

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

**CUSTOMER SATISFACTION AND CUSTOMER LOYALTY  
TOWARDS PERSONAL LOAN SERVICES OF AYA BANK  
PCL**

**SANDAR OO  
MBF - 50  
MBF 5<sup>th</sup> BATCH**

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**CUSTOMER SATISFACTION AND CUSTOMER LOYALTY  
TOWARDS PERSONAL LOAN SERVICES OF AYA BANK PCL**

A thesis submitted as a partial fulfillment towards the requirements for the degree of  
Master of Banking and Finance (MBF)

**Supervised by:**

Dr. Aye Thanda Soe  
Professor  
Department of Commerce  
Yangon University of Economics

**Submitted by:**

Sandar Oo  
Roll No. 50  
MBF (5<sup>th</sup> Batch)  
2023-2025

**JUNE, 2025**

## ACCEPTANCE

Accepted by the Board of Examiners of the Department of Commerce, Yangon University of Economics, in partial fulfillment for the requirements of the Master Degree, Master of Banking and Finance.

### BOARD OF EXAMINERS

-----  
Prof. Dr. Tin Tin Htwe

(Chairperson)

Rector

Yangon University of Economics

-----  
(Supervisor)

Prof. Dr. Aye Thanda Soe

Professor

Department of Commerce

Yangon University of Economics

-----  
(Examiner)

Prof. Dr. Thynn Thynn Myint

Professor and Head

Department of Commerce

Yangon University of Economics

-----  
(Examiner)

Prof. Dr. Aye Thu Htun

Professor

Department of Commerce

Yangon University of Economics

-----  
(Examiner)

Prof. Dr. May Su Myat Htway Aung

Professor

Department of Commerce

Yangon University of Economics

JUNE, 2025

## **ABSTRACT**

This research intends to investigate the elements influencing customer satisfaction regarding personal loan services at AYA Bank PCL and to evaluate how customer satisfaction impacts customer loyalty towards these personal loan services at AYA Bank PCL. The quantitative research approach is utilized. A sample size of 153 active personal loan customers is chosen using the simple random sampling technique. This study employs descriptive statistics. Linear regression and multiple regression are employed to analyze the data. This study analyzes service quality, documentation, staff competence, interest, and information technology resources as factors of influence. The research reveals that the quality of service, documentation, staff skills, engagement, and IT resources significantly influence customer satisfaction. Among them, the interest rate of personal loans from AYA Bank PCL significantly impacts customer satisfaction. Results also indicate that customer satisfaction influences customer loyalty. AYA Bank PCL must inform customers of any changes in interest rates a minimum of 30 days prior. Ultimately, AYA Bank PCL needs to establish a unique interest rate framework aligned with customer profiles.

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# **CHAPTER 1**

## **INTRODUCTION**

The banking industry offers essential financial services to individuals and businesses, establishing it as a cornerstone of modern economies. Personal loans have emerged as one of the most adaptable and frequently requested financial offerings in the consumer finance industry. Due to the characteristics of most personal loans, where consumers can obtain funds without needing to offer collateral, these loans cover various costs such as emergency expenses, home renovations, family trips, weddings, and medical bills, among others (Jadhav, & Sadija, 2018). These traits render personal loans attainable and beneficial for a diverse population, boosting demand and competition among financial sectors to provide the most effective lending services.

Moreover, customer demand has impacted how financial institutions have transitioned to offering personal loans. Consequently, banks and financial organizations provide products and services to meet customer needs. Satisfied clients have the potential to become loyal patrons of the banks. Customer satisfaction refers to the degree of happiness or contentment that customers experience after engaging with a business, service, or product (Adeinat, 2019). Conversely, customer loyalty denotes a strong commitment to repurchase or support a favored product or service in the future, even though situational factors and marketing strategies may encourage switching behavior (Themba, 2019).

AYA bank provides personal loans for employees with appealing interest rates, quicker processing times, and limited documentation. Personal loans provide customers an easy method to acquire a loan with a customizable monthly repayment plan that meets their needs. The bank decides on the final loan amount after assessing and verifying the thorough documents provided by the applicants. AYA bank consistently provides products and services tailored to the preferences and demands of its customers.

Customer satisfaction regarding personal loans encompasses various aspects, including service quality, paperwork, interest rates, staff expertise, and technology resources. Service quality is characterized as an element of business that companies utilize to create the interactions and connections between themselves and their clients (Shah, 2012). Documentation denotes the organized method of recording, preserving, and overseeing information pertinent to business activities, services, or operations (Turban et al., 2018). Staff competency encompasses the abilities, understanding, and

mindset that workers require to execute their tasks effectively and aid in achieving organizational objectives (Henry, 2020). The loan interest refers to the fees imposed on borrowers or the cost that must be settled by customers borrowing from the bank (Siagian et al., 2024). Information technology facilities denote the physical infrastructure and equipment utilized to back information technology systems within an organization (Mesfin, 2018).

AYA Bank PCL was founded on August 11, 2010. AYA Bank PCL is a prominent private bank in Myanmar. It has been involved in supporting the stability of the nation's financial system. The bank introduced a personal loan, a brief loan, to provide clients an easy method to secure funding with a customizable monthly repayment scheme tailored to their needs.

## **1.1 Rationale of the Study**

The swift dependence on personal loans highlights the crucial role of this credit option, as it is favored for handling unexpected costs, funding wishes, and maintaining financial security. Personal loans play a vital role in these services, giving customers access to funds for multiple purposes, such as debt alleviation, home renovations, education, and healthcare expenses.

To navigate the existing competitive market landscape, achieving strong customer loyalty is crucial for retaining customers, as loyal customers exhibit significant dedication to maintaining their support with current service providers. Grasping and assessing customer satisfaction with these financial offerings is vital for banks to remain competitive and nurture long-term connections with their clients as the need for personal loans increases. Customer satisfaction levels may also fluctuate based on alternative choices available to the customer and other products that the customer can use for comparison with the organization's offerings.

In the current competitive landscape, providing superior service is essential for maintaining a sustainable competitive edge. An increasing number of banks are acknowledging the significance of pleasing and keeping customers. A high-quality service from the banking industry is essential for achieving customer satisfaction. Banks excelling in service quality can achieve a competitive advantage through increased revenue, enhanced customer loyalty, and improved customer retention. Documentation is crucial for obtaining a personal loan as it offers essential evidence that the borrower is trustworthy, eligible, and able to repay the loan. Lenders ask for

documents like ID, income records, job verification, and credit history to evaluate the borrower's financial stability and creditworthiness. Nonetheless, asking for only necessary or pertinent documents for personal loan applications can greatly enhance credit accessibility, particularly for low-income or underserved borrowers. By streamlining the documentation process, lenders can foster financial inclusion, accelerate approvals, and improve customer experience while still managing risk effectively.

Employee skill is vital for bank clients as it directly influences the service quality they experience, encompassing precise transactions, effective issue resolution, and clear descriptions of financial offerings. Therefore, employee skills are essential in building strong working relationships with clients. Moreover, interest rates significantly impact the expense of borrowing funds for both individuals and companies. If the interest rate on the loan rises, the customer will decrease credit usage because of the elevated expenses they need to bear. Consequently, banks must provide loans at fair interest rates.

Information technology (IT) resources are crucial for the quality of bank services as they enhance customer support, lower expenses, and boost efficiency. IT resources enable clients to handle their finances efficiently and swiftly, resulting in an enhanced experience and greater customer loyalty.

In the rapidly evolving world of today, the banking landscape has become extremely competitive, and banks must swiftly adapt to the changing dynamics of customer expectations. To survive and thrive in this evolving market, banks are working to enhance their customer service quality and efficiency by embracing electronic banking. Accurate identification of customer satisfaction aids in retaining customers and boosting the profitability and efficiency of the bank's services.

The banking sector in Myanmar is highly competitive at present. Numerous banks provide personal loans with varying loan conditions, and these banks face challenges in attracting and keeping loan clients. AYA Bank PCL, one of Myanmar's top banks, also confronts intense competition. AYA Bank PCL consistently explores methods to enhance their services and stay competitive by utilizing technology and providing innovative personal loan products and services. To remain competitive in the market, the bank must identify the factors that influence customer satisfaction and loyalty regarding its personal loan offerings. This research investigates the elements

influencing customer satisfaction and loyalty concerning personal loan services at AYA Bank PCL.

## **1.2 Objectives of the Study**

The goals of this research are

- 1) To examine the elements influencing customer contentment concerning personal loan offerings of AYA Bank PCL
- 2) To examine how customer satisfaction influences customer loyalty regarding the personal loan offerings of AYA Bank PCL.

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

This research exclusively examines factors (service quality, documentation, employee competence, interest, and IT resources) influencing customer satisfaction and loyalty regarding personal loan services at AYA Bank PCL. This study utilized a quantitative research approach. This study focuses exclusively on customers of AYA Bank who have utilized personal loan services at least once.

Both primary and secondary information are utilized. AYA Bank PCL (2025) reports that there are 248 customers currently holding personal loans. Using the Yamane sample size formula (1967), a sample size of 153 active personal loan customers is chosen through the simple random sampling technique. A structured questionnaire utilizing a 5-point Likert scale is created for collecting primary data. Secondary data consist of prior research articles, textbooks, websites, and information from AYA Bank PCL. Descriptive statistics and linear regression analysis are utilized to examine the data.

## **1.4 Organization of the Study**

This study has five chapters. The study's purpose, aims, scope, methodology, and organisation are introduced in Chapter 1. The theoretical underpinning for customer happiness, loyalty, earlier research, and this thesis' conceptual framework is presented in Chapter 2. The profile and personal loan products of AYA Bank PCL are covered in Chapter 3. Chapter 4 analyzes AYA Bank PCL personal loan customer satisfaction and loyalty factors. Chapter 5 presents results, comments, ideas, and recommendations, as well as research needs.

## **CHAPTER 2**

### **THEORETICAL BACKGROUND**

This part discussed the concept of customer satisfaction, elements influencing customer satisfaction, customer loyalty, and associated theories. Ultimately, it outlines earlier research and the theoretical framework of the study.

#### **2.1 Concept of Customer Satisfaction**

Hoq and Amin (2010) characterized customer satisfaction as the overall assessment influenced by the company's activities in comparison to customer expectations, which have built up over time from the client utilizing the organization's products or services. Vijay and Kumbhar (2011), conversely, described customer satisfaction as the benefit gained from utilizing a service according to the initial expectations of that service.

According to Rust and Zahorik (1993), customer satisfaction is defined as a company's capacity to meet the business, emotional, and psychological requirements of its customers. In other words, it is a synopsis of the psychological condition that arises when the feelings associated with unmet expectations are combined with the consumer's previous emotions regarding the consumption experience. Nonetheless, Kumbhar (2011) contended that customer satisfaction is an unclear and intangible concept. He stated that the real expression of satisfaction will differ among individuals, products, and services. It is a well-documented fact that a robust connection exists between operational performance and customer satisfaction.

#### **2.2 Factors Affecting Customer Satisfaction**

Numerous elements can influence customer satisfaction. This research identifies factors such as Service Quality, Documentation, Staff Competence, Interest, and Information Technology Facilities as influential.

##### **(a) Service Quality**

Service quality is characterized as an element of business that companies utilize to create the interactions and connections between themselves and their clients. In this scenario, the organizations provide a service via a medium or channel, and a customer

perceives value in the service that has been, or is being delivered (Mesfin, 2018). If inadequate customer service occurs at any point in a business, it will result in customer discontent. If more clients are kept at a higher rate, a company could potentially see profits rise by 25% on average (Boulding et al., 1993).

Tangibility, Reliability, Responsiveness, Assurance, and Empathy help perform a gap analysis between customers' expectations and their actual service quality (Parasuraman et al., 1985). In fundamental research by Parasuraman et al. (1988), service quality is vital for competitive advantage and customer retention. This encompasses reliability, responsiveness, certainty, empathy, and tangibles. It fosters client loyalty, satisfaction, and market position.

**(b) Documentation**

Banks typically require several documents for loans. There are four distinct categories of loan documentation origins: full documentation, low documentation, minimum documentation, and no documentation. Tootell (1996) states that basic application forms can be uniform, but it is necessary to gather additional variables regarding the characteristics of loan borrowers. Information like credit reports, lenders' worksheets, property valuations, race, and neighborhood are noted on the application forms. Overall, the essence of simplicity is preserved in the application forms to ensure faster processing.

