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FACTORS INFLUENCING CUSTOMER SATISFACTION OF FARMER DEVELOPMENT BANK

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ABSTRACT

The study aim is influencing factors and customers satisfaction of Farmer Development Bank. The objectives of the study are to identify service quality of Farmer Development Bank (FDB) and to examine the effect of influencing factors on customer satisfaction towards Farmer Development Bank (FDB). The sample size was determined Taro Yamane (1967), resulting in a sample of 105 out of a total population of 150 Farmer Development Bank customers. The study indicates that influencing factors that impact customer satisfaction at Farmer Development Bank revolves around tangibles, which include the physical facilities, equipment, and appearance of the bank. Although tangible elements play a moderate role in customer satisfaction, they are essential for making a favorable initial impression and improving the overall customer experience. A study on reliability at Farmer Development Bank can greatly influence customer contentment and allegiance. Therefore, the influencing factors have a positive impact on customer satisfaction. The study suggests that the Farmer Development Bank in Myanmar can create a customer-centric environment that prioritizes reliability, empathy, ease of use, and other key elements to drive satisfaction and build long-lasting relationships with their customers.

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LIST OF ABBREVIATIONS

ATM	Automated Teller Machine
CBM	Central Bank of Myanmar
CRM	Customer Relationship Management
FDB	Farmer Development Bank
HSBC	Hong Kong and Shanghai Banking Corporation
ICT	Information Communication Technology
SMEs	Small and Medium-sized Enterprises
SMS	Short Message System
TAM	Technology Acceptance Model

CHAPTER I

INTRODUCTION

A bank's ability to survive and expand in the highly competitive banking sector depends on its ability to provide consumers with high-quality services, and financial institutions provide a variety of financial goods and services (Hinson, Mohammed & Mensah, 2006). Quality of service is a major aspect in banks' performance, and customer satisfaction is essential to developing a prospective and devoted client base (Idrees and Xinping, 2017). Service quality, as defined by Parasuraman et al. (1985), is the comprehensive evaluation of the whole quality of services.

In order to attract clients, banks provide a wide range of services in the contemporary world. Nonetheless, a few of the fundamental contemporary services provided by banks include loan advancing, overdraft protection, discounting of bills of exchange, check payment, collection and payment of credit instruments, foreign currency exchange, advisory services, bank guarantee, remittance of funds, credit cards, ATM services, debit cards, home banking, online banking, mobile banking, accepting deposits, priority banking—which includes free checking, online bill payment, financial advice, and information—and private banking, which consists of specialized financial and banking services typically provided to a bank's wealthy, high net worth clients, etc. Because they have amassed far more money than the ordinary person, high net worth people may access a wider range of traditional and alternative assets for wealth management reasons.

Myanmar's banking system is composed of various entities, including commercial banks, state-owned banks, and foreign banks. The Central Bank of Myanmar serves as the primary regulatory body overseeing the operations of financial institutions in the country. While the sector has made notable strides towards modernization, there are still challenges to address, such as limited access to financial services in rural areas and the need for improved infrastructure.

The private banking sector in Myanmar has experienced significant growth in recent years, providing a wide range of financial services to a diverse clientele (Chassat and Foerster, 2016). This expansion has resulted in a greater emphasis on service quality and customer satisfaction as crucial indicators of success. It is imperative for private banks to understand the factors that contribute to these aspects in order to thrive in this competitive landscape.

Private banks in Myanmar have a crucial impact on the nation's financial industry, meeting a wide range of customer requirements and bolstering economic development. These financial entities are pivotal in delivering an array of banking solutions like savings accounts, loans, investments, and other services to individuals, enterprises, and groups. Private banks must focus on providing high service quality to both attract and retain customers. Key components such as personalized attention, efficient transactions, transparent operations, and professional expertise are vital in ensuring superior service quality. By prioritizing these elements, private banks can enhance the overall customer experience and ultimately increase satisfaction levels.

Customer satisfaction is an indicator of the level of contentment a customer experiences with a product, service, or overall experience. It is a reflection of how effectively a private bank fulfills the expectations and requirements of its clientele. This encompasses a range of factors such as promptness in addressing inquiries, consistency in service provision, ease of access to banking amenities, and the general level of trustworthiness. When clients feel appreciated and well-assisted by their private bank, they are inclined to stay loyal and advocate for the institution to others.

The study aim is influencing factors and customers satisfaction of Farmer Development Bank. This bank is established itself as a leading commercial bank in Myanmar with a strong focus on small and medium-sized enterprises (SMEs). Farmers Development Bank will use cutting-edge techniques including digital onboarding, biometric registrations, and automated credit analytics to offer effective and transparent banking services for its customers after receiving clearance from the Central Bank of Myanmar (CBM) in early 2020.

1.1 Rationale of the Study

In recent years, Myanmar's banking sector has witnessed significant growth and evolution, reflecting the country's ongoing economic transformation. The key aspects of the banking system and services in Myanmar to gain a better understanding of this dynamic landscape. The banking services in Myanmar cater to a wide range of customer needs, including: (i) retail banking, (ii) corporate banking, (iii) digital banking and (iv) microfinance.

Private banking in Myanmar is a growing sector that caters to high-net-worth individuals and businesses seeking personalized financial services. As the country's economy continues to develop, the demand for exclusive banking solutions has been on the rise. Private banks play a crucial role in providing tailored services to meet the unique needs and preferences of their affluent clientele.

The private banks offer a range of services designed to preserve and grow the wealth of their clients. These services often include wealth management, investment advisory, estate planning, and tax optimization. By working closely with experienced private bankers, clients can benefit from strategic financial advice and access to exclusive investment opportunities.

Additionally, private banks in Myanmar uphold strict confidentiality and discretion, guaranteeing the safety and privacy of their clients' financial details. This dedication to confidentiality fosters trust and allegiance among affluent individuals who prioritize safeguarding their wealth. As the private banking sector in Myanmar continues to evolve, banks are investing in advanced technology and digital platforms to enhance the client experience. Private banks provide their clients with the means to conveniently and securely handle their finances through the use of online banking services and mobile apps.

Private banking in Myanmar is an essential part of the financial landscape, providing affluent individuals and businesses with specialized services tailored to their unique needs. With a focus on personalized advice, confidentiality, and technological innovation, private banks are well-positioned to meet the evolving demands of the country's discerning clientele. With a focus on customer service and innovation, private banks in Myanmar strive to offer personalized financial solutions that meet the unique requirements of their clients. From convenient digital banking platforms to personalized wealth management services, these banks are constantly evolving to enhance the overall banking experience for their customers.

Furthermore, private banks play a crucial role in advancing the economy of Myanmar through granting businesses access to capital, fostering entrepreneurship, and enabling investments across different industries. Through the provision of attractive interest rates, customizable loan solutions, and professional financial guidance, these banks empower both individuals and enterprises to reach their financial objectives and promote long-term economic progress.

Private banks in Myanmar not only fulfill a vital role in the financial sector but also prioritize corporate social responsibility. They actively support educational initiatives, environmental protection initiatives, and community development projects. By engaging in these initiatives, private banks showcase their dedication to making a positive impact that extends beyond financial services, ultimately benefiting society as a whole. These private banks play a key role in the nation's financial system, spurring progress, supporting economic growth, and advancing financial access for both individuals and businesses. Their commitment to meeting customer needs, financial knowledge, and social accountability highlights their importance in molding the future of banking in Myanmar.

The research, which focuses on the variables that affect customer happiness, shows how service quality at Farmer Development Bank in Myanmar has a significant impact on customers' satisfaction with bank products. The research looked at the relationship between customer happiness and service quality using the SEVQUAL model, which includes tangibles, responsiveness, reliability, assurance, and empathy as characteristics of service quality. Farmer Development Bank is strategically positioned to transform the banking industry of the nation through the adoption of digitalization and the provision of creative and enduring banking solutions right from the start. The bank has meticulously selected and is presently integrating one of the most cutting-edge core-banking technologies accessible in the market.

The Farmer Development Bank in Myanmar stands out in a competitive market due to its exceptional service quality. Private banks can generate lasting value for their customers and foster long-term growth by focusing on customer-centric approaches, innovation, and a culture of continuous enhancement. To uphold their reputation as reliable financial allies in Myanmar's flourishing economy, these institutions must proactively adjust to changing customer demands and regulatory standards.

1.2 Objectives of the Study

The objectives of the study are:

(a) to identify service quality of Farmer Development Bank (FDB) and

(b) to examine the effect of influencing factors on customer satisfaction towards Farmer Development Bank (FDB).

1.3 Scope and Method of Study

Both primary and secondary data from this study were analyzed using the quantitative research approach. The study's target group consists of 150 business clients. As per Taro Yamane's (1967) findings, the study's sample size consists of 105 corporate clients who were chosen using a simple random sampling approach. For primary data, a structured questionnaire is used in a straightforward random sample technique. Secondary data is gathered from the Farmer Development Bank's annual report, prior research papers, books, other publications, information, and websites. The survey questionnaire is using five-point Likert scale. The survey questionnaire is organized by four sections: (a) demographic profile of respondents, (b) utilization of Farmer Development Bank services, (c) service quality of Farmer Development Bank, and (d) customer satisfaction with the service quality of Farmer Development Bank. Section (C) consists of the influencing factors such as tangibility, reliability, assurance, empathy, responsiveness, perceived usefulness and perceived ease of use. And Section (D) consists of the customer satisfaction of Farmer Development Bank (FDB). The study is collected from 105 customers of Farmer Development Bank's 5 branches and 3 Yangon Branches of 150 customers according to the Taro Yamane formula.

1.4 Organization of the Study

There are five primary chapters in the research. The introduction, justification for the research, its goals, its scope and methodology, and its structure are all covered in the first chapter. The second chapter outlines the theoretical underpinnings of customer satisfaction, factors that impact it, relevant theories, earlier research, and the conceptual framework of the investigation. The Farmer Development Bank's profile and level of service are shown in Chapter 3. The impact of service quality on Farmer

Development Bank customers' happiness is examined in Chapter 4. The conclusion of Chapter 5 includes the results, comments, recommendations, and proposals for more research.

CHAPTER II

THEORETICAL BACKGROUND

This chapter explores the related theoretical and empirical literature. It includes customer satisfaction, factor influencing customer satisfaction, and related theories. This chapter concludes with the presentation of previous studies and the conceptual framework.

2.1 Customer Satisfaction

According to Kimerey and Rinehart (1998), the marketing idea highlights that meeting the demands of the target market and doing it more quickly and effectively than rivals is the key to success for any business. Peter and Donnelly (2004) assert that the marketing notion posits that companies have to strive for profitability via satisfying client wants.

