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ADOPTION OF MOBILE WALLET SYSTEM IN MYANMAR: CASE STUDY OF KBZ BANK IN SAGAING

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ADOPTION OF MOBILE WALLET SYSTEM IN MYANMAR: CASE STUDY OF KBZ BANK IN SAGAING

A Thesis is submitted to the Board of Examiners in Partial Fulfillment of the Requirements for the Degree of Master of Public Administration (MPA)

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ABSTRACT

The objective of the study is to examine the factors influencing the adoption of KBZPay Wallet under KBZ Bank. A conceptual framework based on the Technology Acceptance Model (TAM) was developed and tested using data collected from a sample of 300 KBZPay users. The sample was randomly gathered in the Sagaing Township, and the data was collected through well-structured questionnaires. In this study, independent variables, factors affecting include, perceived usefulness, perceived security, time saving and perceived cost and dependent variable is KBZPay Wallet adoption. According to the result from analysis based on there are four influencing variables such as perceived usefulness, perceived security, time saving and perceived costs that influence on customer intention to adopt. For the significant of each variable, perceived usefulness and perceived cost is significant at 1% level and time saving is significant at 5% level. The findings of this study provide valuable insights for decision-makers to understand how digital payment methods impact user perceptions and adoption. Additionally, the establishment of more merchant acceptance points is essential to encourage broader customer adoption. Moreover, wallet providers should develop promotional strategies that align with market demands. In this study, independent variables, factors affecting include, perceived usefulness, perceived security, time saving and perceived cost and dependent variable is KBZPay Wallet adoption.

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LIST OF ABBREVIATIONS

FinTech	Financial Technology Model
TAM	Technology Acceptance
IDT	Innovation Diffusion Theory
OTP	One Time Password
P2P	Person to Person
KYC	Know Your Customer
NRC	National Registration Card
KBZ	Kanbawza Bank
TAM	The Technology Acceptance Model
TRA	Theory of Reasoned Action
PEOU	Perceived Ease of Use
PU	Perceived Usefulness
PS	Perceived Security
TS	Time Saving
PC	Perceived Cost
NFC	Near Field Communication
MFs	Mobile Financial Services

CHAPTER 1
INTRODUCTION

KBZPay is a mobile wallet application developed by Kanbawza Bank (KBZ Bank), one of the leading financial institutions in Myanmar. Launched in 2018, KBZPay has rapidly grown to become one of the most popular digital payment solutions in Myanmar, providing users with a convenient, secure, and cashless method for managing financial transactions. KBZPay allows users to perform a variety of financial activities directly from their mobile devices, such as money transfers, bill payments, mobile top-ups, and QR code-based payments at participating merchants.

KBZPay's appeal lies in its accessibility and user-friendly interface, designed to cater to Myanmar's evolving digital economy. By enabling transactions without a traditional bank account, KBZPay has made financial services available to a large segment of Myanmar's population, including those in semi-urban and urban areas with limited access to conventional banking infrastructure. It operates as a cashless ecosystem that not only simplifies daily financial transactions but also supports financial inclusion, especially important in a country where digital and financial literacy levels vary widely.

With its advanced security features, real-time transaction processing, and integration with a growing network of merchants, KBZPay has positioned itself as a leader in Myanmar's digital finance landscape. This success reflects broader global trends towards cashless societies and digital payment solutions, where e-wallets are increasingly preferred for their convenience and versatility. For businesses and consumers alike, KBZPay represents a step towards a more accessible, efficient, and connected financial ecosystem in Myanmar. In today's digital economy, e-wallets have become a transformative tool for financial transactions, reshaping consumer behavior and fostering a cashless society. As more people rely on digital payments for daily transactions, e-wallets provide a convenient, secure, and accessible alternative to traditional banking methods. KBZPay, one of Myanmar's leading e-wallet platforms, is a prime example of this shift, especially in urban areas like Sagaing, where digital infrastructure is increasingly available. By streamlining financial transactions and aligning with the growing preference for digital solutions, KBZPay plays a pivotal role in supporting Myanmar's digital economy.

1.1 Rationale of the Study

The rapid digital transformation in recent years has reshaped how individuals and businesses handle financial transactions. With advancements in technology, e-wallets have emerged as a popular tool for facilitating cashless transactions. E-wallets, or digital wallets, store users' payment information securely, enabling them to make transactions online or in physical stores without the need for physical cash. These wallets encompass a broad range of functions, including transferring funds, making online purchases, paying bills, and more, all through a smartphone or internet-connected device. E-wallets play a significant role in promoting financial inclusion, especially in regions where access to traditional banking services is limited.

As consumers continue to prioritize convenience, speed, and security in their financial transactions, e-wallets have gained popularity around the world and across different markets. In Southeast Asia, e-wallets have significantly changed the financial landscape by providing digital alternatives to traditional banking, further contributing to the shift towards cashless economies.

Launched by Kanbawza Bank (KBZ) in Myanmar, KBZPay is a leading e-wallet platform in the country. Since its inception, KBZPay has quickly grown in popularity, driven by its user-friendly interface, widespread merchant acceptance, and comprehensive features that cater to the needs of a digitally driven society. KBZPay allows users to conduct a variety of financial transactions, such as peer-to-peer money transfers, bill payments, mobile top-ups, and QR code payments. It also supports transactions with an array of local businesses, from retail stores to service providers, making it a versatile and practical choice for both urban and rural users.

For Myanmar, where a significant portion of the population remains unbanked, KBZPay offers a digital solution that bridges this gap, providing accessible financial services to people who otherwise may have limited options. The e-wallet is integrated with various local and international financial services, contributing to a seamless experience for users while also promoting financial literacy and digital literacy among the population.

The rapid adoption of mobile wallets has become a significant trend in Myanmar, driven by the need for convenient and secure digital payment solutions. KBZPay, as one of the leading mobile wallet services in the country, plays a crucial role in promoting financial inclusion, particularly in urban areas of Myanmar, including Sagaing, which reflects the changing preferences of consumers seeking convenience

and security in financial transactions. Since its launch, KBZPay has experienced exponential growth in user base and transaction volumes, supported by KBZ Bank's strong reputation and the strategic expansion of mobile banking infrastructure across the country. With a growing number of businesses accepting KBZPay, consumers in urban areas find it easier to rely on the application for daily needs. As Myanmar's government actively encourages digital finance, e-wallets like KBZPay are positioned to play a crucial role in achieving the country's vision of a cashless economy.

Researching the intention of KBZPay's adoption in Sagaing's urban area is critical for several reasons. First, understanding how e-wallets influence spending behavior can provide insights into the economic impact of digital transactions in emerging markets. Second, examining the factors that encourage or inhibit e-wallet adoption helps identify barriers to broader usage, especially relevant in a region where digital literacy and infrastructure vary. Finally, this study contributes to a growing body of knowledge on digital finance in Myanmar, offering valuable insights for policymakers and businesses seeking to promote cashless solutions.

Despite e-wallets' potential to revolutionize financial behavior, several challenges hinder their widespread adoption. In Sagaing's urban areas, factors such as security concerns, varying levels of trust in digital platforms, and inconsistent user experiences can impact consumer willingness to adopt KBZPay. This research aims to factors influencing customers' intention to adopt KBZPay mobile wallet in Sagaing Township.

1.2 Objectives of the Study

The objectives of the study are:

1. to examine KBZPay mobile wallet usage in Sagaing Township.
2. to analyze the factors influencing customers' intention to adopt KBZPay mobile wallet in Sagaing Township.

1.3 Methods of Study

In this study, primary and secondary data are used in this study. The primary data are collected by using structured questionnaires with a 5-point Likert scale ranging. The respondents are the customers receiving services from Kanbawza Bank Limited, Sagaing Branch (1) and Branch (2) in Sagaing City. The sample size for this study is 302 customers by using Taro Yamane Formula. The survey data were collected by using

simple random sampling method, key informant interviews, methods of expression, and online data collection with Google Forms. Secondary information was obtained from reference books, research papers, journal articles, internet websites, and KBZ bank in Sagaing. Descriptive statistics are used for exploring the variables of the study. Multiple linear regression analysis is applied to investigate the relationship between the independent variables and dependent variables of the study.

1.4 Scope and Limitations of the Study

This study focuses on examining the influence of KBZPay usage among customers in Sagaing Township. The research will concentrate on users who are active customers of KBZPay and are residing or doing regular financial activities within Sagaing Township. The research specifically targets customers who visit two selected KBZ Bank branches located in the township. These branches collectively serve over 2,000 customers, forming the primary sample population for the study. Limitations include the geographical constraint of Sagaing Township and the limited sample size, as the findings are based only on customers from the two selected branches. Therefore, results may not fully represent KBZPay users nationwide.

1.5 Organization of the Study

The research is divided into five chapters. Chapter 1 introduced the KBZPay wallet research background and the rationale for the research. The objectives and aims are also being included in Chapter 1 by providing an overview of the academic and managerial contributions of the study. Chapter 2: literature review the literature relevant to Mobile Wallet and customers' perception. Chapter 3 represents the historical background of the study, the services of mobile banking provided by selected licensed organizations in Myanmar. Chapter 4 Survey Analysis of factors influencing customers' intention to adopt KBZPay Wallet. Chapter 5 is the concluding chapter in which a summary of findings is first presented and then a conclusion drawn, relevant suggestions, and the need for further study are finally made.

CHAPTER 2
LITERATURE REVIEW

This chapter intends to describe the theory that was used as a framework for this study. It includes Differentiation of Digital Wallet, E-Wallet and Mobile Wallet, Influencing Factor on Mobile Wallet Adoption, and a conceptual framework.

2.1 Concept of Mobile Wallet, Digital Wallet and E-Wallet

Although the three terms e-wallet and digital wallet vs mobile wallet are similar, there are some significant differences between them. In the era of digital payments that everyone is using, it is important to know the difference.

2.1.1 Mobile Wallet

A mobile wallet is a type of virtual wallet that stores credit card numbers, debit card numbers, and loyalty card numbers. It is accessible through an app installed on a mobile device, such as a smartphone or tablet. Customers use mobile wallets to make in-store payments, and it is a convenient payment method compared to paying with cash or carrying credit cards. Mobile wallets are accepted as a payment method by mobile service providers and registered stores. The most popular mobile wallets include Google Pay, Apple Pay, and Samsung Pay. Wallets are integrated into mobile devices or users can download applications from app stores.

Since the data stored in a mobile wallet is encrypted, it is difficult for cybercriminals to carry out malicious activities with it. While credit and debit cards can be stolen or duplicated, mobile wallets are harder to compromise because they contain encrypted keys that do not reveal useful personal information. Once a customer installs a mobile wallet on their mobile device, they need to add their credit card details, gift cards, or coupons. This information is then linked to an accepted personal identification format, such as a password or a scannable QR code.

When a customer makes a payment in-store, the mobile app uses Near Field Communication (NFC) technology to communicate with payment terminals. NFC enables the transaction using a QR code, a password, or another form of personal identification. The process is initiated when the user taps or waves their NFC-enabled device near the merchant’s payment terminal.

2.1.2 Digital Wallet

A digital wallet is a broad term that describes any electronic platform or application designed to securely store payment details such as credit or debit card information, bank account credentials, or even cryptocurrencies. These systems enable users to make purchases both online and in physical stores.

Digital wallets serve as software-based tools that safely store users' financial details, identification documents, or other digital credentials, making electronic transactions quick and convenient. They can function through mobile devices like smartphones or tablets, or computers when shopping online or at physical retail locations. In some cases, users preload money into their digital wallets before making a purchase, while in others, the wallet connects directly to a linked bank account.

Beyond financial transactions, digital wallets are being used not only for basic financial transactions but also for authenticating the identity of the holder. For example, a digital wallet can verify a buyer's age at the store while buying alcohol. The system, where digital wallets are known as "wallet mobiles," is already popular in Japan. (Clark, 2012) In addition, some US states have adapted digital driver's licenses and state IDs to be inserted into a digital wallet instead of a physical card, allowing them to be used at airports, and can be used at select TSA checkpoints at banking or business locations. (Barrett, 2023).

2.1.3 E-Wallet

The term e-wallet is essentially interchangeable with digital wallet, though it tends to be more widely used in certain regions. E-wallets are designed to store funds and facilitate digital transactions, much like popular platforms such as PayPal or Alipay. They function similarly to debit or credit cards but in a digital format.

Typically, e-wallets must be connected to the user's bank account to process payments. They also serve as prepaid accounts, allowing users to load money in advance for future purchases. E-wallets are secured with passwords or other forms of encryption to protect users' personal and financial information.

An e-wallet generally consists of two primary elements: software and information. The software component ensures the security of stored data through encryption and authentication mechanisms. The information component contains the

user’s personal details such as name, shipping address, preferred payment methods, transaction amounts, and credit or debit card information.

With an e-wallet, users can easily pay for a wide range of products and services, including groceries, online shopping, travel tickets, and more.

2.2 Mobile Payments in the World

In today's rapidly evolving technological landscape, both individuals and businesses must continuously adapt to new advancements. One of the most remarkable shifts has been the widespread adoption of mobile payment systems, with China standing out as a global leader in this transformation. The country has bypassed traditional banking methods, embracing mobile payments at an unprecedented scale, reshaping everyday transactions in ways that differ significantly from Western nations.

In China, mobile payment platforms such as Alipay and WeChat Pay have become deeply ingrained in daily life, to the extent that carrying cash is increasingly rare. Unlike many Western countries, where cash and credit cards still play a major role, in China, it is common to see street vendors, taxi drivers, and even small businesses accepting mobile payments. Several key factors have fueled this rapid shift.

