

**YANGON UNIVERSITY OF ECONOMICS**  
**DEPARTMENT OF MANAGEMENT STUDIES**  
**MBA PROGRAMME**

**EFFECT OF AGENCY BANKING SERVICES ON  
CUSTOMER SATISFACTION AND CUSTOMER  
LOYALTY TOWARDS MAB BANK**

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**EMBA II – 6**

**EMBA - 20<sup>th</sup> BATCH**

**MAY, 2025**

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**ACADEMIC YEAR (2023-2025)**

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This thesis is submitted to the Board of Examiners in partial fulfillment of the requirements for the degree of Master of Business Administration (MBA).

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# ACCEPTANCE

This is to certify that the thesis entitled “**Effect of Agency Banking Services on Customer Satisfaction and Customer Loyalty towards MAB Bank**” has been accepted by the Examination Board for awarding Master of Business Administration (MBA) degree.

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## **ABSTRACT**

This study aims to investigate how agency banking services impact customer satisfaction and to assess the mediating role of customer trust in the connection between customer satisfaction and loyalty to MAB bank. This research utilizes both primary and secondary data. Primary data were gathered from 397 customers selected from 50,000 agency banking clients of MAB bank's agency banking services through the simple random sampling technique utilizing the Yamane sample size formula. A structured questionnaire featuring a 5-point Likert scale is employed to gather primary data through an online survey. Secondary data is collected from MAB bank, earlier research articles, textbooks, websites, and other relevant sources. Descriptive statistics along with linear regression analysis are utilized to evaluate the data. Regression findings show that convenience, service value, service quality, and agent quality significantly and positively influence customer satisfaction. Furthermore, customer trust has a mediating role in the connection between customer satisfaction and customer loyalty. To boost customer satisfaction and loyalty, MAB bank ought to increase the accessibility and responsiveness of its agent network while ensuring service quality is similar to that of bank branches.

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## **LIST OF ABBREVIATIONS**

ATMs	Automated Teller Machines
COO	Chief Operating Officer
DyCBO	Deputy Chief Business Officer
DyCOO	Deputy Chief Operating Officer
MAB	Myanma Apex Bank

# CHAPTER 1

## INTRODUCTION

In the changing environment of financial services, the need for inclusive, accessible, and affordable banking options has significantly increased, particularly in emerging markets. Agency banking has developed into a strategic approach for providing financial services to underbanked and unbanked communities by leveraging non-bank retail locations as licensed agents (Aduda & Kalunda, 2012). This model enables commercial banks to broaden their reach by collaborating with local businesses, allowing customers to carry out essential transactions like deposits, withdrawals, balance inquiries, and loan repayments without having to go to a conventional bank branch. Banks in developing nations face challenges in opening branches, so the recent innovation allows them to connect with the unbanked population.

Agency banking expands financial access for underserved communities by using non-bank retail locations and technologies like mobile banking, ATMs, and POS systems (Modupe, 2010). As stated by Ivatury & Lyman (2006), it represents a branchless banking model utilized to provide banking services without dependence on bank branches as shown by. In contrast to conventional banking, these transactions are handled by designated agents instead of bank staff. As stated by Mwando (2013), banking agents generally provide services such as cash withdrawals, payment of bills, depositing cash, transferring funds, checking balances, collecting documents for debit and credit cards, submitting loan applications and account opening forms, and distributing bank correspondence along with mobile banking assistance. This model provides various advantages to customers, mainly by lowering transaction costs via localized service delivery, which decreases travel expenses generally linked to visiting traditional bank locations. Additionally, agency banking locations frequently function outside typical banking hours, offering customers enhanced convenience and shorter wait times (Ivatury & Layman, 2006).

Melese (2020) indicated that the convenience of agency banking, the value of agent services, the quality of agency services, and the quality of agents are crucial for achieving customer satisfaction. Convenience pertains to how much time and effort a consumer believes they invest (Jiang et al., 2011). Convenience lowers the mental and

physical strain on customers, allowing them to carry out transactions effectively and with little trouble (Berry et al., 2002). Service value denotes the advantage a customer gains from a service (Owino, 2015). In banking, service value is influenced by elements like staff knowledge and responsiveness, ease of service delivery, and reliability in fulfilling customer expectations (Cronin et al., 2000). Agency service quality denotes how well the banking services offered by agents fulfill or surpass customer expectations, especially regarding dependability, promptness, and professionalism (Parasuraman et al., 1988). Agent quality denotes the agent's capability (potential) to operate the agent banking enterprise (Tindi & Bogonko, 2017). Agent quality includes the professionalism, precision, efficiency, and customer-focused behavior of representatives working for financial organizations. Superior agent quality is crucial in agency banking since agents act as the main connection between customers and the financial institution, particularly in underprivileged regions.

Customer satisfaction denotes a customer's comprehensive assessment of their interaction with a product, service, or organization, determined by the extent to which their expectations have been fulfilled or surpassed (Kotler & Keller, 2016). It indicates how well the perceived quality of a service aligns with the customer's previous expectations. Customer trust denotes the confidence a customer holds in a service provider's dependability, honesty, and capability to consistently and equitably fulfill promised services (Morgan & Hunt, 1994). It is a mental condition that indicates the customer's readiness to trust the provider in scenarios that involve risk and vulnerability. Customer loyalty denotes a strong dedication from a customer to repeatedly buy or continue utilizing a favored product or service over time, regardless of available alternatives and contextual factors (Dick & Basu, 1994).

MAB was established in 2010. It is regarded as one of the top four banks. MAB provides personal and business banking options, featuring services for cross-border trade. MAB mobile agents are assigned to offer services such as cash deposits, withdrawals, and remittances for MAB, serving both account holders and non-account holders. At present, MAB bank provides agency banking services at 80 sites. This research investigates the impact of agency banking services on customer satisfaction and loyalty towards MAB bank.

## **1.1 Rationale of the Study**

Customer loyalty plays a vital role in the success of agency banking, as this method relies on various banking alternatives like retail agents to deliver financial services in rural or underserved areas. Customer loyalty is crucial in the agency banking of MAB bank as it guarantees ongoing service usage, diminishes customer turnover, and fosters sustainable growth. Dedicated customers tend to utilize agency banking more frequently, endorse it to others, and remain with the bank despite the availability of alternatives. This regular utilization enhances the bank's visibility, particularly in regions with restricted access to complete branches. Moreover, faithful clients frequently investigate additional services offered by the bank and exhibit less sensitivity to infrequent problems, leading to increased overall service efficiency and enhanced customer retention. Fostering customer loyalty enables MAB bank to sustain strong relationships and broaden its reach via favorable customer interactions.

Customer satisfaction in the banking industry is a key factor for clients to distinguish and foster their loyalty to the bank. Hence, enhancing customer satisfaction is essential for the banks. Banking is a service-focused sector that heavily relies on customer satisfaction for growth and survival. In agency banking, where services are provided by third-party agents, customer satisfaction indicates how effectively the bank fulfills expectations regarding convenience, efficiency, professionalism, and quality of service. Elevated satisfaction levels suggest that clients perceive the services as approachable, dependable, and efficient, thereby enhancing their bond with the bank. For MAB bank, preserving high customer satisfaction guarantees that the agency banking model stays a feasible and competitive option compared to conventional banking, particularly in regions with restricted access to complete branches.

The rising use of agency banking by commercial banks is a strategy aimed at enhancing service delivery in underserved regions, whether rural or urban. In a fiercely competitive landscape like the financial services industry in Myanmar, achieving customer satisfaction is challenging, and banks find it difficult to retain clients despite training agents to build trust and loyalty. Trust from customers is crucial in the agency banking model of MAB bank as it directly impacts their readiness to utilize and depend on the service. In agency banking, clients engage with third-party representatives instead of bank personnel at conventional branches. Trust plays a crucial role when customers invest money, provide personal details, or request financial guidance. If

clients lack trust in the agents, they might refrain from utilizing the service, restricting the impact and reach of MAB bank's agency banking. Conversely, high levels of trust promote ongoing usage, favorable recommendations, and enhanced involvement with the bank's offerings, assisting MAB bank in increasing financial access in neglected regions. As commercial banks increasingly adopt agency banking, assessing its impact on customer satisfaction becomes essential.

Convenience is vital to the success of agency banking services, as it overcomes the geographic and logistical limitations frequently linked to conventional banking systems. In numerous developing areas, especially in rural and isolated locations, clients encounter considerable obstacles in reaching formal financial institutions because of extended travel distances, poor transportation infrastructure, and restricted branch availability. These obstacles deter regular engagement with banking services and impede financial inclusion. Agency banking addresses this problem by delivering banking services via local agents—like retail stores and kiosks—situated within or close to the communities they support. This closeness greatly improves access, enabling people to conduct transactions in comfortable and familiar environments. Consequently, agency banking acts as an effective tool for enhancing inclusive financial services and bridging the service delivery gap between urban and rural areas.

The value of an agent's service is a crucial factor influencing customer perceptions and actions within service delivery models. Agents act as the primary contact for customers, making their expertise, responsiveness, and professionalism essential for providing quality service. When agents deliver precise, prompt, and beneficial service, customers are more inclined to finalize their transactions seamlessly and effectively. This shortens wait times, lowers mistakes, and enhances overall contentment. Inconsistent or inadequate service from agents, on the other hand, may result in customer dissatisfaction and harm the bank's reputation. Hence, the service offered by agency banking agents is essential for ensuring customer satisfaction. Favorable interactions with agents can result in heightened customer satisfaction.

Additionally, the quality of agency services significantly influences customer satisfaction, a crucial performance measure for banks utilizing the agency banking model. Excellent service guarantees that transactions are precise, prompt, and conducted professionally, thereby minimizing mistakes and delays. When agents regularly fulfill customer expectations through modern equipment, precise information

maintenance, and effective communication, customers sense their needs are adequately met. This results in increased satisfaction, promotes repeated use of agency banking services, and enhances the bank's reputation for reliable service. Consequently, delivering top-notch agency banking services can offer banks a competitive advantage, drawing in and keeping customers in a crowded marketplace.

Professional and pleasant agents are crucial to the agency banking consumer experience. Frontline financial institution agents who give high-quality and consistent service build client confidence, reliability, and happiness. These positive service experiences often increase customer loyalty and retention, which is crucial to agency banking's success. Conversely, erratic, unprofessional, or subpar agent performance may lead to customer discontent, decreased service utilization, and possible turnover. Consequently, the quality of agents plays a crucial role in influencing customer satisfaction at MAB bank, since agents serve as the main connection between customers and the bank. The bank's reputation and customers' perceptions are greatly affected by their expertise, dependability, and social skills, which play a key role in their choice to keep using its services.

In the fiercely competitive financial services industry, MAB bank encounters considerable rivalry in the agency banking sector. With the increasing adoption of agency banking by commercial banks to broaden their reach, MAB bank must continually improve its service delivery to draw in and keep customers. Rival banks focus on training their representatives to deliver efficient, high-quality, and dependable services, elevating customer expectations throughout the sector. MAB bank must improve agent capabilities, service quality, and customer experience to ensure its agency banking services are convenient, reliable, and satisfying to stay competitive. Thus, this study examines how agency banking affects MAB bank customer happiness and loyalty.

## **1.2 Objectives of the Study**

The aims of the research are listed below:

- 1) To investigate the impact of agency banking services on customer satisfaction at MAB bank; and

- 2) To examine the mediating role of customer trust in the connection between customer satisfaction and customer loyalty at MAB bank.

### **1.3 Scope and Method of the Study**

This research primarily examines the impact of agency banking services on customer satisfaction and loyalty towards MAB bank. Both primary and secondary data will be utilized. Using the Yamane sample size formula, a sample of 397 customers has been chosen from a total of 50,000 agency banking customers through the simple random sampling technique. A structured questionnaire employing a 5-point Likert scale is utilized to gather primary data through an online survey. Secondary data includes information from MAB bank, prior research studies, textbooks, websites, and other relevant sources. Descriptive statistics and regression methods are utilized to examine the data.

