



SEEK WISDOM, ELEVATE YOUR INTELLECT AND SERVE HUMANITY!



SCHOOL OF COMMERCE

DEPARTMENT OF MARKETING MANAGEMENT

FACTORS INFLUENCING NEW PRODUCT SUCCESS IN THE CASE OF COOPERATIVE BANK OF OROMIA S.C

**A THESIS SUBMITTED TO ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE
MARKETING MANAGEMENT GRADUATE PROGRAM FOR THE PARTIAL
FULFILLMENT OF THE REQUIREMENTS OF MASTERS IN MARKETING
MANAGEMENT**

BY: MATIWOS EBISA

AVISOR: MESFIN WORKINEH (PhD)

**OCTOBER 2023
ADDIS ABABA, ETHIOPIA**

Statement of Declaration

I, the undersigned, declare that this research project paper entitled “Factors Influencing New Product Development Success in The Case of Cooperative Bank of Oromia s.c)” is my original work and to the best of my knowledge has not been presented for an award of degree at this or any other University, and that all references materials contained therein have been duly acknowledged.

Declared by.

Matiwos Ebisa

Student

Signature

Date

SCHOOL OF COMMERCE
DEPARTMENT OF MARKETING MANAGEMENT

**Factors influencing new product success in the case of Cooperative Bank of
Oromia s.c**

By: Matiwos Ebisa

Approved By the Board of Examiners and Advisor

1. Dr. Mesfin Workineh

Advisor

Signature

Date

2. Dr. Hailemariam Kebede

Internal Examiner

Signature

Date

3. _____

External Examiner

Signature

Date

4. _____

Chairperson

Signature

Date

Contents

List of Tables	vi
List of Acronyms	vii
CHAPTER ONE	1
INTRODUCTION	1
1.1. BACKGROUND OF THE STUDY	1
1.2. BACKGRAOUND OF COOPERATIVE BANK OF OROMIA	2
1.3 STATEMENT OF THE PROBLEM	2
1.4 RESEARCH QUESTIONS.....	4
1.5 OBJECTIVE OF THE STUDY	5
1.5.1 General Objective	5
1.5.2 Specific Objectives	5
1.6 SCOPE OF THE STUDY	5
1.7 SIGNIFICANCE OF THE STUDY	5
1.8 DEFINITION OF TERMS.....	6
1.9 ORGANIZATION OF THE STUDY	7
CHAPTER TWO	8
LITRATURE REVIEW	8
2.1. Introduction.....	8
2.2. Theoretical Literature Review	8
2.2.1. Competition theory	8
2.2.2. Rational choice theory	9
2.2.3. Diffusion of Innovation Theory	9
2.2.4. New Product Development	11
2.3. EMPIRICAL LITERATURE REVIEW	12
2.4. SUMMARY AND KNOWLEDGE GAP.....	14
CHAPTER THREE	17
RESEARCH DESIGN AND METHODOLOGY	17
3.1. Introduction.....	17
3.3. Research Design.....	17
3.4. Research Approach	18

3.10.	Reliability of the study	23
3.11.	Validity	23
3.12.	Ethical considerations	23
CHAPTER FOUR.....		24
DATA ANALYSIS AND DISCUSSION.....		24
4.1.	Data Reliability	24
4.2.	Response Rate.....	24
4.3.	Demographic Characteristics of the Respondents.....	25
4.4.	Findings.....	27
4.4.1	Descriptive Analysis	27
4.4.1.1	Perceptions of respondents towards Management commitment.....	28
4.4.1.2	Perceptions of respondents towards Preliminary market assessment	29
4.4.1.3	Respondents perception towards the Promotion quality and the new product success.....	29
4.4.1.4	Perceptions of respondents towards the Resource Availability	30
4.4.1.5	Perceptions of respondents to new product development success	31
4.4.2	Correlation Analysis	32
4.4.3	Assumptions of Multiple Regression Model.....	34
4.4.3.1	Test for Normality.....	34
4.4.3.2	Test for Linearity and Homoscedasticity	35
4.4.3.3	Test for Multicollinearity	36
4.4.3.4	Test of Independent of Residuals.....	37
4.4.4	Regression Analysis.....	38
4.4.4.1	Discussion on Hypothesis Test	40
4.4.5	Interview	45
CHAPTER FIVE		50
SUMMARY, CONCLUSION AND RECOMMENDATION		50
5.1	INTRODUCTION	50
5.2	SUMMARY OF FINDINGS	50
5.3	CONCLUSION.....	51
5.4	RECCOMENDATION	52
Reference.....		54
APPENDEX.....		58

List of Tables

<i>Table 3.1 Summary of Sampled branch that the researcher for this finding</i>	19
<i>Table 4.1: Cronbach's Alpha Reliability Test Results</i>	24
<i>Table 4.2. Response Rate</i>	25
<i>Table 4.3 Demographic Characteristics of the Respondents</i>	26
<i>Table 4.4 Management Commitments and its effect on New Product Success in Coopbank</i>	28
<i>Table 4.5 Preliminary market assessment in Coopbank and New Product Success</i>	28
<i>Table 4.6 Promotion quality and the new product success in Coopbank</i>	29
<i>Table 4.7 Financial Performance in New Product Development Success</i>	30
<i>Table 4.8: Descriptive statistics of resource availability in Coopbank</i>	31
<i>Table 4.9: Descriptive statistics of new product development success</i>	31
<i>Table 4.10: Correlation matrix for the selected variable</i>	32
<i>Table 4.11 Test for Multicollinearity: Collinearity Statistics</i>	37
<i>Table 4.12: Test of Independence of Residuals</i>	37
<i>Table 4.13: Multiple Regression analysis result</i>	38
<i>Table 4.14: Multiple Regression analysis result</i>	38
<i>Table 4.15: Coefficients of new product development success regression</i>	39
<i>Table 4.16: Summary of Hypothesis</i>	44

List of Acronyms

COOPBANK: Cooperative Bank of Oromia

DOI: Diffusion of Innovation

ETB: Ethiopian Birr

IMF: International Monetary Fund

MOFED: Ministry of Finance and Economic Development

NBE: National Bank of Ethiopia

NPD: New product development

QFD: Quality Function Deployment

SACCO: Savings and Credit Cooperative Organization

USD: United State Dollar

WB: World Bank

ACKNOWLEDGMENTS

First and for most, I would like to give my glory and praise to the Almighty God, Jesus Christ, for his invaluable cares and supports helped me since the inception of my education to its completion and enabled me to achieve my career.

Next, I'm grateful to appreciate my Advisor Mesfin Workineh (PhD) for his unreserved effort to evaluate, correction, give suggestion and advice from the start to the end of the study. My sincere and heartfelt gratitude goes to the managers and staff member of the Cooperative bank of Oromia for their support response to my interview questions and while distributing and collecting the questionnaires.

I am very grateful to all the people I have met along the way and have contributed to me in carrying out my study; my family especially my big brother, Melka Ebisa (my hero), Mr. Filera D. and Zelalem T.(bosses), Mr.Yosef Mamo(my special one), Mr. Yohanis A.(my origin of success) and my beloved friend Mr. Namie Torban and those of my friends either in the University, particularly Leul W., Fikiru D., Melat G. & Gecho or others are somehow helpful, supportive and caring during the studies and the research development.

Finally, I would like to thank everybody as well as expressing my apology for those I would not mention.

Thank you, all!

Abstract

This study's objective is to assess the variables that affect the success of new products in the Coopbank. New product development is an essential part of banking activity in recent era of digitalization. Hence, it is critical to understand the factors affecting the success of developing new products, which in turn enhance the sustainable development and profit. Though, this research empirically examines factors that influence new Product Success in Coopbank. In the process of the study data was acquired by taking 344 samples from 3221 populations using purposive sampling. Target populations were employees of Coopbank, specifically working with in Addis Ababa city districts. The dependent variable used in this study was new product development success with explanatory variables management commitment, preliminary market assessment, and promotion quality and resource availability. Descriptive and regression analyses were employed to examine the selected variables. A variety of diagnostic tests (tests for normality assumptions, linearity and homoscedasticity, test for lack of multicollinearity, test of independent of residuals) were carried out. The diagnostic results show that none of the classical linear regression model assumption is violated. Among these variables, resource availability is an important factor for new product development success, it is highly significant than others. All explanatory variables are statistically significant on the performance of new product development in Coopbank, according to the results of descriptive, correlation, and regression analysis. Coopbank should improve resource availability, preliminary market evaluation, management commitment, and promotion quality, to succeed in new product development. It creates long-term profit and is a crucial instrument for acquiring a competitive advantage.

Key Word: *management commitment, quality promotion, preliminary market, new product success, financial performance.*

CHAPTER ONE

INTRODUCTION

The background of the chosen place is introduced in this chapter. The problem statements are then examined in order to provide the reader a better grasp of the research topic. Included are the study's goal, importance, and scope.

1.1. BACKGROUND OF THE STUDY

Today's commercial environment has made the world borderless and teeming with fresh, successful products. With the development of engineering and internet technology, the company has outsourced product development and production to offshore locations and with international outsourcing partners, while still maintaining the product's quality, price, and other criteria through a strictly controlled process (Mohd Azrul Bin Abdul Aziz, 2015).

The ongoing creation and release of new products onto the market is a key factor in determining the effectiveness of an organization throughout time (Holger Ernst, 2001). The creation of new items is the lifeblood of businesses, whether they are physical or virtual. This new product should bring value to society, sustain and outperform competitors, or increase value to attract new customers. It should also provide new value to existing or new customers. According to FHYZICS Business Consultants (2018) and Rediet Welday (2022), the primary drivers of new product development can include shifting consumer preferences, advancing technology, heightened competition, risk diversification, the desire to protect brand equity, the need to make use of excess capacity, seasonal fluctuations, and business expansion.

Its business activities depend heavily on the creation of financial products. The bank makes money through e-banking initiatives, and as technology advances, it becomes possible to access resources more quickly and easily. According to Ivana Simonovic (2019), banks must develop fresh ideas and concentrate on readily usable innovative products and technologies.

In order to succeed, new product and service development initiatives in the banking sector must first expand the bank's business value, attract new customers, and generate a profit. Like any other industry, the financial sector has seen significant change throughout time. The need to satisfy customers' actual and evolving wants has made this necessary. Financial institutions continuously

re-modify, re-invent, and re-introduce product propositions to address the changing needs of their clients in order to remain relevant (Kamakia, 2014).

1.2. BACKGROAUND OF COOPERATIVE BANK OF OROMIA

The bank's idea was introduced by Haile Gebre Lube, who is known as the founding father (proponent) of Ethiopia's cooperatives. Lube believed that cooperation was the most effective means of eradicating poverty (Oromia, 2012/13) Annual Review Bank cooperative of Oromia with the majority of shareholders being the cooperative societies; the bank was formally established as a project office in 2002. After receiving a commercial license in October 2004, the bank started operating in March 2005. The bank was registered in line with article 304 of Ethiopia's commercial code because there are no legislative requirements that permit the establishment of a cooperative bank there. The Coopbank currently ranks among the top private institutions in Ethiopia with assets of more than ETB 55 billion. The bank employs about 8,000 people and has 6.4 million account holders (7th Annual Report Cooperative Bank of Oromia 2012/13). It also has more than 420 branch networks.

Additionally, it was founded with the primary purpose of engaging in the banking and currency exchange business, accepting and mobilizing a variety of deposit types, extending loan and credit facilities to nearly every economic sector, providing banking services related to international trade, and managing domestic and international money transfers; establishing bank branches both within and outside of Ethiopia, as well as taking part in other financial and banking-related activities.

They have already established a window service supported by the Automated Queue Management System and improved the bank's basic banking system. Additionally, Cooperative Bank of Oromia has this product line, which includes Ordinary Savings Accounts, Gamme-Junior Accounts, Youth Savings Accounts, Sinqe-Women's Savings Accounts, Special Savings Accounts, Non-Interest-Bearing Savings Accounts, and the recently introduced Gudunfa Saving Account, as part of its efforts to offer better service to its customers.

1.3 STATEMENT OF THE PROBLEM

Ethiopia's manufacturing and service sectors improved innovation and new product developments, which is one of the most important ways to compete, drive quality, grow competitiveness, increase productivity, and gain market share, which will eventually increase profits and export, particularly

in the current knowledge economy. Ethiopia has begun to implement some of the World Bank and OECD recommendations for encouraging innovation and new product development (Science, Technology, and Innovation Policy, 2012).

To survive in the fiercely competitive business world of today, businesses must develop and maintain competitive advantages (Porter, 1985). The capacity of the company to create and introduce profitable new items is a key factor in maintaining competitive advantage (Song, 1997). Although numerous elements that influence a company's new product development (NPD) process's performance have been noted in the literature (e.g. Cooper, 1979; Henard and Syzmanski, 2001; Montoya-Weiss and Calantone, 1994).

However, according to the Global Innovation Index (2017) survey, Ethiopia continues to have one of the lowest rates of innovation and new product development activity in Sub-Saharan Africa. With a ranking of 24.16 out of 100, Ethiopia is ranked 110th out of 127 countries. Ethiopia continues to lag behind the rest of the world in key innovation metrics, but there is still room for improvement GEM (2012). However, it is noted that government of Ethiopia has keen interest to enhance financial inclusion and increasing access to finance in the country. Conversely, the sector has problems of limited financing sources apart from saving mobilization (Tegegn, 2018).

