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FACTORS INFLUENCING CUSTOMER INTENTION TO USE CONTACTLESS PAYMENT CARDS AT KBZ BANK

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ABSTRACT

The study aims to investigate the factors influencing customer intention to use contactless payment cards at KBZ Bank. Specifically, this study examines how five factors perceived usefulness, perceived ease of use, compatibility, trust, and perceived risk collectively influence customer intention to use. A quantitative research method was applied, and data were collected through a structured. According to findings, trust, perceived usefulness, and perceived ease of use significantly influence customers intention to use contactless cards. In contrast, compatibility and perceived risk were found to be insignificant. Trust was the most important factor, supported by customer confidence in the bank's reputation, fraud prevention efforts, and regulatory compliance. Perceived usefulness also important, as customers believed that contactless cards offered faster transactions, greater convenience, and time-saving benefits. These findings demonstrate that when customers perceive the system as trustworthy, beneficial, and easy to use, they are more likely to use contactless payment cards. Therefore, KBZ Bank should implement strategies that enhance trust and perceived usefulness, such as secure transaction alerts, user-friendly systems, and awareness campaigns. By addressing behavioral and operational barriers, the bank can increase customer intention to use contactless cards and support the growth of digital payment technologies as Myanmar moves toward a cashless economy.

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CHAPTER I
INTRODUCTION

Contactless cards represent a significant leap forward in digital banking, offering customers a fast, secure, and convenient way to complete financial transactions without the need for physical contact. These cards employ RFID or NFC technology to make point-of-sale payments easy. So, contactless payment is better than payment cards to replace cash (Al-Smadi, 2011). As part of their digital transformation activities, banks like KBZ Bank are increasing consumer intention to use and adoption of contactless cards to meet the need for more efficient and secure payment choices.

As global trends move toward cashless societies, contactless payments have become popular in the evolution of financial services. The rapid growth of e-commerce and mobile payments is reshaping how consumers interact with financial institutions, making convenience, security, and speed central to the adoption of these technologies. According to a global survey conducted by Mastercard (2020), 79% of respondents reported using contactless payments, with safety and hygiene identified as primary motivator, particularly in the context of heightened health concerns during the COVID-19 pandemic.

In Myanmar, the banking industry is increasingly adopting digital technologies to improve financial inclusion and streamline services. Among these innovations, contactless payment methods are also becoming popular due to their user-friendly design and added convenience. Nearly three in four (72%) of Myanmar consumers expressed interest in adopting contactless card payments. Awareness of contactless payment methods had also increased, with over half (52%) of respondents being aware of using contactless cards for payments, compared to only 10% the previous year ("Usage and Awareness of Contactless Payment Cards," 2020).

The Central Bank of Myanmar (CBM) has been actively promoting the adoption of digital payment methods to modernize the financial ecosystem of country and reduce reliance on cash transactions. In line with global trends, CBM has introduced various regulations and initiatives to encourage electronic payments, including mobile banking, QR payments, and contactless payment cards. These efforts aim to enhance transaction efficiency, improve financial inclusion, and support Myanmar transition toward a digital economy.

To support this digital change, KBZ Bank is expanding contactless payment card use. Understanding what motivates customers to adopt this technology is crucial to its success. This study examines five characteristics that may influence contactless card adoption: perceived utility, convenience of use, compatibility, trust, and risk.

Perceived usefulness is the customer's assumption that the contactless card will increase transaction efficiency and financial convenience (Davis, 1989). Perceived ease of use involves how simple and effortless customers find it to use the contactless card, influencing their likelihood of using the technology (Davis, 1989). Compatibility reflects how well the contactless card fits with customers existing habits, preferences, and routines, which can enhance their intention to use the technology if it aligns with their lifestyle (Rogers, 2003). Trust relates to the customer confidence in KBZ Bank and in the security and reliability of the contactless service, which plays a critical role in digital financial services (Gefen et al., 2003). Perceived risk refers to concerns about security, fraud, or financial loss that may discourage customers from using the card (Featherman & Pavlou, 2003).

Kanbawza (KBZ) Bank is a private Myanmar commercial bank. The bank opened in Taunggyi, Shan State, on July 1, 1994. With over 17,000 workers and 450 branches nationwide, KBZ dominates retail and commercial banking with 42% market share. The contactless card enables rapid, secure purchases at local and worldwide retailers. This study will identify and analyze the elements influencing consumers' inclination to use KBZ Bank's contactless cards to promote its expansion. Banks, IT payment experts, and regulators working to improve contactless payment cards and digital banking in Myanmar would benefit from the findings.

1.1 Rationale of the Study

Myanmar financial system has traditionally been heavily reliant on cash-based transactions. In recent years, however, there has been a significant shift toward digital payment solutions, with banks and fintech firms actively promoting electronic payments to support national efforts toward financial inclusion and modernization. Among the many innovations introduced, contactless payment cards have emerged as a convenient and hygienic alternative for quick transactions. These cards, which rely on Near Field Communication (NFC) technology, have revolutionized the way customers engage in

everyday transactions, providing a seamless and efficient alternative to traditional payment methods (Agarwal & Chua, 2020).

Despite the technological benefits and growing availability of contactless cards, their actual usage among KBZ Bank customers remains lower than expected. Many customers still prefer traditional card methods or cash payments due to habits, trust issues, security concerns, or a lack of awareness. Despite rising card usage in Myanmar, the factors that impact customer intention to use contactless payment cards remain unknown.

Understanding intention to use is crucial since it shows a customer's psychological preparedness and drive to accept new technology, like contactless payment cards. Banks and financial organizations seeking to enhance digital payment uptake rely on intention to use, which strongly predicts actual usage. By focusing on intention rather than just current usage, this study captures customers future willingness to engage with contactless payment cards, which is critical for planning effective marketing strategies, improving user experience, and ensuring long-term success of digital payment systems. Furthermore, analyzing the factors that influence intention to use allows KBZ Bank to identify barriers and facilitators to adoption, enabling targeted interventions to build customer trust, reduce perceived risks, and enhance the perceived benefits of contactless cards. In a rapidly evolving digital banking landscape, understanding and fostering intention to use can help accelerate Myanmar's transition towards a more inclusive and efficient cashless economy.

This study investigates five factors such as perceived usefulness, perceived ease of use, compatibility, trust, and perceived risk that influence customers intention to use contactless payment cards at KBZ Bank. These factors were chosen because previous research shows they strongly affect how people accept and willing to use new financial technologies.

Perceived usefulness measures how much users think contactless payment cards will improve their transaction efficiency and convenience. Davis (1989) found that perceived utility drives behavioral intention because users are more willing to accept technology that improves their daily duties. Perceived utility strongly impacts customers' propensity to embrace new payment systems (Marakarkandy, Yajnik, & Dasgupta, 2017).

Perceived ease of use measures how easy consumers find the payment mechanism. Contactless cards are more likely to be used by clients who find them simple (Davis, 1989).

In the financial sector, where consumers have different technological skills, ease of use is crucial (Venkatesh & Davis, 2000).

Compatibility is integrated from Rogers' (2003) Innovation Diffusion Theory, which emphasizes the alignment of a new technology with users' existing habits, values, and lifestyle. This variable is essential because technologies that fit smoothly into consumers' routine behaviors are adopted more readily. For contactless payments, compatibility ensures that the new method complements existing financial practices, increasing the likelihood of sustained use (Rogers, 2003).

Trust is a critical factor in digital financial services, where concerns about security and privacy can strongly affect user behavior. Gefen, Karahanna, and Straub (2003) highlight trust as a vital element that reduces uncertainty and perceived risk, thereby encouraging acceptance and continued use of online and mobile payment technologies. Trust in KBZ Bank and its payment security infrastructure is especially important to build customer confidence in contactless card usage.

Finally, perceived risk is included to capture users concerns about potential financial loss, fraud, or privacy breaches associated with contactless payments. Research by Featherman and Pavlou (2003) shows that perceived risk can negatively impact customer intention to use new financial technologies. Understanding this variable is crucial for KBZ Bank to address barriers that may prevent customers from intention to use contactless payment cards.

These factors provide a thorough framework for studying drivers and obstacles to contactless payment card adoption. This research reveals consumer intention to use by assessing how customers see these cards' advantages, ease of use, and security. This study can assist bank management determine the most influential aspects on consumers' contactless payment card usage.

1.2 Objectives of the Study

The main objectives of this study are

1. To identify the factors influencing customer intention to use contactless payment cards of KBZ bank.
2. To examine the influencing factors on customer intention to use contactless payment cards of KBZ bank.

1.3 Scope and Method of the Study

This study focuses on identifying and analyzing the factors influencing customers intention to use contactless payment cards at KBZ Bank, particularly at the Kyaun Taw Road Branch in Yangon, Myanmar. The main variables examined in this study include Perceived Usefulness, Perceived Ease of Use, Compatibility, Perceived Risk, and Trust, with Intention to Use as the dependent variable.

A quantitative research method is employed for this study to measure the relationships between the influencing factors and the customers intention to use contactless payment cards. The target population consists of customers who visited the KBZ Bank Kyaun Taw Road Branch and utilized banking services during the data collection period. Since the total population was unknown, Cochran's (1977) formula was used to determine a statistically valid sample size. As a result, 120 respondents were selected as the sample size for this study. A systematic sampling method is used for sample selection. A sampling interval of every third customer was applied to ensure consistent selection. A random starting point was chosen within the first three customers (e.g., the 2nd customer), and then every third customer was selected thereafter (e.g., 2nd, 5th, 8th, etc.).

Primary data were acquired using a structured questionnaire using a five-point Likert scale from 1 (Strongly Disagree) to 5 (Strongly Agree). The questionnaire covered five independent factors and the dependent variable. The theoretical and empirical backdrop of the study was supported by secondary data from academic publications, research papers, textbooks, and related websites. Descriptive statistics and regression modeling were used to examine the relationships between the independent variables (perceived usefulness, ease of use, compatibility, trust, and risk) and the dependent variable (intention to use contactless payment cards).

1.4 Organization of the Study

Five chapters comprise research. In Chapter 1, the reason, purpose, scope, technique, and structure are explained. Chapter 2 discusses theoretical foundation, goal to use, relative theories, past investigations, and conceptual framework. Chapter 3 covers the characteristics, organization, and services of KBZ Bank Limited and variables influencing consumer inclination to utilize contactless payment cards. Chapter 4 discusses research design, demographic data, and regression analysis of consumer intention to use. Chapter five finishes the study by summarizing the findings, making practical recommendations, and suggesting further research.

