

YANGON UNIVERSITY OF ECONOMICS
DEPARTMENT OF COMMERCE
MASTER OF BANKING AND FINANCE PROGRAMME

**AGENT PERCEPTION ON MARKETING MIX OF KBZ AGENT
BANKING SERVICE**

Hanny Sen

(MBF - Day 1st BATCH)

OCTOBER, 2019

AGENT PERCEPTION ON MARKETING MIX OF KBZ AGENT BANKING SERVICE

A Thesis submitted as a partial fulfilment of the requirements for the degree of Master
of Banking and Finance (MBF)

Supervised By

Daw Htike Htike lin
Lecturer
Department of Commerce
Yangon University of Economics

Submitted by

Hanny Sen
Roll No. 16
MBF Day 1st Batch
Yangon University of Economics

ABSTRACT

The objectives of the study are to identify agent banking practices of KBZ bank and to analyze the agents' perception on marketing mix activities of KBZ agent banking services. To meet those objectives, descriptive research method is used in this study. Both primary data and secondary data are used in this study. Primary data are collected by using the structured questionnaires. The secondary data are collected from previous thesis papers and official reports from public websites. The study only chose 191 agents who live in downtime area, in Kyauktada Township, in Latha Townships, in Batahtaung Township and in Lanmadaw Township. Product, Price, Place, Promotion, People, Process and Physical Evidence efforts of agent banking products was found to be important factors on numbers of agent. Customer perception of the marketing mix was found that price is the most attractive marketing mix to the respondents with highest mean score. This factor mainly attracts agents to use the agent banking from the KBZ bank. On the other hand, most customers do not think promotion factor is attractive. To get more agent, KBZ agent banking should give high priority to consider new promotion strategies.

ACKNOWLEDGEMENTS

Initially, I would like to thank Prof. Dr. Tin Win, Rector, Yangon University of Economics for the concern and encouragement to the participants of the Master of Banking and Finance Programme.

I would like to express my deepest gratitude to Professor Dr Soe Thu, Head and programme director of the MBF programme, Yangon University of Economics for her monitoring and fruit guidance to enable me to complement this study. My sincere words of special appreciation and gratitude go to my supervisor, Daw Htike Htike Lin, Lecturer, Department of Commerce, Yangon University of Economics, for her effective supervision, guidance, and helpful suggestion throughout my study.

Then, thanks and appreciation toward of teacher Dr. Daw Tin Tin Htwe, Dr. Daw Aye Thu Tun, Daw Khin Nwet Ohn , Daw Yee Yee Thein and Daw Htay Htay. Department of Commerce for the effort, patient on my discussion and fruit guidance throughout the course of study and to complete this study. I would also like to thank all my teachers, committee members and faculty members for their teaching and advising during my study at Department of Commerce.

Finally, I would also like to show my real thanks to respective outlet agents of KBZPay sharing information and respondents from selected townships who warmly pay attention for answering the questions.

TABLE OF CONTENTS

	Page
ABSTRACT	iii
ACKNOWLEDGEMENTS	iv
TABLE OF CONTENTS	v
LIST OF TABLES	vii
LIST OF FIGURES	viii
CHAPTER I	INTRODUCTION
1.1	Rationale of the study 2
1.2	Objective of the study 3
1.3	Scope and Method of the study 3
1.4	Organization of the study 3
CHAPTER II	LITERATURE REVIEW
2.1	Role of Agent Banking 4
2.2	Agent Banking Characteristics and Benefits 5
2.3	Models of Agent Banking 6
2.4	Marketing Mix in Service Sector 8
2.5	Nature of Perception 11
2.6	Conceptual Framework of the Study 12
CHAPTER III	PRACTICES OF KBZ AGENT BANKING SERVICES
3.1	Background Study of KBZ Bank 13
3.2	Organization Structure of KBZ Bank 14
3.3	KBZ Bank Products and Services 15
3.4	Agent Banking Service of KBZ Bank 17

ANALYSIS OF AGENT PERCEPTION ON		
CHAPTER IV	MARKETING MIX OF KBZ AGENT BANKING SERVICES	
4.1	Research Design	19
4.2	Demographic Characteristic of Respondents	19
4.3	Agent Perception on Marketing Mix of KBZ Agent Banking Service	23
4.4	Overall Marketing Mix of KBZ Agent Banking	29
CHAPTER V	CONCLUSION	
5.1	Finding	31
5.2	Suggestion	32
5.3	Need For Future Study	33

REFERENCES

APPENDIX

LIST OF TABLES

Table No.	Description	Page
3.1	Number of KBZ branches and ATM by States and Regions	14
4.1	Gender of Respondents	20
4.2	Age of Respondents	20
4.3	Level of Education	21
4.4	Number of Respondents by Marital Status	21
4.5	Sources of Information on the Usage of KBZPay	22
4.6	Experience of Using KBZPay Service	22
4.7	Agents with another Agent Banking Account	22
4.8	Number of Respondents by Occupation	23
4.9	Agent Perception on Product	24
4.10	Agent Perception on Price	25
4.11	Agent Perception on Place	26
4.12	Agent Perception on Promotion	26
4.13	Agent Perception on People	27
4.14	Agent Perception on Process	28
4.15	Agent Perception on Physical Evidence	29
4.16	Agent Perception on Overall Marketing Mix of KBZ Agent Banking	29

LIST OF FIGURES

Figure No.	Description	Page
2.1	The Conceptual Framework	12

CHAPTER I

INTRODUCTION

Technology today is fast moving in every sector. Many years of development gave rise to industries with businesses based on IT. Developing countries including Myanmar are increasingly embracing branchless banking as a means of delivering banking services to many unreached people especially low-income households. Pioneering banks, microfinance institutions and mobile operators started to experiment with agency banking networks in various countries around the World in the 20th century. Before 2012, Myanmar was a purely cash economy: there were no automated teller machine and international credit cards. All are used cash for trading of goods, services and investment. Myanmar Payment Union launched in 2011. In 2014, banks were using mobile vans to take services to their customers especially those in rural settings. Then they moved to using the internet and e-mail services to providing services to their customers. With the innovation of mobile phones, banks were forced to change their strategies to mobile phone banking. Mobile users can use their phone to carry out a transaction and the transaction reflected on the user's bank account. Mobile users are expecting that one day they can get away with their physical wallet. Mobile phone can virtual store all the content of the physical wallet like transit cards, identity cards including the credit/debit cards so that payments can made easily, quickly, and secured with a mobile phone. In 2016, the Central Bank of Myanmar issued Mobile Financial Service License (MFS) to non-bank entities.

Nowadays Agent banking is the latest innovation in banking services available in Myanmar. Agent banking is an arrangement by which licensed institutions engage third parties to offer certain banking services on their behalf. Agent is the owner of an outlet who conducts banking transactions on behalf of a bank. Agent Banking aims to provide formal banking services to the unbanked, including populations that have traditionally been more inaccessible. Agency banking can dramatically reduce the cost of delivering financial services to unreached people. The agent banking model is one in which banks provide financial services through nonbank agents, such as educated individuals, chain grocery stores, retail outlets, post offices, pharmacies or NGOs. This model allows banks to expand services into areas where they do not have sufficient incentive or capacity to establish a formal branch, which is particularly true in rural and poor areas where as a result a high percentage of people are unbanked. Marketing a new

product like agent banking deals with providing services to satisfy customers' financial needs and wants. Beyond brand awareness, customers need to understand what the product is, why they should use it and how they can get started. The service marketing mix is an amalgamation of the different components of services marketing that companies blends together and use to communicate their services, organizational and brand messages to customers. Agent banking base on mobile application is a software used on mobile device. Application store offer different kinds of applications, such as games, entertainment or applications with information. Agent banking provides various other customer services, government initiated schemes, online facilities such as transfer services, reward programs, online banking services, trading facilities, tax payment facilities, bill payment facilities and many other services.

1.1 Rationale of the Study

Agent banking is not a very new model because the Myanmar has already applied the different models of agent banking to make the success stories. Agent banking or Agency banking is cost effective, convenient to use and making profit in win-win situation, for both financial institutions and the agents. Agent Banking aims to bring low cost, secured financial services at the doorstep of the unbanked people of Myanmar as a part of financial inclusion for empowerment. Agent outlets must be mirror bank branches. By reducing the overhead required to set up a bank branch and through its use of technology, agent banking allows financial institutions to reach underserved segments of the population, particularly in rural and remote areas, in a more cost effective way.