2.2.1 WeChat and Alipay: The Leading Platforms

For those unfamiliar with Chinese digital services, WeChat and Alipay are multifunctional mobile applications that play a central role in the country’s mobile payment ecosystem.

WeChat, developed by the tech giant Tencent, started as a messaging platform similar to WhatsApp. However, it has evolved into a comprehensive app that combines messaging, social media, mobile payments, voice messaging, video calling, gaming, photo and video sharing, and location sharing. It can be seen as a hybrid of Facebook, WhatsApp, and Apple Pay.

Alipay, operated by Ant Group (an affiliate of Alibaba Group), offers a wide range of services, including mobile payments, bill payments, food delivery, transportation rentals, and much more. Compared to WeChat Pay, Alipay is generally regarded as being more accessible to foreign users, offering smoother registration for individuals with international passports.

2.2.2 Factors Behind Widespread Mobile Payment Adoption

The primary reason behind China's success with mobile payments is the exceptional convenience these platforms provide. With just a smartphone, individuals can pay for nearly anything, from public transport to groceries, often by scanning a simple QR code. Beyond payments, these apps are integrated into countless aspects of daily life, including utility bill payments, food delivery, and online shopping.

Moreover, the seamless integration of social networking and payment functions within apps like WeChat creates a unified digital environment. Users can chat with friends, shop online, transfer money, and pay bills—all without leaving a single app. This all-in-one functionality keeps users engaged and encourages regular use.

2.2.3 Expanding Financial Access and Economic Growth

The growth of mobile payments in China has also significantly contributed to greater financial inclusion. These platforms have provided millions of people—especially in rural or underbanked areas—with access to the digital economy, even where conventional banking services are limited. This enhanced accessibility has fueled economic activity, reduced reliance on cash, and helped create a more transparent, efficient financial system.

2.2.4 Concerns About Data Privacy and Security

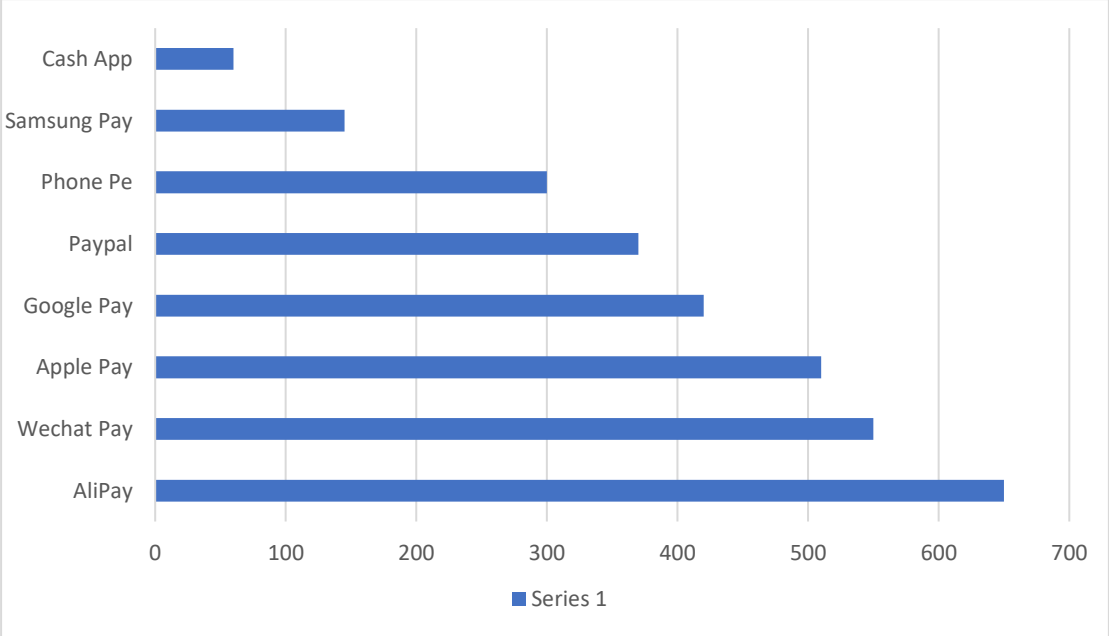
Despite the benefits, the rise of mobile payments in China has also sparked concerns regarding data privacy and security. With vast amounts of personal and financial information being collected by these platforms, the potential for misuse or security breaches remains a topic of debate. In response, the Chinese government has introduced regulations, including the Personal Information Protection Law (PIPL), aimed at strengthening data protection and user privacy.

2.2.5 Market Dominance and Competition Challenges

A further challenge is the near-duopoly of Alipay and WeChat Pay, which together dominate China's mobile payment sector. This overwhelming market share raises concerns about limited competition and potential antitrust issues. The significant influence these platforms hold within the economy has prompted debates over market fairness and consumer choice.

Below is a visual representation of the world's most popular mobile payment platforms, where Alipay and WeChat Pay lead the rankings, with Alipay surpassing 600 million users and WeChat Pay exceeding 500 million users.

Figure 2.1 Use of Mobile Wallet in China



Source: Acclime China, 2022

2.3 Influencing Factors on Mobile Wallet Adoption

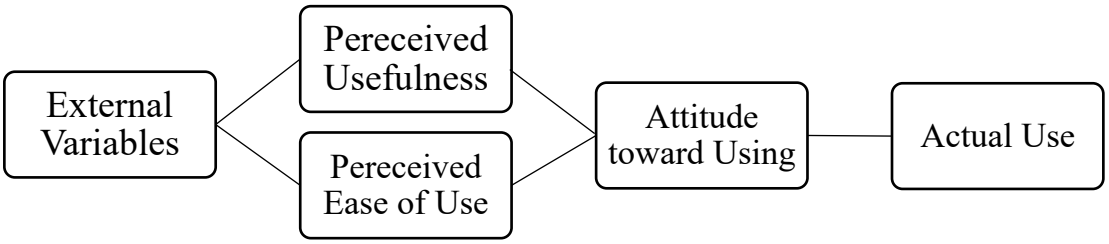
The Technology Acceptance Model (TAM) has been widely used as a theoretical framework for studies on user acceptance of technology (Taylor & Todd, 1995). TAM is one of the most significant and influential extensions of Ajzen and Fishbein's Theory of Reasoned Action (TRA). Davis's TAM (Davis, 1989; Davis, Bagozzi, & Warshaw, 1989) is the most extensively applied model in the study of user technology acceptance and usage (Venkatesh, 2000). TAM was developed by Fred Davis and Richard Bagozzi (Davis 1989, Bagozzi, Davis & Warshaw 1992), replacing TRA's attitude measures with two key measures of technology acceptance: Ease of Use and Usefulness. Both TRA and TAM strongly emphasize behavioral components, assuming that when an individual forms an intention to act, they will be free to act without restrictions. However, in reality, there are limitations, such as constraints on freedom (Bagozzi, Davis & Warshaw 1992), which may hinder their ability to act.

The Technology Acceptance Model (TAM) was originally developed by Fred Davis (1986) and it has been modified by other researchers. TAM describes the

consumer's willingness to accept and use a technology. TAM is a widely used model to understand and explain consumer behavior in an information system. In this study, original version of TAM is used and this model is comprised of four pillars: perceived usefulness, perceived ease of use, attitude towards usage and actual usage behavior.

Perceived ease of use refers to the degree to which a person believes that the use of a system will be effortless. The attitude towards use is the user's evaluation of the desirability of using an application (Davis, F, 1986). The readiness of a customer to use or not to use a new information system is determined by his or her attitude, and other factors influence this attitude. Different factors affect the attitude to use a certain technology. In this study, the usage of mobile wallet is influenced by the factors as perceived usefulness, perceived ease of use, social influence and perceived trust.

Figure 2.2 Technology Acceptance Model



Source: Davis et al, (1989)

This model emphasizes that users' attitudes toward digital technology influence their actual use. Two external factors—perceived Usefulness (PU) and Perceived Ease of Use (PEOU)—affect users' attitudes toward the technology. These attitudes and changes in perception act as motivators, ultimately leading users toward the final stage of actual technology adoption and usage.

2.3.1 Perceived Ease of Use

Perceived Ease of Use (PEOU) is defined as the degree to which a user believes that using a particular system would be free of effort (Davis, 1986). In other words, the easier a system is to use, the more likely users are to be interested in adopting it. PEOU is one of the key determinants in the Technology Acceptance Model, reflecting that when users perceive a technology to be easy to use, they are more inclined to explore

and adopt it. Davis emphasized that users are more willing to learn a new system if it appears user-friendly and straightforward.

PEOU implies that users find the interaction with a new system clear, concise, and confidently navigable (Ndubisi & Jantan, 2003). In the context of mobile wallet services, PEOU refers to the ease with which users can perform activities such as making payments, transferring funds, or purchasing utilities. When these processes are straightforward, users without advanced technical skills can engage with the mobile wallet seamlessly, enhancing their willingness to use it. Consequently, perceived ease of use has a positive impact on the behavioral intention to adopt technology.

2.3.2 Perceived Usefulness

Perceived Usefulness is defined as the degree to which an individual believes that using a particular system will enhance their job performance within an organization (Davis, 1989). In the context of mobile wallet services, PU refers to the belief among individual users that using mobile wallet services will improve their efficiency and productivity. Research has consistently confirmed the impact of PU on behavioral intentions, showing that PU significantly influences the willingness to adopt new technology (Davis, 1989; Venkatesh & Davis, 2000; Chin & Todd, 1995; Peng et al., 2012). According to research by S. Zarrin Kafsh (2015), the perceived usefulness of a system is an effective predictor of the intent to use mobile wallets.

2.3.3 Perceived Security

Perceived Security refers to the level of trust that users have in the security of a system during the process of using it. In the context of mobile payments, this concept is crucial as users need to believe that their financial transactions are secure in order to confidently use mobile wallet services. Perceived security influences a user's intention to adopt or continue using a technology.

In mobile wallet services, concerns about security often include worries about potential fraud, data theft, or unauthorized access to financial information. Studies have highlighted that users are more likely to adopt mobile payment systems when they believe that the system is secure (Shin, 2005; Yenisey, Ozok & Salvendy, 2005). Technologies like Near Field Communication (NFC) have been found to offer secure and efficient transaction environments by enabling quick and secure communication between devices (Chen & Chang, 2013).

Research by Cheong, Park, & Hwang (2008) demonstrated that a lack of security is one of the main barriers to mobile payment adoption, as users are unwilling to use systems they perceive as unsafe. Similarly, Mallet et al. (2008) affirmed that perceived security has a strong influence on users' intentions to use mobile payment services. Therefore, ensuring users feel their transactions are protected is essential for promoting the adoption and use of mobile wallets.

2.3.4 Perceived Cost

Perceived Cost refers to the users' perception of the financial, time, or effort-related costs associated with adopting and using a new technology or service. This factor plays a significant role in influencing technology adoption decisions, as users are often concerned about whether the perceived benefits outweigh the costs involved.
In the context of mobile wallet services**,** perceived cost can encompass both direct monetary costs (e.g., transaction fees, service charges) and indirect costs (e.g., time spent learning how to use the system, effort required to set up or maintain the service). Luarn & Lin (2005) highlighted those high costs can be a major barrier to the adoption of new technologies, as users may opt not to use services they perceive as too expensive.

Mobile wallet services may be seen as an unnecessary or premium choice, especially if users feel that the costs associated with using the service outweigh its benefits. Factors such as transaction fees or the need for specific devices (e.g., smartphones, internet access) can add to the perceived cost of using mobile wallets, making users less likely to adopt them if they do not perceive sufficient value in return. This perception of cost is an essential aspect of evaluating adoption, as it directly impacts user intentions and willingness to engage with the technology. Thus, addressing perceived costs, whether through reducing service fees or simplifying the process, can help increase adoption and make mobile wallets more attractive to potential users.

2.3.5 Time-Saving

Time-saving refers to an attribute, action, or process that reduces the time required to accomplish a task or achieve a goal, enabling individuals or systems to be more efficient and productive. It often involves leveraging tools, technology, or optimized methods to minimize unnecessary delays or redundant steps. How many hours have you spent standing in line at the bank waiting to make a withdrawal, transfer some money, pay a bill, or see the bank manager about an overdraft facility? It's

probably a few hours if you add them all, but thanks to technology, you can do all that and more in just a few minutes.

Most of the major banks offer online or mobile banking. There are also companies like PayPal, Venmo, and Transferwise that have developed platforms for you to send and receive money from any location using the internet. (Jeff M. Bredy, 2020) E-wallets eliminate the need for transactions or credit/debit or forex cards, making transactions seamless. This leads to faster and hassle-free payments; This is especially useful for busy people. This advantage of e-wallet is beneficial for busy consumers. It makes it very easy to access funds and track their spending from the convenience of their smartphone or laptop.

2.4 Review on Previous Studies

The factors behind the adoption of technology products and services have been researched using relevant theories. These include the Technology Acceptance Model (TAM) (Thong, 1999; Martin & Matlay, 2001; Harrison, Riemenschneider & Mykytyn, 2003) and the Innovation Diffusion Theory (IDT) (Rogers, 2003).

Some prior studies have highlighted the factors that influence the adoption and cntinued use of mobile wallets. Zarrin Kafsh, S. (2015) developed a new model based on TAM to investigate behavioral intentions towards mobile wallet adoption in Canada. The study, combining TAM and IDT, tested the variables and identified perceived usefulness, convenience, and perceived cost as important factors that significantly affect user adoption of mobile wallets.