Numerous studies with a new product development focus have been carried out. Studies on product banking adoption analyses the factors that influence the evolution of e-banking, (Balachandher et al., 2000) and factors influencing Internet banking adoption (Sohail & Shanmugam, 2002; Gerrard & Barton Cunningham, 2003). Balachander et al. (2000) in his study analyzed the evolution of e banking in Malaysia; Sohail and Shanmugam (2002) in their study revealed that demographic factors in particular income level is found to be significant factors that affect the adoption of Internet banking. Gholami et conducted on the Factors Affecting the Adoption of New Products amongst Customers of Commercial Banks in Kenya al. (2013) in their study examined the influence of perceived ease of use and perceived usefulness on product adoption and found that it has a significant influence.

Despite these studies having been conducted in developing countries, the findings may not be applicable in Ethiopia owing to certain environmental differences. A limited number of studies have been done on various aspects in the banking sector in Ethiopia. Examples of these studies

include, Kanyiri (2019), in his study on the factors limiting development in financial intermediaries for SMEs at Coopbank, only sought the perspective of Savings and Credit Cooperative Societies (SACCO) entrepreneurial members; as a result, the findings from his study are obviously of a narrower scope. Another study by Karaba (2017) found that product development contributed to achieving competitive advantage in the Kenyan banking sector, with 81.2% of respondents citing it as a factor. The study indicated that management should concentrate more emphasis on product development as one of the elements because it is essential in establishing competitive advantage in the financial sector.

Consequently, it is evident that product development has a significant role in explaining banks' financial success; yet, the study mentioned above points to two primary reasons why its impact is still unknown. It shows that little is known about what motivates product creation and how it impacts a bank's bottom line. In fact, most of the existing studies adopt a simplistic approach to the relationship between product development and Bank's performance. Except from that restriction, no local studies have looked into the variables influencing the introduction of new products in private banks, particularly with regard to the financial performance of the Cooperative Bank of Oromia, the researcher claims. Due to this, the purpose of this study was to fill up the knowledge gap by investigating the variables that influence the financial success of Cooperative Bank of Oromia's new product developments.

1.4 RESEARCH QUESTIONS

The following basic research issues for this study were addressed by the researcher at its conclusion.

1. What impact does managerial commitment have on the success of innovative products?
2. Does the success of a new product development depend on the preliminary market assessment?
3. How does the success of a new product development depend on the quality of its promotion?
4. To what extent does the success of a new product depend on resource availability?

1.5 OBJECTIVE OF THE STUDY

1.5.1 General Objective

The general objective of this study was to assess the factors that influence new Product Success in Cooperative Bank of Oromia.

1.5.2 Specific Objectives

This research has the following specific objective that was address at the end of the study.

- To assess the effects of management commitments on new product success.
- To investigate the effects of preliminary market assessment on new product success.
- To explain how the success of a new product development is impacted by the quality of its advertising.
- To evaluate the impact of resource accessibility on the success of new product development.

1.6 SCOPE OF THE STUDY

This study on the factors affecting product success was done in 2021–2023 at the Cooperative Bank of Oromia in the Finfinne district of Addis Ababa. In order to address the research topics for this study, the researcher used both descriptive and explanatory research designs. In gathering and analyzing data, the researcher used both qualitative and quantitative approaches (mixed method). In this study, stratified random sampling was utilized to pick samples from the population of 3,221 employees that work at the cooperative bank in Addis Ababa's districts. So, using a sample size calculator, 344 individuals out of a total of 3,221 employees were chosen as the size of the samples.

1.7 SIGNIFICANCE OF THE STUDY

This research was providing new insights about the Factors that influence new Product Success in Cooperative Bank of Oromia. Through this research, the Banking sector was further realize the determinants of new product success and acts accordingly these factors so as to increase their own competitive advantage in the competitive world.

It has made a significant addition to our understanding of the factors that influence the success of new products at Cooperative Bank of Oromia. Because of this, the financial sector, the economy, and society as a whole all gain from the success of innovative products. Consequently, they stand to gain the most from this research.

- ✎ Is useful for managing the factors influencing new product success and determining which component is most crucial so that more emphasis needs to be placed.
- ✎ Is beneficial for the regulatory body to consider as an extra input when crafting future policy.
- ✎ It offers suggestions for all parties involved particularly the boards and management of the Cooperative Bank of Oromia, in an effort to reduce the influence of factors affecting the development of new products by encouraging them to develop successful strategies.
- ✎ It conveys important data that will be used in future studies to examine the factors that affect the success of new products in the banking sector.

1.8 DEFINITION OF TERMS

- **Bank;** refers to a legitimate financial institution that accepts deposits and uses those monies, in whole or in part, to make loans or investments for the bank's account (Walter Leaf, 1989).
- **Customer;** is a person or company who purchases goods or services from another company (Przemysaw Tomczyk, 2017)
- **Financial Institution:** A financial institution (FI) is an organization that deals with financial and monetary transactions such currency exchange, loans, investments, and deposits (IMF, 1994).
- **Innovation** is defined as "a new idea, product, or method that is translated into a good or service that creates value or for which customers are willing to pay" (Hari Agung Yuniarto, 2018).
- **Innovators** - These are people who want to be the first to try the innovation (Hari Agung Yuniarto, 2018).
- **Market:** a market is a composition of systems, institutions, procedures, social relations or infrastructures whereby parties engage in exchange (Kotler P. , 2014).
- **New product:** A new product is a product that is new to the company introducing it even though it may have been made in same form by others (Kotler P. a., 2019).
- **Product development** is the process of conceptualizing, designing, creating, and promoting new or recently renamed products or services (Robert Cooper, 2019).
- **Product success** is a summary of an item or service's performance and market influence (Z. Junfeng and W. Wei-Ping, 2017).

1.9 ORGANIZATION OF THE STUDY

This paper was divided into five chapters. The first chapter include introduction which includes background of the study, statement of the problem, objective of the study, basic research questions, significance of the study and scope and limitation of the study. A review of literature from various sources is covered in the second chapter. The study's methodology is covered in the third chapter. Data analysis and interpretation are covered in the fourth chapter, and a summary of the results, recommendations, and conclusions are covered in the fifth chapter.

CHAPTER TWO

LITRATURE REVIEW

2.1. Introduction

The literature review is broken up into four sections. The study's theoretical underpinnings are covered in the first section, while the second and third sections cover a review of pertinent literature and an empirical analysis of the study. A conceptual framework was subsequently created from the literature.

2.2. Theoretical Literature Review

The researcher for this study used multiple theory approach which incorporates Competition theory, rational choice theory, Diffusion of Innovation Theory and so that the researcher would investigate those theories as follows.

2.2.1. Competition theory

Using excellent customer service, attending to their demands, and developing cutting-edge products, commercial banks and businesses as a whole attempt to gain their clients' business and loyalty. In order to supply their goods to the same group of customers, two or more businesses must function independently. In situations where businesses provide comparable goods that appeal to the same market of customers, direct rivalry emerges. When multiple businesses produce or sell goods that do not directly compete with one another but nonetheless aim to get the same amount of cash into the hands of customers, this is known as indirect competition. Commercial banks must create new goods, services, and technology to remain competitive in both direct and indirect markets (Aregbeyen, 2021). This allows customers to choose from a wider variety of superior goods.

A corporation must consider both its current and potential clients when developing a successful competitive marketing strategy (Christopher, 2005). In order to properly position itself against rivals and provide itself the biggest possible competitive edge, it must regularly evaluate its rivals and develop competitive marketing strategies (Armstrong, 2019).

Thus, customer choice features that tend to affect business productivity decisions in order to satisfy consumer preferences are a factor in how firms compete.

2.2.2. Rational choice theory

Rational choice theory describes the process of identifying the possibilities that are accessible and then selecting the one that best meets certain predetermined criteria (Levin, 2004). According to the rational choice theory, people and businesses are driven by the desires or objectives that represent their "preferences." They take action within well-defined parameters and based on the knowledge they have about the circumstances in which they are behaving. At its most basic level, the link between preferences and restrictions can be understood in terms of how a means and an end relate to one another. As it is not possible for individuals to achieve all of the various things that they want, they must also make choices in relation to both their goals and the means for attaining these goals (Scott, 2000).

With regard to how clients choose their banks, it is simple to see how rational choice where people weigh the costs and benefits of several options applies. People will evaluate the advantages or significance of a given bank's services or offers (for instance, how useful is it or how attractive is it) in comparison to those from other banks since they want to receive the most useful products/services at the lowest price/convenience. Following that, they will compare expenses and benefits or rates. In general, people will choose the bank that they perceive provides the greatest reward or benefits at the lowest cost, given their preferences (Levin, 2004).

2.2.3. Diffusion of Innovation Theory

One of the earliest social science theories is the Diffusion of Innovation (DOI) Theory, which was created by E.M. Rogers in 1962. It first appeared in communication to describe how an idea or product gathers steam and diffuses (or spreads) within a particular population or social system over time. People eventually adopt a new idea, habit, or product as a part of a social system as a result of this dissemination. Adoption means that a person does something differently than what they had previously (i.e., purchase or use a new product, acquire and perform a new behavior, etc.). The key to adoption is that the person must perceive the idea, behavior, or product as new or innovative. It is through this that diffusion is possible.

Adoption of a new idea, behavior, or product (i.e., "innovation") does not happen simultaneously in a social system; rather it is a process whereby some people are more apt to adopt the innovation than others. Researchers have found that people who adopt an innovation early have different

characteristics than people who adopt an innovation later. When promoting an innovation to a target population, it is important to understand the characteristics of the target population that will help or hinder adoption of the innovation. There are five established adopter categories, and while the majority of the general population tends to fall in the middle categories, it is still necessary to understand the characteristics of the target population. When promoting an innovation, there are different strategies used to appeal to the different adopter categories.

- 1. Innovators** - These are those that desire to try an invention first. They are bold and curious about novel concepts. These folks are frequently the first to come up with novel ideas and are very eager to take chances. If anything, almost little has to be done to appeal to this demographic.
- 2. Early Adopters** - These are the opinion leaders who make up this group. They like taking on leadership responsibilities and embracing change. They are quite at ease implementing new concepts because they are already conscious of the need for change. How-to guides and implementation information sheets are two tactics to appeal to this demographic. Information will not persuade them to change.
- 3. Early Majority** - Although they hardly ever take the lead, this group is the first to adopt novel concepts. Having said that, before they are willing to adopt an innovation, they often require proof that it is effective. Success stories and proof of the innovation's efficacy are some strategies to appeal to this demographic.
- 4. Late Majority** - These people are skeptical of change, and will only adopt an innovation after it has been tried by the majority. Strategies to appeal to this population include information on how many other people have tried the innovation and have adopted it successfully.
- 5. Laggards** – These folks are exceedingly traditional and tradition-bound. They are the hardest group to convince to accept change since they are so resistant to it. Statistics, fear appeals, and peer pressure from other adopter groups are all methods for influencing this population.

2.2.4. New Product Development

The available research on new product development has been evaluated and summarized in at least four meta-analytic analyses (Montoya-Weiss & Calantone, 2014; Brown & Eisenhardt, 2015; Kessler & Chakarabarti, 2016; Henard & Szymanski, 2021). These reviews' conclusions are paradoxical. The success of NPD is influenced by a variety of broad and contemporary issues, according to all four reviews. By giving group research on NPD a decision-making focus and suggesting new study paths, Krishnan and Ulrich (2021) revised earlier meta-analytic evaluations. Studies that stray from the standard main effects models in order to uncover the important factors influencing NPD performance are explicitly encouraged by Henard and Szymanski (2021). They point to a critical necessity for investigating the impact of contextual factors that could either strengthen or weaken the findings of main-effects models. Gerwin and Barrowman (2022) in their meta-analytic review of the literature on integrated product development highlight a number of contextual variables that may help to explain why certain relationships appear to be statistically significant in some studies but not in others, which is in line with the observations made by Henard and Szymanski (2001).

We are working to analyze and map the function of NPD and innovation in foreign banks doing business in Brazil. "Firms lose competitiveness if they don't make new products," claim Meyer et al. (2017). In addition, Clausing (2014), Clark and Wheelwright (2013), and others point out that the success of a company depends heavily on the product development process. High management is responsible for steering businesses in the direction of effective product development, and this must entail developing market positioning strategies and putting practices or procedures into place that maximize the efficiency of both the supply chain and the development process (GRIFFIN, 2017).

While product development has an impact on a variety of corporate operations, the academic and business literature focuses mostly on how it affects manufacturing. Our attention is on the entire NPD process. In recent years, manufacturing's involvement in product development has also received more attention. Wheelwright and Clark (2013) contend that senior managers must change their attitudes and behaviors in order for the improvements to be successful because manufacturing management's structures and styles must adapt to support contemporary manufacturing paradigms. Additionally, projects "become the place where important issues are resolved in the absence of a

strong connection between business strategy and development projects" (Miltenburg, 2016). Senior managers run the risk of copying the concepts, offerings, and methods of competitors without a strategic overview.

As a result, they might give instructions to their own staff to adopt rival companies' products. Such development paths may result in excessively complicated product lines and expensive manufacturing costs. Quality and punctuality, two other aspects of competitiveness, can also suffer. It is well known that product variety and the complexity that results from it can be a significant factor in rising production costs and lowering competitiveness.