The agent-banking model also heavily stresses rural access, and banks are required to have two agent points in rural communities for every one-agent point they have in an urban area. Like mobile financial services, all of the payments made by agent banking are traceable and accessible to corporate clients through transaction records and monthly bank statements. This means that they are more transparent than cash and easier to manage from a financial auditing perspective. Transactions made via agent banking, however, are more secure than those via mobile financial services (MFS) due to its use of biometrics. Establishing many branches that can provide the bank service to cover most of the area of Myanmar but it is too costly and needs more time and resources. As a product of KBZ, Myanmar's largest private bank, application introduced in May 2018 and has been growing since then. Currently KBZ bank starts

its agent banking service through more than 15000 agents in different States and Regions of Myanmar.

1.2 Objectives of the Study

The objectives of the study are as follows;

- i. To identify agent banking practices of KBZ bank
- ii. To analyze the agent perception on marketing mix activities of KBZ agent banking services

1.3 Scope and Methods of the Study

The thesis focuses on KBZ Agent Banking service. Description method used in this study. The data for the study collected from two sources. They are Primary and Secondary sources. Primary data for this study collected from 191 agents who live in downtime areas, covers 50 agents in Kyauktada Township, covers 50 agents in Latha Townships, covers 50 agents in Batahtaung Township and covers 41 agents in Lanmadaw Township. Secondary data and information collected from previous thesis papers and official reports from public websites.

1.4 Organization of the Study

The study organized with five chapters. In chapter one, the introduction that provides the detail of the study background, rationales, objectives, methodology, scope and limitation of the study. In chapter two, conceptual framework, theoretical framework of the Agent Banking describes. In chapter three, overview practices of KBZ Agent Banking Service describes. In chapter four, analyze on the perception on marketing mix of KBZ agent banking service presented. In chapter five, concludes the findings and giving the appropriate suggestion based on the results obtained and need for future study.

CHAPTER II

LITERATURE REVIEW

There are a lot of theories and research studies that explain Agent Banking and its application towards financial inclusion. Although the literature covers a wide variety of such theories and studies, this review focused on the basic theoretical reviews behind agent banking. Accordingly, the review provides in depth theoretical insight including but not limited to the following - the definitions on Agent Banking, Models of Agent Banking, Challenges of Agent Banking, and its marketing mix of the Agent Banking. In addition, Agent banking has become an essential practice of financial institution in bringing their services closer to the people at the grass root. There is no doubt that agent banking of Myanmar banking system help to improve banks profitability.

2.1 Role of Agent Banking

Agent banking is a kind of branchless banking which is significantly cheaper alternative to conventional branch-based banking that allows financial institutions and other commercial players to offer financial services outside traditional bank premises (Hassen, et al, 2011). Moreover, Agent Banking means the conduct of banking business on behalf of a financial institution through an agent using various service delivery channels; so as to conduct various banking activities which primarily consists of opening and maintaining mobile/regular accounts and accepting deposits; performing fund transfer or cash in and cash out services using mobile devices. Authorized banking agents provide agent-banking services. These agent points are much smaller than bank branches and are equipped with point of sales (POS) devices, mobile phones, barcode scanners, computers, and biometric devices.

By reducing the overhead required to set up a bank branch and through its use of technology, agent banking allows financial institutions to reach underserved segments of the population, particularly in rural and remote areas, and a more cost effective way. The agent-banking model also heavily stresses rural access, and banks are required to have two agent points in rural communities for every one-agent point they have in an urban area. Like mobile financial services, all of the payments made by agent banking are traceable and accessible to corporate clients through transaction records and monthly bank statements. This means that they are more transparent than cash and easier to manage from a financial auditing perspective. Transactions made via

agent banking, however, are secure. Since individual account holders must be biometrically authenticated before accessing their accounts, organizations that send money via this channel can be more confident that the intended recipient will be accessing the funds. In addition, Agent banking is also interoperable. This means that an agent-banking customer can send funds to an agent-banking customer, and vice versa.

The purposes of the agent banking allows financial institutions to use third party retail agents and leverage on ICT to provide financial services outside the traditional brick and mortar bank premises. It is opening up new windows of opportunity for financial institutions to reach out to more people, especially in remote, rural areas, while bringing down costs of operation (Mas, 2008; Mas & Siedek, 2008). Similarly, Agent banking contributes to a more efficient and inclusive financial system by extending financial services to a wider population (Mas & Siedek, 2008).

2.2 Agent Banking Characteristics and Benefits

Agent Banking refers to the delivery of financial services outside conventional bank branches and that entails the use of non-bank retail outlets that rely on technologies such as point-of-sale (POS) terminals, or mobile phones, for real-time transaction processing. A banking agent is a retail or postal outlet contracted by a financial institution or a mobile network operator to process clients' transactions. Rather than a branch teller, it is the owner or an employee of the retail outlet who conducts the transaction and lets clients deposit, withdraw, and transfer funds, pay their bills, inquire about an account balance, or receive government benefits or a direct deposit from their employer. Banking agents can be pharmacies, supermarkets, convenience stores, lottery outlets, post offices, and many more. In this case, most of the agents of the bank are storeowners, mobile phone and accessories shops, individuals, etc.

The main benefits of the agent banking are to include unbanked or underserved segment into the ecosystem customer base profitably and it can provide banking to a larger customer base at low servicing costs. Another benefit is to simplify business processes, to enhance efficiency that can promote a cashless culture and to provide multiple products and payment facilities through a single agent. The agent network can be easily expanded to reach out to more people as and when required. One of the features of the agent banking is that it can minimize distance between a customer and

access to financial services. Customers are convenience in withdrawing and depositing cash. It is also convenience in settling bills, subscriptions and payments for government services when the customers use the agent-banking network. It can encourage more purchasing due to easier flow of cash in financially under-served areas.

Some of the benefits of agent banking are as follows;

1. Facilitates branchless agency banking models: Highly efficient and cost effective approach in deploying and managing a network of partner agents,
2. Provides financial transparency to microfinance: No unauthorized loans, no unreported collections, Head office and branch managers have real-time information on business transactions,
3. Increased efficiency in operations: Less manual steps, no more double data entry, no lost documents, less errors, increased traceability,
4. Convenient and secure for customers: receipt printing and SMS confirmation for every transaction,
5. Works with the existing core banking system: No need for a new core banking system. Simply extend the geographical reach of core banking system and prolong its lifespan,
6. Provides real-time information on field officer: Allowing knowing what have collected or paid out on the field by the staff,
7. Network agnostic: Works with all networks and is independent of mobile providers,
8. Robust against disruptions in internet connectivity: Performing secure transactions with or without internet connectivity to the core banking system, and
9. Extensible and customizable: A future proof solution that can be easily extended in the future to meet new business needs.

2.3 Models of Agent Banking

Agent banking, also known as correspondent banking, is a model for delivering financial services to location for which bank branches would be uneconomical. A delivery channel holds high potential for closing the delivery gap. Agent banking is a branchless banking model outside the traditional brick and mortar bank premises. It is opening up new windows of opportunity for financial institutions to reach out to more people, especially in remote, rural. Firstly, agent banking allows financial institutions to establish physical presence in rural areas, remote areas or low population density where the cost of opening a branch may not make business sense.

Secondly, it allows customers to access financial services in a more familiar way than in a branch as the unbanked are not familiar with the procedures of a traditional bank branch. Thirdly, it increases the sale from customer seeking banking services while increasing the income source for the agent through the commissions or fees they get from banks. Last but not least, agent banking contributes to more efficient and inclusive financial system by extending financial services to a wider population.

There are generally two widely practiced models to conduct the Agent Banking business worldwide. These are the Bank-Led Model, and Non-Bank-Led Model.