CHAPTER II
THEORETICAL BACKGROUND

This chapter presents the theoretical framework for the study. It also includes the concept of contactless payment cards, the concept of intentions to use and the factors influencing customers' intentions to use. Lastly, it outlines the conceptual foundation, relevant theories, and findings from previous studies.

2.1 Concept of Intention to Use

A person's intention to employ a technology or system in the future. It reflects the degree to which a person is mentally prepared and motivated to use a service, even if they haven't acted yet. This concept is widely studied in behavioral and information systems research, offering valuable insights into future user behavior (Ajzen, 1991).

Technology-related research employs Davis' (1989) Technology Acceptance Model (TAM) to examine intention to use. TAM states that perceived utility and ease of use directly affect behavioral intention. TAM addresses why people want to utilize a new system rather than actual usage. People are more likely to utilize technology if they think it's beneficial and simple. The invention Diffusion Theory (IDT) emphasises compatibility—how well the invention fits a person's lifestyle or ideals (Rogers, 2003).

Trust also influences behavior, especially in secure digital and financial environments. Trust in the technology or supplier boosts consumers' inclination to utilize. Conversely, perceived danger, such as fraud or data privacy concerns, might reduce system engagement. (Featherman & Pavlou, 2003).

In summary, intention to use refers to a person willingness and mental readiness to use a system soon. It is influenced by different thoughts and feelings, such as how useful and easy the system is, how well it fits with the user habits, how much the user trusts it, and any concerns about risk. Understanding these factors is important to predict how people will use new digital services in the future.

2.2 Influencing Factors on Intention to Use

This section discusses usage intention factors. Main drivers are perceived utility, simplicity of use, compatibility, risk, and trust.

2.2.1 Perceived Usefulness

Davis (1989)'s Technology Acceptance Model (TAM) includes Perceived Usefulness. According to the Technology Acceptance Model (TAM), perceived usefulness is how much a person thinks technology will improve their work performance. In this study, perceived usefulness refers to users' view that such cards will speed up transactions, improve convenience, and boost financial efficiency (Venkatesh & Davis, 2000).

Davis (1989) found that users are more inclined to accept a system if they felt it would increase task performance. Later, Venkatesh and Davis (2000) found that perceived utility strongly predicted behavioral intention in various technology environments. User adoption is higher for technologies that save time, effort, and provide real advantages in daily chores.

Research regularly shows that perceived utility increases financial technology adoption. When a system improves financial management or transactional efficiency, people are more likely to enjoy it (Marakarkandy, Yajnik, & Dasgupta, 2017; Alalwan et al., 2017). Perceived utility is a key theoretical factor in technology adoption, especially in digital and contactless payment systems.

According to Davis (1989), the more users believe that a system will improve their task performance, the more likely they are to adopt it. This idea was later supported by Venkatesh and Davis (2000), who found perceived usefulness to be a strong predictor of behavioral intention in a variety of technological settings. Users are more inclined to adopt technologies that help them save time, reduce effort, and offer tangible benefits in their daily tasks.

Previous research has consistently shown that perceived usefulness has a positive influence on users intention to use financial technologies. When individuals believe that a system is useful and contributes positively to their financial management or transactional efficiency, they are more likely to develop favorable attitudes and intentions toward its use (Marakarkandy, Yajnik, & Dasgupta, 2017; Alalwan et al., 2017). As such, perceived usefulness is considered a main theoretical component in examining technology adoption, particularly in digital and contactless payment systems.

2.2.2 Perceived Ease of Use

According to Davis (1989), the second basic of the Technology Acceptance Model (TAM) is perceived ease of use (PEOU), which is vital to understanding technology adoption behavior. PEOU measures how much a person thinks a system is easy to use. It stresses the significance of system usability, user-friendliness, and simplicity in influencing consumers' adoption of new technologies.

Davis (1989) found that easier-to-use technologies reduce cognitive load, making them more acceptable. Later, Venkatesh and Davis (2000) showed that PEOU directly affects behavioral intention and indirectly enhances perceived usefulness. Easy-to-use technology is more accessible and perceived as advantageous by users.

In digital financial services like mobile banking and contactless payment cards, perceived ease of use is crucial. Users want simple, intuitive interfaces and procedures that need little training. Users are more likely to utilize a system that reduces effort and complexity (Alalwan et al., 2018; Raza, 2019).

PEOU strongly influences adoption behavior, according to several research. Chau and Hu (2002) discovered that healthcare professionals were more inclined to employ easy-to-use telemedicine technologies. Amin (2016) found that Malaysian bank customers' internet banking uptake was substantially driven by perceived ease of use and utility.

In conclusion, technology adoption theory emphasizes perceived ease of use. Users are more inclined to employ basic, efficient, and easy-to-use technology.

2.2.3 Compatibility

Rogers Diffusion of Innovations theory (2003) defines compatibility as how well a new technology matches consumers' values, experiences, and wants. It measures how well an invention fits the target adopter's lifestyle and past experiences. The higher the compatibility, the easier it is for individuals to integrate the innovation into their daily routines without significant disruption or change (Rogers, 2003).

According to Rogers (2003), innovations that are highly compatible with users' existing practices are more likely to be adopted, as they require less behavioral change or learning effort. Technologies that fit into the user's daily routine and personal expectations tend to generate less resistance and foster more favorable attitudes. Moore and Benbasat (1991) emphasized that compatibility is a significant determinant of innovation adoption because it reflects the perceived relevance and usefulness of the innovation in a particular social and personal context.

In the context of digital financial services, compatibility plays a vital role. Technologies such as contactless payment cards or mobile banking systems that integrate smoothly with users current financial management practices are perceived as more compatible. Features like ease of integration with existing accounts, alignment with users payment habits, and support for commonly used platforms enhance perceived compatibility (Zhou, Lu, & Wang, 2010). Conversely, if the technology requires users to adopt unfamiliar or complex procedures, compatibility is perceived as low, potentially hindering adoption.

Previous research supports the importance of compatibility in technology acceptance. For instance, Yang (2005) found that compatibility significantly influenced mobile commerce adoption by ensuring that the technology met consumers' expectations and fit their daily activities. Similarly, Zhou et al. (2010) reported that compatibility positively affected users' intentions to adopt mobile banking services in China. Thus, in the theoretical framework of this study, compatibility is considered a main determinant influencing users intention to use innovative financial technologies.

2.2.4 Perceived Risk

Risk perception impacts consumers' desire to utilize new technology, especially in the financial industry where security and privacy are crucial. Users see risk as the possibility of loss or harm from utilizing a technology or service (Featherman & Pavlou, 2003). It has financial, privacy, performance, and security hazards. All of these can affect customers' desire to utilize contactless payment cards or mobile banking.

In the context of digital payments, perceived risk is often linked to fears of fraud, unauthorized transactions, data breaches, and identity theft. These concerns can significantly reduce users trust in technology, leading to hesitation or rejection despite its convenience and usefulness (Kim, Shin, & Lee, 2009). Users who perceive high levels of risk may avoid adopting contactless payment technologies due to uncertainty about their safety and reliability.

Empirical studies have demonstrated that perceived risk negatively influences the intention to use digital financial services. For instance, Pavlou (2003) found that consumers perceived privacy and security risks directly reduce their willingness to engage in electronic commerce. Moreover, Kim et al. (2009) showed that perceived risk significantly lowers the adoption rates of mobile payment systems by reducing users trust.

Therefore, in the theoretical background of this study, perceived risk is considered a critical factor that can reduce users intention to use of contactless payment cards. Addressing these risks through enhanced security measures and trust-building strategies is essential for promoting wider acceptance of digital payment technologies.

2.2.5 Trust

Users trust a technology or service because they believe it is trustworthy, secure, and will work as intended (Gefen, 2000). Trust eases uptake and usage of contactless payment systems and other digital financial services by reducing ambiguity and perceived dangers.

The Technology Acceptance Model (TAM) and the Unified Theory of Acceptance and Use of Technology (UTAUT) highlight the relevance of trust in technology acceptance. These models imply that trust may directly impact user behavior by reducing security, privacy, and fraud concerns (McKnight, Choudhury, & Kacmar, 2002). When users trust a payment system, they are more likely to perceive it as useful and easy to use, which in turn encourages us to use.

Trust is multidimensional, encompassing factors such as the integrity, competence, and benevolence of the service provider or technology (Mayer, Davis, & Schoorman, 1995). In digital payments, trust may be built through transparent security protocols, strong data protection policies, and a positive reputation of the service provider. User experience and past successful transactions also contribute to reinforcing trust.

Empirical research supports the critical role of trust in financial technology adoption. According to Wang, Wang, and Lin (2016) found that trust significantly influences users intentions to use mobile payment services by reducing perceived risks. Similarly, Zhou (2011) reported that trust positively impacts customers willingness to use online banking and contactless payment methods.

2.3 Related Theories

This section presents the theoretical frameworks relevant to understanding customers intentions to use of contactless payment cards. The primary models applied in this study include the Technology Acceptance Model (TAM), Innovation Diffusion Theory (IDT), Perceived Risk and Trust.

2.3.1 Technology Acceptance Model (TAM)

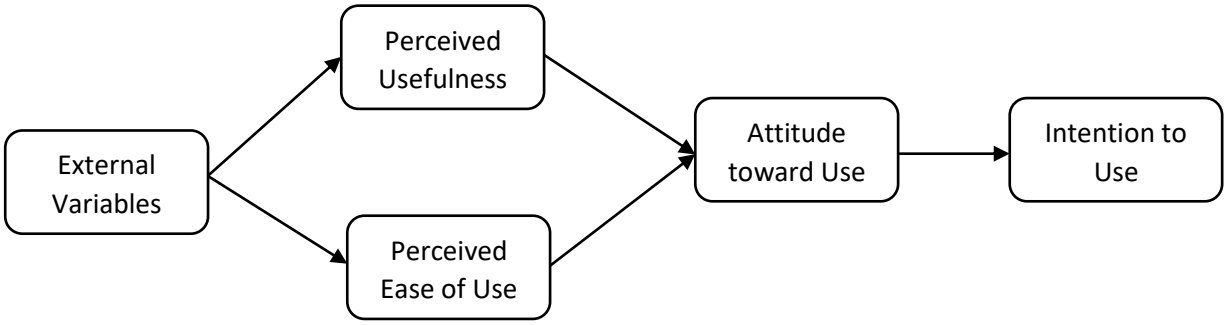
The Technology Acceptance paradigm (Davis, 1989) is a popular information systems research paradigm. TAM states that Perceived Usefulness (PU) and Perceived Ease of usage (PEOU) affect technology usage intentions. Perceived usefulness is how much a person thinks a system will increase their performance or productivity, whereas perceived ease of use is how easy it is to use. Together, these elements determine consumers' attitudes and technology usage intentions. Wang and Lin (2018) found that while TAM is a powerful predictor of customer propensity to embrace contactless payment systems, security and trust may also be important.

