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CUSTOMER ENGAGEMENT AND CUSTOMER LOYALTY
AT KBZ BANK

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ABSTRACT

This study aims to examine the factors influencing customer engagement and analyze its impact on customer loyalty at KBZ Bank, one of Myanmar's leading financial institutions. The four factors investigated in this study are self-brand connection, emotions during service, trust, and satisfaction. A quantitative research approach was employed to measure the relationships between these factors and customer engagement and loyalty, and data was collected through structured questionnaires from 137 international corporate customers, representing 68.5% of the target population. In order to carry out the specified two objectives, both primary and secondary data are used in this study. The findings indicate that self-brand connection, emotions during service, and trust have significant positive effects on customer engagement, with emotions during service showing the strongest influence. Furthermore, the study confirms that increased customer engagement positively affects customer loyalty. Based on these findings, it is recommended that KBZ Bank focus on enhancing emotional service experiences, building customer trust through reliable transactions, and strengthening brand-customer alignment to deepen engagement and maintain a competitive advantage in Myanmar's financial services sector.

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CHAPTER 1

INTRODUCTION

Myanmar's banking sector is pivotal in driving the nation's economic growth, enabling financial inclusion, and fostering sustainable development. As a leading institution, KBZ Bank has consistently played a vital role in supporting individuals and businesses through a broad range of financial services. According to KBZ Bank's Annual Report (2024), the bank has leveraged innovative solutions and customer-centric strategies to serve as a cornerstone of the country's financial system, contributing to the stability and progress of Myanmar's economy.

Customer engagement is the emotional and psychological bond between a brand and its customers. According to Brodie et al. (2011), engagement reflects the degree to which customers feel emotionally connected to the bank, which influences their participation in various interactions beyond transactional exchanges. In the banking sector, engagement involves consistent service usage, feedback, and advocacy behaviors. For KBZ Bank, fostering customer engagement is essential to building strong and lasting relationships. As emphasized by Pansari and Kumar (2017), engaged customers exhibit deeper involvement through satisfaction, emotional experience, and brand identification. Additionally, the increasing integration of digital banking services highlights the need to design emotionally resonant, user-friendly platforms that facilitate consistent and meaningful customer interactions (Rust and Oliver, 1994). This study draws on established theories such as Psychological Theory and Self-Congruity Theory to examine how factors like satisfaction, emotions during service, trust, and self-brand connection influence engagement in the context of KBZ Bank.

Customer loyalty, on the other hand, demonstrates a customer's continued commitment to utilize a bank's services and refer them to others. According to Oliver (1999), loyalty is a critical sign of a bank's long-term profitability and durability in competitive marketplaces. Loyal customers not only continue their patronage but also contribute to brand strength through positive word-of-mouth and repeated business. In the case of KBZ Bank, building customer loyalty involves delivering reliable services, developing emotional ties, and maintaining trust through transparency and service excellence. As highlighted by Fornell (1992) and Kotler et al. (2024), satisfaction plays a mediating role in enhancing loyalty by ensuring that the bank consistently meets or exceeds

customer expectations. Trust, as noted by Morgan and Hunt (1994), underpins customers' confidence in the bank's ethical conduct and operational reliability. Therefore, this study aims to explore how customer engagement acts as a key driver of loyalty, providing insights for KBZ Bank to strengthen customer retention and sustain long-term competitive advantage.

Customer engagement and loyalty depend on several things. According to Fornell (1992), client satisfaction is driven by service quality and the bank's capacity to meet or exceed expectations. Self-brand connection, which represents the alignment between the bank's brand identity and the customer's self-concept, enhances emotional attachment and brand advocacy (Sirgy, 1985). Emotional experiences during service interactions, whether positive or negative, can significantly influence the customer's perception of the bank. According to Harimurti and Suryani (2019), positive emotions such as happiness and satisfaction during interactions can enhance customer engagement, while negative emotions may lead to disengagement. Trust is another critical factor, as it forms the foundation of any financial relationship. According to Morgan and Hunt (1994), trust ensures that customers feel secure and confident in their decision to engage with the bank.

1.1 Rationale of the Study

Customers have more options than they ever have before as a result of greater competition, consumers who are more knowledgeable, and a higher standard of living. As a result, it is necessary to establish strong relationships. If banks are unable to engage their clients, they run the danger of losing those customers to competitors that provide superior satisfaction. KBZ Bank, which operates as a market leader in Myanmar and provides retail and digital banking products to millions of consumers, is a prime example of this phenomenon. According to recent study conducted by Brodie et al. (2011), customer engagement, which is defined as a deeper and more active relationship, is what genuinely generates long-term commitment. This is despite the fact that customer satisfaction has been recognized for a long time as a key component of loyalty (Gronroos, 1990). The purpose of this study is to investigate how KBZ Bank may improve customer engagement and loyalty by concentrating on self-brand connection, emotional experiences, and trust. These are three aspects that are essential in the experience-driven economy of today.

Customer engagement is more than just a matter of contentment; it is a reflection of an ongoing relationship in which customers actively choose to interact with the brand, advocate for it, and resist moving to products or services offered by rivals. In the banking

industry, where services are frequently comparable from one supplier to another, engagement might be the most important differentiation. According to Kotler and Keller (2012), satisfied consumers are more likely to remain loyal, whereas engaged customers are more likely to become promoters and bring in new business through word-of-mouth. In the case of KBZ Bank, this entails not only successfully satisfying the expectations of clients but also developing experiences that evoke an emotional response and are in harmony with their identities.

One of the most important factors in this context is the self-brand link, which refers to the extent to which clients perceive the bank as an extension of themselves. According to Sirgy (1985), a client is more likely to remain loyal to KBZ Bank if they have the perception that the bank shares their values, whether those values pertain to innovation, community support, or reliability. KBZ's emphasis on digital banking and financial inclusion, for instance, may be of great interest to younger consumers who are proficient in technology and who consider these characteristics to be an integral part of their own identities. It is possible that strengthening this link may assist KBZ in standing out in the competitive banking market of Myanmar.

When it comes to involvement, emotions also play a significant role. Positive emotions, such as trust during the acceptance of a loan or joy with a mobile app that is easy to use, have the potential to deepen client loyalty, whereas negative emotions, such as dissatisfaction with delayed service, have the potential to drive customers away (Harimurti & Suryani, 2019). Due to the fact that banking is intrinsically personal (including money, security, and preparing for the future), every encounter has a significant amount of emotional influence. The KBZ Bank must make certain that each and every interaction, from chatbot answers to visits to the bank's branches, leaves consumers with a sense of being cherished and understood.

Undoubtedly, trust continues to serve as the underpinning. According to Morgan and Hunt (1994), confidence in the banking industry is not limited to the just safekeeping of money; rather, it encompasses transparency, consistency, and ethical behavior. Customers who have faith in KBZ Bank are more inclined to engage with the bank on a deeper level, making use of a greater number of services, and recommending the bank to others. In the rapidly changing financial environment of Myanmar, where some customers are still hesitant to fully embrace formal banking, trust may prove to be the most significant competitive advantage for KBZ over its competitors.

Recent years have seen an increase in the amount of attention paid to customer engagement and loyalty. This is due to the fact that these factors are intimately connected to the growth, profitability, and long-term competitiveness of businesses. According to Brodie et al. (2011), in order for enterprises to achieve their goal of developing successful strategies for deepening these connections, they require empirical insights into what genuinely drives engagement in their particular market setting. The objective of this study is to fill a vacuum in the current body of research by conducting an investigation into the elements that influence customer engagement and loyalty at KBZ Bank, which is one of the most prominent financial institutions in Myanmar. Through the examination of the roles that self-brand connection, emotional experiences, and trust play, this research will give KBZ Bank with recommendations that can be put into action in order to improve its customer relationship strategies and keep its advantage over its competitors more effectively.

With 27 private banks now competing in the market, Myanmar's banking business is characterized by increased levels of competition. KBZ Bank has established itself as a prominent institution among them by providing cutting-edge digital banking products and putting great emphasis on the satisfaction of its customers (KBZ Bank, 2024). In this highly competitive climate, it has become very necessary to build strong customer connections through engagement and loyalty in order to preserve market leadership by any means necessary. It is necessary for KBZ Bank to have an understanding of the emotional connection that consumers have with its brand and the factors that motivate their long-term commitment in order to enhance its position. Through the examination of aspects such as self-brand alignment, service interactions, and trust, KBZ Bank will be able to build more successful strategies for customer retention and attract new customers in this competitive market.

The outcomes of this study will give the management team at KBZ Bank meaningful insights that they can put into practice. The bank is able to optimize its marketing strategies, increase its staff training programs, and enhance its digital services if it first determines which components of the client experience have the most effect on engagement and loyalty. Because of these enhancements, KBZ Bank will be able to continue to be the bank of choice for consumers in Myanmar who are looking for financial services. This research will also add to a more comprehensive knowledge of consumer engagement tactics in emerging economies, which is another important accomplishment. According to the findings, other financial institutions in Myanmar's expanding banking

industry that are confronted with comparable competitive issues may find the results to be a useful reference. In the end, the purpose of this research is to assist KBZ Bank in solidifying its ties with its customers, enhancing the quality of its services, and ensuring its continued success in Myanmar's ever-changing financial scene.

1.2 Objectives of the Study

The objectives of this study are:

- 1) To analyze the factors influencing customer engagement of KBZ Bank.
- 2) To analyze effect of customer engagement on customer loyalty at KBZ Bank.