2.3.1 Bank-Led Model

The bank-led model offers a distinct alternative to conventional branch-based banking in that customer conducts financial transactions at a whole range of retail agents (or through mobile phone) instead of at bank branches or through bank employees. This model promises the potential to substantially increase the financial services outreach by using a different delivery channel (retailers/ mobile phones), a different trade partner (telco / chain store) having experience and target market distinct from traditional banks, and may be significantly cheaper than the bank-based alternatives. The bank-led model may be implemented either by using correspondent arrangements or by creating a JV between Bank and Telco/non-bank. In this model customer account relationship rests with the bank. (D.Muraleedharan,2014)

2.3.2 Non-Bank-Led Model

The non-bank-led model is where a bank has a limited role in the day-to-day account management (Saiful Islam & Mohammad Omar Faruk, 2016). Typically, its role in this model is limited to safekeeping of funds. Account management functions are conducted by a non-bank (e.g. telco) who has direct contact with individual customers. A specific sequence of SMS messages will enable the system to verify if the client has sufficient funds in his or her wallet and authorize a deposit or withdrawal transaction at the agent. When depositing money, the merchant receives cash and the system credits the client's bank account or mobile wallet. In the same way, the client can also withdraw. Money at the merchant: through exchanging an SMS to provide authorization, the merchant hands the client cash and debits the merchant's account (Dinesh Bhakkad, 2012).

2.4 Marketing Mix in Service Sector

In the era of fierce competitive financial markets and the fastest growth of banking sector and other financial institutions, it is very tremendous task for service marketing people to meet the demands of customers and to apply marketing techniques and strategies to attract, grow and retain customers and increase their volume of deposits. The service marketing mix is an amalgamation of the different components of services marketing that companies blends together and use to communicate their services, organizational and brand messages to customers. The mix consists of the seven P's for instance, Product, Pricing, Place, Promotion, People, Process and Physical Evidence. When the seven elements blended well, they lead to customer satisfaction, which is an indication of the extent to which customers' need and expectations met. The service marketing mix has an incontrovertible importance for creating a mental picture of intangible products, in other words services (Oflac,2014). Customers must be able to stand out the products from those of competitors.

2.4.1 Product

Actually, product means customer solution and the solution provided by the product must be accepted by the society. Unlike a product, a service is intangible, inseparable, perishable and cannot be measured in terms of look, feel and other qualities present in a commodity. However, it can be customized to suit the user requirements and give a personal touch. When developing a product or service, businesses need to consider the needs and preferences of customers and how they can be satisfied (Tellis, 2013). Product contributes to high levels of customer satisfaction if it strikes a good balance between what customers are looking for and what the product offers. It can be achieved through market intelligence.

2.4.2 Price

From the seller's point of view price is the amount of money charged for any product or getting any sorts of service but from the buyer's viewpoint, it is the cost of customer that must be affordable. The pricing strategy for services is tricky to achieve unlike in products, wherein the final price depends on the raw materials, cost of production etc. However, service pricing cannot measure the cost of the services. Therefore, pricing plays a crucial role in the services marketing mix for business. As a

need to attract more customers and maintain the competitive edge over rivals, it is necessary to consider seasonal pricing and discounts.

2.4.3 Place

Place describes the location where the product is seen, sold or distributed to the customers. It can be a physical retail store or an online store (Hu et al., 2009). Effective place strategies ensure that customers can easily locate the business and buy the product they want (Weinreich, Odumade, Jameson, & Hogquist, 2010). A strategic business location ensures better business visibility, which leads to consistent customer traffic. Businesses can distinguish themselves from competitors through effective visual merchandising techniques and by using more innovation strategies to design the retail spaces. Sending the right product and service to the right customers at the right time and convenience location is the ultimate goal of place or distribution. Although widely used in the retail trades it is not often employed in banking due to a lack of cost knowledge in many cases.

2.4.4 Promotion

This element refers to the ways of keeping customers informed of the product and its benefits. Businesses use a combination of different promotional activities to make customers aware of the goods and services (Osborne, Radnor, & Nasi, 2013). These activities include advertising, direct marketing and sales (Tsiotsou & Goldsmith, 2012). Evidence from research shows that use of promotional strategies can lead to improved customer satisfaction, enhanced brand reputation and better sales. Most companies use a combination of promotional strategies to attract customers and make them more satisfied. Promotion really denotes sending and communicating the correct message to the target customers that must be able to create awareness to the minds of customers. Especially the banking industry usually has stiff competition across different angles and business would need many promotions to pass on the right message to potential customers. For tangible product, advertising is the most important component. However, for intangible product (e.g. banking service) personal selling is the most important component.

2.4.5 People

This element refers to the staff working in an organization. People are an essential consideration for effective marketing and thus customer satisfaction. According to S.Samar, Ghani, and Alnaser (2017) customer satisfaction is directly influenced by the people are the only element in the service market mix that can interact directly with customers (R.Samar, Ghani & Muhamad, 2016). Due to the inseparability of the nature of service marketing, to get the optimum benefits from service both the service providers and service takers must perform together that implies people from both sides are responsible for smooth functioning of service. Service marketing is not built on goals, vision and principles but also depends heavily on employees both internal, external as well as interactive are the people who work for company and customers and who are responsible for creating customer driven products for customers delight, growing and retaining them. People in organization are the epicenter and the life-blood for ensuring the quality of services and need to have the best of talents to gain customer loyalty and trust. They have good customer contact, good customer interaction. Their attitude towards customer is very friendly.

2.4.6 Process

This element refers to the various stages and activities involved in delivering a product and service to the customers (Hochbaum, Moreno-Centeno, Yelland, & Catena, 2011). Having good processes ensures rapid and timely delivery of products to customers. It, in turn, saves time and resources by increases business efficiency. In the arena of service marketing, process of service is meant how efficiently and effectively services are delivered to the ultimate customers at hand is an essential aspect of service blueprint and need to emphasize on setting up a process for doing so. Service marketing mix must have a process that is quick, reliable and easy to monitor to ensure superior quality service to hold strong position in the market. In today's competitive world, companies are always in the constant race to deliver services quickly, efficiently and with the highest quality.

2.4.7 Physical Evidence

This element describes the ambiance and other physical attributes of the point where customer interact with the sales and marketing staff. Physical evidence in service marketing refers to all the tangible, visible touch points that customer will encounter

before they get or purchase the benefits of service from reception area and in the service territory. Staff's clothing, logo, sign, symbols, location, annual reports, images, corporate brochures all are essential conditions for rendering really high quality service to customers. These are two category both internal that create the environment in which the service or product is perfectly delivered. Physical evidence as a strategy tool for the bank marketer derives its sustenance form the intangibility principle. Banking products are intangible. In addition, this intangible commodity is a major challenge to the product marketers. The instrument of physical evidence focuses a banker's attention on this crucial aspect. This element is particularly relevant for businesses that operate out of shops. Customers will make perceptions based on the physical outlook of the store, as well as the perceptual plan of the service.

2.5 Nature of Perception

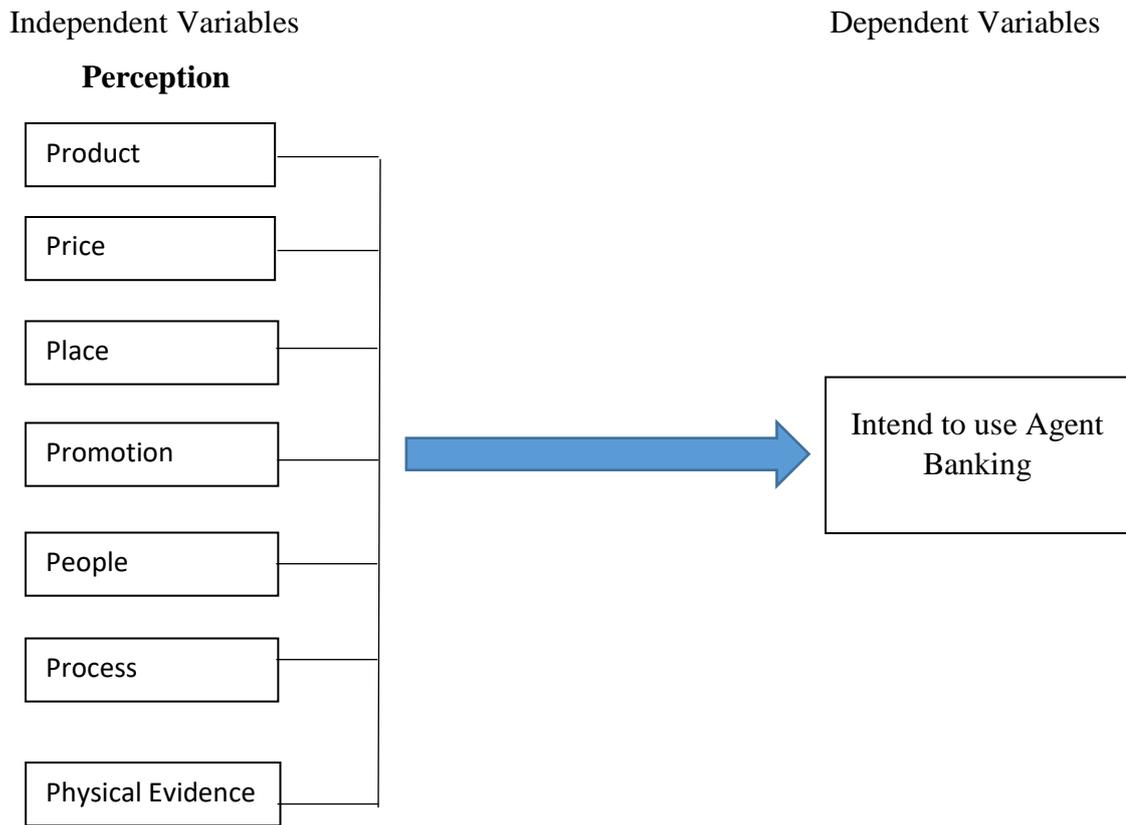
The internal influences that have effect on consumer behavior consist of an individual's perception, learning memory, motives, personality, emotions and attitudes. (Hawkins & Mothersbaugh, 2010, 274-275). Perception plays a major role in the processing of information and consumer decision making. People receive information in the form of sensations by five sensory receptors; eyes, ears, nose, mouth and fingers. The perception process is very important for marketers because it is difficult even to make consumers notice their ads. It begins with consumer exposure and attention to marketing stimuli and ends with interpretation. These seven P's make up the process of perception.