Nwokah, Ugoji, and Ofoegbu (2015) note a positive and significant correlation between the corporate performance dimensions of profitability, sales volume, and customer loyalty and the product development dimensions of product quality and product lines/product mix. Similar findings were made by Fong, Lo, and Ramayah (2017), who noted that firm image, brand strength, product innovativeness, and new product quality were all found to be positively connected to new product performance. According to Ansoff (2015), the company creates a new product to meet the needs of the market. The change often entails substantial research, development, and product line growth.

Firms use product development when they have a clear grasp of their target market and can come up with creative ways to address its needs. This idea is pertinent to the study because it suggests that a company can spend money on R&D to create new products that will appeal to the market as it is. Make strategic alliances with other businesses to obtain access to each partner's distribution networks or brand, as well as buy a competitor's goods and combine resources to develop a new product that better fulfills the needs of the current market.

2.3. EMPIRICAL LITERATURE REVIEW

The importance of top management support as a crucial success factor in NPD has been confirmed by numerous studies (including Salomo et al., 2010; Cooper and Klein Schmidt, 1986, 2007; Cooper et al., 2004a, b; Ernst, 2002; Henard and Szymanski, 2001; Wheelwright and Clark, 1995; Craig and Hart, 1992; Zirger and Maidique, 1990). Top management has a significant impact on both individual development projects as well as the broader corporate culture of innovation (Poolton and Barclay, 1998). For instance, employing NPD methodologies frequently calls for the

provision of financial and human resources by the appropriate management level (Ernst, 2002; Brown and Eisenhardt, 1995).

(2002) Nijssen Demonstrate how the level of top management support affects how methodologies are used in new development initiatives. Geschka and Dahlem (1996) also note that a supportive management attitude is a prerequisite, particularly if approaches are to be successfully deployed. According to Thieme et al. (2003), senior management support for NPD projects is crucial for the effectiveness of project planning and the application of specific techniques like quality function deployment (QFD).

Tzempelikos asserts that top management involvement is favourably impacted by top management commitment (Nektarios Tzempelikos, 15 May 2019). The association between top management commitment and relationship quality is also fully mediated by top management involvement. The state of your relationships is favorably correlated with your financial performance.

In accordance with Ataman et al. (2010), we quantify a brand's product proliferation using the number of product variants (SKUs) it offers. Putsis Jr. (2020) suggests that product line length is an objective measure of product proliferation. We aggregated the IRI data to the brand level and included the prices, displays, and feature advertisements for each SKU as marketing mix control factors (see Appendix 1 Table 8). Additionally, we adjusted for two category-level factors: category growth and variety.

(Kimamancha, 2017) A study examined the variables that affect product design in Kenyan commercial banks. To comprehend the impact of strategy, research, and resource availability on the development of new products, the researcher conducted descriptive research. The study's 79 product development officers were the subject of a census that was done at tier 1 banks. The data was gathered using a questionnaire with 31 items. The results of the study showed that strategy is favorably and statistically significant to the development of new products in Kenyan commercial banks. However, the validity and not the reliability of the research instrument was tested.

2.4. SUMMARY AND KNOWLEDGE GAP

The success of new products is one of the primary responsibilities of all banks, particularly private banks, whose job it is to serve customers with excellence and generate deposits to supply the required liquidity for credit customers. This conclusion is based on the previously mentioned theoretical and empirical assessment. Still, a lot relies on how innovatively and successfully modern new products and digital technology may be used. It also demonstrated how various factors could affect a bank's new product success.

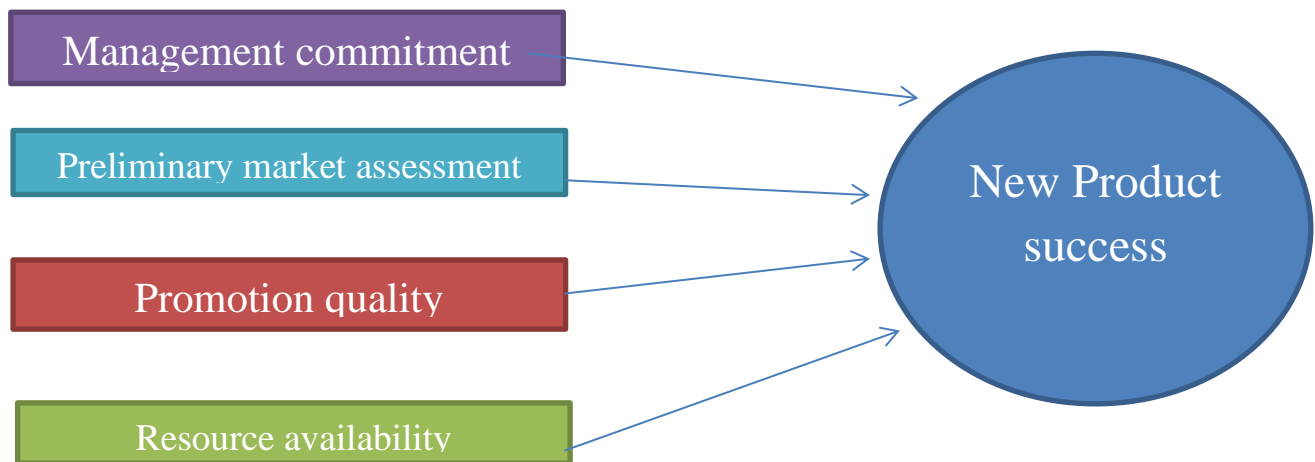
Further the contradictory findings revealed that there is inconsistency among researchers on factors influencing new product success in the financial sector. This research is designed in identifying and analyzing factors which influence new product development success by providing some proof through understanding of the factors; which is the most important for Cooperative Bank of Oromia. Companies must stand out from the competitors in this market environment if they want to succeed. Focusing on the success of new products and its factors inspired the researcher to do research in this field in order to close this gap. Therefore, Cooperative Bank of Oromia should find the greatest determinants of new product development and take the crucial measurement to draw in more consumers and increase profit by evaluating the qualitative and quantitative data for these variables.

Although product development is clearly important in explaining banks' financial success, its effect remains unclear for two main reasons based on the study cited above. The factors that drive product development and how development affects a bank's performance appear to be poorly understood. In fact, most of the existing studies adopt a simplistic approach to the relationship between product development and Bank's performance. There are limited local studies had attempted to investigate the factors that influence new product developments in private banks specifically in the Cooperative Bank of Oromia's financial performance. In light of this, the goal of this study was to close the knowledge gap by conducting a study on the factors that influence new product developments on the financial performance of Cooperative bank of Oromia. And finally, this research designed to understand which factors really influence new product success, validate these contradict findings and fill the research gap on factors influencing new product success in Cooperative Bank of Oromia.

2.5. CONCEPTUAL FRAMEWORK

The study was influenced by the conceptual variables listed below, which were developed from both bank- and customer-specific characteristics. The factors were carefully chosen from the literature review (Destan Kandemir, Roger Calantone, and Rosanna Garcia, 2006), and they were grouped into two main groups as follows: To state it simply and clearly, the conceptual framework for this study is shown in the following graphics.

Fig 2.1 Conceptual framework



Source: Author's construction

This conceptual framework hypothesizes that there is a relationship between the bank related factors i.e. Management commitment, Preliminary market assessment, Promotion quality, and resource availability; and their influence on new product success.

The dependent variable is new product success, which is determined by new product development process, new product development speed, new product development strategies, and new product development teams, as shown in the above diagram.

The independent variables includes:-

- Management commitment which is explained as presence of clear goals & milestone measurement of user/customer involvement, involvement of cross-functional teams, placement of structured new product development process;
- Preliminary market assessment;
- Promotion quality and effectiveness , and;
- Resource availability.

2.6. HYPOTHESIS OF THE STUDY

Kothari (2004), defined hypothesis as a logical conjectured relationship between two or more variables expressed in the form of testable statements. For the purpose of this study, the following three hypotheses are formulated based on previous research findings and from literatures.

Therefore, the overall effect of factors influencing new product success in Cooperative Bank of Oromia can be best described by the following hypotheses:

Hypothesis (H1):- Management commitment has positive and significant influence on new product development success.

Hypothesis (H2):- Preliminary market assessment has positive and significant impact on new product development success.

Hypothesis (H3):- Promotion quality has positive and significant influence on new product development success.

Hypothesis (H4):- Resource availability has positive and significant influence on new product development success.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1. Introduction

The research methodology (Method of procedure) section explains how this study used described in this section. Research design, sample strategies, research analysis techniques, and research reporting procedures were all incorporated. Research methodology also reveals the type of strategy the researcher used to achieve the study's desired goals.

3.2. Description of Study Area

This study was investigated on factors influencing new product success in cooperative bank of Oromia, Ethiopia. Cooperative bank of have more than 711 branches (as of march, 2023) which is categorized in five districts namely central district, north district, east district, west district and south district. This study was conducted in Cooperative Bank of Oromia in Addis Ababa (Finfinne) district which includes around six districts which includes branches of central district, east district, west district, north district and south district for the purpose of convenience and ease of data collection process without compromising reliability of sample.

3.3. Research Design

For this study, the researcher was used descriptive research design using the fact that a descriptive research design helps us to understand and summarize the data. Either tabular or graphic representations of the summary statistics were used. Descriptive analysis makes it possible to gather up-to-date information is employed in fact-finding investigations, aids in the formulation of certain concepts, and provides solutions to difficulties pertaining to regional or societal concerns. The goal of a study design is to make sure that the information gathered enables the researcher to respond to the original question as clearly as possible (David de Vaus, 2001).

Descriptive research design is used to collect numerical data from large population. Additionally, the descriptive research method makes it simple to use a variety of data types and to incorporate human experience, allowing the researcher to view the study from a wide range of angles and give a more comprehensive overview of the subject (Cohen, Anion & Morrison, 2005).

3.4. Research Approach

The choice of a research approach is determined by a combination of many factors including the research problem itself, objectives of the study, resource availability and personal experiences of the researcher (Creswell, 2009). Research approach is the general framework for the study that links, knowledge claims, strategies of enquiry and specific methods and can be undertaken by adopting one of three research approaches – quantitative, qualitative or mixed. The research analysis is supported by a quantitative approach to view the regression result analysis, and a qualitative approach to describe and explain the interview portion and empirical literatures on the elements impacting the success of new products, in order to meet the study's objectives.

To sum up, the researcher utilized a mixed method to gather and analyze data in order to answer the research questions outlined in the previous part. This is covered in more detail in the section that follows. The main justification for using a mixed methods approach is that combining both types of data yields a more comprehensive understanding of a research issue than either quantitative or qualitative data alone. Consequently, “mixed-method research approach is becoming increasingly relevant to addressing impact research questions” (Saville, 2012, p.7).

3.5. Source of data collection

The researcher used both primary and secondary data in order to get a full picture of the present situations under study. As the study mainly focuses on human aspect, primary data was the main source of data for this study. The primary source of data was collected by questionnaire from Cooperative Bank of Oromia employees. Secondary data was obtained from different documents, reviewed various published and unpublished documents, such annual and quarterly reports of the Cooperative Bank of Oromia, and books, articles, journals and a variety of websites as well as other optional sources of the proposed study.

3.6. Population and Sampling

(Sekaran, 2003) defines sampling as "the process of selecting a sufficient number of elements from the population, such that a study of the sample and an understanding of its properties or characteristics would make it possible for us to generalize such properties or characteristics to the population elements." or The process of selecting a smaller and more manageable number of research units from a specified study population is known as sampling (Sekaran, 2003).

This study was used stratified random sampling which is appropriate for selecting samples from the population. The researcher for this finding chooses it due to the reason that stratified sampling technique helps to obtain reasonably precise estimates for all subgroups related to my research question. For this study employee in Cooperative bank of Oromia was divided in to two strata i.e., Managerial and Non Managerial. The target population of the study was 3,221 employees who are working in Cooperative bank of Oromia Addis Ababa (Finfinne) city districts of Addis Ababa. So, 344 employees was decided to be the size of the samples from a total of 3,221 employees by using sample size calculator as shown in the calculation below. To take such amount of samples from the above two strata simple random sampling technique particularly convenience sampling method has been used.

Where,

P = sample proportion, q = 1-p; Z = the value of the standard variant at a given confidence level and to be worked out from table showing area under Normal Curve; N = size of total population; n = size of sample. Given: At 95% confidence level the value of Z = 1.96; P = the population proportion= 0.5; N = 3,221 which is population size; e = 0.05 which is acceptable sample error.

$$n = \frac{Z^2 p.q.N}{e^2(N-1)+Z^2 p.q.N} = \frac{1.96^2 * 0.5 * 0.5 * 3221}{0.05^2(3221-1)+1.96^2(0.5)(0.5)}$$

$$n = 343.31$$

$$\underline{n = 344}$$

Therefore, a sample size of 344 employees was determined using the technique above, and it was distributed among the two strata proportionally to the size of their respective populations as shown in the accompanying table.