The compilation of documents entails gathering information across different phases of a loan, generally categorized as the initial application phase, the processing and execution phase, the foreclosure phase, and the final settlement. Every organization anticipates a basic set of documents from borrowers, along with the implementation of additional eligibility requirements (Araujo, 2016). Excessive documentation, vague guidelines, or superfluous demands may cause borrower annoyance and a poor view of the loan application experience. A lot of documentation may be viewed as a hassle, particularly if the borrower thinks the demands are overly burdensome or irrelevant. The volume and intricacy of necessary documentation can greatly affect a borrower's contentment, as an overload of vague or convoluted requirements may cause irritation and possibly influence the loan application procedure (Bhutta et al., 2015).

**(c) Staff Competence**

Staff competence denotes the amalgamation of knowledge, skills, and abilities necessary for an employee to perform their job role effectively and efficiently, including both technical proficiency and pertinent soft skills essential for success in their position (Henry, 2020). Competencies are visible abilities and actions that lead to success in the workplace. Employee competence encompasses the blend of identifiable and quantifiable knowledge, skills, abilities, and personal traits that enhance worker performance and lead to the success of the organization (Potluri & Zeleke, 2009).

Rossilah (2008) defined competency or efficiency as a collection of traits including knowledge, skills, attitudes, intelligence, and perceptions of one's own interests necessary to perform their responsibilities efficiently and effectively. Competence refers to the behavioral requirements for job execution and organizational outcomes, represented by skills attributes, character, quality, ability, capacity, and capability (Cardy & Selvarajan, 2006). Employee competencies are a detailed compilation of skills and behaviors that are clearly defined and utilized to outline an organization's performance standards for a role or the overall culture of the organization. Numerous resources exist for HR professionals to assist in creating and tailoring a list of competencies unique to their organization.

**(d) Interest**

A loan interest rate denotes the percentage that a lender levies on a borrower for the opportunity to borrow funds, representing the expense of securing a loan, shown as a percentage of the overall loan sum; with a higher interest rate, the borrower repays more in addition to the principal borrowed amount (Siagian et al., 2024).

An appropriate interest rate for a personal loan may change based on the lender, the duration of the loan, and the borrower's credit record. Patro and Baral (2019) discovered a positive correlation between lower interest rates and the satisfaction levels of customers in the priority sector finance industry. The amount paid directly affects a borrower's affordability, whereas the interest rate significantly impacts the total cost of the loan and the long-term financial obligation, both of which are essential factors for borrowers when assessing home loan options (Hamid & Masood, 2011).

**(e) Information Technology Facilities**

Innovative technology is a method through which employers can enhance productivity. As noted by Dauda and Akingbade (2011), technological innovation relies on the imaginative capacity of humans. Humans possess the ability to utilize their knowledge to develop new machines, processes, and methods that can elevate or enhance the quality of products and services. Technological progress is a key element that impacts the enhancement of performance.

Young (2010) determined in his research that technological progress greatly affects employee performance, indicating that as technology improves, employee performance increases. Technological advancements like computer automation and electronic banking affect the pace of bank service provision, improved management decision-making, and time efficiency (Dauda and Akingbade, 2011). They demonstrated that a strong and favorable correlation exists between technological innovation and the performance of bank employees. For example, electronic bank transfers have enhanced service delivery by staff, encourages customer retention and customer satisfaction. The influence of technological innovation makes it simpler for employees to carry out all these functions.

Technology is additionally crucial in banks' approaches to achieving a competitive advantage. Young (2010) states that the use of information and communication technology concepts, methods, policies, and execution strategies in banking services has emerged as a crucial issue for all banks and is essential for both local and global competitiveness.

**2.3 Concept of Customer Loyalty**

Customer loyalty is cultivated over time through a reliable history of fulfilling, and at times surpassing, customer expectations (Kheng et al., 2010). The idea of customer loyalty also applies to service organizations that usually offer more intangible products. However, researchers argue that the concept of service loyalty is distinct from brand loyalty.

Oliver (1980) defined customer loyalty as a strong commitment to regularly acquire a preferred product/service, resulting in same-brand or same-brand-set buying regardless of situational considerations and marketing methods that may cause switching.

Satisfaction, Repeat Purchases, Word of Mouth/Hype, Advocacy, and Ownership characterize loyal consumers. Customer loyalty, according to Siagian et al. (2004), is a strong desire to buy or support a product or service again, even when situational considerations and marketing methods suggest otherwise. According to Gremler and Brown (1996), customer loyalty is the amount to which a consumer consistently purchases from a service provider, has a positive attitude toward the provider, and perceives the provider as the only option when services are needed.

## **2.4 Related Theories**

This research references three theories as its theoretical foundation. These theories encompass the E-S-QUAL model, Service Marketing Mix, and Expectancy Disconfirmation Theory.

### **2.4.1 E-S-QUAL Model**

The E-S-QUAL model, created by Parasuraman et al. (2005), offers a well-recognized framework for evaluating electronic service quality in digital settings, where the conventional SERVQUAL model might not be entirely relevant. With the rise of digital commerce and online services as fundamental to contemporary business activities, grasping the elements of superior electronic service has grown more crucial (Zeithaml et al., 2002).

The E-S-QUAL framework recognizes four essential aspects of online service quality: efficiency, fulfillment, system availability, and privacy. Efficiency relates to the simplicity and speed with which customers navigate the website, whereas fulfillment evaluates if the site meets its commitments concerning product availability and shipping. System availability pertains to the operational capability and dependability of the website, encompassing both uptime and response times. Finally, privacy assesses the safeguarding of individuals' personal and financial data. These aspects have a direct impact on customer satisfaction, trust, and loyalty (Santos, 2003).

Parasuraman et al. (2005) introduced the E-RecS-QUAL subscale to assess service recovery effectiveness in online environments, emphasizing responsiveness, compensation, and communication. Research conducted by Collier and Bienstock (2006) and Cristobal, Flavián, and Guinalú (2007) validates the reliability and validity of E-S-QUAL across different digital platforms and global settings. E-S-QUAL offers companies an effective diagnostic instrument to pinpoint shortcomings in their online

service provision and formulate specific enhancements. Furthermore, Kim et al. (2009) emphasized that perceived e-service quality, especially regarding security and system dependability, significantly influences online consumer behavior. The E-S-QUAL model aids companies in assessing performance while also playing a role in strategic planning for improved customer experience and competitive edge in e-commerce.

#### **2.4.2 Service Marketing Mix**

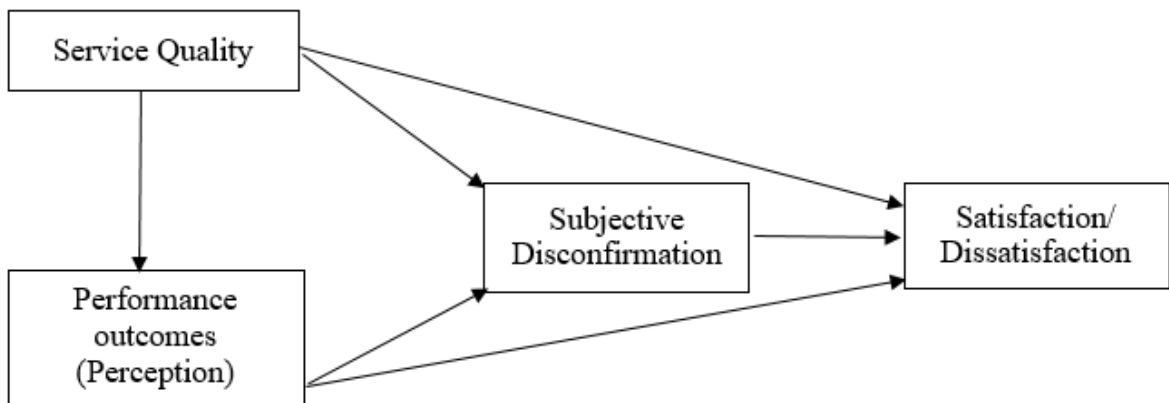
The conventional marketing mix, which includes the 4Ps of product, price, place, and promotion, has gained significant popularity throughout the years. The 7Ps model of service marketing mix has gained considerable popularity over time as services and their marketing are progressively recognized as a distinct area of academic focus. The model introduced by Booms and Bitner in 1981 expands the marketing mix by adding 3 additional Ps specifically relevant to the service industry (Bitner, 1991). These are individuals, tangible proof, and procedure.

Services marketing is primarily guided by the 7 Ps of marketing: Product, Price, Place, Promotion, People, Process, and Physical evidence. The 7 P framework is among the most widely used approaches for determining a marketing strategy, from the development of the strategy to its actual execution. Service marketing focuses on cultivating robust customer relationships through understanding their requirements, providing customized services, guaranteeing satisfaction, and sustaining engagement to promote loyalty and encourage repeat business. Services marketing is an elusive idea that remains incomplete without a deep grasp of the 7 Ps. These constitute the essential success elements for any service as assessed by a potential client.

#### **2.4.3 Expectancy Disconfirmation Theory**

Social psychology and consumer research produced the Expectation Confirmation Theory (ECT). Marketing first used the term to study customer happiness and decision-making (Oliver, 1980). Consumer pleasure, which affects repurchases, loyalty, and retention, has been stressed in marketing literature since the beginning (Rust & Zahorik, 1993). FIGURE 2.1: Expectancy Disconfirmation Theor.

**Figure (2.1) Expectancy Disconfirmation Theory**



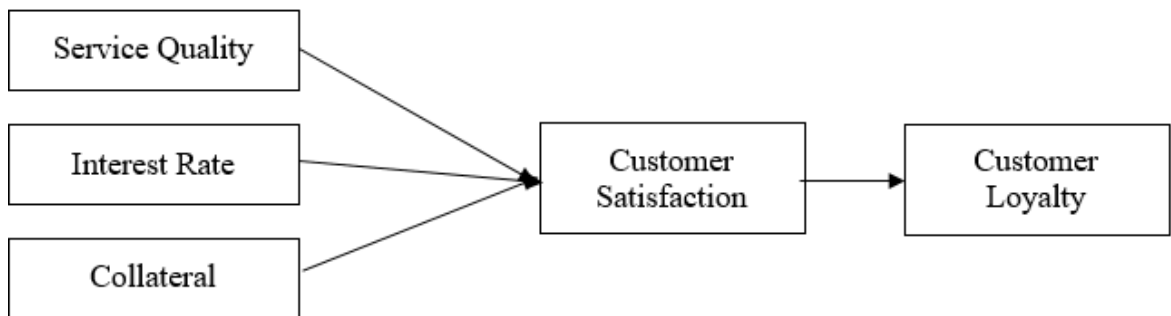
Source: Oliver (1980)

The Expectancy Disconfirmation Paradigm (EDP), introduced by Oliver (1980), is regarded as the most effective theoretical model for evaluating customer satisfaction. The theory was based on the assumption that customers acquire goods and services with pre-purchase beliefs regarding expected performance. In the banking sector, a customer is either pleased or displeased with the service based on the positive or negative gap between their expectations and perceptions. Consequently, when the bank's service exceeds the customer's initial expectations, a positive disconfirmation between expectations and performance occurs, leading to satisfaction.

## 2.5 Previous Studies

Siagian et al. (2024) examined the impact of Service Quality, Interest Rate, and Collateral on the Loyalty of Kupidetes Debtors, utilizing Debtor Satisfaction as an Intervening Variable at Bank BRI Unit Medan Denai II. This study is causal in nature and employs quantitative techniques. The study's population consisted of all Kupidetes credit customers, and the sample was determined using the Slovin formula (Slovin, as referenced in Tejada & Punzalan, 2012), while path analysis was employed as the data analysis technique. Figure (2.2) illustrates the conceptual framework proposed by Siagian et al. (2024).