In order for a marketer to communicate their brand or products message effectively to the consumer, it is important for them to understand the nature of perception. Due to the subjective nature of perception, it is vital the message the marketer is aiming to achieve is portrayed in a very clear manner so that the consumer does not interpret the advertisement incorrectly. Agent perception leads to thought and thought leads to action. Perception is the process whereby stimuli are received and interpreted by the individual and translated into a response. In other words, perception is the process by which the mind receives, organizes and interprets physical stimuli. Perception depends on the personal factors. Agents' perceptions to a large extent were expected to be shaped by the size of transaction values.

2.6 Conceptual Framework of the Study

The conceptual framework of the study is drawn based on the above literature reviews. There are seven independent variables and one dependent variable as shown in Figure (2.1)

Figure (2.1) Conceptual Framework of the Study



Source: Self-compilation

CHAPTER III

PRACTICES OF KBZ AGENT BANKING SERVICES

The objective of this chapter is to present about profile of KBZ bank and the practices of KBZ agent banking service. Therefore, in the first part of this chapter, profile of KBZ Bank is introduced by expressing the profile of KBZ Bank, listing out the branch, ATM networks and functional department structure. Functions and features of KBZ Agent Banking are explained and then using of KBZ Agent banking is clarified and then listing out the variety of products categories and services.

3.1 Background Study of KBZ Bank

KBZ bank was established on 1st of July 1994 in Taunggyi, Southern Shan State. Initially, the bank served local population in Taunggyi. In November 1999, present management took over and reformed the organization into one of the biggest private commercial banks in Myanmar. KBZ Bank embraces the core values including teamwork and cooperation, honesty, enthusiasm, mutual trust and respect, integrity, leadership and dedication, which set by chairman for the development of the bank in the interest of the national economy. KBZ Bank's Motto is "STRENGTH OF MYANMAR."

In April 2000, KBZ headquarter was relocated to Yangon, the business capital of Myanmar, with a highly regarded reputation. In November 2011, the Central Bank of Myanmar granted an Authorized Dealer License (ADL) to KBZ Bank as the first step to operate foreign banking business. KBZ Bank will maintain a continuous growth in financial industry along with the development of Myanmar. KBZ Bank has about 400 main branches and 100 mini branches across the country with over 1000 ATMs, over 200-currency exchange counter and over 18000 employees in 2017.

Starting with an initial capital of MMK 477 million in 1999, KBZ Bank has expanded the capital of MMK 133 billion in year 2014. In November 2011, the Central Bank of Myanmar granted and Authorized Dealer License (ADL) to KBZ bank as the first step to operate foreign banking business. In 2015, KBZ bank has become the settlement bank for Yangon Stock Exchange (YSX). KBZ Bank will maintain a continuous growth in financial industry along with the development of Myanmar. KBZ is very aggressive on the expansion of branch and ATM network and consequently KBZ became the biggest bank in Myanmar. KBZ Bank's vision is to become

Myanmar's premier bank with a wide variety of products and services for commercial and private customers.

Table 3.1 showed that there are 397 branches, 1076 ATM and over 200-currency exchange counters across all the region and state of Myanmar.

Table (3.1) Number of KBZ branches and ATM by States and Regions

Region/ State	Branch	ATM
Yangon	139	578
Mandalay	76	241
Shan	40	62
Bago	25	30
Ayeyarwaddy	25	28
Magway	17	25
Sagaing	17	17
Mon	14	20
Rakhine	11	11
Naypyitaw	8	38
Tanintharyi	7	10
Kachin	7	7
Kayin	5	5
Chin	3	2
Kayah	3	2
Total	397	1076

Source: KBZ Bank, 2018.

3.2 Organization Structure of KBZ Bank

KBZ Bank Limited is a private limited company established by BOD and senior officials. Boards of Directors are Chairman, Vice Chairmen and Directors. Senior Officials are Deputy Chairman, Sr. Managing Director, Managing Directors and Deputy Managing Directors. The organization structure of KBZ Bank Ltd is shown in the appendix 1.

KBZ Bank has organized 27 main departments. Those are Administrative Department, Brand Communication Department, Cards & Electronic Payments Department, Corporate Social Responsibility Department, Department of Branch

Operations, Finance Department, Human Resources Department, Internal Audit & Branches Supervision Department, International Banking Division, Information & Communication Technology Department, International Relationship Department, Legal & Compliance Department, Loan Department, Multichannel Banking Department, Mandalay Currency Department, Procurement Department, Research Department, Risk Management Department, Security Department, Support Service, Facility & Maintenance Department - 1, Support Service, Facility & Maintenance Department - 2, SMEs Department, Training School, Transformation Finance Department, Trust Department, Yangon Currency Department and Agent Banking Department. Those departments are supporting to smooth all branch operations and financial services by their perspective role and function for planning of new branch opening, launching new products.

3.3 KBZ Bank Products and Services

KBZ bank offers financial services and products to local customer and corporate. In branch, customer can make financial transaction by opening deposit account such as current, saving, fixed, called deposit and future plus and transfer account to account. In lending, there is loan and overdraft account, hire purchase. Hire Purchase is a service provided by KBZ bank for our account holders, SME business owners and Organization alike to pay for goods in installations over a period of time with a required down payment of 30-50 percent. Overdraft, KBZ offers Myanmar citizens loans and overdrafts, in order to promote development, increase business growth and to develop working capital within the country. KBZ bank has the largest branch network in Myanmar with more than 400 branches until to October 2018 covering all the 14 states.

KBZ bank is also connected to all the other local banks for remittance service using real time online network to transfer your funds. It has launched by integrating KBZ Online banking for non-bank account customer. As other service, KBZ Gift Cheques are suitable for weddings, birthday presents, awards and memorable gifts. KBZ Quick pay is a cash collection service serving as medium between our corporate merchants and their clients. All funds collected by over 491 (including mini branches) will be deposited directly to merchants' accounts open at KBZ bank in real time. Safe Deposit Box can be used to safely store jewelry, important contracts, documents and

other valuable possessions transaction may be happened for purchasing payment order of government payment.

Electronic payments can do processing for KBZ explore card, prepaid card, teens card and international cards. Explore Debit Card; you can make payments online, at mini marts, shopping centers and restaurants without the hassle of carrying cash all the time. KBZ explore prepaid card is available in both Visa and Master. It is suitable for travelers to foreign countries, students going abroad for further studies and those who want to make online payments. This prepaid card is accepted worldwide, including online merchants and ATMs. Our Teens Card is perfect for teens under 18 years of age, and particularly students.