### **1.4 Organization of the Study**

This research is comprised of five chapters. Chapter one offers an introduction that encompasses the study's rationale, objectives, scope and methodology, as well as its organization. Chapter two provides the theoretical foundation, earlier research, and conceptual framework for this investigation. Chapter three outlines the profile, agency banking services offered by MAB bank, demographic characteristics, and reliability assessment. Chapter four analyzes the impact of agency banking services on customer satisfaction and loyalty toward MAB bank. Chapter five includes the results and discussions, recommendations and suggestions, as well as the need for additional research.

## **CHAPTER 2**

### **THEORETICAL BACKGROUND**

This chapter reviews agency banking literature on convenience, service value, quality, and agent quality. It includes a literature study on customer happiness, trust, and loyalty. Final remarks include previous research and the study's conceptual foundation.

#### **2.1 Agency Banking Services**

Agency banking involves a financial institution or mobile network operator hiring a retail store to process bank customers' transactions (Calleo, 2014). Sahut (2011) described agency banking as systems that allow bank clients to access their accounts and banking information via a PC or other internet-based banking activities. Agency bankers make cash deposits, withdrawals, electronic fund transfers, bill payments, account balance enquiries, and loan referrals, unlike bank tellers.

Agency banking provides financial services through non-bank retail establishments that use technology like point-of-sale (POS) systems or mobile phones for quick transaction execution (Modupe, 2010). According to the definitions, agency banking is used in emerging economies to increase banking demand, reduce branch overcrowding, cut operational costs, and achieve financial inclusion.

Agency banking provides various financial services via non-bank agents, increasing availability of banking services, especially in neglected regions. Agents, such as grocery stores or pharmacies, enable transactions including deposits, withdrawals, and bill payments, serving as a link between banks and consumers. Agents function under the direction and frameworks of the banks, providing services such as deposits, withdrawals, fund transfers, bill payments, and loan requests (Kazeem, 2022). Kithuka (2012) also noted that agency banking allows customers to carry out financial transactions in comfortable settings, like a nearby store or market, which lessens the intimidation frequently linked with traditional banking environments. Agency banking is also associated with wider economic inclusion objectives, as it promotes savings, access to credit, and financial planning for underserved communities (Beck et al., 2007). This renders it a powerful resource for both increasing market access and

alleviating poverty while promoting community development. Melese (2020) indicated that various factors may influence customer satisfaction regarding agency banking services. The factors encompass the convenience of agency banking, the value of agent services, the quality of agency services, and the caliber of agents.

### **2.1.1 Convenience of Agency Banking**

The convenience of banking services generally pertains to the accessibility and ease of use of these services, especially via digital platforms such as online and mobile banking (Melese, 2020). Agency banking is a mobile service delivery channel that adds extra value for clients by enabling access to banking services at any time and from any location (Lee & Chung, 2009). This allows customers to oversee their finances, carry out transactions, and retrieve information from anywhere, anytime, through their devices. The convenience of agency banking involves using retail agents to access unbanked and underserved communities (Argamo, 2015). Tindi and Bogonko (2017) mentioned that the ease of agency banking significantly influences customer satisfaction in commercial banks. Kumar et al. (2006) mentioned that agent banking provides customers with convenience in banking hours and lower travel expenses.

Agency convenience denotes the accessibility that agency banking offers customers by delivering services in proximity to their residences or workplaces (Paais & Pattiruhu, 2020). Agency banking offers diverse services such as opening accounts, transferring cash, handling compensation and settlements, facilitating bill payments to third parties, and enabling fund withdrawals (Ongongo & Mangana, 2022). This is viewed as a measure to enhance efficiency and decrease the large number of employees visiting the bank for deposits, withdrawals, or to seek advice on various banking services. As time goes on, agency banking has evolved from delivering just basic services to granting clients access to the complete offerings of a full-service bank, including features not found in traditional branches (Sporta & Muganda, 2021).

In e-service contexts, Melese (2020) specifies six service convenience dimensions: access, search, evaluation, transaction, possession, and post-purchase. Access convenience is the time and effort a consumer spends, search convenience is the time and effort involved in finding a product, evaluation convenience is the time and effort needed to finalize a transaction or purchase, possession convenience is the

time and effort to acquire and enjoy desired benefits, and post-purchase convenience is the time and effort spent contacting the supplier after service. (Jiang et al., 2011).

The degree of convenience has a direct impact on the ease with which consumers may use these services. consumers who have busy schedules and a large number of daily responsibilities perceive a higher level of convenience when they are able to save time, energy, and effort when making use of financial services (Shankar & Rishi, 2020). According to Philip (2017), there are some people who believe that using an agent banking system needs a substantial amount of work, while there are other people who believe that cashless payment systems would require no effort at all.

The rise of convenience agency banking is gaining momentum, and the regulation of this sector has been essential in fostering its growth. According to Avature and Lyman (2006), it makes banking tasks more accessible and makes them easier to do. Agency banking is being adopted by a large number of banks and rules governing financial services in order to enhance financial inclusion, foster financial depth and innovation, and increase financial inclusion. Commerce has the ability to penetrate remote places that have a sizeable population of people who do not have bank accounts. The provision of financial services through the utilization of technology-driven distribution channels is what agent banking includes. Customers are motivated to make more frequent use of their bank accounts and to manage their finances in a more effective manner when they have access to convenient services.

One of the characteristics of agent banking is its capacity to narrow the gap that exists between a consumer and the availability of financial services. The process of withdrawing and depositing cash is simple for customers. This makes it possible for people from a wide variety of backgrounds to participate in the economy. As an additional benefit, using the agent banking network makes it simpler to pay bills, subscriptions, and fees for services provided by the government. Because it improves cash circulation in areas that have been ignored financially, it may encourage consumers to make purchases.

### **2.1.2 Service Value of Agent**

According to Modupe (2010), the service value of a banking agent refers to the benefits and value that the agent provides to clients in addition to the value that the

agent provides to the financial institution. In accordance with what is said by Owino (2015), the service value of an agent is comprised of the benefits and contributions that an agent provides to a principal (or client) by carrying out their tasks and responsibilities. The behaviors and abilities of the agent can be used to determine how this value should be assessed. Agents are able to provide a variety of services, including cash deposits and withdrawals, bill payments, enquiries about balances, money transfers, loan repayments, and extra products, as stated in a handbook on agency banking services. In addition to this, they are able to assist in the distribution of social benefits such as pensions, as well as collecting and send information for the establishment of accounts or the application for loans.

It is essential to have agency banking agents in order to efficiently provide financial services to consumers who live in remote or underserved destinations. Due to the fact that they typically represent a bank or other financial organization, their customer service responsibilities are quite important. In agency banking, professionalism requires agents to demonstrate ethical behavior, skillfulness, and devotion to their jobs, all while preserving the reputation of the bank and cultivating the trust of customers. This includes adhering to regulatory norms, maintaining confidentiality, and providing service that is both accurate and trustworthy (Adeoye, 2007).

Compared to automated digital platforms or traditional bank facilities, agents offer a more individualized approach and customized counsel (Ivatury & Layman, 2006). Agents also can give more personalized assistance. As stated by Mwando (2013), agents provide consumers with timely information while also assisting customers in paying bills, improving their financial management, and confirming account balances. The authors Avature and Layman (2006) state that agents are responsible for providing consumers with information regarding core banking procedures and financial products, handling customer enquiries, providing guidance, and supporting a variety of banking requirements.

### **2.1.3 Agency Service Quality**

Agency service quality, according to Gichuki (2013), is the gap between consumers' service expectations and their service experiences. Agency service quality

includes all of a product or service's features and traits that affect its capacity to fulfil demands (Kotler et al., 2002). Service and balance checking dependability at banks was investigated. Reliability was examined in terms of the agents' availability and whether customers believed they could depend on them for everyday transactions. The examination of quality service focused on cash withdrawals, deposits, and balance inquiries. This research aimed to determine if customers were pleased with the services provided by the agents on behalf of the banks (Gwinner, 2000). As stated by Zeithaml and Bitner (2003), service quality includes the dependability of agents, transaction costs, ease of access, and the variety of services available.

According to Aljssar and Sasidhar (2016), service quality is how well customers think the service meets their needs. Patrick (2015) states that agency banking service quality includes performance, delivery time, features, and provider management. Service quality is a customer-focused assessment of interaction, physical environment, and outcome quality. Zhao and Frank (2003) say agency banking's effectiveness depends on dependability. System availability indicates dependability. As a single link between the customer and the bank, the system will determine if an agent's response to a client request is frustrating or satisfying. System faults and safety concerns might delay agent reconciliation or facilitate bank, customer, or agent fraud (Lynette, 2015).

According to Ali and Raza (2015), service quality focuses on fulfilling customer needs and ensuring delivery accuracy to align with their expectations. Furthermore, delivering top-notch services leads to happy customers, which will affect the growth of products and companies (Thaker et al., 2016). Bitner et al. (2000) state that a firm's reputation is frequently shaped by the service experiences of its customers. Therefore, the quality of service in these interactions is crucial for a company. In the evaluation of pure services like financial services, service quality can be the most critical factor for customers.

#### **2.1.4 Agent Quality**

Agent quality is defined by Tindi and Bogonko (2017) as the agent's capability (capacity) to run the agent banking company. This is the definition of agent quality. A positive customer experience may be fostered by agents who are personable, well-informed, and supportive. This can result in improved satisfaction with the agent as

well as with the banking service as a whole. In his 2017 article, Philip made the observation that the quality of agents is an essential component of agent banking within the banking and financial business. The level of satisfaction that customers have with the quality of the agents is essential to the development of a stronger relationship with the organization. When a customer is satisfied with the service they have received, they have the attitude that the quality of the service has either been met or exceeded during the period of their using the service.

One of the most important factors that determines the financial outcomes of commercial banks is the quality of the agent services they provide. According to Wijaya et al. (2021), very high-quality agent services increase client satisfaction, which in turn leads to increased customer loyalty and retention. When customers have positive interactions with representatives, they are more likely to engage in a variety of banking activities, such as making deposits, withdrawing money, and enquiring about their accounts. According to Onsongo et al.'s research from 2020, more client involvement leads to increased transaction volumes, which in turn has the potential to increase the bank's potential income from fees and overall revenue.

Enhanced agent services contribute to the expansion of the bank's footprint in parts of the country that are underserved or far away. According to Kacuucu (2023), agents operate as intermediaries by providing banking services in regions where it may not be feasible to establish conventional physical branches. By making effective use of agents, financial institutions are able to get access to new client groups and marketplaces, which in turn promotes growth and the creation of income. According to Ngaruiya et al. (2022), this expanded market access not only improves the bank's financial outcomes but also strengthens its competitive position within the industry.

The level of service provided by agents has an impact on the efficiency with which banking procedures are carried out. Agents who have received extensive training and make use of efficient technology solutions are able to conduct transactions in a timely and accurate manner, hence reducing the operating expenditures that are associated with errors or inefficiencies that occur during manual processing (Kacuucu, 2023). Furthermore, efficient agent networks enable financial institutions to improve their distribution channels, which therefore leads to improved resource management and an overall increase in operational efficiency. The bank's financial outcomes are eventually improved as a result of this operational performance, which leads to

decreased expenditures and enhanced profit margins (Ngaruiya et al., 2022). It is stated by Wijaya et al. (2021) that the quality of the agent services provided by a bank has a substantial impact on the reputation of the bank. Positive client referrals and word-of-mouth that are the consequences of great agent interactions have the potential to increase the bank's brand reputation and credibility throughout the community.