The marketing concept introduced by Dickinson et. al., (1996) suggests that the main objective of marketing is not solely to ensure consumer sovereignty, but also to prevent competition and establish market dominance. Key elements of marketing involve how to execute the marketing concept, how to oversee it, and how to bring about organizational transformation based on its principles. The marketing concept underscores the significance of marketers striking a balance between company profits, consumer satisfaction, and public interest in shaping their marketing strategies.

Tsoukatos and Rand (2006) assert that a company's long-term performance is largely dependent on how satisfied its consumers are. To stay competitive and secure a larger portion of the market, businesses need to outperform their rivals by offering superior goods and services that satisfy customers. According to Magesh (2010), satisfaction is the joy that comes from possessing or doing something. It entails fulfilling a demand, anticipation, want, or need. Consumers assess the real advantages of a product or service by comparing their expectations with its features.

Kotler & Armstrong (2010) define satisfaction as a person's emotions of happiness or dissatisfaction resulting from assessing how well a product performs in relation to their expectations. The contentment of customers is also influenced by their feelings and ideas. Furthermore, Zeithaml (2009) stresses the need of understanding the requirements and expectations of customers. Razak et al. (2007) also discovered that a customer's evaluation of a range of experiences connected to a certain service provider determines their overall level of satisfaction. It has been observed that an organization's satisfaction levels rise when it focuses on meeting consumer expectations.

Customers are more inclined to stick with a company and keep doing business with it if they are happy with the services they get. This is advantageous for the company as it might result in more revenue, a larger portion of the market, and a bigger clientele (Karatepe et al., 2005). Due to increased competition, customer satisfaction has grown in significance and is now seen to be a key component in a bank's competitiveness (Berry et al., 2002). Measuring customer satisfaction levels consistently and methodically is crucial since, even in fiercely competitive markets, happy customers are an organization's greatest asset and a key factor in long-term success (Chakravarty et al., 1996).

Cronin et al. (2000) emphasized in their investigation that happy customers tend to repeat their purchases and bring in new customers through positive word-of-mouth. Conversely, dissatisfied customers may seek out other products/services and share negative feedback. The sentiments and results associated with a customer's interaction with a product or service are referred to as customer satisfaction (Solomon, 1998). As a result, it is essential for businesses to ensure that their products and services satisfy customers.

In terms of attitude change, repeat business, and brand loyalty, customer satisfaction serves as a crucial connection between cumulative purchase and post-buy phenomena (Churchill & Surprenant, 1982). Yee et al. (2010) assert that improving customer satisfaction is mostly dependent on the quality of the services provided. Customers' expectations in relation to their impression of performance determine their level of satisfaction (Neal, 1998). It promotes repeat business and strengthens the idea of excellence. Mengi (2009) said that certainty and responsiveness are more important for customer satisfaction than tangibility, dependability, and empathy, however Zaim, Bayyurt, and Zaim (2010) stressed the relevance of these factors.

2.2 Factors Influencing Customer Satisfaction

There are several elements that impact customer satisfaction, including both product and service aspects. Reliability, performance, quality, and features are all aspects of a product. When customers believe the product meets or exceeds their expectations, they are more likely to be pleased.

2.2.1 Service Quality

According to Gronroos (2007), consumers assess the quality of a service by contrasting their expectations and perceptions. Customer expectations serve as the basis for evaluating service quality; if performance meets or surpasses expectations, quality is deemed good (Athanassopoulos et al., 2001). Both functional and technological factors affect how customers see the quality of the service. It is crucial to stress that client perceptions and the manner in which services are provided throughout the process are also taken into consideration when assessing the quality of a certain product or service (Duncan & Elliot, 2004).

Customer happiness, financial performance, production costs, customer retention, customer loyalty, and the efficacy of marketing techniques are all strongly correlated with the quality of the services provided (Wong et al., 2008). According to Pathis et al. (2004), service quality is considered a critical component of marketing strategies by companies operating in the service business. Organizations may preserve a competitive advantage, raise overall service quality, and increase customer satisfaction levels by concentrating on service quality (Meuter et al., 2000).

The difference between the actual service provided and the customer's expectations is how Parasuraman et al. (1988) defined service quality. To evaluate the quality of a service, people often use the five characteristics of tangibles: responsiveness, reliability, empathy, and assurance. According to Hussaien et al. (2020), this model is thought to be the most useful for assessing service quality in the banking industry across national boundaries. It is especially relevant to the banking sector, as the capacity to meet or beyond consumer expectations determines the quality of the service (Tran & Nguyen, 2020).

Siddiqi (2010) found a favorable relationship between customer satisfaction and service quality in his research on the quality of service provided by Bangladesh's retail banking sector. After tangibility and certainty, empathy had the most positive link with customer happiness. On the other hand, in the Malaysian retail banking industry, Lo, Osman, Ramayah, and Rahim (2010) found that confidence and empathy had the most effects on client satisfaction. On the other hand, Arasli, Smadi, and Katircioglu (2005) found that the factor that affected customer satisfaction the most was dependability. Numerous studies have identified the aspects of service quality that precede client happiness.

(a) Tangibles

Tangibles are the tangible components of a service, such as its buildings, staff, machinery, and communication materials (Parasuraman et al., 1994). Customers utilize these tangible components to assess the quality of the service by forming an impression of it. The term "tangibles" refers to the actual buildings, equipment, and machinery needed to provide the service, as well as its representations in the form of statements, debit and credit cards, and transaction speeds and efficiency. Other amenities that fall under the category of tangibles include the service provider's exterior appearance, bank counters, overdraft capabilities, business hours, and transaction speed and efficiency. Parasuraman et al. (1988) highlighted the importance of tangibles in addition to empathy.

(b) Responsiveness

According to Parasuraman et al. (1994), willing personnel are responsive when they give clients their whole attention, inform them precisely when things will be done, promote services, and accommodate their needs. Regularly reviewing the service delivery procedure and staff attitudes toward client requests may improve the degree of response.

(c) Reliability

According to Parasuraman et al. (1994), an organization must be reliable if it provides a service correctly the first time. It also shows that companies try to follow through on promises and concentrate on results. Consumers like doing business with organizations that keep their word. As a result, it has a significant impact on both the customer's loyalty and opinion of the quality of the service. The component of dependability in financial services includes things like consistency, dealing of complaints, informing clients, handling of regularity, and protocols, among other things. (2019, Ramya et al.).

(d) Empathy

Consumers need to believe that the company offering the service values them above all else. According to Parasuraman et al. (1994), empathy entails providing clients with services, attending to them personally, and demonstrating concern. The capacity to make clients feel significant and appreciated is at the core of empathy. Security, credibility, and access have all been used as markers of empathy in empirical research on service quality models, according to Parasuraman et al. (1994). This dimension emphasizes the range of services available to meet diverse customer needs, including personalized and individualized services.

(e) Assurance

According to Parasuraman et al. (1994), assurance is the capacity of staff members to inspire confidence and trust in clients as well as their expertise and civility. There is a range of opinions among researchers regarding the importance of assurance in relation to other dimensions of service quality. Regardless of a customer's age, country, or level of knowledge, assurance entails listening intently to them and providing information in their chosen language. Assurance, according to Parasuraman et al. (1994), is a reflection of workers' attitudes and behaviors as well as their ability to provide professional, discreet, polite, and pleasant services.

2.2.2 Perceived Usefulness

According to Hussein et al. (2019), Perceived Usefulness (PU) is the degree to which a person or organization believes a system may improve their job. An organization or person won't plan to utilize the system if they don't believe it can help them with their job (Aditya & Wardhana, 2016). Susanto and Aljoza (2015) listed a number of PU characteristics, such as making work easier, increasing output, optimizing work efficiency, promoting job performance, and supporting the acquisition of bonuses, promotions, and other incentives.

2.2.3 Perceived Ease of Use

The term "Perceived Ease of Use" (PEU) describes how confident a person or organization is in a system's capacity to help them do activities with ease. PEU encompasses various aspects, including user-friendly navigation, prompt responses, clear and intuitive interface, as well as accessibility at any time and place (Susanto & Aljoza, 2015). It is a crucial determinant that impacts an individual's willingness to adopt information technology systems (Osman et al., 2015).

2.3 Related Theories

This section is connected to the related theories concerning SERVQUAL and the technology acceptance model.

2.3.1 SERVQUAL

Van Iwaarden et al. (2003) created SERVQUAL's five dimensions for the service sectors, which are tangibility, dependability, assurance, responsiveness, and empathy. Physical infrastructure, furnishings, and employee look are examples of tangibles. The physical aspects of banks include things like inviting shop layouts, modern equipment for patron usage, and a enough number of employees to handle consumer needs. Because there are many in-person interactions between customers and employees at retail banks, these factors are crucial. Consequently, keeping a retail atmosphere that is both pleasant and professional may boost client happiness.

The third level is responsiveness, which stands for the readiness to assist clients and provide timely assistance. Has included the statement due date on SMS notifications issued to cardholders in an effort to be helpful and responsive to consumers. Enhancing client pleasure is the goal of this personalized service. The capacity to provide the promised service precisely and consistently is what is meant by reliability. Customers primarily choose banks for their investment money due to their reputation and trustworthiness.

Assurance is the capacity of staff members to engender confidence and trust via their expertise and civility. Because clients may deposit large sums of money in banks, bank obligations are crucial. In order for clients to feel comfortable with the services offered by banks, staff members must clearly explain each complex product to them, including insurance, money, and margins.