Phonthanukitithaworn, C., Sellitto, C., & Fong, M. W. L. (2015) investigated the factors affecting consumers' intention to adopt mobile payment services in Thailand. Based on the extended TAM model. Responses from 256 early adopters of M-payment services were empirically analyzed using structural equation modelling (SEM) to test a set of research hypotheses. The results indicate that consumer adoption of M-payment services in Thailand was determined by four factors—compatibility, subjective norm, perceived trust, and perceived cost. Surprisingly, the construct of perceived risk and the two major TAM constructs; perceived usefulness (PU) and perceived ease of use (PEOU) were found not to have a direct effect on behavioral intention.

PHYU, E. E. (2018) analyzed "Attitude Towards the Use of Mobile Wallet and Mobile Payment Services in Myanmar". The research is mainly focusing on the

customers' attitude on the using of mobile wallets by local unbanked organizations in Myanmar. The total of 120 respondents who are already being customers of OK$ and Wave Money were surveyed to represent the customers 'perception. The using percentage of mobile wallet is growing year by year although Myanmar is the last developed in the Asian countries. And now, three MNOs are already launched and all are trying to give better services than the others. As the conclusion of the research, the study learned the culture of Myanmar people and the influencing factors of using mobile wallets by the customers.

Phyu, T. (2019) analyzed the influencing factors of customers' intention in KBZPay Mobile Wallet adoption. These findings suggest that technological convenience and practical benefits, along with the financial implications of using these services, play a significant role in shaping user behavior and adoption intentions. This research emphasizes the importance of adapting new technology services to user needs and culturally while reducing perceived barriers such as cost.

P. Patil, K. Tamilmani, N.P. Rana, V. Raghavan, (2020) studied understanding consumer adoption of mobile payment in India: Extending Meta-UTAUT model with personal innovativeness, anxiety, trust, and grievance redressal. This research is aimed to examine various factors affecting Indian consumers adoption and usage of mobile payment. First, researchers employed Dwivedi et al.'s (2019) meta-UTAUT model as theoretical lens and extended the model with constructs such as: personal innovativeness, anxiety, trust, and grievance redressal to be more relevant to consumer mobile payment context. Second, focused on India – the second largest mobile market in the world with 616 million subscribers (Gsmaintelligence, 2017). Finally, tested the model empirically among 491 respondents to identify significant determinants of Indian consumers use behaviour towards mobile payment. The results revealed three newly added constructs personal innovativeness, anxiety, and trust as significant indirect determinant of consumer use behaviour through attitude and behavioural intention.

Wei, Luh, Huang, & Chang (2021) examined "Young Generation's Mobile Payment Adoption Behavior." Analysis Based on an Extended UTAUT Model. This research highlights the need for further research into the effects of psychological concerns, risks, and trust/distrust in explaining the behavioral intention and usage of mobile payment.

Alm, H., Chotiyaputta, V., & Bejrakashem, S. (2022) analyzed "Factors influencing mobile payment adoption by silver generation in Thailand and Sweden

older adults." The five factors include performance expectancy, effort expectancy, social influence, facilitating conditions and perceived risk are the independent variables plus the behavior intention to adopt mobile payments as a dependent variable. A quantitative analysis approach has been chosen to obtain data that can be statistically analyzed and compared. A total of 303 of the target respondents in Thailand and Sweden were collected through self-administered questionnaire surveys and analyzed with the partial least square method. The empirical results revealed a significant relationship between most factors with effort expectancy as the only insignificant the only determinant. For instance, the findings show that social influence has a substantial positive impact on the Thais and a significant impact on Sweden's willingness to adopt mobile payment. Further, perceived risk was negatively impacting the adoption of mobile payment services in both countries. Still, the fear of losing money was significantly less in Sweden than in Thailand.

Nguyen, X. H., Nguyen, H. D., et al. (2023) analyzed "Factors Affecting Mobile Payment Adoption: A Systematic Literature Review and Some Future Research Directions." The objective of this study was to investigate the factors influencing mobile payments adoption. From the results obtained, this research found that Subjective Norms/Social Influence and Facilitating Conditions were the most mentioned in the research on mobile payment adoption. India is the country with the most research on mobile payment adoption, followed by China and Indonesia. Developed countries need to be more active in this area of research. Finally, most of the research on mobile payments regarding mobile payment adoption comes from the customer's perspective.

Cacas, Alyssa, et al. (2023) studied "Influencing factors on mobile wallet adoption in the Philippines: Generation X's behavioral intention to use GCASH services. Over the years, financial services have constantly evolved from cash to card to digital transactions. The usage of cashless transactions in the Philippines is not as high in developed countries. The trajectory of generation X's behavioral intention to adopt GCash was popularized during this pandemic crisis. Currently, there is limited information on the influencing factors that impacts this behavioral intention on the adoption of the untapped target market. This paper aims to investigate the factors that influenced the mobile wallet adoption of generation X in the Philippines that focuses on perceived risk, ease of use, rebates, and social influence. From the survey of (N=385) non-users' respondents, the results present a positive effect on generation X's behavioral

intention to adopt GCash and a significant relationship between the influencing factors and behavioral intention. This study concludes that these influencing factors have a significant effect on the Filipino generation Xers' behavioral intention.

2.5 Conceptual Framework of the Study

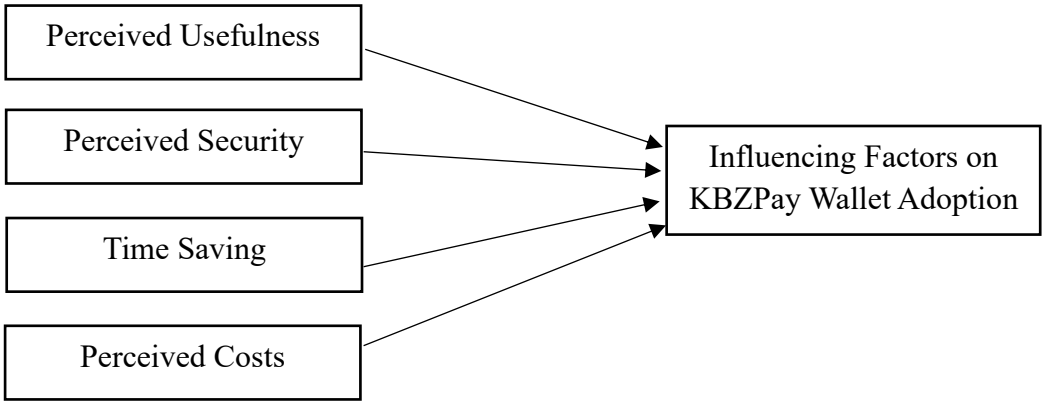
The conceptual framework for this study is adapted from Venkatesh & Davis, et al. (2000), Rogers (2003), Phonthanukitithaworn, C., (2015) who conducted the factors influencing on customer intention to adopt mobile wallets.

Venkatesh & Davis (2000) studied Technology Acceptance Model 2 (TAM2). In TAM2, user acceptance of technology is explained through the relationship between independent and dependent variables. Dependent Variable is the key dependent variable is Behavioral Intention to Use the technology. Sometimes, Actual System Use is also considered as a dependent variable. Independent Variables is Perceived Usefulness (PU), Perceived Ease of Use (PEOU), Social Influence, Cognitive Instrumental Processes (e.g., Job relevance, Output quality, Result demonstrability). In summary, TAM2 focuses on how users' beliefs and perceptions (independent variables) influence their behavioral intention to adopt and use technology (dependent variable).

Rogers (2003) studied Diffusion of Innovations Theory. Rogers' theory explains how new ideas or technologies spread in a society. Dependent Variable is Adoption of Innovation (i.e., whether individuals adopt the new technology). Independent Variables are Relative Advantage, Compatibility, Complexity, Trialability, Observability. In Rogers' model, people's perception of these innovation characteristics (independent variables) affects their decision to adopt or reject the innovation (dependent variable).

Phonthanukitithaworn, C. (2015) studied Mobile Payment Adoption Study. This study specifically focuses on factors influencing mobile payment adoption. Dependent Variable is Intention to Adopt Mobile Payment, sometime includes Actual Adoption. Independent Variables are Perceived Usefulness, Perceived Ease of Use, Perceived Security, Social Influence, Trust, Facilitating Conditions. The study analyzes how different factors (independent variables) such as usefulness, security, and trust influence the intention and actual behavior of adopting mobile payment services (dependent variable).

Figure 2.3 Conceptual Framework of the Study



Source: Adapted from Venkatesh & Davis, et al. (2000), Rogers (2003), Phonthanukitithaworn, C., (2015)

This research framework is adapted from a theoretical framework that blends the Technology Acceptance Model (TAM) and Innovations Diffusion Theory (IDT). The framework consists of independent variables such as perceived usefulness, perceived security, time savings, and perceived cost, which can influence the customer nature of Myanmar, and the dependent variable is intention to KBZPay wallet adoption.

2.5.1 Explaining Variables

Perceived usefulness means the usage of service features is easy to learn and understand. The steps of making payments and transferring funds are simple and understandable for the customers. The degree to which an individual believes that using a particular system will enhance their job performance within an organization (Davis, 1989). Perceived security means that, in the context of mobile payments, KBZPay users feel confident using mobile wallet services. Time-Saving means that KBZPay users save time and effort compared to traditional banking system users. Perceived cost refers to the lower cost of using KBZPay compared to the transaction fees, service charges, and indirect costs that users incur when using traditional banking systems. Influencing Factors on KBZPay Wallet Adoption refer to the customer influence factor on KBZPay wallet adoption is the continuous use of KBZPay services.

CHAPTER 3

BACK GROUND OF THE STUDY

This chapter provides a general overview of mobile wallets in Myanmar. It includes the development of mobile wallets in Myanmar, and profiles of mobile wallet service providers and service providers in Myanmar. The most prominent of these is KBZPay by KBZ Bank.

3.1 Background of Mobile Wallet in Myanmar

Myanmar's mobile wallet sector remains in its early stages but has significant potential for supporting Myanmar's economic expansion. Traditionally a cash-driven economy, Myanmar is still adapting to digital banking services. Structural issues persist, such as a weak legal framework for banks and inadequate infrastructure in electricity and telecommunications, which have hindered public trust in digital financial systems.

World Bank estimates indicate that only 26 percent of Myanmar's adult population holds bank accounts or accesses formal financial services (Acharya, 2019). However, the rapid increase in smartphone usage, with an estimated 75 percent mobile penetration and around 40 million subscribers, offers an opportunity to provide banking services beyond physical branches (Kyaw, 2018). Mobile phones have made payments more accessible and efficient, presenting a vital platform for Myanmar's largely unbanked population. For instance, mobile penetration was just 12 percent in 2013 but surged to an impressive 105 percent by 2018, as noted in the Digital Myanmar Business Report. Mobile devices now serve as essential communication tools across both rural and urban areas, positioning mobile wallets and digital payment methods as effective solutions to address financial access gaps (Acharya, 2019).

The Central Bank of Myanmar has allowed non-banking entities to offer mobile banking services, enabling agents to manage digital wallets that facilitate transactions such as money withdrawals, bill payments, mobile top-ups, and money transfers (Blandine, 2016). Despite these advancements, Myanmar's digital banking landscape has expanded rapidly. Since 2012, local banks have launched digital services like CB Pay, KBZPay, AGD Pay, AYA Pay, A Plus and MAB Mobile to simplify and enhance

transaction efficiency. Moreover, mobile money operators such as Wave Money, M-Pitesan, True Money, MPT Pay and Mytel Pay have entered the market, further driving financial inclusion.

There are about 24 million mobile wallet accounts in Myanmar. These accounts come from non-bank wallet providers, as well as, banks. The popular non-banks Mobile Financial Services (MFs) providers are Wave Money, M-Pitesan, True Money, MPT Pay and Mytel Pay.

3.1.1 Non- Bank Mobile Wallets

Non-bank digital wallets in Myanmar have significantly advanced financial inclusion by providing accessible financial services to the unbanked population. Here are some prominent non-bank digital wallets operating in the country:

(i) Wave Money

Wave Money is a leading mobile financial services provider in Myanmar, established in 2016 as a joint venture between Telenor Group, Yoma Bank, Yoma Strategic Holdings, and First Myanmar Investment. Founded on November 9, 2016, the head office is in Yangon, Myanmar. Wave Money offers a variety of services, including domestic and international money transfers, bill payments, mobile top-ups, and loan repayments. With over 65,000 Wave money shops across Myanmar, it covers approximately 89% of the country.

WavePay launched its mobile wallet application in mid-2020, allowing users to make payments using their mobile phones. The goal is to provide fast, convenient, and seamless mobile financial services to the unbanked population in remote areas of Myanmar. Investors include Ant Financial Group, the fintech arm of Alibaba Group, which invested $73.5 million in Wave Money in May 2020.Wave Money aims to empower the entire Myanmar population with digital financial products and services. (wavemoney.com.mm)

(ii) M-Pitesan

M-Pitesan is a mobile financial service developed by Ooredoo Myanmar and launched on September 19, 2017. M-Pitesan offers money transfers, bill payments, mobile top-ups, and other financial services. Users can access M-Pitesan services through their Ooredoo SIM card, either via the mobile app or USSD codes. There are over 2,500 agents in major cities like Yangon, Naypyitaw, Mandalay, Bago, and

Taunggyi, with plans to expand to 8,000 agents, including rural areas. M-Pitesan ensures secure transactions with advanced customer security features and real-time tracking between user bank accounts and the mobile wallet. M-Pitesan aims to provide convenient and secure financial services to mobile users across Myanmar, promoting financial inclusion and supporting a cashless society. (en.myanmartechpress.com)

(iii) True Money

TrueMoney is a prominent digital wallet and financial services provider across Southeast Asia, including Myanmar. It is part of the Ascend Group, a subsidiary of the CP Group in Thailand. Founded in November 2014, the head office is in Yangon, Myanmar. With over 23,000 agents nationwide, TrueMoney makes financial services accessible even in remote areas. It offers a wide range of digital wallet services tailored to meet the needs of individuals and businesses, focusing on facilitating financial inclusion for unbanked and underbanked populations. (truemoney.com.mm)

(iv) MPT Pay

MPT Pay is a mobile wallet service launched by Myanmar Posts and Telecommunications (MPT), Myanmar's leading telecommunications company. The service aims to provide a wide range of digital financial solutions, enhancing the accessibility of financial services for both banked and unbanked populations in Myanmar. MPT Pay is designed to cater to the evolving needs of Myanmar's digital economy, offering easy and secure financial transactions via mobile phones.