**Figure (2.2) The Effect of Service Quality on Customer Satisfaction and Customer Loyalty: The Case of Selected Commercial Banks in Ethiopia**

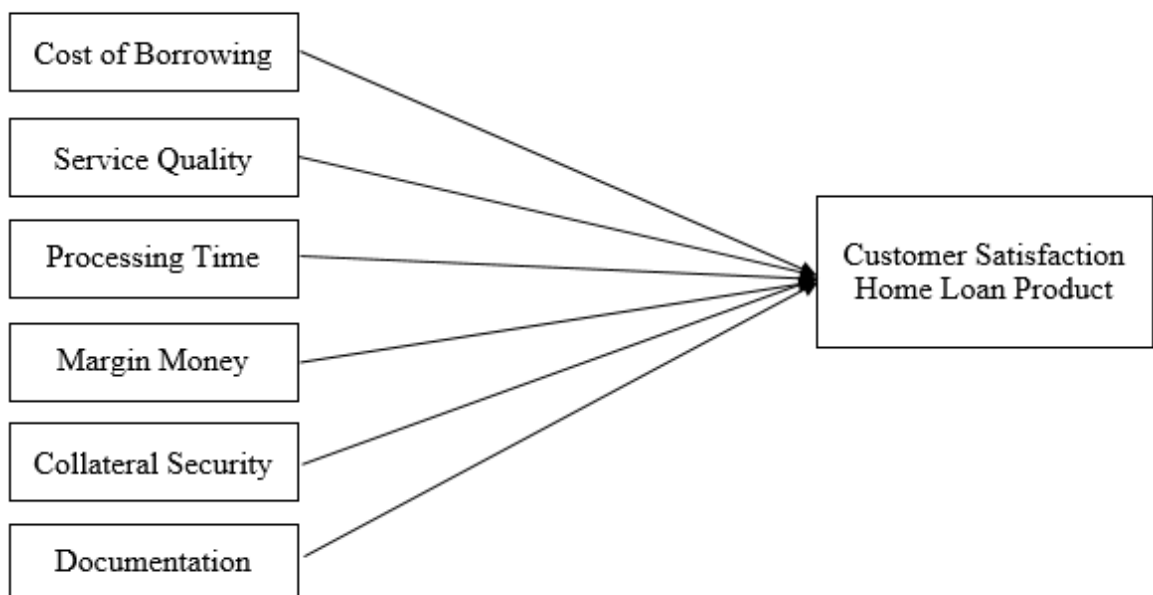


Source: Siagian et al. (2024)

The findings indicated that service quality positively and significantly influenced satisfaction and loyalty. Interest rates negatively and significantly impact satisfaction and loyalty. Collateral does not influence satisfaction or loyalty. Contentment has a beneficial and noteworthy impact on allegiance.

Babu (2020) examined home loan banking customer satisfaction. He focused on Chennai's municipal limits. Babu (2020) randomly sampled home loan customers in 15 Chennai City zones. Figure (2.3) shows Babu's (2020) conceptual framework.

**Figure (2.3) Customer Satisfaction of Banking Services in Relation to Home Loans**

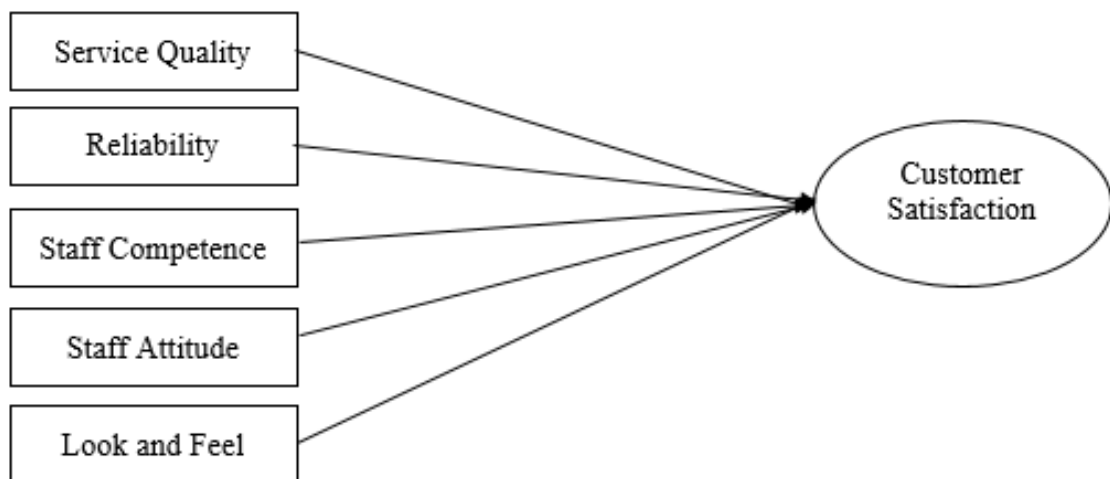


Source: Babu (2020)

Babu (2020) highlighted that all these independent variables individually and together significantly influenced customer satisfaction regarding house loan services. The results of the research carried out by Babu (2020) indicated that numerous elements notably affected customer satisfaction regarding housing loans. In particular, six main variables—borrowing cost, service quality, processing duration, margin funds, collateral security, and documentation—were determined to possess a strong and statistically significant correlation with customer satisfaction levels.

Henry (2020) analyzed elements affecting customer satisfaction: a study of Cooperative and Rural Development Bank PLC (CRDB Bank PLC) Morogoro branch in Morogoro municipality. The focus of this study was a university located in Haining, Zhejiang Province. Mobile payments gained significant popularity with the youth. The relationship was examined using factor analysis. In this research, a five-point Likert scale was employed to perform factor analysis, alongside reliability and validity assessments of this action payment regarding consumer satisfaction. Figure (2.4) displays the conceptual framework by Henry (2020).

**Figure (2.4) Influencing Customer Satisfaction: A Case of Cooperative and Rural Development Bank PLC (CRDB Bank PLC) Morogoro Branch in Morogoro Municipality**



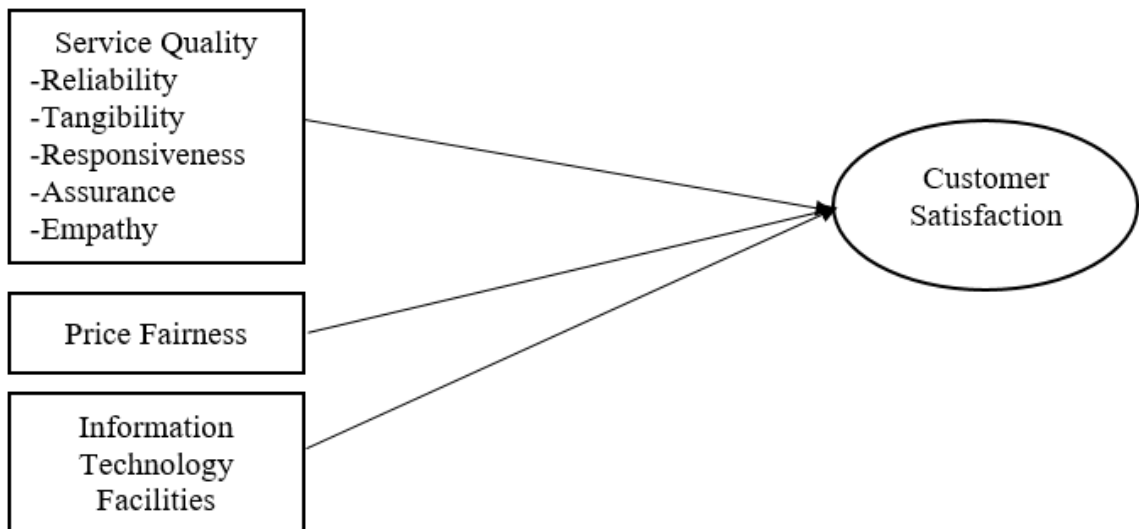
Source: Henry (2020)

Factors identified to greatly impact service satisfaction levels are: timeliness (capacity to provide service promptly), reliability (effectiveness of service resources, products, and personnel), staff competence (knowledge, skill, and professionalism in

service delivery), staff attitude (courtesy and approachability), and look and feel (visual appeal, comfort of surroundings, amenities, and personnel).

Mesfin (2018) investigated elements influencing customer satisfaction at NIB International Bank S.C. in Jimma town. The study's population included all customers of NIB in Jimma town, with a sample of 124 customers conveniently chosen from this bank. The study's design was descriptive and involved qualitative research methods. The data gathering method utilized a self-administered questionnaire and a scheduled format completed by NIB bank customers, along with interviews conducted with management personnel. The Pearson correlation was utilized to examine the relationship among the variables, and multiple linear regression analysis was conducted to assess the impact of the independent variables on the dependent variable. Figure (2.5) illustrates the conceptual framework created by Mesfin (2018).

**Figure (2.5) Assessment of Factors Affecting Customer Satisfaction at NIB International Bank (Private) Jimma Town**



Source: Mesfin (2018)

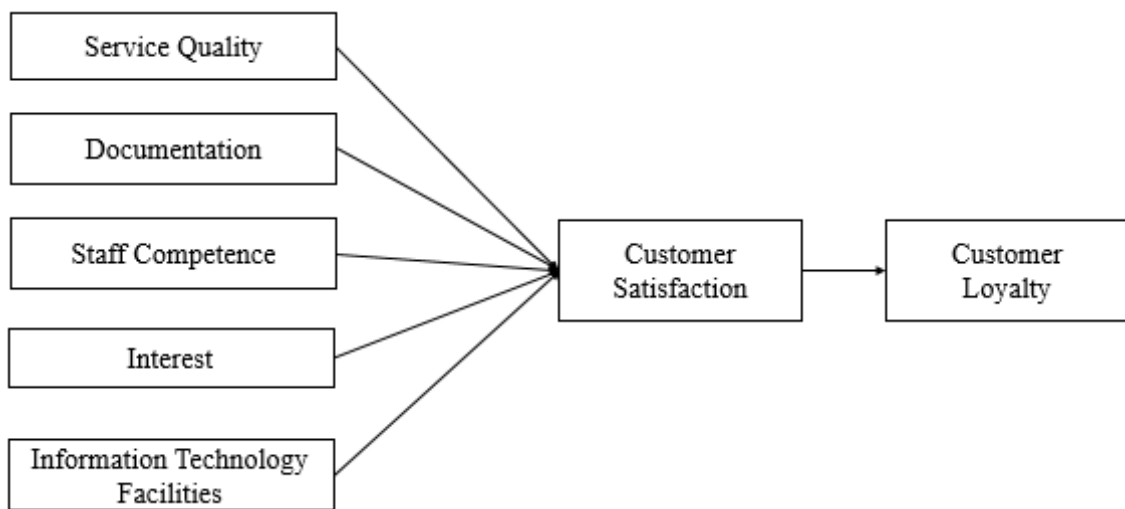
The research results indicated that a larger proportion of NIB customers were dissatisfied with the services/products. The study reveals a connection between overall customer satisfaction and elements like service quality, ICT-related aspects, and pricing factors. Nonetheless, the findings of the study did not indicate a relationship between overall customer satisfaction and Responsiveness. The results of the multiple linear regression analysis indicated that the three independent variables—service quality,

information communication technology, and price fairness—were linked to overall satisfaction. The results showed that elements like service reliability, tangibility, and information technology significantly influence customer satisfaction at the Menaheriya branch of Nib International Bank in Jimma Town.

## 2.6 Conceptual Framework

The study's conceptual framework is created based on the literature reviews and four earlier studies. Figure (2.6) illustrates the conceptual framework of the research.

**Figure (2.6) Conceptual Framework of the Study**



Source: Own Compilation (2025)

As depicted in Figure (2.6), there are five independent variables: service quality, documentation, staff competence, interest, and information technology resources. This research determines the elements influencing customer satisfaction regarding personal loan services offered by AYA Bank PCL. Additionally, this research examines how customer satisfaction impacts customer loyalty regarding the personal loan services offered by AYA Bank PCL.

### Working Definitions

**Service Quality:** In this research, service quality denotes the personalized attention from staff, convenient business hours, consideration of individual needs, timely employee assistance, consistently courteous conduct, service uniformity across branches, and the empathetic communication of employees at AYA Bank PCL.

**Documentation:** In this study, documentation encompasses acceptable speeds for clear document checklists, secure handling of documents, minimal requirements for documentation, an efficient documentation process, reasonable document criteria, avoidance of delays related to documents, and documents that are easily accessible.

