

**YANGON UNIVERSITY OF ECONOMICS
DEPARTMENT OF COMMERCE
MBF PROGRAMME**

**CUSTOMER ATTITUDE TOWARDS
SME BANKING SERVICES OF
KANBAWZA BANK**

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MBF (DAY) 1ST BATCH**

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**CUSTOMER ATTITUDE TOWARDS
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KANBAWZA BANK**

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This thesis is submitted to the Board of Examiners as partial fulfillment of the degree of "Master of Banking and Finance".

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ABSTRACT

This study has focused on the customer attitude towards SME Banking services of KBZ Bank. The objectives of this study are to identify SME Banking services of KBZ Bank and to explore the customer attitude towards SME Banking services of KBZ Bank in East Yangon by using Tri-component attitude model. This study conducts descriptive research approach. In this study both primary and secondary data are collected. Primary data are collected by interviewing and meetings with responsible officers from KBZ Bank. Customers are requested to fill predetermined questionnaires to analyze their attitude of KBZ Bank on providing SME Banking services. Survey included a hundred customers who are who are currently having businesses relationship and they are randomly selected with the help of SME Banking Department of KBZ Bank. According to survey results on the customer attitude, customer affect component was strong due to give promptness, detail and clear solutions of banking products by Relationship Managers and variety of banking products have at least risks when using. Customers' behavior and cognitive component were weak due to Relationship Managers of KBZ SME Banking Department give one stop banking solutions securely and usefully than normal banking services at branch and not that much helpful in dealing with banking facilities in their business. The suggestions of this study are KBZ SME Banking should focus on providing product package for one stop service with more helpfully. KBZ SME Banking should give on the job trainings and international banking service training to help SME customers for ensuring economic sector of Myanmar developed.

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CHAPTER I

INTRODUCTION

Today, the banking system is one of the fastest growing areas in the economy and the main player. Within society, financial institutions will be much more. Along this growth, the financial market has grown in size and scope with new candidate every day. The relatively stable banking activity is transformed by innovation, opportunity and government intervention. The bank is a financial institution which primarily receives deposits and lends loans to both SME and Corporate businesses, either directly or through the capital market. Banking system is an important part of an efficient financial system in all business segments. Today, commercial banks in Myanmar are trying to improve their services and productivity. However, most of Myanmar banks are now facing many challenges in a highly competitive financial market. The role of the market in the banking system continues to change.

Myanmar is in the early stages of financial reform which has made the government an economic priority. Myanmar's current financial system is still one of the least developed in the world. Myanmar is a cash- oriented economy. Myanmar banking system consists of Central Myanmar (CBM), established in the Central Bank of Myanmar Act in 1990, (4) other state banks, (11) semi-government banks and (16) domestic private banks and (13) foreign banks are established in Myanmar in anticipation of future law and market liberalization.

The Banking Supervision Development of the Central Bank of Myanmar is talking regulatory action on the operation of banks by applying the prudential policies based on the Basle Core Principles. The Banking sector's reforms and movement towards deregulations have created the opportunity for new entrants to enter the financial service market in Republic of the Union of Myanmar. As new competitors enter into the market, the competition in banking sector has become intense. However, under the uniform stipulation of Central Bank of Myanmar (CBM), relationship marketing techniques can help a bank in setting a bank apart from competitors, focusing less on products and more on additional services and the establishment of long-term relationships with customers (Kotler, Wong & Armstrong, 2005). As banking is service oriented industry, customer satisfaction is one of the most important factors to survive infinitely in the industry. So banks need to pay attention to gain customer satisfaction

and to retain good relationships with valued customers in a highly competitive financial market. Nowadays, banks give separate and special services like Royal Banking, Premier Banking, Prestige Banking, Corporate Banking, Business Banking and Retail Banking Services according to customer types and their business needs. That kind of service classification makes more effective in getting customer satisfaction fully. KBZ Bank also have Corporate Banking, Business Banking and Retail Banking according to customer types. Corporate Banking serves especially to Government Ministries, Embassies, NGOs, INGOs, Multi National Corporates Companies and Local Corporates Companies. This study intends to analysis of customer attitudes towards SME Banking Services in KBZ Bank. SME Banking serves only on local Small and Medium Enterprises Business to promote their businesses as 97% of business in our country are mostly SMEs and SMEs businesses are economic backbone of developing country like Myanmar. The last is Retail Banking which serves individual and retail customers effectively. This study focus on customer attitude towards SME Banking Services of KBZ Bank.