Table 3.1 Summary of Sampled branch that the researcher for this finding

District	Branch	Grade	Percentage	Sample
Central District	Finfine	Special	2.62	9
	Kersa Main Branch	IV	2.03	7
	Oda Branch	III	2.03	7
	Bombtera Branch	III	2.03	7
	Mesalemia Branch	II	2.03	7

	Yai Gulele Branch	I	2.03	7
	Birbirsa Branch	II	2.03	7
	Agemsa Branch	I	1.74	6
	Yai Gulele Branch	I	1.74	6
	Birbirsa Branch	II	1.74	6
	Total			69
South District	Gofa Branch	II	2.33	8
	Gotera Branch	II	2.03	7
	Mekenisa Branch	I	2.03	7
	Wasanu Dido Branch	I	2.03	7
	Horsisa Branch	I	2.03	7
	Burqa Wayu Branch	II	2.03	7
	Labu Branch	II	1.74	6
	Lafto Branch	I	1.74	6
	Jamo Branch	II	1.74	6
	Furi Branch	I	2.33	8
	Total			69
North District	Gulele Branch	III	2.33	8
	Sululta Branch	III	2.03	7
	Kuyyu Branch	II	2.03	7
	Sendafa Bake Branch	II	2.03	7
	Addisu Gebeya Branch	II	2.03	7
	Karra Allo Branch	I	2.03	7
	Kotobe Branch	I	2.03	7
	Ferensay Legasiyon Br	I	1.74	6
	CMC Branch	I	1.74	6
	Lamberet Branch	I	1.74	6
	Total			68
East District	Bole Medanealem Branch	III	2.33	8
	Bole Rwanda	III	2.03	7
	Bole Michael Branch	II	2.03	7
	Erer Branch	II	2.03	7
	Beshale Branch	I	2.03	7
	Bole Airport Branch	I	2.03	7
	Bole Arabsa Branch	I	1.74	6
	Bole Atlas Branch	I	1.74	6
	Abebech Gobana Branch	I	1.74	6
	Abebie Tufa Branch	I	2.33	8
	Total			69
West District	Ayer Tena Branch	II	2.33	8
	Asko Branch	II	2.33	8

	Bethel Branch	II	2.03	7
	Kombe Branch	I	2.03	7
	Karra Qore Branch	I	2.03	7
	Makkat Al-Mukkarama	I	2.03	7
	Ansar Branch	I	2.03	7
	Teqwa Branch	I	1.74	6
	Karra Qore Branch	I	1.74	6
	Qale Branch	I	1.74	6
	Total			69
Total	50 Branches		100%	344

Source: Cooperative bank of Oromia, 2015/2023

3.7. Method of data collection

The study data collection has been accomplished by preparing questionnaire and semi-structured interview question. Questionnaire is list of a research or survey questions asked to respondents and designed to extract specific information. It serves four basic purposes to: collect the appropriate data, make data comparable and amendable to analysis, minimize bias in formulating and asking questions and finally to make questions engaging and varied. The importance of this tool include collecting large amount of data from large number of people in short of period of time and it results can be quickly and easily quantified by researcher or software package (Ismail, 2007). According to this, the researcher prepared both open ended and closed ended questionnaire to collect information from the employees and was given to the sample to fill; and were returned back.

Consequently, semi-structured interview is made with the management group. As the same time, questionnaire for middle and lower level employee group; it is distributed in English, Amharic and Afan Oromo version, and collected. In the discussion questions note taking is used during the discussion because of not allowing video recording with management level and district groups. During the discussion, the researcher was not only interested on what is said rather; the way the respondents’ said was noted. Further, a summary of the key points were re-written by the researcher in order to change unorganized sentences into brief statements to incorporate main sense and what has been said or observed during the discussion.

3.8. Variable measurement and model specification

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \dots\dots\dots(1)$$

$$NPS = \beta_0 + \beta_1 MC + \beta_2 PMA + \beta_3 PQS + \beta_4 RA + \varepsilon \dots \dots \dots (2)$$

Where;

NPS = New product success

MC = Management Commitment

PMA = Preliminary market Assessment

PQS = Promotion quality

RA = Resource availability

ε = is the error term.

3.9. Methods of data analysis

The researcher for this finding was used Explanatory and Descriptive statistical methods to achieve the proposed objectives so that the consequently, data from the questionnaire was acquired and then summarized and analyzed using descriptive statistics like frequency and percentage. The information obtained from the interview and the document review was contextually examined in accordance with the basic study questions.

As this study is both quantitative and qualitative in character, after the data were gathered, inferential statistical approach was used to examine the data. To find out how much the independent variable explains the dependent variable, regression analyses are used. To determine whether there is a positive, substantial interdependence between the independent and dependent variables, correlation analysis has been done. The degree of the association between the variables and statistical significance has therefore both been evaluated.

For the purpose of analyzing qualitative data, the researcher has used descriptive analysis techniques to examine the data from secondary data sources. Additionally, the researcher used SPSS and Microsoft Excel to evaluate the data, and as a consequence, the findings were presented and explained using graphs and tables. In order to do this, regression and descriptive statistical methods, as well as inferential statistical methods like correlation and regression, have been used to analyze the data using the Statistical Package for the Social Science SPSS version 23. In order to reach the conclusion and policy implications, the given hypotheses were lastly statistically tested.

3.10. Reliability of the study

According to "Hair et al., 2007, reliability indicates how well a variable or set of variables is consistent in what it is intended to measure" (Siddiqi, 2011:20). The consistency of a data set is assessed using reliability analysis. The Crombach's alpha reliability test method was deemed appropriate for this investigation among the several reliability test methodologies.

The most typical indicator of reliability is Crombach's alpha. The entire scale's computed Alpha coefficient for this study as a reliability indicator is 0.90. It provided each scale's unique Alpha coefficient.

3.11. Validity

Research validity can be defined as the degree to which the rules of the scientific research methodology were adhered to when producing study findings. According to Oliver (2010), all research must demonstrate validity as a minimum requirement. The study's qualities must be taken into consideration while selecting an acceptable technique, which should be both explanatory and descriptive. The best sampling procedure for the study must also be chosen, in addition.

3.12. Ethical considerations

Respondents were not required to write down their names and were promised that their answers would be handled with utmost confidentiality in order to maintain the anonymity of the data they provided. The introduction to the questionnaire contains a statement about the study's objective. In the questionnaire, the researcher also made an effort to avoid making any false or deceptive claims. Only voluntarily signed-up individuals have received the questionnaires. Lastly, the researcher for this finding has been open to criticism, to avoid biases during data analysis, data interpretation and to communicate and report data and results with honesty.

CHAPTER FOUR DATA ANALYSIS AND DISCUSSION

This chapter covers the presentation, analysis, and interpretation of the data gathered from Cooperative Bank of Oromia employees.

4.1. Data Reliability

Cronbach's alpha reliability test was run on the data collected to determine the reliability of the data. Results showed that all the values were above 0.85 indicating acceptable reliability (Table 4.1). Nunally (1978) suggested that the minimum of 0.70 would be an acceptable level.

Table 4.1: Cronbach's Alpha Reliability Test Results

Case Processing Summary			
		N	%
Cases	Valid	344	100.0
	Excluded ^a	0	.0
	Total	344	100.0
a. Listwise deletion based on all variables in the procedure.			

Source: own survey, 2015/2023

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.856	.867	5

Source: own survey, 2015/2023

4.2. Response Rate

The data was gathered using surveys and interviews. 344 Cooperative Bank of Oromia workers were given the questionnaires to complete for the banks' sampled branches. Additionally, the manager of the Cooperative Bank of Oromia participated in the interviews. Only 344 of the total questionnaires issued to respondents received responses.

This implies that out of the total questionnaires distributed to the respondents the total number of respondents who gave responses were around 88.4% of customer have filled and returned the questionnaires. Some of the respondents were not able to give the response due to the reason that some of the respondents were busy to fill the questionnaires; the others were not being present at the place of work because of obtaining permission for long period of time such as due to sick leave and some of the were born a child.

4.3. Demographic Characteristics of the Respondents

This section deals with the general characteristics of the sample respondents by sex, age, educational level, occupation, and working experience.

Table 4.2 Demographic Characteristics of the Respondents [Gender, Age and Position]

		Frequency	Percent
Gender	Male	209	60
	Female	135	39.2
	Total	344	100
Age group	25-35	50	14.5
	36-45	121	35.2
	46-55	114	33.1
	56 and above	59	17.2
	Total	344	100.0
Position	Managerial	65	18.9
	Non Managerial	279	81.1
	Total	344	100.0

Source; Researcher own field survey, 2015/2023

As the above table indicates, the total respondents of the study that fill the questionnaire were 344 in cooperative bank of Oromia. From the total respondents, 209 (60%) of them are males while the remaining 135 (39.2%) of the respondents are females. This shows that the majority of the respondents are males.

The age composition of the respondents is relatively evenly distributed, with the largest age group being 46-55 years old (33.1%). The second largest age group is 36-45 years old (35.2%), followed by 25-35 years old (14.5%). The smallest age group is 55 years old and over (17.2%).

This suggests that the majority of respondents are adults in their mid-to-late careers, with some younger and older adults also participating in the survey.

The survey may have been targeted specifically at adults in their mid-to-late careers, such as through professional organizations or job boards.

Regardless of the reason for the age distribution of the respondents, it is important to keep this in mind when interpreting the results of the survey. The results may not be generalizable to the entire population, and they may be more representative of the views and experiences of adults in their mid-to-late careers.

Table 4.3 Demographic Characteristics of the Respondents [Education and service year]

		Frequency	Percent
Educational level	Diploma	31	9
	Degree	67	19.5
	Masters	175	50.9
	Others	71	20.6
	Total	344	100
Service year	0 to 5 years	58	16.9
	6 to 10 years	91	26.5
	11 to 15 years	113	32.8
	16 and above	82	23.8
	Total	344	100.0

Source; Researcher own field survey, 2015/2023

Regarding their educational Back ground, as we seen from the table above 31(9%) of the respondents are degree holders, 67(19.5%) and 175 (50.9) of the respondents are degree and masters holders while the remaining 71(20.6%) of the respondents are others. From this result, the researcher for this study can conclude that, most of the respondents were master’s degree holders.

Concerning with the position of the employees, 279 (81.1%) of the respondents have no managerial position and the remaining 65 (18.9%) of the respondents have managerial positions. From this result the researcher for this finding can conclude that most of the respondents have non-managerial positions.

Regarding with service year, the respondents years of experiences 58 (16.9 %) of them had from zero to five years of experiences, 91(26.5 %) of the respondents had between 6-10 years of experiences, 113(32.8 %) of the respondents had more than 11 to 15 years of experience and the remaining 82(23.8 %) of the respondents had above 16 years of experiences. This indicates that most of the respondents had between eleven to fifteen years of working experiences.

4.4. Findings

Based on the primary data collected through field survey this section of the study tries to present the main results obtained in the study.

4.4.1 Descriptive Analysis

To show the degree of agreement among the respondents, descriptive statistics in the form of mean and standard deviation were supplied in this section. On a five point Likert scale, 1 represents strongly disagree, 2 represents disagree, 3 represents neutral, 4 represents agree, and 5 represents strongly agree, the respondents' responses to the characteristics listed below were evaluated. However, in order to make the interpretation of the mean and standard deviation values simple and understandable, the scales were reassigned as follows. Strongly disagree between 1 and 1.8, disagree between 1.81 and 2.6, neutral between 2.61 and 3.4, agree between 3.41 and 4.20, and strongly agree between 4.21 and 5. Statistical procedures were carried out using SPSS version 23 software to analyze the acquired data in accordance with the overall goal of the research undertaking.

Table 4.4: descriptive statistics of new product development

Descriptive Statistics			
	N	Mean	Std. Deviation
MC	344	3.91	.742
PMA	344	3.83	.654
PQS	344	3.84	.691
RA	344	3.83	.746
NPS	344	3.94	.557
Valid N (listwise)	344		

Source: analysis of survey data 2023, using SPSS 23

4.4.1.1 Perceptions of respondents towards Management commitment

As seen in the above table 4.5: illustrates that the perception of the respondents to the commitment of the managements. Accordingly, the concern of management commitment has scored a mean of 3.91 with standard deviation of 0.742. From this we can conclude that the respondent are agreed with the statement about management commitment, so that, management commitment questions about the company knows and appreciates the concept and objective of management commitments, there is a formal management commitments in Coopbank, the goals of the company are effectively communicated, top-management commitment has positive effect on new product success areas of Coopbank to improve the success of new product development.

Table 4.5: Descriptive statistics of management commitments

Descriptive Statistics			
	N	Mean	Std. Deviation
My company knows and appreciates the concept and objective of management commitments	344	3.83	.996
In my opinion, there is a formal management commitments in Coopbank	344	3.83	1.036
In my company goals of the company are effectively communicated.	344	3.74	1.156
The greater top-management commitment has positive effect on new product success	344	4.25	1.483
Valid N (listwise)	344		

Source: analysis of survey data 2023, using SPSS 23

4.4.1.2 Perceptions of respondents towards Preliminary market assessment

As seen in the above table 4.6: illustrates that the perception of the respondents to the Preliminary market assessment. Accordingly, the concern of Preliminary market assessment has scored a mean of 3.91 with standard deviation of 0.742. From this we can conclude that the respondent is agreed with the statement about Preliminary market assessment, so that, Preliminary market assessment questions about the company having a clear understanding on vision and strategy for market assessment, commitment to do market assessment for my positions, providing clear and timely market assessments for new products has positive effect on new product success areas of Coopbank to improve the success of new product development.