TAM helps explain customer behavior in the context of digital payment technology like contactless cards. Customer intention to use a contactless card is higher if they feel it speeds up and simplifies transactions. This theoretical model has been proven in many technical contexts and altered to incorporate other significant factors depending on the technological environment and user population.

Davis (1986)'s Technology Acceptance Model (TAM) emphasizes perceived usefulness (PU), ease of use (PEOU), attitude, and behavioral intention to use (Figure 2). 1. PU and PEOU shape user ideas about technology, which affect their attitude and use. These criteria predict technological acceptance. Davis (1989) used system utilization as the dependent variable and PU and PEOU as independent variables in multiple validation experiments. A high correlation existed between consumers' present usage, expected future usage, and perceived usefulness.

turn shape their attitude and intention to use it. Ultimately, these factors help predict whether the technology will be accepted. In several validation studies, Davis (1989) treated system usage as the dependent variable and PU and PEOU as independent variables. He found a strong relationship between users’ current usage, their predicted future usage, and their perception of usefulness.

Figure (2.1) Framework of the Technological Acceptance Model (TAM)



Source: Davis, 1986

2.3.2 Innovation Diffusion Theory (IDT)

Since 1962, Everett Rogers' Innovation Diffusion Theory (IDT) has explained how new ideas, goods, and technology move across a community or social system. It discusses how people embrace innovations and the elements that impact them. The Technology Acceptance Model (TAM) focuses on user perceptions like perceived usefulness and ease of use, but the Innovation Diffusion Theory (IDT) examines the innovation's characteristics and how they affect users' intention to use it. For example, when a new technology like contactless payment cards is introduced, users intention to use it depends not only on how useful they perceive it to be but also on how well it aligns with their existing habits, values, and daily routines. Understanding these factors helps explain why some customers are more willing to try the technology.

The Innovation Diffusion Theory by Rogers (2003) complements TAM by explaining how innovations spread among consumers. One factor from IDT relevant to this study is compatibility, which refers to how well contactless payment cards align with users existing financial habits, experiences, and lifestyles. The more compatible the technology is with customers' daily routines, the higher the likelihood of adoption.

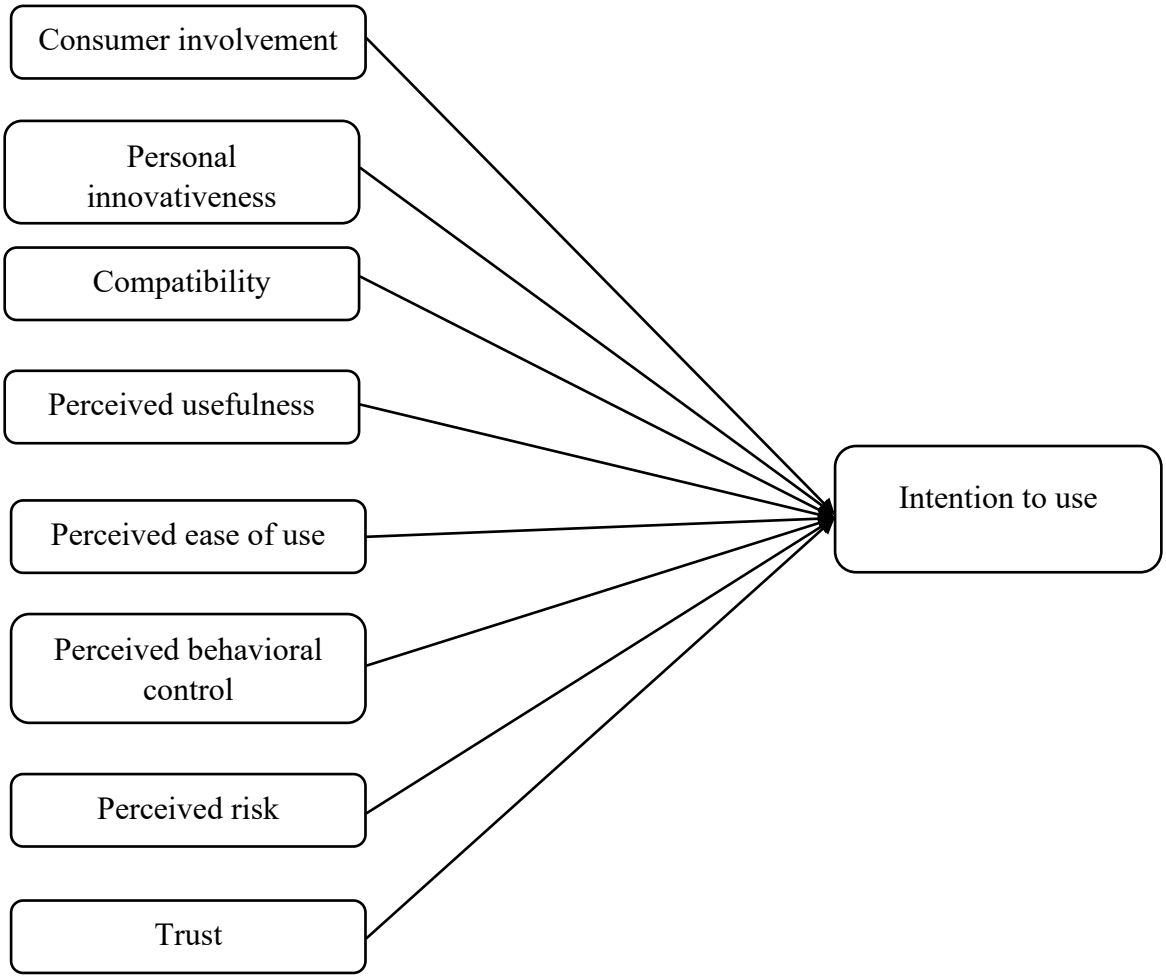
Rogers (2003) identified five factors that influence innovation adoption: Relative advantage, compatibility, complexity, trialability, and observeability. These traits shape how people adopt innovations. These factors are crucial to understanding customer behavior and technology adoption for contactless payment cards.

2.4 Previous Studies

Wang and Lin (2019) studied "Understanding Consumer Intention to Pay by Contactless Credit Cards in Taiwan." This research examined customer attitudes about

contactless credit card payments. The study examined eight factors: Perceived Usefulness (PU), Perceived Ease of Use (PEOU), Perceived Behavioral Control (PBC), Compatibility (CM), Perceived Risk (PR), Trust (TR), Personal Innovativeness (PI), and Consumer Involvement (CI) using the Technology Acceptance Model (TAM) and Innovation Diffusion Theory (IDT). Figure 2.1 shows the study's conceptual framework.

Figure (2.2) Understading Consumer Intention to pay by contactless credit cards in Taiwan



Source: Wang, Y.-M., & Lin, W.-C. (2019)

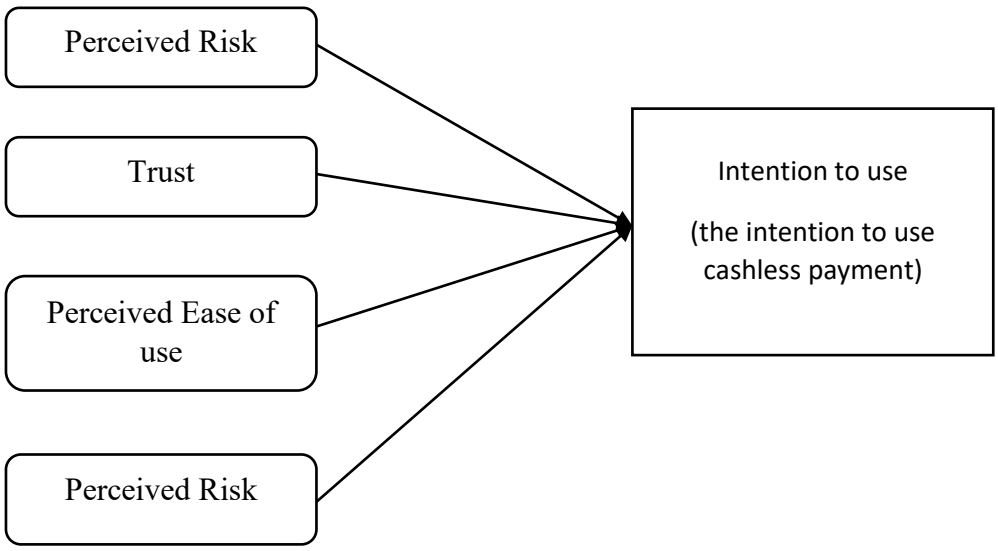
The authors of Understanding Consumer Intention to Pay by Contactless Credit Cards in Taiwan identify variables impacting consumer adoption of contactless payment technologies. Compatibility and perceived danger appear to be key factors in contactless credit card use. Security concerns and trust influence adoption habits more

than perceived utility and simplicity of use. The report underlines that resolving customer fraud and transaction security concerns can boost contactless payment usage.

Additionally, the study highlights that consumer confidence in the reliability of contactless payment infrastructure significantly affects their willingness to use technology. Wang and Lin suggest that banks and financial institutions should focus on security measures, risk mitigation strategies, and user awareness campaigns to increase adoption. Enhancing consumer trust through improved data protection policies and transparent communication about security can help foster greater acceptance of contactless payment solutions.

Other research by Chai Wen Jing, Mohd Amim Othman, and Ahmad Hariza Hashim examine the factors that influence customers' propensity to use cashless payment systems among public university undergraduate students. This study built on the expanded Technology Acceptance Model (TAM) to include perceived utility, ease of use, trust, and risk. See Figure 2.2.

