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MASTER THESIS

THEME:

**“PROMOTION OF BANKING PRODUCTS IN KOSOVO, INCLUDING
ALL FINANCIAL INSTITUTIONS “**

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ABSTRACT

Considering the economic development of our country, the increase of the number of commercial banks in Kosovo, and also the increase of customers number and creation of banking clientele in Kosovo is necessary the development of researches and analysis on the way of development and content of promoting banking products and services in the republic of Kosovo. Purpose of this paper is the analysis of measures and standards in the field of promoting banking products in Kosovo for all commercial banks in our country. This paper presents the general principles of marketing and promotion and also the special principles and measures of promoting products and banking services in our country, role of developing banks, role of the products and staff in their clientele and informing and consulting with customers.

For the execution of this paper are collected and analyzed from books and different academic publications. Anyhow research in the field with the representatives of commercial banks, academics and students and that makes this paper very understandable on how the situation is and how it should be fixed. Also at the end this paper confirms the importance of promoting banking products especially in the agriculture and industry sectors and its importance in development, in general. This paper will elaborate and define the actual state of commercial banks and relations between banks and their clients and important changes in the near future.

The whole paper has to do with identification of promotion in banking industry. The use of mix marketing in banking industry is growing day by day. Therefore the concept of banking promotion is important for every bank. The main purpose of this study is to make a general review of banking products promotion, to design the role of promotion in the industry of commercial banks in Kosovo, and to see how the mix marketing (product, price, place and promotion) is very important for banks. The use of 4 Ps and 3 Cs (consummator, cost, communication and convenience) and its application on promoting banking products and the form of promotion is becoming very important for banks. To summarize the whole thesis, the paper includes detailed study of the role of marketing in banking sector. Banking promotion has become extremely necessary as a weapon of survival which essentially is changing the banking industry worldwide. Increase of banking promotion makes the redefinition of business relations and the most successful banks are those who can truly strengthen their relationship with the customers. Technological innovations and tough competition between the existing banks have enabled an extensive network of banking products and services making available for retail or majority customers through the channels of electronic distribution, in general referring to E-banking. Technology is changing the inner and outside relations between banks and its customers. Promotion presents mechanisms of communication: exchange of information between the customer and the seller. Obligation of promotion is to inform, reminisce and to convince the customer in order to see his reactions towards the products of the enterprise. Promotion is a process of communication between the customers and the seller in order to create a positive state towards the products and services which the enterprise has placed in the market. Promotion is the main mechanism of promoting products and banking services whereby the commercial banks

create a relation with their actual customers and those who are potential performing simultaneously the function of information.

Main word: Promotion of products and banking services

CONCLUSIONS

Promotion of products plays a very important role in the management of commercial banks worldwide which is expressed even in commercial banks in Kosovo. The development of the business is oriented in promoting products and services through promotion for the quality and affinity of banks with the customer. Therefore as a related element with businesses, economy and customers we have seen it reasonable that is a very important issue for study and research. Commercial banks in Kosovo do the promotion of the products and their services for many different types of these products or financial services, but one of the main products of commercial banks in Kosovo are banking loans, credit cards and banking accounts. The product of banking loans is the most important one as in the field of promotion and that of individual loans service of banks customers. Promotion of banking products in commercial banks in Kosovo is proceeded in a very good form and suitable for the actual clientele of banks in our country. This is done by paying close attention to the needs of the customer and respecting the highest standards of promoting the products and banking services in a very high level. Except the purpose of promoting for selling the products and services, promotional campaigns and promotional of banks in our country have a very important role in the development of banking businesses and also in informing the customers and citizens for the types and conditions of these products and financial services that these banks have to offer. Most of the interested individuals have agreed that commercial banks in Kosovo apply appropriate promotional forms and ways for promoting their products, such that impact directly in the development of the business and commercial banks which at the same time perform the role of informing the customers before taking or using the relevant products. Currently all commercial banks in Kosovo are mostly focused in the promotion of electronic services for their customers, advancing their activity and the customer access in the electronic form through the internet, with what we conclude that nowadays this is the main form of promoting banking products and financial services that these banks offer currently in our country.

It's the same as in the provision of products or banking services, and the forms and ways of executing the promotion of these products and financial services, commercial banks in Kosovo use different promotional forms and ways. The most important form of promoting banking products in Kosovo are electronic devices, while the medial and direct forms are used as well. Regarding online services that commercial banks in our country provide, the interviewed individuals according to the answers that are offered were entirely separated in two opinions. We can't come to a clear conclusion if these services are better than offering services in the banks property because 50% of them have agreed on this while the other 50% haven't alluding in a direct service in banks property as the best form of banking services. By the analysis of this paper we have concluded that the behaviors of customers and their requests have an important role in the marketing field of banks for promoting products and banking services and the implementation of promotion for selling the products. According to them these behaviors and requests lead us to define or change the type of product or service, organization of promoting and

the form or way of promotion implementation of the relevant products and services in the appointed bank. There are no differences between types and conditions for using the products and financial services of promotion campaigns and promotion of banks from those who actually are offered by commercial banks in Kosovo. Most of the interested individuals agreed that what is promoted in the promotion of banks is also offered to their customers. E banking is the product or service appreciated the most by all the interviewed individuals. This is the online form of taking the services and using banking products. Besides that E banking is considered as the main alternative of offering services and banking products in Kosovo. While the weakest product or the worst one of commercial banks in our country are considered credit cards.

Replacement of the staff and agents of banks with other alternative forms through the internet and devices is a running process with the fact of promotion of these online forms of service delivery and use of the products in banks, a process with which have agreed most of the interested individuals, for the fact that this offers a quicker access and is a very safe process for the customers of banks in Kosovo.

All the invoices or other taxes that are an obligation for the citizens of the country in report with state or public institutions and those of public enterprises can be implemented through the online banking system, at every time and day of the week, without having to define the time and avoiding the unnecessary waiting near different branches of these public institutions or branches of banks.

At the end we concluded that the staff and agents of the bank have an extremely big and influencer role in promoting the products and banking services in Kosovo, for this reason most of the banks have engaged special agents for the promotion of products and services.

Recommendations

From the research and analysis of data, based on the above conclusions we have drawn the recommendations of the research in promoting the banking products in Kosovo. Commercial banks in Kosovo except the promotion of selling the financial products through promotion, should pay a closer attention to the promotion of banking services as well.

The priority of products for promotion from commercial banks should not be based on the needs of customers but should be oriented in those products which are easier and more affordable for customers, regardless the needs of the customers.

Promoting banking products through promotion shouldn't have only a commercial purpose but should play the informative role for the customers of banks and their potential customers.

Development of the business should be the main bond in promotion campaigns of commercial banks, in order to provide a further development of the business gradually with development of the products and services.