Table 4.6: Descriptive statistics of Preliminary market assessment in Coopbank

Descriptive Statistics			
	N	Mean	Std. Deviation
I have A clear understanding on vision and strategy for market assessment of Coopbank.	344	3.90	.720
According to my experience, in Coopbank I am committed to do market assessment for my positions	344	3.80	.879
Market assessment has a positive effects on new product success	344	3.79	.896
My Bank provides clear and timely market assessments for new products	344	3.82	.856
Valid N (listwise)	344		

Source: analysis of survey data 2023, using SPSS 23

4.4.1.3 Respondents perception towards the Promotion quality and the new product success

As seen in the above table 4.7: illustrates that the perception of the respondents Promotion quality and the new product success. Accordingly, the concern of product development success has scored a mean of 3.84 with standard deviation of 0.691. From this we can conclude that the respondent are agreed with the statement about new product development success and promotion quality, So that, new product development can be expected by employees of Coopbank is good in terms of its success,

The role of finance in new product development, A new product development enables a Coopbank to create goods either new or the modification of existing products that customers want to buy, New product development is vital to retain profitability are potential areas of Coopbank to improve the success of new product development.

Table 4.7: Descriptive statistics of Preliminary market assessment in Coopbank

Descriptive Statistics			
	N	Mean	Std. Deviation
There is no quality promotion for new product in Coopbank	344	3.83	.926
quality promotion in Coopbank has a positive effect on new product	344	3.78	.916
I am satisfied with the weightings given against each promotion that I have supposed to perform in the specified period by Coopbank.	344	3.92	.916
Valid N (listwise)	344		

Source: analysis of survey data 2023, using SPSS 23

4.4.1.4 Perceptions of respondents towards the Resource Availability

As seen in the above table 4.8: illustrates that the perception of the respondents to the resource availability for new product development success. Accordingly, the concern resource availability has scored a mean of 3.83 with standard deviation of 0.746. From this we can conclude that the respondent are agreed with the statement about resource availability to new product development success, So that, resource availability can be expected by employees of Coopbank is good in terms of its success, having enough resources to develop new products or not, positive relationship between resource availability and new product success and the maximum ability of resource allocation. Resource availability is vital to new product development success and a potential area of Coopbank to improve the success of new product development.

Table 4.8: Descriptive statistics of resource availability in Coopbank

Descriptive Statistics			
	N	Mean	Std. Deviation
Coopbank has no enough resources to develop new products	344	3.81	.852
There is a positive relationship between resource availability and new product success	344	3.87	.836
Coopbank try to allocate resources for new products at the maximum ability	344	3.80	.898
Coopbank try to allocate resources for new products at the maximum ability	344	3.83	.936
Valid N (listwise)	344		

Source: analysis of survey data 2023, using SPSS 23

4.4.1.5 Perceptions of respondents to new product development success

As seen in the above table 4.9: illustrates that the perception of the respondents new product development success. Accordingly, the concern of product development success has scored a mean of 3.94 with standard deviation of 0.557. From this we can conclude that the respondent are agreed with the statement about new product development success, So that, new product development can be expected by employees of Coopbank is good in terms of its success,

The role of finance in new product development, A new product development enables a Coopbank to create goods either new or the modification of existing products that customers want to buy, New product development is vital to retain profitability are potential areas of Coopbank to improve the success of new product development.

Table 4.9: Descriptive statistics of new product development success

Descriptive Statistics			
	N	Mean	Std. Deviation
The role of finance in new product development is high	344	3.96	.654
A new product development enables a Coopbank to create goods either new or the modification of existing products that customers want to buy	344	3.94	.667
NPS is vital to retain profitability	344	3.93	.677
Valid N (listwise)	344		

Source: analysis of survey data 2023, using SPSS 23

4.4.2 Correlation Analysis

Correlation analysis is a method of statistical evaluation used to study the strength of a relationship between two, numerically measured, dependent (new product development success) and independent variables (i.e. management commitment, preliminary market assessment, and promotion quality and resource availability). The particular type of analysis is useful when researcher wants to establish if there is possible connection between variables.

Different authors suggest different interpretations; however, (Cohen, 1988) suggests the following guidelines for interpreting correlation coefficients:-

Small =.10 to .29

Medium=.30 to .49

Large =.50 to 1.0

These guidelines apply whether or not there is a negative sign out the front of your r value.

Table 4.10: Correlation matrix for the selected variable

		Correlations				
		MC	PMA	PQS	RA	NPS
MC	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	344				
PMA	Pearson Correlation	.307**	1			
	Sig. (2-tailed)	.000				
	N	344	344			
PQS	Pearson Correlation	.363**	.506**	1		
	Sig. (2-tailed)	.000	.000			
	N	344	344	344		
RA	Pearson Correlation	.323**	.442**	.811**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	344	344	344	344	
NPS	Pearson Correlation	.552**	.700**	.817**	.833**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	344	344	344	344	344

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

Source: analysis of survey data 2023, using SPSS 23

The results of correlation analysis in the table 4.10, shows that all the independent variables (i.e. management commitment, Preliminary market assessment, Promotion quality, resource availability) are positive and significantly correlated with dependent variable (i.e. new product success).

Based on the correlation result as it is shown in the table the correlation coefficient between resource availability and new product development success is the highest score of all correlation result which is ($r = 0.833$). This means if the bank focus on allocating available resource, the bank's new product development success will be improved. Therefore, resource availability has more influence to determine the new product development success of cooperative bank of Oromia.

Further on the correlation result as it is shown in the table 4.10, promotion quality is the second of all correlation results of new product development success which is ($r = 0.817$). This means that if the bank improves the promotion quality, new product development success will be improved. Therefore, promotion quality has power to determine the new product development success of the bank. Modern techniques and other technological advancement that improves the promotion quality of the bank is one of the basic determinant factors of new product development success of Cooperative Bank of Oromia.

On the other hand Preliminary market assessment also has correlated with the dependent variable (i.e. new product development success). The correlation coefficient between Preliminary market assessment and new product development success is the third of all correlation results which is ($r = 0.700$).

The last variable included in new product development success determinant as shown in table 4.10, the correlation between management commitment and new product development success which is ($r = 0.552$). This means management commitment has positive relationship with new product development success. So, management commitment is one of the important factors to determine new product development success and that help the Cooperative Bank of Oromia to achieve more success in product development.

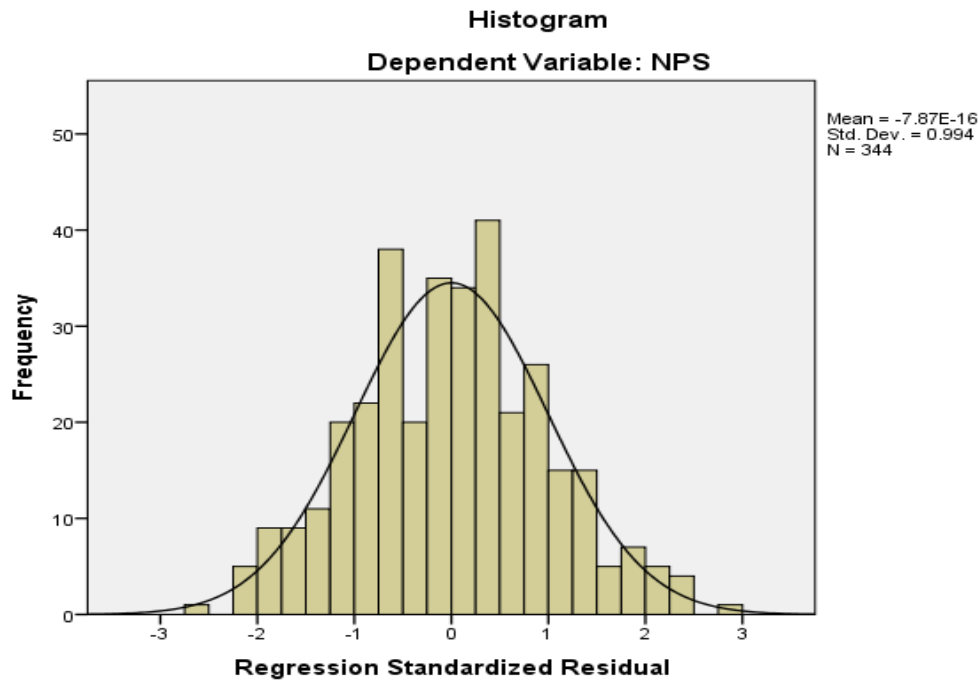
4.4.3 Assumptions of Multiple Regression Model

Before analyzing the data gathered by the questionnaires, the researcher has checked the necessary assumptions that have to fulfill in order to undertake analysis by multiple regression models.

4.4.3.1 Test for Normality

Test the data for normality to see if it fits the normal distribution model or not. The graphical (histogram and dot plot) technique of testing could be used to verify the results of this normal distribution test. When a study has a small sample size—less than 100 observations—the normalcy assumption becomes crucial. The researcher checked the normality assumption using a histogram and a normal probability plot (NPP), even if it is not a treat because the observation or sample size of the study is large enough, more than 100 observations. The decision rule is that one can infer that the variables of interest are normally distributed if the fitted with in the line in the histogram and NPP is about a straight line. (Gujarati, 2004)

Figure 4.1: Histogram

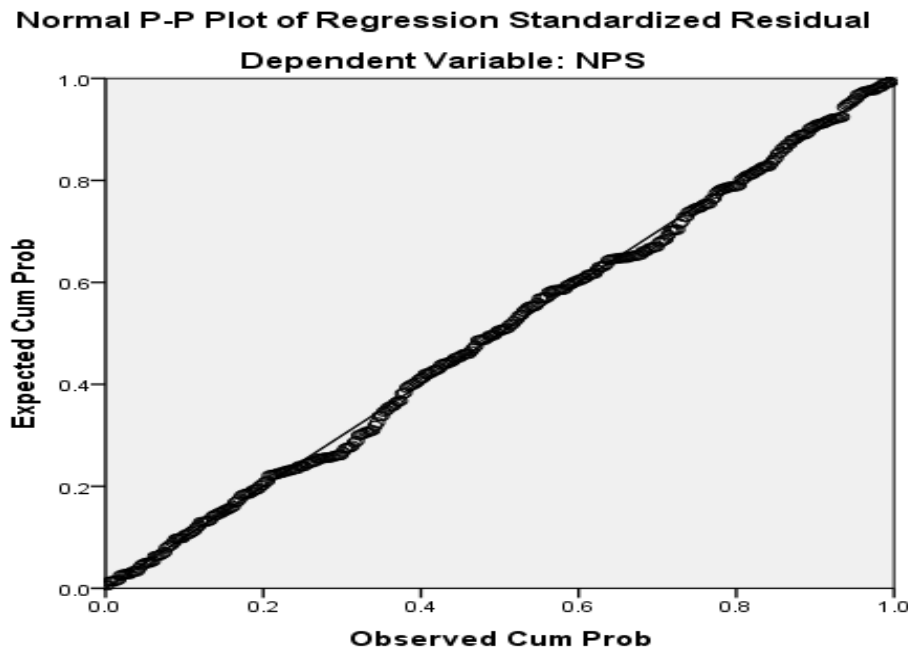


Source: analysis of survey data 2023, using SPSS 23

From the above figure 4.1, we can see that residuals of the model are approximately normally distributed, because a straight line seems to fit the data reasonably well.

Histogram and p-plot can be used to determine whether something is normal. In the Normal P-P Plot, you're expecting that your points will be situated in a pretty straight diagonal line running from bottom left to top right. This would imply that there aren't any significant departures from normality. The histogram and p-plot graph in the preceding diagram show that the variables are regularly distributed.

Figure 4.2: Normal probability plot (NPP)

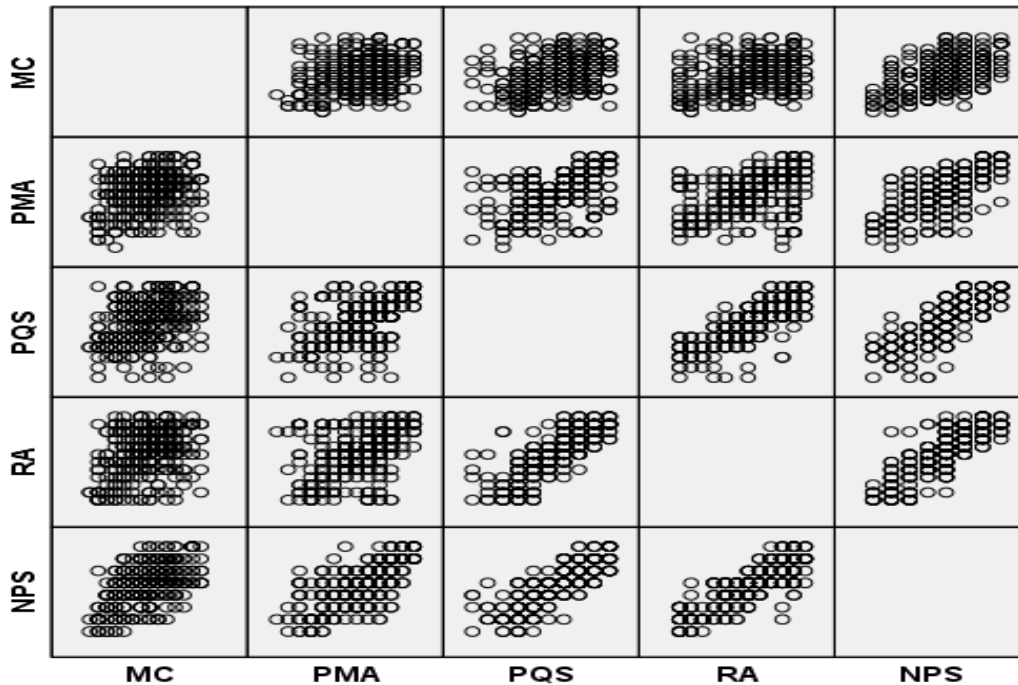


Source: analysis of survey data 2023, using SPSS 23

4.4.3.2 Test for Linearity and Homoscedasticity

Models of multiple linear regression presuppose that the relationship between the independent and dependent variables is linear. According to the hypothesis of homoscedasticity, the dependent variable's range of variance is constant across all values of the independent variables. With the help of the following scatter plot graphic, both hypotheses may be verified.