Figure (2.3) Factors Influencing Consumers Intention to Use Cashless Payment among Public University Undergraduate Students



Source: Chai, W. J., Othman, M. A., & Hashim, A. H. (2024)

In "Factors Influencing Consumers Intention to Use Cashless Payment Among Public University Undergraduate Students," the authors examine the factors that influence students' cashless payment adoption. The findings indicate that perceived usefulness, perceived ease of use, and trust significantly and positively influence students intention to

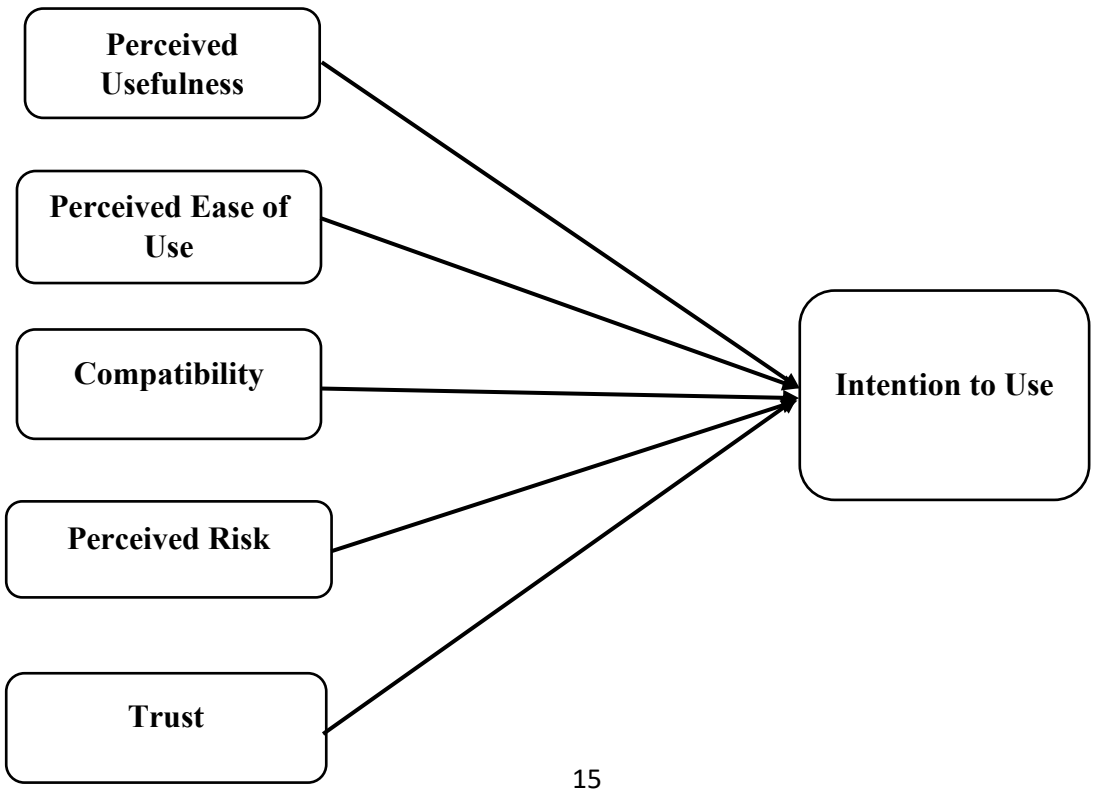
use cashless payment methods, with perceived usefulness emerging as the most influential factor. Although perceived risk was included in the model, it did not have a statistically significant impact. The authors emphasize that raising awareness and fostering user trust are essential strategies to encourage adoption. They recommend that financial institutions and policymakers enhance system accessibility and security, while also investing in user education to support the transition toward a cashless society.

2.5 Conceptual Framework of the Study

Figure (2.3) shows how theoretical notions, and earlier studies formed this study's conceptual framework. KBZ Bank's contactless payment card intents are analyzed using this approach. This study examines customer intention to use using recognized frameworks like the Technology Acceptance Model (TAM) and Innovation Diffusion Theory (IDT).

This study's independent variables are Perceived Usefulness, Perceived Ease of Use, Compatibility, Risk, and Trust, while the dependent variable is Intention to Use. This study uses TAM and IDT to analyze the elements that influence consumer intention to adopt contactless payment cards in the KBZ Bank financial ecosystem.

Figure (2.4) Conceptual Framework of the Study



Source: Own Compilation (2025)

Working Definitions of the Study

Intention to Use: Customers' propensity to utilize contactless payment cards is impacted by aspects such simplicity of use, usefulness, trust, fit with their lifestyle and habits, and perceived security and privacy risk.

Perceived Ease of Use: Customers' perception that KBZ Bank contactless payment cards are easy to use and need little technological understanding.

Perceived Usefulness: The degree to which customers perceive that using KBZ contactless payment cards enhances the efficiency, speed, and convenience of their transactions.

Compatibility: The alignment of contactless payment cards with existing customers payment habits, financial preferences, and technological readiness.

Perceived Risk: Perceived risk refers to the level of uncertainty and potential negative outcomes that customers associate with using contactless payment cards. It reflects concerns about fraud, unauthorized transactions, data breaches, or misuse of personal and financial information. This perception encompasses various types of risks including financial, privacy, performance, and security risks which may undermine users trust in the technology and reduce their intention to use contactless payment methods.

Trust: Refers to the customers believe that KBZ Bank and its contactless payment system are reliable, secure, and act in the customer best interest. It includes beliefs about the bank integrity, competence, responsibility, and responsiveness.

CHAPTER III
PROFILE AND CONTACTLESS PAYMENT CARDS SERVICES OF KBZ BANK

This chapter describes KBZ bank's profile, vision, goal, and purpose. Additionally, it includes KBZ bank's services. Finally, it describes KBZ bank's contactless card services.

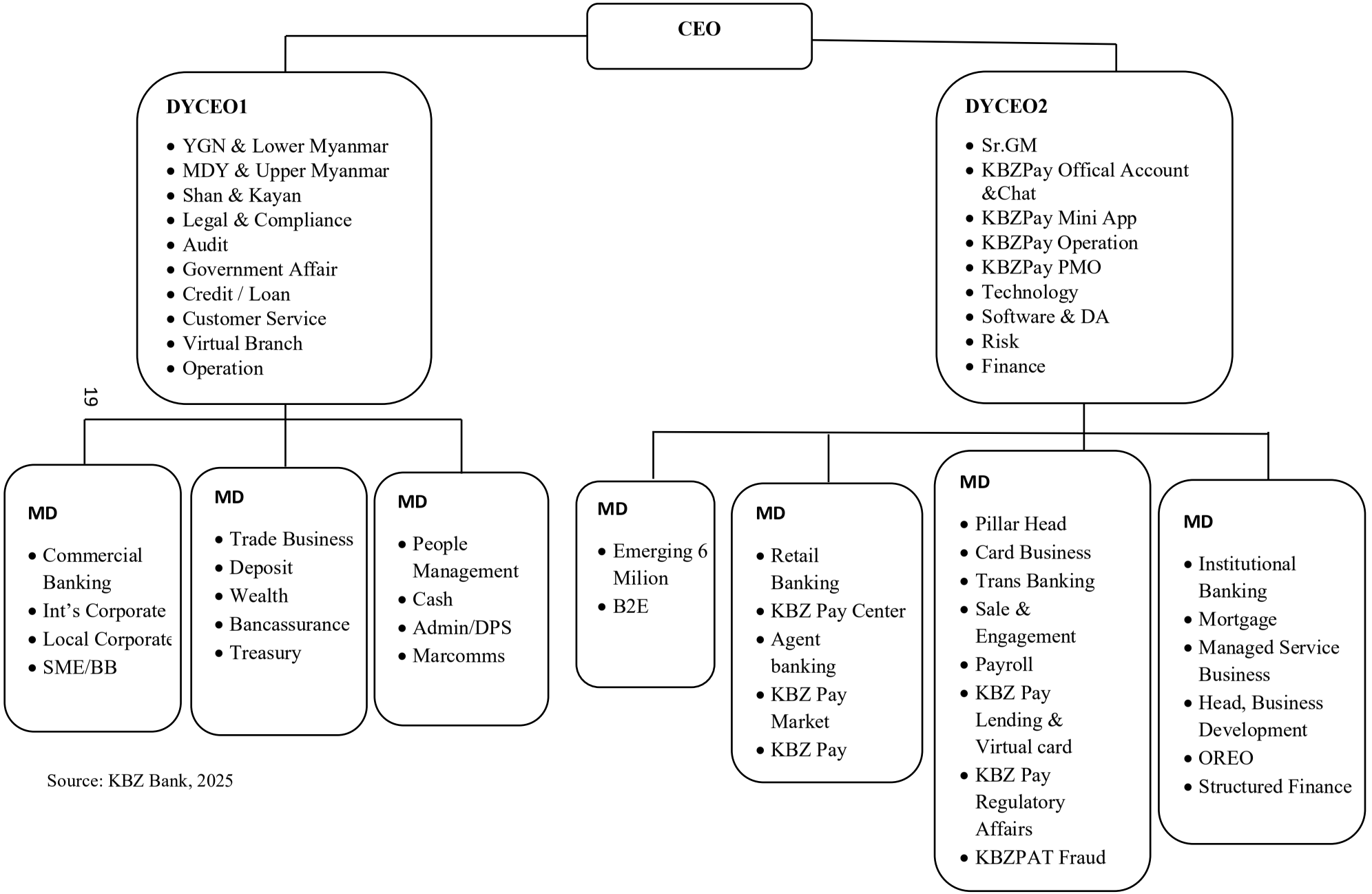
3.1 Profile of KBZ Bank

Kanbawza Bank (KBZ Bank) was created in Taunggyi, southern Shan State, on July 1, 1994. For over 20 years, KBZ Bank has worked to improve Myanmar's communities and institutions to improve everyone's quality of life. The largest privately held bank in Myanmar, KBZ, with a 40% retail and commercial banking market share. This dominance helps entrepreneurs, businesses, and communities grow in the country. By using modern banking practices, KBZ Bank is helping Myanmar advance digitally. Mobile-first technology has helped KBZ improve financial inclusion and link customers to their priorities. KBZ Pay, Myanmar's fast-growing mobile wallet, has helped KBZ bank expand to additional communities. KBZ Bank is transforming internally using cutting-edge technologies to increase productivity and customer service. KBZ also develops its staff and future leaders. Myanmar's future depends on its fundamental institutions, and KBZ Bank is leading this effort. KBZ Bank's fundamental principle is being nice to people and doing the right thing throughout the organization.

It stands apart because of this devotion. This culture is based on Metta, Thet Ti, and Virya, which means compassion, courage, and perseverance. These principles guide operations from top leadership to frontline staff and customer, partner, and community relationships. These ideals promote mission-driven action and social effects. KBZ Bank aims to promote national and social improvement in Myanmar as a change agent. KBZ Bank aims to be the best-managed bank worldwide. Since 2017, KBZ Bank has undergone the most dramatic and ambitious restructuring in its history, following international best practices. Our transition is driven by new technology and leadership styles. KBZ Bank, Myanmar's largest financial institution, supports the country's financial development and future economic progress. In Myanmar, KBZ Bank aims for 100% financial inclusion. To this purpose, the bank provides excellent financial services and a better client experience with strong infrastructure and professional skills.