1.3 Scope and Method of the Study

This study examines how multinational corporate KBZ Bank clients engage and stay loyal. Yamane's method (Yamane, 1967) was used to establish a sample size of 137 worldwide corporate clients with a 95% confidence level and 5% margin of error. The sample was obtained using basic random sampling to assure fairness. Structured surveys measured customer happiness, trust, emotions during service, self-brand connection, and engagement. KBZ Bank annual reports, research publications, and textbooks provided secondary data. Quantitative research and a survey methodology were used to quantify these parameters and consumer involvement and loyalty. This study only covers KBZ Bank's foreign corporate customers, thus its conclusions may not apply to other customer categories or banks.

1.4 Organization of the Study

This study has five chapters. Chapter I introduces the study's history, aims, scope, methodology, and organization. Chapter II reviews essential ideas and past research on banking customer engagement and loyalty to construct the theoretical framework. Chapter III describes KBZ Bank's history, business structure, services, and customer interaction strategies in Myanmar's competitive banking environment. Data analysis in Chapter IV examines KBZ Bank's key customer engagement and loyalty elements. Chapter V closes the study by summarizing major results, addressing their consequences, and offering KBZ Bank concrete recommendations to improve customer engagement and long-term loyalty.

CHAPTER 2

THEORITICAL BACKGROUND

This chapter examines banking sector customer engagement and loyalty elements for KBZ Bank's worldwide corporate clients. It also examines other research and presents the theoretical basis for this investigation. Commitment-Trust Theory, Self-Congruity Theory, and findings from consumer engagement, satisfaction, trust, and loyalty studies provide the theoretical framework. Finally, it offers the study's conceptual structure.

2.1 Customer Engagement

Customers' emotional and psychological connection to a brand or organization is called customer engagement (CE) (Brodie et al., 2011). Multidimensional, it comprises cognitive, emotional, and behavioral aspects. Cognitive engagement involves a customer's level of awareness, interest, and attentiveness to a brand, while emotional engagement is linked to the feelings and affective responses a customer experiences during interactions. Behavioral engagement is reflected in customer actions such as repeat purchases, referrals, and active participation in brand-related activities (Hollebeck, 2011).

Customer satisfaction, emotions, and self-brand connection drive customer engagement, which makes customers more likely to show loyalty, advocate for the brand, and participate in co-creation activities like providing feedback and sharing experiences, according to Pansari and Kumar (2017). For corporate clients, this co-creation often manifests in collaborative solution development for complex financial needs, enhancing strategic partnerships (Verhoef et al., 2021). These behaviors not only enhance the brand's reputation but also contribute to long-term profitability.

Customer involvement is essential for long-term banking relationships and trust. Tirado et al. (2019) found that customer engagement in the retail banking industry is strongly influenced by satisfaction, emotions during service interactions, and self-brand connection. Engaged customers perceive banking services as an integral part of their financial well-being, reinforcing their long-term association with the bank. Similarly, in corporate banking, Sharma et al. (2022) observed that engaged clients demonstrate higher cross-buying intensity and lower sensitivity to competitive offers. Williams and Mackay (2020) developed a scale to measure customer engagement in retail banks, emphasizing the

importance of emotional bonds, personalized service experiences, and satisfaction in driving engagement.

2.2 Influencing Factors on Customer Engagement

Customer engagement is influenced by a combination of psychological, emotional, and service-related factors, which collectively shape how customers interact with a brand. Among the most critical factors are customer satisfaction, self-brand connection, emotional experiences, and trust. These elements determine the strength of a customer's emotional and psychological bond with a brand, ultimately driving their engagement and long-term loyalty (Brodie et al., 2011). In the banking industry, where customer relationships are built on reliability and personalized service, understanding these factors is essential for developing effective retention strategies and maintaining a competitive edge.

2.2.1 Customer satisfaction

Customer satisfaction, how well a bank meets or exceeds customer expectations is the cornerstone of engagement (Fornell, 1992). Satisfied consumers are more inclined to use a bank's services, join loyalty programs, and spread positive word-of-mouth. Key drivers of satisfaction in banking include service quality, efficiency in transactions, responsiveness to issues, and perceived fairness in pricing (Tirado et al., 2019). When customers feel their needs are consistently met, they develop a stronger emotional attachment to the bank, reinforcing their engagement and reducing the likelihood of switching to competitors. This is particularly critical for corporate clients where relationship longevity directly impacts profitability; studies show satisfied corporate clients have 30% higher lifetime value than neutral ones (Gartner, 2023).

2.2.2 Self-brand connection

Self-brand connection plays a pivotal role in deepening customer engagement by aligning the bank's identity with the customer's self-concept (Sirgy, 1985). This connection is strengthened when customers perceive that the bank's values, mission, and service offerings resonate with their personal financial goals and lifestyle preferences. For instance, a customer who values sustainability may feel a stronger connection to a bank that promotes green financing initiatives. A robust self-brand connection not only enhances engagement but also fosters brand loyalty and advocacy, as customers are more likely to remain committed to a brand that reflects their identity (Harimurti & Suryani, 2019). Corporate

clients increasingly seek banks whose ESG commitments align with their organizational values, creating "value-based congruence" that drives deeper engagement (De Jong et al., 2020).

2.2.3 Emotional experiences during service

Emotional experiences during service interactions are another crucial determinant of engagement. Positive emotions—such as happiness, satisfaction, and trust enhance a customer’s willingness to engage, while negative emotions like frustration or disappointment can lead to disengagement (Harimurti & Suryani, 2019). In banking, where services are often intangible, the emotional aspect of customer interactions becomes even more significant. For example, a smooth and empathetic resolution to a transaction error can strengthen trust, whereas delays or lack of transparency may trigger dissatisfaction. Banks that prioritize emotional intelligence in service delivery can create more meaningful customer experiences, thereby boosting engagement and retention. For corporate clients, positive emotional experiences during critical incidents (e.g., merger financing, crisis management) become pivotal "trust anchors" that solidify long-term relationships (McColl-Kennedy et al., 2022).

2.2.4 Trust

Customer trust in banks to protect their money and deliver trustworthy services is likely the most important aspect (Morgan & Hunt, 1994). Consistent service, policy openness, data security, and ethics build trust. When customers trust a bank, they are more likely to engage in long-term relationships, adopt additional services, and resist competitive offers. Conversely, a breach of trust such as a security failure or hidden fees can severely damage engagement and lead to customer attrition. In corporate banking, digital trust (data security, AI ethics) has emerged as a distinct dimension influencing engagement, with 78% of executives citing it as a primary bank selection criterion (Deloitte, 2024). Studies show that trust not only sustains engagement but also mediates the impact of other factors, such as satisfaction and emotional experiences, on loyalty (Morgan & Hunt, 1994).

In summary, customer satisfaction, self-brand connection, emotional experiences, and trust are interconnected factors that collectively shape engagement in the banking sector. By addressing these elements—through personalized service, emotional intelligence, value alignment, and transparency—banks can enhance engagement, foster long-term loyalty, and differentiate themselves in a competitive market.

2.3 Customer Loyalty

Customer loyalty is a customer's promise to buy or use a brand's products or services again (Oliver, 1999). Satisfaction, trust, and emotional connection with the brand affect loyalty (Kumar et al., 2013). Loyal clients' recurring business, brand loyalty, and favorable word-of-mouth recommendations help a bank succeed.

Loyal banking clients are more likely to stick with their primary bank, especially during economic downturns or when competitors offer new services (Rivel, 2022). They also respond better to cross-selling, such as signing up for extra financial products, which boosts the bank's CLV. Loyal corporate clients exhibit "portfolio stickiness," consolidating 85%+ of their financial operations with primary banks, creating significant entry barriers for competitors (BCG, 2023).

Tirado et al. (2019) identified a high correlation between retail banking client engagement and loyalty. They found that pleased consumers who feel emotionally attached to the company are more loyal, resulting in increased retention and reduced churn. In banking, Harimurti and Suryani (2019) observed that service quality and customer involvement strongly influence customer loyalty. Their findings imply that banks that prioritize service quality and client involvement can gain a competitive edge by ensuring long-term customer loyalty.

2.4 Related Theories

This study examines customer engagement and loyalty in banking through two key theoretical lenses: Self-Congruity Theory (Sirgy, 1985) and Commitment-Trust Theory (Morgan & Hunt, 1994). These theories help explain why corporate clients form lasting relationships with financial institutions and how banks can strengthen these connections.

(i) Commitment-Trust Theory

Morgan and Hunt's (1994) Commitment-Trust Theory emphasizes the significance of trust in the process of establishing and maintaining consumer loyalty. When clients think that their bank is trustworthy, honest, and operates in their best interest, this idea suggests that trust is developed between the bank and the customer. This trust-commitment dynamic operates through three mechanisms: 1) reducing perceived uncertainty in financial decisions (particularly relevant for corporate clients managing complex transactions), 2) minimizing relationship costs through predictable interactions (aligning with survey items

on consistent service expectations - B.I.1), and 3) fostering shared values that create relationship resilience (Kumar et al., 2021). It is extremely important for corporate clients to have faith in their banking services since they manage huge financial transactions and sophisticated banking demands. When financial institutions continuously provide safe services, transparent policies, and timely assistance, corporate customers are more likely to remain loyal to the institution over the course of time. Consequently, this dedication results in increased engagement, as customers make more use of the bank's services, offer feedback, and promote the institution to others. Morgan and Hunt (1994) discovered that trust is the primary factor responsible for the success of long-term commercial partnerships. As a result, it is very important for financial institutions to uphold high standards in terms of both the quality of their services and their communication with corporate clients. Recent evidence confirms trust mediates 68% of corporate client loyalty intentions in transaction banking, validating this theory's enduring relevance (Chen et al., 2023).