(v) Mytel Pay

Mytel Pay is a digital wallet service provided by Mytel, a Myanmar telecommunications company that operates under the brand Viettel Myanmar. Mytel Pay was launched in 2018 and is part of Mytel's effort to provide convenient and accessible mobile financial services to Myanmar's population, especially in underserved and rural areas. Mytel Pay aims to offer a range of services that make it easy for users to perform financial transactions directly from their mobile phones, without needing a traditional bank account.

3.1.2 Bank-Owned Mobile Wallets

Bank-owned digital wallets in Myanmar are mobile wallet services provided by financial institutions, offering digital financial services and facilitating cashless transactions. These wallets are generally more integrated with traditional banking

systems and can offer additional features such as account linking, savings, and loans, along with money transfers, bill payments, and merchant payments. Below are some notable bank-owned digital wallets operating in Myanmar:

(i) CB Pay

Co-operative Bank PCL was established on August 21, 1992, with the permission of the Central Bank of Myanmar under the Financial Law and the Central Bank of Myanmar Law. It received a Certificate of Commerce of Business from the Ministry of National Planning and Economic Development, Investment, and Companies Administration Department on May 10, 2004, and a license for foreign exchange banking and investment banking operations from the Ministry of Finance and Revenue and the Central Bank of Myanmar on May 25, 2004. On June 15, 2004, three banks merged to form Thanlwin Bank Limited.

The bank adopted a logo featuring four distinct color yellow, green, red, and blue symbolizing unity and collaboration without any distinction in color. The bank's headquarters is located at No. 46, Union Financial Center Tower (UFC), on the corner of Maha Bandoola Road and Thein Phyu Road, Botahtaung Township, Yangon. CB Bank is led by U Khin Maung Aye (Chairman) and U Kyaw Thu (CEO). Currently, the bank has over 250 branches and operates ATMs, CRMs, and credit cards in Myanmar and Thailand.

CB Pay is a mobile wallet app launched by CB Bank in 2018. The app aims to provide users with easy access to banking services such as online money transfers, utility bill payments, and QR Code payments.

(ii) AGD Pay

Asia Green Development Bank is one of the 4 private banks authorized by the state in August 2010. No. (168) at Nay Pyi Taw headquarters. Sri Yadaran market Zambuthiri Township, Located in Nay Pyi Taw, Yangon headquarters at No. (519) Pyay Road, Kamarut Township, Located in Yangon. It has announced that it will become a public company in 2015 after the establishment of the Myanmar Stock Exchange. The first branch of the Asian Green Development Bank was successfully opened in Nay Pyi Taw on August 6, 2010. Now, more than 70 branches, including small branches, have been opened all over Myanmar and are providing services.

Within a short period, AGD Bank obtained an international banking license and a foreign exchange license. It has established one international banking department and operates 45 foreign exchange counters. Asia Green Development Bank is expanding its

banking services all over Myanmar with more than 2,000 employees. AGD Bank's mobile application, AGD Pay, was officially launched on December 20, 2016, during an event held at the Kandawgyi Palace. It was introduced to align with the growing demand for mobile financial services and to support the country's move towards a cashless economy (AGD Bank, 2020).

(ii) AYA Pay

AYA Bank is one of the leading private banks in Myanmar. The bank was licensed as a development bank by the Central Bank of Myanmar on July 2, 2010 and as a full-service bank under the Financial Institutions Act, 2016. Registered as a private company limited by shares on July 14, 2010 and established on August 11, 2010, AYA Bank is part of the country's efforts to improve the stability of the financial system.

To ensure long-term growth, value and sustainability, AYA Bank was re-incorporated as a public company limited on December 30, 2022. The bank is committed to transparency, financial soundness, strict reporting deadlines and a strategic roadmap for public transportation with a high level of compliance. Requirements The transition from private to public is intended to distribute ownership among shareholders in the future and to provide solid returns to the success of a business.

Headquartered in Yangon, AYA Bank serves individuals, small and medium-market businesses, large corporations and the government sector through an extensive network of branches across the country. Our extensive network extends beyond the region, connecting us to the wider Asian region and the global community.

AYA Bank is one of the largest banks in Myanmar with nearly (3) million customers and approximately (260) branches. Our large and loyal customer base is one of the key drivers of our success and has enabled us to grow rapidly over the years. The Bank has deepened its customer relationships. The focus is on providing best-in-class customer service and leveraging technology as a tool to rapidly expand the customer base.

AYA Bank launched AYA Pay in 2018 (TRACXN). This digital wallet aims to make payments and transfers easier for users in Myanmar. It is available on Android and iOS devices, and users can easily make deposits, withdrawals, transfers, and bill payments. AYA Pay also offers special offers and investment programs like AYA Points to its users (AYA BANK, 2022).

3.2 Profile of Kanbawza Bank

KBZ Bank is a privately-owned commercial bank in Myanmar that was established on July 1, 1994, in Taunggyi, located in Shan State. The abbreviation "KBZ" originates from a traditional name associated with the Shan region. The bank operates under the umbrella of the KBZ Group, a diversified conglomerate with business interests spanning sectors such as mining, aviation, insurance, manufacturing, trading, agriculture, meteorology, and healthcare.

KBZ Bank began its operations with a single branch in Taunggyi. In November 1999, it underwent significant restructuring and expansion under new leadership. By April 2000, the bank's head office was relocated to Yangon, marking the beginning of its rapid growth into one of Myanmar’s most prominent private banks.

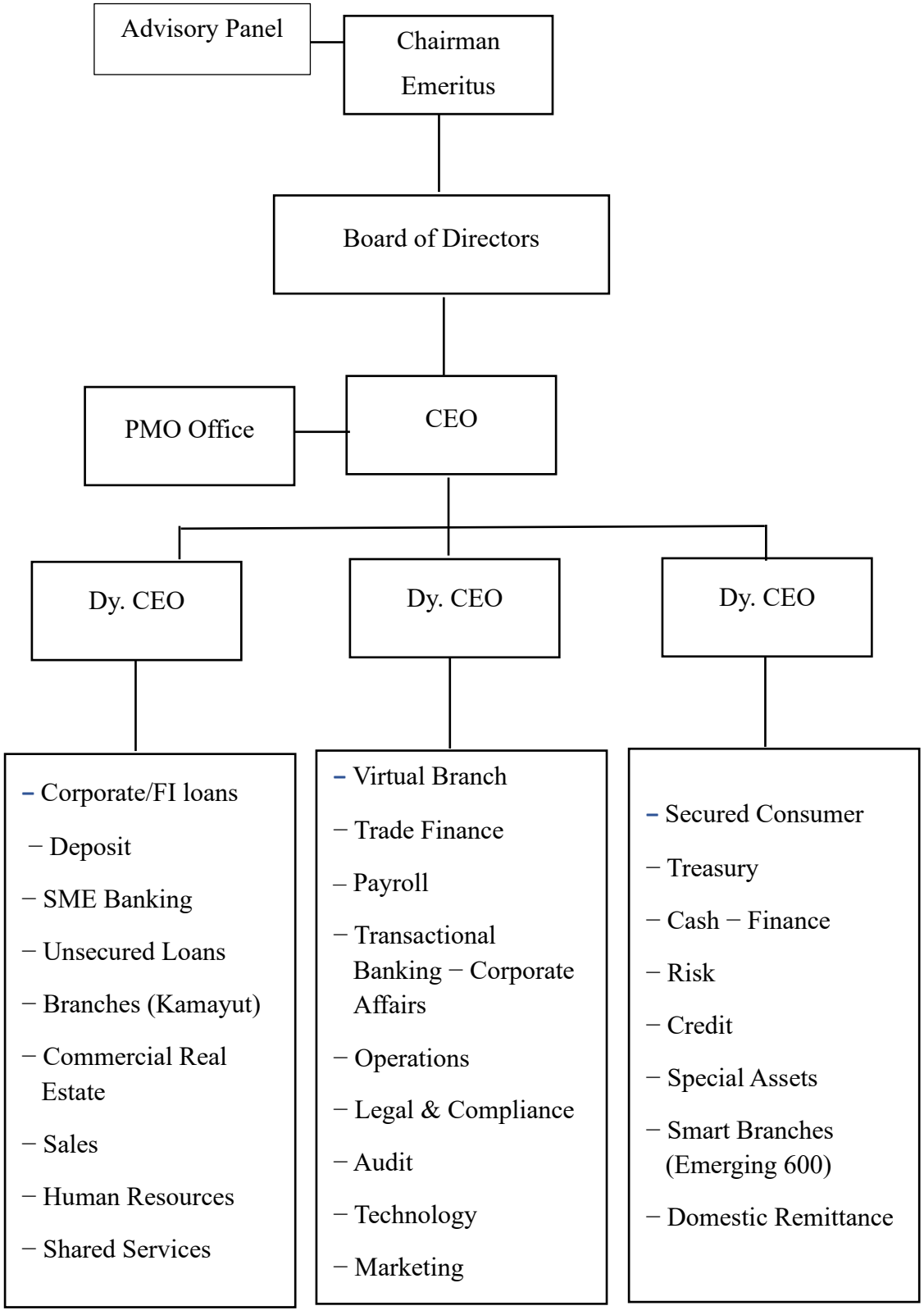
Today, KBZ Bank operates more than 500 branches nationwide and employs over 18,000 staff members. The bank commands nearly 40% of the market share in Myanmar's retail and commercial banking sectors. It has also expanded its footprint beyond Myanmar, becoming the first local bank to establish offices in international markets.

With Myanmar’s economy experiencing steady growth and increased integration with the global economy, KBZ Bank plays a crucial role in supporting development by providing accessible financial services. The bank positions itself as a bridge connecting international investors, growing cities, entrepreneurs, and communities throughout the country.

KBZ Bank's vision is to be recognized as the world’s best-managed bank. Its mission focuses on enhancing the well-being of individuals and communities through banking services. The bank is guided by strong cultural principles rooted in the values of Metta (loving-kindness), Thet Ti (perseverance), and Virya (courage), which shape its corporate philosophy and daily operations.

The founder of KBZ Bank currently holds the honorary title of Chairman Emeritus, while day-to-day management is overseen by the Chief Executive Officer (CEO). Supporting the CEO is a Deputy CEO, who supervises various departments within the bank's organizational structure, illustrated in Figure (3.2).

Figure 3.2 Organization Structure of KBZ Bank



Source: KBZ Bank Management Structure as at October, 2023

3.3 Profile of KBZPay

Kanbawza Bank has announced that it will partner with Huawei for inclusive digital financial services. On March 20, 2018, Myanmar's largest private bank, Kanbawza Bank, signed an agreement with Huawei to build an inclusive digital financial ecosystem. As a result of this agreement, the people of Myanmar will have more access to the financial system and through this aim to have a better life.

Mike DeNoma, CEO of Cambodia Bank, announced the partnership between the two organizations at Huawei's international headquarters in Shenzhen, China. "People who have bank accounts and use them account for 10 percent of Myanmar's population. Only 30 percent have access to electricity, but 90 percent of the population has a smartphone. Our dream is to implement a financial system in which people can be fully included in using smartphones in 10 years.

The announcement of this cooperation proves that Kanbawza Bank is pioneering innovations and modern reforms in Myanmar. U Aung Ko Win, Chairman of Kanbawza Bank, believes that this cooperation will help the economy and the development of social life in Myanmar. This is an important change that will raise the living standards of all Myanmar citizens through a better banking system that will be easily accessible to all citizens. Myanmar deserves a well-rounded bank and is working hard to become such a bank.

Kanbawza Bank's new partner, Huawei, is at the forefront of technology and will be able to help an inclusive financial system as soon as possible. Myanmar is a rapidly developing country and has many potentials for the development of various sectors. Kanbawza Bank, the largest private bank in Myanmar, is always eager to provide better financial services for Myanmar through digital reforms.

KBZPay was launched in August 2018 by Kanbawza Bank to provide convenient mobile wallet services to the people of Myanmar. Initially available in major cities like Yangon, KBZPay quickly gained attention through its practical services and public awareness campaigns, leading to increased usage and registration among customers. As one of the leading banks in Myanmar, Kanbawza Bank expanded beyond traditional branches by offering digital financial services, allowing it to reach a wider population and enhance access to banking services.

KBZPay is a digital wallet app designed for mobile devices, offering secure, easy, and convenient money management. The app enables users to perform various

financial activities, including saving money, transferring funds, and making payments, all within a safe and user-friendly environment. To register for KBZPay, users need to provide the necessary information and can download the app via the Google Play Store, Apple App Store, or from the official KBZPay website at www.kbzpay.com.