1.1 Rationale of the Study

As the competition between banks has been increasing with the advent of globalization and communication technologies, they need to maximize the service level in accordance with the customer satisfaction. Customer satisfaction is positively related to the repurchasing and the amount of sales accordingly, the concept of customer satisfaction is very important for any business.

KBZ Bank is a leading commercial bank in the banking industry of Myanmar. KBZ Bank has the strength, communications, financial capabilities and vision to provide a modern banking service for the client as banking sector is crucial for the development of countries. SME Banking Department of KBZ serves SMEs business by giving advisory service to them about their business needs and wants related to banking services. So, bank needs to create customer values and satisfactions to get the long run success.

Banks should focus more on market combinations and build business relationships to feel that they belong to the bank to achieve a competitive edge. Though KBZ Bank is a market leader (40% of market share) of banking industries in Myanmar, it has still some problems and challenges that perceive the company's management.

Some of the major problems are frequent changes in the various customers and wait a long time during their cash transaction, and this may be due to customer dissatisfaction of the customers towards the banking services. Today, enhance the competitiveness of other competitors, therefore, management need to formulate an effective strategy to maintain existing customers and attract new customers. The information is needed to formulate an effective and effective strategy to improve the banking services and business development by KBZ bank and to increase customer satisfaction. Therefore, the purpose of this study is to find out customers' attitude towards SME Banking services of the KBZ bank in Yangon.

1.2 Objectives of the Study

The objectives of this study are

- (1) To identify SME Banking services of KBZ Bank
- (2) To explore the customer attitude towards SME Banking services of KBZ Bank in East Yangon

1.3 Scope and Method of the study

This study is based on customer attitude towards SME Banking services of KBZ bank in Yangon. "Descriptive Research Method" is used for this study and find out the factors of customers' attitude toward KBZ SME Banking services. It uses both primary and secondary data. Primary data are collected by interviewing on the random 100 SMEs customers of KBZ SME Banking services in East Yangon with structured questionnaires and Secondary data are collected from text books, previous research papers, internet websites and other publications.

1.4 Organizational of the study

This thesis is organized into five chapters. Chapter (1) begins with the introduction of this paper, rationale, objectives, scope and method of study and organization of the paper. Chapter (2) discusses the literature review of the study. And Chapter (3) describes current SME Banking Services provided by KBZ Bank and profile of KBZ Bank. And Chapter (4) describes the analysis of customers' attitude towards SME Banking Services provided by KBZ Bank and Chapter (5), concludes

with findings and discussions, suggestions and recommendations and the needs for the further research are presented.

CHAPTER II

THEORETICAL BACKGROUND

This chapter attempts to review for the theoretical background and concepts that are relevant to the study of SME Banking Services of Kanbawza Bank and customer attitude towards those services. It includes the presentation of the role of SME Banking Services and theoretical presentation about meaning of customer attitude, how attitude is formulated with affect, behavior and cognition which is the components of tri-component model and conceptual framework of this thesis.

2.1 Situation of SMEs in Economy

Fostering a dynamic small and medium enterprise SME sector is an economic development priority in both developed and emerging economies. SMEs are a primary driver for job creation and GDP growth. They greatly contribute to economic diversification and social stability, and they play an important role in private sector development. SME development also represents a major and difficult challenge. SMEs typically face more severe constraints to growth than do large companies, their lack of critical size resulting in reduced access to markets, skills, and capital.

Lack of access to financing is consistently cited by SMEs as one of the main barriers to growth. Often considered by commercial banks and financial institutions as risky and costly to serve, SMEs are largely underserved when it comes to basic financial services with such limited access to financing, SME owners struggle to make the investments they need to increase productivity and competitiveness, develop new markets, and hire more people.

SMEs have more simple needs as they need to drive liquidity and also often require undifferentiated offerings as low-touch and low-cost service. As they are combination of retail and commercial options, they want an end to end customer service experience. That is why, solutions and options are needed for more complex advice.