## **2.2 Customer Satisfaction**

Customer satisfaction results from cognitive and emotional appraisal of a comparison standard vs perceived performance (Kumar, 2008). According to Kotler et al. (2006), customer satisfaction is an individual's emotional state after comparing a product's performance or outcomes to their expectations. Customers' total satisfaction is measured. According to Zeithaml and Bitner (2000), customer satisfaction is dependent on whether a product or service meets their requirements and expectations. According to Yang (2001), customers measure satisfaction by comparing a product or service's performance to their expectations. If the performance exceeds expectations, positive disconfirmation occurs, increasing satisfaction. A customer's general attitude towards a service provider or emotional response to the discrepancy between expectations and experiences is called satisfaction. Customer satisfaction comes from perception, appraisal, and emotional responses to a product/service (Kotler, 2001). The difference between customer expectations and product or service execution determines customer satisfaction or discontent (Kanning & Bergmann, 2009). Customer satisfaction indicates how effectively the product or service meets their needs. Service satisfaction is based on the customer's judgement of service or product provided and their particular experiences. According to Yang (2001), customers choose satisfaction by comparing a product or service's performance to their previous expectations. If the performance exceeds the expectations, positive confirmation occurs, leading to an expected increase in satisfaction. Zeithaml and Bitner (2000) defined customer satisfaction as a customer's assessment of a product or service's ability to meet their needs and expectations.

Customer satisfaction is a key idea in marketing and service management, reflecting the customers' overall assessment of their experience with a product or service. It is generally perceived as the outcome of a cognitive and emotional evaluation

in which consumers contrast their expectations with the actual performance provided (Oliver, 1999). Satisfaction occurs when services fulfill or surpass expectations; if not, dissatisfaction can result. Elevated satisfaction rates result in higher customer loyalty, repeated use, favorable recommendations, and ultimately enhanced profitability for the organization (Anderson et al., 1994). In the service sectors like banking, where direct engagement and service quality are essential, customer satisfaction is particularly important (Zeithaml et al., 2018). Additionally, pleased customers are more inclined to trust the company and cultivate loyalty, which is crucial for sustained competitiveness in evolving markets (Homburg et al., 2006).

### **2.3 Customer Trust**

Trust is the willingness to rely on a reliable trading partner (Moorman, 1993). Trust is the extent to which a person believes and acts on others' words, actions, and decisions (McAllister, 1995). In consumer-brand partnerships, trust is customers' willingness to rely on the brand to deliver on its promises (Chaudhuri & Holbrook, 2001). Trust, honesty, fairness, and quality are essential customer needs in financial services (Bayne, 1999). Successful relationship marketing relies on customer trust (Morgan & Hunt, 1994).

Trust is the willingness to depend on a trusted exchange partner, according to Moorman et al. (1993). Morgan and Hunt (1994) defined trust as the trustor's beliefs in their trade partner's honesty and reliability. Mayer et al. (1995) defined trust as the willingness of one party to be exposed to the activities of another, based on the conviction that the latter would perform a specified action meaningful to the trustor, independent of the ability to monitor or govern that other party. Customer trust in a firm is the fundamental link between product or service features and customer retention (Garbarino & Johnson, 1999). Trust boosts revenue by improving client acquisition and retention. Trust is crucial in business, especially in an unpredictable market with minimal product differentiation like insurance (Fournier & Yao, 1997). Trust is essential to business-customer connections and loyalty (Ndubisi, 2007). Morgan and Hunt (2004) define trust as customers' willingness to rely on an exchange partner they trust reliability and honesty. Trust is the universal belief that one can rely on another's assertions (Rotter, 1967).

Customer trust is a crucial element in establishing and sustaining enduring connections between customers and service providers. It pertains to a customer's trust in the reliability, integrity, and capability of a service provider, especially in scenarios involving significant uncertainty or risk (Garbarino, & Johnson, 1999). Morgan and Hunt (1994) assert that trust is present when one party believes in the reliability and integrity of an exchange partner. Trust is crucial for sustaining long-term relationships, particularly in service environments where clients frequently depend on service providers because of the intangible and inconsistent characteristics of services. It minimizes perceived risk and uncertainty, enhancing emotional connections between the customer and the company. In banking and financial services, customer trust is crucial because of the high-risk characteristics of financial transactions and the personal sensitivity of financial information. Once trust is built, customers are more prone to remain loyal, spread favorable word-of-mouth, and persist in using the service even with competition (Gefen, 2000).

## **2.4 Customer Loyalty**

Oliver (1999) defined loyalty as a strong desire to buy and support a preferred product or service, despite situational conditions and marketing strategies that may change behavior. Customer loyalty is the strength of the relationship between a person's comparative disposition and recurrent purchases. Customer loyalty is a continuous beneficial connection between a customer and a company. It fuels repeated buying and encourages current customers to select your business over a rival providing comparable advantages.

The concept of loyalty pertains to a customer's dedication to consistently buy their preferred products in the future (Kursunluoglu, 2014). A customer's inclination towards a particular brand is known as loyalty (Rooij, 2015). Customer loyalty is complicated, involving behavior and attitude (Dick & Basu, 1994). Attitudinal loyalty is a customer's emotional connection to a brand, whereas behavioral loyalty is recurring purchases (Jacoby & Chestnut, 1978). According to several studies, customer happiness, trust, and perceived service quality increase loyalty (Oliver, 1999).

Oliver (1994) defined customer loyalty as the long-term commitment to repeatedly purchasing a product or service while maintaining a positive outlook.

McIlroy and Barnett (2000) also suggested that customer loyalty is the foundation of relationship marketing, as keeping customers throughout their lifetime will lead to higher profitability. Beerli et al. (2004) noted that the expenses linked to retaining loyal customers are less than those of acquiring new customers.

Oliver (1999) proposed a four-phase client loyalty model: cognitive, emotive, conative, and action. Cognitive loyalty is based on brand attributes like pricing and quality, making a brand seem more appealing. Affective loyalty arises from gratifying usage experiences, resulting in a positive attitude or fondness for the brand. Conative loyalty reflects a stronger degree of dedication, marked by the desire to buy again. Ultimately, action loyalty takes place when the intention transforms into action, coupled with a readiness to surmount barriers to repurchase. Loyalty can be strongly tied to the intention to consistently repurchase or return to favored products or services in the future. In service industries, such as banking and finance, customer loyalty holds particular significance because of the ongoing and intangible qualities of the customer relationship. Loyal customers tend to suggest the service to others, exhibit resistance to competing offers, and offer useful feedback (Reichheld & Sasser, 1990).

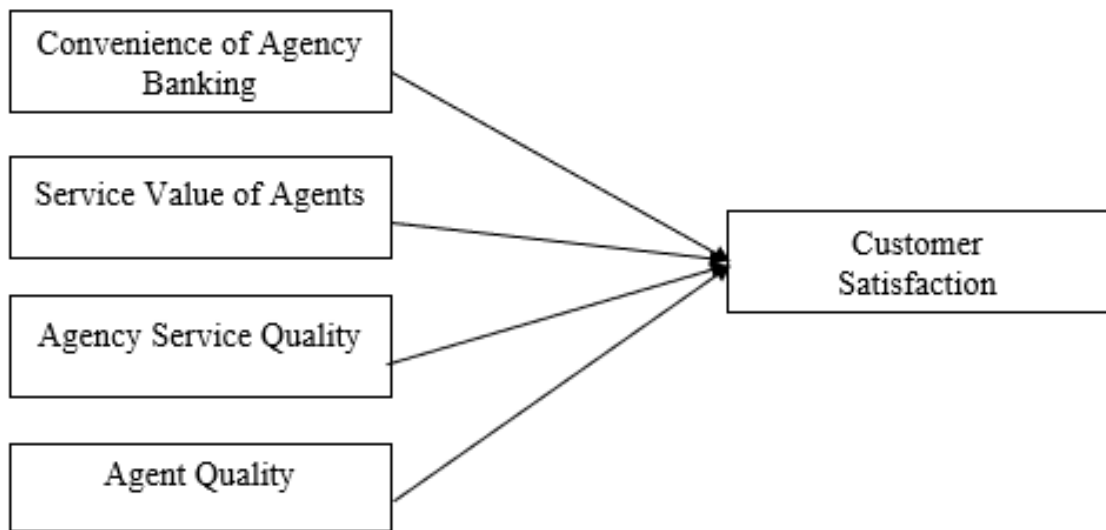
Loyalty is generally assessed in two aspects: behavioral loyalty (real repeat buying or service consumption) and attitudinal loyalty (emotional and cognitive dedication). Behavioral loyalty might just indicate convenience or a shortage of options, but attitudinal loyalty represents a more profound and lasting commitment that fosters support and opposition to competing products (Jacoby & Chestnut, 1978). Loyalty goes beyond merely returning for more; it includes an emotional bond and psychological connection to the service provider. Attitudinal loyalty encompasses this emotional connection, whereas behavioral loyalty indicates regular usage or repurchase actions (Dick & Basu, 1994). Both aspects are crucial for comprehending the effect of loyalty on sustainable business success.

## **2.5 Previous Studies**

Agency banking affects Commercial Bank of Ethiopia client satisfaction, according to Melese (2020). Researchers used descriptive and qualitative methods to conduct the study. The Commercial Bank of Ethiopia in Addis Ababa performed the research. The survey included CBE agency banking agents' clients. The research

utilized a sample of 384 customers from agency banks. This study gathered primary data through the utilization of questionnaires. Quantitative methods were utilized to analyze the data. The research employed explanatory, correlational, and multiple regression analysis methods. Figure (2.1) illustrates the conceptual model proposed by Melese (2020).

**Figure (2.1) Conceptual Framework of Melese**

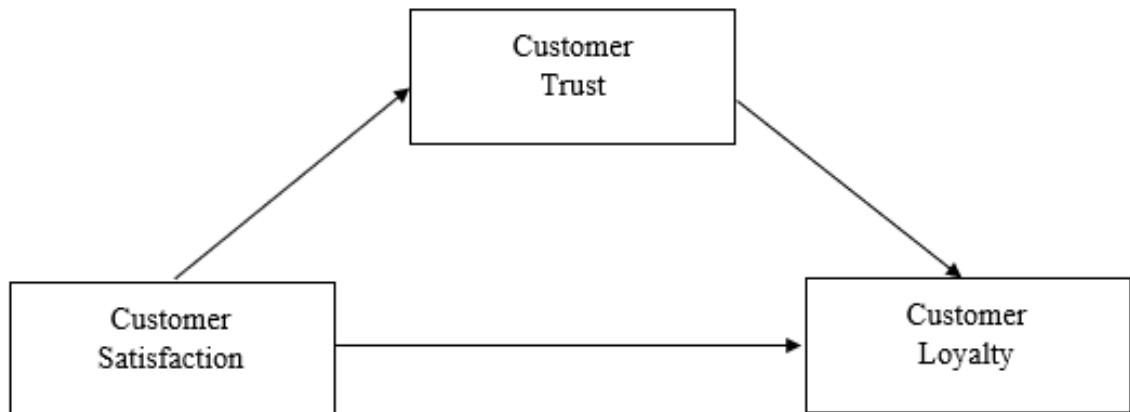


Source: Meles (2020)

Melese (2020) discovered that every variable, excluding service value such as service convenience, service quality, and agent quality, positively influences customer satisfaction. The correlation study also showed that service quality and convenience were strongly correlated with customer satisfaction. Customer satisfaction was somewhat correlated with agent quality and service value.

Lenin Kumar (2017) examined how satisfaction and trust affect loyalty. All clientele of the selected Commercial Banks in Northern Province of Sri Lanka were studied. The investigation included customers of four long-standing Northern Province banks: Bank of Ceylon, Peoples Bank, Hatton National Bank Plc., and Commercial Bank Plc. Using convenience sample, 300 clients received questionnaires (table 2) and 210 responded. Because of the high amount of missing values, six surveys were eliminated. Data was analyzed using SPSS and SmartPLS. Figure (2.2) shows Lenin Kumar (2017)'s conceptual framework.