(ii) **Self-Congruity Theory**

According to Sirgy's (1985) Self-Congruity Theory, consumers have a greater tendency to form deeper relationships with companies that are congruent with their own self-image. The theory operates through identity reinforcement mechanisms where brand associations activate self-schemas - when corporate clients see KBZ Bank's digital innovation (measured in B.II.7) or sustainability initiatives mirroring their organizational identity, it triggers self-expressive motivation (Malär et al., 2021). In the banking industry, corporate clients desire financial institutions that are reflective of the values and identity of their organization. By way of illustration, a technology startup would prefer a bank that is well-known for its digital innovation, whilst an ecologically sensitive company might go with a bank that has significant initiatives to promote sustainability. Customers have a better sense of connection with a bank when the bank's brand is aligned with the values that are important to corporate clients. This can be accomplished through the provision of current digital services, ethical banking practices, or specific financial solutions. Since of this psychological connection, customers are more likely to be engaged with the bank since they view it as a partner rather than merely a source of services. According to research conducted by Tirado et al. (2019), self-congruity is a crucial factor in increasing customer loyalty. This is because customers tend to remain loyal to businesses that reaffirm their identity. Corporate banking applications show that self-congruity effects are amplified

when banks deliver personalized thought leadership content mirroring clients' strategic priorities (Homburg et al., 2023).

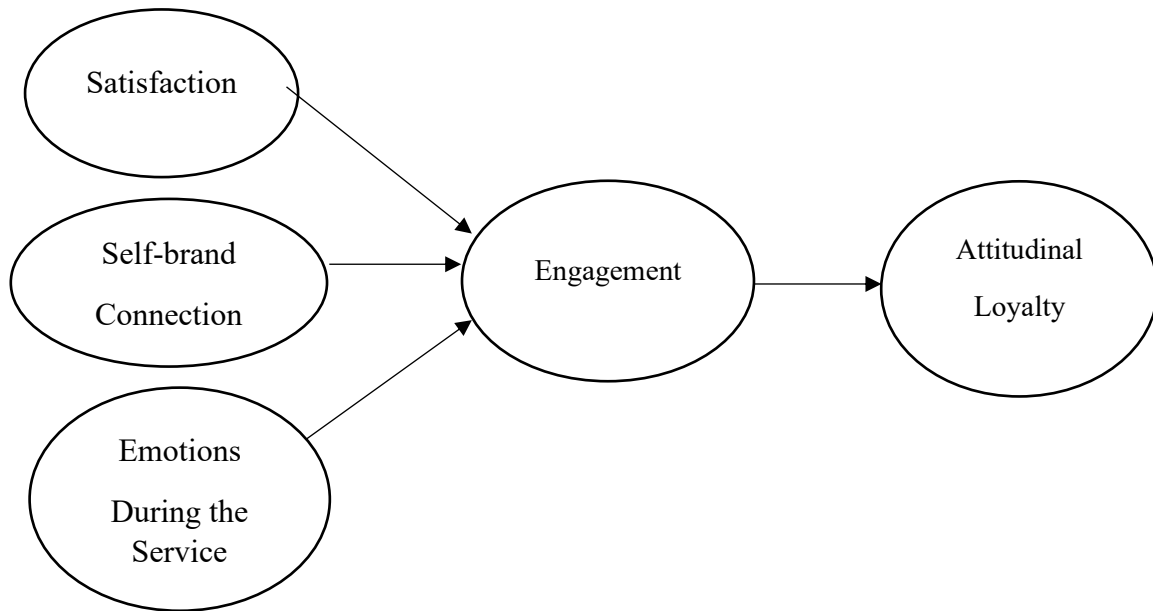
These ideas, when taken together, provide financial organizations with a distinct method for enhancing the level of engagement and loyalty of their valued customers. The Commitment-Trust Theory places an emphasis on the necessity of dependability and transparency in order to be able to develop trust, whereas the Self-Congruity Theory argues that the bank's brand and services should be tailored to fit the identities of corporate clients. Banks are able to strengthen their connections with customers, minimize the number of customers that leave, and differentiate themselves in highly competitive marketplaces if they place an emphasis on both trust and alignment with the values of their customers.

The purpose of this technique is to investigate the more profound reasons why corporate clients continue to engage with particular banks, going beyond the concept of basic customer pleasure. The findings can be of assistance to financial institutions in the development of focused initiatives to improve trust and brand alignment, which will ultimately lead to the development of long-term loyalty among corporate clients.

2.5 Previous Studies

Tirado et al. (2019) evaluated retail banking client engagement and loyalty. The study examined how market orientation, satisfaction, emotions, and self-brand connection affect consumer loyalty and engagement. The researchers collected data from 225 dyads of bank branch managers and an average of five branch clients.

Figure (2.1) Increasing Customer Loyalty through Customer Engagement in the Retail Banking Industry

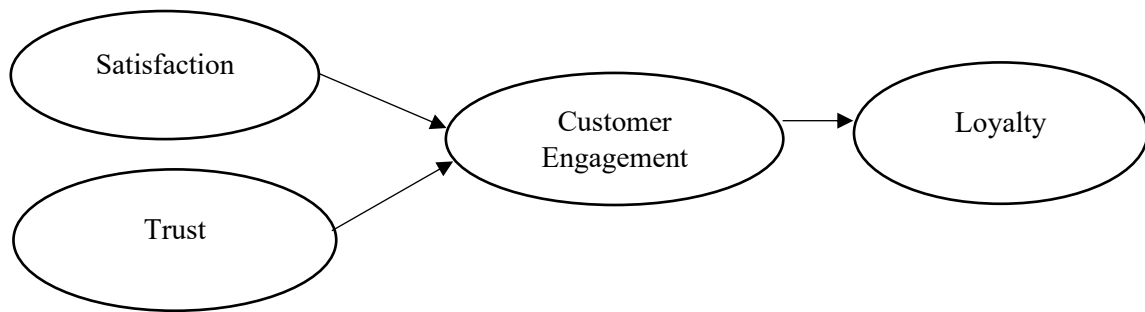


Source: Tirado et al. (2019)

Customer engagement and loyalty were positively correlated, with satisfaction being the main driver. Also important were self-brand connection and emotions throughout service. Branch market focusses also improved satisfaction and emotions. The study's limitations were transversal data, geographical limits, a sample confined to bank clients (excluding Internet customers), and dependence on branch managers' judgments and an average of five consumers per branch. The report proposes combining corporate branding initiatives with branch relationship marketing to boost consumer engagement and loyalty. Effective brand image and value communication campaigns generate emotional attachments, boosting client switching costs. In addition, "moments of truth," or consumer contacts at branch offices, shape retail banking tactics.

In 2020, Williams and Mackay created a 14-item scale to assess retail bank customer engagement in South Africa. Through two controlled surveys, Churchill's (1979) measure was tested for reliability and validity. The study found that consumer engagement—cognitive, emotional, and behavioral—is substantially connected with trust, satisfaction, and loyalty. The scale lets banks evaluate and improve engagement methods to boost client loyalty and competitiveness.

Figure (2.2) CUSTOMER ENGAGEMENT IN RETAIL BANKS: SCAL AND VALIDATION



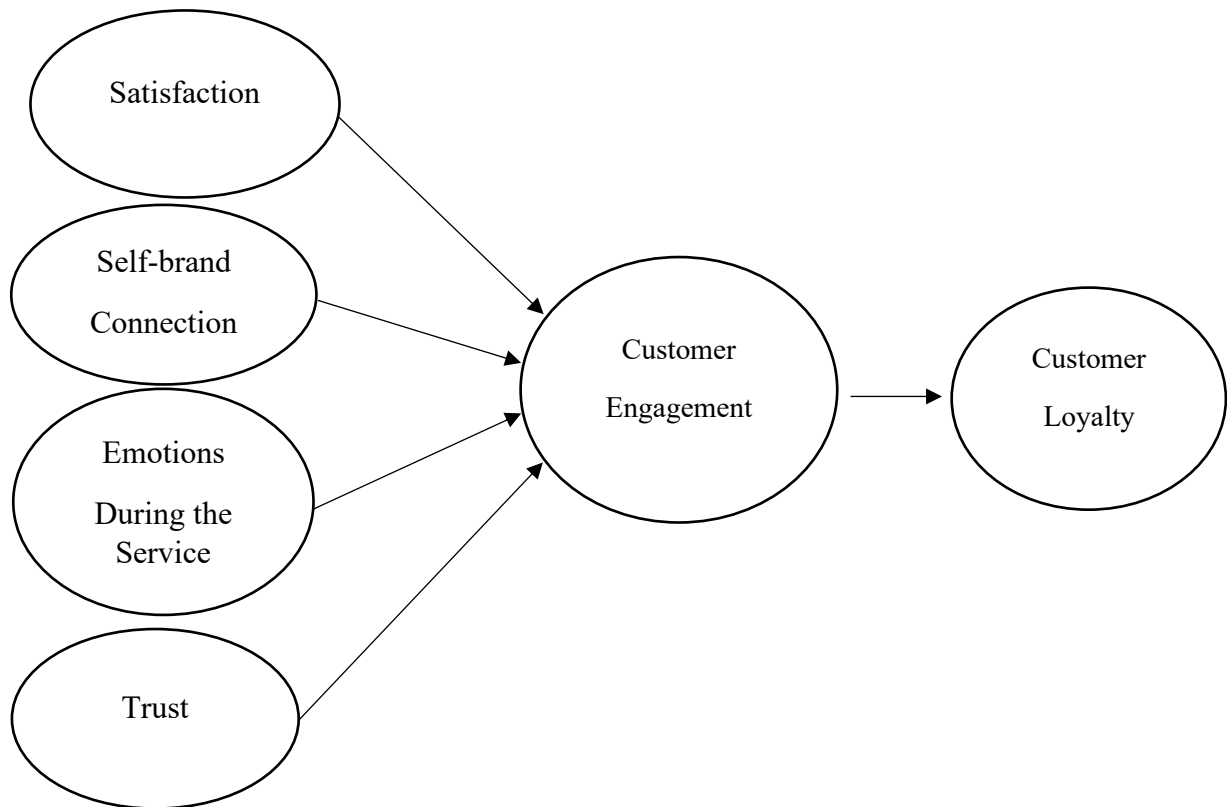
Source: Williams and Mackay (2020)

The findings revealed a valid and reliable 14-item scale to measure customer engagement in South African retail banks, with high internal consistency ($\alpha = 0.96$) and strong correlations to loyalty, trust, and satisfaction (Williams & Mackay, 2020). The study confirmed customer engagement as a multidimensional construct (cognitive, emotional, behavioral) critical for fostering long-term relationships and competitive advantage. Despite its contributions, the cross-sectional design and non-probability sampling limited generalizability, suggesting future longitudinal or industry-wide research.