KBZ Bank started international card acquiring business in December 2012; accepting VISA, MasterCard, Union Pay International, and JCB cards at all KBZ ATMs and Point of Sales terminals. Union Pay International (UPI) (previously known as China Union Pay [CUP]) is a leading payment card brand similar to other International card brands such as Visa, MasterCard and American Express. The Union Pay card is increasingly becoming one of the most important credit cards in Asia. There are two (2) type of cards issued by KBZ Bank such as KBZ UPI Classic Card and KBZ UPI Platinum Card. KBZ Visa credit card is a kind of unsecured personal loan, which can be used for payment of goods & services or cash withdrawal. There are two (2) types of Visa credit card issued by KBZ bank i.e. Platinum & Classic cards with Pay Wave function. KBZ Visa pay. Wave is a contactless method of payment – the latest evolution in Visa payments. It is simple, secure and quick payment method.

In Online banking service, Financial transactions are available as own account transfer, internal account transfer and cashless withdrawal. Additionally, loan repayment and remit2U are available. Other function are also available as viewing account activities, downloading account statement, requesting/ stopping cheques and viewing rate loan and foreign exchange. Otherwise, Meter bill payment and top up for phone, top up for master/ visa debit card transaction happened. International banking service are available for trade, international remittance that to facilitate fast and secure transfer of funds, KBZ Bank offers international remittance service to students going abroad for the study, patients going abroad for medical treatment/ check-up, foreigners and those working overseas.

3.4 Agent Banking Service of KBZ Bank

KBZ Bank's agent banking known as KBZPay, makes it easy and convenient for customers to conduct taking transactions from their mobile devices at any time of the day to their convenience in a secured manner. In 2018, KBZ Bank launched KBZPay, a mobile wallet stored in an app on the mobile phone. KBZPay is a secured mobile application for electronic delivery channel whereby customer of the bank are able to perform real time banking. KBZPay sets the vision as 'To help Myanmar become Leading Digital Nation with 100% Financial inclusive in next 10 years.' KBZPay mission is 'To provide safe, convenient, reliable and enabling Financial Access to All Myanmar people in a 5G world.' Users do not need a bank account to sign up for the app.

KBZPay are two types of applications. They are customer application and partner application. Main supporting departments structure for KBZPay are ICT for technical support including security to protect the threat, KBZPay call center team to provide the 24/7 customer service, operation team to monitor transaction for all daily operations activities, agent network management team mainly support to agents and transaction banking support for mobile banking and KBZPay merchant problem. KBZPay Service used in English, Myanmar and Chinese language only.

More than 1.3 million people have downloaded the KBZPay app to-date and one million have digitally verified their accounts with NRC and biometric verification. With KBZPay rapidly growing its network, customers can use the mobile wallet at any of the 65,000 merchants and agents onboard KBZPay. Customers using verified accounts are able to access the full suite of KBZPay services such as bill payment transactions, merchant payment transactions, 'cash in', 'cash out', money transfers, and mobile airtime top-up on all major telcos.

In order to use KBZ Agent banking service, every KBZPay agents need to open an agent account and bank account. Successful registration requires agent identification, filled application form indicating current using KBZ bank account together with understanding of terms and condition (T&C) of using agent banking. Application form and T&C is available at KBZ website and every KBZ branches. For opening the account, the agents who want to do the agent banking need to onboard at partner application. The agent have to aware the guideline of KYC (Know Your Customer) of the bank that they have to provide required information to the bank when he or she open the account.

In KBZPay, Financial transactions are available as KBZPay to bank account transfer, bank account to KBZPay account transfer, KBZPay account to KBZPay account transfer and cashless withdrawal. Additionally, quick pay and remit2U are available. Other function are also available as viewing account activities and downloading account history. Otherwise, electric bill payment and top up for phone transaction happened. Aside from storing money, the KBZPay application allows customers to make cashless transactions, send and receive money, and withdraw physical cash through authorized agents. The application, which is available for download across the country, recently crossed the 1 million, downloads mark. KBZ Bank, Myanmar's largest privately owned bank, is celebrating a new milestone as KBZPay crosses the one-millionth customer mark, placing itself as the fastest growing mobile wallet in Myanmar.

CHAPTER IV

ANALYSIS OF AGENT PERCEPTION ON MARKETING MIX OF KBZ AGENT BANKING SERVICES

This chapter presents data presentation, analysis and interpretation in the following sub-themes questionnaire response rate, demographic data for bank agents, age character and use of agency banking and banking products offered by agency banking.

4.1 Research Design

The analysis was based on descriptive statistics, which was used to identify frequencies, mean and percentages analysis, to answer all the questions in the questionnaire, using Statistical Package for Social Scientists (SPSS) software version 25 for creating various distributions of the variables. It is mainly based on the primary data collected through systematically developed by 5 – point Likert Scale questionnaire. Result of data analysis are calculated on the study 191 sample have been explained, then the results were analyze, discussed in order to assess the agent perception on KBZPay. The study targeted 191 agents who live in downtime area, covers 50 agents in Kyauktada Township, covers 50 agents in Latha Townships, covers 50 agents in Batahtaung Township and covers 41 agents in Lanmadaw Township. The analyses agents' perception on the KBZPay are describes based on the survey data collected by 2019 (September). The collect necessary data the study administered 31 questionnaires in the following categories; product, price, place, promotion, people, process and physical evidence.

4.2 Demographic Characteristic of Respondents

This section presents the profiles of selected 191 sampled agents who are currently use the agent banking service. The study sought to determine the demographic characteristics of the respondents. These include respondents' gender, age, education level, occupation, agent banking learning source, profession and age of agency. The results are discussed in the following subsequent sub-themes.

4.2.1 Respondents by Gender

The respondents are not only males but also females. Table 4.1 show the gender of respondents. The gender characteristic of the respondents indicated that the majority of them were females with 71% accounting for 135 respondents against male 56 respondents representing a percentage of 29%. The gap between males and females stands at 79 respondents representing a difference of 42. The majority of the respondents were female.

Table (4.1) Gender of Respondents

Category	No. of Respondents	Percentage
Male	56	29
Female	135	71
Total	191	100

Source: Survey Data, 2019

4.2.2 Respondents by Age

The age characteristic of the respondents indicated that those between the ages of 18 - 25, which is 27% of the respondents, the rest were either between the ages of 26 – 35, which represented 71% of the respondents or above 45 years, which represented 2% of the respondents also. Majority of the respondents were in their middle ages.

Table (4.2) Age of Respondents

Age Group	No. of Respondents	Percentage
18 – 25 Years	51	27
26 - 35 Years	136	71
Above 45 Years	4	2
Total	191	100

Source: Survey Data, 2019

4.2.3 Respondents by Level of Education

When asked about their level of education, the respondents gave varied responses as indicated in table 4.3. The findings of the study indicate that 73% of the

respondents have reached graduate level, while 27% of the respondents have reached master level. The study considered the level of education as an important aspect because it helps in making informed and formation of opinion. These results show that there seem to be a relationship between academic level and use of agency banking.

Table (4.3) Level of Education

Educational Level	No. of Respondents	Percentage
Graduate	139	73
Master	52	27
Total	191	100

Source: Survey Data, 2019

4.2.4 Respondents by Marital Status

The majority of the respondents were married, with total of 51 respondents affirming so, while 140 respondents were single, this represented 27% and 73% respectively. The married group use agency transactions more than single group.

Table (4.4) Number of Respondents by Marital Status

Category	No. of Respondents	Percentage
Married	51	27
Single	140	73
Total	191	100

Source: Survey Data, 2019

4.2.5 Respondents by Marketing Source

The marketing outlet of agency banking was measured asking the question on how the respondents learned about the agent banking as shown in the table 4.5 below. Most of the respondents (75%) indicated that they have learned it from the bank staff which represented a total of 143 respondents. From table it indicate that the order of learning point is led by the bank staff, media (11%), through friend (11%) and from an agent (3%) which represented 22,21, and 5 respondents respectively. This indicated marketing is done more by the bank staff.

Table (4.5) Sources of Information on the Usage of KBZPay

Marketing Outlet	No. of Respondents	Percentage
Media	22	11
Through a friend	21	11
From an agent	5	3
Bank Staff	143	75
Total	191	100

Source: Survey Data, 2019.

4.2.6 Experience of Using KBZPay Service

Table 4.6 shows that majority (82%) of the agents had operated for 7-12 months while those who had operated for a short time had operated for less than 1-6 months. 12 % of the agents had operated for 13-18 months. These results show that KBZPay customers were using agency banking to a great extent and that is why the agents were encouraged to continue operating for more years and even more agencies opened.

Table (4.6) Experience of Using KBZPay Service

Category	No. of Respondents	Percentage
1 – 6 months	11	6
7 – 12 months	157	82
13 – 18 months	23	12
Total	191	100

Source: Survey Data, 2019.