**Staff Competence:** In this study, staff competence pertains to understanding client needs, providing personal loan guidance, delivering services accurately, explaining loans effectively, responding to demands promptly, handling inquiries confidently, and the competence of credit staff.

**Interest:** In this study, interest encompasses fair interest rates, affordable loan rates, straightforward interest calculations, flexible repayment options, competitive loan rates, clarity in interest calculations, and transparent communication regarding interest.

**Information Technology Facilities:** Information technology facilities include the online loan platform, customized digital loans, convenient loan access, adaptable repayment choices, completely online application process, prompt loan alerts, and intuitive interface of AYA Bank PCL.

**Customer Satisfaction:** encompasses personal loan contentment, employee treatment satisfaction, online banking enjoyment, loan approval contentment, application process satisfaction, confidence in customer value, and the significance of customer experience.

**Customer Loyalty:** Customer loyalty involves positive advocacy for services, intention to recommend services, favored loan provider, low likelihood of switching, loyalty even with price increases, trust in AYA, and retention in spite of competing offers.

## **CHAPTER 3**

### **PROFILE AND PERSONAL LOAN SERVICE OF AYA BANK PCL**

This section outlines the profile, vision, and mission of AYA Bank PCL. Moreover, it displays the organizational framework of AYA Bank PCL. Ultimately, it showcases the personal loan services offered by AYA Bank PCL.

#### **3.1 Profile of AYA Bank PCL**

Ayeyarwady Bank (AYA Bank) is a private banking institution and among the largest banking entities in Myanmar. It was granted its license by the Central Bank of Myanmar on July 2, 2010, and officially started operations in August 2010 with the launch of its headquarters in Naypyitaw. The bank commenced with a paid-up capital of 20 billion Kyats and had grown to more than 165 branches across the country by May 2016.

AYA Bank is permitted to operate as both an investment and development bank in Myanmar. Its allowed services encompass borrowing and lending (both guaranteed and non-guaranteed), custody of securities and valuables, collection and transmission of money, and a range of international banking services like remittances, payments, and trade-related activities. The bank provides an extensive array of retail and commercial banking services, featuring contemporary electronic banking choices such as internet and mobile banking, ATMs, and bill payment options. AYA Bank is dedicated to offering quick, reliable, and trustworthy financial services and seeks to uphold solid, trustworthy relationships with its customers. Its primary functions involve lending and other essential financial activities in Myanmar's banking industry. As of January 2025, Ayeyarwady Bank (AYA Bank) has a total of 261 branches throughout Myanmar, positioning it as one of the foremost private banks within the nation. AYA Bank has formed correspondent banking partnerships in various countries, such as Sweden, Germany, China, South Korea, India, Thailand, Vietnam, Malaysia, Singapore, Indonesia, and Japan.

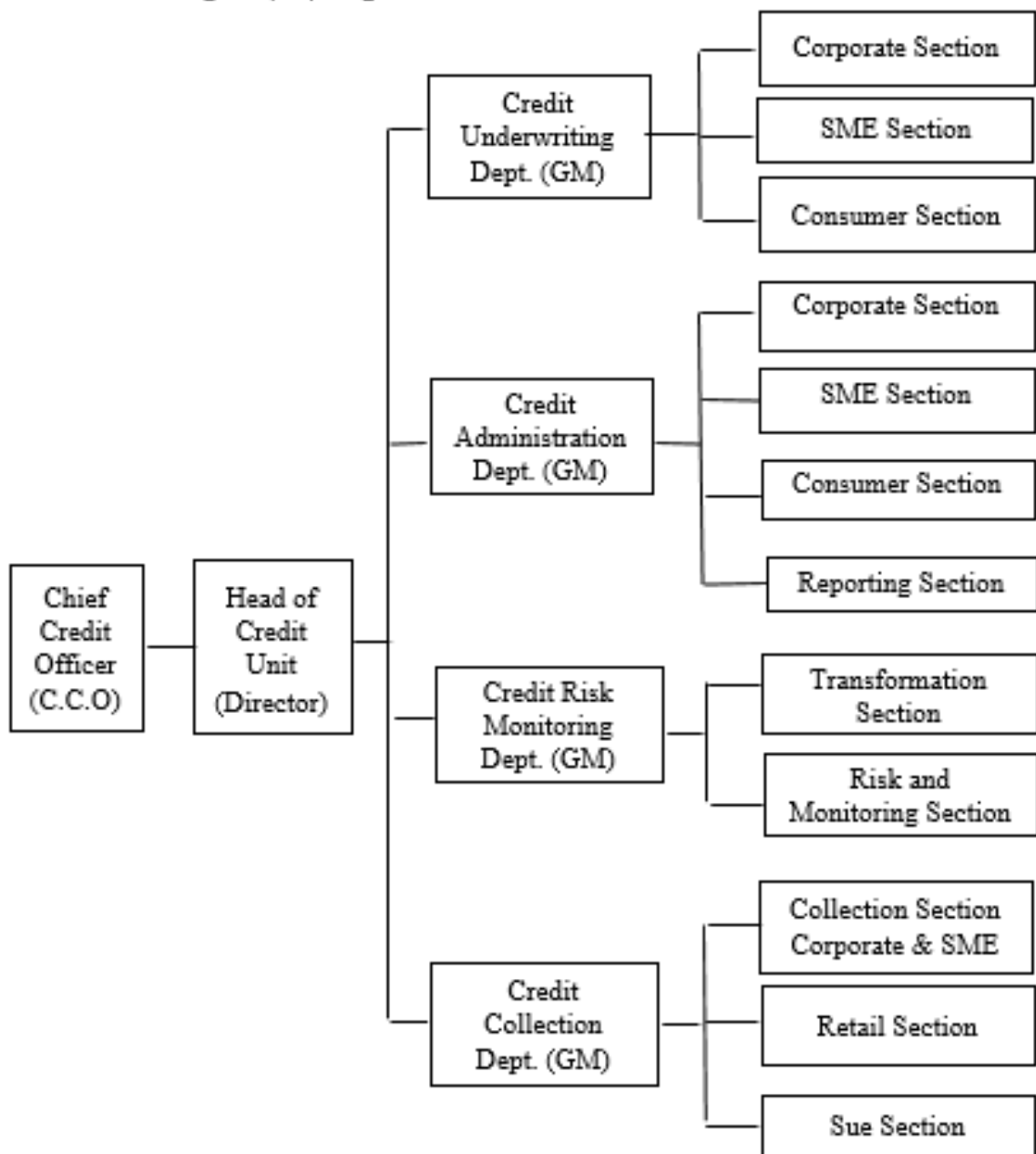
AYA Bank envisions itself as Myanmar's premier bank, aiming for excellence and sustainable long-term growth for itself and its stakeholders. Its mission is to prioritize strengthening customer relationships by offering quick, dependable, and

transparent services at fair rates, ensuring accessibility and value for all segments of society.

### 3.2 Organizational Structure of AYA Bank PCL

The organizational framework of Ayeyarwady Bank Public Company Limited (AYA Bank PCL) aims to guarantee efficient governance, strategic management, and operational effectiveness. Figure (3.1) displays the organizational framework of AYA Bank PCL.

**Figure (3.1) Organizational Structure of AYA Bank PCL**



Source: AYA Bank PCL, 2025

The Credit Unit at AYA Bank PCL has a hierarchical and functionally divided structure to guarantee effective management of credit activities. At the highest level of the hierarchy is the Chief Credit Officer (C.C.O), who supervises the entire Credit Unit. Directly accountable to the C.C.O, the Director of the Credit Unit oversees and organizes the activities of the different departments within the unit. The organization consists of four primary departments, each overseen by a General Manager (GM), and further divided into specialized units.

The loan underwriting division is tasked with analyzing and reviewing the applications for credit presented to the bank. It evaluates applicant documents including financial statements, business details, and collateral information. The department is tasked with collaborating with branches to carry out site visits to confirm the correctness of provided data. Additionally, it analyzes the applicant's business intent, cash flow, and financial history via Credit Officer Level 1 (CO1). It checks the applicant's credit status through the Myanmar Credit Bureau (MMCB) report to confirm there have been no defaults in the last 24 months. If qualified, the department must create a Credit Evaluation Report (CER) and send it to CO2 for additional evaluation. Following CO2's evaluation, the suitable loan amount is established and sent to a Senior Credit Officer for authorization. If the sum surpasses the approval threshold, the department must secure further authorization. The Credit Committee is responsible for the final approval of loans.

The credit management department is tasked with effectively executing and overseeing loan procedures as per the authorizations provided by the Credit Committee. It handles the preparation of loan-related documents, confirming necessary details, and carrying out disbursement processes. Moreover, the department handles the issuance of the Letter of Offer to borrowers and the corresponding bank branches for sanctioned loan applications, outlining crucial terms including loan duration, interest rates, repayment plans, and collateral stipulations. It ensures the verification of contracts and legal documents' completeness after the borrower accepts the offer and for issuing the Sanction Letter to permit loan disbursement. The department handles the issuance of approval letters for loan renewals and top-ups, allowing branches to move forward appropriately. Additionally, it is tasked with sending out essential directives, instructions, and notifications according to the bank's Credit Policy to ensure all branches are updated on existing procedures, new lending techniques, and newly

launched loan products. Additionally, the department handles the signing and distribution of official notices on behalf of the department head or chief credit officer. Ultimately, it is tasked with gathering and submitting regular reports on the bank's total loan portfolio classified by loan type, industry sector, and type of collateral to appropriate financial regulatory bodies within designated deadlines.

The Credit Risk and Monitoring division is essential for upholding the quality and effectiveness of the loan portfolio. Once a loan receives approval, the department must oversee every loan account to guarantee adherence to the bank's policies and procedures. A key duty is to verify that all necessary documents for each loan are complete and submitted appropriately. Its primary responsibilities encompass organized post-approval loan oversight, detailed assessment of repayment conditions, and preserving precise loan documentation, including duration, interest rates, and payment plans. Moreover, the department checks if fire insurance or comprehensive insurance policies for the collateral are renewed punctually. A crucial responsibility is to ensure that all loan processing tasks at the branch level are executed according to the directives and protocols established by the Loan Department. This involves verifying if the loans have been issued and are handled according to the terms authorized by the Loan Committee. The department additionally emphasizes recognizing and addressing problem loans. These consist of loan accounts that haven't paid back principal and interest, loans that have surpassed the permitted repayment duration, and accounts where the borrower's capacity to repay has decreased. Such situations are tracked on a day-to-day basis. Through consistent and thorough oversight, the department seeks to decrease the volume of non-performing loans (NPLs) and maintain the stability of the bank's lending activities.

The credit collection department is tasked with avoiding loan losses and implementing prompt corrective measures when loan defaults occur at the bank's headquarters and its branches. It takes essential steps to decrease Non-Performing Loans (NPLs) and uphold the NPL ratio, while directing branches to properly adhere to set protocols. Previously, the SUE Section managed all legal cases; now, collection case owners are responsible for legal issues concerning Corporate, SME, and Retail loans. The department is responsible for managing the repossession and negotiation of leased assets when customers do not fulfill payments after the designated timeframe. It also performs customer interactions to address NPL problems. For cardholders with

late payments, the department reaches out to clients to ask for repayment and initiates legal proceedings as per regulations.

### **3.3 Personal Loan Services of AYA Bank PCL**

AYA Bank PCL offers personal loan services designed to address the financial requirements of individual clients in Myanmar. These services may be utilized for education, healthcare, home improvements, and various personal costs. Since September 12, 2023, AYA Bank has offered a Personal Loan service exclusively for employees of large firms utilizing AYA Bank's Payroll Service. This lending service provides a prompt and available response to address present monetary requirements. Moreover, a unique benefit is that loans can be granted without the need for collateral.

In the current society, where spending requirements are always changing, AYA Bank provides loans with the lowest interest rates and a user-friendly, quick online application system that enables customers to apply directly. Clients can request the Personal Loan service at any AYA Bank location. Applicants must be users of AYA Bank's Payroll Service and have a minimum monthly income of 300,000 Kyats. Moreover, candidates should have held their current position for a minimum of one year or possess a minimum of two years of experience in earlier roles.