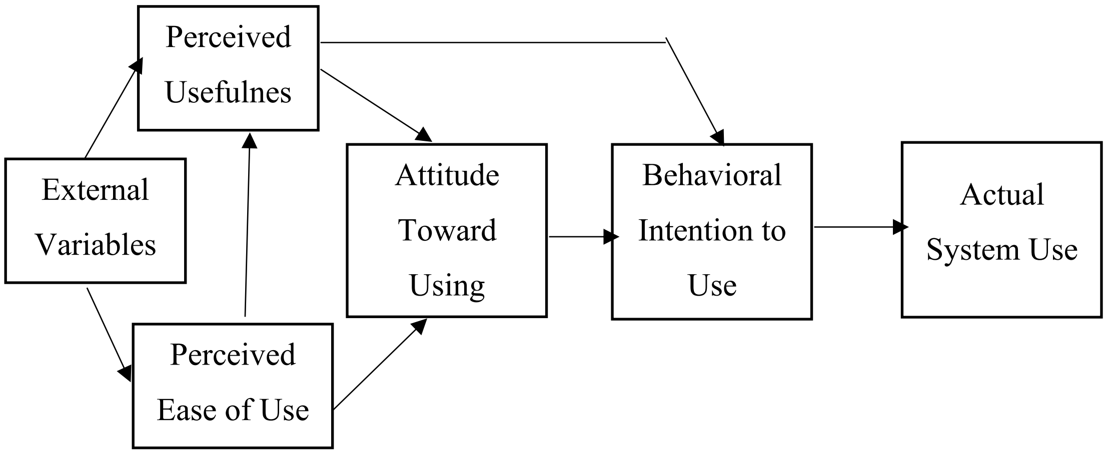
The last component is empathy, which stands for the customized care that businesses provide to their clients. The success of the service business depends on employees who can solve issues for customers and have an awareness of their demands. When clients enter a bank, they are pleased with the kind service they get. Retaining clients to continue utilizing the bank service is the aim of this dimension (Van Iwaarden et al., 2003).

The aspects that were deemed most significant were responsiveness and dependability, with empathy and palpable dimensions following closely after; assurance seemed to be the least significant. According to the findings of Angur et al. (1999), SERVQUAL is the most effective methodology for assessing service quality in the banking sector.

2.3.2 Technology Acceptance Model

According to Davis (1989), prior research indicates that perceived utility and perceived ease of use are the two factors that determine how well a user embraces information technology. According to Davis (1989), perceived usefulness is the extent to which an individual feels that using a certain technology will improve their ability to accomplish their jobs. This metric reveals how individuals use or do not use an application based on how much they believe it improves performance. But this alone won't tell us whether a user would embrace the technology or not. Perceived ease of use is crucial since, even if it improves performance, it does not guarantee an easy user experience. This is characterized as the extent to which an individual thinks that using a certain system would require no work (Davis, 1989). To prevent the likelihood that the drawbacks of use exceed the advantages, it is essential to strike a balance between the two factors. This suggests that simplicity of use has an impact on usefulness. The Technology Acceptance Model (TAM), a well-known theory, was developed as a consequence of these discoveries and justifications (Figure 2.1).

Figure (2.1) Technology Acceptance Model (TAM)



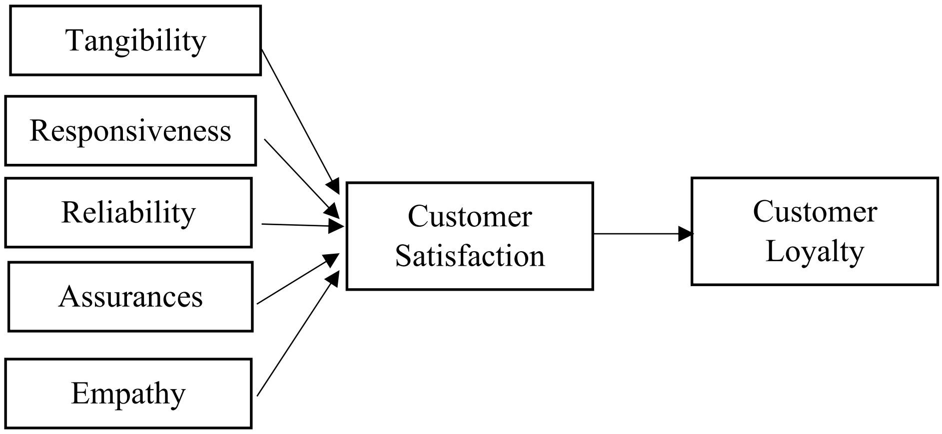
Source: Davis, Bagozzi & Warshaw (1989)

The idea explains how people's attitudes about using computers, or their acceptance behaviors, are influenced by their perceptions of their apparent ease of use and usefulness. Behavioral intentions, which are influenced by attitudes toward utilizing and perceived utility, govern how much time people spend using computers (Davis, Bagozzi & Warshaw, 1989). When Lee, Tsai, and Lanting (2011) compared the TAM to customers' use of online banking, they discovered a relationship.

2.4 Previous Studies

In Hong Kong's retail banking industry, Lau, Cheung, Lam, and Chu (2013) conducted research to determine the connections between customer loyalty, customer happiness, and service quality. In order to assess the features of banking service quality as seen by clients, the research also attempts to identify the most crucial aspects of service quality in retail banks. Hong Kong and Shanghai Banking Corporation (HSBC) provided 119 retail banking clients as a sample. The SERVQUAL model, which determined the impact of five characteristics (i.e., tangibility, responsibility, dependability, assurance, and empathy) in banking service settings on customer satisfaction, served as the foundation for the questionnaire used for this research. In Figure (2.2), the conceptual framework is shown.

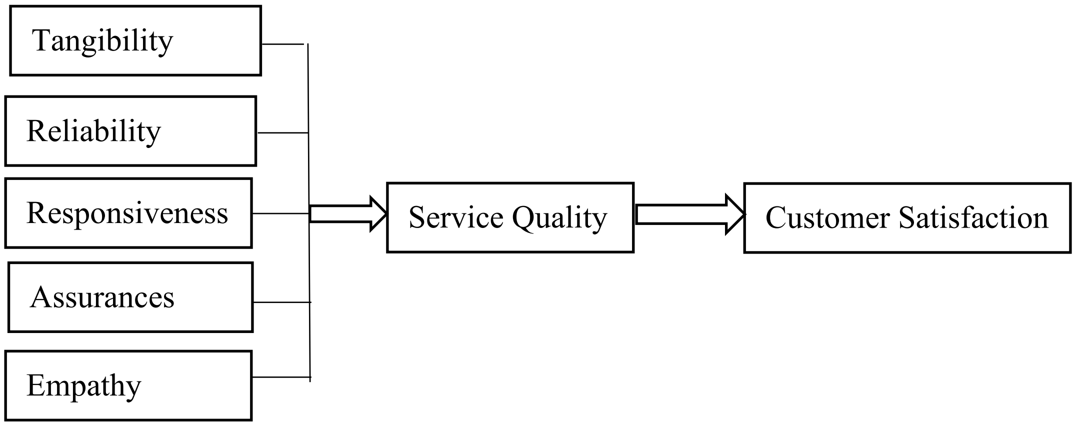
Figure (2.2) Conceptual Framework of Measuring Service Quality in the Banking Industry



Source: Lau, Cheung, Lam & Chu (2013),

The findings show that customer satisfaction is positively impacted by each of the five SERVQUAL aspects. The factors that had the greatest impact on customer satisfaction were tangibleness, accountability, certainty, and dependability; empathy had the least impact. According to this research, SERVQUAL is a useful tool for evaluating the level of customer service in Hong Kong's retail banking industry.In order to determine how service quality affects customer satisfaction in private sector banks in Bangladesh, Karim and Chowdhury (2014) conducted research. This research is based on five characteristics of service quality (servqual): assurance, tangibility, responsiveness, empathy, and dependability (Parasuraman, Zeithaml, & Berry, 1985). Utilizing a 5-point Likert scale and a standardized questionnaire, a survey was conducted to gather data. 110 people make up the sample, which was selected for practical reasons. Figure (2.3) displays the conceptual framework developed by Karim and Chowdhury (2014).

Figure (2.3) Conceptual Framework of Customer Satisfaction on Service Quality in Private Commercial Banking Sector in Bangladesh

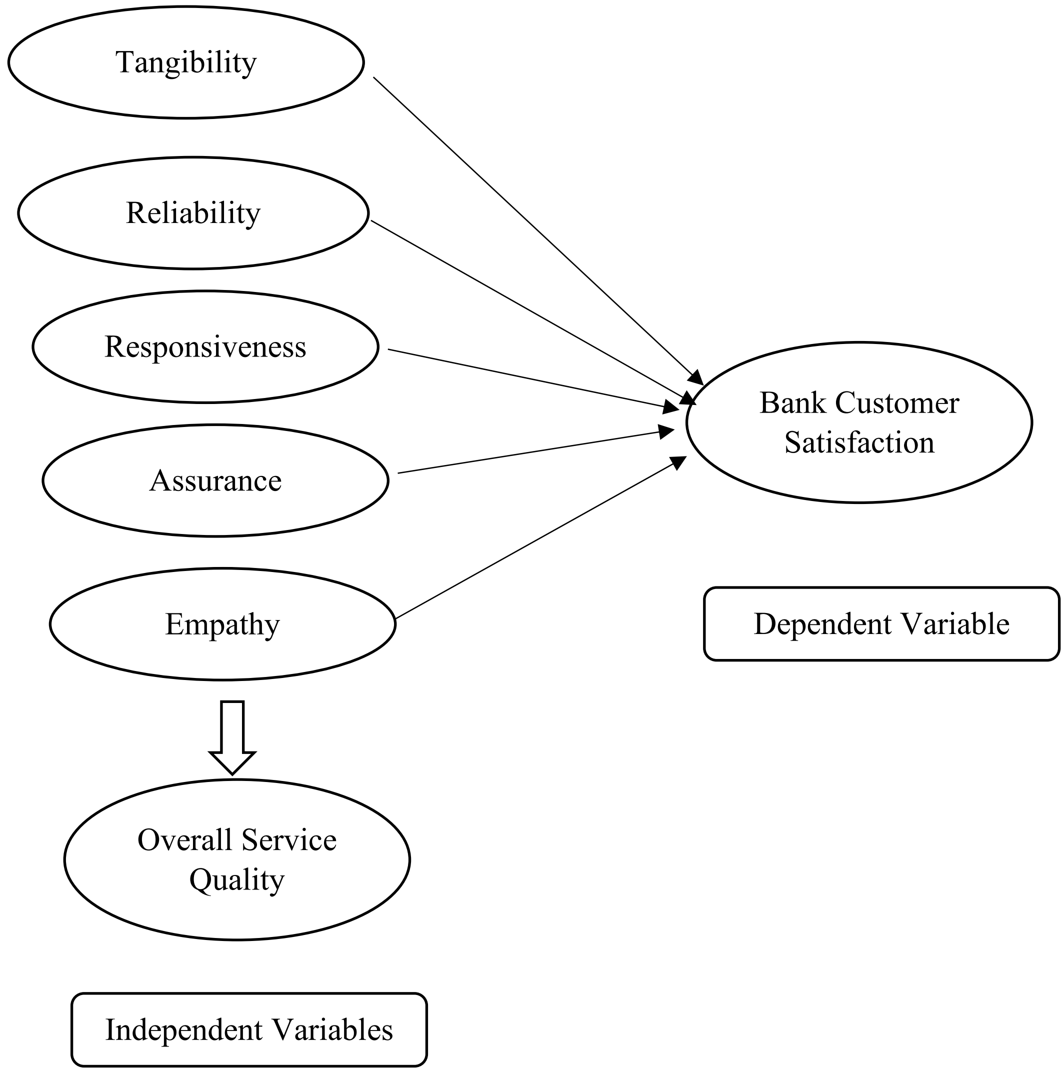


Source: Karim and Chowdhury (2014)

The study's findings demonstrated that aspects of service quality—tangibility, dependability, assurance, responsiveness, and empathy—strongly and favorably impacted customer attitudes regarding satisfaction, demonstrating the importance of these characteristics for customer satisfaction in Bangladesh's private commercial banking industry.In order to determine the elements of perceived service quality that affect customer satisfaction at Commercial Bank of Ethiopia, Agarwal and Sudhakar (2017) conducted research.