4.2.7 Agents with another Agent Banking Account

The data below indicates that agents now hold multiple accounts as 72% (137) said they have another account with competing banks versus 28% (54) with no account with competing bank.

Table (4.7) Agents with another Agent Banking Account

Category	No. of Respondents	Percentage
Yes	137	72
No	54	28
Total	191	100

Source: Survey Data, 2019

4.2.8 Occupation of the Respondents

The distribution by occupation of the respondents is shown in Table (4.8). In this study, four occupational levels of the respondents are observed. 88% among the respondents are business owners, which represent the largest group. 12% of them are fall into the category of employed.

Table (4.8) Number of Respondents by Occupation

Occupation	No of Respondents	Percentage
Business Owner	168	88
Employed	23	12
Total	191	100

Source: Survey Data, 2019.

4.3 Agent Perception on Marketing Mix of KBZ Agent Banking Service

The objective for this study was to analyze the agent perception on marketing mix of KBZ Agent Banking Service. There are seven dimensions that are stated as perception on product, price, place, promotion, people, process and physical evidence. The 191 respondents were asked to rate perception of agent banking system. To achieve this objective, the respondents were first required to indicate whether the agent characteristic practices the use of KBZ agent banking. A numerical score of 1= Strongly Disagree; 2=Disagree; 3= Neutral; 4= Agree; 5= Strongly Agree was coded and used to analyze the results as shown in below Table .If the score is more than 3.0, it can be concluded that agents doesn't have negative attitude towards on using behavior. Therefore, it can be concluded that agents have more positive attitude towards on using behavior if the mean score is greater than 3.5 while agents have negative attitude towards using behavior if the mean score is less than 3.0.

4.3.1 Agent Perception on Product

Product characteristics are very important for the customers while they consider the agent banking. In this study, 191 agents surveyed. Mean scores for each question are calculated and the results shown in Table (4.9).

Table (4.9) Agent Perception on Product

No	Product	Mean	Std. Deviation
1	KBZPay developments are guided by market needs	3.84	0.73
2	KBZPay is easy to understand and use technology	4.08	0.75
3	KBZPay service is very suitable for my business	3.81	0.67
4	Agent can enjoy better and safer access to financial products by using of KBZPay	3.85	0.65
5	KBZPay offers a wide range of financial services	3.69	0.63
	Overall Mean Score	3.85	

Source: Survey data, 2019

According to Table (4.9), it is found that easy to understand and use technology for agents is obtained the highest mean score 4.08, showing that most agents can easy use of KBZ agent banking application. Agent carefully choose which service is suitable for their businesses before they use the service. In additions, agent usually find out the agent can enjoy better and safer access to financial products by using of KBZPay and this influence factor god second largest mean score 3.85. Many agents perceive KBZPay is matched for their business since they could reduce cash change trouble. Nowadays, KBZPay is very popular in Myanmar. According to overall mean score, respondents have positive perception on the product as the whole.

4.3.2 Agent Perception on Price

Agents usually look for the price before they look for the products. In this study, 191 agents surveyed. Mean scores for each question are calculated and the results are shown in Table (4.10).

Table (4.10) Agent Perception on Price

No	Price	Mean	Std. Deviation
1	Agent banking reduces transaction costs	4.08	0.75
2	Service Charges are reasonable	3.90	0.62
3	There is low transportation cost	3.94	0.60
4	Agents can get the required information/support in free of charge	4.01	0.64
5	KBZ Agent banking more provides my revenue than other agent banking in Myanmar	3.84	0.44
Overall Mean Score		3.95	

Source: Survey data, 2019

Regarding to the price, respondents have positive perception with the price. This factor is very important for the businesses, as they have to get service commission charges for the transaction. Thus, this factor got mean score 3.95. In addition, low transportation cost and this is the second influencing factor in this context. Furthermore, agents feel KBZPay more provides their revenue than other agent banking. According to overall mean score, respondents think price factors are very reasonable for the KBZPay service.

4.3.3 Agent Perception on Place

Agents usually look for the convenience office where they could buy the service. In this context, outlet agents across the country, convenience to travel and same service level are analyzed. Mean scores for each questions are calculated and the results are shown in Table (4.11).

Table (4.11) Agent Perception on Place

No	Place	Mean	Std. Deviation
1	KBZPay other outlet agents and ATM is near to my living location place.	3.63	0.8
2	KBZPay agents can easy search other outlet agent.	4.00	0.54
3	KBZPay used to give agents easy access to services wherever they happen to be.	3.84	0.71
Overall Mean Score		3.82	

Source: Survey data, 2019

Regarding the place, among three factors, the availability of agents across the country got the highest mean score 4.00. KBZPay used to give agents easy access to services wherever they happen to be. KBZPay Outlet agents have the same few facility and services. According to overall mean score, place-marketing strategy of KBZPay will define success.

4.3.4 Agent Perception on Promotion

Promotions could attract the customers to buy the specific banking products. In this study, promotions, specific offers, and gifts are analyzed in order to find out that those influence on buying decision. Mean score for each question are calculated and results are shown in Table (4.12).

Table (4.12) Agent Perception on Promotion

No	Promotion	Mean	Std. Deviation
1	KBZPay is provide special offer to agents	3.31	0.99
2	KBZPay give gifts to loyalty agents	3.14	0.99
3	KBZPay promotions packages are more attractive than other agent banking	2.86	0.85
4	KBZPay share promotion packages in social	3.40	0.83
5	KBZPay usually offer seasonal promotions to agent	3.05	0.96
Overall Mean Score		3.15	

Source: Survey data, 2019

The respondents a significant agree level and disagree level, as shown in Table (4.12), promotion strategy in the organizations surveyed is influence when the KBZPay is share promotion package in social are highest value of the promotion mix was 3.40, provide special offer to agents of promotion mix are 3.31 mean values, offer seasonal promotions mix are 3.05 mean values. It is found that KBZPay does not have relevant promotions packages are more attractive than other agent banking system. According to overall mean score, promotion-marketing strategy does not strong. KBZPay needs to focus its promotion strategies based on the needs and wants of its agents.

4.3.5 Agent Perception on People

In the service industry, people deliver services. Thus, in this study, skills, politeness, clear response, suggestions and enough human resources of the employees are analyzed based on the survey data. The findings are presented in the Table (4.13) by mean scores.

Table (4.13) Agent Perception on People

No	People	Mean	Std. Deviation
1	Bank Staffs have a very good knowledge about KBZPay	4.00	0.63
2	Staffs know and can support when agents have service related problems.	3.80	0.67
3	Staffs are kind and polite when the agents deal with them	3.66	0.67
4	Staffs clarity the doubts of the agents	3.52	0.73
5	Staffs keep the agents' personal data safe and secure	4.04	0.78
	Overall Mean Score	3.80	

Source: Survey data, 2019

Regarding the people, among four factors, bank staffs keep the agents' personal data safe and secure achieved the highest mean score 4.04. Most Agents consider staffs have a very good knowledge about KBZPay. They have confidence on staffs. Politeness

of the staffs are also important for customers. According to overall mean score, respondents are satisfied with people factors as the whole.

4.3.6 Agent Perception on Process

In the service industry, process and procedures are essential to get more agent satisfaction and market share. Thus, in this study, simple procedures, process duration, clear guidelines, quick response politeness, clear response, suggestions and enough human resources of the employees analyzed based on the survey data. The findings presented in the table (4.14) by mean scores.

Table (4.14) Agent Perception on Process

No	Process	Mean	Std. Deviation
1	Every transaction is done by secure line, network and equipment	3.92	0.66
2	Agent banking service are accessible without time limit.	3.71	0.78
3	KBZPay take full responsibility on any errors that may arise during providing the banking services	3.67	0.62
4	It is easy to open KBZPay agents account	3.91	0.75
5	Transaction Time is very fast	4.16	0.73
	Overall Mean Score	3.87	

Source: Survey data, 2019

Concerning the process, most agents are satisfied with the transaction time rate which got the highest mean score 4.16. Every transaction is done by secure line, network and equipment obtained the second highest mean score. In addition, many agents agree that KBZPay is easy to open KBZPay agents' account. Overall average mean score refers to the process marketing strategy attractive to agents as mean score is above 3.00.

