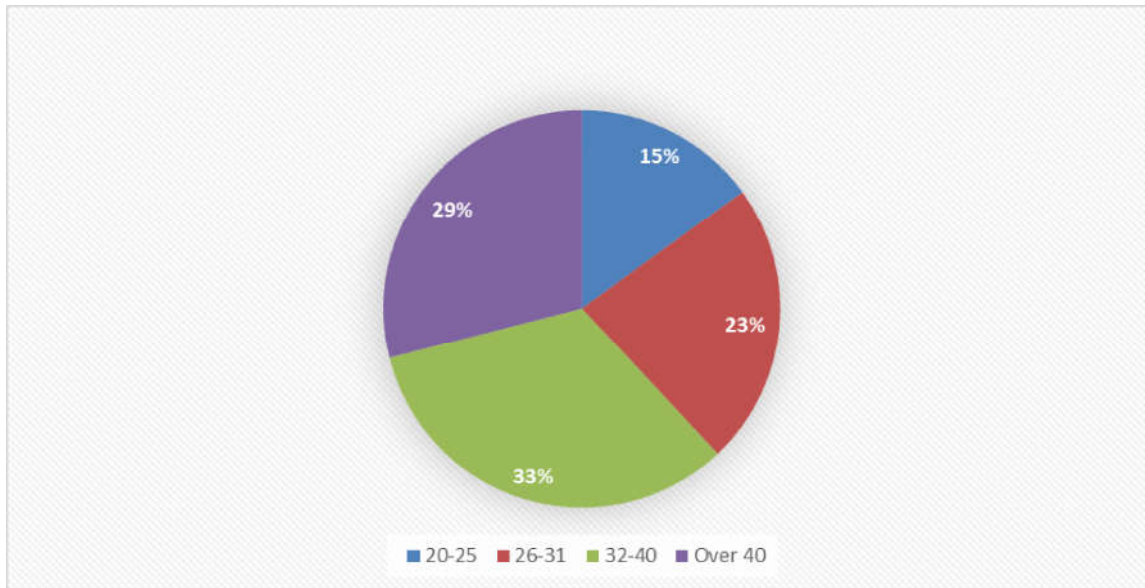
Figure 1 Respondents by gender



Source: Authors’ own calculation

Figure 2 shows the distribution of respondents by the following age groups: ages 20 to 25 years (15%), 26 to 31 (23%), 32 to 40 (33%) and over 40 years of age (29%).

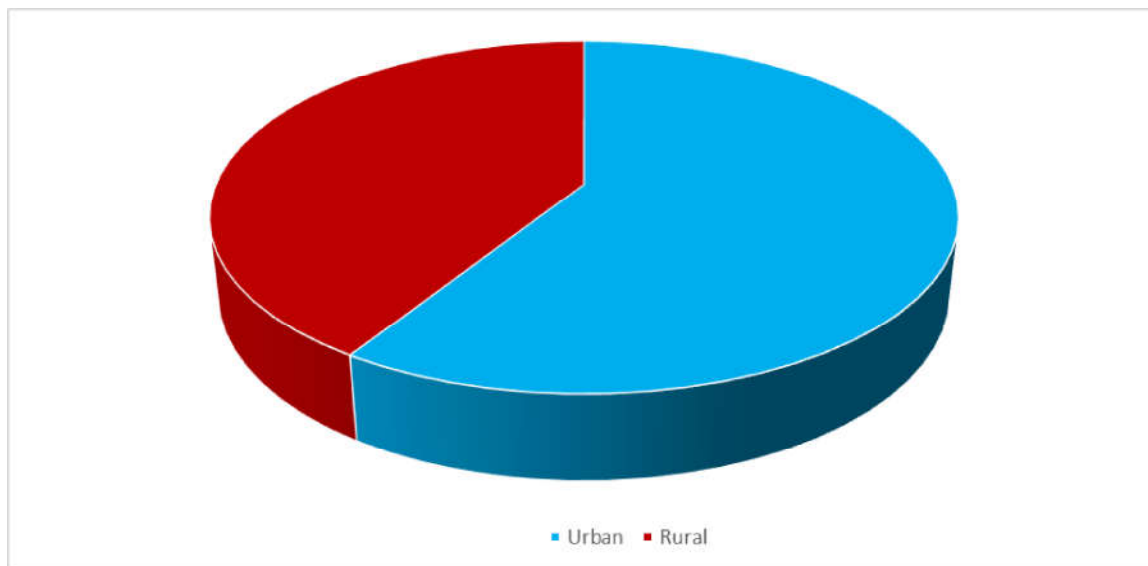
Figure 2 Respondents by age



Source: Authors' own calculation

Figure 3 shows the distribution of respondents by the area the respondents come from (i.e. 41% and 59% of respondents come from the rural and the urban area, respectively).