AYA Bank honors and appreciates its clientele, providing each individual with utmost respect and professionalism. When a client asks about a Personal Loan, employees quickly respond and deliver the necessary services in a structured way. All essential information and application requirements are clearly and thoroughly outlined to guarantee customers grasp every detail.

As AYA Bank's Personal Loan is solely offered through the online portal, employees ensure that they describe the online application process in a manner that is simple for customers to grasp. Furthermore, the bank provides its staff with ample knowledge regarding the loan products through user manuals, guidelines, and comprehensive instructions. Staff members undergo training in customer service to guarantee they treat clients with respect and compassion, consistently enhancing their service skills.

AYA Bank employees address individual customer questions and also provide customized recommendations and guidance according to each customer's unique requirements to assist them in selecting the best product. Throughout the application process, team members regularly check in on every stage, ensuring that applicants are

promptly updated about their loan status. Should the applicant satisfy the necessary qualifications, the loan is assessed and authorized within the specified timeframe.

AYA Bank provides a Personal Loan option with amounts between 300,000 Kyats and 20,000,000 Kyats, allowing borrowers to choose a repayment duration from one month to twelve months. The loan has an annual interest rate of 14.5% and a service charge of 15,000 Kyats. This service aims to offer users cost-effective financing alternatives via a straightforward and quick application procedure, assisting individuals in effectively addressing their personal financial requirements.

The candidate may submit a Personal Loan application directly via AYA Bank's official website. The candidate must fill out the application form with all necessary details and accompanying documents. While at the specified branch, the applicant needs to present the original copies of the documents provided for confirmation. Once the loan is approved by the bank, a confirmation email is sent. The applicant has seven days to accept or reject the offer on the website. Once accepted, the applicant must go to the designated branch selected during the application within the next seven days to obtain the loan. The branch personnel confirm the original documents and details, complete the loan agreement, and release the funds to the borrower.

### **3.3.1 Application Process for the Personal Loan**

The applicant may directly submit a Personal Loan request via AYA Bank's official site at <https://loanapplication.ayabank.com/>. The candidate needs to fill out the application form, ensuring all necessary information and supporting documents are included. Upon visiting the specified branch, the applicant is required to present the original copies of the documents submitted for verification. Once the bank greenlights the loan, it dispatches a confirmation email. The candidate has seven days to either accept or reject the offer on the site. Once approved, the applicant must go to the chosen branch from the application within the next seven days to retrieve the loan. The branch personnel confirm the original documents and details, complete the loan contract, and release the loan to the applicant.

### **3.3.2 Service Quality of Personal Loan Services**

AYA Bank PCL provides exceptional service quality for personal loan clients through various customer-oriented strategies. The bank employees offer personalized service, making certain that each client's unique financial requirements and situations

are thoughtfully addressed throughout the loan procedure. The hours of operation are structured for convenience, enabling customers to utilize services without significant interruptions to their daily activities. During the loan application and approval process, staff exhibit real care for clients, attentively hearing and addressing their needs. Timeliness is another crucial element of AYA Bank's service, with staff providing prompt support and minimizing avoidable delays. In addition, the employees uphold a consistently courteous and respectful demeanor, enhancing the overall customer experience. The bank guarantees consistent service quality throughout its branches, so customers can anticipate the same standards no matter where they are. Crucially, employees engage in empathetic communication, building trust and ease, which improves the total satisfaction of clients seeking personal loan services.

### **3.3.3 Documentation Required for Personal Loan**

Customers seeking AYA Bank's Personal Loan services must supply personal and financial details. The necessary documents for the application process consist of several papers, including a copy and the original of the NRC (National Registration Card), a household list, a recommendation from the employer, a recommendation from the ward office, or a utility bill slip (e.g., electricity meter bill). All customer-submitted documents are processed securely and accurately by AYA Bank personnel, guaranteeing dependable and trustworthy service. As unnecessary forms or excessive paperwork are not needed for the loan application, the process is efficient and saves time. Consequently, possible delays due to issues with documents are reduced.

### **3.3.4 Staff Competence**

AYA Bank PCL shows a significant dedication to service excellence by offering personal loan services through a range of customer-focused initiatives. The bank's staff delivers tailored assistance, thoughtfully considering the unique financial requirements and situations of every client during the loan procedure. Its hours of operation, spanning from 9:00 am to 4:00 pm, are designed to fit customers' daily routines, reducing interruptions and improving accessibility. Moreover, AYA Bank boosts convenience by enabling customers to request personal loans via an online digital application form, minimizing the necessity for in-branch trips and simplifying the entire procedure.

Throughout the application and approval phases, employees show authentic care by actively interacting with clients and thoughtfully addressing their questions.

Timeliness is a key aspect of AYA Bank's service, with staff offering swift assistance to reduce delays and improve operational efficiency. Moreover, the personnel consistently uphold a polite and professional attitude, positively impacting the customer experience. The bank maintains consistent service standards throughout its different branches, guaranteeing similar quality of service no matter the location. Additionally, communication with employees is marked by compassion and awareness, which builds a feeling of trust and comfort among clients.

### **3.3.5 Interest of Personal Loan**

The annual interest rate for a personal loan is 14.5%, which is determined using the upfront method and is deducted at the moment the loan is accepted. Repayment of the loan has to occur in monthly payments, and the borrower is required to pay a designated penalty if the payment is delayed. Moreover, AYA Bank imposes a service fee for Personal Loans as detailed.

AYA Bank offers personal loan interest rates that are both competitive and reasonable in comparison to the increasing market rates. The method for calculating interest rates is straightforward and easy for clients to comprehend. Borrowers find the way interest is calculated on their loan to be straightforward.

### **3.3.6 Information Technology Facilities for Personal Loan**

AYA Bank PCL has created an internet platform for personal loan offerings. Customers can customize and apply for personal loan services through this platform to meet their particular needs. Through the digital platform, customers can conveniently access and review important information concerning their loans, including outstanding balances, repayment schedules, and other pertinent details. Moreover, AYA Bank offers round-the-clock online repayment options via several methods such as I-Banking, Mobile Banking, and AYA Pay.

The bank provides a completely online personal loan application system, enabling clients to finish the whole process without having to visit branches multiple times, thus conserving time and effort. Additionally, reminders and notifications related to loans are sent quickly and securely. The online interface is easy to use and offers simplicity in handling personal loans. AYA Bank's technological assistance is vital for elevating the quality of personal loan services, enhancing customer experiences, and fostering customer trust.

## CHAPTER 4

### ANALYSIS ON SERVICE QUALITY, CUSTOMER SATISFACTION AND CUSTOMER LOYALTY TOWARDS PERSONAL LOAN SERVICES OF AYA BANK PCL

This chapter outlines the research methodology and evaluates reliability. It also outlines the characteristics of the respondents and their perceptions of the influencing factors, customer satisfaction, and customer loyalty. It then provides an analysis of the factors affecting customer satisfaction regarding personal loan services at AYA Bank PCL. Ultimately, it showcases the impact of customer satisfaction on loyalty among clients using personal loan services at AYA Bank PCL.

#### 4.1 Research Design

This research examines customer satisfaction and loyalty concerning the personal loan services offered by AYA Bank PCL. Primary and secondary data are utilized. To obtain the primary data, a structured questionnaire utilizing a 5-point Likert scale was employed.

As per AYA Bank PCL (2025), there exist 248 customers with active personal loans. Using Yamane's sample size formula (1967), a sample of 153 active personal loan customers is chosen through simple random sampling. The formula for calculating sample size in Yamane's method is presented as follows:

$$n = \frac{N}{(1 + Ne^2)} = \frac{248}{(1 + 248 (0.05)^2)} = 153$$

The variables in this formula are:

n = the sample size

N = the population of the study

e = the margin error in the calculation (5%)

The research utilized a structured survey that included two primary sections. Section A collected demographic data from the participants, whereas Section B aimed at evaluating customer perceptions about the influential factors, levels of satisfaction, and loyalty toward AYA Bank PCL. Responses in Section B were evaluated using a 5-point Likert scale. Data was gathered using a Google Form over a span of ten days, from May 20 to May 30, 2025. The study utilized both descriptive and quantitative

methods. Secondary data sources comprised internal documentation from AYA Bank PCL, previously published articles, past academic investigations, pertinent textbooks, and global studies obtained through online platforms. Regression analysis was employed to investigate the connection between the independent variables and the dependent variable using the survey data.

#### 4.2 Reliability Test

In research, reliability indicates the extent to which the outcomes of a specific study can be duplicated or reproduced in the same circumstances. Reliability indicates how consistently or dependably a test evaluates a trait. The outcome of the reliability assessment using Cronbach’s Alpha is shown in Table (4.1).

**Table (4.1) Reliability Test**

<b>Sr. No.</b>	<b>Variables</b>	<b>No. of Items</b>	<b>Cronbach’s Alpha</b>
1.	Service Quality	7	.924
2.	Documentation	7	.924
3.	Staff Competence	7	.933
4.	Interest	7	.931
5.	Information Technology Facilities	7	.902
6.	Customer Satisfaction	7	.955
7.	Customer Loyalty	8	.961

Source: Survey Data, 2025

The findings of the reliability assessment indicated that the Cronbach’s Alpha values for each variable analyzed in this research surpassed 0.7 (Cronbach, 1951). This shows a strong degree of internal consistency among the items in the organized questionnaire. Consequently, it can be determined that the survey tool is reliable and valid, and the results obtained from the data are trustworthy for this study's objectives.

#### 4.3 Profile of the Respondents

To collect primary data, 153 customers were given standardized questionnaires. The respondents' profile is essential for recognizing the traits of the individuals. Table (4.2) displays the demographic information of the participants who completed the structured questionnaire.

**Table (4.2) Demographic Data of the Respondents**

Sr. No.	Item	Category	No. of Respondents	Percent
		Total	153	100.0
1.	Gender	Male	68	44.4
		Female	85	55.6
2.	Age (Years)	20 and Below	4	2.6
		21~30 Old	29	19
		31~40 Old	62	40.5
		41~50 Old	41	26.8
		Above 50 Old	17	11.1
3.	Marital Status	Single	58	37.9
		Married	95	62.1
4.	Education Level	High School	12	7.8
		Undergraduate	31	20.3
		Graduate	53	34.7
		Master	40	26.1
		PhD.	17	11.1
5.	Monthly Income (MMK)	300,000 – 500,000	57	37.3
		500,001 – 700,000	39	25.5
		700,001 – 900,000	34	22.2
		Above – 900,000	23	15
6.	Position	Company Employee	106	69.3
		Government Officer	28	18.3
		Business Owner	19	12.4

Source: Survey Data, 2025

As shown in Table (4.2), there are 68 male respondents (44.4% of the total) and 85 female respondents (55.6% of the total). The findings indicate that most of the respondents are female. These findings suggest that women are more inclined to use the personal loan offerings of AYA Bank PCL.

The distribution of respondents' ages is as follows – 2.6% are 20 years old or younger, 19% are aged between 21 and 30 years, 40.5% fall within the 31 to 40-year range, 26.8% are between 41 and 50 years old, and 11.1% are older than 50 years. The

findings suggest that most clients of AYA Bank PCL's personal loan services are middle-aged individuals.

The majority of the participants are married, representing 62.1% of all respondents, whereas singles constitute 37.9%. This suggests that married people might bear greater financial obligations, encouraging them to rely on personal loan services more than single people.

In terms of educational attainment, 7.8% of participants possess a high school diploma, 20.3% are pursuing undergraduate studies, and most respondents have obtained a graduate degree (34.7%). Individuals holding a master's degree represented 26.1%, whereas those possessing a PhD or alternative credentials comprised 11.1%. The findings suggest that the clients of AYA Bank PCL's personal loan services are predominantly well-educated.

The majority of participants in the study are employees of the Company, accounting for 69.3% of the entire sample. Next are government officials, accounting for 18.3% of the participants. Entrepreneurs make up 12.4% of the overall. These results imply that most customers are business proprietors, reflecting a significant presence of those involved in entrepreneurial and self-operated enterprises.

A total of 57 participants (37.3%) make between 300,000 and 500,000 Kyats, while 39 participants (25.5%) earn between 500,001 and 700,000 Kyats. In addition, 34 participants (22.2%) have incomes ranging from 700,001 to 900,000 Kyats, while 23 participants (15%) earn over 900,000 Kyats. According to this information, individuals with middle to higher income brackets are more inclined to utilize personal loan services from AYA Bank PCL.