Customers who visited the designated banks in Wolaita Sodo, Ethiopia, comprise the sample frame and constitute the population of the research. A systematic sampling technique was used to contact a sample of 385 Commercial Bank of Ethiopia clients in order to get their replies. Customer happiness is considered the dependent variable, while the five service quality characteristics and total service quality are the independent factors. In Figure (2.4), the conceptual framework is shown.

Figure (2.4) Conceptual Framework of Effect of Service Quality on Customer Satisfaction in Ethiopian Banking Industry



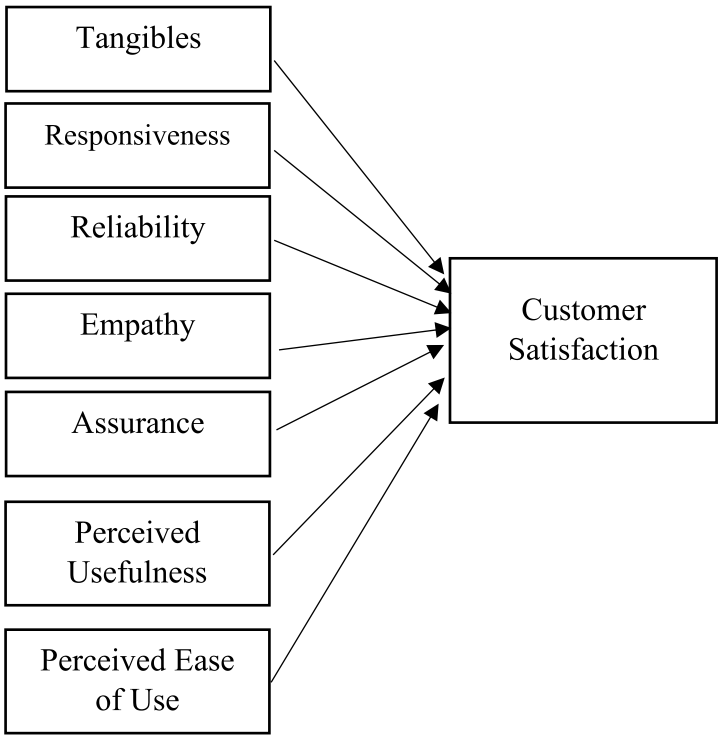
Source: Agarwal and Sudhakar (2017)

Out of all the components of service quality, responsiveness perception is determined to rank lowest, according to the data analysis. According to the study, the components of service quality, or the independent variables, account for 54.6% of the variation in customer satisfaction, but the combination of tangibility, dependability, assurance, responsiveness, and empathy, or service quality, accounts for 50.6% of the variation in customer satisfaction. Although responsiveness may not increase customer happiness, tangible qualities like certainty, dependability, empathy, and sensitivity do. Customer satisfaction is significantly impacted by perceptions of overall service quality.

2.5 Conceptual Framework of the Study

The conceptual foundation is built using both original research and personal invention. The research aims to investigate how customer happiness is impacted by service quality and demonstrates the noteworthy influence of service quality on customer satisfaction with bank products at Farmer Development Bank in Myanmar. Along with perceived utility and perceived ease of use, the SEVQUAL model includes tangibles, responsiveness, reliability, assurance, and empathy as characteristics of service quality. The study's conceptual framework is shown in Figure (2.5).

Figure (2.5) Conceptual Framework of the Study



Source: Own Competition (2024)

Following the dimensions used in this research provided by the Farmer Development Bank (FDB):

- **Tangibles** include the outward appearance of the facilities, the behavior of the staff, written materials, guides, and information systems at FDB. Physical tangible assets are items that have a physical presence, like furniture, fixtures, equipment, and buildings. Financial tangible assets are those that represent a definite legal right to future earnings or underlying assets, such as loans and investments.

- **Reliability** pertains to the provision of services that are reputable, punctual, and accurate. This issue necessitates delivery consistency as well as keeping promises and obligations made to FDB clients. Furthermore, dependability may fulfill service commitments to clients, protect client information, and handle particular client assets.
- **Responsiveness** is the quality of wanting to help consumers and providing them with fast service. This dimension evaluates the capacity to resolve issues promptly, handle complaints efficiently, and be prepared to aid customers and address their needs. FDB ensures that customers receive comprehensive, convenient, and precise information, can swiftly resolve problems, manage complaints effectively, and meet customer demands.
- **Assurance** refers to employees' ability to have proper product knowledge, provide quality hospitality, attention, and courtesy, and instill customer confidence in the FDB.
- **Empathy** is shown by a worker's consideration and concern for clients, as well as by treating them all equally, amiably, and with enthusiasm. Employees at FDB are aware of the particular requirements and advantages that clients want, and they immediately attend to those demands.
- **Perceived usefulness** gauges how strongly a person feels that adopting a certain system would improve their capacity to carry out their work responsibilities. The choice of whether or not to use such technology is seen to be beneficial for the work at FDB.
- **Perceived ease of use** influences the attitude toward utilizing FDB services in part. Perceived ease of use is the degree to which something is seen to be straightforward to use. People think it won't take much work to use a certain system.
- **Customer satisfaction** refers to the level at which a FDB products or services meet or exceed a customer's expectations. There are various factors that can affect customer satisfaction in the FDB, including: tangibles, reliability, responsiveness, assurance, empathy, perceived usefulness and perceived ease of use.

CHAPTER III
PROFILE AND SERVICE QUALITY OF FARMER DEVELOPMENT BANK

This chapter presents private banking sector of Myanmar together with profile and service quality of Farmer Development Bank (FDB).

3.1 Private Banking Sector in Myanmar

The emerging private banking sector in Myanmar is gaining momentum, with exciting opportunities and challenges shaping its landscape. As a vital component of Myanmar's economic growth, the private banking sector plays a crucial role in facilitating financial transactions, promoting investments, and driving progress across various industries.

Myanmar's private banking sector has witnessed significant reforms in recent years, opening up to foreign investment and introducing modern banking practices to enhance efficiency and customer service. This transformation has paved the way for both local and international banks to expand their presence, offering diverse financial services to meet the evolving needs of businesses and individuals in Myanmar.

With a focus on digital innovation and financial inclusion, private banks in Myanmar are embracing technology to streamline operations, improve accessibility, and provide convenient banking solutions to a growing customer base. Mobile banking, online payment systems, and digital wallets are revolutionizing the way people manage their finances, making banking services more accessible and convenient for all.

Despite these advancements, the private banking sector in Myanmar faces challenges such as regulatory compliance, infrastructure development, and talent acquisition. Addressing these challenges requires collaboration between government agencies, financial institutions, and industry stakeholders to ensure sustainable growth and stability in the banking sector.

As the private banking sector in Myanmar continues to evolve, opportunities abound for investors, entrepreneurs, and consumers seeking reliable financial services and innovative solutions. By staying abreast of market trends, embracing digital transformation, and fostering a culture of transparency and trust, the private banking sector in Myanmar is poised for continued success and prosperity in the years to come.

Private and semi-government banks in Myanmar are currently providing a range of domestic banking services, including time deposits, savings accounts, demand deposits, call deposits, commercial loans, development loans, and overdrafts. There are a total of 27 private and semi-government banks with a combined 1874 branches. These financial institutions are at the forefront of introducing innovative services such as mobile banking, debit cards, credit cards, and automatic teller machines.

However, regulatory restrictions prevent banks from differentiating themselves through product offerings or pricing strategies. Some private banks are also prohibited from offering foreign currency accounts or establishing correspondent relationships with foreign banks.

3.2 Profile of Farmer Development Bank

In the heart of Myanmar, lies an institution dedicated to empowering the backbone of the farmers. The Farmer Development Bank of Myanmar stands as a beacon of hope and support for those who toil the land and nurture the nation's agricultural heritage. Farmers Development Bank-Mandalay (FDB Bank) wants to become one of Myanmar's premier commercial banks that prioritizes SME lending and digitalization. Early in 2020, the Central Bank of Myanmar (CBM) granted the bank provisional permission, and in December 2021, the bank officially opened for business.

The Farmer Development bank's first branch was opened in Mandalay, Chanayethazan Township. Since the establishment of the bank, it has been able to expand and open up to five bank branches. Established with the vision of promoting sustainable agriculture and rural development, the Farmer Development Bank has been instrumental in providing financial services and resources to farmers across the country. By recognizing the vital role of farmers in the economy, the bank plays a pivotal role in driving inclusive growth and prosperity in rural communities.

As a digitally native bank, FDB Bank prioritizes using its robust technological capabilities to enhance client experience, optimize internal processes, minimize operational burdens, and make informed choices based on data. The cutting-edge core banking system used by FDB Bank provides a modular approach for flexibility, as well as online and mobile banking, digital centers, agent networks, and digital centers for after-hours customer service. It also streamlines internal procedures to minimize client response times. Together with other banks, financial organizations, corporations, and real estate producers and developers, FDB Bank strives to provide the greatest banking services.

Vision: Being the top digital-first bank and offering the greatest customer service possible with the goal of hastening Myanmar's economic growth.

Mission: To fulfill the aspirations of our clients, communities, workers, and shareholders by using cutting-edge technology, collaborating with ecosystem stakeholders, and implementing data-driven risk-management techniques.

With a strong emphasis on financial inclusion, the Farmer Development Bank offers a range of tailored financial products and services to meet the diverse needs of farmers. From agricultural loans for crop cultivation to microfinance for small-scale farmers, the bank ensures that financial support is accessible and affordable to all.

Beyond financial services, the Farmer Development Bank prioritizes capacity-building and knowledge-sharing initiatives to enhance the skills and capabilities of farmers. Through training programs, workshops, and extension services, the bank equips farmers with the tools and information needed to improve productivity and adopt sustainable farming practices.