4.3.7 Agent Perception on Physical Evidence

Physical infrastructure is important while delivering the service. Agent perceptions towards the physical factor are analyzed.

Table (4.15) Agent Perception on Physical Evidence

No	Physical Evidence	Mean	Std. Deviation
1	KBZPay have attractive application design.	3.84	0.8
2	KBZ bank have good infrastructure	4.14	0.65
3	KBZPay have good physical evidence (eg: website, business cards and logos)	3.84	0.8
	Overall Mean Score		3.94

Source: Survey data, 2019

Concerning the physical condition, the infrastructure achieved the highest mean score 4.14 among three factors. KBZPay have good physical evidence and attractive application design have the same 3.84 mean score. According to overall mean score, physical factor get the good perception of the agents. The extent of influence is as shown in above result.

4.4 Overall Marketing Mix of KBZ Agent Banking

In this study, marketing mix (7Ps) is analyzed in order to find out which factor got the most positive perceptions of the agents. Table (4.16) presents the overall marketing mix (7Ps) by arranging the most attractive factors with rankings.

Table (4.16) Agent Perception on Overall Marketing Mix of KBZ Agent Banking

No	Marketing Mix (7Ps)	Overall Perception (Average Mean Score)	Ranking
1	Product	3.85	4
2	Price	3.95	1
3	Place	3.82	5
4	Promotion	3.15	7
5	People	3.80	6
6	Process	3.87	3
7	Physical Evidence	3.94	2

Source: Survey data, 2019

According to Table (4.16), it is found that price is the most attractive marketing mix to the respondents with highest mean score. This is because it represents marketer's assessment of the value customers see in the product or service and are willing to pay for a product or service. The pricing might not be as glamorous as promotion, but it is the most important decision a marketer can make. As a second most attractive factor, physical evidence factor attracts the customer attention. On the other hand, Promotion gets the rankings 7. Promotion factor doesn't have much attractive to the agents since mean score is lower than 3.5. According to overall mean score, marketing mix (7Ps) of KBZPay is success and attraction to the agents. This means that KBZ agent banking service has acceptable service by the agent. Currently agents and customers of KBZ bank increased from 15,000 to 65,000 during two years in different States and Regions of Myanmar.

CHAPTER V

CONCLUSION

This chapter represents summary of findings, suggestions and need for future study. This study is analyzed the agent perception on KBZ agent banking services based on marketing strategy 7Ps.

5.1 Finding

This section has been conducted with the research objectives of the study, which involved, identifying the practices of agent banking and the agent perception on KBZ agent banking service. Among 191 respondents, the study reveals that most respondents are between 26 to 35 years old and majority of the respondents are graduated. Regarding the occupation, most of the respondents are business owners. For awareness, most of the respondents answer that they know about the agent banking through the bank staff. The highest score of experience of using KBZPay service is 7 -12 months. 71.6% of respondents already used another agent banking account and only 28.4 % is the first use of KBZPay agent banking.

Regarding product, respondents have good result on the product factor especially “KBZPay is easy to understand and use technology” are attractive to agents. Product suitability achieves custom interests. For the product factor content, most respondents have positive impression for this dimension. Respondents have great impression on the price of KBZPay. They also feel transaction cost of KBZPay is very reasonable. Generally, most respondents are choose with the price strategy of KBZPay. It found that most respondents have positive feedback on the set up of outlet agents of cross of the country. They also consider the locations of the outlet agents are convenient and they can search outlet location in KBZPay application. Most outlet can provide all transaction like that of bank branches. As the whole, most respondents think place factor is acceptable.

Regarding promotion factor, most agents cannot give positive feedback about the promotion offered by agent banking of KBZ bank. KBZPay does not have attractive promotion packages than other agent banking. This is the key issue for the KBZPay in order to survive and to get more number of agent for a long time since most respondents stated that they do not get attractive promotion from KBZPay. According to overall mean score, respondents are achieved with people factors as the whole. Most

respondents think the process of using KBZPay is simple and easy. Transaction time is very fast. As the overall, respondents think the process factor is a attractive. Most respondents feel that KBZ bank has good infrastructure. Regarding this, most respondents receive positive feeling about the physical factor.

5.2 Suggestion

Agent banking has become more challenging and versatile. Agent banking needs to attract agents and customers. This study shows that KBZPay should do some improvements in its marketing mix. The major agents of KBZPay are business owner (shopkeeper) thus KBZPay should focus these shopkeeper. Most of the respondents had previous experience of using from other agent banking system. Thus, KBZPay should plan loyalty programs so that agents will use KBZPay services from others. Moreover, most KBZPay agents get awareness from the bank staffs. Thus, KBZPay should give more incentives to bank staffs and offers some benefits to its staff who recommend agents to use KBZPay.

Direct marketing today necessitates entering into and maintaining a relationship with a customer. They will continue to be important when the economy recovers. There are many media and tools available to the marketer and these should be chosen with care so that the best results can be achieved. Marketers should not forget the basics of direct marketing when instigating a relationship as customers are individual people or organizations with individual needs that need to be addressed.

In order to be competitive level, KBZPay should maintain its pricing strategy by monitoring that of competitors. Moreover, it should set the flexible pricing strategy according to the business type and sum insured. KBZPay product will have to set up provide all types of service at outlet agent. In additions, it should choose the outlet agents locations that agents and customers can easily commute according to the regions. The promotion strategy is the key point that KBZPay should give high priority. Loyalty promotions need to be offered to its regular customers. In additions, it also needs to promote regular customer for all the transactions and services of KBZPay. Brand communication should cautiously done to project the right kind of image in the mind of the customers.

Regarding process, KBZPay should keep its standard registration procedures by using the advanced technology to finish at outlet agents. This could greatly increase next outlet agents. Furthermore, KBZPay should recruit more marketing staffs and train

all staffs in order to give suggestion and recommendations to the specific needs of the customers. Thus, it need to give special training about KBZPay so that employees could give the valuable advice to the customers.

This thesis focuses only on marketing mix (7Ps) activities of agent banking in KBZ bank. From the study, the researcher concludes that there is a very strong positive correlation between the independent variable convenience and the dependent variable number of agents, this conclusion is supported by the results of the descriptive and correlation analysis service marketing showing that there is the strongest positive relationship in comparison to the variables under study.

5.3 Need for Future Study

This thesis focuses only on marking mix (7Ps) activities of KBZPay. This study can enable to do research on 191 agents, in four townships in Yangon according to the limitation. So the future study can extend on this area for wider perspective with bigger sample size and wider study area. There are many opportunities to improve this study. In additions, other factors of external influences and attitude models are not studied. Further study should focuses on financial institutions, future studies should focus on other sectors of the economy and should study on why agency banking is not popular among the old than the young popular groups 26 – 35 years.

REFERENCES

Abdulakdir Wollela(2014). Prospects and Challenges on the Implementation of Mobile and Agent Banking in Ethiopia. Unpublished Master's Thesis, Saint Mary's University.

Akin Oyebode (2014, January).M-Pesa and beyond – Why mobile money worked in Kenya and struggles in other markets. An Article appeared on Tech Cabal, a VC4Africa publishing partner.

Ayuma D.,Mwirigi M.F.,(2013) The Role of Agency Banking In Enhancing Financial Sector Deepening In Emerging Markets: Lessons from the Kenyan Experience

Eden Raphael Owino Patrick., (2015). Effect of Agency Banking Services on Customer Satisfaction: A Case of Kenya Commercial Bank, Master's thesis, University of Nairobi

Efina Access, (2011) Evaluation of Agent Banking Models In Different Countries.,Foxford Policy Management Ltd.

Flaming.M,McKay.C and Pickens.M (2011). "Agent Management Toolkit: Building a Viable Network of Branchless Banking Agents."Technical Guide. Washington, D.C.:CGAP, February.

Hassan.M, Irfan.S,Zaman.S, AkhtarM,Raheja.R,Shafiq.U and Masood.R. Branchless Banking Regulations: For Financial Institutions desirous to undertake Branchless Banking (Updated on June 20, 2011)

Lehman.J (2010), Bill and Melinda Gates Foundation (2010)."Operational Challenges of Agent Banking"

National Bank of Ethiopian Directive (2012). Regulation of Mobile and Agent Banking Services Directive No.FIS/01/2012.Addis Ababa

Nway Nway Wint (2018).Customer Perception on Shwe Agent Banking Services, Master of Banking and Finance, Yangon University of Economics

Phyu Hnin Khine (2018). Customer Perception of Marketing Mix in Public Liability Insurance, Master of Banking and Finance, Yangon University of Economics

Powell.T and Renner.M, (2003) G3658-12 “analyzing qualitative data” I-04-2003

SBS&CGAP (2010), Financial Inclusion and Consumer Protection In Peru: The Branchless Banking Business

Simeon,E and Bamidele,F. (2012).Cashless Banking in Nigeria: Challenges, Benefits and Policy implications. European Scientific Journal, June edition Vol. 8, No 12.