**Figure (2.2) Conceptual Framework of Leninkumar**



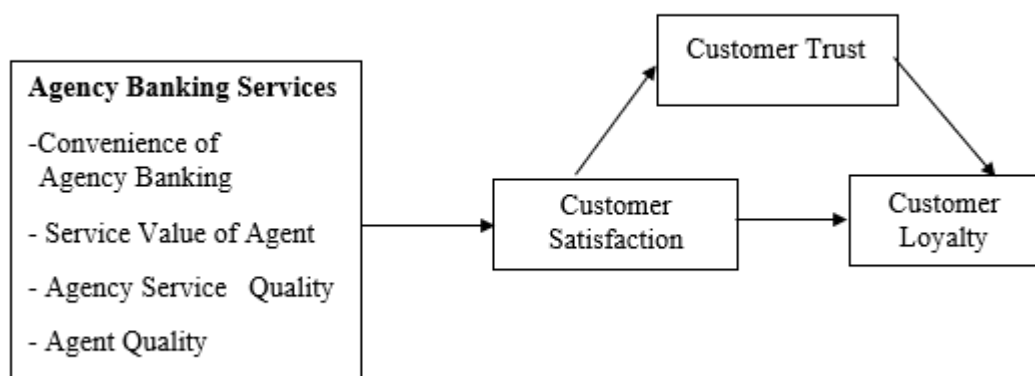
Source: Leninkumar (2017)

Positive mediation was found between loyalty, trust, and customer pleasure. Loyalty is linked to client satisfaction. consumer happiness preceded consumer trust, as seen by its effect. Additionally, consumer trust facilitated customer happiness and loyalty.

## 2.6 Conceptual Framework of the Study

Literature reviews and previous conceptual frameworks inform the study's conceptual framework to accomplish research objectives. The study conceptual framework is shown in Figure 2.3.

**Figure (2.3) Conceptual Framework of the Study**



Source: Own Compilation (2025)

Figure (2.3) shows that the conceptual framework emphasizes influencing variables, customer happiness, trust, and loyalty. Melese's (2020) conceptual

framework begins with agency banking convenience, service value, agency service quality, and agent quality as independent variables, and customer satisfaction as the dependent variable. Leninkumar (2017) found that customer pleasure is the independent variable, loyalty is the dependent variable, and trust is the mediating variable in the latter half of the conceptual framework.

## **CHAPTER 3**

### **PROFILE AND AGENCY BANKING SERVICES PROVIDED BY MAB BANK**

This chapter outlines the profile and organizational framework of MAB bank. Furthermore, it outlines the agency banking services offered by MAB bank, succeeded by the respondents' profile and a reliability analysis.

#### **3.1 Profile of MAB Bank**

MAB Bank is a prominent private commercial bank in Myanmar, founded on July 2, 2010, and owned by the Eden Group of Companies. The bank launched its initial branch in Naypyidaw on August 17, 2010, and has since grown its footprint across the country, running more than 100 branches.

MAB provides a wide range of financial services to satisfy the requirements of individual and business customers. Its personal banking offerings consist of savings and checking accounts, debit cards linked to Visa and MasterCard networks, online and mobile banking services, and international money transfer options via Western Union. The bank offers customized financial solutions for business clients, including SME loans, overdraft services, hire purchase financing, POS systems, and secure payment methods. MAB is involved in global banking, providing foreign exchange services, international money transfers through SWIFT, trade financing solutions such as letters of credit, and bank guarantees. Moreover, MAB's Wealth Banking initiative is tailored for affluent clients, providing elite banking services, investment options, and unique advantages.

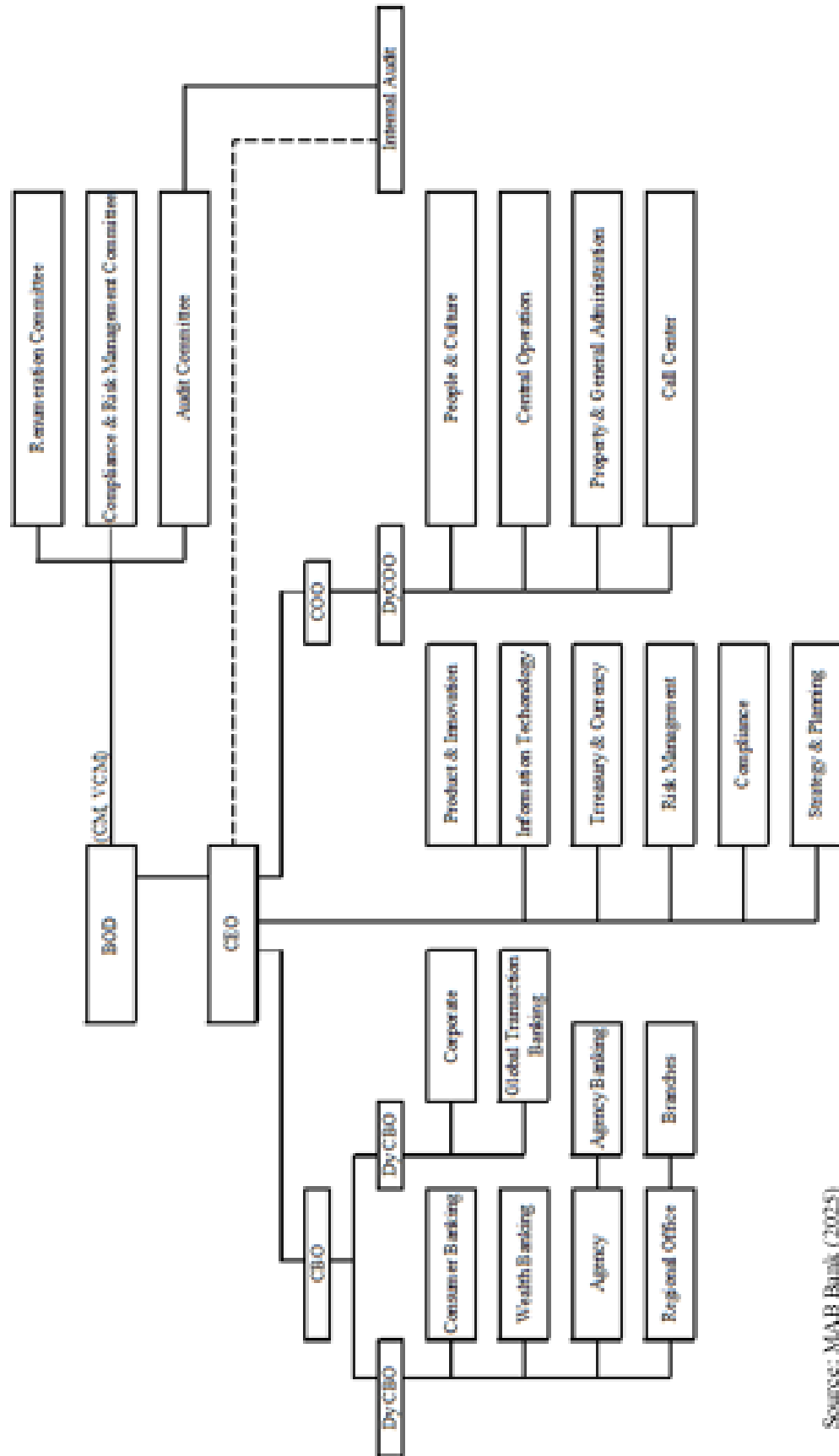
MAB aims to emerge as a premier bank in Myanmar, noted for its cutting-edge financial offerings, outstanding customer support, and strong operational strengths. The bank aims to establish itself as the benchmark for quality in the Myanmar banking sector by adopting technological innovations, upholding strong ethical principles, and promoting a mindset of ongoing enhancement. MAB seeks to be a reliable financial partner, supporting the economic growth and financial inclusion of the people in Myanmar.

MAB aims to deliver excellent banking services that align with the changing requirements of its clients while building trust and ensuring satisfaction. The bank is dedicated to providing trustworthy and effective financial services, investing in technology and talent, and fostering the development of local enterprises and the economy. MAB seeks to be a customer-focused organization that emphasizes the growth of its employees and the communities it impacts.

### **3.2 Organizational Structure of MAB Bank**

The MAB bank has a well-defined organisational structure in place, which allows it to methodically accomplish both its vision and its business goal. The organisational structure of MAB bank is depicted in figure (3.1 as shown). The Chief Business Officer (CBO) is the person who reports to the Deputy Chief Business Officer (DyCBO), who is responsible for assisting in the management of banks' business activities. The essential banking sectors are responsible for distributing their responsibilities. DyCBOs are responsible for overseeing personal banking services for individual customers in the consumer banking industry. These services include account management, savings, and loans. When it comes to wealth banking, they handle services for high-net-worth customers, during which they offer individualised investing, financial planning, and advisory services. Also, they are responsible for overseeing agency banking projects that increase the bank's accessibility through third-party agents, monitoring agency banking projects that increase the bank's accessibility through third-party agents, and coordinating and providing assistance for all physical branch operations, which includes staffing, customer service, and compliance at the branch level.

Figure (3.1) Organization Chart of M.A.B Bank



Source: M.A.B Bank (2025)

The DyCOO assists the COO and manages essential operational functions of the bank, spearheads human resources initiatives such as recruitment, training,

performance management, and promoting organizational culture, oversees centralized operations to guarantee process efficiency and compliance with policies, manages bank facilities, procurement, and overall administrative support services, and supervises customer service operations, ensuring timely and effective communication with clients through multiple channels. The DyCBOs and DyCOO play vital roles in implementing strategic initiatives, upholding operational efficiency, and guaranteeing quality service delivery throughout the bank.

### **3.3 Agency Banking Services**

MAB bank's agency banking service is a strategic move aimed at broadening the bank's accessibility beyond conventional branches by collaborating with third-party agents to provide crucial financial services, particularly in underserved and isolated regions. This service aligns with the bank's objective of enhancing financial inclusion and accessibility for every customer.

#### **3.3.1 Convenience of Agency Banking**

Multiple well-organised tactics are employed by MAB in order to improve accessibility, efficiency, and the overall client experience across the entirety of Myanmar, particularly in rural and neglected regions. These strategies are designed to promote convenience in the agency banking services that MAB offers. The MAB works in conjunction with local companies and shops to act as agents, therefore facilitating access to banking services in regions that are geographically isolated and do not have typical bank branches. These representatives serve as "mini branches," providing essential financial services to consumers in close proximity to their places of employment and residence. In contrast to traditional bank offices, a significant number of MAB agents offer their services outside of the regular banking hours, which includes weekends and evenings. People who are working and those who live in remote locations have easier access to financial services as a result of this flexibility. A variety of banking services, including as cash deposits and withdrawals, bill payments, cellphone recharges, money transfers, and account enquiries, are simplified and provided by agents. The services are designed to be easy to understand, making it

possible for even consumers who are not familiar with conventional banking to comprehend them without difficulty.

The Myanmar Banking Corporation (MAB) has formed partnerships with financial technology businesses like TrueMoney Myanmar, which enables clients to conduct banking transactions using their mobile devices through authorised agents. Traditional banking and digital banking are brought together through this integration, which improves both the speed and security of services.

### **3.3.2 Service Value of Agent**

Because MAB places a strong emphasis on personnel training, responsiveness, efficiency, professionalism, and consistent service, it is able to ensure that its Agency Banking activities will provide value to its customers. An organised training program is provided by MAB to agency personnel in order to ensure that they have a comprehensive understanding of banking products, procedures, client interactions, and financial regulations. Frequently scheduled seminars and refresher courses are held in order to educate agents on new services, security measures, and the need of adhering to laws set out by the Central Bank. All agents adhere to the standardised processes established by MAB in order to guarantee consistency in the delivery of services. The staff of the agency is educated to concentrate on the requirements of the customers and to solve issues in a prompt and effective manner.