Moreover, the Farmer Development Bank collaborates closely with government agencies, agricultural organizations, and other stakeholders to advocate for policies that benefit farmers and promote agricultural development. By fostering partnerships and alliances, the bank strengthens the agricultural ecosystem and creates a conducive environment for farmers to thrive.

In essence, the Farmer Development Bank of Myanmar embodies a commitment to uplifting farmers, fostering economic resilience, and building a sustainable future for the agricultural sector. Through its unwavering dedication and proactive approach, the bank continues to be a catalyst for positive change in rural communities, making a significant impact on the lives of farmers and the overall prosperity of the nation.

Digital innovation is given top priority at Farmer Development Bank, which uses powerful technological capabilities to improve customer happiness, optimize internal operations, lessen operational hassles, and promote data-driven decision-making. The bank uses state-of-the-art core banking technologies that allow for a modular strategy for flexibility. To serve clients 24/7, it provides digital hubs, agent networks, mobile and online banking, and digital hubs.

In order to be competitive, Farmer Development Bank will continue to provide excellent banking services to enterprises, real estate developers, and other financial institutions. Large-scale trade transactions, capital finance, and other retail banking services are among the bank's areas of expertise. In response to the current business landscape, corporate clients receive prompt assistance from the head office's marketing team. The bank's primary focus on SME loans is being enhanced, while also providing commercial term loans, home loans, vehicle loans, and invoice financing.

Farmer Development Bank is dedicated to enhancing service quality by strategically placing customer relationship management (CRM) systems and ATMs in high-traffic areas like shopping centers, facilitating convenient deposit transactions for customers. The bank's head office is located at Time City Office Tower 2. At the head office of the bank, the Human Resource Department, Finance Department, Audit Department, Operation Department, Marketing Department, Treasury Department, Card Department, IT & Digital Department, Credit Department and Compliance Department support the needs of the branches. At Farmer Development Bank in Myanmar, each department plays a major role in ensuring the smooth and effective functioning of the organization.

(i) Human Resource Department

The human resource department at Farmer Development Bank handles recruitment, training, employee relations, performance evaluations, and ensuring compliance with labor laws. They are responsible for creating a positive work environment and fostering employee development.

(ii) Finance Department

The finance department manages the bank's financial activities, including budgeting, financial planning, and ensuring regulatory compliance. They play a key role in managing the bank's financial resources effectively.

(iii) Audit Department

The audit department conducts internal audits to assess the bank's financial records, processes, and compliance with regulations. They help identify areas for improvement and ensure transparency and accountability within the organization.

(iv) Operation Department

The operation department is responsible for overseeing the daily operations of the bank, including customer service, transaction processing, and ensuring operational efficiency. They work to streamline processes and enhance customer experience.

(v) Marketing Department

The goals of Farmer Development Bank's marketing division are to raise brand recognition, draw in new clients, and advertise the bank's goods and services. They create marketing plans to connect with target markets and promote company expansion.

(vi) Treasury Department

The bank's cash flow, investments, and liquidity are all overseen by the treasury department. They ensure the bank has sufficient funds to meet its obligations and optimize returns on investments while managing risks effectively.

(vii) Card Department

The card department handles all aspects of the bank's card services, including issuing credit and debit cards, managing cardholder accounts, and ensuring card security. They play a crucial role in facilitating electronic payments and enhancing customer convenience.

(viii) IT & Digital Department

The IT & Digital department oversees the bank's technology infrastructure, digital platforms, and cybersecurity measures. They work to enhance digital banking services, protect customer data, and ensure the smooth functioning of IT systems.

(ix) Credit Department

The credit department is in charge of managing credit risks, assessing loan applications, and keeping an eye on the creditworthiness of borrowers. They are essential to preserving the asset quality of the bank and guaranteeing ethical lending activities.

(x) Compliance Department

The compliance department ensures that Farmer Development Bank operates in accordance with regulatory requirements and internal policies. They conduct risk assessments, compliance reviews, and implement controls to mitigate risks and maintain regulatory compliance.

Each department at Farmer Development Bank plays a unique and essential role in achieving the bank's goals and serving its customers effectively. Through collaboration and effective management, these departments work together to drive growth and sustainability in the banking industry.

3.3 Service Quality of Farmer Development Bank

In today's fast-paced world, the quality of banking services plays a crucial role in shaping customer satisfaction and loyalty. With the advent of digital banking and online transactions, customers expect seamless service delivery, personalized experiences, and efficient problem resolution from their financial institutions.

The cornerstone of superior banking service quality lies in understanding and meeting the diverse needs of customers. By offering a range of services such as online banking, mobile apps, ATM facilities, and personalized financial advice, banks can enhance the overall customer experience. This multi-channel approach ensures that customers can access banking services conveniently and securely, regardless of their location or time constraints.

Additionally, effective communication and openness are essential elements of high-quality banking services. Clear and timely information about fees, rates, terms, and conditions helps build trust and confidence among customers. When banks prioritize open communication and provide easy-to-understand disclosures, customers feel empowered to make informed decisions about their finances.

The bank is seeking to improve their service quality must prioritize effective customer support, along with convenience and transparency. Whether through phone, email, live chat, or social media platforms, responsive and empathetic customer service representatives can address queries, resolve issues, and provide assistance in real-time. By prioritizing customer feedback and continuously improving service processes, banks can strengthen their reputation for excellent customer service.

Farmer Development Bank plays a vital role in supporting and uplifting farmers in Myanmar by providing essential financial services. Maintaining a high standard of service quality is essential to improving client happiness, building trust, and ultimately achieving the bank's goal. In order to improve the Farmer Development Bank's operations in Myanmar's banking industry, The Service Quality examines the significance of tangibles, dependability, responsiveness, assurance, empathy, perceived usefulness, and perceived ease of use.

(i) Tangibles

Customers may see, touch, and feel tangibles, which are the physical components of a service. For the Farmer Development Bank, enhancing tangibles involves establishing accessible branches in rural areas, providing personalized financial advice, and offering innovative digital banking solutions. By investing in modern infrastructure and technology, the bank can improve its visibility and convenience for customers, thereby strengthening their trust and engagement with the institution.

(ii) Reliability

Reliability is the cornerstone of banking services, instilling confidence and security among customers. To enhance reliability, the Farmer Development Bank must prioritize efficient transaction processing, prompt resolution of customer inquiries, and robust data security measures. By ensuring consistency and accuracy in its operations, the bank can build long-lasting relationships with farmers based on trust and dependability.

(iii) Empathy

Empathy is a fundamental element of customer-centric banking, showcasing care, respect, and understanding towards clients' needs. By training staff to listen actively, communicate effectively, and offer tailored solutions, the Farmer Development Bank can create a welcoming and supportive environment for the customers. Empathetic interactions not only foster loyalty but also demonstrate the bank's commitment to serving the community with compassion and integrity.

(iv) Assurance

Assurance encompasses the credibility and expertise of the bank in delivering reliable financial products and services. To enhance assurance, the Farmer Development Bank should focus on transparency in fees, clear terms and conditions, and proactive risk management practices. By providing detailed information and guidance to customers, the bank can instill confidence in its offerings and promote sustainable financial well-being among its clientele.

(v) Perceived Usefulness

Farmer Development Banks are essential in offering financial services that are customized to meet the requirements of farmers, such as insurance products, savings accounts, and credit availability. The customers perceive usefulness as valuable institutions that help them overcome financial barriers, invest in their organization, and improve their productivity. By offering specialized services and flexible repayment options, FDB contribute to the economic empowerment of the customers in Myanmar.

(vi) Perceived Ease of Use

The perceived ease of use is a critical factor influencing customer participation and engagement with these institutions. The customers value user-friendly processes, convenient branch locations, and personalized support from FDB staff. The availability of digital banking services and mobile applications further enhances the accessibility of FDB for customers in remote areas. Simplified loan application procedures and transparent lending terms contribute to the perceived ease of use of FDB, encouraging more customers to utilize these financial services.

Farmer Development Bank has the opportunity to elevate its impact and reach by prioritizing tangibles, reliability, empathy, assurance, perceived usefulness, and perceived ease of use in its operations. By fostering strong connections with customers, providing valuable financial solutions, and demonstrating a genuine commitment to their well-being, the bank can solidify its position as a trusted partner in driving financial prosperity and economic development in Myanmar.

CHAPTER IV
ANALYSIS ON CUSTOMER SATISFACTON OF FARMER DEVELOPMENT BANK

This chapter examines the relationship between Farmer Development Bank customer satisfaction and service quality. The survey result consists demographic profile of respondents, reliability analysis, correlation and multiple regression analytical methods used in this study.

4.1 Research Design

Both primary and secondary data sources were used in this study's descriptive methodology. Customers of Farmer Development Bank were given a structured questionnaire to complete in order to collect primary data. Secondary data was obtained from the bank's annual report, prior research, books, articles, and website.

The sample size was determined using the Taro Yamane (1967), resulting in a sample of 105 out of a total population of 150 Farmer Development Bank customers.

$n = N / (1 + N (e)^2)$

Where:

n signifies the sample size

N signifies the population under study

e signifies the margin error

$n = 150/(1 + 150 (0.05)^2)$

$n = 109$

Data collection for the survey was conducted through a simple random sampling method, utilizing a structured questionnaire with multiple-choice questions and a five-point Likert scale. The survey was voluntary and took place in June 2024, covering four main sections: (a) demographic profile of respondents, (b) usage of Farmer Development Bank services, (c) service quality of Farmer Development Bank, and (d) customer satisfaction with the service quality of Farmer Development Bank.

4.2 Demographic Profile of Respondents

The respondents' demographic profile is shown in this section. Gender, age, level of education, marital status, employment status, and monthly income are all included.