Tashmia, I. and Khumbula, M. (2011) “Mobile Banking: Innovation for the Poor” Gordon School of Business Science (GIBS), University of Pretoria, South Africa.

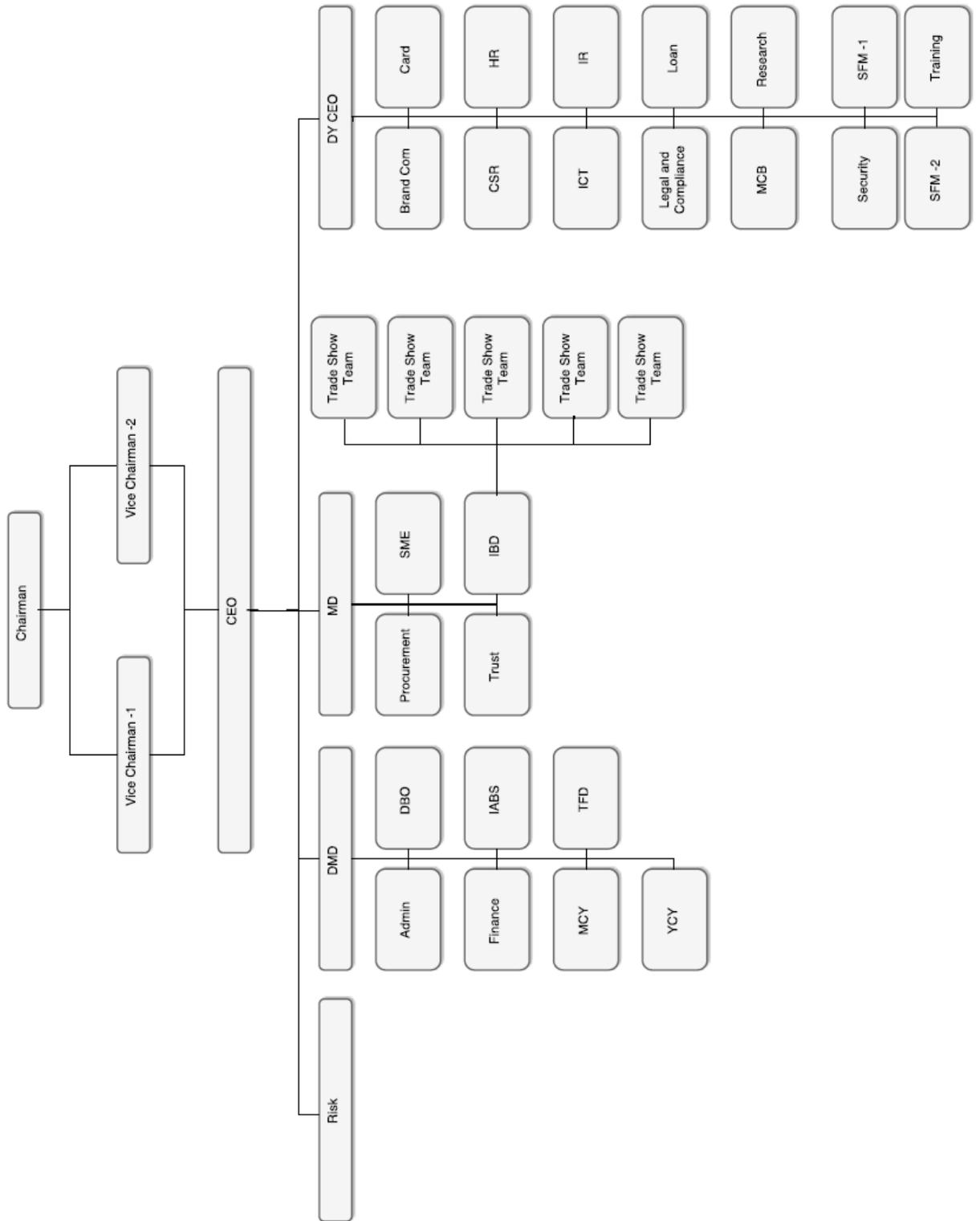
Thet Htar Wai ,(2015). Customer Satisfaction on Online Banking of Kanbawza Bank, Master of Banking and Finance, Yangon University of Economics

Wairi D.(2011). Factors Influencing the Adoption of Agent Banking Innovation among Commercial Banks in Kenya. School of Business, University of Nairobi.

Wanjugu., J.,(2012), Factors influencing Access to Agency Banking, Unpublished M.A Thesis, Nairobi University

APPENDIX 1

Organizational Structure of KBZ Bank



Source: KBZ Bank Limited, 2018.

APPENDIX 2: Structured Questionnaire

Please take a few minutes to fill out this questionnaire honestly and to the best of your knowledge. Please a tick in each box that applies to you. Some questions ask for a written response. Take all the space necessary to complete the question. You may use the back of the form it necessary.

PART I: Demographics

1. Please state your gender
 - Male
 - Female

2. Marital Status
 - Married
 - Single
 - Widowed
 - Any other (Specify)-----

3. Please state your age
 - 18 – 25 yrs
 - 26 – 35 yrs
 - 36 – 45 yrs
 - Above 45 yrs

4. What is your highest level of education?
 - High School
 - Undergraduate
 - Graduate
 - Master
 - Any other (Specify)-----

5. What is your occupation?
 - Farming

- Business Owner
 - Employed
6. From which sources do you know about Agent Banking?
- Media
 - Through a friend
 - From an agent
 - Road show
 - Bank Staff
7. Do you have another agent banking account? (Eg: Wave Money, OK\$, True Money, etc)
- Yes
 - No
8. How long have you use KBZPay agent banking service.
- 1 – 6 months
 - 7 – 12 months
 - 13 – 18 months
 - Above 18 months

PART II: Agent Perception

Please state your level of agreement or disagreement to the following statements regarding your perception towards KBZPay.

(SDA – Strongly Disagree, DA – Disagree, N – Neutral, A – Agree, SA – Strongly Agree)

No	Product	SDA	DA	N	A	SA
1	KBZPay developments are guided by market needs					
2	KBZPay is easy to understand and use technology					
3	KBZPay service is very suitable for my business					
4	Agent can enjoy better and safer access to financial products by using of KBZPay					
5	KBZPay offers a wide range of financial services					

No	Price	SDA	DA	N	A	SA
1	Agent banking reduces transaction costs					
2	Service Charges are reasonable					
3	There is low transportation cost					
4	Agents can get the required information/support in free of charge					
5	KBZ Agent banking more provides your revenue than other agent banking in Myanmar					

No	Place	SDA	DA	N	A	SA
1	KBZPay other outlet agents and ATM is near to my living location place.					
2	KBZPay agents can easy search other outlet agent.					
3	KBZPay used to give agents easy access to services wherever they happen to be.					

No	Promotion	SDA	DA	N	A	SA
1	KBZPay is provide special offer to agents					
2	KBZPay give gifts to loyalty agents					
3	KBZPay promotions packages are more attractive than other agent banking					
4	KBZPay share promotion packages in social					
5	KBZPay usually offer seasonal promotions to agent					

No	People	SDA	DA	N	A	SA
1	Bank Staffs have a very good knowledge about KBZPay					
2	Staffs know and can support when agents have service related problems.					
3	Staffs are kind and polite when the agents deal with them					
4	Staffs clarity the doubts of the agents					
5	Staffs keep the agents' personal data safe and secure					

No	Process	SDA	DA	N	A	SA
1	Every transaction is done by secure line, network and equipment					
2	Agent banking service are accessible without time limit.					
3	KBZPay take full responsibility on any errors that may arise during providing the banking services					
4	It is easy to open KBZPay agents account					
5	Transaction Time is very fast					

No	Physical Evidence	SDA	DA	N	A	SA
1	KBZPay have attractive application design.					
2	KBZ bank have good infrastructure					
3	KBZPay have good physical evidence (eg: website, business cards and logos)					