By providing agents with direct access to the central support staff of the bank, MAB bank makes it possible for customers to get their enquiries or concerns resolved as quickly as possible. They are able to better understand and meet the requirements of their customers because MAB bank selects agents who are members of the community in which they work. For the purpose of reducing the amount of time that clients have to wait for service, MAB bank makes use of digital technology and fast transaction procedures. MAB is able to support a broader dispersion of access points by means of an increasing network of agents, which helps to reduce the amount of client congestion and wait times. Agents have access to resources and technological platforms that are branded with the MAB and are similar to those used in official branches. The use of mobile and digital platforms at agent sites provides instantaneous transaction updates, which in turn reduces the amount of time it takes to complete the transaction. The

services that are provided by agents are identical to those that are supplied in branches. These services include financial transactions like as deposits, withdrawals, transfers, and payments of bills. Furthermore, in order to ensure that agency operations continue to provide the same level of service dedication and experience as full-service branches, MAB bank conducts regular reviews.

### **3.3.3 Agent Service Quality**

The MAB bank is committed to providing outstanding service across its agency banking network. The bank is aware that the efficiency of its agents has a direct impact on the level of customer satisfaction, financial inclusion, and confidence in the banking system. It is common for agents to provide assistance to older consumers who lack digital abilities. The MAB agents are also quite reliable when it comes to honouring their obligations about the delivery schedules of customers' services. According to the feedback provided by customers, when agents make a commitment to complete a mobile money transfer, a payment on an electricity bill, or an update to a transaction within a certain amount of time, they fulfil that commitment.

Agents are given the instruction to handle expectations and adhere to stringent service standards, particularly during times of high consumer traffic and hectic times. In addition, the bank provides training for customer care representatives that emphasises characteristics such as respect, active listening, and patience. Additionally, agents get training to manage fundamental banking duties such as deposits, withdrawals, balance checks, and bill payments. This training ensures that the fundamental chores are managed accurately and in accordance with the regulations of the bank. This constancy helps to promote consumer confidence, particularly in places that are under-represented or remote, where agents may be the only individuals who have a physical connection to the banking system. It is the responsibility of the bank to ensure that its representatives maintain a high level of professionalism and expertise in order to cultivate trust and confidence among customers. It is important for MAB agents to be prompt and sensitive to the needs of their customers. There is a strong emphasis placed on agents demonstrating genuine concern and an understanding of the requirements of customers. Numerous agents, as they get more integrated into their

communities, typically build strong connections with their customers, which results in an improvement in the delivery of services.

### **3.3.4 Agent Quality**

By using innovative and efficient techniques that place an emphasis on individualised service, professionalism, integrity, and client confidentiality, MAB bank assures that the quality of their agents is far higher than that of their competitors, particularly through their network of community-oriented agents. When it comes to demonstrating quality, one specific way that agents do so is by giving special attention to each and every consumer. In light of the fact that agents regularly serve as the first or only point of contact for customers located in remote areas, MAB bank places a strong emphasis on the provision of individualised and dependable service through its agency banking network.

Agents are equipped with the knowledge and skills necessary to recognise and handle certain financial issues. Representatives get training that enables them to modify their help in accordance with the requirements of older consumers in order to simplify procedures, explain transaction stages for beginners, or provide personalised service to customers who use the service frequently. Those who work for MAB bank are trained to deliver individualised service to each and every customer. Customer service representatives are strongly encouraged to extend a warm greeting to clients, communicate with them in a friendly manner, and remember the preferences and banking patterns of frequent customers. Continuous training and supervision are provided by MAB in order to guarantee adaptation to a wide range of customer requirements. When it comes to MAB's agent activity, professionalism is very essential. Agents are required to maintain a high degree of professionalism and behaviour, which includes providing consumers with accurate information regarding banking products, leading customers through safe transaction methods, and sending customers with more complex enquiries to bank branches for specialised help. A strong emphasis is placed by MAB bank on the need of maintaining data privacy and confidentiality. In addition to receiving training in the safe storage of client information, each and every agent is required to sign confidentiality contracts. It is

imperative that stringent precautions be taken in order to prevent unauthorised access to personal information.

### **3.4 Profile of the Respondents**

This part outlines the demographic features of the 397 participants who took part in the survey. The variables examined consist of gender, marital status, age, educational background, job title, and length of usage of agency banking services at MAB bank.

Table (3.1) shows that there are 190 males (47.85% of the total respondents) and 207 females (52.15% of the total respondents). The findings indicate that most of the respondents are females. These findings show that a marginally larger number of women are involved in utilizing agency banking services provided by MAB bank.

The distribution of respondents' ages is as follows – 4.54% belong to the 18-20 age group, 31.23% are aged 21-30 years, 36.52% fall into the 31-40 years category, 15.62% are in the 41-50 years range, 7.56% of respondents are 51-60 years old, and 4.53% are above 60 years old. These findings suggest that most agency banking clients of MAB bank are middle-aged individuals aged 21 to 40 years.

The majority of the participants are married, representing 60.20% of the sample, whereas single respondents accounted for 39.80%. This indicates that married clients are more inclined to utilize agency banking services, likely due to financial obligations at home and the necessity for easy financial access.

Concerning educational attainment, 72 participants (18.14%) finished high school, while 114 participants (28.71%) are currently undergraduates. Most of the participants are graduates (37.28%), while 63 individuals (15.87%) possess a post-graduate or Master's degree. These findings suggest that most agency banking users at MAB bank are educated people, with a significant number possessing graduate or undergraduate qualifications.

**Table (3.1) Profile of Respondents**

<b>Sr. No.</b>	<b>Particular</b>	<b>Frequency</b>	<b>Percentage</b>
	<b>Total</b>	<b>397</b>	<b>100.00</b>
<b>1</b>	<b>Gender:</b>		
	Male	190	47.85
	Female	207	52.15
<b>2</b>	<b>Marital Status</b>		
	Single	158	39.80
	Married	239	60.20
<b>3</b>	<b>Age (Years):</b>		
	18 - 20	18	4.54
	21 - 30	124	31.23
	31 - 40	145	36.52
	41 - 50	62	15.62
	51 - 60	30	7.56
	above 60	18	4.53
<b>4</b>	<b>Education Background</b>		
	High School	72	18.14
	Undergraduate	114	28.71
	Graduate	148	37.28
	Post Graduate / Master	63	15.87
<b>5</b>	<b>Position:</b>		
	Government Staff	78	19.65
	Company Employees	146	36.77
	Business Owner	123	30.99
	Retired	50	12.59
<b>6</b>	<b>Usage Duration</b>		
	Less than 1 year	66	16.63
	1 - 2	145	36.52
	3 - 4	116	29.22
	Above 5 years	70	17.63

Source: Survey Data (2025)

The majority of respondents are employees of companies, making up 36.77%, while 30.99% are business owners. Government employees account for 19.65% of the

participants, while 12.59% are retirees. This suggests that most agency banking customers at MAB bank are engaged professionals, especially corporate employees and business owners.

Regarding usage duration, 66 respondents (16.63%) have utilized agency banking services for under one year, 145 respondents (36.52%) have used them for 1 to 2 years, and 116 respondents (29.22%) have availed themselves of these services for 3 to 4 years. At the same time, 70 participants (17.63%) have utilized the service for over 5 years. These findings suggest that a significant number of customers possess moderate experience with agency banking, reflecting increased familiarity and confidence in the service in recent years.

The conclusion is that most agency banking users at MAB bank are educated, middle-aged, married women who work as employees or run businesses. They usually possess 1 to 4 years of experience in the service, indicating a strong and growing client base for agency banking solutions.

### **3.5 Reliability Analysis**

Statistical reliability analysis evaluates a system or measuring instrument's dependability, stability, and consistency. Hair et al. (2010) defined five dependability ratings. Table 3.2 indicates Cronbach's alpha level.

**Table (3.2) Cronbach's Alpha Value Level of Reliability**

<b>Sr. No.</b>	<b>Cronbach's Alpha Value Level</b>	<b>Level of Reliability</b>
1	0.0 - 0.20	Less Reliable
2	0.20 – 0.40	Rather Reliable
3	0.40 – 0.60	Quite Reliable
4	0.60 – 0.80	Reliable
5	0.80 – 1.00	Very Reliable

Source: Hair et al. (2010)

Table (3.2) shows Hair et al. (2010)'s five dependability levels based on Cronbach's Alpha values. This study uses Hair et al. (2010)'s Cronbach's Alpha reliability coefficient. Table 3.3 shows this research's variables' Cronbach's Alpha values.

**Table (3.3) Reliability Test**

<b>Sr. No.</b>	<b>Variables</b>	<b>No. of Items</b>	<b>Cronbach's Alpha</b>	<b>Interpretation</b>
1	Convenience of Agency Banking	5	.826	Very Reliable
2	Service Value of Agents	5	.816	Very Reliable
3	Agency Service Quality	5	.863	Very Reliable
4	Agent Quality	5	.844	Very Reliable
5	Customer Satisfaction	5	.827	Very Reliable
6	Customer Trust	5	.818	Very Reliable
7	Customer Loyalty	5	.838	Very Reliable

Source: Survey Data (2025)

Cronbach's Alpha values are calculated for every variable to assess the reliability of the variables. All variable scores are between 0.80 and 1.00. The results show that the Cronbach's Alpha for each variable exceeds 0.80, suggesting that the findings are highly reliable and valid.

**CHAPTER 4**

**ANALYSIS ON THE EFFECT OF AGENCY BANKING SERVICES ON CUSTOMER SATISFACTION AND CUSTOMER LOYALTY TOWARDS MAB BANK**

MAB bank's agency banking service's client satisfaction, trust, and loyalty data are presented in this chapter. It also shows how agency banking affects MAB bank customer happiness. Additionally, it shows how customer pleasure affects MAB bank client loyalty. It proves that consumer trust mediates the relationship between customer pleasure and MAB bank loyalty.

**4.1 Customer Perception on Agency Banking Services, Customer Satisfaction, Customer Trust and Customer Loyalty**

This chapter highlights consumer happiness, trust, and loyalty to MAB bank about agency banking services. Primary data is collected using a structured questionnaire using a 5-point Likert scale (1: strongly disagree, 2: disagree, 3: neutral, 4: agree, 5: strongly agree). This research uses descriptive statistics. Table (4.1) shows Best (1977)'s mean rating scale.

**Table (4.1) Mean Rating Scale**

Sr. No.	Score Range	Mean Rating
1	1.00 -1.80	Strongly Disagree
2	1.81 -2.60	Disagree
3	2.61-3.40	Neutral
4	3.41- 4.20	Agree
5	4.21-5.00	Strongly Agree

Source: Best (1977)

According to Table (4.1), Best (1977) identified five typical rating scales for examining the survey information. Best (1977) recognized five typical rating scales derived from the spectrum of average scores. In this study, the average score is interpreted using the rating scale developed by Best (1977).

#### 4.1.1 Customer Perception on Agency Banking Services

This segment outlines customer views on the agency banking services offered by MAB bank, drawn from the survey data. The services encompass the convenience of agency banking, the value of agent services, the quality of agency services, and the quality of agents.

##### (a) Convenience of Agency Banking

Five statements are utilized to evaluate convenience in agency banking. The outcomes from the survey are shown in Table (4.2).