3.2 Organization Structure of KBZ Bank

To provide high-quality financial services, KBZ Bank has a comprehensive organizational structure. KBZ Bank structures its departments to ensure operational efficiency and service quality in line with its vision and purpose. Each department is responsible for specific functions, ranging from retail and commercial banking to digital services and institutional banking. The bank structure allows for specialized focus through its various divisions, ensuring that every customer segment is served effectively. KBZ Bank has a well-defined organizational arrangement, as illustrated in Figure 3.1.



Source: KBZ Bank, 2025

Figure (3.1) Organization Structure of KBZ Bank

As shown in Figure (3.1), KBZ Bank operates under a well-defined hierarchical and functional structure, designed to support its expansive operations and digital-first strategy. At the top is the Chief Executive Officer (CEO), who oversees the overall organization, including governance, strategy, and performance. Below the CEO, two Deputy Chief Executive Officers (DCEOs) manage main operational and strategic domains. Each DCEO leads several Managing Directors (MDs) responsible for specific business units and regions such as Commercial Banking, Retail Banking, Institutional Banking, Digital Services, Technology, Risk, and Finance.

Functional departments including Legal & Compliance, Risk Management, Treasury, Operations, Marketing, Human Resources, and IT report through these MDs to ensure centralized oversight and control across KBZ extensive network. The Board of Directors, chaired by an appointed member, provides strategic guidance and governance to ensure that senior management remains aligned with the bank's mission, long-term objectives, and regulatory requirements. As of October 2023, the Bank organizational chart reflects its commitment to digital innovation, decentralized decision-making, and robust governance. his structure enables KBZ Bank to efficiently manage its 450+ branches, foster regional decision-making, and scale technical innovations such as KBZ Pay, virtual banking, and contactless services to meet the evolving needs of Myanmar financial landscape.

3.3 Contactless Payment Cards Services of KBZ Bank

KBZ Bank offers secure and efficient contactless payment card services that allow customers to make transactions quickly by simply tapping their cards on enabled terminals. This technology provides a convenient alternative to traditional cash or card-swiping methods, helping users complete payments without physical contact or PIN input. Contactless cards from KBZ Bank are embedded with RFID (Radio Frequency Identification) or NFC (Near Field Communication) technology, which ensures faster, safer, and seamless payment experiences. Customers can use the contactless feature at retail stores, restaurants, fuel stations, and public transportation systems that support the tap-to-pay service.

The bank ensures that customers enjoy enhanced security through multiple safeguards such as transaction limits, encryption, and real-time alerts for every payment. Additionally, customers can manage their cards easily via the KBZ Mobile Banking app, which provides access to transaction history, card settings, and the ability to lock or unlock

the card for added safety. The contactless card is integrated with the bank broader financial services, enabling automatic top-ups, linked savings accounts, and cashback offers, making it more than just a payment tool.

Contactless cardholders benefit from real-time transaction tracking, reduced waiting times at payment points, and improved hygiene and convenience, particularly in high-traffic environments. The ease of use, combined with a growing acceptance network, has positioned KBZ Bank contactless cards as a modern, practical solution that aligns with evolving customer expectations and Myanmar shift toward cashless banking.

3.4 Factors Influencing Customer Intention to Use Contactless Payment Cards

These variables affect customer intention to use KBZ Contactless Payment Cards. Usefulness, simplicity of use, compatibility, danger, and trust drive it.

3.4.1 Perceived Usefulness

When customers perceive that a service improves the efficiency and effectiveness of their day-to-day transactions, they are more likely to be interested in using that service. The KBZ Bank has taken this into consideration and added a number of features in order to guarantee that its contactless card services are regarded as being of great value by its clients. When consumers use KBZ Bank contactless payment cards, they are able to complete payments in a rapid and easy manner by just touching their card at a point-of-sale (POS) terminal. The use of this tap-to-pay capability removes the need to enter a PIN or swipe a card, which considerably reduces the amount of time required for transactions and improves the overall customer experience. This is especially beneficial in retail venues that are very crowded or during peak hours. As a result of the speed and ease of these transactions, customers who regularly shop, dine out, or travel may profit from the contactless card, which positions it as a useful and time-saving financial instrument.

KBZ Bank has taken active initiatives to create awareness and exhibit value in order to make it publicly known that customers regard the products and services they offer to be valuable. During the process of creating new accounts and issuing new cards, the frontline employees of the bank have been taught to educate consumers about the advantages of using contactless cards. Furthermore, KBZ Bank has used social media platforms, its official website, and in-branch materials to conduct promotional campaigns that highlight the benefits of contactless cards. These campaigns have highlighted the fact that contactless cards offer greater convenience by reducing the number of steps required

to make a payment, enhanced safety by minimizing the amount of physical contact with surfaces, and faster transaction speeds that help customers save time during busy hours. In addition, the bank has formed partnerships with major retailers, including supermarkets, restaurants, and retail outlets, in order to increase the availability of point-of-sale terminals that are outfitted with contactless technology. This makes it simpler for clients to utilize the service in everyday situations.

In addition, KBZ Bank has improved the experience of making contactless payments by implementing supporting features such as real-time SMS notifications, which enable clients to trace their transactions in real time. The integration of contactless cards with the KBZPay mobile wallet provides an additional level of convenience by enabling the administration of digital payments to be carried out in a streamlined manner inside a single platform. Additionally, the bank has established a connection between the use of contactless cards and reward and cashback programs, which serve to provide extra incentives for consistent use. A consequence of this is that consumers are more likely to consider the service to be advantageous, which in turn has a favorable impact on their desire to use it.

3.4.2 Perceived Ease of Use

The contactless payment cards offered by KBZ Bank are meant to be easy to comprehend, simple to use, and user-friendly for each and every one of the bank's clients. The ability to make payments by just tapping a customer's card on a point-of-sale terminal, without the need to insert the card or input a personal identification number (PIN). Customers are able to finish their purchases in a short amount of time and with a minimum of work because to this ease. Because the contactless function does not need any technical understanding, the majority of customers are able to start using their cards immediately after activation, without the requirement for teaching or training that is particularly complicated. The KBZ Bank provides usage recommendations that are easy to understand and straightforward through printed flyers, in-branch displays, and the bank's official website. This is done to guarantee that the simplicity of use is well understood. Training is provided to frontline employees at KBZ Bank branches so that they can explain the procedure that occurs during the issuing of cards and provide live demonstrations, particularly for clients who are not familiar with the technology. The KBZPay mobile wallet has also been connected with contactless cards from KBZ Bank. This integration enables clients to simply manage their payments, track transactions, and link their cards all

through a single platform. In order to eliminate uncertainty and improve consumers' trust in the service, real-time SMS messages are sent out after each transaction. These alerts provide customers with rapid feedback and comfort that the payment was successful.

3.4.3 Compatibility

Customers of KBZ Bank have the ability to make purchases using contactless payment cards, which the bank has introduced to closely correspond with their everyday lifestyles and behaviors. Customers who are already accustomed with digital payment methods, such as mobile wallets, QR codes, and online banking, will find that using contactless cards is a natural and consistent activity for them to engage in. Furthermore, the service is consistent with the usage patterns of customers who have previously used traditional contact cards (chip or swipe), since it builds upon the same card structure but adds a quick tap-to-pay function. This makes the service suitable for consumers who have used traditional contact cards in the past. Because of this, the contactless card gives the impression of being a natural improvement rather than a wholly new technological system. The capacity to complete transactions in a rapid and easy manner is particularly well-suited for locations that are characterized by a high rate of activity, such as supermarkets, restaurants, convenience stores, and public transit. This ability is quite compatible with the expectations of modern consumers.

The KBZ Bank makes certain that its contactless cards are compatible with the financial services that are already in place. Customers have the ability to link their contactless cards with the KBZPay mobile wallet, which allows for centralized administration of transactions, card controls, and account monitoring. Furthermore, the bank offers real-time SMS alerts following each transaction, which not only improves transparency but also gives users rapid confirmation. These are additional benefits that a significant number of clients already anticipate receiving as part of their banking experience. KBZ Bank has implemented contactless-enabled point-of-sale terminals at its primary retail and service sites, which are frequented by consumers, in order to standardize the payment procedure across its merchant network. A regular and familiar experience is ensured as a result of this, which coincides with the everyday routines of consumers and boosts their level of comfort when using technology.

Additionally, KBZ Bank has conducted awareness campaigns and in-branch displays to introduce the features and ease of use of contactless cards. The bank has also placed an emphasis on the compatibility of these cards with existing banking services in

order to encourage first-time users to try out the service by demonstrating how easily it can be integrated into their existing banking experience.

3.4.4 Perceived Risk

KBZ Bank places a high priority on the safety of its contactless payment cards in order to maintain the confidence of its customers and reduce the potential for danger. The bank has employed a number of different risk-mitigation measures in order to accomplish this goal. The security systems of KBZ Bank are constantly being updated to defend against fraudulent activity and unauthorized access. These upgrades are announced by the relevant payment authorities. These continuing upgrades contribute to the maintenance of a secure environment for all credit card and debit card transactions. For the purpose of safeguarding client information and preventing unwanted access, KBZ Bank employs defined protocols for secure transaction messaging, such as ISO 8583, in conjunction with robust encryption technology.

As an additional measure to safeguard the information of its customers, KBZ Bank guarantees that it complies with all applicable local and international data protection rules. Additionally, transaction restrictions are applied to contactless payments, which helps to decrease the possible financial effect that might occur in the event that a card is stolen or lost.

Furthermore, KBZ Bank has implemented real-time fraud detection systems that actively monitor contactless transactions for unusual patterns or suspect activity. These systems are designed to identify fraudulent activities. Customers may feel the most vulnerable when they are making recurring, low-value transactions, which is where these technologies are especially helpful in monitoring their behavior. In spite of the fact that low-value transactions do not necessitate the insertion of a personal identification number (PIN), contactless cards supplied by KBZ Bank are equipped with built-in security mechanisms that automatically trigger extra verification when it is required. As a result of these proactive measures, which combine secure technology, regulatory compliance, and consumer education, KBZ Bank is able to dramatically lower the perceived risk associated with its contactless card services and raise the level of trust that customers have in these services, which in turn supports a higher desire on the part of customers to use the technology.