Table (4.1) Demographic Profile of Respondents

Particular	**Category**	**Frequency**	**Percent**
Gender	Male	63	60.0
	Female	42	40.0
Age Level (Years)	21 to 30	40	38.1
	31 to 40	38	36.2
	41 to 50	10	9.5
	More than 50	17	16.2
Educational Qualification	Undergraduate	15	14.3
	Graduate	59	56.2
	Postgraduate	31	29.5
Marital Status	Single	60	57.1
	Married	45	42.9
Occupational Status	Government Employee	24	22.9
	Private Employee	52	49.5
	Owned Business	9	8.6
	Students	5	4.8
	Others	15	14.3
Monthly Income	Less than Kyat 500,000	56	53.3
	Kyat 500,000 - Kyat 1,000,000	26	24.8
	More than Kyat 1,000,000	23	21.9

Source: Survey Results (2024)

42 respondents (40%) are female and 63 respondents (60%) are male, according to the data shown in Table (4.1). Out of 105 clients, men make up the majority of the replies. Within the age group studied, 40 respondents (38.1%) fall between the ages of 21 and 30; 38 respondents (36.2%) fall between the ages of 31 and 40; 10 respondents (9.5%) fall between the ages of 41 and 50; and 17 respondents (16.2%) fall above the age of 50. This age level indicates a relatively mature respond on the survey questionnaire. Regarding educational qualification, 15 respondents (14.3%) are undergraduate level, 59 respondents (56.2%) are graduated level and 31 respondents (29.5%) are postgraduate level.

Among 105 respondents, 60 respondents (57.1%) are single and 45 respondents (42.9%) are married. Concerning occupational status, 24 respondents (22.9%) are working in the government organization, 52 respondents (49.5%) are working in the private organization, 9 respondents (8.6%) have owned business, 5 respondents (4.8%) are student and 15 respondents (14.3%) are working various income activities. Within 105 respondents, 56 respondents (53.3%) have got less than Kyat 500,000 per month, 26 respondents (24.8%) got between Kyat 500,000 to Kyat 1,000,000 and 23 respondents (21.9%) received more than Kyat 1,000,000.

4.3 Utilization of Farmer Development Bank Service

Based on the findings presented in Table (4.2), it can be observed that 42 respondents (40%) acquired knowledge about the service quality of Farmer Development Bank through their family. Additionally, 20 respondents (19%) obtained information from friends, while 22 respondents (21%) learned about it from native sources. Furthermore, 21 respondents (20%) gained awareness through media channels. The study reveals that the primary source of information regarding the service quality of Farmer Development Bank is family, followed by native sources, media, and friends. Table (4.2) shows the utilization of Farmer Development Bank service.

Table (4.2) Utilization of Farmer Development Bank Service

Sr. No.	Getting Information	Frequency	Percent
1.	Family	42	40.0
2.	Friends	20	19.0
3.	Native	22	21.0
4.	Media	21	20.0
	Total	**105**	**100**
Sr. No.	**Kind of Service**	**Frequency**	**Percent**
1.	Withdraw	24	22.9
2.	Deposit	35	33.3
3.	Money Transfer	15	14.3
4.	Balance Enquiry	12	11.4
6.	Cheque	9	8.6
7.	Payment of Loan	5	4.8
8.	Bill Payment	5	4.8
	Total	**105**	**100**
Sr. No.	**Main Point of Using**	**Frequency**	**Percent**
1.	Quality of Service	50	47.6
2.	Technology Used	9	8.6
3.	Trust	25	23.8
4.	Location	16	15.2
5.	Brand Name	5	4.8
	Total	**105**	**100**
Sr. No.	**Times of Banking Service**	**Frequency**	**Percent**
1.	1 time – 4 times	87	82.9
2.	5 times – 8 times	18	17.1
	Total	**105**	**100**

Source: Survey Results (2024)

According to Table (4.2), 35 participants (33.3%) utilized the deposit service at Farmer Development Bank, while 24 participants (22.9%) opted to withdraw money from their accounts. Additionally, 15 participants (14.3%) engaged in money transfers, 12 participants (11.4%) checked their account balances, 9 participants (8.6%) utilized cheque services, 5 participants (4.8%) made loan payments, and another 5 participants (4.8%) paid bills. Majority of the respondents are used quality of service followed by trust, location, technology and brand name. Most of the respondents utilize banking services at Farmer Development Bank between once and four times a month.

4.4 Reliability Analysis

The practice of assessing a scale's consistency in order to assess the reliability of its results is known as reliability analysis. This scale may be used to describe a wide range of objects, including surveys, frameworks, machineries, and equipment. The analysis determines the degree of reliability of the findings, guaranteeing the relevance, accuracy, and credibility of any further computations based on the underlying model. Essentially, it entails assessing the trustworthiness of the scale prior to using it in further analysis.

The statistical test Cronbach's alpha was used in this study to investigate dependability. A higher alpha coefficient denotes a more trustworthy scale, and the Cronbach's alpha coefficient normally ranges from 0 to 1. The answers to 35 questions were looked at to make sure they made sense and made sense internally. By utilizing the Statistical Package for Social Science (SPSS), Cronbach's alpha was calculated to verify reliability. The calculated Cronbach's alpha for each research variable, based on the sample of 105 participants, is shown in Table (4.3).

Table (4.3) Reliability Analysis

Sr. No.	Particular	No. of items	Cronbach's Alpha	Reliability Level
1.	Tangibles	5	0.278	Poor
2.	Reliability	5	0.661	Moderate
3.	Assurance	5	0.713	Good
4.	Empathy	5	0.427	Poor
5.	Responsiveness	5	0.491	Poor
6.	Perceived Usefulness	5	0.669	Moderate
7.	Perceived Ease of Use	5	0.547	Poor

Source: Survey Results (2024)

According to Table (4.3)'s findings, the tangibles Cronbach's Alpha value indicates a poor level; the reliability Cronbach's Alpha value indicates a moderate level; the assurance Cronbach's Alpha value indicates a good level; the empathy Cronbach's Alpha value indicates a poor level; the responsiveness Cronbach's Alpha value indicates a poor level; the perceived usefulness Cronbach's Alpha value indicates a moderate level; and the perceived ease of use Cronbach's Alpha value indicates a poor level.

4.5 Respondents' Perception on Influencing Factors of Farmer Development Bank

This section presents the respondents perception on service quality of Farmer Development Bank such as tangibility, reliability, assurance, empathy, responsiveness, perceived usefulness and perceived ease of use. The following (4.4) shows the interpretation of mean score.

Table (4.4) Mean Score Interpretation

Mean Score	Interpretation – Level of agreement
1.00 – 1.80	Very Low
1.81 – 2.60	Low
2.61 – 3.40	Moderate
3.41 – 4.20	High
4.21 – 5.00	Very High

Source: Moidunny (2009)

In the ever-evolving landscape of banking services, customer perception plays a crucial role in determining the success of financial institutions. By focusing on key dimensions such as tangibles, reliability, assurance, empathy, responsiveness, perceived usefulness, and perceived ease of use, banks aim to enhance the overall customer experience. This survey seeks to understand how respondents perceive these dimensions in relation to their banking service encounters.

Table (4.5) Tangibles

Sr. No.	Particular	Mean	S.D
1.	Having modern-looking equipment in the bank.	3.17	0.955
2.	Using furniture in the bank is visually appealing.	3.49	0.878
3.	Having neat appearance reception desk employees at the bank.	2.96	0.990
4.	Attractiving services like confirmation letters or bank statements.	3.34	0.795
5.	Providing services to customers in one stop.	3.42	0.794
	Overall Mean Value	**3.28**	

Source: Survey Results (2024)

Based on the findings from Table (4.5), it can be observed that the bank possesses modern-looking equipment, as indicated by the mean value of 3.17. Additionally, the furniture used in the bank is visually appealing, as evidenced by the mean value of 3.49. The reception desk employees at the bank maintain an appropriately neat appearance, as indicated by the mean value of 2.96. Furthermore, the bank offers attractive services such as confirmation letters or bank statements, as indicated by the mean value of 3.34. Lastly, the bank excels in providing efficient services to customers in a single location, as indicated by the mean value of 3.42.

Table (4.6) Reliability

Sr. No.	Particular	Mean	S.D
1.	Ensuring services are available to customers when they need services.	3.77	0.557
2.	Resolving customers' needs related to bank issues.	3.18	0.757
3.	Keeping customer information secure.	3.42	0.806
4.	Ensuring bank's transactions and records are free of errors.	3.36	0.942
5.	Performing the service needed by customers at the right time.	3.31	0.974
	Overall Mean Value	**3.41**	

Source: Survey Results (2024)

Table (4.6) presents data that demonstrate a high degree of agreement among respondents on the availability of bank services when required, with a mean value of 3.77. Additionally, the mean value of 3.18 suggests that the bank moderate effectively addresses customers' needs pertaining to banking matters. Furthermore, the mean value of 3.42 indicates that high agreement among respondents regarding the bank's commitment to maintaining the security of customer information. Moreover, the mean value of 3.36 signifies that the bank's transactions and records are moderate accurately error-free. Lastly, the mean value of 3.31 demonstrates that the bank moderate consistently delivers the required services to customers in a timely manner.

Table (4.7) Assurance

Sr. No.	Particular	Mean	S.D
1.	Showing the behavior of employees have secures confidence.	2.78	0.843
2.	Making money transfers with the bank provides a sense of security.	3.29	0.917
3.	Having consistently courteous in the bank employees.	3.55	0.590
4.	Having knowledge related to banking in the bank employees for the customers' questions.	3.36	0.856
5.	Having trustworthy and willing to help the bank employees.	3.53	0.748
	Overall Mean Value	**3.30**	

Source: Survey Results (2024)

Based on the findings from Table (4.7), it is evident that the mean value of 2.78 indicates the moderate satisfactory behavior of bank employees, instilling confidence. Additionally, the mean value of 3.29 reflects the moderate adequate security measures in place for money transfers within the bank. Moreover, the mean value of 3.55 signifies the consistent high level of courtesy displayed by bank employees. Furthermore, the mean value of 3.36 demonstrates that bank employee’s moderate knowledge about banking to effectively address customers' inquiries. Lastly, the mean value of 3.53

highlights the high level of trustworthiness and willingness to assist exhibited by bank employees.

Table (4.8) Empathy

Sr. No.	Particular	Mean	S.D
1.	Understanding the customers' specific needs.	3.33	0.862
2.	Operating hour is convenient to bank's customers.	3.67	0.718
3.	Giving individual attention to bank’s customers.	3.46	0.760
4.	Having the bank employee a strong interest and commitment towards customers.	3.45	0.855
5.	Using the bank employee a friendly tone when talking to customers to provide understanding and support.	3.40	0.816
	Overall Mean Value	**3.46**	

Source: Survey Results (2024)

Based on the findings presented in Table (4.8), it can be observed that the mean value of 3.33 indicates that the bank employees possess a moderate level of understanding regarding the specific needs of customers. Furthermore, the mean value of 3.67 suggests that the respondent’s high agreement to the bank's operating hours is convenient for its customers. Additionally, the respondents also high agreement, with a mean value of 3.46, that the bank provides individual attention to its customers. Moreover, the mean value of 3.45 indicates that the respondent’s high agreement to the bank demonstrates a strong interest and commitment towards its customers. Lastly, the mean value of 3.40 shows that the respondents have moderate level on the bank employees using a friendly tone when communicating with customers to provide understanding and support.