Figure 4.3: Scatter Plot Linearity and Homoscedasticity



Source: analysis of survey data 2023, using SPSS 23

As we can see from the diagram above, neither of the assumptions poses a serious risk to the study because we can approximate all of the independent variable observations against the dependent variable with a single straight line, and because the variance between the upper and lower cases of the observations is fairly similar.

4.4.3.3 Test for Multicollinearity

The presumption of multicollinearity must also be met in order to use a multiple linear regression model. When independent variables in multiple regressions have linear correlations, this is known as multicollinearity. Because there may be a link between the independent variables, we are measuring degree here rather than kind. It suggests that the independent variables have a linear relationship with one another (Gujarati, 2004).

Using tolerance and VIF is another technique to verify the multicollinearity assumption. Utilizing the formula $1 - R^2$ for each variable, tolerance measures the proportion of the specified independent variable's variability that cannot be explained by the other independent variables in the model. The likelihood of multicollinearity is suggested if this number is very low (less than .10),

indicating a high multiple correlation with other variables. The second number is the variance inflation factor (VIF), which is simply the tolerance value's value (1 divided by tolerance). Indicating multicollinearity, VIF values more than 10 would be of concern.

Table 4.11 Test for Multicollinearity: Collinearity Statistics

Model		Collinearity Statistics	
		Tolerance	VIF
$NPS = \beta_0 + \beta_1 MC + \beta_2 PMA + \beta_3 PQS + \beta_4 RA + \varepsilon$	(Constant)		
	MC	.846	1.182
	PMA	.724	1.381
	PQS	.309	3.231
	RA	.341	2.936

a. Dependent Variable: NDS

Source: analysis of survey data 2021, using SPSS 23

The output of table 4.11 above reveals that the VIF is less than ten and that the tolerance result did surpass 0.10. As a result, the multicollinearity assumption has not been broken.

4.4.3.4 Test of Independent of Residuals

The residuals are presumed to be independent of one another in multiple linear regression models. To determine whether there is serial correlation among the residuals, the Durbin-Watson statistic is used. The Durbin-Watson statistic has a value between 0 and 4. In general, the Durbin-Watson statistic should be close to 2, and a range of 1.50 to 2.5 is considered to be appropriate.

Table 4.12: Test of Independence of Residuals

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
$NPS = \beta_0 + \beta_1 MC + \beta_2 PMA + \beta_3 PQS + \beta_4 RA + \varepsilon$.947 ^a	.898	.896	.179	1.808

a. Predictors: (Constant), RA, MC, PMA, PQS

b. Dependent Variable: NPS

Source: analysis of survey data 2021, using SPSS 23

From the table above 4.12, we can also understand that the assumption of independence of residuals was meeting. Generally, the study discussed five major assumptions that must be fulfilled for one to analyze data using multiple linear regression model. So, since all the five assumptions were not

violated, the researcher examined the data collected by the questionnaires using regression model as follow.

4.4.4 Regression Analysis

The study used a multiple linear regression model to examine the interactions between the independent variables (i.e., Cooperative Bank of Oromia's new product development performance) and the independent variables (i.e., their magnitudes). Before interpreting the regression result, we have confirmed all of the presumptions.

Table 4.13: Multiple Regression analysis result

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
$NPS = \beta_0 + \beta_1 MC + \beta_2 PMA + \beta_3 PQS + \beta_4 RA + \varepsilon$.947 ^a	.898	.896	.179
a. Predictors: (Constant), RA, MC, PMA, PQS				
b. Dependent Variable: NPS				

Source: analysis of survey data 2023, using SPSS 23

The model under test is significant (p 0.00), according to the results. According to the data in the above table, the variation in the four independent variables (management commitments, preliminary market assessment, promotion quality, and resource availability) accounts for 89.6% of the variance in new product development success. R value = 0.947, R Square = 0.898, and adjusted = 0.896.

Table 4.14: Summary of Analysis of Variance (ANOVA^a)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
$NPS = \beta_0 + \beta_1 MC + \beta_2 PMA + \beta_3 PQS + \beta_4 RA + \varepsilon$	Regression	95.491	4	23.873	742.353	.000 ^b
	Residual	10.902	339	.032		
	Total	106.393	343			
a. Dependent Variable: NPS						
b. Predictors: (Constant), RA, MC, PMA, PQS						

Source: analysis of survey data 2023, using SPSS 23

As we see from the above ANOVA table 4.14 the P value is 0.00 which is less than the level of significance at 0.01 and 0.05. The combination of the variables significantly predicts the dependent variable ($F=742.353$; $p < 0.05$). Therefore, the overall regression model is significant.

The P value is 0.00, which is less than the level of significance at 0.01 and 0.05, as can be seen from the aforementioned ANOVA table 4.14. The dependent variable is significantly predicted by the combination of the factors ($F=742.353$; $p < 0.05$). Therefore, the overall regression model is significant.

Table 4.15: Coefficients of new product development success regression

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.278	.071		3.920	.000		
	MC	.175	.014	.233	12.335	.000	.846	1.182
	PMA	.279	.017	.327	16.005	.000	.724	1.381
	PQS	.164	.025	.204	6.516	.000	.309	3.231
	RA	.335	.022	.448	15.051	.000	.341	2.936

a. Dependent Variable: NPS

Source: analysis of survey data 2023, using SPSS 23

The results of the regression analysis of each independent variable on the success of new product development are shown and projected by the standardized Beta coefficients in the aforementioned table 4.15. The results show that management commitments ($\beta = .175$, $p < 0.01$), an early market evaluation ($\beta = .279$, $p < 0.01$), the quality of the promotion ($\beta = .164$, $p < 0.01$), and the availability of resources ($\beta = .335$, $p < 0.01$) all independently and jointly predict the success of new product development. In the Cooperative Bank of Oromia, these factors collectively account for 89.6% of the variation in the success of new product development. Because the coefficient differs significantly from zero, the null hypothesis can be rejected.

The dependent variable and all independent variables exhibit positive relationships; hence the researcher's model is driven as follows from the above table:

$$NPS = .278 + .175MC + .279PMA + .164PQS + .335RA + \varepsilon$$

A positive coefficient (β) shows a tendency for the dependent variable's mean to rise when the independent variable's value rises. These projections show how much more successful new product development would be projected by a 1 unit increase in the predictor. Since its p-value is 0.000, which is less than 0.05, the management coefficient (.175) is statistically distinct from 0 using an alpha of 0.05. Additionally, the constant deviates significantly from 0 at the 0.05 alpha level.

4.4.4.1 Discussion on Hypothesis Test

The hypothesized hypotheses for this study were assessed at this point utilizing the multiple regression coefficient data in the following ways:-

H1: There is relationship between the independent and dependent variables, (i.e. management commitment, a preliminary market assessment promotion quality and resource availability all have an impact on the dependent variable (the success of a new product). At a 5% significant level, the null hypothesis is rejected.

i. Management commitment has positive and significant influence on new product development success.

Based on the results of the regression analysis in Table 4.10 above, it can be concluded that management commitment has a positive and significant impact on the success of new product development ($p = 0.01$) and that beta is ($=.175$). This suggests that a one percent increase in management commitments results in a 17.5 percent increase in the Cooperative Bank of Oromia's success in developing new products. As a result, the presented hypothesis is verified and accepted. In line with above results the finding that management commitment has a positive and significant influence on new product development success is consistent with previous research on this topic. For example, a study by Destan Kandemir, Roger Calantone, and Rosanna Garcia (2006) found that top management support is one of the most important factors in new product development success.

Abebe, T. (2017). The impact of management commitment on new product development success, Worku, T. (2018). The impact of management commitment on new product development success and Tefera, T. (2019). The impact of management commitment on new product development success some examples of Ethiopian theses that have examined the relationship between management commitment and new product development success.

These theses all found that management commitment has a positive and significant influence on new product development success.

ii. The preliminary market analysis has a favorable and significant influence on the success of new product development.

The multiple regression result in the above table 4.10 revealed that Preliminary market assessment of the bank has significant impact new product development success ($p < 0.01$), and the value of beta is ($\beta = .279$), shows that there is a positive and significance relationships between Preliminary market assessment and new product development success. This implies that a when Preliminary market assessment of the bank increases by one percent there is an increases 27.9 percent increment in new product development success of the Cooperative Bank of Oromia. Thus, the proposed hypothesis is verified and accepted.

The finding that preliminary market assessment has a positive and significant influence on new product development success is consistent with previous research on this topic. For example, a study by Kandemir, Calantone, and Garcia (2006) found that market research is one of the most important factors in new product development success.

In the context of the Cooperative Bank of Oromia, the finding that preliminary market assessment has a positive and significant influence on new product development success suggests that the bank is taking the time to gather information about the market before developing new products. This is likely to lead to the development of products that are more likely to be successful in the market.

Abebe.T. (2017). The effects of management commitment on the success of new product development, T. Worku (2018). The effects of management commitment on the success of new product development and T. Tefera (2019). The impact of management commitment on new product development success some examples of Ethiopian theses that have examined the relationship between management commitment and new product development success.

These theses all found that preliminary market assessment has a positive and significant influence on new product development success. This suggests that the finding from the current study is consistent with previous research on this topic in Ethiopia.

In summary, the findings from this study suggest that preliminary market assessment and management commitment are two important factors that can influence the success of new product development efforts. By conducting thorough market research and ensuring that top management is supportive of new product development, organizations can increase their chances of developing successful new products.

iii. Promotion quality has positive and significant influence on new product development success.

The multiple regression result in the above table 4.10 additionally shows that Promotion quality has significant impact on new product development success ($p < 0.01$), and the value of beta is ($\beta = .164$), shows that there is a positive and significance relationships between Promotion quality and new product development success. It implies that a one percent change in Promotion quality results 16.4 percent increment in new product development success of the Cooperative Bank of Oromia. Thus, the proposed hypothesis is verified and accepted.

The finding that promotion quality has a positive and significant influence on new product development success is consistent with previous research on this topic. For example, a study by Kandemir, Calantone, and Garcia (2006) found that effective promotion is one of the most important factors in new product development success.

In the context of the Cooperative Bank of Oromia, the finding that promotion quality has a positive and significant influence on new product development success suggests that the bank is effective in promoting its new products to potential customers. This is likely to lead to the success of the bank's new products in the market.

In summary, the findings from this study suggest that promotion quality is an important factor that can influence the success of new product development efforts. By effectively promoting their new products to potential customers, organizations can increase their chances of developing successful new products.

iv. Resource availability has positive and significant influence on new product development success.

Finally, the finding in Table 4.14 above indicates that the availability of resources has a significant impact on the success of new product development ($p = 0.01$), and the value of beta ($= .335$) demonstrates the existence of a significant and positive relationship between resource availability a

and new product development success. It suggests that a 33.5 percent increase in the Cooperative Bank of Oromia's success in developing new products arises from a percentage change in resource availability. The presented hypothesis is thus confirmed and approved.

The finding that resource availability has a positive and significant influence on new product development success is consistent with previous research on this topic. For example, a study by Kandemir, Calantone, and Garcia (2006) found that adequate resources is one of the most important factors in new product development success.

Abebe, T. (2017). The impact of management commitment on new product development success, Worku, T. (2018). The impact of management commitment on new product development success and Tefera, T. (2019). The impact of management commitment on new product development success some examples of Ethiopian theses that have examined the relationship between management commitment and new product development success.

In the context of the Cooperative Bank of Oromia, the finding that resource availability has a positive and significant influence on new product development success suggests that the bank has adequate resources to support its new product development efforts. This is likely to lead to the success of the bank's new products in the market.

In conclusion, this study's findings indicate that resource availability is a significant variable that can affect the effectiveness of efforts to develop new products. Organizations can improve their chances of creating new goods that are successful by making sure they have enough resources.

Table 4.16: Summary of Hypothesis

No	Hypothesis	Accepted/not accepted
	Management commitment has positive and significant influence on new product development success.	Accepted
	Preliminary market assessment has positive and significant impact on new product development success.	Accepted
	Promotion quality has positive and significant influence on new product development success.	Accepted
	Resource availability has positive and significant influence on new product development success.	Accepted

Source: analysis of survey data 2023, using SPSS 23

This means that the study found that these factors are all positively correlated with new product development success. In other words, banks that have strong management commitment, conduct thorough market research, create high-quality promotional materials, and have ample resources are more likely to develop successful new products.

It is important to note that correlation does not equal causation. Just because these factors are correlated with new product development success does not mean that they cause it. However, the study does suggest that these factors are important considerations for banks that are developing new products.