3.4.5 Trust

KBZ Bank places a significant amount of importance on establishing and preserving the confidence of its customers by providing banking services that are trustworthy, trustworthy, and transparent. The contactless card system that KBZ Bank provides is designed with a primary emphasis on dependability, which guarantees smooth and constant performance regardless of the type of transaction being conducted. KBZ Bank has created clear policies and protocols to respond swiftly and efficiently to any fraudulent activity or security issues. This is a demonstration of the bank's commitment to constantly protecting the interests of its customers. The goal of this initiative is to strengthen consumer confidence. A further enhancement of trust in the bank's contactless services is provided by the bank's high reputation within the overall financial industry. The trust that consumers have in KBZ Bank's capacity to provide safe digital solutions is a result of the bank's years of providing dependable service, its commitment to constant innovation, and its strategy that is centered on the client. In addition, the adherence to regulatory frameworks established by the Central Bank of Myanmar (CBM), Visa, Mastercard, and UPI guarantees that the contactless payment method utilized by KBZ Bank is in accordance with stringent safety and security requirements, therefore providing consumers with an extra level of trust.

Another way to build trust is by having pleasant encounters on a continuous basis. Customers who have previously interacted with digital goods and services offered by KBZ Bank are more likely to have faith in the bank's latest technologies, which include contactless cards. With this ongoing satisfaction, in conjunction with the proactive efforts that the Bank makes in the identification and prevention of fraud, clients are given the assurance that their financial transactions are adequately safeguarded. In order to strengthen its position as a reliable and trustworthy financial institution, KBZ Bank implements sophisticated monitoring and security measures to detect fraudulent behavior and restrict access by unauthorized individuals.

CHAPTER IV
ANALYSIS ON FACTORS INFLUENCING CUSTOMER INTENTION TO USE CONTACTLESS PAYMENT CARDS

This chapter analyzes KBZ Bank customers' contactless payment card intentions. This chapter explains the study design, demographics of respondents, reliability evaluation, descriptive analysis of influencing factors, and how they affect KBZ Bank contactless card intention. The investigation uses 120 KBZ Bank customer replies.

4.1 Research Design

This study examines KBZ Bank customers' contactless payment card intention determinants. The study used primary data to examine how perceived utility, convenience of use, compatibility, trust, and risk impact intention to use. Thus, a quantitative research approach was used to answer the study questions and learn more about customers' contactless payment card intentions.

The study was conducted at the Kyaun Taw Road Branch of KBZ Bank in Yangon, Myanmar. The target population for the study consisted of KBZ Bank customers who visited the branch during the data collection period. To determine the appropriate sample size, Cochran's (1977) formula for unknown populations was used as follows:

$$n = \frac{Z^2 pq}{e^2}$$

e = Margin of Error

P = Population proportion

Z = use Z table

E = 0.09

$$n = \frac{Z^2 pq}{e^2} = \frac{(1.96)^2(0.5)(0.5)}{(0.09)^2} = 118.56 \approx 120$$

A systematic sampling method was employed. The sampling system involved identifying the target population of KBZ Bank customers who are users or potential users of contactless payment cards. Based on the calculated sample size using Cochran's

formula, a total of 119 respondents were required. Since the exact population size was not known, a practical approach was adopted by using an accessible customer base. A sampling interval of every third customer was applied to ensure consistent selection. A random starting point was chosen among the first three customers (e.g., the 2nd customer), and then every third customer was selected thereafter (e.g., 2nd, 5th, 8th, etc.). A standardized, self-administered questionnaire was given to chosen clients following verbal agreement to capture primary data. There were three primary portions of the questionnaire. The first segment collected age, gender, education, and income data. The second component measured client views of the five independent variables, and the third assessed contactless payment card intention. A consistent and quantitative five-point Likert scale was employed to quantify answers, from 1 (strongly disagree) to 5 (strongly agree).

Data was examined using SPSS after collection. Descriptive statistics were used to describe respondent demographics and derive variable mean scores. The associations between influencing factors and contactless payment card intention were examined using reliability and multiple linear regression analysis. The questionnaire measured independent variables (influencing factors) and dependent variables (contactless payment card intention) using 42 items.

4.2 Demographic Profile of Respondents

Structured questionnaires were sent to 120 KBZ cardholders to obtain main data. The demographic profile of responses is crucial to understanding KBZ Bank contactless card users. Table 4.1 shows the demographics of survey respondents.

Table (4.1) Demographic Data of Respondents

Sr. No.	Particular	Number of Respondents	Percentage
	Total	**120**	**100**
1	**Gender**		
	Male	57	47.5
	Female	63	52.5
2	**Age (Years)**		
	18-24	20	16.7
	25-34	36	30.0
	35-44	29	24.1
	45-54	13	10.8
	55-64	14	11.7

	Above 65	8	6.7
3	**Education**		
	Under-graduate	21	17.5
	Graduate	58	48.4
	Master and above	22	18.3
	Other	19	15.8
4	**Occupation**		
	Government Employee	26	21.7
	Company Employee	67	55.8
	Self-Employee	19	15.8
	Other	8	6.7
5	**Monthly Income (MMK)**		
	Below 200,000 MMK	18	15.0
	200,000 to 500,000 MMK	31	25.7
	500,000 to 1,000,000 MMK	23	19.2
	1,000,000 to 1,500,000 MMK	17	14.2
	1,500,000 to 2,000,000 MMK	11	9.2
	Above 2,000,000 MMK	20	16.7

Source: Survey Data, 2025

According to Table (4.1), 52.5% of 120 respondents were female and 47.5% male. The largest age group was 25–34 (30%), followed by 35–44 (24.2%), indicating that most participants were young to middle-aged individuals. Regarding education level, most respondents were graduates (48.3%), while a smaller portion held a master degree or higher (18.3%), and 17.5% had only completed undergraduate studies. For occupation, the majority were company employees (55.8%). In terms of monthly income, the highest proportion of respondents (25.8%) earned between 200,000 to 500,000 MMK.

4.2 Reliability Test

Research reliability is how well study results may be replicated under similar settings. It examines the instrument's consistency and reliability in measuring a construct. This study investigated reliability using Cronbach's Alpha, a commonly used statistical method for survey item internal consistency. Table 4.2 shows reliability test results for all research variables. These results show that the perceived utility, simplicity of use, compatibility, risk, trust, and intention to use measures are statistically reliable and acceptable for future investigation.

Table (4.2) Results of Cronbach's Alpha Value

Sr. No	Variable	Number of Items	Cronbach's Alpha
1	Perceived Usefulness	7	0.853
2	Perceived Ease of Use	7	0.920
3	Compatibility	7	0.794
4	Perceived Risk	7	0.860
5	Trust	7	0.713
6	Intention to use	7	0.873

Source: Survey data, 2025

Table 4.2 shows the variable reliability test findings. In order, Cronbach's alpha values were 0.853, 0.920, 0.794, 0.860, 0.713, and 0.873 for perceived utility, ease of use, compatibility, risk, trust, and intention to use. These results demonstrate great reliability and questionnaire internal consistency for all these factors. The perceived ease of use Cronbach's alpha is quite high, indicating dependability.

4.4 Descriptive Analysis on Influencing Factors of KBZ Contactless Cards Customer Intention to Use

This section analyzes user intention to use contactless payment cards based on five factors: perceived utility, convenience of use, compatibility, risk, and trust. It also covers contactless payment card use intentions. A systematic questionnaire from KBZ Bank customers is collected using Google form. Primary data were obtained using a five-point Likert scale survey (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, and 5 = Strongly Agree) to investigate KBZ bank customer intention to adopt contactless payment cards. This study interpreted average variable answers using the Best (1977) mean rating scale. Best (1977)-interpreted descriptive statistics for each factor provided in Table 4.3.

Table (4.3) Mean Rating Scale

Sr. No	Score Range	Mean Rating
1	1.00 – 1.08	Very Low
2	1.81 – 2.60	Low
3	2.61 – 3.40	Average
4	3.41 – 4.2	High
5	4.21 - 5	Very High

Source: Best, 1977

Best (1977)'s mean rating scale for survey data interpretation is shown in Table 4.3. To analyze survey data mean values, he divided mean score level and rating into five ranges.

4.4.1 Perceived Usefulness

Table (4.4) shows the mean and standard deviation of KBZ Contactless Payment Card usefulness.

Table (4.4) Perceived Usefulness

Sr. No	Description	Mean	Standard Deviation
1	Using a contactless payment card is expected to make transactions faster and more efficient.	4.26	0.494
2	Contactless payment cards are expected to offer greater convenience than both cash and traditional card payments.	4.03	0.667
3	Contactless payment cards are expected to streamline shopping and bill payments, improving overall efficiency.	3.85	0.560
4	Contactless cards are considered an effective method for making payments.	4.07	0.645
5	The use of contactless payment cards is expected to save time in daily financial transactions.	4.17	0.570
6	Contactless card usage is assumed to enhance the overall quality of the banking experience.	4.18	0.513
7	Contactless payment cards are expected to reduce delays during checkout transactions.	3.97	0.549
	Overall Mean	**4.07**	

Source: Survey data, 2025

Table 4.4 shows that the seven perceived usefulness measures had mean values of 3.85 to 4.26. The highest mean score (4.26) indicates that respondents strongly think that contactless payment cards would speed up and improve transactions. Other high mean scores include the perception that contactless card usage enhances the overall quality of the banking experience (4.18) and saves time in daily financial transactions (4.17), both show that respondents high agree. The overall mean score of 4.07 indicates that respondents generally perceive contactless payment cards as useful that enhance speed, convenience, and transaction efficiency.

4.4.2 Perceived Ease of Use

Table (4.5) shows the mean and standard deviation of KBZ Contactless Card perceived ease of use.

Table (4.5) Perceived Ease of Use

Sr. No	Description	Mean	Standard Deviation
1	Learning to use a contactless payment card is expected to be easy.	4.08	0.559
2	The process of making a payment with a contactless Payment card is considered simple straightforward.		
3	Using a contactless payment card is expected to require minimal effort.	3.73	0.721
4	Comfort is expected when using a contactless payment card for various types of purchases.	3.98	0.661
5	Contactless payment cards are perceived as user-friendly and requiring minimal instruction.	4.18	0.513
6	Difficulties are not expected while making payments with a contactless payment card.	3.97	0.549
7	No complicated steps are expected to be remember when using a contactless payment card.	3.84	0.648
	Overall Mean	**3.97**	

Source: Survey data, 2025

Table (4.5) shows that the seven perceived ease of use measures had mean scores of 3.73 to 4.18. The highest mean score of 4.18 suggests that respondents feel contactless payment cards are easy to use and require little instruction. The item “learning to use a contactless card is easy” had a high mean score of 4.08, indicating good impressions of ease of learning. Other factors reinforce this notion, such as the payment process's

simplicity (4.04) and the belief that no difficult processes are needed (3.84). Even the lowest mean score of 3.73 agrees that contactless cards are easy to use. The total mean score of 3.97 shows that respondents find KBZ contactless payment cards straightforward to understand, use, and efficient.

4.4.3 Compatibility

The mean and standard deviation of compatibility on KBZ Contactless Cards is displayed in Table (4.6).