It is determined that most clients of AYA Bank PCL's personal loan services are middle-aged women. This implies that women in their middle age typically show a greater need for personal loans compared to men. The majority of clients are married, highly educated people employed by companies, making between 300,001 and 700,000 Kyats, allowing them to obtain personal loans.

#### **4.4 Respondents' Perception on Influencing Factors, Customer Satisfaction and Customer Loyalty**

This section outlines customer perceptions regarding three key factors (service quality, loan process, and communication) that impact customer satisfaction, loyalty, and corporate image. A structured questionnaire was transformed into a Google form

and gathered data from 153 personal loan clients of AYA Bank PCL. Primary data were gathered through structured questions utilizing a Five-point Likert scale (1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, and 5=Strongly Agree) to identify the factors influencing customer attitude. The average rating scale is displayed in Table (4.3) according to Best's (1977) work.

**Table (4.3) Mean Rating Scale**

<b>Sr. No.</b>	<b>Mean Score</b>	<b>Interpretation</b>
1.	1.00 – 1.80	Very Low
2.	1.81-2.60	Low
3.	2.61-3.40	Moderate
4.	3.41-4.20	High
5.	4.21-5.00	Very High

Source: Best, 1977

Best (1977) developed a framework for analyzing primary data obtained from structured questionnaires utilizing a 5-point Likert scale, which features specified score ranges and matching mean rating categories. This research utilizes the mean rating interpretation approach suggested by Best (1977) to systematically examine and interpret the survey responses.

#### **4.4.1 Respondent Perception on Service Quality**

The quality of service at AYA Bank PCL is evaluated based on personalized staff attention, convenient hours of operation, consideration of individual needs, timely employee assistance, consistently courteous behavior, uniform service across branches, and compassionate communication from employees. Table (4.4) outlines the respondents' perceptions regarding the service quality of AYA Bank PCL

**Table (4.4) Mean Scores of Perception on Service Quality**

<b>Sr. No.</b>	<b>Service Quality</b>	<b>Mean Score</b>	<b>Std. Deviation</b>
1.	Receiving individual attention from AYA Bank PCL staff for loan service	3.72	0.87
2.	Having convenient operating hours at AYA Bank PCL	3.80	0.81
3.	Experiencing genuine concern for personal needs during the loan process by AYA Bank PCL employees	3.80	0.79
4.	Receiving prompt service from AYA Bank PCL employees	3.68	0.85
5.	Experiencing consistently polite behavior from AYA Bank PCL employees	3.89	0.94
6.	Receiving consistent services across different AYA Bank branches	3.71	0.78
7.	Experiencing empathetic communication from AYA Bank PCL employees	3.77	0.81
	<b>Overall Mean</b>	<b>3.77</b>	

Source: Survey Data, 2025

Based on the highest average score of 3.89, the majority of respondents strongly agree that the staff at AYA Bank PCL are always courteous to customers. The second highest average score of 3.80 suggests that respondents largely concur that AYA Bank PCL's operating hours are suitable and that staff demonstrated real care for customers' requirements throughout the loan procedure. The average score of 3.77 in exhibiting empathy during communication indicates a strong consensus among participants. Based on the overall average score of 3.77, most respondents strongly agree that the personal loan services offered by AYA Bank PCL are of high quality.

#### **4.4.2 Respondent Perception on Documentation**

The documentation process of AYA Bank PCL is evaluated based on the acceptable speed of the clear document checklist, secure handling of documents, minimal documentation needs, an efficient documentation procedure, reasonable document prerequisites, avoidance of delays related to documents, and the accessibility

of documents. Table (4.5) outlines the views of respondents regarding the documentation of AYA Bank PCL.

**Table (4.5) Mean Scores of Perception on Documentation**

<b>Sr. No.</b>	<b>Documentation</b>	<b>Mean Score</b>	<b>Std. Deviation</b>
1.	Receiving a complete list of all required documents at the beginning of the process	3.71	0.76
2.	Having submitted documents handled carefully and securely by AYA Bank PCL employees	3.80	0.70
3.	Applying for a personal loan without redundant forms and excessive documentation	3.95	0.75
4.	Experiencing an efficient and streamlined documentation process	3.86	0.75
5.	Meeting reasonable documentation requirements	3.67	0.75
6.	Avoiding delays due to document-related issues during the loan application	3.77	0.77
7.	Providing documents that are reasonable and easy to obtain	3.75	0.85
	<b>Overall Mean</b>	<b>3.79</b>	

Source: Survey Data, 2025

Based on the highest average score of 3.95, a majority of the participants strongly concur that the application process for a personal loan at AYA Bank PCL does not require unnecessary forms and excessive paperwork. The second highest average score of 3.86 shows that the participants largely concur that the documentation process is efficient and organized. Moreover, the average score of 3.80 indicates that respondents strongly believe that AYA Bank PCL employees manage submitted documents with care and security. Based on the overall average score of 3.79, most respondents strongly agree that the documentation process for AYA Bank PCL personal loan services is effective and meets their satisfaction.

#### **4.4.3 Respondent Perception on Staff Competence**

The competency of AYA Bank PCL staff is assessed based on their understanding of client needs, advice on personal loans, precision in service delivery,

clarity in loan explanations, prompt responses to demands, confident handling of inquiries, and the proficiency of credit personnel. Table (4.6) outlines the respondents' views on the competency of staff at AYA Bank PCL.

**Table (4.6) Mean Score of Perception on Staff Competence**

<b>Sr. No.</b>	<b>Staff Competence</b>	<b>Mean Score</b>	<b>Std. Deviation</b>
1.	Understanding and meeting client needs by AYA Bank PCL employees	3.90	0.87
2.	Providing sound advice to customers about personal loans by AYA Bank PCL employees	3.86	0.83
3.	Performing services right the first time by AYA Bank PCL employees	3.74	0.84
4.	Demonstrating effectiveness, skill, and capability in explaining personal loan details	3.73	0.84
5.	Responding to customer demands as per criteria and within promised time by AYA Bank PCL employees	3.68	0.81
6.	Handling complex loan inquiries confidently by AYA Bank PCL employees	3.78	0.84
7.	Trusting the knowledge and skills of AYA Bank PCL's credit staff	3.81	0.83
<b>Overall Mean</b>		<b>3.78</b>	

Source: Survey Data, 2025

Based on the average score of 3.90, the majority of respondents strongly believe that AYA Bank PCL employees comprehend and fulfill customer requirements. The second highest average score of 3.86 shows that participants strongly agree that employees offer good guidance to customers regarding personal loans. Furthermore, the average score of 3.81 indicates that participants strongly believe in the expertise and abilities of AYA Bank PCL's credit personnel. The overall mean score of 3.78 indicates that most respondents strongly believe that the staff at AYA Bank PCL is competent and professional in providing personal loan services.

#### 4.4.4 Respondent Perception on Interest

The interest for personal loans at AYA Bank PCL is assessed through fair interest rates, reasonable loan interest, straightforward interest calculations, adaptable payment terms, competitive loan rates, clear interest calculations, and transparent communication regarding interest. Table (4.7) outlines the respondents' views regarding their interest in AYA Bank PCL.

**Table (4.7) Mean Score of Perception on Interest**

<b>Sr. No.</b>	<b>Interest</b>	<b>Mean Score</b>	<b>Std. Deviation</b>
1.	Offering a fair interest rate on personal loans	3.73	0.87
2.	Providing an affordable interest rate for personal loans	3.84	0.78
3.	Calculating interest rates for personal loans in a simple and easy manner	3.80	0.82
4.	Allowing flexible interest payment terms based on customers' financial status	3.79	0.75
5.	Providing competitive interest rates for personal loans	3.76	0.73
6.	Feeling well-informed about how interest is calculated on loans	3.75	0.77
7.	Explaining any changes in interest rates by AYA Bank PCL clearly	3.71	0.77
	<b>Overall Mean</b>		<b>3.77</b>

Source: Survey Data, 2025

Based on the highest average score of 3.84, the majority of respondents strongly believe that the interest rate for personal loans is reasonable. The second highest average score of 3.80 shows that participants largely concur that the interest rate calculation for personal loans at AYA Bank PCL is straightforward and easy to grasp. Moreover, the average score of 3.79 indicates that participants strongly concur that AYA Bank PCL offers adaptable interest payment conditions according to the customer's financial situation. Based on the average score of 3.77, most respondents strongly believe that the interest terms of AYA Bank PCL personal loan services are reasonable, competitive, and transparently stated.

#### 4.4.5 Respondent Perception on Information Technology Facilities

The IT capabilities of AYA Bank PCL are evaluated based on its online loan platform, custom digital loans, convenient loan access, adaptable repayment choices, entirely online application process, prompt loan alerts, and intuitive interface. Table (4.8) outlines the respondents' views on the information technology services of AYA Bank PCL.

**Table (4.8) Mean Score of Perception on Information Technology Facilities**

<b>Sr. No.</b>	<b>Information Technology Facilities</b>	<b>Mean Score</b>	<b>Std. Deviation</b>
1.	Having online personal loan system at AYA Bank PCL	3.72	0.76
2.	Personalizing loans to individual needs through AYA Bank PCL's online digital platform	3.82	0.70
3.	Accessing loan information easily through the online digital platform	3.86	0.78
4.	Providing customers with the option of loan repayment through digital platforms, such as using mobile banking and AYA Pay, AYA Bank PCL enhances convenience and accessibility.	3.70	0.77
5.	Completing the personal loan application fully online without visiting a branch	3.52	0.81
6.	Receiving timely and reliable notifications and alerts related to the loan	3.76	0.80
7.	Finding the digital interface user-friendly for managing personal loans	3.66	0.79
<b>Overall Mean</b>		<b>3.72</b>	

Source: Survey Data, 2025

Based on the highest mean score of 3.86, the majority of respondents strongly agree that AYA Bank PCL's online digital platform offers easy access to crucial loan details, including outstanding balance and repayment period. The second highest average score of 3.82 shows that participants strongly agree they can customize their loans through AYA Bank PCL's digital platform to suit their personal requirements. Furthermore, the average score of 3.76 indicates that participants strongly agree that notifications and alerts concerning their loans are provided in a prompt and dependable

way. Based on the average score of 3.72, most respondents strongly agree that the information technology resources of AYA Bank PCL facilitate convenient and effective personal loan services.

**Table (4.9) Overall Mean Score**

<b>No.</b>	<b>Influencing Factors</b>	<b>Mean Score</b>
1.	Service Quality	3.77
2.	Documentation	3.79
3.	Staff Competence	3.78
4.	Interest	3.77
5.	Information Technology Facilities	3.72

Source: Survey Data, 2025

The survey findings show that all average scores for the influencing factors are above 3.00, indicating a significant level. These findings suggest that customers tend to have a favorable view of the elements affecting their satisfaction with the personal loan services of AYA Bank PCL.

#### **4.4.6 Respondent Perception on Customer Satisfaction**

Customer satisfaction at AYA Bank PCL is evaluated based on personal loan satisfaction, employee treatment satisfaction, online banking satisfaction, loan approval satisfaction, application process satisfaction, confidence in customer value, and appreciated customer experience. Table (4.10) outlines the respondents' views on customer satisfaction at AYA Bank PCL.

**Table (4.10) Mean Score of Perception on Customer Satisfaction**

<b>No.</b>	<b>Customer Satisfaction</b>	<b>Mean Score</b>	<b>Std. Deviation</b>
1.	Being satisfied with the personal loan service of AYA Bank PCL	3.66	0.80
2.	Being satisfied with the treatment received from AYA Bank PCL employees	3.80	0.83
3.	Being satisfied with the ease of access and usefulness of online banking channels for personal loans	3.76	0.76
4.	Being satisfied with the loan assessment and approval process	3.78	0.77
5.	Being satisfied with the loan application procedures and forms required by AYA Bank PCL	3.75	0.83
6.	Feeling confident that AYA Bank PCL values customer satisfaction	3.81	0.84
7.	Experiencing the loan process in a way that makes me feel like a valued customer	3.80	0.78
	<b>Overall Mean</b>	<b>3.77</b>	

Source: Survey Data, 2025

Based on the highest average score of 3.81, a majority of the respondents strongly believe that AYA Bank PCL prioritizes their satisfaction. The second highest average score of 3.80 suggests that participants strongly agree they are pleased with the treatment they receive from the staff at AYA Bank PCL and that their experience with the loan process makes them feel like important clients. Moreover, the average score of 3.78 indicates that participants strongly concur with the loan evaluation and approval process. Based on the average score of 3.77, most respondents strongly agree that they are pleased with the personal loan services offered by AYA Bank PCL.