2.5 Conceptual Framework of the Study

Figure (2.3) shows how this study's conceptual framework was based on theoretical notions and earlier investigations.

Figure (2.3) Conceptual Framework of the Study



Source: Own Compilation (2025)

Figure 2.3 shows that in the first part of the conceptual framework, influencing factors (satisfaction, self-brand connection, emotions during service, and trust) are independent variables and customer engagement is dependent. Williams and Mackay (2020) found that consumer engagement is independent and loyalty is reliant in the second portion.

Working Definitions:

Customer Engagement: refers to the active involvement and connection that corporate customers maintain with their banking services, characterized by recurring behavioral interactions and psychological investment. This includes their willingness to use multiple services, provide feedback, and participate in the bank's programs. Engagement develops through positive experiences where customers feel valued and understood by the bank.

Customer Loyalty: represents a customer's ongoing commitment to continue using a bank's services over time, manifesting as both attitudinal allegiance and behavioral

persistence. Loyal customers consistently choose the same bank for their financial needs, renew contracts without hesitation, and recommend the bank to other businesses. This loyalty stems from repeated satisfactory experiences and trust in the bank's reliability.

Trust: reflects customers' confidence in their bank's ability to protect their interests and deliver on promises, particularly regarding competence, integrity, and benevolence. It is built through consistent service quality, honest communication, and demonstrated competence in handling financial matters. Customers trust banks that maintain transparency about fees, promptly resolve issues, and safeguard sensitive information.

Satisfaction: measures how well a bank's services meet customer expectations, across functional and relational dimensions. Satisfied customers receive efficient service, find banking processes convenient, and feel their needs are properly addressed. High satisfaction occurs when the actual service experience matches or exceeds what customers anticipated.

Emotions During Service: capture how customers feel during their banking interactions. Positive emotions like comfort and reassurance strengthen relationships, while negative emotions like frustration can damage them. These emotional responses are particularly influenced by staff interactions, problem resolution, and the ease of using services.

Self-Brand Connection: describes how closely customers identify with their bank's values and image, measured through congruence perception and identification strength. When customers see the bank as reflecting their own business identity - whether innovative, traditional, or socially responsible - they develop stronger attachments. This connection grows when banks consistently demonstrate values that resonate with their customers.

CHAPTER 3

PROFILE AND PRODUCTS AND SERVICES OF KBZ BANK

This chapter presents profile and organization structure of KBZ Bank. Moreover, it presents the financial products and services that are offered by KBZ Bank. Then, it describes how the bank arranges to get customer satisfaction, self-brand connection, emotions during the service and customer trust.

3.1 Profile of KBZ Bank

Kanbawza Bank is a successful Myanmar private bank. KBZ Bank was founded in Taunggyi, Southern Shan State, on July 1, 1994, under the Myanmar Financial Institutions and Banking Law and Central Bank of Myanmar regulations. Shans are a Myanmar ethnic group. The state was once called "Kanbawza". Taunggyi has its first KBZ Bank branch. After becoming CEO of the financial firm in 1995, U Aung Ko Win completely overhauled the company.

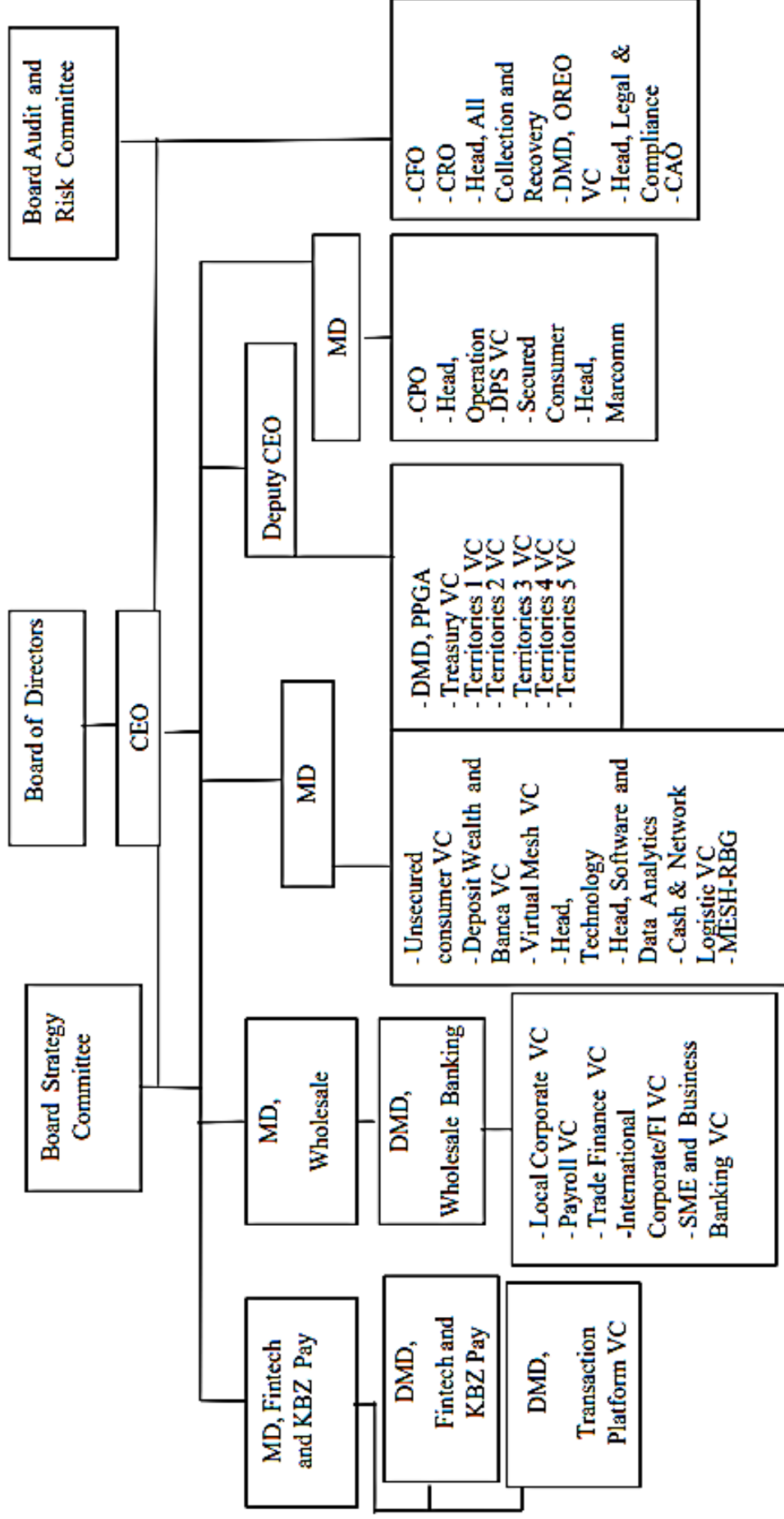
U Aung Ko Win led the business to become Myanmar's largest private bank. The CBM allowed KBZ Bank to open its second branch in 1999. Yangon became KBZ Bank's headquarters in April 2000 (CCI France Myanmar, 2023). The Mingalar Zay Branch, Myanmar's economic center, opened as the first branch outside Taunggyi Shan State. KBZ Bank has over 400 branches nationwide, 1,300 ATMs, 9 million KBZ Pay clients, 46,000 agents, 240,000 merchants, and 34 KBZ Pay centers (KBZ Bank, 2023). KBZ Bank received an Authorized Dealer Licence (ADL) from the Central Bank of Myanmar in November 2011 to conduct international banking. In 2012, KBZ Bank released Myanmar's first ATM and debit card. According to KBZ Bank (2023), KBZ Bank was the first Myanmar financial institution to open representative offices abroad to expand globally. It has approximately 400 locations, 24,000 employees, and a 40% corporate and retail market share. Promoting regional sales events for KBZ Pay, a complete mobile money service, can provide financial inclusion for all Myanmar's in 2019. The banking industry, vital to the nation's success, has paid the highest corporate taxes for six years.

Banks boosted financial industry growth (KBZ Bank, 2023). The Economic Dividends for Gender Equality (EDGE) certified KBZ Bank. The World Economic Forum developed the primary gender equality certification and assessment method in 2011. For better CSR implementation, KBZ Bank created the Social Purpose and Impact Partnership (SPIP) committee. The goal is to meet worldwide professionalism and transparency

requirements (KBZ Bank, 2023; French CCI in Myanmar, 2023). The following describes KBZ Bank's vision, purpose, and values. Objective: to create a top management bank. To reach this goal, we have made the most significant changes in our history since 2017 using global best practices. The goal of this transformation is to apply new leadership theories and technologies.