Table (4.6) Compatibility

Sr. N	Description	Mean	Standard Deviation
1	The use of contactless payment cards is expected to be consistent with typical purchasing habits.	4.17	0.570
2	Using contactless payment cards is believed to be compatible with typical lifestyles.	4.19	0.507
3	Contactless payment card usage is expected to align with common transaction routines.	4.12	0.769
4	Contactless payment cards are perceived to align with current expectations for digital banking practices.	3.78	0.783
5	Contactless payment cards are considered a practical solution suited to typical financial activities and routines.	4.09	0.710
6	The use of contactless payment cards is expected to match preferences for fast and convenient payments.	4.16	0.698
7	Familiarity with similar technologies is believed to support the integration of contactless payment cards into daily life.	4.07	0.632
	Overall Mean	**4.08**	

Source: Survey data, 2025

According to the results of table (4.6), the mean scores for the seven items measuring Compatibility range from 3.78 to 4.19. The highest mean score (4.19) indicates that respondents high agree that using contactless payment cards is compatible with their typical lifestyles, reflecting alignment with daily habits and routines. The second-highest mean score of 4.17 shows that contactless cards match preferences for fast and convenient payments, emphasizing their suitability for users expectations of speed and efficiency. The

overall mean score of 4.08 indicates that KBZ Bank contactless cards are perceived as well compatible with customers habits, preferences, and financial activities.

4.4.4 Perceived Risk

The mean and standard deviation of perceived risk on KBZ Contactless Cards is displayed in Table (4.7).

Table (4.7) Perceived Risk

Sr. N	Description	Mean	Standard Deviation
1	It is expected that security systems for contactless cards are regularly updated to reduce the risk of unauthorized access or fraud.	1.74	0.572
2	Contactless card technology is believed to comply with data protection laws, which may help reduce the risk of data compromise.	1.88	0.643
3	Contactless card payments are expected to be processed only when properly authorized, minimizing potential misuse.	1.88	0.624
4	Transaction limits on contactless cards are perceived to reduce the risk of financial loss if the card is lost or misplaced.	1.98	0.635
5	The use of contactless cards for everyday purchases is considered relatively secure due to the presence of fraud detection systems.	1.95	0.620
6	The absence of a PIN requirement is not expected to significantly compromise overall security, as additional safeguards are believed to be in place.	1.91	0.608
7	The risk to data security is perceived to be minimized through the use of strong encryption in contactless card transactions.	1.61	0.639
	Overall Mean	**1.85**	

Source: Survey data, 2025

According to the results of Table (4.7), the mean scores for the seven items measuring perceived risk range from 1.61 to 1.98. These low mean scores indicate that respondents generally disagree or have low concern regarding the risks associated with contactless cards. The lowest mean score (1.61) indicates a strong belief that the risk to data security is minimized using strong encryption during contactless card transactions. Similarly, the highest mean score (1.98) shows a low level of concern that transaction limits reduce the risk of financial loss if the card is lost or misplaced. The overall mean score of

1.85 indicates that respondents perceive the risk of unauthorized access, fraud, and data compromise with contactless cards to be low.

4.4.5 Trust

The mean and standard deviation of trust on KBZ Contactless Cards is displayed in Table (4.8).

Table (4.8) Trust

Sr. No	Description	Mean	Standard Deviation
1	There is a strong sense of reliability associated with the contactless card system at KBZ Bank, which encourage future usage.	3.88	0.693
2	Confidence is felt that KBZ Bank would take responsibility if any fraudulent transactions were to occur through contactless cards.	3.92	0.668
3	There is a feeling of safety because KBZ Bank is believed to respond well to contactless card issues.	3.98	0.692
4	The solid reputation of KBZ Bank creates a sense of trust and increases comfort in considering the use of its contactless card services.	4.07	0.719
5	Regulatory bodies are seen as protecting the safety of contactless payments at KBZ Bank	4.08	0.904
6	Trust in the overall quality of KBZ Bank's current services creates a feeling of confidence in intention to use contactless cards.	4.07	0.719
7	KBZ Bank is seen as actively preventing fraud through proper monitoring of contactless card transactions	4.01	0.739
	Overall Mean	**4.00**	

Source: Survey data, 2025

According to the results of Table (4.8), the mean scores for the seven items measuring trust range from 3.88 to 4.08. These scores fall within the high category, indicating that respondents generally have a strong level of trust in KBZ Bank contactless card. The highest mean scores of 4.07 and 4.08 indicate confidence in the bank's reputation, regulatory oversight, and service quality related to contactless card services. Additionally, respondents agree that KBZ Bank is reliable in handling fraudulent transactions and provides effective monitoring to prevent such activities. The overall mean

score of 4.00 indicates that trust plays a significant role in shaping customer confidence toward KBZ Bank contactless card technology.

4.4.6 Overall Mean of Variables Influencing Factors

Here are the average ratings of the elements affecting customer intention to use KBZ Bank contactless payment cards.

Table (4.9) Overall Mean of Variables

No.	Factor	Mean
1	Perceived Usefulness	4.07
2	Perceived Ease of Use	3.97
3	Compatibility	4.08
4	Perceived Risk	1.85
5	Trust	4.00

Source: Survey data, 2025

All the findings above showed the mean values of the five categories used to assess consumer intention to use KBZ bank contactless payment cards: perceived utility, perceived ease of use, compatibility, perceived risk, and trust. Most variables had strong responder agreement, with mean values ranging from 1.85 to 4.08. The only exception is perceived risk, with a mean score of 1.85, falling in the low category, which indicates that respondents generally perceive low risk associated with using contactless cards. Overall, the results indicate that the influencing factors are positively perceived and support customers' intention to use contactless cards at KBZ Bank.

4.4.7 Intention to Use

The mean and standard deviation of the intention to use on KBZ Contactless Cards is displayed in Table (4.10).

Table (4.10) Intention to Use

Sr. No	Description	Mean	Standard Deviation
1	Contactless payment cards from KBZ Bank are likely to be used when effectively promoted.	3.98	0.641
2	Making quick and easy payments is a reason for considering the use of contactless cards.	3.89	0.671
3	Contactless payment cards are likely to be used because of their beneficial features.	4.29	0.571
4	Interest in utilizing KBZ contactless cards for transactions.	4.08	0.724
5	Contactless cards are expected to be used for the majority of future payments at KBZ Bank	4.28	0.608
6	Positive expectations about contactless card services make more willingness to use them.	4.23	0.692
7	Contactless cards are expected to be prioritized over other payment options when available.	4.03	0.614
	Overall Mean	**4.11**	

Source: Survey data, 2025

According to the results of Table (4.10), the mean scores for the seven items measuring intention to use contactless cards at KBZ Bank range from 3.89 to 4.29, all of which fall into the high to very high categories. The highest mean score (4.29) indicates that respondents strongly agree that the benefits offered by contactless cards strengthen their intention to use them. This is followed by high agreement on positive expectations (4.23) and the belief that contactless cards will be used for the majority of future payments (4.28). Additionally, a mean score of 4.08 indicates a strong interest in utilizing KBZ contactless cards for transactions, while 4.03 indicates that contactless cards are expected to be prioritized over other payment methods. The lowest mean score of 3.89, though still high, indicates agreement that the ability to make quick and easy payments motivates usage.

The overall mean score of 4.11 indicates that respondents have a strong intention to use KBZ Bank contactless payment cards, driven by perceived benefits, convenience, and positive expectations about the service.

4.5 Analysis of Influencing Factors on Customer Intention to Use

The study used a structured questionnaire to examine the association between consumer intention to use contactless payment cards and affecting factors. 120 respondents

participated. Table (4.11) shows the multiple regression analysis of the dependent variable (intention to use) and the five independent variables (perceived usefulness, simplicity of use, compatibility, risk, and trust).

Table (4.11) Effect of Influencing Factors on Intention to Use

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Err	Beta		
(Constant)	0.479	0.359		1.334	0.185
Perceived Usefulness	0.358***	0.097	0.318	3.695	0.000
Perceived Ease of Us	0.201**	0.075	0.219	2.672	0.009
Compatibility	0.035	0.065	0.040	0.545	0.587
Perceived Risk	-0.061	0.054	-0.074	-1.124	0.263
Trust	0.327***	0.060	0.366	5.496	0.000
R Square	0.673				
Adjusted R Square	0.658				
F Value	46.851***				

Source: Survey data, 2025

*** significant at 1% level ($p < 0.01$), ** significant at 5% level ($p < 0.05$).

Table (4.11) shows various regression findings. In this study, the multiple regression model ($F = 46.851$, $p < 0.01$) shows a significant influence of independent factors on consumers' desire to use contactless payment cards at KBZ Bank at the 1% level. The model explains 67.3% of intention to use variation, with an Adjusted R^2 of 0.658, indicating a good match.

At the 1% significance level, Trust (β = 0.366) and Perceived Usefulness (β = 0.318) significantly impact intention to use, with the highest positive impacts. At a 5% significance level, Perceived Ease of Use (β = 0.219) significantly impacts consumer intention. Conversely, Compatibility (β = 0.040) and Perceived Risk (β = -0.074) have a negligible impact on intention to use in this model.

Trust and Perceived Usefulness drive contactless payment card intention, whereas Ease of Use supports it. Overall, the results show that customer intention is primarily influenced by trust in the bank system and perceived functional benefits, with risk concerns and lifestyle alignment being less influential in this context.

CHAPTER V
CONCLUSION

This chapter presents the findings and discussions of research. Based on these results, suggestions and recommendations are proposed. Finally, it is advised that additional research be conducted due to certain limitations of this investigation.

5.1 Findings and Discussions

This study investigates the factors influencing customer intention to use contactless payment cards at KBZ Bank, aiming to address two primary research objectives. The first objective is to identify the significant factors that affect intention to use, and the second is to analyze the extent of influence of each factor. A total of 120 respondents, selected through systematic sampling at the Kyaun Taw Road Branch of KBZ Bank, participated in the survey. The demographic data reveals a relatively balanced gender distribution, with a majority of respondents aged between 25 and 44 years. Most participants were graduates or above, and a large portion were company employees with moderate income levels, indicating a digitally aware and financially active customer segment.

The overall findings indicate that customers had a positive perception toward all the main factors influencing their intention to use contactless payment cards at KBZ Bank. Among these factors, compatibility was perceived at high level, indicating that the service is expected to align well with customers payment routines. Perceived usefulness and trust were also rated at a high level, reflecting strong confidence in the benefits and reliability of the service. Perceived ease of use was likewise viewed at a high level, indicating that customers found the card system simple and convenient to use. In contrast, perceived risk was rated at a low level, showing that most customers were not significantly concerned about security or fraud when using the cards.