#### **4.4.7 Respondent Perception on Customer Loyalty**

Customer loyalty at AYA Bank PCL is assessed through positive service advocacy, intention to recommend services, preferred choice for loans, low likelihood of switching, loyalty despite price hikes, trust in AYA, and retention despite

competitive offers. Table (4.11) outlines the respondents' views regarding customer loyalty at AYA Bank PCL.

**Table (4.11) Mean Score of Perception on Customer Loyalty**

<b>No.</b>	<b>Customer Loyalty</b>	<b>Mean Score</b>	<b>Std. Deviation</b>
1.	Saying positive things about the personal loan service of AYA Bank PCL to others	3.79	0.82
2.	Recommending the personal loan service of AYA Bank PCL to friends and relatives	3.78	0.81
3.	Considering AYA Bank PCL as the first choice for future banking purposes regarding personal loans	3.64	0.79
4.	Thinking of changing AYA Bank PCL to another one.	3.74	0.84
5.	Continuing to use the personal loan service of AYA Bank PCL in the future even if the interest rate goes up	3.79	0.82
6.	Seldom thinking of changing AYA Bank PCL to another one.	3.83	0.86
7.	Trusting AYA Bank PCL more than other banks for personal loan services	3.84	0.81
8.	Staying with AYA Bank PCL even if another bank offered slightly better terms	3.80	0.91
	<b>Overall Mean</b>	<b>3.78</b>	

Source: Survey Data, 2025

The highest average score of 3.84 indicates that a majority of respondents strongly believe they have more trust in AYA Bank PCL compared to other banks for personal loan services. The second highest average score of 3.83 suggests that participants strongly concur they rarely consider switching AYA Bank PCL for a different bank. Furthermore, the average score of 3.80 indicates that participants strongly concur they would remain with AYA Bank PCL even if a different bank provided marginally better conditions. Based on the overall average score of 3.78, most respondents strongly agree that they are committed to the personal loan services offered by AYA Bank PCL.

#### 4.5 Analysis of Influencing Factors on Customer Satisfaction

A structured survey is given to 153 participants to evaluate the connection between the influencing factors and customer satisfaction. The analysis of the data employs multiple regression methods, and the findings are shown in Table (4.12).

**Table (4.12) Effect of Influencing Factors on Customers Satisfaction**

Variable	Unstandardized Coefficients		Standardized Coefficients (Beta)	t	Sig.	VIF
	B	Std. Error				
(Constant)	.203	.154		1.320	.189	
Service Quality	.151*	.081	.147	1.880	.062	5.469
Documentation	.189**	.092	.167	2.041	.043	5.979
Staff Competence	.192**	.085	.191	2.267	.025	6.292
Interest	.284***	.085	.263	3.353	.001	5.471
Information Technology Facilities	.239***	.085	.207	2.816	.006	4.788
R Square	.835					
Adjusted R Square	.829					
F Value	148.530***					

Source: Survey Data, 2025

\*\*\* Significant at 1% level

Table (4.12) indicates that the adjusted R square value is 0.829, allowing for the conclusion that this model accounts for 82.9% of the variation in influencing factors related to customer satisfaction. The model's overall significance shows that the F value is very significant at the 1 percent level, indicating its validity. All influencing factors have a positive significance concerning customer satisfaction.

Service quality is important for customer satisfaction at a level of 10 percent. Improving the service quality of AYA Bank PCL by 1 unit will lead to an increase in customer satisfaction by .151 unit. Documentation holds a moderate importance, with customer satisfaction at a 5 percent level. Improving the documentation of AYA Bank PCL by 1 unit will increase customer satisfaction by .189 unit. Employee proficiency

is highly important to customer satisfaction at the 5 percent level. If AYA Bank PCL enhances its staff competence by 1 unit, customer satisfaction will increase by 0.192 units as well. Interest is highly significant concerning customer satisfaction at the 1 percent level. An enhancement of 1 unit in the interest of AYA Bank PCL will increase customer satisfaction by .284 unit as well. Information technology facilities are highly relevant to customer satisfaction at a 1 percent significance level. An enhancement of 1 unit in the information technology capabilities of AYA Bank PCL will increase customer satisfaction by 0.239 units.

Based on the standardized coefficient (Beta) score, interest holds the highest value among the four important explanatory variables. Customers consider the interest rates of AYA Bank PCL's personal loans to be reasonable and affordable, enhancing their overall convenience and satisfaction.

#### 4.6 Analysis of Customer Satisfaction on Customer Loyalty

To analyze the link between customer satisfaction and loyalty, structured questionnaires are gathered from 153 personal loan clients of AYA Bank PCL. The gathered data undergo regression analysis, and the findings are displayed in Table (4.13).

**Table (4.13) Effect of Customer Satisfaction on Customer Loyalty**

Variable	Unstandardized Coefficients		Standardized Coefficients (Beta)	t	Sig.
	B	Std. Error			
(Constant)	.295	.148		1.987	.049
Customer Satisfaction	.925***	.039	.889	23.869	.000
R Square	.790				
F Value	569.747***				

Source: Survey Data, 2025

\*\*\* Significant at 1% level

According to Table (4.13), with an R square value of 0.790, it can be concluded that this model accounts for 79.0% of the variation in customer satisfaction as influenced by customer loyalty. The model's overall importance is evident, with the F value being highly significant at the 1 percent level, thus confirming its validity.

The regression analysis indicates that there is a strong correlation between customer satisfaction and customer loyalty at the 1 percent significance level. A majority of the respondents remain loyal to the personal loan services of AYA Bank PCL due to their satisfaction with AYA Bank PCL's loan offerings. Customers trust the personal loan services of AYA Bank PCL because bank employees suggest appropriate options for them.

## **CHAPTER 5**

### **CONCLUSION**

This section outlines the main discoveries of the research, accompanied by a thorough analysis of the outcomes. Considering the results, recommendations and suggestions are offered. Ultimately, the necessity for additional research is outlined.

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

This research was meticulously conducted to determine the elements influencing customer satisfaction regarding personal loan services of AYA Bank PCL and to examine the impact of customer satisfaction on customer loyalty related to the personal loan services of AYA Bank PCL. Primary data is collected using a structured questionnaire featuring a 5-point Likert scale from one hundred fifty-three active personal loan customers chosen as the sample population through simple random sampling.

In terms of the demographic profile of AYA Bank PCL's personal loan clientele, it is determined that most customers are middle-aged women. This indicates that women in middle age typically seek personal loans more often than men. Furthermore, the majority of clients are married, educated professionals employed by companies, earning between three hundred thousand and seven hundred thousand Kyats, allowing them to secure personal loans. Consequently, most of the respondents possess this demographic profile.

Concerning service quality, it has been observed that the staff at AYA Bank PCL are reliably courteous to customers, reflected in the highest average score. The respondents also strongly agree that AYA Bank PCL's operating hours are convenient, and that staff genuinely care about customers' needs throughout the loan process. Moreover, the participants concur that staff exhibit empathy during communication. Consequently, most respondents strongly affirm that the quality of service for personal loan offerings at AYA Bank PCL is satisfactory.

Concerning the documentation procedure, it is noted that the application process at AYA Bank PCL does not include unnecessary forms or excessive paperwork for applying for a personal loan, as shown by the highest mean score. The respondents also strongly concur that the documentation process is efficient and streamlined, as indicated

by the second highest mean score. Moreover, participants strongly concur that AYA Bank PCL staff manage the submitted documents with care and security. Consequently, most of the participants strongly believe that the documentation procedure for AYA Bank PCL personal loan services is effective and meets their expectations.

Concerning employee proficiency, it has been observed that AYA Bank PCL staff comprehend and fulfill client requirements, as demonstrated by the highest average. The respondents also strongly concur that employees offer valuable guidance to customers regarding personal loans, as indicated by the second highest mean score. Furthermore, participants show strong agreement regarding their trust in the expertise and abilities of AYA Bank PCL's credit personnel, as indicated by an average score. Consequently, most respondents strongly believe that the staff proficiency at AYA Bank PCL in providing personal loan services is trustworthy and professional.

Concerning interest conditions, it has been observed that the interest rate for personal loans is manageable, as reflected in the highest average score. The respondents also largely concur that the interest rate calculation for personal loans at AYA Bank PCL is straightforward and comprehensible, as demonstrated by the second highest mean score. Moreover, participants strongly concur that AYA Bank PCL provides adaptable interest payment options according to the customer's financial condition. Consequently, most respondents strongly believe that the interest terms of AYA Bank PCL personal loan services are reasonable, competitive, and well-explained.

In terms of information technology infrastructure, AYA Bank PCL's online digital platform is noted for offering straightforward access to essential loan details like remaining balance and repayment duration, as reflected by the highest average score. The respondents also strongly concur that they can tailor their loans through AYA Bank PCL's digital platform to suit their personal requirements, as indicated by the second highest mean score. Furthermore, participants strongly concur that alerts and notifications concerning their loans are provided in a prompt and dependable way. Consequently, most of the participants strongly agree that AYA Bank PCL's information technology resources facilitate convenient and effective personal loan services.

Concerning customer satisfaction, it has been observed that the majority of respondents believe that AYA Bank PCL prioritizes their satisfaction, as reflected by the highest average score. The respondents also strongly concur that they are pleased with the treatment they receive from AYA Bank PCL employees and that their

experience during the loan process makes them feel appreciated as customers, as indicated by the second highest mean score. Moreover, participants strongly concur with the evaluation and authorization procedure for loans. Consequently, most respondents strongly concur that they are pleased with the personal loan offerings of AYA Bank PCL.

In terms of customer loyalty, most respondents exhibit greater trust in AYA Bank PCL compared to other banks for personal loan services, as reflected by the highest average score. The respondents strongly concur that they rarely consider switching from AYA Bank PCL to a different bank, as reflected by the second highest mean score. Moreover, participants strongly concur that they would remain with AYA Bank PCL even if a different bank presented marginally improved conditions. Consequently, most of the participants strongly believe that they are committed to the personal loan offerings of AYA Bank PCL.

The regression analysis shows that all influential factors (service quality, documentation, staff competence, interest, and information technology resources) significantly and positively impact customer satisfaction. Among them, the interest rates of AYA Bank PCL's personal loan service significantly impact customer satisfaction. Customers are very responsive to interest rates since lower or more adaptable rates decrease the loan's expense, enhancing the service's affordability and appeal. Although factors such as service quality or employee skill may be outstanding, an unfavorable interest rate can deter customers or reduce their satisfaction. On the other hand, fair and open interest rates can boost trust and contentment, since clients believe they are getting a just agreement. Consequently, interest rates significantly influence customer satisfaction since they directly affect finances, frequently surpassing other considerations when clients assess the total worth of the personal loan service.

The regression analysis indicates that customer satisfaction positively and significantly impacts customer loyalty for the personal loan service at AYA Bank PCL. The majority of the participants exhibit loyalty to the bank due to their satisfaction with the loan offerings of AYA Bank PCL. Customer satisfaction indicates that their needs and expectations have been fulfilled or surpassed—whether due to quality service, reasonable interest rates, streamlined processes, or supportive staff. This favorable interaction fosters trust and assurance in the bank, lowering the chances that clients will think about moving to rivals. Additionally, happy customers are more inclined to view

the bank as trustworthy and compassionate, which encourages loyalty. They are also more likely to suggest the bank to others and remain even if other banks present somewhat better conditions. Consequently, customer satisfaction serves as a basis for customer loyalty since it fosters a sense of worth and emotional connection that encourages clients to uphold their association with AYA Bank PCL.