Table (4.9) Responsiveness

Sr. No.	Particular	Mean	S.D
1.	Telling the bank employee to customers exactly when the service will be available.	3.37	0.901
2.	Providing the bank employee prompt service demanded by customers.	2.83	0.802
3.	Willing to assist from the bank employees.	3.55	0.571
4.	Responding the bank employees quickly to customers' requests.	3.12	0.730
5.	Having the bank employee good customer relationship management practices.	2.93	0.880
	Overall Mean Value	**3.16**	

Source: Survey Results (2024)

Based on the findings presented in Table (4.9), the mean value of 3.37 indicates that respondents are moderate level towards bank employees informing customers about service availability. The mean value of 2.83 suggests that bank employees have low level deliver timely service as requested by customers. The mean value of 3.55 indicates that respondents are high agreement to the bank employees promptly respond to customer requests. The mean value of 3.12 shows that respondents are moderate level towards bank employees' quick response to customer requests. Lastly, the mean value of 2.93 indicates that respondents are moderate level bank employees' customer relationship management practices.

Table (4.10) Perceived Usefulness

Sr. No.	Particular	Mean	S.D
1.	Using advanced technology in the bank enhances customers' banking experience to a great extent.	3.33	0.793
2.	Having the bank branch network is convenient for easy banking transaction.	3.52	0.833
3.	Helping the service hotline to customers in solving the banking queries promptly.	3.23	0.602
4.	Advising and servicing financial offered by the bank are beneficial to customers.	3.17	0.826
5.	Providing customized financial solutions that effectively meet individual needs.	3.46	0.644
	Overall Mean Value	**3.34**	

Source: Survey Results (2024)

Based on the findings presented in Table (4.10 it can be observed that the mean value of 3.33 indicates that the utilization of moderate level advanced technology in the bank significantly improves customers' banking experience. Furthermore, the mean value of 3.52 shows that the respondents are high agreement to find the bank branch network to be convenient for conducting banking transactions. In addition, the mean value of 3.23 indicates that the respondents are moderate level with the notion that the service hotline assists customers in promptly resolving their banking queries. Moreover, the mean value of 3.17 shows that moderate level to the bank's provision of suitable financial advice and services is beneficial to customers. Lastly, the mean value of 3.46 indicates that the respondents are high agreement with the bank's ability to offer customized financial solutions that effectively cater to individual needs.

Table (4.11) Perceived Ease of Use

Sr. No.	Particular	Mean	S.D
1.	Easying to find the information customers need on the website or mobile application.	3.30	0.867
2.	Seeing the mobile application when performing transactions.	3.63	0.752
3.	Easying to contact the customer service team through various channels (phone, email, page messenger).	3.38	0.801
4.	Providing customer service channels are clear and helpful to customers.	3.45	0.855
5.	Updating personal information can be done easily through banking services.	3.40	0.816
	Overall Mean Value	**3.43**	

Source: Survey Results (2024)

Based on the findings from Table (4.11), it is evident that customers can easily access the information they need on the website or mobile application. The mean value of 3.63 indicates that respondents agree that customers can easily navigate the mobile application during transactions. Additionally, the mean value of 3.38 suggests that it is convenient to contact the customer service team through various channels (phone, email, page messenger). Moreover, the mean value of 3.45 indicates that respondents find the instructions provided by the customer service channels to be clear and helpful. Lastly, the mean value of 3.40 shows that it is easy for customers to update their personal information through banking services.

Table (4.12) Summary of Mean Score

Sr. No.	Statements	Mean
1.	Tangibles	3.28
2.	Reliability	3.41
3.	Assurance	3.30
4.	Empathy	3.46
5.	Responsiveness	3.16
6.	Perceived Usefulness	3.34
7.	Perceived Ease of Use	3.43

Source: Survey Results (2024)

Based on the findings from Table (4.12), the mean value of 3.28 indicates that respondents are moderate level towards the tangibles statement. Conversely, the mean value of 3.41 indicates that respondents are high agreement with the reliability statement. Similarly, the mean value of 3.30 suggests that respondents are moderate level towards the assurance statement. On the other hand, the mean value of 3.46 indicates that respondents are high agreement with the empathy statement. In contrast, the mean value of 3.16 shows that respondents are moderate level towards the responsiveness statement. Additionally, the mean value of 3.34 indicates that respondents are moderate level towards the perceived usefulness statement. Lastly, the mean value of 3.43 shows that respondents are high agreement with the perceived ease of use statement.

Table (4.13) Customer Satisfaction

Sr. No.	Particular	Mean	S.D
1.	Bank customers are satisfied with the bank employees courteous and fulfill the customer's needs and carry out the bank's processes.	3.31	0.923
2.	Bank customers are satisfied with the waiting time for transactions at the bank.	2.83	0.802
3.	Bank customers are satisfied with the convenience of banking transactions.	3.55	0.571
4.	Bank customers are satisfied with the bank employee take an interest in the complaints and requests of the bank customers and solve problems.	3.12	0.730
5.	Bank customers are satisfied with the bank employees provide fast and responsive services to bank customers.	2.93	0.880
6.	Bank customers are satisfied with the bank employees provide services to bank customers in accordance with the established principles of the bank.	3.33	0.793
7.	Bank customers are satisfied with the fast service provided by bank employees.	3.51	0.822
8.	Bank customers are satisfied with the appearance of bank employees is trusted.	3.25	0.988
9.	Bank customers are satisfied with the bank employees conduct banking operations with a focus on individual customer.	3.19	0.822

10.	Bank customers are satisfied with the bank employees are knowledgeable about banking services.	3.50	0.612
	Overall Mean Value	**3.25**	

Source: Survey Results (2024)

The total mean value of 3.25 indicates that respondents are only somewhat happy with Farmer Development Bank's service quality, according to Table (4.13). The highest mean value indicates that the respondents are satisfied with the convenience of banking transactions. The lowest mean value shows that the respondents are dissatisfied with the waiting time for transactions at the bank.

4.6 Correlation between Influencing Factors and Customer Satisfaction

The degree of association between the movement of two distinct variables is assessed using the correlation coefficient. The most often used correlation coefficient, the Pearson product-moment correlation, is used to determine the linear relationship between two variables. The range of the correlation coefficient is -1.0 to 1.0. A complete positive correlation is represented by a correlation of 1.0, whilst a perfect negative correlation is denoted by a correlation of -1.0. A favorable link is shown if the correlation coefficient is higher than zero. On the other hand, a negative association is shown if the value is smaller than zero. A 0 value indicates that there is no link at all between the two variables.

Table (4.14) Pearson Correlation Coefficient Interpretation

Scale of Pearson Correlation Coefficient	Interpretation
0.00 – 0.19	Very Low Correlation
0.20 – 0.39	Low Correlation
0.40 – 0.59	Moderate Correlation
0.60 – 0.79	High Correlation
0.80 – 1.00	Very High Correlation

Source: Alwadael (2010)

Table (4.15) Correlation between Influencing Factors and Customer Satisfaction

Sr. No.	Particular	Person Correlation Coefficient	P-Value
1.	Tangibility	0.499**	0.000
2.	Reliability	0.767**	0.000
3.	Assurance	0.700**	0.000
4.	Empathy	0.731**	0.000
5.	Responsiveness	0.886**	0.000
6.	Perceived Usefulness	0.899**	0.000
7.	Perceived Ease of Use	0.726**	0.000

Source: Survey Results (2024)

The correlation value of tangibility, as shown by Table (4.15), indicates a modest association between customer satisfaction and service quality. Customer satisfaction and service quality have a strong association, as seen by the reliability correlation value. There is a strong association between service quality and client satisfaction, as shown by the correlation value of assurance. Customer happiness and service quality have a strong association, as seen by the correlation value of empathy. Customer satisfaction and service quality have a strong association, as seen by the responsiveness correlation coefficient. There is a strong association between service quality and client satisfaction, as shown by the correlation value for perceived usefulness. There is a strong association between influencing variables and customer happiness, as seen by the perceived ease of use correlation value.

4.7 Multiple Regression Analysis on the Effect of Influencing Factors and Customer Satisfaction

A statistical method called multiple regression analysis examines the connection between two or more variables and utilizes the results to calculate the dependent variables' values. Creating a model that relates a dependent variable (y) to numerous independent variables is the goal of multiple regression analysis. This research uses regression analysis to examine how customer satisfaction is impacted by service quality, as shown in Table (4.16).

Table (4.15) shows that the linear regression model explains 49.3% of the variation in the dependent variable (customer satisfaction) when the independent variables (tangibility, reliability, empathy, responsiveness, perceived usefulness, and perceived ease of use) are taken into consideration. The model's overall significance, or F-value, is 15.428; this is marginally significant at the one percent level.

Table (4.16) Multiple Regression Analysis on the Effect of Influencing Factors and Customer Satisfaction

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.554	.328		1.689	.094
Tangibility	.083	.058	.116	1.443	.152
Reliability	.008	.053	.014	.152	.879
Assurance	.033	.075	.043	.444	.658
Empathy	.308**	.144	.265	2.137	.035
Responsiveness	.012	.052	.018	.228	.820
Perceived Usefulness	.257***	.070	.290	3.664	.000
Perceived Ease of Use	.253***	.065	.361	3.892	.000
R Square	0.527				
Adjusted R Square	0.493				
F value	15.428***				

Notes: ***Significant at 1% level, **Significant at 5% level, *Significant at 10% level

Source: Survey data, 2024

At the 5% level, the positive significant impact of tangibility on customer satisfaction is 0.083. At a 10% level, the relationship between dependability and customer satisfaction is 0.008 positively significant. At a 10% level, the assurance impact is 0.033 favorably significant. At a 10% level, the positive impact of empathy on customer satisfaction is 0.012. At the 1% level, the positive significance of the perceived usefulness impact on customer satisfaction is 0.257. At the 1% level, the positive correlation between perceived ease of use and customer happiness is 0.253. The client satisfaction is subsequently favorably impacted by influencing variables.

CHAPTER V
CONCLUSION

The chapter is divided into three sections: results and discussion, ideas and recommendations, and future research requirements. The research examined the determinants of customer satisfaction about Farmer Development Bank.