In February 2020, KBZPay achieved the onboarding of a total of 285,000 agents and merchants. More than half of its 5 million customers are outside the Yangon and Mandalay regions and Shan State and had little or no previous access to banking. The mobile platform facilitates 300,000 daily transactions on average, and monthly transactions exceed US$11 million. The total number of transactions on the platform exceeds 100 million.

With KBZPay, millions of Myanmar citizens can now access banking services digitally, making financial transactions faster and more accessible. This service also contributes to the broader goal of financial inclusion, allowing everyone, regardless of their location or access to traditional banking infrastructure, to participate in the digital economy.

3.4 Services of KBZPay

KBZ Bank provides services to customers based on their designated types. Each type of customer is required to comply with specific terms and conditions as defined below:

KBZPay Customer; KBZPay Customer is an individual who has attained the legal age of 18. This Customer may request to use KBZPay Accounts for personal purposes. All KBZPay Customers shall comply with all terms and conditions outlined in this KBZPay Customer Terms and Conditions.

KBZPay Youth Customer; A KBZPay Youth Customer is an individual who has reached the age of 16 but is not yet 18. The Youth Customer can open a KBZPay Youth Account only with the consent of a guardian or parent. The KBZPay Youth Customer may use the KBZPay Youth Account under the supervision of their guardian or parent. Transactions made by the Youth KBZPay Customer may be subject to additional verification and approval processes as determined by KBZ Bank. The guardian or parent is responsible for monitoring account activity and ensuring compliance with all applicable terms and conditions. Both the KBZPay Youth Customer and their guardian or parent must comply with all terms and conditions outlined in the KBZPay Youth Customer Terms and Conditions.

3.4.1 KBZPay Account Registration

KBZPay account registration and upgrades are conducted via mobile devices, following the Know Your Customer (KYC) guidelines established by KBZ Bank. These processes can only be completed through authorized KBZ Bank agents, official bank branches, or other approved channels.

Individuals aged 16 to 18 years qualify to open a KBZPay Youth Account, provided they have consent from a parent or legal guardian. Youth Account holders are expected to use their accounts under the supervision of their parent or guardian.

To successfully register or upgrade an account, customers are required to submit the following information:

1. Customer Name
2. Mobile Phone Number
3. A valid National Registration Card (NRC) or Valid Passport or Driving License
4. Gender
5. Date of Birth
6. Nationality
7. State/Division
8. Township
9. Town
10. Address
11. Employment
12. Email Address.

Customers also have the option to link their KBZPay E-Wallet with their KBZ Bank Account, subject to the terms outlined in the Limits & Fees section within the KBZPay app. Additionally, customers are responsible for ensuring that their registration details remain accurate and updated at all times.

3.5.2 KBZPay's Usable Services

The KBZPay mobile application is a digital wallet platform offering Myanmar's most extensive mobile money transfer services along with a wide range of convenient features for users. The available services provided by KBZPay are outlined below:

1. **Money Transfers** – Users can easily send money to others using saved contacts or by entering phone numbers.
2. **QR Code Payments** – Payments can be made by simply scanning QR codes at participating stores, restaurants, or through authorized agents.
3. **Cash Withdrawal** – Withdrawing cash is simple through nearby agents or ATMs, eliminating the need to visit a traditional bank branch.
4. **Quick Payments** – Essential payments such as school fees, water bills, internet services, IT & mobile expenses, trade and manufacturing payments, transportation costs, financial services, and other utility bills can be settled conveniently.
5. **Bill Payments** – Users can pay various bills, including insurance premiums, electricity bills, government taxes, entertainment subscriptions, and more.
6. **Mobile Top-Up** – Mobile recharge services are available for phone credits, data packages, voice bundles, and SMS packages, with no need to select a specific telecom operator.
7. **Ticket Purchases** – KBZPay offers easy access to buy plane and bus tickets directly through the app.
8. **Investment Opportunities** – Users can access selected investment products and services designed to support business growth, all within the mobile application.
9. **Loan Services** – The app provides access to cash loans, helping users meet personal financial needs.
10. **Exclusive Promotions and Discounts** – Special offers and discounts can be used at numerous partnered stores and businesses during checkout.
11. **Mini Apps Integration** – KBZPay collaborates with over 140 digital services, offering an integrated experience by connecting with other digital wallets and platforms.

In summary, KBZPay offers a reliable and user-friendly solution for accessing essential mobile financial services across Myanmar.

3.5.3 Restriction of KBZPay

KBZ Bank has the authority to request any additional information deemed necessary to verify that the Customer is not using their KBZPay Account for any illegal activities. This includes, but is not limited to, activities such as gambling, pornography,

prostitution, or any actions that violate anti-money laundering regulations, counter-terrorism financing laws, or restrictions imposed by the Central Bank of Myanmar (CBM) or other relevant regulatory bodies.

KBZ Bank also reserves the right to suspend or permanently close a KBZPay account at its discretion and without prior notice if transactions exceed the set limits or if the customer repeatedly breaches the transaction limits as outlined by KBZ Bank and in accordance with CBM regulations.

The KBZPay Blue Application is strictly intended for personal use only. Any attempt to register the account under a business or non-personal name will be rejected by the bank.

If a customer does not perform any transactions for 24 consecutive months or more, the account will be classified as inactive, resulting in restricted access. KBZ Bank may choose to deactivate, suspend, or close inactive or dormant accounts, especially those holding a balance of 500 MMK or less or with a zero balance. Once the account is closed, all associated services will be terminated immediately, with or without prior notice to the customer.

CHAPTER 4
SURVEY ANALYSIS

This section presents survey design, data analysis and interpretation, analysis of the factors influencing customers' intention, multiple regression model for factors influencing customers' intention to adopt KBZPay mobile wallet in Sagaing township and findings of analysis.

4.1 Survey Design

The study was conducted at KBZ Bank Branches (1) and (2) in Sagaing township. Sagaing township is home to many government departments, offices, small and medium-sized industries, and universities. Students, employees, and business people use banks and mobile money services to transfer and withdraw money. However, most students and employees do not use bank transfer services on weekends due to academic schedules and work commitments, which limit their time to visit banks. Among various mobile financial services available in Myanmar, KBZPay wallet is the most popular, making it the preferred choice for the majority of customers. Therefore, data for this study were collected from customers who use KBZ Bank Branches (1) and (2) in Sagaing Township.The research used descriptive method output data by examining samples survey responses, multiple-choice and likert scale questions in frequency count, percentages and charts was used to illustrate each survey questionnaire item such as gender, age, education level, and occupation etc. 5 likert Scale questionnaires were used in average (mean), percentages and excel. There were closed-ended questions utilized a five-point rating scale: 1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree.

Simple random sampling was used to obtain a sample size. The sample size for customers was calculated based on Yamane’s formula. Using Yamane's sample size formula with a margin of error of 5% and a confidence coefficient of 95% (Yamane, 1967). There were 302 KBZPay users in the population of over 2,000. Two types of analysis, descriptive statistics and multiple regression models were used. Multiple regression analysis is a method that simultaneously considers the relationship between all variables when two or more independent variables are used in the estimation of the dependent variable. Using two or more independent variables in regression analysis is

an extension of the principles used in bivariate regression analysis. It is necessary to determine the equation for the average relationship between the variables.

In the linear equation that represents the multiple regressions model is

$Y_i = \beta_0 + \beta_1 X_{i1} + \beta_2 X_{i2} + \cdots + \beta_k X_{ik} + \varepsilon_i$

Where Y= value of the dependent variable in the ith trial, of observation

β_0 = constant in the regression equation, which indicates the value of Y when all $X_k = 0$

$\beta_1, \ldots, \beta_k$ = regression coefficients associated with each of the Xk independent variables

X_{ij} = value of the j^{th} independent variable in the i^{th} trial, or observation, associated with the process of sampling.

ε_i = the random error in the i^{th}trial or observation, associated with the process of sampling.

Dependent variables are the customer influence factor on KBZPay wallet adoption is the continuous use of KBZPay services. Independent variables are perceived usefulness, perceived security, time-saving, and perceived costs.

4.2 Demographic Characteristics of Respondents

Demographic characteristics are very important in analyzing the factors that influence customers' intention on mobile wallet adoption. This section expresses the profiles of random sample of 302 customers taken out from the customers in Sagaing township.

In table 4.1, demographic characteristics of respondents of mobile wallet users are based on gender, age, education level, monthly income and occupation.

Table (4.1) Demographic Profile of Respondents

Description		Frequency	Percent
Total		302	100
Gender	Female	159	52.6
	Male	143	47.4
Age (Years)	15-24	65	21.5
	25-34	110	36.4
	35-44	77	25.5
	45-54	34	11.3
	55-64	15	5.0
	65-74	1	.3
Education	Primary	36	11.9
	Middle School	36	11.9
	High School	87	28.8
	Diploma	23	7.6
	Bachelor's Degree	104	34.4
	Master's Degree	14	4.6
	Doctorate	2	.7
Occupation	Government Employee	74	24.5
	Company Employee	52	17.2
	Student	27	8.9
	Pensioners	11	3.6
	Self- Employed	52	17.2
	Unemployed	31	10.3
	Other	55	18.2
Monthly Income (Kyats)	> 100,000	40	13.2
	100,000 to 399,999	132	43.7
	400,000 to 699,999	81	26.8
	700,000 to 999,999	29	9.6
	< 1,000,000	20	6.6

Source: Researcher's Survey data, 2025

Out of the sample 302, it is found that 47.4% of the customers are male and the rest 52.6% are female. The distribution of questionnaires which female respondents are more concerned about the survey than male respondents.

Age group of respondents is classified into six group: starting from between 15 years and 24 years, 25 years and 34 years, 35 years and 44 years, 45 years and 54 years, 55 years and 64 years, 65 years and 74 years. Age group of between 25 years to 34 years is the largest respondent with 36.4% and 65 years to74 years is the lowest respondent at 0.3%.

Education are seven categories of samples for education, primary, middle school, high school, diploma, bachelor's degree, master's degree and doctorate. According to a survey, the highest user is bachelor's degree level, which is 34.4% followed by the doctorate level, is the lowest respondents at 0.7%.

The respondents in the sample have been categorized based on their employment status, as illustrated in the table below. The majority of KBZPay users belong to the Government Employee category, accounting for 78.5% of the sample. Company Employees and Self-Employed individuals together represent 17.2%. The Pensioner group makes up the smallest proportion at 3.6%, while Students also form part of the user base, contributing 8.9% of the total participants.

The respondents by income level are classified by five categories, which are less than 100,000, 100,000 - 399,999 Kyats, 400,00 - 699,999 Kyats, 700,000 - 999,999 Kyats and more than 1,000,000 Kyats.

According to a survey, most people use KBZPay for amounts below 100,000 - 399,999 Kyats which is 43.7. The least is more than 1,000,000 Kyats is 6.6%.

4.2.1 Customers Behavior of Using KBZPay

Behavioral aspects relate to the past usage patterns of KBZPay. Respondents' frequencies of using KBZPay are categorized into five: not used, less than 1 year, 2-3, 4-5 and 6 years and above.

Table (4.2) Experience in Using KBZPay

Category	Frequency	Percent (%)
Not used	33	10.9
≥1 year	52	17.2
2-3	16	5.3
4-5	126	41.7
≤6	75	24.8
Total	302	100.0

Source: Researcher's Survey data, 2025

As shown in table (4.2) the 41.7% of respondents are using KBZPay (4-5) and 13.5% of respondents are using KBZPay often. Only 5.3% of respondents are rarelyusing KBZPay. There are a lot of features in KBZPay Application and the following table represents the types of KBZPay features used by respondents. The popular features 26 used by customers are merchant payment by QR code and airtime bill top-up for mobile.

There are a lot of features in KBZPay Application and the following table represents the types of KBZPay features used by respondents.

Table (4.3) Types of KBZPay Features Used by Respondents

Category	Frequency	Percent
Transfer Money	50	16.6
Top Up	51	16.9
Registered Pay	70	23.2
Agent Payment	23	7.6
Bill Payment	19	6.3
Donation	15	5.0
Pocket Money Payment	74	24.5
Total	302	100.0

Source: Researcher's Survey data, 2025

Table (4.3) shows the types of KBZPay Features used by Respondents. There are 24.5% of respondents who are using KBZPay for Pocke Money Payment, 16.9% of respondents who are using KBZPay for Airtime top-up and 16.6% of respondents who are using KBZPay for Transfer Money.

The level of users' trust in KBZPay is shown in the following table.

Table (4.4) Income Level of Trust in the Use of KBZPay

Category	Frequency	Percent (%)
> 10,000	26	8.6
10,000 - 49,999	19	6.3
50,000 - 99,999	42	13.9
100,000 - 149,999	45	14.9
150,000 - 199,999	49	16.2
< 200,000	121	40.1
Total	302	100.0

source: Researcher's Survey data, 2025

Table (4.4) shows the level of trust among users in KBZPay. 40.1% of respondents trust in using KBZPay for transactions above 200,000 Ks, while 8.6% trust in using KBZPay for transactions below 100,000 Kyats.

Respondent's frequencies of using KBZPay are categorized into four; daily, very often, often and rarely.

Table (4.5) Frequency of Using KBZPay

Category	Frequency	Percent (%)
One time in a week	55	18.2
Between 2-3 times	58	19.2
Between 4-5 times	94	31.1
More than 6 times	95	31.5
Total	302	100.0

source: Researcher's Survey data, 2025

As shown in Table (4.5), 31.5% of the respondents use KBZPay more than 6 times in a week, and 31.1% use it between 4 and 5 times in a week.