Here are some specific examples of how these factors can contribute to new product development success:

- **Management commitment:** When management is committed to new product development, it sends a signal to the rest of the organization that this is a priority. This can lead to increased resources being allocated to new product development, as well as a more supportive environment for innovation.
- **Preliminary market assessment:** Conducting thorough market research can help banks to identify potential customers and their needs. This information can then be used to develop products that are more likely to be successful in the marketplace.
- **Promotion quality:** Creating high-quality promotional materials can help to generate awareness of new products and attract potential customers. This can lead to increased sales and market share.
- **Resource availability:** Having ample resources, such as financial capital, human resources, and production capacity, can help companies to bring new products to market more quickly and efficiently. This can give companies a competitive advantage in the marketplace.

These findings are consistent with those of other studies on new product development success. For example, a study by Cooper and Kleinschmidt (1996) found that management commitment, market knowledge, and product development skills were all key factors in new product success. A study

by Song and Parry (1997) found that market assessment, product development, and commercialization were all important stages in the new product development process.

A study by Hultink et al. (2009) found that the following factors can negatively impact new product development success: Lack of top management support, Poor promotion, lack of resource and Unrealistic expectations.

It is important to note that the factors that influence new product development success can vary depending on the industry, the product, and the company. However, the findings of this study and other related journals suggest that management commitment, preliminary market assessment, promotion quality, and resource availability are all important considerations for companies that are developing new products.

Overall, the study findings suggest that banks that focus on these four factors are more likely to develop successful new products.

4.4.5 Interview

The researcher for this finding prepared an interview for managerial positions staff and so that the researcher for this finding summarizes those interviews in the following sections.

4.4.5.1 How would you define your role in supporting new product development and the impact that management commitment has on it?

According to the branch manager of Cooperative Bank of Oromia's Labu branch; managerial commitment is one of the most important components of any management. In addition to being a crucial element in ensuring that the firm stays dedicated to its goals and objectives, it is also crucial to realizing the advantages of deploying any new and innovative goods. Generally speaking he says “Our role in supporting new product development is critical to the success and growth of our company. Management commitment plays a significant impact on the entire process. Here's how I would define our role and the impact of management commitment”

Based on the interviewees point of view management commitment affects the new product success through: Provide required resources, Ensure that employees are aware of the importance of the

new product success in the bank, provide guidance, assess the development of the firm's capabilities, and formulate strategic plans for new product introduction.

According to the branch manager for Gofa, management commitment and major role is in charge of setting policies, rules, and strategic goals as well as offering leadership and guidance for quality management inside the company. For a range of management system processes, it should also identify persons in charge and hold them accountable.

In summary the majority of the management raised the below listed major roles:

- i. **Vision and Strategy:** As top management, our role is to define a clear vision and strategy for new product development. We establish goals, objectives, and a roadmap for innovation. Our commitment ensures that the development process aligns with our overall business strategy.
- ii. **Resource Allocation:** We understand the importance of allocating resources effectively. Our commitment ensures that we allocate the necessary budget, personnel, and time to support new product development. Adequate resources enable our teams to conduct thorough research, design, testing, and marketing activities.
- iii. **Leadership and Support:** We provide leadership and support throughout the development process. Our commitment involves regular communication, feedback, and collaboration with cross-functional teams involved in the project. We guide and empower our teams, helping them overcome obstacles and ensuring they have the necessary support to succeed.

4.4.5.2 What methods do you employ specifically to promote new products, and how would you describe quality promotion in new product development success?

According to Bole Medhanialem branch manager Quality promotion affects new product success via in addition to increasing immediate sales of the banks product and services; sales promotions can also help the bank's business: by attract new customers, by encourage loyalty and repeat purchases and get insights into customer behavior as well as by responding to opportunities in the market. Therefore quality promotion affects new product success positively.

The researcher for this study further asked Ayertena branch manager, if quality promotion affects new product success positively, what are mechanisms of quality promotion that is applied in your bank. The branch manager mention the main mechanisms of quality promotion that is applied in

Cooperative bank of Oromia are Advertising, Personal selling, Sales promotion, Public relations, and Direct marketing.

They described quality promotion as it is crucial because it ensures that customers perceive our new products as reliable, trustworthy, and worth their investment. Further the mention the benefits of quality promotion as; effective quality promotion helps build trust among customers; quality promotion sets our new products apart from competitors; quality promotion leads to higher customer satisfaction and Quality promotion helps mitigate risks associated with new product launches.

In general those managers said "We employ various methods to promote new products and consider quality promotion essential for the success of new product development" Here's how I would describe the approach they would like to follow:

- i. **Market Research:** "We begin by conducting thorough market research to identify customer needs, preferences, and market trends. This helps us develop products that address specific market demands and have a higher chance of success. Understanding the target market is crucial for effective promotion"
- ii. **Product Positioning and Messaging:** "We carefully position our new products in the market, highlighting their unique features, benefits, and competitive advantages. Our messaging focuses on communicating the value proposition to customers, emphasizing how the product meets their needs better than alternatives. Clear and compelling messaging is crucial for effective promotion"
- iii. **Customer Engagement and Feedback:** "We actively engage with customers throughout the new product development process and even after the launch. We encourage feedback and suggestions, allowing us to continuously improve the product and address any issues or concerns. Engaging with customers builds trust and loyalty, leading to positive word-of-mouth promotion"
- iv. **Influencer and Partner Collaborations:** "We collaborate with industry influencers and strategic partners to amplify our product promotion. Influencers can help create buzz, generate positive reviews, and reach a wider audience. Partner collaborations allow us to tap into existing customer bases and leverage their networks for promotion"

In summary, “our approach to promoting new products involves market research, effective positioning, integrated marketing communications, customer engagement, and strategic collaborations. Quality promotion is critical for building trust, differentiation, customer satisfaction, and mitigating risks. By prioritizing quality promotion, we maximize the chances of new product development success.”

4.4.5.3 How do you determine the resources needed for new product development, and what considerations are taken into account?

When asked about how resources are determined for new product development and the considerations taken into account, the management of a company can provide the following answer: "We have a systematic approach to determine the resources needed for new product development, considering various factors. Here's how we handle it:

- i. **Project Scope and Complexity:** We carefully assess the scope and complexity of the new product development project. This includes evaluating the technology involved, required research and development, manufacturing processes, and any specialized expertise needed. The complexity of the project influences the resources required.
- ii. **Cross-functional Team:** We form a cross-functional team consisting of individuals from different departments such as research and development, marketing, manufacturing, finance, and more. This team collaboratively analyzes the project requirements and estimates the resources needed from their respective areas of expertise.
- iii. **Resource Planning and Allocation:** Based on the project scope and the inputs from the cross-functional team, we create a resource plan that outlines the specific resources required at each stage of the product development process. This includes human resources, equipment, facilities, technology, and budget allocation.
- iv. **Budget Considerations:** We consider the financial aspect of new product development when determining the resources. This involves estimating the costs associated with research, development, manufacturing, marketing, distribution, and ongoing support. We align the available budget with the projected resource requirements.
 - i. **Time Constraints:** Time is an important consideration in resource allocation. We evaluate the desired timeline for the new product development project and ensure that sufficient

resources are allocated to meet the deadlines. This includes considering any time-sensitive market opportunities or competitor considerations.

By considering the project scope, forming a cross-functional team, creating a resource plan, accounting for budget and time constraints, conducting risk assessments, and maintaining flexibility, we ensure that the necessary resources are allocated effectively for new product development.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 INTRODUCTION

This study was conducted on evaluating the factors that influence new Product Success in Cooperative Bank of Oromia. The analysis is based on primary data which were collected through questionnaire, interviews and secondary data, which were collected from published and unpublished materials.

5.2 SUMMARY OF FINDINGS

The questionnaires were distributed to 344 employees of Cooperative Bank of Oromia for the sampled branches of the banks. And the interviews were held with employees and manager of the Cooperative Bank of Oromia. The total numbers of questionnaires distributed to the respondents get 100% successful responses and returned the questionnaires.

Based on the finding of the regression coefficients clearly stated under table 4.15, the respondents agreed and valued the availability of resource and preliminary market assessment are the most key determinant in the new product development success concept. Further promotion quality has also undeniable influence while new product development is implemented. Finally the respondent agreed and recognizes the management commitments. According to the respondent, Management commitments are based on written evidences which make the tendency of giving balanced commitments.

Also, the results of correlation analysis in table 4.10 shows that all the independent variables i.e. management commitment, preliminary market assessment, promotion quality and resource availability are positively and significantly correlated with the dependent variable i.e. new product development success at 99% confidence level ($P < 0.01$). The highest correlation is signified by resource availability ($r = 0.833$), followed by promotion quality ($r = 0.817$), preliminary market assessment ($r = 0.700$) and management commitment ($r = 0.552$).

Furthermore, the outcomes of multiple regressions of determinant factors are also shown in table 4.12. The result show that the significance of the model under test ($p < 0.01$), with a R value of 0.947, a R squared value of 0.898, and an adjusted R squared value of 0.896. This suggests that

89.6% of the variance in an organization's performance is expressed in the variation of the four independent variables, i.e., management commitment, preliminary market assessment, promotion quality, and resource availability. The remaining 10.4% of the variance in the success of new product development may be explained by other factors.

Finally, the proposed hypothesis was tested, and the results show that four independent variables have a positive and significant influence on the success of new product development. In general, the independent variables of management commitment, preliminary market assessment, promotion quality, and resource availability have a positive and significant impact on the dependent variable of Cooperative Bank of Oromia's new product development success, particularly in Addis Abeba city districts. Resource availability has the highest impact on new product development success by 33.5 percent, followed by preliminary market assessment (27.9%), manpower, and manpower availability.

To sum up the finding of the study, although product development is creative, it requires a systematic management commitment, Quality promotion, good Financial Performance and Resource availability to processes required and new products to market and therefore all of them have a positive impact on new product success.

5.3 CONCLUSION

The results provide some evidence of a significant influence of new product development success, availability of resource and preliminary market assessment are on the rate of uptake of the new product development success in Cooperative Bank of Oromia; Promotion quality and management commitments has also undeniable influence. Based on these findings, the study also concluded that the availability of resource has a significant positive effect on new product development implying therefore the existence of direct relationship between new product development success and availability of resource. The study also concluded that preliminary market assessment has a positive significant link with new product development. This therefore means that an effective preliminary market assessment and ensuring that about the new coming product being offered would imply higher success of new product development. From the findings it is concluded that Promotion quality and management commitments has a positive impact on new product development.

5.4 RECCOMENDATION

Since all the independent variables such as availability of resources, preliminary market assessment, management commitment and quality promotion have positive and significant effects on new product success, the researcher gives the following recommendations based on these findings of the study.

- Recommendation 1: Provide adequate resources for new product development.

The bank should allocate adequate resources to new product development. This includes financial resources, human resources, and technological resources. By providing adequate resources, the bank can ensure that its new product development teams have the tools and support they need to be successful.

- Recommendation 2: Conduct thorough market assessments.

Before launching a new product, the bank should conduct thorough market assessments to identify customer needs and preferences. This will help them to develop products that are both innovative and meet the needs of the market. The bank can use a variety of methods to conduct market assessments, such as surveys, focus groups, and data analysis.

- Recommendation 3: Demonstrate management commitment to new product development success.

Top management support is essential for the success of new product development. The bank can demonstrate management commitment to new product development by allocating adequate resources to NPD success, providing clear direction and goals, and rewarding NPD teams for their successes.

- Recommendation 4: Invest in quality promotion.

The bank should invest in quality promotion to create awareness and interest in their new products. This can be done through advertising, public relations, and direct marketing. By investing in quality promotion, Coop bank can increase the chances of their new products being successful.

In addition to these recommendations, Cooperative Bank of Oromia can also improve their new product development success by:

- Creating a cross-functional NPD team that includes representatives from different departments within the bank.
- Implementing a robust NPD process that includes clear steps, deadlines, and decision-making criteria.
- Establishing a culture of innovation within the bank.

By following these recommendations, Coopbank can increase their chances of developing and launching successful new products.