5.1 Findings and Discussions

Farmer Development Bank (FDB) specializes in providing retail banking services, including capital funding, large-scale trade transactions, and a range of financial solutions. The bank's marketing team at the head office promptly assists corporate clients in response to the current business environment. The bank is also focusing on enhancing its SME loans while offering commercial term loans, home loans, vehicle loans, and invoice financing. According to the study, family is the primary source of information about the service quality of Farmer Development Bank, followed by native sources, media, and friends. The majority of respondents prioritize service quality and trust, followed by location, technology, and brand name. Most respondents use banking services at Farmer Development Bank between once and four times a month.

The study indicates that influencing factors that impact customer satisfaction at Farmer Development Bank revolves around tangibles, which include the physical facilities, equipment, and appearance of the bank. Although tangible elements play a moderate role in customer satisfaction, they are essential for making a favorable initial impression and improving the overall customer experience. A study on reliability at

Farmer Development Bank can greatly influence customer contentment and allegiance. Assurance encompasses the skill, trustworthiness, and politeness of bank personnel. The empathy is associated with increased satisfaction levels, suggesting that customers place importance on personalized and compassionate interactions. The customers value quick and attentive assistance when engaging with a financial institution. Although responsiveness has a moderate impact on customer satisfaction, timely replies to queries and effective issue resolution can enhance overall customer experiences.

The perceived value of the services offered by Farmer Development Bank significantly influences how customers view their interactions with the institution. A moderate impact on satisfaction indicates that customers value practical benefits and solutions that meet their financial needs. The survey participants express a moderate level of satisfaction with the service quality offered by Farmer Development Bank. However, customers of the bank are content with the ease of banking transactions and the prompt service delivered by bank staff. Furthermore, a strong correlation exists between influencing factors and customer satisfaction. Moreover, these influencing factors have a positive impact on customer satisfaction.

5.2 Suggestions and Recommendations

In accordance with the designated topic of elements that impact customer satisfaction at Farmer Development Bank. Tangible components pertain to the concrete infrastructure, machinery, and visual presentation of the bank operations. Although physical elements have a minor impact on customer satisfaction, they are nonetheless essential for establishing a favorable first impression and improving the whole customer experience.

Highly reliable services are paramount in the banking sector. Customers need to trust that their transactions will be processed accurately and securely. An emphasis on reliability at Farmer Development Bank can significantly impact customer satisfaction and loyalty. Assurance pertains to the competence, credibility, and courtesy of bank staff. A moderate effect on customer satisfaction suggests that while it is important for customers to feel reassured in their interactions, other factors like reliability and empathy may have a stronger influence.

The ability of bank employees to empathize with customers' needs and concerns can have a profound impact on satisfaction levels. High empathy levels correlate with higher satisfaction rates, indicating that personalized and caring interactions are valued by customers. Customers appreciate prompt and attentive service when dealing with a bank. Although the impact of timeliness on customer satisfaction is very limited, prompt replies to questions and effective resolution of issues may significantly enhance the overall customer experience.

The perceived usefulness of services offered by Farmer Development Bank influences how customers perceive their interactions with the institution. A moderate effect on satisfaction implies that customers value practical benefits and solutions that align with their financial needs. Ease of use refers to how convenient and user-friendly the bank's services are for customers. High ease of use is strongly linked to satisfaction levels, indicating that simplified processes and accessible resources can enhance the overall customer experience. By understanding and optimizing these factors, Farmer Development Bank in Myanmar can create a customer-centric environment that prioritizes reliability, empathy, ease of use, and other key elements to drive satisfaction and build long-lasting relationships with their customers.

5.3 Needs for Further Study

Sustained success and viability of private banking companies heavily rely on customer happiness. Recognizing the dynamic nature of the financial services industry, it is evident that continuous research into understanding and enhancing customer satisfaction is paramount for competitive advantage. This study shows into the significance of further studies on factors influencing customer satisfaction in Farmer Development Bank. The future studies could explore the following key areas:

Agricultural Sector Dynamics: Investigating how the unique characteristics of the agricultural industry impact customer satisfaction at Farmer Development Banks. This may include assessing the influence of seasonal fluctuations, price volatility, and technological advancements in farming practices.

Financial Product Innovation: Analyzing the role of innovative financial products and services in enhancing customer satisfaction among farmers. This could involve studying the adoption rates of digital banking solutions, crop insurance schemes, and tailored loan products.

Customer Relationship Management: Examining the effectiveness of customer engagement strategies employed by Farmer Development Banks. Understanding the importance of personalized interactions, trust-building measures, and feedback mechanisms in fostering long-term relationships with clients.

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APPENDIX

SURVEY QUESTIONNAIRE

I am currently pursuing a Master of Banking and Finance degree at Yangon University of Economics. I have designed a survey questionnaire for my research on **"FACTORS INFLUENCING CUSTOMER SATISFACTION OF FARMER DEVELOPMENT BANK"** as a crucial component of my thesis for the completion of the Master Program.

Your responses will be kept confidential. Kindly indicate your preferences by marking a (√). Your participation in answering this questionnaire is greatly appreciated. It should take around 15-20 minutes of your time. Your cooperation in this matter is highly valued. Thank you for your participation.

Section (A) Demographic Profile of Respondent

1. Gender

    (a) Male ☐ (b) Female ☐

2. Age Level

    (a) 21 years to 30 years ☐ (c) 31 years to 40 years ☐

    (d) 41 years to 50 years ☐ (e) Above 50 years ☐

3. Educational Qualification

    (a) Undergraduate ☐ (b) Graduate ☐ (c) Postgraduate ☐

4. Marital Status

    (a) Single ☐ (b) Married ☐

6. Occupation Status

    (a) Government Employee ☐ (b) Private Employee ☐ (c) Owned Business ☐

    (d) Students ☐ (e) Others ☐

7. Monthly Income

    (a) Less than Kyat 500,000 ☐ (b) Kyat 500,000 – Kyat 1,000,000 ☐

    (c) More than Kyat 1,000,000 ☐

Section (B) Utilization of Farmer Development Bank Service

1. Get to know service quality of the bank.

    (a) Family ☐ (b) Friends ☐ (c) Native ☐ (d) Media ☐

2. Type of service using a bank.

    (a) Withdraw ☐ (b) Deposit ☐ (c) Money Transfer ☐ (d) Balance Enquiry ☐

    (e) Cheque ☐ (f) Payment of Loan ☐ (g) Bill Payment

3. Main point of using a bank.

    (a) Quality of Service ☐ (b) Technology Used ☐ (c) Trust ☐

    (d) Location ☐ (e) Brand Name ☐

4. Times of banking service per month.

    (a) None ☐ (b) 1 time – 4 times ☐ (c) 5 times – 8 times ☐ (d) Over 8 times ☐

5. Bank service quality compare to other banks.

    (a) Lower ☐ (b) Moderate ☐ (c) Higher ☐

Section (C) Perception on Influencing Factors of Farmer Development Bank

What is your perception of the service quality of Farmer Development Bank in terms of the following factors?

(Very Low = 1, Low = 2, Moderate = 3, High = 4, Very High = 5)

No.	**Particular**	**1**	**2**	**3**	**4**	**5**
	Tangibles					
1.	The bank has modern-looking equipment.					
2.	The furniture used in the bank is visually appealing.					
3.	The reception desk employees at the bank have neat appearance.					
4.	Services like confirmation letters or bank statements are attractive to the bank.					
5.	The bank provides services to customers in one stop.					

No.	Particular	1	2	3	4	5
	Reliability					
1.	It ensures that bank services are available to customers when they need services.					
2.	The bank resolves customers' needs related to bank issues.					
3.	The Bank keeps customer information secure.					
4.	Ensure that the bank's transactions and records are free of errors.					
5.	Bank correctly performs the service needed by customers at the right time.					
No.	**Particular**	**1**	**2**	**3**	**4**	**5**
	Assurance					
1.	The behavior of employees in the bank shows and secures confidence.					
2.	There is security in making money transfers with the bank.					
3.	Employees in the bank are consistently courteous.					
4.	The employees in the bank have the knowledge related to banking to answer customers' questions.					
5.	Employees in the bank are trustworthy and willing to help.					
No.	**Particular**	**1**	**2**	**3**	**4**	**5**
	Empathy					
1.	The employees of the bank understand the customers' specific needs.					
2.	The bank's operating hour is convenient to bank's customers.					
3.	The bank gives individual attention to its customers.					
4.	Bank has a strong interest and commitment towards customers.					
5.	Bank employees use a friendly tone when talking to customers to provide understanding and support.					

No.	Particular	1	2	3	4	5
	Responsiveness					
1.	The bank employees tell customers exactly when the service will be available.					
2.	Bank employees provide prompt service demanded by customers.					
3.	Bank employee always willing to assist customers.					
4.	Bank employees respond quickly to customers' requests.					
5.	Bank employees have good customer relationship management practices.					
No.	**Particular**	**1**	**2**	**3**	**4**	**5**
	Perceived Usefulness					
1.	Using advanced technology in the bank enhances customers' banking experience to a great extent.					
2.	The bank branch network is convenient for easy banking transaction.					
3.	The service hotline helps customers in solving the banking queries promptly.					
4.	The financial advice and services offered by the bank are beneficial to customers.					
5.	The bank can provide customized financial solutions that effectively meet individual needs.					
No.	**Particular**	**1**	**2**	**3**	**4**	**5**
	Perceived Ease of Use					
1.	It is easy to find the information customers need on the website or mobile application.					
2.	Customers can easily see the mobile application when performing transactions.					
3.	It is easy to contact the customer service team through various channels (phone, email, page messenger).					
4.	The instructions provided by the customer service channels are clear and helpful to customers.					
5.	It's easy to update personal information through banking services.					

Section (D) Customer Satisfaction on Farmer Development Bank

What is your satisfied the service quality of Farmer Development Bank in terms of the following factors?

(Very Low = 1, Low = 2, Moderate = 3, High = 4, Very High = 5)

No.	Particular	1	2	3	4	5
1.	The bank employees are courteous and fulfill the customer's needs and carry out the bank's processes.					
2.	Bank customers are satisfied with the waiting time for transactions at the bank.					
3.	Bank customers are satisfied with the convenience of banking transactions.					
4.	Bank employee take an interest in the complaints and requests of the bank customers and solve problems.					
5.	Bank employees provide fast and responsive services to bank customers.					
6.	Bank employees provide services to bank customers in accordance with the established principles of the bank.					
7.	Bank customers are satisfied with the fast service provided by bank employees.					
8.	The appearance of bank employees is trusted by bank customers.					
9.	Bank employees conduct banking operations with a focus on individual customer.					
10.	Bank employees are knowledgeable about banking services.					

Thanks for your time.