4.3 Agreement level of Factor Influencing on Customer Intention to KBZPay Mobile Wallet Adoption.

This research is mainly focused on examining the factors influencing on customer intention to KBZPay mobile wallet adoption. The research framework for this study is based on extended Technology Acceptance Model (Venkatesh& Davis, 2000) and Innovation Diffusion Theory (Rogers, 2003). The research model includes the two

innovative characteristics that exert an important effect on the people's perceived usefulness, perceived ease of use and intention to use mobile wallet. The theoretical model in this study also examines the relationship between Perceived Security, Perceived Cost, Time Saving and Influencing factors on KBZPay wallet adoption.

(a) Perceived Usefulness

Table (4.6) describes the items which examine the customer perception on Perceived Usefulness.

Table (4.6) Perceived Usefulness

No	Statement		SD	D	N	A	SA
1	KBZPay improves my ability to manage my financial activities effectively.	freq	31	19	34	78	140
		%	10.3	6.3	11.3	25.8	45.4
2	The app enhances my productivity by simplifying routine transactions like payments and transfers.	freq	30	13	28	79	152
		%	9.9	4.3	9.3	26.2	50.3
3	KBZPay allows me to access financial services whenever and wherever I need them.	freq	30	13	37	74	148
		%	9.9	4.3	12.3	24.5	49.0
4	KBZPay is a convenient solution for avoiding the need to carry cash.	freq	31	7	20	81	163
		%	10.3	2.3	6.6	26.8	54.0
5	KBZPay provides access to financial services that were previously difficult or unavailable to me.	freq	29	9	27	75	162
		%	9.6	3.0	8.9	24.8	53.6
6	KBZPay is helpful in bridging the gap between urban and rural financial services.	freq	31	8	15	69	179
		%	10.3	2.6	5.0	22.8	59.3
Overall Mean			4.05				

source: Researcher's Survey data, 2025

The use of KBZPay improves users' ability to manage financial activities effectively. The application enhances productivity by simplifying routine transactions such as payments and money transfers. KBZPay enables convenient access to financial services at any time and from any location. It serves as an effective solution for reducing the reliance on physical cash. Moreover, KBZPay expands access to financial services that were previously limited or unavailable, contributing to bridging the financial service gap between urban and rural areas.

The result of table (4.6) shows that "KBZPay is helpful in bridging the gap between urban and rural financial services" is the most important fact for perceived usefulness winning the highest response of 59.3%. Followed by the responded of 54% for "KBZPay is a convenient solution for avoiding the need to carry cash," and "KBZPay provides access to financial services that were previously difficult or unavailable to me" having percent of 53.6% express that the usefulness of the system can enhance the user's performance. The result show that, the difference between the variables in table (4.6). It can be assumed that the average mean score for perceived usefulness is the highest among the factors in research conceptual framework.

(b) Perceived Security

Perceived security is one of the barriers in mobile wallet technology to support mobile cash transactions. Near field communications (NFC) enables fast and easy wireless connection between electronic devices in short range distance (Chen & Chang, 2013). Table (4.7) displays the items that represent customers' views regarding Perceived Security.

Table (4.7) Perceived Security

No	Statement		SD	D	N	A	SA
1	I feel confident that my personal and financial information is secure when using KBZPay.	freq	34	19	28	76	145
		%	11.3	6.3	9.3	25.2	48.0
2	KBZPay's security features make me feel safe when performing financial transactions.	freq	34	11	33	79	145
		%	11.3	3.6	10.9	26.2	48.0
3	The two-factor authentication (2FA) in KBZPay enhances my confidence in its security.	freq	34	17	44	72	135
		%	11.3	5.6	14.6	23.8	44.7
4	I feel comfortable using biometric authentication (e.g., fingerprint, face recognition) in KBZPay.	freq	34	15	32	90	131
		%	11.3	5.0	10.6	29.8	43.4
5	KBZPay will not share my information (personal details, payment history) with third parties without my permission.	freq	46	32	62	57	105
		%	15.2	10.6	20.5	18.9	34.8
6	I feel that KBZPay quickly resolves any security issues or fraud concerns.	freq	76	31	58	50	87
		%	25.2	10.3	19.2	16.6	28.8
7	KBZPay clearly explains its security policies, which makes me feel more confident about using it.	freq	37	12	19	83	151
		%	12.3	4.0	6.3	27.5	50.0
Overall Mean		3.75					

source: Researcher's Survey data, 2025

The results come out from the table (4.7) indicate that "KBZPay clearly explains its security policies, which makes feel more confident about using it" is the strongest and the fact that "KBZPay's security features make feel safe when performing financial

transactions” has the second strongest mean responded of 50% and 48% respectively. Another factor that “feeling that KBZPay quickly resolves any security issues or fraud concerns” gets little low score than other factors and it expresses there is low customer satisfaction while using mobile wallets. According to the above result perceived security has the direct effect behavioral intention.

(d) Perceived Costs

Luarn and Lin (2005) proposed that perceived cost plays a significant role in shaping consumers' intentions to adopt new technologies. Their research highlights that high pricing can serve as a major obstacle to adoption. In other words, when the cost of using mobile wallet services is perceived as high, customers may be discouraged from using them.

In Table (4.8), the concept of perceived cost is assessed through six items. The results presented in the table indicate that respondents generally consider KBZPay's pricing structure to be reasonable. Maintaining affordable pricing has been shown to attract consumers and encourage mobile wallet adoption. Conversely, if the cost of using such services increases, users may be less inclined to continue using the technology.

Table (4.8) Perceived Costs

No	Statement		SD	D	N	A	SA
1	I feel the transaction fees for using KBZPay are reasonable.	freq	33	11	34	73	151
		%	10.9	3.6	11.3	24.2	50.0
2	The cost of using KBZPay is lower compared to other payment methods.	freq	37	11	51	58	145
		%	12.3	3.6	16.9	19.2	48.0
3	I do not feel burdened by the expenses of upgrading my smartphone or internet connection to use KBZPay effectively.	freq	55	23	41	50	133
		%	18.2	7.6	13.6	16.6	44.0
4	Resolving payment issues or disputes with KBZPay requires minimal effort or additional cost.	freq	33	15	40	61	153
		%	10.9	5.0	13.2	20.2	50.7
5	I feel that KBZPay saves me more money in the long run compared to its alternatives.	freq	33	5	20	74	110
		%	10.9	1.7	6.6	24.5	56.3
6	Overall, I consider KBZPay a cost-effective solution for managing my financial transactions.	freq	31	6	16	76	173
		%	10.3	2.0	5.3	25.2	57.3
Overall Mean		4.01					

source: Researcher's Survey data, 2025

(e) Time Saving

Time Saving is a measure of how the KBZPay mobile wallet service will impact the daily lives of users by saving time on the usage of each user. The variable compatibility items for this research are listed in Table (4.8).

Table (4.8) Time Saving

No	Statement		SD	D	N	A	SA
1	KBZPay allows me to complete transactions faster compared to traditional payment methods (e.g., cash counting, bank visits).	freq	32	8	23	68	171
		%	10.6	2.6	7.6	22.5	56.6
2	KBZPay saves me time by providing access to financial services anytime and anywhere.	freq	32	6	24	58	182
		%	10.6	2.0	7.9	19.2	60.3
3	KBZPay reduces the need to visit physical bank branches or ATMs.	freq	32	10	32	57	171
		%	10.6	3.3	10.6	18.9	56.6
4	Features like QR code payments save time when making purchases.	freq	33	11	19	61	178
		%	10.9	3.6	6.3	20.2	58.9
5	Reusing saved details (e.g., favorite accounts, biller information) saves time during repeated transactions.	freq	32	20	38	54	158
		%	10.6	66.6	12.6	1709	52.3
6	KBZPay reduces the time spent waiting in queues or handling cash.	freq	32	21	32	55	162
		%	10.6	7.0	10.6	182	53.6
7	Compared to other mobile wallets, KBZPay provides a more time-efficient experience.	freq	35	13	36	57	161
		%	11.6	4.3	11.9	18.9	53.3
Overall Mean			3.95				

source: Researcher's Survey data, 2025

The findings from Table (4.8) reveal that the statement "KBZPay saves me time by providing access to financial services anytime and anywhere" received the highest level of agreement, with 60.3% of respondents selecting it, making it the most influential factor contributing to perceived usefulness. Followed by a respond of 58.9% for “Features like QR code payments save time when making purchases”, and “KBZPay allows me to complete transactions faster compared to traditional payment methods (e.g., cash counting, bank visits)”, having a score of 56.6%, expressing the user’s performance. There is not much difference between the variables in table (4.8). The average score for perceived usefulness can be considered the highest among the factors in the research conceptual framework.

(f) Influencing Factors on KBZPay Wallet Adoption

Table 4.9 describes the items influencing factors on KBZPay wallet adoption. The survey results that come out from the table (4.9) indicate the factors influencing KBZPay mobile wallet adoption. Among the influencing factors, “Using KBZPay saves time compared to traditional payment methods,” which represents the time-saving construct, is the strongest response at 62.3%, and the factor that KBZPay was used whenever needed as it helps financial work more efficiently, representing the perceived usefulness, is the second strongest customer agreement level, with a response of 61.3%.

Table (4.9) Influencing Factors on KBZPay

No	Statement		SD	D	N	A	SA
1	I am confident that KBZPay will be used whenever I need to as it helps me do my financial work more efficiently.	freq	32	6	18	61	185
		%	10.6	2.0	6.0	20.2	61.3
2	Using KBZPay saves time compared to traditional payment methods.	freq	31	7	18	58	188
		%	10.3	2.3	6.0	19.2	62.3
3	The app's interface is intuitive and user-friendly.	freq	32	6	22	62	180
		%	10.6	2.0	7.3	20.5	59.6
4	KBZPay has a good reputation, which increases my confidence in using it.	freq	31	7	18	63	183
		%	10.3	2.3	6.0	20.9	60.6
5	The app’s transparency about fees and policies increases my trust.	freq	32	8	23	62	177
		%	10.6	2.6	7.6	20.5	58.6
6	I intend to continue using KBZPay in my daily life.	freq	33	10	32	71	156
		%	10.9	33	10.6	23.5	51.7
7	I plan to continue using KBZPay regularly in the future.	freq	33	12	36	64	157
		%	10.9	4.0	11.9	21.2	52.0
8	I would recommend KBZPay to others based on my experience.	freq	30	12	34	59	167
		%	9.9	4.0	11.3	19.5	55.3
Overall Mean			4.12				

source: Researcher’s Survey data, 2025

The overall mean score shows the high level of customer agreement on KBZPay. By strengthening the high customer perception items, customers' intention to adoptmobile wallets was increased, and by controlling or reducing the negative influencing factor, the adoption rate was not declined.

(g) Summary of Overall Mean Scores

Summary of overall mean scores is shown in the table (4.10). The independent variables of the conceptual framework of this study are perceived usefulness, perceived security, time saving and perceived cost.

Table 4.10 Summary of Overall Mean Scores

Item	Description	Mean	Level of agreement
1	Perceived Usefulness	4.05	High
2	Perceived Security	3.75	High
3	Time Saving	3.95	High
4	Perceived Cost	4.01	High

source: Researcher's Survey data, 2025

The survey result of perceived usefulness and time saving are found that the highest score of 4.01 and it means that most of the customers' agreements highly accept KBZPay's usefulness. Perceived cost has the second highest value, and it also means that high level of agreement. The rest of two variables perceived ease of use and perceived security also has high agreement level. Mean scores between the variables have not much difference, but they all have high level of agreement.

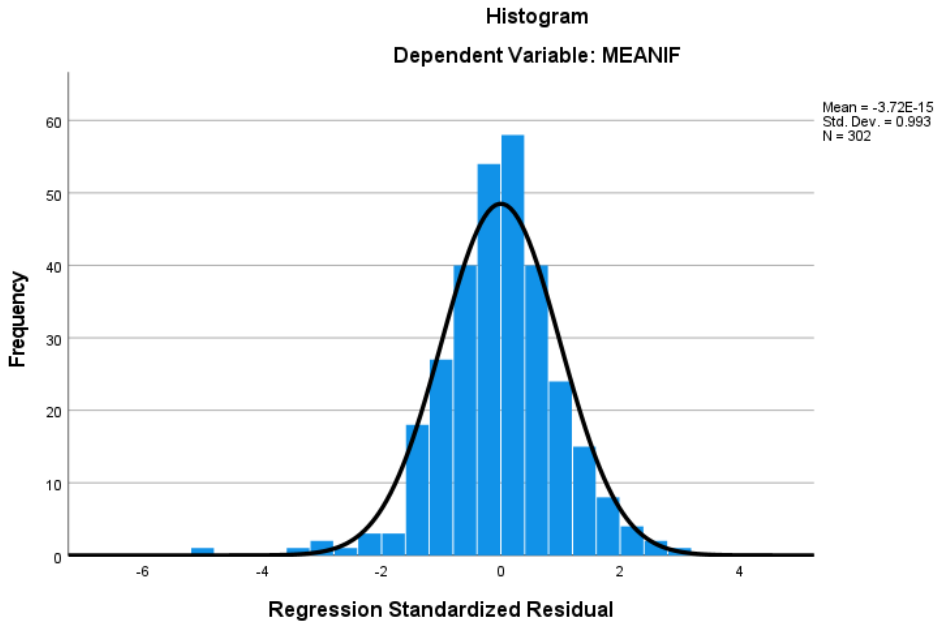
4.4 Test for Assumptions of Multiple Regression Analysis

To determine the required assumption from multiple regression model for mobile wallet adoption, the following procedures have been used.