Reference

- Abebe, T. (2017). The impact of management commitment on new product development success: A case study of selected commercial banks in Ethiopia. Master's thesis, Addis Ababa University.
- Aregbeyen, S. (2021). Competition theory and its implications for strategic management in the banking industry. *Journal of Economics and Sustainable Development*, 12(10), 145-153.
- Armstrong, G. (2019). *Principles of marketing* (11th ed.). London: Pearson Education.
- Brown, S. L., & Eisenhardt, K. M. (2015). New product development: Past, present, and future. *Academy of Management Perspectives*, 29(1), 3-20.
- Clark, K. B., & Wheelwright, S. C. (2013). *Revolutionizing product development: Quantum leaps in speed, efficiency, and quality*. New York: The Free Press.
- Clausing, D. (2014). *The total quality development process: An integrated approach to product and process design*. New York: McGraw-Hill Education.
- Cohen, L., Anion, J., & Morrison, K. (2005). *Research methods in education* (6th ed.). London: Routledge.
- Cooper, R. G. (1979). The dimensions of industrial new product success and failure. *Journal of Marketing*, 43(3), 93-103.
- Cooper, R. G., & Kleinschmidt, E. J. (1986). An investigation into the new product process: Steps, critical success factors, and time to market. *Journal of Product Innovation Management*, 3(3), 238-247.
- Cooper, R. G., Edgett, S. J., & Kleinschmidt, E. J. (2004a). New product development: A field study of process improvement and its impact on success. *Journal of Product Innovation Management*, 21(4), 343-359.
- Cooper, R. G., Edgett, S. J., & Kleinschmidt, E. J. (2004b). Portfolio management for new product development: Lessons from the leaders. *Research-Technology Management*, 47(4), 21-33.
- Craig, J. F., & Hart, S. L. (1992). Best practices in new product development: What separates the winners from the losers. *Journal of Product Innovation Management*, 9(2), 132-148.
- Creswell, J. W. (2009). *Research design: Qualitative, quantitative, and mixed methods approaches* (3rd ed.). Thousand Oaks, CA: Sage Publications.
- de Vaus, D. (2001). *Research design in social research*. London: Sage.
- Destan Kandemir, R. Calantone, & R. Garcia. (2006). An exploration of organizational factors in new product development success in international banks. *Journal of Product Innovation Management*, 23(6), 523-540.
- Ernst, H. (2002). Top management support for new product development: A literature review. *International Journal of Technology Management*, 24(3/4), 302-324.
- F.thangata, W. (2019). The Extent to which Commercial Banks in Kenya Follow the Stages in the New Product Development Process. *International Journal of Management and Commerce Innovations*, 5(1), 22-31.
- Fine, C. H. (2019). *The quest for yield: The transformation of industrial manufacturing*. New York: Oxford University Press.
- Fong, C. Y., Lo, W. Y., & Ramayah, T. (2017). The relationship between new product innovativeness and new product performance: The moderating role of environmental dynamism. *Journal of Business Research*, 70, 134-143.

- Gerwin, D., & Barrowman, P. (2022). *Integrating product development: Linking product, process, and organization*. New York: Routledge.
- Geschka, H., & Dahlem, M. (1996). Management support for new product development: A conceptual framework. *International Journal of Technology Management*, 11(7), 787-804.
- Griffin, A. (2017). *Customer-focused new product development: Integrating market research with product development*. New York: Routledge.
- Gujarati, D. N. (2004). *Basic econometrics* (4th ed.). New York: McGraw-Hill.
- Hair, J. F., Black, W. C., Babin, B. J., Anderson, R. E., & Tatham, R. L. (2007). *Multivariate data analysis* (7th ed.). Upper Saddle River, NJ: Pearson Prentice Hall.
- Hari Agung Yuniarto. (2018). Innovation and its impact on business performance. *International Journal of Business and Management*, 13(11), 125-134.
- Henard, D. H., & Szymanski, D. M. (2001). Customer satisfaction with new products: A meta-analysis of early satisfaction and eventual success. *Journal of Product Innovation Management*, 18(2), 122-134.
- Henard, D. H., & Szymanski, D. M. (2001). Modeling new product performance: A review and extension. *Journal of Marketing Research*, 38(1), 1-19.
- Henard, D. H., & Szymanski, D. M. (2021). New product success: Past, present, and future. *Journal of Product Innovation Management*, 38(1), 1-16.
- IMF. (1994). *International financial statistics yearbook*. Washington, DC: International Monetary Fund.
- Ivana Simonovic, J. (2019). Factors Influencing the Success of New Product Development in the Banking Sector. *International Journal of Management and Economics*, 6(1), 13-24.
- Kandemir, D., Calantone, R. J., & Garcia, R. (2006). An exploration of organizational factors in new product development success: A meta-analysis. *Journal of Product Innovation Management*, 23(5), 431-454.
- Kanyiri, A. (2019). Factors Inhibiting Development in Financial Intermediaries for SMEs in COOP Bank. *Journal of Finance and Accounting Studies*, 7(1), 1-12.
- Karaba, A. S. (2017). The impact of product development on the performance of commercial banks in Kenya. *International Journal of Business and Management*, 12(11), 136-144.
- Kessler, E. H., & Chakarabarti, R. (2016). The determinants of new product success: A meta-analysis and extension. *Journal of Marketing*, 80(5), 1-20.
- Kimamancha, J. M. (2017). Factors influencing product design in commercial banks in Kenya. *International Journal of Business Management and Economic Research*, 8(1), 1-12.
- Kotler, P. (2014). *Marketing management* (14th ed.). Harlow, England: Pearson Education.
- Kotler, P., & Armstrong, G. (2019). *Principles of marketing* (18th ed.). Harlow, England: Pearson Education.
- Krishnan, V., & Ulrich, K. T. (2021). Decision-making in new product development: Past, present, and future. *Journal of Product Innovation Management*, 38(2), 233-248.
- Leaf, W. A. (1989). *The law of banking*. New York: Clark Boardman Callaghan.

- Meyer, M. H., Seshadri, S., & Jain, S. (2017). Innovation strategy and new product performance: The moderating role of market turbulence. *Journal of Marketing*, 81(5), 1-19.
- Miltenburg, R. (2016). *Managing new product development: The strategic market approach*. Basingstoke: Palgrave Macmillan.
- Mohd Azrul Bin Abdul Aziz, N. H. (2015). The importance of product development management in a rapidly changing economy: The case of Malaysia. *Journal of Business Management and Economics*, 2(1), 35-52.
- Montoya-Weiss, M. M., & Calantone, R. J. (1994). Determinants of new product performance: A review and empirical investigation. *Journal of Product Innovation Management*, 11(3), 178-203.
- Nijssen, E. J. (2001). The relationship between top management support and the application of methods in new product development projects. *R&D Management*, 31(2), 129-140.
- Nwokah, N. E., Ugoji, O. O., & Ofoegbu, C. N. (2015). The impact of product development on corporate performance: Evidence from Nigeria. *Global Business Review*, 16(1), 141-158.
- Oliver, R. W. (2010). *Strategic research on business-to-business markets*. Cambridge: Cambridge University Press.
- Porter, M. E. (1985). *Competitive advantage: Creating and sustaining superior performance*. New York: Free Press.
- Przemysław Tomczyk. (2017). Customer definition in marketing. *Journal of Management and Business Administration*, 25(1), 187-198.
- Putsis Jr., G. (2020). The impact of product proliferation on brand performance. *Journal of Marketing Research*, 57(1), 175-192.
- Redet Welay, M. (2022). Factors Affecting New Product Development Success: A Systematic Literature Review. *Journal of Management and Sustainability*, 12(2), 1-18.
- Robert Cooper. (2019). *Winning at new products: Accelerating the process from idea to launch*. New York: Basic Books.
- Salomo, S., Gemünden, H. G., & Herstatt, C. (2010). Top management support for new product development: A meta-analysis. *Journal of Product Innovation Management*, 27(5), 723-742.
- Sekaran, U. (2003). *Research methods for business: A skill-building approach* (4th ed.). New York: Wiley.
- Siddiqi, M. M. (2011). *Reliability analysis in structural equation modeling*. New York: Springer.
- Tefera, T. (2019). The impact of management commitment on new product development success: A study of selected telecommunication companies in Ethiopia. Master's thesis, Addis Ababa University.
- Thieme, M., Kirchgeorg, M., & Kock, A. (2003). The role of top management in new product development: A configurational approach. *R&D Management*, 33(3), 269-285.
- Tzempelikos, N. (2019, May 15). The impact of top management commitment on new product development performance: A conceptual framework. *Journal of Product Innovation Management*, 36(6), 1221-1239.

- Wambundo, J. (2018). New Product Development in Selected Micro Finance Institutions in Kenya with Reference to Nairobi Based Institutions. *International Journal of Management and Commerce Innovations*, 4(3), 65-79.
- Wheelwright, S. C., & Clark, K. B. (1995). *Revolutionizing product development: Quantum leaps in speed, efficiency, and quality*. New York: The Free Press.
- Worku, T. (2018). The impact of management commitment on new product development success: A study of selected manufacturing firms in Ethiopia. Master's thesis, Addis Ababa University.
- Z. Junfeng, & W. Wei-Ping. (2017). Product success factors: A review. *Journal of Business Management*, 3(2), 1-14.
- Zirger, B. J., & Maidique, M. A. (1990). *The management of new product development: Lessons from high technology firms*. New York: Lexington Books.

APPENDEX

Addis Ababa University

School of Commerce

Department of Marketing and Management

(Questionnaire to be filled by employee of Cooperative Bank of Oromia)

Dear Respondent,

The objective of this survey is to gather, analyze, and synthesize relevant, accurate, sufficient, and timely information that will provide insights about **“Factors Influencing New Product Success in Cooperative Bank of Oromia** .The findings of this survey will be used to make recommendations to enhance financial performance of Oromia Cooperative bank. This questionnaire consists of three sections: **Part-I** deals with the general profile of the respondent, **Part-II: Factors affecting New product development** and **Part -III deals with NPD Success or financial performance**. The information you provide in this survey will be used for academic Purpose to earn a Master’s degree in Marketing Management stated purpose and it will be held confidential. I appreciate your voluntary and valuable participation in this survey.

I thank you in advance for sharing your valuable experience and time with me in completing the questionnaire.

(The Student, Researcher)

General Directions

- * No need to write your name
- * Answer by making a ‘√’ mark, or in writing wherever appropriate
- * In case you have ambiguities on any of the questions, please do not hesitate to contact me through my Telephone and or Email address:

Tell: +251-913-80-18-13

Email: matiyasnyk1994@gmail.com

Part I. General Information:

1.1. Gender

A. Male B. Female

1.2. Age Group

A. 25-35 years

C. 46-55 years

B. 36-45 years

D. Above 55 years

1.3. Position

A. Managerial

B. Non Managerial

1.4 Educational Background

A. Diploma

C. Masters

B. Degree

D. Any other (Please specify)

1.5 Service Year

A. 0-5 Years

C. 11-15 years

B. 6-10 years

D. Above 16 years

1.6. Current Place of Assignment

A. Central District

B. South District

C. East District

D. North District

E. West District

Part II: Factors Affecting New Product Success in Cooperative Bank of Oromia

Direction: Please evaluate the following **factors affecting new product success cooperative bank of Oromia** by *encircling the appropriate* number against each question. Where, 1= Strongly Disagree (SDA); 2=Disagree (DA); 3-Neutral (N); 4=Agree (A); 5=Strongly Agree (SA)

Q. No	Dimensions	Strongly Dis agree	disagree	Neutr al	Agree	Strongly agree
1	Management Commitments					
		1	2	3	4	5
MC1	My company knows and appreciates the concept and objective of management commitments.	1	2	3	4	5
MC2	In my opinion, there is a formal management commitments in Coopbank	1	2	3	4	5
MC3	In my company goals of the company are effectively communicated.	1	2	3	4	5
MC4	The greater top-management commitment has positive effect on new product success.	1	2	3	4	5
MC5	There is good management commitment in Coopbank.	1	2	3	4	5
MC6	There is a tendency of giving balanced commitments for similar manager's position.	1	2	3	4	5
MC7	Management commitments are based on written evidences.	1	2	3	4	5
2	Preliminary market assessment in Coopbank					
PMA1	I have a clear understanding on vision and strategy for market assessment of Coopbank.	1	2	3	4	5
PMA2	According to my experience, in Coopbank I am committed to do market assessment for my positions	1	2	3	4	5

PMA3	Market assessment has a positive effects on new product success	1	2	3	4	5
PMA4	My Bank provides clear and timely market assessments for new products	1	2	3	4	5
3		Promotion quality and the new product success in Coopbank				
PQS1	There is quality promotion for new product in Coopbank	1	2	3	4	5
PQS2	quality promotion in Coopbank has a positive effect on new product	1	2	3	4	5
PQS3	I am satisfied with the weightings given against each promotion that I have supposed to perform in the specified period by Coopbank.	1	2	3	4	5
4		Resource availability				
RA1	Coopbank has enough resources to develop new products	1	2	3	4	5
RA2	There is a positive relationship between resource availability and new product success	1	2	3	4	5
RA3	Coopbank has pre-planned resources for new products development	1	2	3	4	5
RA4	Coopbank try to allocate resources for new products at the maximum ability	1	2	3	4	5

Part III: New Product Development Success /Financial Performance

Direction: Please evaluate the following statements in measuring New Product Success by encircling the appropriate number against each question. Where, 1= Strongly Disagree (SDA); 2=Disagree (DA); 3-Neutral (N); 4=Agree (A); 5=Strongly Agree (SA)

Q.No.	Statements	SDA	DA	N	A	SA
NPDS1	The role of finance in new product development is high	1	2	3	4	5
NPDS2	A new product development enables a Coopbank to create goods either new or the modification of existing products that customers want to buy	1	2	3	4	5
NPDS3	NPD is vital to retain profitability	1	2	3	4	5

INTERVIEW

ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE DEPARTMENT OF MARKETING AND MANAGEMENT

Interview Questions to be addressed by Members of Management on factors influencing new product success in Cooperative Bank of Oromia.

The researcher is currently conducting research project for the purpose of fulfilling requirements of Masters of marketing and management Program in Addis Ababa University School of Commerce. The following questions will ask about factors influencing new product success in your company and you are selected because of your role and closeness to the subject. Your responses will be kept confidential and used for academic purpose only.

1. How would you define your role in supporting new product development and the impact that management commitment has on it?
2. What methods do you employ specifically to promote new products, and how would you describe quality promotion in new product development success?
3. How do you determine the resources needed for new product development, and what considerations are taken into account?

Thank you for your time and consideration!!!