This mission statement aims to strengthen Myanmar now and in the future. (a) To achieve comprehensive financial inclusion in Myanmar: providing exceptional financial services and an unmatched customer experience to all Burmese citizens, underpinned by solid infrastructure and considerable expertise. Service Leadership in ASEAN 2024: By raising the bar, we will become the bank the region's top provider of customer-focused financial services. Core Values: Principles and concepts guide KBZ Bank's decisions and actions. Three principles—courage (Virya), perseverance (Thet Ti), and compassion—guide employee behavior. Under its slogan, "Strength of Myanmar," KBZ researches and wields strength KBZ Bank strives to be the world's top bank and provide Myanmar's population with complete financial services. Three years of reform and transition have prepared us to attain these goals. The current business model uses Myanmar's young labor, rising education, rapid digitization, community entrepreneurship, and inventive attitude. Myanmar's economy and people gain from the strategy (KBZ, 2024).

Figure (3.1) Organization Structure of KBZ Bank



Source: KBZ Bank, 2024

The KBZ Bank organization has five zones, eight functions, and fourteen value centers. Except MESH, RBG, PPGA, CPO, CFO, CRO, and CAO, all value centers and jobs have departments. Wholesale banking, SME banking, trade finance, payroll services, international corporate and financial institution services, transaction platforms, unsecured consumer loans, wealth deposit management, and others. Five Regions, Treasury, Banking, Cash Management, Network Logistics, Virtual Mesh. The remaining eight tasks are Fintech, KBZ Pay, Technology, Software and Data Analytics, Operations, Secure Consumer, Marketing Communications, Collection and Recovery, and Legal and Compliance. The Deputy CEO and four Managing Directors supervise each Value Center and Function. The KBZ Bank organizational structure is shown in Figure 3.1.

3.2 Types of Products Provided by KBZ Bank

The leading financial institution in Myanmar, KBZ Bank, offers a wide range of financial products and services to meet individual and business needs. Savings, fixed, current, and call deposit accounts are available from the bank. It also offers children's savings accounts and foreign currency accounts to meet clients' financial demands.

Table (3.2) Types of Products Provided by KBZ Bank

No.	Type of Product	Categories
1	Demand Deposits	Saving Accounts, Current Accounts, Fixed Accounts, Special Accounts, Call Accounts, Minor Accounts, Children's Savings Accounts, Foreign Currency Accounts
2	Loans and Advances	Overdrafts, Demand Loans, Hire Purchase, Personal Loans, SME Loans
3	Remittances	Local Telegraphic Transfers, Inward and Outward Remittance, Western Unions Transfers, Payment Order
4	Cash Management	Receivables Management, Payroll Processing, Cash payables
5	Transactional Banking	KBZ iBanking, Smart Payroll, Agent Banking, KBZ pay (mobile money financial inclusion), E-Commerce
6	Cards Payment Services	Myanmar Payment Union Card (MPU Debit and Credit), VISA Debit and Credit Cards (World Travel Card), Master Card, Union Pay International Travel Mate Card (UPI Credit)
7	International Services (in details)	Remittance Services Inward (Trade and Non-Trade) and Outward (Trade and Non-Trade) Western Union, Merchant Trade, Ria, Thunes, Trunglo (Worker Remittance), Foreign Exchange Services, Letter of Credit (LC), Import Services, Financing Export services and Bank Guarantee
8	Other Services	Safe Deposit Lockers and Gift Cheques

Source: KBZ Bank, 2024

KBZ Bank offers demand deposits, loans and advances, cash management, transactional banking, card services, and overseas banking, as shown in Table 3.2. Each area offers a wide range of financial options for individuals and businesses.

Overdrafts, demand loans, hire purchase loans, and SMEs loans are available from KBZ Bank. The bank offers trade finance, cash management tools including payroll, and procurement to boost corporate efficiency.

KBZ iBanking, mBanking, and ATMs let customers manage their money remotely. KBZ Pay provides agent banking, MPU Debit Card, Visa Card, MasterCard, remittances, and foreign exchange. The bank offers export/import loans and trade and non-trade remittance alternatives.

Starting in 2022, KBZ Bank will provide Doorstep Banking to boost customer convenience. This initiative offers safe banking services directly to consumers, showing the bank's commitment to customer service and financial accessibility.

As KBZ Bank continues to offer a wide range of products and services, understanding client satisfaction is crucial. Although the bank is accessible, tangibility, reliability, responsiveness, service capabilities, and trust are crucial to customer satisfaction. This section will analyze how accessibility, responsiveness, service capabilities, and trust impact KBZ Bank customer satisfaction.

3.3 Factors Influencing Customer Engagement Provided by KBZ Bank

In the competitive and evolving banking sector of Myanmar, customer engagement has emerged as a strategic priority for long-term success. For KBZ Bank, which serves a broad spectrum of clients across the country, building and maintaining strong customer engagement is critical not only for retention but also for promoting sustainable growth. Customer engagement is influenced by satisfaction, self-brand connection, emotions during service, and trust, according to this study. These dimensions were selected based on existing theoretical frameworks and validated through the survey results collected from KBZ Bank's international corporate customers. These engagements are further strengthened by KBZ's specialized offerings like trade finance solutions and Doorstep Banking services.

3.3.1 Satisfaction

Customer pleasure is key to engagement. It shows how well the bank satisfies client expectations through consistent service, good communication, and dependable financial products. KBZ Bank provides savings and deposit accounts, personal and business loans, foreign exchange, and digital payment systems like KBZPay to ensure customer pleasure, supplemented by payroll services and procurement solutions that streamline corporate financial operations.

3.3.2 Self-Brand Connection

The emotional and psychological connection that customers establish with a brand is referred to as the self-brand connection. This connection occurs when customers think that the brand corresponds with their self-image, lifestyle, and values. The KBZ Bank has positioned itself as a contemporary, forward-looking, and socially responsible financial organization that places an emphasis on principles such as innovation, integrity, and community support. The KBZ Bank commitment extends to specialized services like export/import financing that align with corporate clients' international growth ambitions. The bank cultivates a robust sense of identity among its clientele by means of its branding, marketing initiatives, and corporate principles, which include Metta (loving-kindness), Thet Ti (courage), and Virya (perseverance), among others.

3.3.3 Emotions During the Service

A significant factor that plays a part in influencing the level of engagement that customers have with the bank is the emotional experience that they have during encounters with service representatives. Positive feelings, such as a sense of being welcomed, appreciated, and secure, have the potential to dramatically improve the whole banking experience and to produce impressions that are long-lasting and extend beyond the contacts that are just transactional in nature. Because KBZ Bank understands the significance of emotional experience, it has provided its employees with training to ensure that they provide service that is courteous, empathic, and solution oriented. This approach extends to digital channels through KBZ iBanking and mBanking platforms designed for seamless corporate transactions. Efforts are taken to ensure that clients have a pleasant and trouble-free experience whenever they engage with the bank, whether it is in person at a branch or digitally through KBZPay or internet banking.

3.3.4 Trust

In the banking business, where consumers need to feel sure that their money, data, and interests are protected, trust is a crucial component of customer engagement. This is especially true in the banking industry. Over the years, KBZ Bank has established a solid reputation for being trustworthy, transparent, and conducting business in an ethical manner. This is operationalized through secure cash management systems and PCI-compliant card services that safeguard corporate transactions. The trust of KBZ Bank's customers has been acquired via the provision of secure digital banking systems, the maintenance of open lines of communication, and the observance of both domestic and international policies governing the financial sector.

CHAPTER 4

ANALYSIS OF FACTORS INFLUENCING CUSTOMER ENGAGEMENT AND CUSTOMER LOYALTY AT KBZ BANK

Five parts make up this chapter. First portion covers study design; second section covers respondent profiles. Third section: consumer impressions of influencing variables, engagement, and loyalty. Fourth section analyzes affecting variables and consumer involvement. Finally, it analyzes how consumer interaction affects loyalty.

4.1 Research Design

This study examines how multinational corporate KBZ Bank clients engage and stay loyal. References include original and secondary data. Structured 5-point Likert scale questionnaire for main data.

Yamane Formula (1967) calculates 137 foreign corporate clients from 210. Sample size is chosen by simple random sampling. The Yamane sample size formula is:

$$n = \frac{N}{(1 + Ne^2)} = \frac{210}{(1 + 210 (0.05)^2)} = 137$$

The variables in this formula are:

n = the sample size (137),

N = the population of the study (210),

E = error (0.05) reliability level 95% or

e = level of precision always set the value of 0.05

Two-section structured questionnaire. Section A requests demographic data from responders. Section B uses a 5-point Likert scale to assess consumer impressions of influencing factors, engagement, and customer. A Google form was used to conduct the survey from May 1 to 14, 2025. This study uses descriptive and quantitative methodologies. KBZ Bank records, published papers, research papers, relevant text books, and foreign studies on the internet are secondary data. Survey data is analyzed using regression analysis to determine the link between independent and dependent variables.

4.2 Reliability Test

The reproducibility of research outcomes under the same settings is called dependability. A test's reliability is its consistency in measuring a trait. Table (4.1) shows Cronbach's Alpha reliability results.

Table (4.1) Reliability Test

Sr. No.	Variable	No. of Items	Cronbach's Alpha
1.	Satisfaction	7	.787
2.	Self-brand connection	7	.783
3.	Emotions during the service	7	.834
4.	Trust	7	.814
5.	Customer Engagement	7	.812
6.	Customer Loyalty	7	.843

Source: Survey Data (2025)

The reliability test shows that Cronbach's Alpha values for variables investigated in this study are more than 0.7 (George & Mallery, 2003). The structured questions are constant, hence this study's conclusions are legitimate and dependable.

4.3 Demographic Data of the Respondents

Standardized questionnaires were sent to 137 worldwide business clients to obtain main data. The demographic profile of responders is crucial to detecting sample population features. Table 4.2 lists the demographics of structured questionnaire respondents.