Figure 3 Areas respondents come from



Source: Authors' own calculation

The dependent variable which represents the level of development of new products is a categorical variable. Respondents were asked whether the bank, whose clients they are, has developed any new products. After that, they were asked if their bank has a

sophisticated information system, i.e. how much banks inform these respondents as their clients about innovations. Respondents were also asked if their bank is creative and innovative, if their bank officials have ever talked to them about their prefer-

ences and eventually taken into account their preferences for developing new banking products. The strategy of a commercial bank plays an important role in the development of banking products, so re-

spondents were asked if they think that their bank really has an effective strategy. Coefficients of the regression model will be presented in the table below.

Table 1 Coefficients of new banking products

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.705	.041		19.957	.000
Information system	.142	.056	.116	4.738	.023
Creative idea	.023	.065	.059	4.354	.025
Innovation	.101	.064	.203	5.583	.001
Efficiency strategy	.342	.073	1.688	6.205	.000
Customer preference	.530	.054	.775	8.803	.000
a. Dependent Variable: New banking products					

Source: Authors' own calculation

Table 1 shows coefficients and their significance for the new banking products, with the analyses done for the banking market in Kosovo. The table shows that independent variables consist of the information system, a creative idea, innovation, an efficiency strategy, and customer preferences, which all together have an impact on the dependent variable (i.e. new banking products).

Based on the research question *How much has the strategy influenced the development of new banking products?*, we came to the conclusion that *the strategy influenced the development of new banking products*. Independent variables are significant, therefore according to customers or clients of commercial banks, the strategy has an extraordinary impact on the launch and development of new banking products in Kosovo. In addition to regression, correlation analysis was used in this paper.

Table 2 Correlations estimation

Correlations			
		New banking products	Customer preference
New banking products	Pearson Correlation	1	.984**
	Sig. (2-tailed)		.000
	N	100	100
Customer preference	Pearson Correlation	.984**	1
	Sig. (2-tailed)	.000	
	N	100	100

** Correlation is significant at the 0.01 level (2-tailed).

Source: Authors' own calculation

Correlation is a mutual connection between two or more variables that affect each other. The results in Table 2 show that the correlation coefficient between new banking products and customer preference (0.984) is positive and that there is a significant correlation at the level of significance 0.05 (0.000).

As to the research question: *Do customer preferences have an impact on the launch of new products?*, it can be concluded that the preferences of banking customers have an impact on the development of new products.

Table 3 Reliability Statistics

Cronbach's alpha	Number of items
0.821	100

Source: Authors' own calculation

The Cronbach's alpha value of 0.821 shows that our model is a high reliability model. It also explains

quite well the researched problems.

Table 4 KMO and Bartlett's test

Kaiser-Meyer-Olkin measure of sampling adequacy		.938
Bartlett's test of sphericity	chi-square approx.	254.955
	Df	67
	Sig.	.000

Source: Authors' own calculation

Bartlett's test can be seen in Table 4. It shows that the data given above are 93.8% suitable for analysis and the significance level is 0.000. This shows that our data, i.e. our model, have the value and are important for considering certain issues.

5. Discussion and conclusions

Banks in Kosovo need to create a cross-structural communication plan consisting of up-to-date and accurate information about customer preferences, and at the same time they must develop modern innovative techniques in terms of launching contemporary banking products. In addition, these banks need to develop global thinking approaches to pursuing strategies for launching new products driven by technology, globalization, trade liberalization and homogeneity of customer demands. Based on the literature review and empirical evidence, the following recommendations can be made:

- Banks in Kosovo should be oriented towards the development of the information system.
- Banks in Kosovo should develop creative and innovative ideas.
- Commercial banks should create a strategy compatible with customer preferences.

- Banks in Kosovo should be oriented towards new products as competitive advantages in the market.
- Banks in Kosovo should create an efficient strategy oriented towards digital marketing as a promotional instrument of new products.

Our research results show that a strategy influences the creation of new products. Therefore, it can be said that commercial banks do not lack strategies which have the launch and creation of new products as their element. Despite this, banks in Kosovo must make use of the experiences of various banks in North Macedonia, Croatia, Slovenia, and Greece, which have gone through different stages of new product development. 90% of Kosovo commercial banks are banks with foreign capital. Therefore, these banks should not find it difficult to obtain information and experience from the banks in the countries of the Western Balkans region. Evidence confirms that consumer preferences in the banking market have an impact on the creation and launch of new products. Based on this evidence, it can be said that consumers are satisfied with banking products in Kosovo.

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