4.4.1 Test for Normality of Disturbances

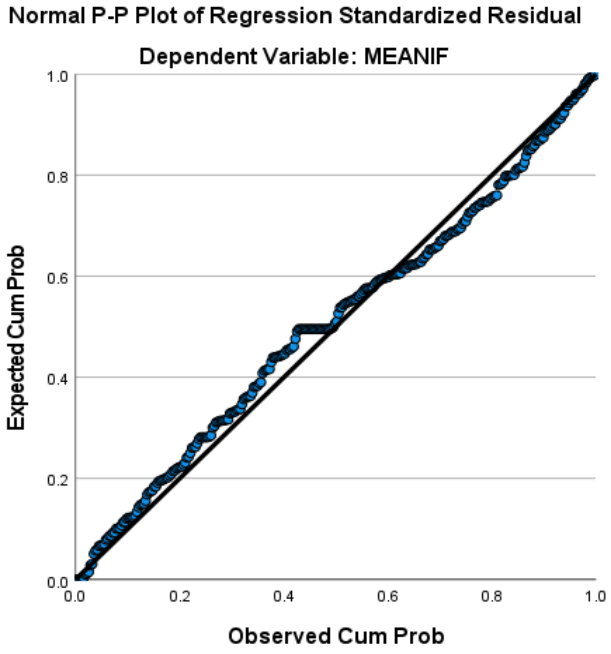
The first assumption of the Ordinary Least Squares (OLS) model is that disturbances are a normal variable and is normally distributed with mean zero and variance constant. To check whether the disturbances are normally distributed, histogram and normal plot of the disturbances for KBZPay wallet adoption are shown in figure 4.1 and 4.2.

Figure (4.1) Histogram of Disturbances for KBZPay Wallet Adoption



Source: Researcher's Survey data, 2025

Figure (4.2) Normal Plot of Disturbances for Vocational Training

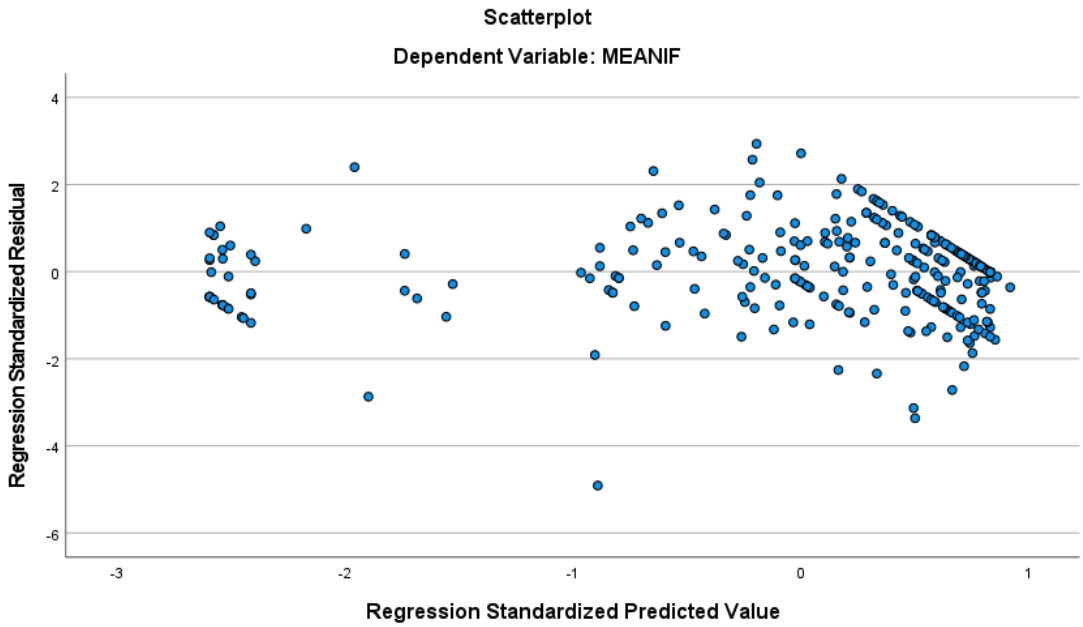


Source: Researcher's Survey data, 2025

4.4.2 Testing for Equal Variance (Homoscedasticity)

Another basic assumption of the multiple regression model is homoscedasticity. In the presence of homoscedasticity, the regression coefficients become less efficient. Homoscedasticity can often be detected by plotting the estimated Y values against the disturbances. Figure 4.3 presents the predicted KBZPay wallet adoption on x axis and the disturbance for KBZPay wallet adoption on y axis.

Figure (4.3) Residual Pattern for Heteroscedasticity



Source: Researcher's Survey Data, 2025

The figure can be seen that there is no residual pattern. Therefore, it can be concluded that residuals in KBZPay wallet adoption have on equal variance or homoscedasticity.

4.4.3 Detecting Multicollinearity

The issue of multicollinearity, which arises when there is a strong correlation among independent variables in a model, is also examined in this study. This issue can be identified by analyzing Tolerance and Variance Inflation Factor (VIF) values. When the relationships between independent variables are weak, a Tolerance value of 0.1 or higher and a VIF value of 10 or lower generally indicate that multicollinearity is not a concern. Based on the results of this study, the Tolerance and VIF values for the independent variables are presented in the following table.

Table 4.4 Results of Multicollinearity Analysis

Variable	Tolerance	VIF
PU	0.119	8.407
PS	0.112	8.899
TS	0.210	4.765
PC	0.104	9.575

source: Researcher's Survey data, 2025

According to the table 4.4, among the independent variables, it is found that the collinearity statistics of the value of Tolerance is not less than 0.1. Based on the coefficient, output collinearity statistics, variance inflation factor (VIF) value of each predictor variable is obtained 8.407, 8.899, 4.765, 9.575 respectively. Thus, since VIF values are less than 10, there is no multicollinearity.

4.5 Multiple Regression Analysis

Table (4.13) shows the result for regression analysis of influencing factors on mobile wallet adoption.

Multiple regression analysis is used to identify the linear combination between independent variables used collectively to predict the dependent variables (MILES and SHEVLIN, 2001). Regression analysis helps us understand how the typical value of the dependent variable changes when any one of the independent variables is varied, while the other independent variables are held fixed. Ordinary Least Squares (OLS) is used most extensively for estimation of regression functions. In short, the method chooses a regression where the sum of residuals, ΣUi is as small as possible.

Multiple regression analysis is applied to investigate the influencing factors on mobile wallet adoption. To develop the multiple regression model, KBZPay wallet adoption is used as dependent variable and perceived usefulness, perceived security, time saving, and perceived cost are used as independent variables.

The multiple regression models with k independent variables i.

$Yi = b_0+b_1X_{1i}+b_2X_{2i}+b_3X_{3i}+\ldots+b_7X_{7i}+e_i$ i =1, 2, …, n

Where

Yi = value of the dependent variable in the i^{th} observation

b_0= intercept

b_1, b_2, b_3= regression coefficient associated with each of the X_k independent variables

X_k = value of the k^{th} independent variable in the i^{th} observation

e_i = random error terms

The estimated multiple regression model is as follow:

$$\hat{Y}_i = b_o + b_1X_{1i} + b_2X_{2i} + b_3X_{3i} + b_4X_{4i} + b_5X_{5i}$$

In constructing the model, the variables are noted as:

$\hat{Y}i$ = KBZPay Wallet Adoption

X_i = Vector of Independent Variables = (X_{1i} X_{2i} X_{3i} X_{4i})

X_{1i} = Perceived usefulness

X_{2i} = Perceived security

X_{3i} = Time saving

X_{4i} = Perceived cost

Table (4.13) Regression Analysis of Influencing Factors on KBZPay Wallet Adoption

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.244	0.071		3.423	0.001
PU	0.381***	0.049	0.402	7.751	0.000
PS	0.086**	0.038	0.084	2.283	0.023
TS	0.082*	0.049	0.083	1.666	0.097
PC	0.403***	0.047	0.418	8.597	0.000
R^2	0.892				
Adjusted R^2	0.891				
F-value	614.769***				

Source: **SPSS output, 2025**

Note: * Statistically significant at 1% level, ** at 5% level, * at 10% level**

Table (4.13) shows that 33% about the variance of the factors influencing on customer intention to KBZPay mobile wallet adoption. That means influencing factor has explanatory power on behavioral intention to adopt. As shown in the table (4.13) there are four influencing factors variables such as perceived usefulness, perceived security, time saving and perceived costs that effect on customer intention to adopt. As per estimated linear regression model, the F value of 814.584 mean overall models'

significant level at 0.001. For the significant of each variable, perceived usefulness and perceived cost is significant at 1% level and having the p value of 0.000. After that, time saving is significant at 5% level since the result of p value is 0.012.

The analysis of the variables reveals that Perceived Security (PS) is statistically significant at the 5% level with a p-value of 0.023 and a small effect size ($\beta = 0.084$); however, it exhibits multicollinearity concerns with a Variance Inflation Factor (VIF) of 4.765. Perceived Usefulness (PU) is highly significant at the 1% level ($p = 0.000$) with a moderately strong effect size ($\beta = 0.402$) but suffers from high multicollinearity indicated by a VIF of 9.575. Time Saving (TS) is significant at the 10% level, though its p-value is very high (0.97), showing a small effect ($\beta = 0.083$) and substantial multicollinearity (VIF = 8.899). Lastly, Perceived Cost (PC) is the strongest predictor with a highly significant p-value of 0.000 and the largest effect size ($\beta = 0.418$), but it also has serious multicollinearity issues reflected by a VIF of 8.407.

CHAPTER 5
CONCLUSION

This chapter consists of the results findings from the researched study, suggestions, limitations of the study and needs for further research on the influencing factors of KBZPay mobile wallet adoption.

5.1 Findings and Discussions

The primary goal of this study was to investigate the factors influencing customers' intention to adopt KBZPay, a mobile wallet service. Among the total of 302 respondents, 52.6% were female and 47.4% were male. All participants owned smartphones, which they actively used as a payment tool.

The research was guided by a theoretical model that explored the impact of various constructs on mobile wallet adoption. The model consisted of five key constructs: Perceived Usefulness, Perceived Security, Time Saving, Perceived Cost, and Influencing Factors. The results indicated that Perceived Usefulness and Perceived Cost had the strongest significant impact on mobile wallet adoption. Additionally, Time Saving was identified as the second most influential factor on users' behavioral intention.

One of the most notable findings was that the statement "KBZPay helps bridge the gap between urban and rural financial services" received the highest mean score, making it the most influential factor related to customers' intention to use mobile wallet services. This was followed by the perception that "Overall, I consider KBZPay a cost-effective solution for managing my financial transactions", which ranked second among the items within the Perceived Cost construct. While other items scored slightly lower, the overall mean for Perceived Usefulness was the highest, confirming its significant role in shaping behavioral intention toward mobile wallet adoption.

The study also revealed that KBZPay is generally seen as affordable by most users, with its cost-effectiveness being a key consideration. However, some respondents expressed concerns regarding transaction fees, noting that these could still be perceived as high. In terms of Perceived Security, some customers believed that security or fraud-related issues were not always addressed promptly, which impacted their behavioral intention.

Within the Perceived Security construct, the statement "I feel secure using KBZPay because others cannot access my account without permission" received the highest mean score, emphasizing the importance of security in influencing user behavior. Other security-related items also received positive but slightly varied scores, highlighting that security remains a crucial and positive factor in shaping behavioral intention. Notably, the statement "KBZPay's security features make me feel safe when performing financial transactions" ranked second among all items in the model, reinforcing the importance of secure systems.

Simplicity and ease of use were also found to influence customer behavior. The statement "When I use KBZPay, the process is clear and understandable" received a high mean score, suggesting that users value an uncomplicated, straightforward experience when using mobile wallet services.

Overall, the study confirmed that Perceived Usefulness, Perceived Cost, Perceived Security, and Time Saving significantly contribute to shaping customers' intention to adopt mobile wallet services.

In conclusion, the research identified Perceived Usefulness, Perceived Cost, and Perceived Security as the most critical factors influencing the adoption of KBZPay. Enhanced usefulness can support users in managing their financial activities more effectively, while strong security measures build trust and reduce concerns when using the system. Additionally, the affordability of the service was identified as the second strongest factor motivating mobile wallet adoption. Furthermore, Perceived Security and Time Saving were also found to moderately influence customers' behavioral intentions regarding the use of KBZPay.

5.2 Suggestions and Recommendations

Mobile wallets have become a crucial aspect of financial technology in Myanmar. Banks can increase consumer adoption by focusing on key factors that influence mobile wallet usage. This research paper primarily examines KBZPay users in the Sagaing township area.

To achieve widespread acceptance of mobile wallets, significant efforts are required from various stakeholders to drive necessary changes. Currently, mobile wallet services are still in their early stages in Myanmar. Wallet providers should expand the network of agents and ATMs to make money transfers and cash withdrawals more

convenient for customers. Additionally, the establishment of more merchant acceptance points is essential to encourage broader customer adoption.

Moreover, wallet providers should develop promotional strategies that align with market demands. This study found that KBZPay's transaction fees remain relatively high for some users. As such, adjusting the pricing structure could encourage more frequent usage. With strengthened influencing factors and improvements in service infrastructure, the widespread adoption of mobile wallets is likely in the near future. A cashless society is on the horizon for Myanmar.