2.2 Roles of Banks in SMEs

The bank's objective is the collection of free public funds in the form of deposits in order to use them for granting loans. On the other hand, through different actions such as keeping accounts, approving advances and loans, making transfers etc., gives the possibility to banks to recognize the performance of various firms and businesses

and to control and impacted on them. Banks promote firms' development by positively influencing in the mitigation of information problems between the investor and the borrower by ensuring a more efficient use of the depositor's funds. Efforts to develop financial services for SMEs have been growing and have evolved considerably for the past few decades. In response to a growing understanding of the financial needs of SMEs, there has been a shift toward commercializing these efforts through formal financial services. This section builds on previous empirical evidence of bank microfinance strategies in various countries. It discusses cases of successful bank financing models and attempts to draw some lessons from such experiences. While there are many ways in which banks become engaged in small business lending, previous empirical works have classified the strategies that banks normally use to enter the microfinance market into two main categories: direct and indirect. The direct approach is when banks set up internal units within the banks to serve SMEs or establish separate companies to deal with this market. The indirect approach is when commercial banks enter into an SME segment by working with existing MFIs.

2.3 SME Banking Services of Commercial Banks in Myanmar.

In this banking era, banks give separate and special services like Royal Banking, Premier Banking, Prestige Banking, Corporate Banking, Business Banking and Retail Banking Services according to customer types and their business needs. That kind of service classification makes more effective in getting customer satisfaction fully.

There are many commercial banks such as KBZ Bank, AYA Bank, CB Bank and UAB Bank which serves SME Banking Services Products and services of each bank is similar but each has its own style of products and services according to internal policy of each bank because SMEs constitute a significant and growing opportunity for commercial banks, but the diversity of their needs and requirements makes them a difficult target.

SME Banking serves only on local Small and Medium Enterprises Business to promote their business as 97% of businesses in our country are mostly SMEs. SMEs businesses are the economic backbone of developing country like Myanmar. SME Banking is financial needs of SME businesses with an institution that provides business loans, credit, and savings and checking accounts specifically designed for local companies instead of individuals.

SME Banking Department provides both short term and long term courses about financial knowledge, banking services information and business management to SME business with the aim of improving SME business in Myanmar in line with changing era and to develop socio economic of local owned business. This is the main goal of SME Banking. To fulfil the main goal, Relationship Managers (RMs) from SME Banking helps SMEs with business solutions to get more economic benefits and to reduce various kinds of risk. Besides providing financial needs, RMs also serve innovative solution which are in line with respective business nature.

2.4 Customer Attitude

Most customer attitudes are borne out of experience with products and services. A person who has a bad experience with a type of car might never be persuaded to purchase that kind of car again, no matter how attractive the price offer. Consumers can generalize a negative attitude toward whole categories of goods and services or even groups and communities. People who eat organic goods might have negative attitudes about non-organic foods. Similarly, someone who got sick from eating too much ice cream as a child might have the attitude that all dairy is bad. Negative experiences adversely affect consumer attitudes. An attitude is a learned pre disposition to behave in a consistently favorable or unfavorable way with respect to a given object. Attitudes are not directly observable, but must be inferred from what people say or what they do. Therefore, customer attitudes are a composite of a person's beliefs about, feelings about, and behavioral intentions towards your business. Customer attitude also base on customer perceptions and customer expectations. Perception is the organization, identification and interpretation of sensory information in order to represent and understand the environment. So, perception is approximation of reality. Customer perception refers to the process by which a customer selects, organizes, and interprets information.

2.5 Tri-Component Attitude Model

According to Tri-Component Attitude Model, attitudes consist of three major components, a cognitive component, an affective component, and a behavioral

component. These three components are illustrating in Table (2.1) and discussed as follows:

Table (2.1) Tri-component Attitude Model

Initiator	Component	Component Manifestation	Attitude
Stimuli: Products situations, retail outlets, sales personnel, advertisement and other attitude objects	Affective	Emotions or feelings about specific attributes or overall object	Overall orientation towards object
	Cognitive	Belief about specific attributes or overall object	
	Behavioral	Behavioral intentions with respect to specific attributes or overall	

Source: Del I. Hawkins, Roger J Best and Kenneth, 1998

2.5.1 Affective Component

First, the affective component refers to the emotional reaction one has toward an attitude object. A snake is an attitude object. Whenever Alice is exposed to a snake - whether she sees one or thinks about one - she feels extreme anxiety and fear. This is only one component of this specific attitude, though; we will discuss the other two components a little later in this lesson.

Now, an attitude that is stemmed from or originally created by an emotion is called an affectively-based attitude. Attitudes about hot-button issues - such as politics, sex, and religion - tend to be affectively-based, as they usually come from a person's values. This type of attitude is used to express and validate our moral belief or value systems.