**Table (4.2) Convenience of Agency Banking**

<b>Sr. No.</b>	<b>Description</b>	<b>Mean Score</b>	<b>Std. Dev.</b>
1	Quick and easy access to the agent of MAB bank	3.68	0.90
2	Convenient location of the agent of MAB bank	3.65	0.86
3	Convenient operating hours of the agent of MAB bank	3.70	0.88
4	Quick completion of transactions at the agent of MAB bank	3.82	0.90
5	Prompt resolution of post-transaction problems by the agent of MAB bank	3.64	0.87
	<b>Overall Mean</b>	<b>3.70</b>	

Source: Survey Data (2025)

Based on Table (4.2), every mean value (including the total mean value) falls within the range of 3.41 to 4.20. It can be said that the majority of respondents concur with the convenience of agency banking services provided by MAB bank. Participants concur that they can access MAB bank agents swiftly and effortlessly, with agents situated in accessible spots. They concur that the agents function during suitable hours and that transactions are swiftly finalized at the agent sites. Additionally, participants concur that any issues faced post-transactions are promptly addressed by the agents.

##### (b) Service Value of Agent

Five statements are employed to evaluate the service value of the agent. The survey results are presented in Table (4.3).

**Table (4.3) Service Value of Agent**

<b>Sr. No.</b>	<b>Description</b>	<b>Mean Score</b>	<b>Std. Dev.</b>
1	Knowledgeable and skilful staff for agency banking of MAB bank	3.81	0.86
2	Responsiveness of agency banking staff of MAB bank to customer needs	3.82	0.88
3	Short waiting time before service at the agent of MAB bank	3.58	0.86
4	Confidence-instilling behavior of agents	3.82	0.82
5	Service consistency between agents and bank branches as promised	3.66	0.83
	<b>Overall Mean</b>	<b>3.74</b>	

Source: Survey Data (2025)

Based on Table (4.3), all average values (including the overall average) fall within the range of 3.41 to 4.20, indicating that the majority of respondents are in agreement with the service value offered by the agent of MAB bank. Participants concur that the personnel engaged in agency banking have the required expertise and abilities and are attentive to customer demands. They also concur that the actions of the agent employees inspire trust and that the service delivered by agents resembles that provided at the primary bank branches. Additionally, participants concur that they wait less time prior to receiving service at the agent locations.

**(c) Agency Service Quality**

Five statements are employed to evaluate the quality of agency services. The findings from the survey are shown in Table (4.4).

**Table (4.4) Agency Service Quality**

<b>Sr. No</b>	<b>Description</b>	<b>Mean Score</b>	<b>Std. Dev</b>
1	Modern and up-to-date equipment used by agents of MAB bank	3.64	0.83
2	Timely fulfilment of promises by the agent bank of MAB	3.63	0.80
3	Accurate maintenance of customer information by the agent bank of MAB	3.80	0.91
4	Receipt of detailed transaction information via SMS	3.72	0.93
5	Efficiency of the helpline service for MAB bank's agency banking	3.67	0.85
	<b>Overall Mean</b>	<b>3.69</b>	

Source: Survey Data (2025)

Based on Table (4.4), all average values (including the total average) fall between 3.41 and 4.20, indicating that the majority of respondents are in agreement with the service quality of agency banking offered by MAB bank. Participants concur that MAB bank agents utilize contemporary and current technology, and that agents meet their commitments within the agreed timeframe. They also concur that agents uphold precise and correct customer information, and that transaction details are reliably sent via SMS. Additionally, participants concur that the helpline service associated with agency banking is effective.

**(d) Agent Quality**

Five statements are employed to evaluate agency quality. The findings from the survey are presented in Table (4.5).

**Table (4.5) Agent Quality**

<b>Sr. No.</b>	<b>Description</b>	<b>Mean Score</b>	<b>Std. Dev.</b>
1	Personal attention provided by the agents of MAB bank	3.57	0.89
2	Understanding of specific customer needs by the agents of MAB bank	3.65	0.83
3	Provision of professional advice and service by agents	3.76	0.86
4	Confidentiality of customer information maintained by agents	4.10	0.94
5	Perception of agents as safe and equivalent to bank branches during deposits	3.91	0.85
<b>Overall Mean</b>		<b>3.80</b>	

Source: Survey Data (2025)

Based on Table (4.5), all average values (including the overall average) fall between 3.41 and 4.20, suggesting that the majority of respondents are in agreement regarding the quality of agents representing MAB bank. Participants concur that the agents maintain the confidentiality of customer information, and they feel secure making deposits via the agents, viewing it as equivalent to depositing directly at a bank. They also concur that agents offer expert guidance and assistance, comprehend their unique requirements, and deliver individualized attention.

#### **4.1.2 Customer Satisfaction**

Five statements are utilized to evaluate customer satisfaction. The findings from the survey are presented in Table (4.6).

**Table (4.6) Customer Satisfaction**

<b>Sr. No.</b>	<b>Description</b>	<b>Mean Score</b>	<b>Std. Dev.</b>
1	Satisfaction with the knowledge of agents about agent banking services	3.79	0.82
2	Sense of safety and assurance while making transactions using agency banking service	3.86	0.90
3	Satisfaction with the appearance of agent offices	3.70	0.82
4	Satisfaction with the variety of agency banking services of MAB bank	3.75	0.85
5	Satisfaction with the performance of agency banking of MAB bank	3.86	0.86
	<b>Overall Mean</b>	<b>3.79</b>	

Source: Survey Data (2025)

According to Table (4.6), all mean values (including the overall mean) fall between 3.41 and 4.20 at the agree level, showing that most respondents are satisfied with MAB bank's agency banking services. Participants concur that they feel secure when conducting transactions via agency banking and are pleased with the effectiveness of these services. They also concur that the agents have sufficient understanding of agency banking and are pleased with the variety of services offered. Additionally, participants are satisfied with the look and display of the agent offices.

#### **4.1.3 Customer Trust**

Five statements are employed to evaluate customer trust. The findings from the survey are presented in Table (4.7)..

**Table (4.7) Customer Trust**

<b>Sr. No.</b>	<b>Description</b>	<b>Mean Score</b>	<b>Std. Dev.</b>
1	Complete trust in agency banking of MAB	3.91	0.87
2	Honest treatment by agents from agency banking of MAB in every transaction	3.93	0.88
3	Sense of security when performing transactions at agency banking of MAB	3.90	0.86
4	Confidence in agency banking of MAB	3.90	0.90
5	Trustworthiness of agency banking of MAB	3.98	0.82
	<b>Overall Mean</b>	<b>3.92</b>	

Source: Survey Data (2025)

As shown in Table (4.7), all average values, including the overall average, fall between 3.41 and 4.20 at the level of agreement, indicating that the majority of respondents concur with the trust they possess in MAB bank's agency banking services. Participants concur that they have full confidence in agency banking and feel secure and assured when performing transactions via agents. They also concur that agents deal with them fairly in all transactions and that the agency banking of MAB bank is reliable.

#### **4.1.4 Customer Loyalty**

Five statements are utilized to evaluate customer loyalty. The survey findings are presented in Table (4.8).

**Table (4.8) Customer Loyalty**

<b>Sr. No.</b>	<b>Description</b>	<b>Mean Score</b>	<b>Std. Dev.</b>
1	Positive word-of-mouth about bank	3.86	0.89
2	Recommendation of bank to others seeking advice	3.86	0.91
3	Consideration of bank as the first choice for banking services	3.91	0.90
4	Intention to increase business with bank in the coming years	3.96	0.84
5	Encouragement of friends and relatives to use agency banking of MAB	4.03	0.86
	<b>Overall Mean</b>	<b>3.92</b>	

Source: Survey Data (2025)

Based on Table (4.8), all average values (including the overall average) fall between 3.41 and 4.20 at the agree level, indicating that the majority of respondents concur with statements that represent their loyalty to MAB bank. Participants concur that they speak favorably about MAB bank to others and are open to recommending the bank to individuals who ask for their guidance. They regard MAB bank as their preferred option for banking services and show an intention to maintain their business relationship with the bank going forward. Additionally, participants concur that they would promote the agency banking services of MAB to friends and family.

#### **4.2 Analysis on the Effect of Agency Banking Services on Customer Satisfaction**

This research examines how agency banking services influence customer satisfaction. A multiple linear regression analysis was performed to assess these effects. The independent variables consist of the convenience of agency banking, the value of agent services, the quality of agency services, and agent quality, whereas the dependent variable is customer satisfaction. The outcomes of the regression analysis are shown in Table (4.9).

**Table (4.9) Effect of Agency Banking Services on Customer Satisfaction**

Variable	Unstandardized Coefficients		Standardized Coefficients (Beta)	t	Sig
	B	Std. Error			
(Constant)	.267	.095		2.819	.005
Convenience of Agency Banking	.150***	.046	.155	3.245	.001
Service Value of Agents	.101*	.060	.102	1.691	.092
Agency Service Quality	.233***	.052	.228	4.441	.000
Agent Quality	.455***	.054	.458	8.514	.000
R Square	.794				
Adjusted R Square	.792				
F value	359.159***				

Source: Survey Data (2025)

\*\*\* Significant at 1% level, \*\* Significant at 5% level, \* Significant at 10% level

According to Table (4.9), the adjusted R-squared is 0.792, suggesting that around 79.2% of the variability in the dependent variable is explained by the independent variables in the model. This demonstrates a strong degree of explanatory capability. The model's overall importance is reinforced by an F-value of 359.159, which is statistically significant at the 1% level, thereby affirming the model's validity and overall statistical importance.

The findings from the regression suggest that the ease of agency banking positively influences customer satisfaction, showing a coefficient of 0.150, which is statistically significant at the 1% level. This suggests that convenience significantly contributes to improving customer satisfaction. MAB bank's branch locations function outside regular banking hours, including weekends, providing customers greater ease in handling their finances and enhancing customer satisfaction.

The service value of an agent positively and significantly influences customer satisfaction, exhibiting a coefficient of 0.101, which is statistically meaningful at the 10% level. This suggests that the agent's service value significantly contributes to improving customer satisfaction. MAB bank representatives greatly enhance customer satisfaction due to their knowledge, quick response, and professionalism. Effective

service provision and uniform quality related to bank branches build trust and convenience, thus improving the overall customer experience.

Likewise, the quality of agency services positively impacts customer satisfaction, with a coefficient of 0.233, statistically significant at the 1% level, demonstrating a notable contribution. MAB bank representatives boost customer satisfaction by utilizing advanced technology and delivering on commitments swiftly. They precisely uphold customer data and ensure that clients receive comprehensive transaction SMS notifications. Furthermore, the effective helpline service assists customers proficiently. These elements collectively enhance service value and boost customer satisfaction.

Additionally, agent quality positively influences customer satisfaction, exhibiting a coefficient of 0.455 at the 1% significance level. MAB bank's emphasis on individualized care, attentiveness to client requirements, professionalism, privacy, and reliability at agent locations greatly improves the perceived service quality, and these qualities together contribute to customer satisfaction. According to the standardized coefficients (Beta values), the quality of the agent is the most significant predictor of customer satisfaction. Nonetheless, the service value provided by agents is statistically relevant to customer satisfaction at the 10% significance level.

The results revealed that enhancements in convenience, service quality, and particularly the quality of agents in MAB bank's agency banking services can greatly improve customer satisfaction. Easy access and swift service minimize customer effort and waiting duration. Superior service quality guarantees precise transactions and effective assistance. Crucially, skilled and experienced agents offer enhanced support and tailored service, resulting in a more enjoyable banking experience overall. MAB bank can enhance customer satisfaction by ensuring agents are skilled, dependable, and responsive. Moreover, by upholding excellent service standards and strategically positioning accessible service locations, the bank can enhance customer experience and satisfaction even more.