5.3 Needs for Further Study

This study only focuses on five factors influencing on KBZ Pay usage behavior. However, there are additional factors which can impact on usage behavior. Further research is required to identify and evaluate other factors which can impact on KBZPay usage factor and influence such as perceived cost, compatibility, perceived risks, accessibility etc. Due to the limited time period, this study only covers to only 302 KBZ Pay customers in Sagaing Township and it is considerably small in comparison of total population of Myanmar and total KBZ Pay customers. Further research should be conducted in other areas which have the most usage rate aside to Sagaing Township. Moreover, further research should extend to the KBZ Pay's agent network who deals with the customers on daily basic.

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www.kbzbank.com

www.kbzpay.com

www.wikipidia.org

APPENDIX (A)

QUESTIONNAIRE SURVEY

The information provided in the questionnaire will remain strictly confidential and anonymous. It will be used only for the study, whose findings will assist in meeting the requirements of a Master of Public Administration degree.

Your participation is highly appreciated.

Section (1)

Demographic Profile Analysis

Instructions: Please check (✓) on your selected answers.

1. What is your gender?

- □ Male
- □ Female

2. What is your age?

- □ ----------

3. What is your highest level of education?

- □ Primary
- □ Middle School
- □ High School
- □ Diploma
- □ Bachelor's Degree
- □ Master's Degree
- □ Doctorate

4. What is your occupation?

- □ Government Employee
- □ Company Employee
- □ Student
- □ Pensioners
- □ Self-Employed
- □ Unemployed
- □ Other

5. How much is your monthly income?

- □ Less than Ks 100,000

- Ks 100,000 to Ks 399,999
- Ks 400,000 to Ks 699,999
- Ks 700,000 to Ks 999,999
- More than Ks 1,000,000

Section (2)

Introductory questions about KBZPay wallet

Instructions: Please check (✓) on your selected answers.

6. How would you describe your experience in using the KBZPay wallet?

- Not used
- Less than 1 year
- 2 - 3
- 4 - 5
- 6 years and above

7. What kind of mobile wallet services do you use regularly?

- Transfer Money
- Top Up
- Registered Pay
- Agent Payment
- Bill Payment
- Donation
- Pocket Money Payment

8. What amount of money are you willing to trust when you make a mobile payment (in Kyats)?

- Less than Ks 10,000
- Ks 10,000 to Ks 4,9999
- Ks 50,000 to Ks 99,999
- Ks 100,000 to Ks 14,9999
- Ks 150,000 to Ks 199,999
- More than Ks 200,000

9. How often do you use a mobile wallet in a week?

- One time in a week

- Between 2-3 times
- Between 4-5 times
- More than 6 times

Section (3)

Questionnaires on customer intention of mobile wallet services adoption provided by Kanbawza Bank.

Please indicate the levels of agreement on each of the following statements by making a (✓) mark in the appropriate box.

10. Perceive Ease of Use

Index: 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strong Agree

No.	Survey Question	1	2	3	4	5
1	It is easy for me to understand how to use KBZPay.					
2	The procedures of KBZPay (step-by-step Payment transfer fund etc.) are simple for me.					
3	KBZPay anywhere, anytime it can be used conveniently at any time.					
4	The icons and buttons in KBZPay are intuitive and easy to understand.					
5	The instructions and labels on KBZPay are clear and helpful.					
6	KBZPay is easy to use and makes it easy for customers to use in a short period of time.					

11. Perceive Usefulness

Index: 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strong Agree

No.	Survey Question	1	2	3	4	5
1	KBZPay improves my ability to manage my financial activities effectively.					
2	The app enhances my productivity by simplifying routine transactions like payments and transfers.					
3	KBZPay allows me to access financial services whenever and wherever I need them.					

4	KBZPay is a convenient solution for avoiding the need to carry cash.					
5	KBZPay provides access to financial services that were previously difficult or unavailable to me.					
6	KBZPay is helpful in bridging the gap between urban and rural financial services.					

12. Perceived Security

Index: 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strong Agree

No.	Survey Question	1	2	3	4	5
1	I feel confident that my personal and financial information is secure when using KBZPay.					
2	KBZPay's security features make me feel safe when performing financial transactions.					
3	The two-factor authentication (2FA) in KBZPay enhances my confidence in its security.					
4	I feel comfortable using biometric authentication (e.g., fingerprint, face recognition) in KBZPay.					
5	KBZPay will not share my information (personal details, payment history) with third parties without my permission.					
6	I feel that KBZPay quickly resolves any security issues or fraud concerns.					
7	KBZPay clearly explains its security policies, which makes me feel more confident about using it.					

13. Time Saving

Index: 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strong Agree

No.	Survey Question	1	2	3	4	5
1	KBZPay allows me to complete transactions faster compared to traditional payment methods (e.g., cash counting, bank visits).					

2	KBZPay saves me time by providing access to financial services anytime and anywhere.					
3	KBZPay reduces the need to visit physical bank branches or ATMs.					
4	Features like QR code payments save time when making purchases.					
5	Reusing saved details (e.g., favorite accounts, biller information) saves time during repeated transactions.					
6	KBZPay reduces the time spent waiting in queues or handling cash.					
7	Compared to other mobile wallets, KBZPay provides a more time-efficient experience.					

14. Perceived Costs

Index: 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strong Agree

No.	Survey Question	1	2	3	4	5
1	I feel the transaction fees for using KBZPay are reasonable.					
2	The cost of using KBZPay is lower compared to other payment methods.					
3	I do not feel burdened by the expenses of upgrading my smartphone or internet connection to use KBZPay effectively.					
4	Resolving payment issues or disputes with KBZPay requires minimal effort or additional cost.					
5	I feel that KBZPay saves me more money in the long run compared to its alternatives.					
6	Overall, I consider KBZPay a cost-effective solution for managing my financial transactions.					

15. Influencing Factors on KBZPay Wallet Adoption

Index: 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strong Agree

No.	Survey Question	1	2	3	4	5

1	I am confident that KBZPay will be used whenever I need to as it helps me do my financial work more efficiently.					
2	Using KBZPay saves time compared to traditional payment methods.					
3	The app's interface is intuitive and user-friendly.					
4	KBZPay has a good reputation, which increases my confidence in using it.					
5	The app’s transparency about fees and policies increases my trust.					
6	I intend to continue using KBZPay in my daily life.					
7	I plan to continue using KBZPay regularly in the future.					
8	I would recommend KBZPay to others based on my experience.					

APPENDIX (B)

REGRESSION

Model Summaryb

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.945[a]	.892	.891	.410

a. Predictors: (Constant), MEANPU, MEANPS, MEANPC, MEANTS

b. Dependent Variable: MEANIF

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	MEANPU, MEANPS, MEANPC, MEANTS[b]	.	Enter

a. Dependent Variable: MEANIF

b. All requested variables entered.

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	372.766	4	93.191	814.584	.000[b]
	Residual	33.978	297	.114		
	Total	406.744	301			

a. Dependent Variable: MEANIF

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Collinea Statistics
		B	Std. Error	Beta	t	Sig.	Toleranc
1	(Constant)	.244	.071		3.423	.001	
	MEANPC	.403	.047	.418	8.597	.000	.119
	MEANTS	.082	.049	.083	1.666	.097	.112
	MEANPS	.086	.038	.084	2.283	.023	.210
	MEANPU	.381	.049	.402	7.751	.000	.104

a. Dependent Variable: MEANIF

Collinearity Diagnostics[a]

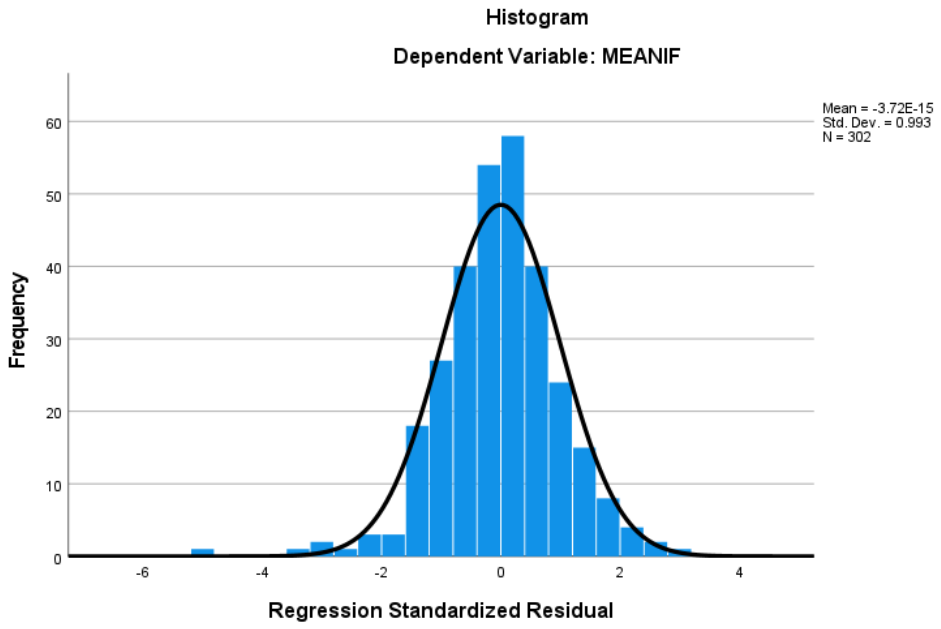
Model	Dimension	Eigenvalue	Condition Index	Variance Proportions				
				(Constant)	MeanPEOU	MeanPU	MeanTS	MeanPC
1	1	4.903	1.000	.00	.00	.00	.00	.00
	2	.066	8.592	.99	.01	.01	.01	.00
	3	.019	16.215	.00	.75	.00	.08	.04
	4	.008	25.020	.00	.22	.99	.08	.07
	5	.004	35.053	.01	.02	.00	.83	.89

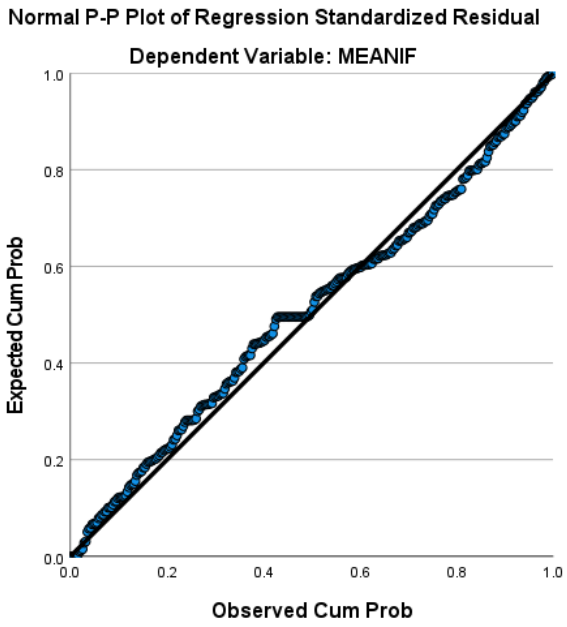
a. Dependent Variable: MeanIF

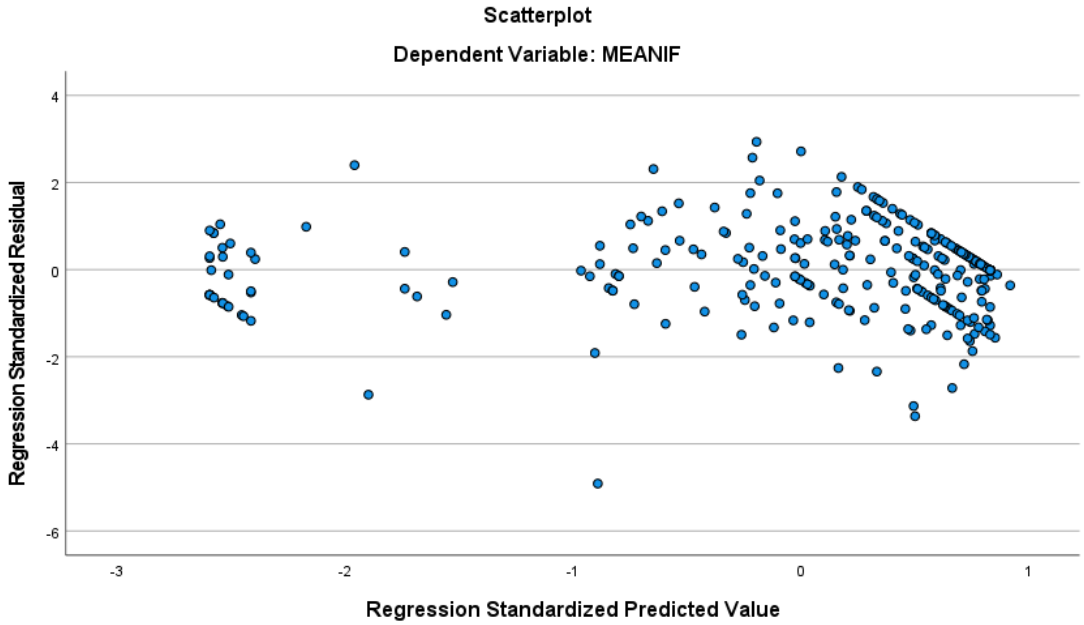
Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	1.20	5.03	4.13	1.173	302
Residual	-1.515	1.442	.000	.408	302
Std. Predicted Value	-2.499	.765	.000	1.000	302
Std. Residual	-3.692	3.516	.000	.993	302

a. Dependent Variable: MeanIF




Normal P-P Plot of Regression Standardized Residual
Dependent Variable: MEANIF
Expected Cum Prob
Observed Cum Prob
0.0
0.2
0.4
0.6
0.8
1.0


Scatterplot
Dependent Variable: MEANIF
Regression Standardized Residual
Regression Standardized Predicted Value
4
2
0
-2
-4
-6
-3
-2
-1
0
1