Table (4.2) Demographic Data of the Respondents

Sr. No.	Item	Category	No. of Respondents	Percent
		Total	137	100.00
1.	Gender	Male	72	52.55
		Female	65	47.45
2.	Marital Status:	Single	81	59.12
		Married	56	40.88
3.	Age (Years)	20 or younger	18	13.14
		21-30	64	46.72
		31-40	33	24.09
		41-50	16	11.67
		Older than 50	6	4.38
4.	Education Level	Lower than Bachelor's degree	17	12.41
		Bachelor's degree	74	54.01
		High School	26	18.98
		Master Degree	20	14.60
5.	Occupation	Student	33	24.08
		Senior Staff	42	30.66
		Supervisor	31	22.63
		Assistant Manager/ Manager	31	22.63

Source: Survey Data, 2025

The total replies are 72 men (52.6%) and 65 females (47.4%). The statistics show that most responders are men. These findings indicate that KBZ Bank attracts more men. Respondent ages are spread as follows: 13.1% are 20 or younger, 46.7% are 21–30, 24.1% are 31–40, 11.7% are 41–50, and 4.4% are above 50. These data show that most KBZ Bank clients are youthful to middle-aged people.

Most of the respondents are single, and made up 59.1% of respondents, while married people accounted for 40.9% of respondents. This suggests that single individuals are more likely to engage with KBZ Bank, possibly due to their mobility, lifestyle preferences, and flexible financial behavior.

Regarding the level of education, there are 26 respondents with high school education (19.0% of total respondents), and 17 respondents with lower than Bachelor's degree (12.4% of total respondents). Majority of the respondents have a Bachelor's degree (54.0%), while respondents with Master Degree accounted for 14.6%. These results indicate that majority of the customers of KBZ Bank are well-educated people.

Most of the respondents are senior staff, and made up 30.7% of respondents, while 24.1% of respondents are students. Furthermore, 22.6% of respondents are supervisors, and another 22.6% are assistant managers or managers. This shows that most of the customers of KBZ Bank come from working professional backgrounds.

It is concluded that majority of the customers of KBZ Bank are young to middle-aged adult males. This means male customers are generally more engaged in banking activities. Most of the customers of KBZ Bank are single, well-educated individuals with professional occupations who frequently use the bank's services, reflecting a dynamic and financially active customer base.

4.4 Perception of Influencing Factors on Customer Engagement and Customer Loyalty

This section discusses customer engagement, loyalty, and perception of four contributing elements (satisfaction, self-brand connection, emotions during service, and trust). KBZ bank collected structured questionnaires from 137 client engagements using Google forms. Structured questions using a five-point Likert scale (1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, and 5=Strongly Agree) were used to collect primary data on consumer attitude impacting variables. According to Best (1977), Table 4.3 shows the mean rating scale.

Table (4.3) Mean Rating Scale

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

Source: Best, 1977

To evaluate structured questionnaire data using 5-point likert scale, Best (1977) defined the mean rating scale, score range, and mean rating. This study utilizes Best (1977) mean rating score.

4.4.1 Influencing Factors

The descriptive findings of independent variables, influencing factors, are presented here. Satisfaction, self-brand connection, service emotions, and trust influence.

(a) Satisfaction

Satisfaction for KBZ bank is measured in terms of consistent expectation fulfillment, value-for-money offering, satisfactory service reception, staff professionalism demonstration, effective concern handling, transaction accuracy assurance, and personal attention provision. Table 4.4 shows respondents' KBZ bank satisfaction ratings.

Table (4.4) Satisfaction

Sr. No.	Satisfaction	Mean Score	Std. Dev
1.	Meeting customer expectations consistently by KBZ Bank	3.88	0.68
2.	Offering value for money	4.12	0.69
3.	Delivering satisfactory service	4.13	0.59
4.	Demonstrating professionalism by KBZ Bank staff	4.22	0.76
5.	Handling customer concerns effectively	4.21	0.64
6.	Ensuring accuracy and reliability in transactions	4.28	0.74
7.	Providing a satisfactory level of personal attention	4.13	0.72
	Overall Mean	4.14	

Source: Survey Data, 2025

Table (4.4) shows that the highest mean score of 4.28 indicates that most respondents strongly believe that the bank's transactions are accurate and reliable. The second highest mean score of 4.22 indicates that most respondents strongly believe that KBZ Bank workers are professional. Most respondents strongly agree that KBZ Bank addresses customer complaints well, scoring 4.21 on average. The aggregate mean score of 4.14 shows that most respondents are happy with KBZ Bank's services and participation.

(b) Customer Self-brand Connection

Customer self-brand connection for KBZ bank is measured in terms of identity reflection process, KBZ bank identification, personal connection feeling, personality matching alignment, self-image association, brand pride feeling, and lifestyle-brand alignment. Table (4.5) describes the perceptions of the respondents towards customer self-brand connection for KBZ bank.

Table (4.5) Customer Self-brand Connection

Sr. No.	Customer Self-brand Connection	Mean Score	Std. Dev
1.	Reflecting customer identity	4.26	0.75
2.	Identifying with KBZ Bank	4.24	0.64
3.	Feeling a personal connection with KBZ Bank	4.26	0.74
4.	Matching customer personality	4.23	0.66
5.	Considering KBZ Bank as part of self-image	4.29	0.67
6.	Feeling proud of being associated with the KBZ Bank brand	4.25	0.76
7.	Seeing KBZ Bank as a brand aligning with customer lifestyle and preferences	4.38	0.64
Overall Mean		4.27	

Source: Survey Data, 2025

Table (4.5) shows that the highest mean score of 4.38 indicates that most respondents strongly agree that KBZ Bank fits their lifestyle and preferences. The second highest mean score of 4.29 indicates that most respondents strongly agree that KBZ Bank is part of their identity. Most respondents strongly agree that KBZ Bank reflects who they are and that they have a personal connection with the bank (mean score 4.26). The total mean score of 4.27 shows that most respondents strongly believe that they have a strong self-brand connection with KBZ Bank.

(c) Customer Emotions during the Service

Customer emotions during the service for KBZ bank is measured in terms of comfortable staff interaction, valued service experience, needs understanding confidence, service treatment satisfaction, respectful employee interaction, financial management security, and positive branch experience. Table (4.6) describes the perceptions of the respondents towards customer emotions during the service for KBZ bank.

Table (4.6) Customer Emotions during the Service

Sr. No.	Customer emotions during the service	Mean Score	Std. Dev
1.	Interacting comfortably with KBZ Bank staff	4.11	0.61
2.	Feeling valued during service experiences at KBZ Bank	4.31	0.67
3.	Feeling confident in KBZ Bank's understanding of my needs	4.19	0.71
4.	Feeling happy with treatment during service encounters	4.31	0.73
5.	Feeling respected when dealing with KBZ Bank employees	4.20	0.69
6.	Feeling secure when managing finances through KBZ Bank	4.34	0.71
7.	Experiencing positive emotions when visiting KBZ Bank branches	4.23	0.67
Overall Mean		4.24	

Source: Survey Data, 2025

Table (4.6) shows that the highest mean score of 4.34 indicates that most respondents strongly agree that KBZ Bank makes them feel comfortable when handling their funds. The second highest mean score of 4.31 indicates that most respondents strongly agree that they feel valued and delighted with their KBZ Bank service experience. The respondents overwhelmingly agree that visiting KBZ Bank branches makes them feel good, with a mean score of 4.23. The total mean score of 4.24 shows that most respondents strongly agree that KBZ Bank service contacts make them feel good.

(d) Trust

Trust for KBZ bank is measured in terms of best-interest trust, information protection trust, institutional dependability belief, employee advice trust, issue resolution trust, ethical management belief, and trust development process. Table 4.7 shows respondents' KBZ bank trust perceptions.

Table (4.7) Trust

Sr. No.	Trust	Mean Score	Std. Dev
1.	Trusting KBZ Bank to act in customers' best interests	4.28	0.63
2.	Trusting KBZ Bank to protect personal and financial information	4.36	0.63
3.	Believing KBZ Bank is a dependable financial institution	4.26	0.71
4.	Trusting advice provided by KBZ Bank employees	4.30	0.73
5.	Trusting KBZ Bank to resolve issues fairly and promptly	4.29	0.67
6.	Believing the management of KBZ Bank behaves ethically	4.28	0.65
7.	Strengthening trust in KBZ Bank over time	4.30	0.61
Overall Mean		4.30	

Source: Survey Data, 2025

According to Table (4.7), the highest mean score of 4.36 indicates that the majority of respondents strongly agree that they trust KBZ Bank to protect their personal and financial information. The second highest mean scores of 4.30 show strongly agree that respondents trust the advice provided by KBZ Bank employees and that their trust in the bank has strengthened over time. Most respondents strongly trust KBZ Bank to address concerns fairly and quickly, scoring 4.29 on average. The total mean score of 4.30 shows that most respondents strongly trust KBZ Bank in ethics, reliability, and client interest.

Table (4.8) Summary of Overall Mean Value

Sr. No.	Influencing Factors	Mean Score
1.	Satisfaction	4.14
2.	Self-brand Connection	4.27
3.	Emotions during the Service	4.24
4.	Trust	4.30

Source: Survey Data, 2025

Table (4.8) shows all influencing factors mean scores over 3.00. Thus, customers like the e-electric billing method.

4.4.2 Customer Engagement

Customer engagement for KBZ bank is measured in terms of valued branch interaction, personal branch relationship, positive service interaction, emotional branch connection, frequent product usage, service improvement feedback, and social media engagement. Table (4.9) describes the perceptions of the respondents towards customer engagement for KBZ bank.