The findings related to first objective reveal that trust had the strongest influence on customer intention to use contactless payment cards at KBZ Bank. Respondents expected that high confidence in the bank's ability to provide secure and reliable services. Perceived usefulness was also highly regarded, as respondents believed that using contactless cards would improve transaction speed, convenience, and overall banking experience. Customers also found the system to be easy to use, describing the contactless card process as straightforward, user-friendly, and requiring minimal effort.

Perceived risk had a significant negative influence on intention to use, indicating that while security and privacy concerns are relevant, they are not strongly perceived due to the protective measures and trustworthiness already established by the bank. While compatibility was positively received indicating that the cards align well with customers habits and financial routines, it did not appear to play as strong a role in influencing intention compared to usefulness, trust, and ease of use.

Overall, the results show that customers are most motivated to use contactless payment cards when they view them as beneficial, secure, and simple to use, while concerns about security risks remain relatively low.

Multiple regression analysis examined how these characteristics affected customer desire to utilize contactless cards to achieve the second aim. The investigation showed that perceived utility, trust, and convenience of use positively affect intention to use. Trust was the biggest predictor, followed by perceived utility, demonstrating that consumers' confidence in KBZ Bank and perceived speed and convenience drove desire to use. Customers' intention to utilize the system improves when they expect it to be straightforward and user-friendly. In contrast, compatibility and perceived risk did not show significant effects in the regression model. Although compatibility had a high mean score in the descriptive analysis, its influence on intention was not significant when considered alongside the other variables. Similarly, perceived risk showed a negative but non-significant effect, suggesting that while customers generally view risk as low, it does not have a strong direct influence on their intention.

5.2 Suggestions and Recommendations

Based on the research findings, KBZ Bank should strengthen customer awareness of the convenience, speed, and efficiency offered by contactless cards. Promotional materials such as short videos, in-branch posters, and social media content should demonstrate how contactless payments save time and enhance the overall transaction experience in everyday settings like retail, dining, and transport. KBZ Bank should continue to invest in transparent communication, real-time transaction notifications, and proactive fraud prevention systems to enhance user confidence. Providing immediate support through multiple communication channels such as hotlines, Viber, Facebook Messenger, and Telegram will further reinforce trust and responsiveness.

KBZ Bank should provide clear, step-by-step guidance on how to activate and use contactless cards. Live demonstrations and hands-on support at branches especially during

card issuance can increase customer comfort and reduce hesitation. The bank should encourage card usage by showing how contactless cards fit into customers existing financial routines, possibly through real-life examples, customer stories, or targeted promotions designed for different groups, such as office workers, shop owners, or students.

KBZ Bank should continue to upgrade its encryption standards, transaction limits, and fraud detection systems, and periodically educate customers about these safeguards. This not only keeps customers trust but also helps prevent future concerns about security that could make people stop using the card.

In conclusion, KBZ Bank should invest in continuous innovation, service enhancement, and customer education to build stronger behavioral intention among customers. Special attention should be given to perceived usefulness, trust, and security, as these are the main drivers of intention to use. Ensuring these factors are met will not only encourage first-time users but also increase repeat usage and long-term engagement with KBZ Bank contactless payment system.

5.3 Need for Further Study

This study was limited to customers of KBZ Bank at the Kyaun Taw Road Branch in Yangon. To improve the generalizability of the findings, future research should include samples from other regions in Myanmar, including both urban and rural areas. This would help capture regional variations in the intention to use contactless cards. Future research should explore customer intention to use contactless cards in rural or less digitally active areas. Understanding the differences in technology acceptance across various geographic and demographic groups can provide more targeted insights for banks and policymakers.

Finally, it is recommended that future research investigate non-users of contactless cards to better understand the reasons for resistance and barriers to adoption. This could support the development of more effective strategies to promote digital financial services across diverse customer segments.

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APPENDIX A

Questionnaire

Survey Questionnaire for Factors Influencing Customers Intention to Use of Contactless Cards at KBZ Bank

Dear Sir/Madam,

The information obtained from the questionnaires will be used for the thesis research of EMBF (Executive Master of Banking and Finance) program. The thesis tittle is "Factors Influencing customer Intention to Use Contactless Cards at KBZ Bank". It is guaranteed that information about respondents will be kept as confidential. No personal information will be collected. This study will be beneficial to the bank, the banking industry, and employees. Therefore, I sincerely encourage you to take a moment to complete this questionnaire.

Thank you very much for your time and cooperation.

Section (A): Demographic Information

Please mark ✓ one answer for the following questions:

1. Gender

☐ Male ☐ Female

2. Age

☐ 18 years to 24 years ☐ 25 years to 34 years

☐ 35 years to 44 years ☐ 45 years to 54 years

☐ 55 years to 64 years ☐ Above 65 years

3. Education Status

☐ Under-graduate ☐ Graduated

☐ Master and above ☐ Others

4. Occupational status

☐ Government Employee ☐ Company Employee

☐ Self-Employee ☐ Other (Please Specify) ……

5. Monthly Income (Ks.)

☐ Below 200,000 MMK ☐ 200,000 to 500,000 MMK

☐ 500,000 to 1,000,000 MMK ☐ 1,000,000 to 1,500,000 MMK

☐1,500,000 to 2,000,000 MMK ☐ Above 2,000,000 MMK

Section (B): Factors Influencing customers Intention to Use of contactless cards.

Please indicate your level of agreement with each statement by selecting the most appropriate number.

1 = Strongly Disagree

2 = Disagree

3 = Neutral

4 = Agree

5 = Strongly Agree

Perceived Usefulness (PU)

No.	Statement	Scale				
		1	2	3	4	5
1	Using a contactless payment card is expected to make transactions faster and more efficient.					
2	Contactless payment cards are expected to offer greater convenience than both cash and traditional card payments.					
3	Contactless payment cards are expected to streamline shopping and bill payments, improving overall efficiency.					
4	Contactless cards are considered an effective method for making payments.					
5	The use of contactless payment cards is expected to save time in daily financial transactions.					
6	Contactless card usage is assumed to enhance the overall quality of the banking experience.					
7	Contactless payment cards are expected to reduce delays during checkout transactions.					

Perceived Ease of Use (PEOU)

No.	Statement	Scale				
		1	2	3	4	5
1	Learning to use a contactless payment card is expected to be easy.					
2	The process of making a payment with a contactless payment card is considered simple and straightforward.					
3	Using a contactless payment card is expected to require minimal effort.					
4	Comfort is expected when using a contactless payment card for various types of purchases.					
5	Contactless payment cards are perceived as user-friendly and requiring minimal instruction.					
6	Difficulties are not expected while making payments with a contactless payment card.					
7	No complicated steps are expected to be remembered when using a contactless payment card.					

Compatibility

No.	Statement	Scale				
		1	2	3	4	5
1	The use of contactless payment cards is expected to be consistent with typical purchasing habits.					
2	Using contactless payment cards is believed to be compatible with typical lifestyles.					
3	Contactless payment card usage is expected to align with common transaction routines.					
4	Contactless payment cards are perceived to align with current expectations for digital banking practices.					
5	Contactless payment cards are considered a practical solution suited to typical financial activities and routines.					
6	The use of contactless payment cards is expected to match preferences for fast and convenient payments.					
7	Familiarity with similar technologies is believed to support the integration of contactless payment cards into daily life.					

Perceived Risk

No.	Statement	Scale				
		1	2	3	4	5
1	It is expected that security systems for contactless cards are regularly updated to reduce the risk of unauthorized access or fraud.					
2	Contactless card technology is believed to comply with data protection laws, which may help reduce the risk of data compromise.					
3	Contactless card payments are expected to be processed only when properly authorized, minimizing potential misuse.					
4	Transaction limits on contactless cards are perceived to reduce the risk of financial loss if the card is lost or misplaced.					
5	The use of contactless cards for everyday purchases is considered relatively secure due to the presence of fraud detection systems.					
6	The absence of a PIN requirement is not expected to significantly compromise overall security, as additional safeguards are believed to be in place.					
7	The risk to data security is perceived to be minimized through the use of strong encryption in contactless card transactions.					

Trust

No.	Statement	Scale				
		1	2	3	4	5
1	There is a strong sense of reliability associated with the contactless card system at KBZ Bank, which encourages future usage.					
2	Confidence is felt that KBZ Bank would take responsibility if any fraudulent transactions were to occur through contactless cards.					
3	There is a feeling of safety because KBZ Bank is believed to respond well to contactless card issues.					
4	The solid reputation of KBZ Bank creates a sense of trust and increases comfort in considering the use of its contactless card services.					
5	Regulatory bodies are seen as protecting the safety of contactless payments at KBZ Bank					
6	Trust in the overall quality of KBZ Bank's current services creates a feeling of confidence in intention to use contactless cards.					

7	KBZ Bank is seen as actively preventing fraud through proper monitoring of contactless card transactions					

Intention to use

No.	Statement	Scale				
		1	**2**	**3**	**4**	**5**
1	Contactless payment cards from KBZ Bank are likely to be used when effectively promoted.					
2	Making quick and easy payments is a reason for considering the use of contactless cards.					
3	Contactless payment cards are likely to be used because of their beneficial features.					
4	Interest in utilizing KBZ contactless cards for transactions.					
5	Contactless cards are expected to be used for the majority of future payments at KBZ Bank					
6	Positive expectations about contactless card services make more willingness to use them.					
7	Contactless cards are expected to be prioritized over other payment options when available.					

APPENDIX B

Effect of Influencing Factors on Intention to Use

Model Summary

Model	R	R Square	Adjusted R Squa	Std. Error of the Estimate
1	.820[a]	0.673	0.658	0.307

a. Predictors: (Constant), Perceived Usefulness, Perceived Ease of Use, Compatibility, Perceived Risk and Trust

b. Dependent Variable: Intention to Use

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22.063	5	4.413	46.851	.000[b]
	Residual	10.737	114	0.094		
	Total	32.800	119			

a. Dependent Variable: Intention to Use

b. Predictors: (Constant), Perceived Usefulness, Perceived Ease of Use, Compatibility, Perceived Risk and Trust

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.479	0.359		1.334	0.185
	Perceived Usefulness	0.358	0.097	0.318	3.695	0.000
	Perceived Ease of Use	0.035	0.065	0.040	0.545	0.587
	Compatibility	0.201	0.075	0.219	2.672	0.009
	Perceived Risk	-0.061	0.054	-0.074	-1.124	0.263
	Trust	0.327	0.060	0.366	5.496	0.000

a. Dependent Variable: Intention to Use