2.5.2 Behavioral Component

The next component of an attitude is the behavioral component, and it refers to the way one behaves when exposed to an attitude object. This represents one's tendency to respond in a certain manner toward an object or activity. According to some interpretations, the cognitive component may include the actual behavior itself. In pure marketing terms it relates to the consumer's intention to buy. That is, behavioral intentions. A series of decisions to purchase or other brand to friends would reflect the behavioral component of an attitude.

The behavioral intention is what the consumer plans to do with respect to the object (e.g., buy or not buy the brand). As with effect, this is sometimes a logical

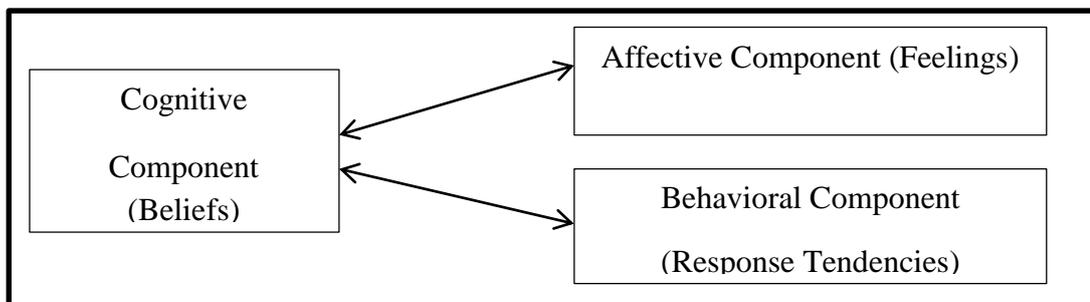
consequence of beliefs (or affect), but may sometimes reflect other circumstances. (e.g., although a consumer does not really like a restaurant, he or she will go there because it is a hangout for his or her friends.)

2.5.3 Cognitive Component

The cognitive component of attitudes refers to the beliefs, thoughts, and attributes that we would associate with an object. It is the opinion or belief segment of an attitude. It includes the knowledge and perceptions that are acquired by a combination of direct experience with the attitude object and related information from various sources. This knowledge and resulting perceptions commonly take the form of beliefs. The total configuration of beliefs about a brand represents the cognitive component of an attitude towards a product.

A consumer may hold both positive beliefs toward an object as well as negative beliefs. In addition, some beliefs may be neutral and some may be different from valance depending on the person or the situation. Note also that the beliefs that consumers hold need not be accurate and some beliefs may upon closer examination be contradictory.

Figure (2.1) Attitude Component Consistency



Source: Del I.Hawkins, Roger J Best and Kenneth A Coney, 1998

2.6 Component Consistency

Components of attitudes should be consistent. A change in one attitude component tends to produce related changes in other components. This tendency is the basis for a substantial amount of marketing strategy. The theory of reasoned acting holds that behavior intentions are based on combination of the attitude towards a specific behavior, the social or normative beliefs about the appropriateness of the behavior, and the motivation to comply with the normative beliefs. It is difficult to

measure all the relevant aspects of an attitude. Consumers may be unwilling or unable to articulated all their feelings and beliefs about various products or brands.

Following are the seven factors that can reduce the consistency between components of attitude.

It is difficult to measure all of the relevant aspects of an attitude. Consumers may be unwilling to or unable to articulate all their feelings and beliefs about various products or brands.

If cognitive and affective components are weakly held, and the consumer obtains additional information while shopping, then the initial attitudes may give way of new ones.

One always measure attitudes towards product, but purchases often involve tradeoffs not only within and but also between product categories. So a customer might purchase a less expensive product in order to save resources to buy a new or another product.

Brand attitude are measured independent of purchase situation. However, many items are purchased for, or in, specific situations. A very inexpensive product might be purchased if the consumer anticipates access to more sophisticated equipment in the near future.

One measures an individuals' attitude, but many purchase decisions involve other household members either directly or indirectly. Hence shoppers end buying a product which meet the needs of entire family.