Table (4.9) Customer Engagement

Sr. No.	Customer Engagement	Mean Score	Std. Dev
1.	Feeling valued in interactions with the Bank branch	4.22	0.63
2.	Experiencing a personal relationship with the KBZ Bank branch	4.35	0.65
3.	Having mostly positive service interactions with KBZ Bank	4.29	0.61
4.	Feeling an emotional link with the KBZ Bank branch	4.40	0.66
5.	Frequently using KBZ Bank's products and services	4.28	0.67
6.	Providing feedback or suggestions to improve KBZ Bank's services	4.41	0.69
7.	Following KBZ Bank's social media channels or news updates	4.27	0.60
Overall Mean		4.32	

Source: Survey Data, 2025

Table (4.9) shows that the highest mean score of 4.41 indicates that most respondents strongly agree that they give comments or recommendations to improve KBZ Bank's services. The second highest mean score of 4.40 strongly agrees that respondents feel emotionally connected to KBZ Bank branch. A mean score of 4.35 indicates that most respondents strongly believe that they have a personal contact with KBZ Bank branch. The mean score of 4.32 indicates that respondents strongly believe that KBZ Bank engages them through meaningful contacts, emotional connection, and active engagement.

4.4.3 Customer Loyalty

Customer loyalty for KBZ bank is measured in terms of bank recommendation intention, service usage encouragement, future usage intention, positive word-of-mouth, service usage continuity, bank preference loyalty, and brand belonging feeling. Table (4.10) shows respondents' views on KBZ bank customer loyalty.

Table (4.10) Customer Loyalty

Sr. No.	Customer Loyalty	Mean Score	Std. Dev
1.	Recommending KBZ Bank to those seeking financial advice	4.27	0.67
2.	Encouraging relatives and friends to use KBZ Bank's services	4.37	0.58
3.	Intending to use more KBZ Bank services in the future	4.33	0.63
4.	Saying positive things about KBZ Bank to others	4.42	0.64
5.	Continuing to use KBZ Bank's services despite potential rate increases	4.32	0.67
6.	Preferring KBZ Bank over competing financial institutions	4.40	0.68
7.	Feeling a strong sense of belonging to KBZ Bank	4.34	0.68
	Overall Mean	4.35	

Source: Survey Data, 2025

Table (4.10) shows that the highest mean score of 4.42 indicates that most respondents strongly agree that they recommend KBZ Bank. The second highest mean score of 4.40 indicates substantial agreement that respondents prefer KBZ Bank for financial requirements. Most respondents strongly agree that they would recommend KBZ Bank to family and friends, with a mean score of 4.37. The mean score of 4.35 indicates that respondents firmly agree that they are loyal to KBZ Bank, continuously promote it, expect to continue its services, and have a high preference and emotional connection.

4.5 Regression Analysis of Influencing Factors on Customer Engagement

To examine the link between influencing variables and customer involvement using a standardized questionnaire with 137 responses. Multiple regression analyzes the data, and Table 4.11 shows the results.

Table (4.11) Regression Analysis of Influencing Factors on Customer Engagement

Variables	Unstandardized Coefficients		Standardized Coefficients (Beta)	t	Sig.	VIF.
	B	Std Error				
(Constant)	.740	.237		3.124	.002	1.723
Satisfaction	.047	.064	.049	.737	.462	2.764
Customer self-brand connection	.182**	.081	.188	2.244	.026	3.851
Customer emotions during the service	.328***	.090	.360	3.636	.000	4.408
Trust	.283***	.103	.291	2.750	.007	1.723
R ²	.664					
Adjusted R ²	.654					
F Value	65.354***					

Source: Survey Data, 2025

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

Table (4.11) shows that this model can explain 65.4% of consumer engagement-predicted influencing factors since the modified R square is 0.654. This study has no serial correlation or multicollinearity because all Variance Inflation Factor (VIF) values are below 10. The model's F value is highly significant at the 1% level, demonstrating validity. Most influential elements boost customer engagement.

Customer emotions during service are substantially correlated with 1% customer engagement. Customer involvement will increase by 0.328 units if customer emotional experience increases by 1 unit during service. Trust is also important for 1% consumer engagement. Improved customer trust by 1 unit increases customer engagement by 0.283

unit. Self-brand connection is important with 5% consumer engagement. Improved consumer self-brand connection by 1 unit increases customer engagement by 0.182 unit.

The standardized coefficient (Beta) score for customer emotions during service is the highest of the three important explanatory factors. It shows that emotional variables like feeling comfortable, appreciated, and valued during service encounters are most important for customer engagement. Thus, consumer emotions throughout service are the most important aspect in this paradigm.

4.6 Regression Analysis of Customer Engagement on Customer Loyalty

The link between customer involvement and loyalty is examined using structured surveys from 137 consumers. Regression analyzes the data, as illustrated in Table 4.12.

Table (4.12) Regression Analysis of Customer Engagement on Customer Loyalty

Variable	Unstandardized Coefficients		β	t	Sig.
	B	Std Error			
(Constant)	.805	.249		3.230	.002
Customer Engagement	.821***	.057	.776	14.305	.000
R ²	.603				
F Value	204.638***				

Source: Survey Data (2025)

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

Table (4.12) shows that this model can explain 60.3% of consumer engagement variance predicted by customer loyalty since R square is 0.603. The model's F value is highly significant at the 1% level, demonstrating validity. Customer involvement boosts loyalty.

Customer engagement is high, and loyalty is 1%. A 1 unit increase in customer involvement increases customer loyalty by 0.821 unit.

The standardized coefficient (Beta) score for customer involvement is 0.776, indicating that it is vital to customer loyalty. Since client interaction is the most important component in this strategy.

CHAPTER 5

CONCLUSION

This chapter presents findings and debates. Based on findings, recommendations are made. This study has limitations, thus more research is needed.

5.1 Findings and Discussions

This research explores KBZ Bank's customer engagement variables and their impact on loyalty. Primary data were acquired using structured questionnaires with a 5-point Likert scale from 137 worldwide corporate clients selected using Yamane's method.

Taking into consideration the demographic profile, the majority of respondents are adult men between the ages of young and middle-aged who are actively involved in banking operations. The majority of consumers are now employed in professional roles such as senior staff, supervisors, and assistant managers. Additionally, the majority of customers are single and have master's degrees. In addition, the data suggest that these consumers make regular use of the services provided by the bank, with transactions taking place on a weekly or multiple times per week.

KBZ Bank performs well in preserving accuracy and dependability in transactions, as well as managing client issues in a professional manner, according to the results, which indicate that the bank is successful in terms of customer satisfaction. Customers, on the whole, have favorable impressions of these features of the service. Nevertheless, the findings of the investigation indicate that although the levels of customer satisfaction are high, they do not significantly contribute to the degree of consumer involvement. This shows that in the context of corporate banking partnerships, customer pleasure serves as a fundamental basis that consumers anticipate, however greater involvement necessitates extra emotional and relational ties within the relationship.

For the purpose of this study, the respondents' impressions of KBZ Bank as a brand that represents their individual identities were investigated. According to the findings, a sizeable majority of respondents (include a percentage if it is available) had the perception that KBZ Bank is closely connected with their lifestyle and personal preferences. This particular aspect received the highest mean score among the items that were examined. KBZ Bank is also associated with the respondents' self-image, which suggests that the brand identity of the bank is congruent with the respondents' own personal values. It

appears that a significant number of customers have a strong connection to their own self-brand, since a significant proportion of respondents have reported feeling an emotional link to KBZ Bank.

The results of this study investigate the emotional reactions of consumers toward KBZ Bank during their encounters with the bank. According to the findings, the item that measures the amount of financial security that consumers feel when utilizing the services provided by KBZ Bank has the greatest level of agreement among the customers. In addition, respondents had good opinions about the way they are treated by bank employees, with many of them reporting that they feel respected and appreciated throughout their interactions with the organization's service representatives. In general, the majority of respondents define their emotional experiences with KBZ Bank as being generally good, emphasizing their pleasure with the service environment provided by the bank.

Over the course of the study, a number of different aspects of trust in KBZ Bank are evaluated. These aspects include data security, personnel reliability, and long-term confidence. Based on the findings, it is clear that the highest degree of agreement may be linked to the customers' faith in KBZ Bank's capacity to protect their personal and financial information. Additionally, respondents have faith in the professional advice that is offered by bank workers, and a significant number of them have said that their trust in the institution has grown substantially over the course of time. Based on these results, it appears that KBZ Bank continues to uphold a sturdy reputation among its corporate clients for being dependable, engaging in ethical business activities, and providing service that is centered on the customer.

Based on the findings of the analysis of customer involvement, it has been determined that the statement that is most firmly agreed with is the one that related to the willingness of consumers to submit feedback or service improvement recommendations. Furthermore, respondents indicated that they had a strong emotional tie to the KBZ Bank branch that is located in immediate vicinity, with many of them reporting on a particular relationship with the institution and its employees. Based on the data, it can be deduced that a significant proportion of the customer base is actively involved in the service ecosystem of the bank, exhibiting both emotional and behavioral engagement with KBZ Bank.

The study project makes use of a variety of distinct characteristics, such as advocacy, preference, and long-term commitment, in order to assess the level of consumer loyalty. The highest level of agreement that the survey participants recorded is associated

with the likelihood that the respondents will recommend KBZ Bank to other people, as indicated by the statistics. In addition, when it comes to servicing their banking requirements, a substantial majority of respondents claim that they have a clear preference for KBZ Bank over other financial institutions that are in competition with it. This preference is based on the fact that KBZ Bank is the market leader in the banking industry. An additional aspect that adds to the customers' desire to maintain their relationship with the financial institution is the fact that a significant number of customers have the perception that they are a part of the bank. According to these data, it would appear that KBZ Bank has a clientele that is comprised of a loyal customer base that is characterized by positive word-of-mouth, preference for the brand, and continued patronage.

As the first aim, multiple regression analysis examines how satisfaction, customer self-brand connection, customer emotions during service, and trust affect customer engagement. Customer engagement increases with self-brand connection, service emotions, and trust, according to regression. Customer emotions throughout service are extremely important. In real time, emotions affect how people perceive and engage with brands. Feeling appreciated, respected, cared for, or astonished makes a lasting impression and encourages clients to connect more with the bank.