#### **4.3 Analysis on the Mediating Effect of Customer Trust on the Relationship between Customer Satisfaction and Customer Loyalty**

To examine the mediating role of Reputation in the connection between customer satisfaction and customer Loyalty, the subsequent steps are taken:

1. Total effect through regression analysis on effect of independent variable on dependent variable.
2. Regression analysis on effect of independent variable on mediating variable.
3. Regression analysis on effect of independent variable and mediating variable on dependent variable.
4. Sobel test for significance of mediating variable.
5. Finding indirect effect, direct effect, and total effect.

**Table (4.10) Effect of Customer Satisfaction on Customer Loyalty**

Variable	Unstandardized Coefficients		Standardized Coefficients (Beta)	t	Sig
	B	Std. Error			
(Constant)	.943	.154		6.111	.000
Customer Satisfaction	.786***	.040	.713	19.672	.000
R Square	.508				
Adjusted R Square	.507				
F value	386.984***				

Source: Survey Data (2025)

\*\*\* Significant at 1% level, \*\* Significant at 5% level, \* Significant at 10% level

Table (4.10) indicates an R-squared value of 0.508, indicating that the independent variable accounts for 50.8% of the dependent variable's variation. This suggests strong explanation. The model's F-value of 386.984 is significant at 1%, proving its validity. Customer satisfaction also positively and strongly affects customer loyalty, with a correlation of 0.786 at the 1% level. This discovery shows how consumer happiness builds loyalty.

According to Table (4.10), customer satisfaction affects loyalty by 0.786. consumer pleasure (independent variable) affects consumer trust (mediating variable) in Table 4.11.

**Table (4.11) Effect of Customer Satisfaction on Customer Trust**

Variable	Unstandardized Coefficients		Standardized Coefficients (Beta)	t	Sig
	B	Std. Error			
(Constant)	.398	.107		3.736	.000
Customer Satisfaction	.930***	.028	.867	33.669	.000
R Square	.751				
Adjusted R Square	.751				
F value	1133.603***				

Source: Survey Data (2025)

\*\*\* Significant at 1% level, \*\* Significant at 5% level, \* Significant at 10% level

Table 4.11 shows customer happiness (independent variable) and trust (dependent variable) analysis. Table (4.11) shows that this model can explain 75.1% of the variation in the dependent variable as impacted by the independent variable with an R-squared of 0.751. This score indicates strong explanation. An F-value of 1133.603, statistically significant at 1%, indicates the model's relevance. The model appears accurate and statistically significant. Customer satisfaction considerably and positively increases customer trust, with a correlation of 0.930, which is significant at the 1% level. This suggests that customer happiness greatly increases trust. The third step of mediating impact assessment followed. Customer loyalty is the dependent variable, whereas customer happiness and trust are independent factors (Table 4.12).

**Table (4.12) Effect of Customer Satisfaction and Customer Trust on  
Customer Loyalty**

Variable	Unstandardized Coefficients		Standardized Coefficients (Beta)	t	Sig
	B	Std. Error			
(Constant)	.815	.153		5.312	.000
Customer Satisfaction	.488***	.078	.442	6.229	.000
Customer Trust	.321***	.073	.312	4.403	.000
R Square	.532				
Adjusted R Square	.530				
F value	212.673***				

Source: Survey Data (2025)

\*\*\* Significant at 1% level, \*\* Significant at 5% level, \* Significant at 10% level

Table (4.12) shows that the adjusted R square is 0.530, indicating that this model explains 53.0% of the dependent variable's variation through independent factors. This figure shows strong explanation. The model's F-value of 212.673, which is 1% significant, indicates its relevance. This shows the model's validity and statistical significance. The regression analysis demonstrates that customer satisfaction and trust significantly affect customer loyalty with coefficients of 0.488 and 0.321, both significant at the 1% level. This implies that customer happiness and trust dramatically increase consumer loyalty. The Sobel test assesses consumer trust's mediation of customer happiness and loyalty. Table (4.13) shows Sobel test results.

**Table (4.13) Sobel Test Result for Mediating Effect of Customer Trust on the Relationship between Customer Satisfaction and Customer Loyalty**

Input			Test statistic	Std. Error	p-value
a	.930	Sobel test:	4.35922356	0.06848238	0.000
b	.321	Aroian test:	4.35728315	0.06851288	0.000
S <sub>a</sub>	.028	Goodman test:	4.36116656	0.06845187	0.000
S <sub>b</sub>	.073				

Source: Survey Data (2025)

In Table 4.13, the p-value indicates that the test is significant and that customer trust and satisfaction significantly account for customer loyalty. At the 5% significance level, consumer trust mediates the relationship between customer pleasure and loyalty (p-value 0.000). The overall effect, direct impact, and indirect impact are outlined as follows:

$$\text{Total Effect} = .786$$

$$\text{Direct Effect} = .488$$

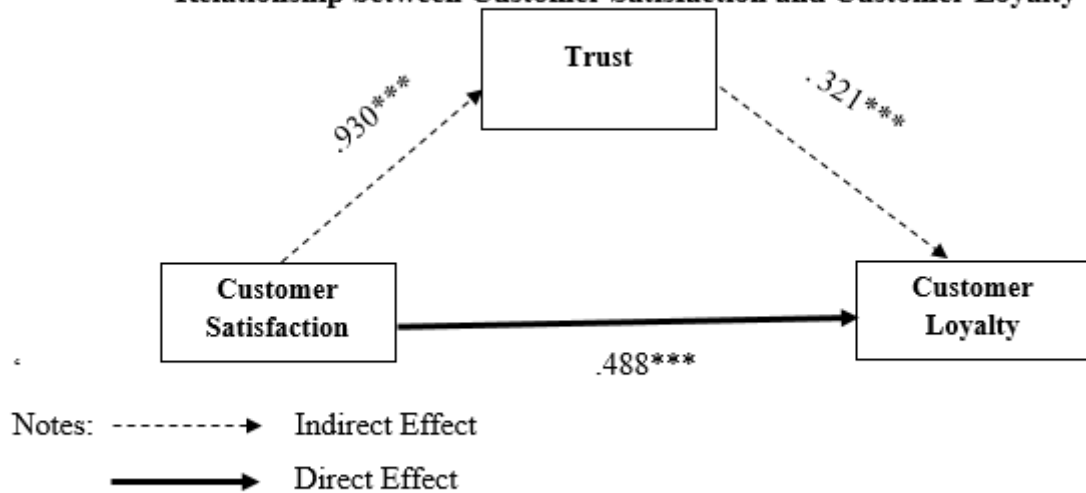
$$\text{Indirect Effect} = .930 * .321 = .298$$

$$\text{Direct Effect} + \text{Indirect Effect} = \text{Total Effect}$$

$$.488 + .298 = .786$$

Figure (4.1) displays the analysis results of both the direct and indirect effects of customer trust on the connection between customer satisfaction and customer loyalty.

**Figure (4.1) Sobel Test Result for Mediating Effect of Customer Trust on the Relationship between Customer Satisfaction and Customer Loyalty**



Source: Survey Data (2025)

\*\*\* Significant at 1% level, \*\* Significant at 5% level, \* Significant at 10% level

Figure (4.1) shows that customer happiness increases customer loyalty statistically. The indirect effect reveals that customer pleasure significantly influences customer trust, which positively and statistically significantly affects customer loyalty.

The results demonstrate that customer trust mediates the relationship between MAB bank customer pleasure and loyalty. Customer pleasure has a greater impact on customer loyalty when impacted by customer trust than when alone.

Grasping this mediating effect allows MAB bank to improve its agency banking offerings by utilizing customer satisfaction while also building customer trust to boost customer loyalty. This method can help enhance customer satisfaction and foster customer loyalty towards MAB bank.

## **CHAPTER 5**

### **CONCLUSION**

This chapter reveals the results and conversations. It then outlines the proposals and advice aimed at enhancing customer satisfaction, trust, and loyalty. Ultimately, it also addresses the necessity for additional research.

#### **5.1 Findings and Discussions**

This research aims to determine how agency banking services affect MAB bank customer satisfaction and loyalty. The Yamane sample size calculation was used to randomly sample 397 MAB bank agency banking clients for primary and secondary data. Primary data is collected using a 5-point Likert scale questionnaire.

The demographic data reveals that most participants are male and are aged between 20 and 40 years. The majority are married, highly educated, and work for companies. Their utilization of MAB bank's agency banking services spans one to four years, suggesting sustained involvement and trust in the system's dependability.

Based on the descriptive statistics regarding the convenience of agency banking services, the majority of respondents believe that MAB bank agents can be easily accessed because of their strategic locations. They also verify that the agents work during appropriate hours and carry out transactions effectively. Additionally, any problems faced after transactions are swiftly handled by the agents. These results show that MAB bank offers agency banking services that are easily accessible and convenient. In general, participants concur that the agency services provided by MAB bank are effective, prompt, and focused on the customer.

Concerning the value of agent services, the majority of respondents believe that the personnel engaged in agency banking have the required expertise and are attentive to customer demands. They recognize that the actions of the agents foster trust and that the service quality delivered by agents matches that of the primary bank branches. Moreover, participants indicate reduced waiting periods at agent sites. These replies indicate that MAB bank provides significant service value via its agents by guaranteeing staff proficiency, attentiveness, and uniformity. Concerning the overall average service value, the majority of respondents believe that the agents of MAB bank

are reliable, effective, and consistent with the service standards of the primary bank branches.

Regarding the quality of agency services, the majority of respondents concur that MAB bank agents employ contemporary and cutting-edge tools. They also confirm that agents meet their obligations within the anticipated timeframe. Participants also acknowledge that customer data is kept precise and that transaction information is regularly sent through SMS. Moreover, the helpline service that assists agency banking is seen as effective. These replies suggest that MAB bank offers dependable and tech-savvy agency banking services, backed by strong communication and customer support. Concerning the average service quality, the majority of respondents believe that the agency banking services offered by MAB bank are reliable, precise, and attentive to customer demands.

Regarding agent quality, the majority of respondents believe that MAB bank agents uphold the confidentiality of customer data and feel secure when making deposits through those agents, considering the process to be the same as depositing directly at the bank. Participants also assert that agents deliver expert guidance and support, show awareness of unique requirements, and provide individualized attention. These results suggest that MAB bank agents are viewed as reliable, skilled, and responsive to client needs. Concerning the overall average quality of agents, a majority of respondents concur that the agents at MAB bank exhibit significant reliability, competence, and personalized service.

Concerning customer satisfaction, the majority of participants concur that they feel secure when processing transactions via agency banking and are pleased with the overall quality of these services. They also recognize that agents have adequate understanding of agency banking and demonstrate contentment with the range of services provided. Moreover, participants concur with the look and presentation of agent offices. These results indicate that MAB bank's agency banking services effectively fulfill customer expectations related to safety, service quality, and the service environment. Concerning the overall average of customer satisfaction, a majority of respondents concur that the agency banking services provided by MAB bank offer dependable performance, informed assistance, and a pleasing service experience.

Regarding customer trust, the majority of participants concur that they have complete faith in agency banking and feel secure when carrying out transactions with agents. They also claim that agents perform all transactions with integrity and that MAB bank's agency banking services are dependable. These results indicate that MAB bank has effectively built a solid base of trust in its agency banking services via secure, transparent, and ethical practices. Concerning the average level of customer trust, the majority of respondents believe that the agency banking system of MAB bank fosters confidence and is viewed as reliable and trustworthy by its users.

Concerning customer loyalty, the majority of respondents concur that they have favorable views of MAB bank and are open to suggesting the bank to individuals seeking guidance. They regard MAB bank as their top choice for banking services and show a firm commitment to maintain their relationship with the bank going forward. Additionally, participants express that they would recommend MAB bank's agency banking services to their friends and family. These results show that MAB bank has successfully developed robust customer loyalty via positive experiences and trust. Concerning the overall average of customer loyalty, the majority of respondents concur that they are very dedicated to the bank and promote its services to others.