## **5.2 Suggestions and Recommendations**

According to the survey results, AYA Bank PCL needs to upgrade its personal loan offerings to boost customer satisfaction and increase customer loyalty. Specifically, the bank should focus on the interest rates related to personal loans, since this element appeared to be the key factor influencing customer satisfaction.

To enhance interest, AYA Bank PCL ought to implement efficient strategies aimed at managing interest rates and promoting transparency. The bank must inform customers of any changes to interest rates at least 30 days beforehand. These alerts must be sent via various channels, including SMS, email, and the mobile app. Clearly explaining the reasons for any changes in interest rates is also crucial. Explanations must clarify if the alterations stem from internal policies, market conditions, or regulations set by the Central Bank. Such clarity would enhance customer trust and confidence in the bank. Additionally, AYA Bank PCL ought to establish a unique interest rate system designed for various customer profiles. Aspects like job status, credit record, and reason for the loan need to be taken into account to guarantee equity. Customers with low risk should enjoy reduced interest rates as a reward for their financial dependability. Finally, the bank ought to enhance transparency by showcasing the complete selection of interest rates in all promotional materials, such as the website, mobile application, and brochures. Consequently, AYA bank PCL can enhance customer satisfaction regarding personal loan services.

To improve its IT infrastructure, AYA Bank PCL ought to adopt a completely digital loan application system featuring eKYC (electronic Know Your Customer) functionalities. This would enable new clients to register by uploading their NRC and a selfie for facial verification, providing a digital signature through OTP, and confirming income by uploading salary slips or bank statements. Furthermore, the bank needs to connect with governmental databases and credit bureaus through NRC verification and credit bureau APIs. This integration would facilitate real-time

application handling and permit immediate loan approval or denial, removing the necessity for an in-person branch visit. Furthermore, the bank ought to streamline the interface by incorporating straightforward navigation menus, user-friendly icons, and sequential loan application procedures. Moreover, the mobile application and website must offer multilingual features and deliver customized dashboards designed for the specific needs of each customer. Instructions, tooltips, and FAQs must be integrated to assist users during the loan management procedure. Consequently, AYA bank PCL can enhance customer satisfaction regarding personal loan services.

To enhance employee skills, AYA bank PCL must establish precise internal service standards that outline response times and performance benchmarks for managing personal loan applications. These standards must be uniformly conveyed throughout all pertinent departments. Employees must be properly trained to recognize the significance of following these deadlines and accurately fulfilling customer needs. Moreover, AYA Bank ought to utilize technology like customer relationship management (CRM) systems and automated workflow tools to oversee, allocate, and monitor customer inquiries in real-time, thereby improving accountability and efficiency among staff. Furthermore, the bank ought to equip its staff with digital resources like interactive loan calculators or visual aids to improve their capacity to communicate intricate loan terms more efficiently. Consequently, AYA Bank PCL can enhance customer satisfaction regarding the personal loan offerings.

To maintain reasonable documentation needs for personal loans, AYA Bank PCL ought to simplify its procedures by asking for only the crucial documents required for credit evaluation and adherence. This encompasses fundamental identification papers (like NRC), income verification (such as salary slips or bank statements), and employment confirmation when relevant. The bank must routinely assess and revise its documentation policies to reduce excess paperwork, aligning with best practices and regulatory standards in the industry. Moreover, AYA Bank ought to streamline the procedure by allowing digital document submissions via its mobile application or website, minimizing the necessity for hard copies. AYA Bank PCL must guarantee transparent communication regarding the necessary documents by offering a comprehensive checklist at the start of the application process. This will assist customers in preparing effectively and minimize delays due to insufficient submissions. Consequently, AYA bank PCL can enhance customer satisfaction regarding personal loan services.

To improve service quality, AYA Bank PCL must guarantee that every loan-related question gets a tailored response within four business hours. It is also suggested to establish a digital ticketing system to track every phase of the loan application process. The system must incorporate automated notifications to highlight any overlooked deadlines, guaranteeing prompt follow-up and responsibility. Furthermore, the bank ought to create a priority service lane at its branches for customers who have uploaded all necessary documents online, with the goal of minimizing in-branch wait times to under 15 minutes. Additionally, AYA Bank PCL must provide a uniform Loan Service Procedure Manual to every branch, detailing precise step-by-step procedures, uniform scripts, and answers to common inquiries. The bank ought to establish a centralized loan management system enabling all branches to modify customer statuses in real time, guaranteeing uninterrupted service for customers visiting different branches. Consequently, AYA Bank PCL can enhance customer satisfaction regarding personal loan services.

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

Although the results offer important perspectives on customer satisfaction and loyalty regarding AYA Bank PCL's personal loan services, this research has various limitations. Initially, the study focuses solely on AYA Bank PCL and does not involve any comparative assessment with other banks or financial entities in Myanmar. This constrains the applicability of the findings. Future studies should involve various banks to provide a wider and more representative view of customer satisfaction and loyalty regarding personal loan services within the banking sector. Secondly, the research mainly examines service quality, employee skills, documentation procedures, terms of interest, and IT infrastructure. It is advisable to conduct more research to investigate other factors like customer financial knowledge, economic conditions, trust in providers, and perceived risks that could significantly influence customer satisfaction and loyalty regarding personal loan services. Ultimately, additional research needs to explore how ethical lending practices and transparency contribute to cultivating long-term customer loyalty and trust within the personal loan industry.

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**APPENDIX A**  
**QUESTIONNAIRE SURVEY**

**Dear Sir/Madam,**

The purpose of this questionnaire is to collect data on factors affecting customer satisfaction and customer loyalty towards personal loan services of AYA Bank PCL as part of my academic research study for the MBF at YUE. I appreciate your valued time in responding to the questions and assure you of confidentiality and privacy.

**Part A: General Information**

1. Gender

- Male  Female

2. Age

- 20 Years and Below  
 21~30 Years Old  
 31~40 Years Old  
 41~50 Years Old  
 Above 50 Years Old

3. Marital Status

- Single  Married

4. Education Level

- High School  Undergraduate  
 Graduate  Master  
 PhD.  Others: .....

5. Monthly Income

- 300,000 – 500,000 Kyats  500,001 – 700,000 Kyats  
 700,001 – 900,000 Kyats  Above – 900,000 Kyats

6. Position

Company Employee  Government Officer

Business Owner  Others: .....

**Instruction: Please choose one of the following numbers on each line according to the index.**

**Index: 1 = strongly disagree**

**2 = disagree**

**3 = neutral**

**4 = agree**

**5 = strongly agree**

**Please rate your influencing rate over the following items.**

**Part (B) Influencing Factors**

**I. Service Quality**

<b>No.</b>	<b>Particular</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	AYA Bank PCL staff give me individual attention for loan service.					
2	Operating hours of AYA Bank PCL are convenient to me.					
3	Employees of AYA Bank PCL showed genuine concern for my needs during the loan process.					
4	Employees of AYA Bank PCL give me prompt service.					
5	Employees of AYA Bank PCL are consistently polite to customer.					
6	The bank provides consistent services across different branches.					
7	Employees of AYA Bank PCL demonstrate empathy in their communication with me.					

## II. Documentation

No.	Particular	1	2	3	4	5
1.	A complete list of all required documents is received at the beginning of the process.					
2.	Submitted documents are handled carefully and securely by employees of AYA Bank PCL.					
3.	Application process does not involve redundant forms and excessive documentation to apply personal loan of AYA Bank PCL.					
4.	The documentation process is efficient and streamlined.					
5.	The documentation requirements are reasonable.					
6.	No delays were encountered due to document-related issues during the loan application process.					
7.	The documents required for the loan application were reasonable and easily obtainable.					

## III. Staff Competence

No.	Particular	1	2	3	4	5
1.	Employees of AYA Bank PCL understands and meets client needs.					
2.	Employees of AYA Bank PCL provides sound advice to customers about personal loans.					
3.	Employees of AYA Bank PCL performs service right the first time.					
4.	Employees of AYA Bank PCL is effective, skilled & capable of giving explanation in relation to personal loan.					
5.	Employees of AYA Bank PCL responds to customer demands as per criteria and within promised time.					

6.	Employees of AYA Bank PCL can handle complex loan inquires confidently.					
7.	I trust the knowledge and skills of AYA Bank PCL's credit staff.					

#### IV. Interest

No.	Particular	1	2	3	4	5
1.	Interest rate son personal loan is fair.					
2.	Interest rate for person loan is affordable.					
3.	The calculation of interest rate for personal loan of AYA Bank PCL is simple and easy.					
4.	AYA Bank PCL allows flexible interest payment terms based on the financial status of customer.					
5.	Interest rate of AYA Bank PCL personal loan is competitive.					
6.	I feel well-informed about how interest is calculated on my loan.					
7.	AYA Bank PCL clrealy explains any changes in interest rates.					

#### V . Information Technology Facilities

No.	Particular	1	2	3	4	5
1.	AYA Bank PCL has online personal loan system.					
2.	Customers can personalize their loans using online digital platform of AYA Bank PCL to their individual needs.					
3.	By online digital platform, customers can get easy access to information for their loans such as outstanding amount, repayment period etc.					
4.	AYA Bank PCL provides customers with the option to repay loans through digital platforms, such as mobile banking and AYA Pay.					

5.	I can complete my personal loan application fully online without needing to visit a branch.					
6.	Notifications and alerts related to my loan are delivered in a timely and reliable manner.					
7.	I find the digital interface user-friendly when managing my personal loan.					

**Part (C) Customer Satisfaction**

No.	Particular	1	2	3	4	5
1.	I am satisfied with the personal loan service of AYA Bank PCL.					
2.	I am satisfied with how I am treated by the employees of AYA Bank PCL.					
3.	I am satisfied with the ease of access and the usefulness of online banking channels for personal loans.					
4.	I am satisfied with the loan assessment and loan approval process.					
5.	I am satisfied with loan application procedures and forms required for personal loan of AYA Bank PCL.					
6.	I feel confidence that AYA Bank PCL values my satisfaction.					
7.	My experience with the loan process makes me feel like a valued customer.					

**Part (D) Customer Loyalty**

<b>No.</b>	<b>Particular</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1.	I will say positive things about the personal loan service of AYA Bank PCL to other.					
2.	I will recommend personal loan service of AYA Bank PCL to my friends and relatives.					
3.	I consider AYA Bank PCL to be my first choice for banking purpose in the future regarding personal loan.					
4.	I seldom think of changing AYA Bank PCL to another one.					
5.	I shall continue to use personal loan service of AYA Bank PCL in the future even interest rate goes up.					
6.	I seldom think of changing AYA Bank PCL to another one.					
7.	I trust AYA Bank PCL more than other banks for personal loan services.					
8.	I would stay with AYA Bank PCL even if another bank offered slightly better terms.					

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

**Factors Influencing on Customer Satisfaction**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.914 <sup>a</sup>	.835	.829	.29408

a. Predictors: (Constant), Information Technology Facilities Mean, Service Quality Mean, Interest Mean , Documentation Mean, Staff Competence Mean

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

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	64.227	5	12.845	148.530	.000 <sup>b</sup>
	Residual	12.713	147	.086		
	Total	76.940	152			

a. Dependent Variable: Customer Satisfaction Mean

b. Predictors: (Constant), Information Technology Facilities Mean, Service Quality Mean, Interest Mean , Documentation Mean, Staff Competence Mean

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

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	.203	.154		1.320	.189		
Service Quality Mean	.151	.081	.147	1.880	.062	.183	5.469
Documentation Mean	.189	.092	.167	2.041	.043	.167	5.979
Staff Competence Mean	.192	.085	.191	2.267	.025	.159	6.292
Interest Mean	.284	.085	.263	3.353	.001	.183	5.471
Information Technology Facilities Mean	.239	.085	.207	2.816	.006	.209	4.788

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	.889 <sup>a</sup>	.790	.789	.33978

a. Predictors: (Constant), Customer Satisfaction Mean

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

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	65.777	1	65.777	569.747	.000 <sup>b</sup>
	Residual	17.433	151	.115		
	Total	83.210	152			

a. Dependent Variable: Customer Loyalty Mean

b. Predictors: (Constant), Customer Satisfaction Mean

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

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.295	.148		1.987	.049		
	Customer Satisfaction Mean	.925	.039	.889	23.869	.000	1.000	1.000

a. Dependent Variable: Customer Loyalty Mean