Regression analysis examines how customer interaction affects KBZ Bank loyalty as the second aim. Regression shows that client interaction increases KBZ Bank loyalty. By actively engaging with its customers, KBZ Bank builds trust, fosters strong connections, and nurtures a sense of community, all of which lead to increased customer loyalty over time.

5.2 Suggestions and Recommendations

Research shows that client interaction increases KBZ Bank customer loyalty. During service, client emotions have the greatest impact on engagement. To boost client engagement and loyalty, KBZ Bank should focus on customer interaction. Additionally, KBZ Bank should boost customer engagement and loyalty by improving client emotions during service, trust, self-brand connection, and operational excellence.

The creation of favorable emotional experiences for customers should be KBZ Bank's top priority throughout contacts with customers. The employees should be educated to provide service that is kind, respectful, and individualized in order to make the clients feel that they are appreciated. The need of communication that is both clear and pleasant should be highlighted in order to eliminate confusion and develop rapport. Additional

factors that contribute to the comfort of customers include the maintenance of service environments that are clean, well-organized, and pleasant. The emotional relationships between employees and consumers may be further strengthened by encouraging employees to identify returning customers by name.

KBZ Bank must maintain accuracy and dependability in all transactions, eliminating errors and delays, in order to increase the level of trust that its customers have in the bank. Information should be provided in an open and honest manner, and staff members should always follow through on their obligations. In order to reassure clients about the protection of their financial information, stringent data security procedures should be adopted and disclosed in a transparent manner. When issues raised by customers are addressed in a timely and equitable manner, the bank's reputation for reliability will be further strengthened.

In order to better serve its corporate clients, KBZ Bank ought to integrate the values and message of its brand with the lives and goals of those consumers. The attributes of innovation, dependability, and community support should be highlighted in marketing efforts since they are qualities that resonate with customers. A deeper sense of identification with the bank may be fostered through the presentation of testimonials from satisfied customers and participation in community-based projects. By employing a communication style that is relevant and providing individualized service encounters, this relationship will be further strengthened.

The implementation of extensive feedback methods, including as surveys, social media monitoring, and in-branch interactions, should be implemented by KBZ Bank in order to improve the efficiency of its operations. These techniques should be used to systematically identify and fix service shortcomings. It is recommended that regular training programs for staff be implemented, with the primary focus being on the development of active listening skills, problem-solving approaches, and the ability to provide tailored service capability. In addition, the bank must make certain that all of its branches are equipped with contemporary conveniences and that they adhere to high standards of cleanliness and efficiency in order to provide the best possible experience for their customers. Through the implementation of these operational enhancements, KBZ Bank will be able to boost client engagement, promote long-term loyalty, and establish its position as a financial institution that is focused on the customer.

5.3 Need for Further Study

There are no other banks in Myanmar that are included in this study; rather, it is primarily concerned with the elements that influence customer engagement and the effect that this engagement has on customer loyalty towards KBZ Bank. For this reason, further research ought to be conducted to explore customer engagement and loyalty across a number of different banks in order to give a more comprehensive knowledge of engagement practices in the Myanmar banking industries. In addition, this research investigates a selection of elements that influence consumer engagement and loyalty. These factors include satisfaction, self-brand connection, emotional experience, trust, and participatory behavior. It is suggested that further study investigate additional aspects, such as the utilization of digital engagement tools, the development of innovative services, the categorization of consumer lifestyles, and the examination of cross-cultural behavioral patterns. By including these elements, a more in-depth understanding of the aspects that either encourage or discourage customer engagement and loyalty will be gained, which will allow for the development of more efficient strategies for the development of long-term relationships within the banking sector.

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APPENDIX A
QUESTIONNAIRE SURVEY

Dear Respondent,

The below mentioned questionnaire is for research title “CUSTOMER ENGAGEMENT AND CUSTOMER LOYALTY AT KBZ BANK”. This research is only concerned with the Master of Banking and Finance (MBF) program conferred by Yangon University of Economics and is purely for academic purposes, with no relation to any business purposes. The questionnaire aims to collect data on customers' experiences with the service of Kanbawza Bank(KBZ Bank), specifically focusing on service quality, customer engagement and customer loyalty. Therefore, I kindly request your cooperation in providing the necessary information. Your time and effort to complete this survey will be appreciated. The information you provide will be kept confidential and will only be used for research purpose.

Part (A) Individual Factors

1. Gender:

- Male
- Female

2. Marital Status:

- Single
- Married

3. Age:

- 20 or younger
- 21-30 years
- 31-40 years
- 41-50 years
- Older than 50 years

4. Education Level:

- Lower than Bachelor's degree
- Bachelor's degree
- Other, please specify _____
- High School
- Master Degree

5. Occupation:

Student

Senior Staff

Supervisor

Assistant Manager/ Manager

Other, please specify _____

Part (B) Influencing Factors

Regarding service quality that you have got from KBZ Bank. To what extent do you agree or disagree with each of the statement?

Use a scale where 1- Strongly disagree, 2- disagree, 3- Neither agree nor disagree, and 4- Agree and 5-Strongly agree.

I. Satisfaction

No.	Particular	1	2	3	4	5
1.	KBZ Bank consistently meets my expectations.					
2.	I am satisfied with the value for money offered.					
3.	I am satisfied with the service I have received.					
4.	I am satisfied with the professionalism of KBZ Bank staff.					
5.	I am satisfied with the way KBZ Bank handles customer concerns.					
6.	I am satisfied with the accuracy and reliability of the bank's transactions.					
7.	I am satisfied with the level of personal attention I receive from KBZ Bank.					

II. Customer self-brand connection

No.	Particular	1	2	3	4	5
1.	KBZ bank reflects who I am.					
2.	I can identify with KBZ bank.					
3.	I feel a personal connection with KBZ bank.					
4.	KBZ bank matches my personality.					
5.	I consider KBZ Bank to be a part of how I see myself.					
6.	I feel proud to be associated with the KBZ Bank brand.					
7.	I see KBZ Bank as a brand that aligns with my lifestyle and preferences.					

III. Customer emotions during the service

No.	Particular	1	2	3	4	5
1.	I feel comfortable when interacting with KBZ Bank staff.					
2.	I feel valued during my service experience at KBZ Bank.					
3.	I feel confident that KBZ Bank understands my needs.					
4.	I feel happy with how I am treated during service encounters.					
5.	I feel respected when dealing with KBZ Bank employees.					
6.	I feel secure when managing my finances through KBZ Bank.					
7.	I feel positive emotions when visiting KBZ Bank branches.					

IV. Trust

No.	Particular	1	2	3	4	5
1.	I trust KBZ Bank to act in my best interest.					
2.	I trust KBZ Bank to protect my personal and financial information.					
3.	I believe KBZ Bank is a dependable financial institution.					
4.	I trust the advice provided by KBZ Bank employees.					
5.	I trust KBZ Bank to resolve any issues fairly and promptly.					
6.	I believe the management of KBZ Bank behaves ethically					
7.	My trust in KBZ Bank has strengthened over time.					

Part (C) Customer Engagement

No.	Particular	1	2	3	4	5
1.	I feel valued in my interactions with the Bank branch.					
2.	I feel as though I have a personal relationship with KBZ Bank branch.					
3.	I mostly have positive service interactions with KBZ bank.					
4.	I feel an emotional link with KBZ Bank branch.					
5.	I frequently make use of KBZ bank's products and services.					
6.	I provide feedback or suggestions to help improve KBZ Bank's services.					
7.	I follow KBZ Bank's social media channels or news updates.					

Part (D) Customer Loyalty

No.	Particular	1	2	3	4	5
1.	I would definitely recommend KBZ bank to someone who seeks my advice.					
2.	I would encourage relatives and friends to use the services offered by KBZ bank.					
3.	I intend to use more services offered by KBZ bank in the future.					
4.	I say positive things about KBZ bank to others.					
5.	I would continue using KBZ bank's services, even if the rates increase somewhat.					
6.	I prefer KBZ Bank over other banks for my financial needs.					
7.	I feel a strong sense of belonging to KBZ Bank.					

APPENDIX B

SPSS OUTPUT

Effect of Influencing Factors on Customer Engagement

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.815 ^a	.664	.654	.25972

a. Predictors: (Constant), Trust Mean, Satisfaction Mean, Customer self-brand connection Mean, Customer emotions during the service Mean

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.633	4	4.408	65.354	.000 ^b
	Residual	8.904	132	.067		
	Total	26.537	136			

a. Dependent Variable: Customer Engagement Mean

b. Predictors: (Constant), Trust Mean, Satisfaction Mean, Customer self-brand connection Mean, Customer emotions during the service Mean

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	VIF.
		B	Std. Error	Beta			
1	(Constant)	.740	.237		3.124	.002	1.723
	Satisfaction Mean	.047	.064	.049	.002	.462	2.764
	Customer self-brand connection Mean	.182	.081	.188	.462	.026	3.851
	Customer emotions during the service Mean	.328	.090	.360	.026	.000	4.408
	Trust Mean	.283	.103	.291	.000	.007	1.723

a. Dependent Variable: Customer Engagement Mean

Effect of Customer Engagement on Customer Loyalty

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.776 ^a	.603	.600	.29568

a. Predictors: (Constant), Customer Engagement Mean

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.891	1	17.891	204.638	.000 ^b
	Residual	11.802	135	.087		
	Total	29.693	136			

a. Dependent Variable: Customer Loyalty Mean

b. Predictors: (Constant), Customer Engagement Mean

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.805	.249		3.230	.002
	Customer Engagement Mean	.821	.057	.776	14.305	.000

a. Dependent Variable: Customer Loyalty Mean