To fulfill the first objective, the impact of agency banking services on customer satisfaction at MAB bank was analyzed through multiple regression analysis. The results indicate that the convenience of agency banking, agents' service value, the quality of agency services, and agent quality positively and significantly impact customer satisfaction. Of these factors, the quality of the agent is the most significant influence. Agents act as the main liaison between the bank and its clients, and their expertise, conduct, and demeanor greatly influence customer views of the bank. High-caliber agents guarantee that transactions are executed accurately and swiftly, decreasing delays and limiting mistakes. These factors play a vital role in customer satisfaction.

To accomplish the second aim, the impact of customer satisfaction on customer loyalty at MAB bank will be examined using regression analysis. The results suggest that customer trust acts as a mediating factor in the connection between customer satisfaction and customer loyalty concerning MAB bank's agency banking. When clients feel content with a service and trust the bank to reliably provide that service

securely and effectively, they are more inclined to stay loyal. Thus, trust serves as a psychological guarantee that enhances the impact of satisfaction on loyalty..

## **5.2 Suggestions and Recommendations**

To enhance agent quality, MAB bank ought to designate agents for particular customer segments to foster familiarity and continuity in service. Agents should greet customers by name whenever feasible and pose follow-up questions linked to past interactions. The bank ought to track customer wait times and prompt agents to initiate brief, courteous dialogues to tailor the experience. Additionally, MAB bank ought to create straightforward digital profiles or customer logs that enable agents to document essential preferences and service histories for repeat customers. Conversely, the bank ought to implement monthly feedback surveys to assess how effectively agents recognize and address particular customer requirements. MAB bank ought to implement quarterly training sessions that address MAB bank's financial offerings, adherence to regulations, and standards of customer service conduct. By adopting these practices, MAB bank can enhance agent quality, promoting customer satisfaction.

To improve the quality of its agency banking services, the bank ought to establish a centralized task tracking system that records all agent activities and oversees them through a single dashboard. The bank ought to implement time-sensitive service tickets, along with automated notifications dispatched to both agents and clients to enhance responsibility and guarantee compliance with agreed service deadlines. The bank ought to implement performance management strategies, including imposing penalties or required retraining for agents who often fail to meet deadlines, while also acknowledging those who regularly meet or surpass expectations. To ensure uniform service delivery, the bank should provide agents with tablets or POS devices issued by the bank that include biometric verification, QR code scanning, and receipt printing functions. To enhance its professional reputation and boost customer trust, the bank ought to set up branded counters or kiosks with digital screens. The bank ought to use customer location information and input to move underperforming agents and to strategically position new agents in areas with high demand. Implementing these strategies will enable the bank to greatly enhance the quality and dependability of its agency services, thereby increasing customer satisfaction and trust.

To improve the service value of its agents, MAB bank needs to provide them with quicker digital tools and reliable internet access to ensure effective transaction processing. The bank ought to boost support personnel or service desks during busy periods to minimize customer waiting times. It must also unify agent operations by granting access to identical systems, tools, and service protocols utilized at the branch level. To maintain service consistency, the bank ought to perform routine mystery shopper evaluations and rectify any discrepancies. Agents must be quickly informed about new policies, products, and service standards implemented at branches to ensure operational consistency. The bank must guarantee that agents have the required skills and expertise for agency banking. Routine training sessions ought to be established to enhance their skills in banking processes, system operation, and product understanding. A certification program needs to be implemented to maintain consistent service quality. Additionally, the bank ought to create a centralized platform for knowledge sharing—like a mobile app—to give agents immediate access to FAQs, policy changes, and operational procedures. Implementing these strategies will enable the bank to boost agent service efficiency and elevate overall customer contentment.

To enhance customer trust, MAB bank must guarantee complete transparency regarding agency banking by clearly stating the roles, responsibilities, and limitations of its agents. It must offer clear branding and official identification for all authorized agents to reassure customers that they are engaging with genuine representatives. MAB bank ought to enforce rigorous behavioral standards and ethical rules for its agents. Regular training in customer service, transparency, and anti-fraud practices should support these. To ensure agents are accountable, the bank needs to allow customers to give real-time feedback or file complaints via a simple, anonymous reporting mechanism. The bank ought to enhance the professionalism of its agents by providing certification programs and showcasing credentials at every agent site. To improve perceived credibility, MAB bank must prioritize long-term agent retention, enabling customers to develop connections with trustworthy and familiar faces. Implementing these strategies can enhance customer trust for the bank and foster greater customer loyalty.

### **5.3 Needs for Further Research**

Although the results provide important information, the research has specific limitations. The research is concentrated solely on MAB bank's agency banking services and does not include other banks offering comparable services in Myanmar. Consequently, the results might not be entirely applicable to the wider banking industry. Future studies ought to explore agency banking services in a broader selection of banks to offer a more thorough insight into the sector. Secondly, this research examines the impact of agency banking services on customer satisfaction and loyalty. Future research should examine further influencing aspects like pricing clarity, digital financial knowledge, or customer demographics to achieve a more comprehensive understanding of the elements that contribute to customer satisfaction and loyalty within agency banking services.

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# APPENDIX A

## QUESTIONNAIRE SURVEY

**Dear Sir/Madam,**

The purpose of this questionnaire is to collect data for the research titled “Effect of Agency Banking Services on Customer Satisfaction and Customer Loyalty towards MAB bank” as part of my academic research study for the EMBA at YUE. I appreciate your value and time in responding to the questions and assure you of confidentiality and privacy.

Yours Sincerely,  
Moe Thida Aung

### Section A: Demographic Information

#### 1. Gender

- Male  Female

#### 2. Marital Status

- Single  Married

#### 3. Age (Years)

- 18 - 20  21-30  31-40  
 41-50  51-60  above 60

#### 4. Education Background

- High School  Undergraduate  Graduate  
 Post Graduate/ Master  Other.....

#### 5. Position

- Government Staff  Company Employees  Business Owner  
 Retired   Other.....

**6. How long have you been using agency banking of MAB bank?**

- Less than 1 year                       1-2                       3-4  
 Above 5 years

**Section B: Please state level of your agreement on each statement by providing the most relevant number.**

**1= Strongly Disagree 2 = Disagree 3 = Neutral 4 = Agree 5 = Strongly Agree**

**Convenience of Agency Banking**

No	Items	Scale				
		1	2	3	4	5
1	I am able to get to the agent of MAB bank quickly and easily.					
2	The agent of MAB bank is in a convenient location.					
3	The agent of MAB bank operates convenient hours.					
4	I am able to complete my transactions quickly at the agent of MAB bank.					
5	Any problems I encounter after the transactions are quickly resolved by the agent of MAB bank.					

**Service Value of Agents**

No	Items	Scale				
		1	2	3	4	5
1	The staff have the knowledge and skills necessary for agency banking of MAB bank.					
2	The staff of agency banking of MAB bank are responsive to the needs of the customers.					
3	I spend less time waiting before I am served at agent of MAB bank.					
4	The behaviour of agent of employees instills confidence.					
5	The service I am getting through agents is similar with that of the bank branches as promised.					

### Agency Service Quality

No	Items	Scale				
		1	2	3	4	5
1	The agents of MAB bank have modern looking/up to date equipment.					
2	When the agent bank of MABA promises to do something by a certain time, it does so.					
3	The agent bank of MAB maintains correct/ accurate information about the customer.					
4	I always get the detail of transactions through SMS.					
5	The helpline service concerning agency banking of the MAB bank is efficient.					

### Agent Quality

No	Items	Scale				
		1	2	3	4	5
1	The agents of MAB bank gives personal attention.					
2	The agents of MAB bank understand my specific needs.					
3	Agents are providing professional advice and service.					
4	Agents keep customers information secrets.					
5	I consider agents as safe and whenever I make a deposit, I feel I am depositing in the bank.					

### Customer Satisfaction

No	Items	Scale				
		1	2	3	4	5
1	I am satisfied with the knowledge of the employees about agent banking services.					
2	I feel safe/assure while making transaction using agency banking service.					
3	I am satisfied with the appearance of the agent offices.					
4	I am satisfied with various range of agency banking service of MAB bank.					
5	I am satisfied with performance of agency banking of MAB bank.					

### Customer Trust

No	Items	Scale				
		1	2	3	4	5
1	I have complete trust in agency banking of MAB.					
2	Agents from agency banking of MAB treat me in an honest way in every transaction.					
3	I feel secure performing transaction at agency banking of MAB.					
4	I feel confident about agency banking of MAB.					
5	Agency banking of MAB is trustworthy.					

### Customer Loyalty

No	Items	Scale				
		1	2	3	4	5
1	I say positive things about my bank to other people.					
2	I recommend my bank to someone who seeks my advice					
3	I consider my bank as first choice to buy banking services.					
4	I will do more business with my bank in the next few years.					
5	I would encourage friends and relatives to use Agency banking of MAB.					

**APPENDIX B**  
**SPSS OUTPUT**

**Effect of Agency Banking Services on Customer Satisfaction**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.891 <sup>a</sup>	.794	.792	.33361

a. Predictors: (Constant), Agent Quality Mean, Convenience of Agency Banking Mean, Agency Service Quality Mean, Service Value of Agents Mean

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	159.888	4	39.972	359.159	.000 <sup>b</sup>
	Residual	41.401	372	.111		
	Total	201.289	376			

a. Dependent Variable: Customer Satisfaction Mean

b. Predictors: (Constant), Agent Quality Mean, Convenience of Agency Banking Mean, Agency Service Quality Mean, Service Value of Agents Mean

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.267	.095		2.819	.005
	Convenience of Agency Banking Mean	.150	.046	.155	3.245	.001
	Service Value of Agents Mean	.101	.060	.102	1.691	.092
	Agency Service Quality Mean	.233	.052	.228	4.441	.000
	Agent Quality Mean	.455	.054	.458	8.514	.000

a. Dependent Variable: Customer Satisfaction Mean

## Effect of Customer Satisfaction on Customer Loyalty

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.713 <sup>a</sup>	.508	.507	.56720

a. Predictors: (Constant), Customer Satisfaction Mean

### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	124.498	1	124.498	386.984	.000 <sup>b</sup>
	Residual	120.643	375	.322		
	Total	245.141	376			

a. Dependent Variable: Customer Loyalty Mean

b. Predictors: (Constant), Customer Satisfaction Mean

### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.943	.154		6.111	.000
	Customer Satisfaction Mean	.786	.040	.713	19.672	.000

a. Dependent Variable: Customer Loyalty Mean

## Effect of Customer Satisfaction on Customer Trust

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.867 <sup>a</sup>	.751	.751	.39185

a. Predictors: (Constant), Customer Satisfaction Mean

### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	174.060	1	174.060	1133.603	.000 <sup>b</sup>
	Residual	57.580	375	.154		
	Total	231.640	376			

a. Dependent Variable: Customer Trust Mean

b. Predictors: (Constant), Customer Satisfaction Mean

### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.398	.107		3.736	.000
	Customer Satisfaction Mean	.930	.028	.867	33.669	.000

a. Dependent Variable: Customer Trust Mean

**The Mediating Effect of Customer Trust on the Relationship between Customer Satisfaction and Customer Loyalty towards MAB Bank**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.729 <sup>a</sup>	.532	.530	.55378

a. Predictors: (Constant), Customer Trust Mean, Customer Satisfaction Mean

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	130.444	2	65.222	212.673	.000 <sup>b</sup>
	Residual	114.697	374	.307		
	Total	245.141	376			

a. Dependent Variable: Customer Loyalty Mean

b. Predictors: (Constant), Customer Trust Mean, Customer Satisfaction Mean

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.815	.153		5.312	.000
	Customer Satisfaction Mean	.488	.078	.442	6.229	.000
	Customer Trust Mean	.321	.073	.312	4.403	.000

a. Dependent Variable: Customer Loyalty Mean