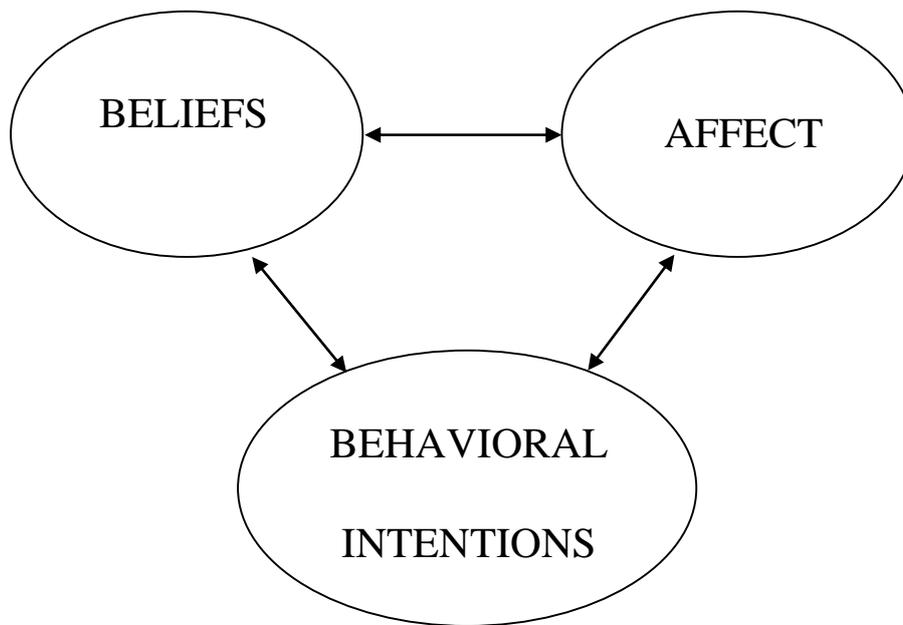
That is why, affective, behavioral and cognitive need to be consistent. The degree of apparent consistency between measures of affect, behavior and cognition may be reduced by a variety of factors.

2.7 Conceptual of the Study

From the above literature reviews of the contributing variables on bank customers' attitude, conceptual survey frame was constructed. Figure (2.2) is the conceptual framework of the study of the relationship between customer attitude factors in terms of affect factor, behavioral factor and cognitive factor. At which, affect factor is examined with total five statements, behavioral factor is examined with total five statements and cognitive factor is examined with five statements.

And then, it is examined the relationship between these customer attitude factors and customer overall attitude. The conceptual framework is as shown, as follows.

Figure (2.2) Conceptual Framework of Customer Attitude



Source : Sumarwan (2004), Consumer Attitude Model

CHAPTER III

SME BANKING SERVICES OF KANBAWZA BANK

This section has two parts. First part states that organizational background information of Kanbawza Bank and second part describes SME Banking services of Kanbawza Bank.

3.1 Organizational Background of Kanbawza Bank

The name Kanbawza is a traditional name for Shan State, an ethnic minority state of the Republic of the Union of Myanmar. Kanbawza Bank (KBZ Bank) was established on the 1st of July 1994 in Taunggyi, located in the southern part of Shan State. Initially, the bank catered the local population in Taunggyi. In November 1999, their present management acquired the organization and oversaw its development into one of the biggest private commercial banks in Myanmar.

The Kanbawza (KBZ) Group of Companies was founded by U Aung Ko Win in 1994 and now has more than (15,000) employees. Its core principle is centred on strengthening Myanmar and its people. As it has its roots in a family business, the family's core values are integrated in the corporate values. It is recognized to be the leading philanthropic organization in Myanmar and has been awarded for its CSR initiatives.

In April 2000, KBZ headquarters was relocated to Yangon, the business capital of Myanmar. In November 2011, the Central Bank of Myanmar granted an Authorized Dealer License (ADL) to KBZ Bank as the first step to operate foreign banking business. KBZ Bank will maintain a continuous growth in financial industry along with the development of Myanmar.

KBZ Bank's vision is to become Myanmar's premier commercial bank with a strong base in Myanmar financial market. Missions of KBZ bank are to ensure a high level of customer satisfaction and trust by providing excellent banking services, to continuously improve quality of financial services by investing in innovative technology and enhancing human capital, to offer rewarding career opportunities and promote staff accountability, to act as a responsive corporate citizen by combining commercial pursuit, fair business ethic and socially responsible behavior.

Core Value of KBZ Bank, as a subsidiary of KBZ group of companies, embraces the following KBZ core values set by the chairman in the endeavor for the development of the bank in the interest of the national economy. The core values are

teamwork and cooperation, honesty, enthusiasm, mutual trust and respect, integrity, leadership and dedication.

3.2 Product and Services of KBZ SME Banking

KBZ SME Banking provides savings deposit accounts, foreign currency accounts, fixed accounts, current accounts, children's savings accounts, and call deposit accounts and future plus. The company's lending lines include hire purchase loans for account holders, SME business owners, and organizations, loans and overdrafts, trade finance, and prepaid cards, debit cards and credit cards. It also offers gift cheques, currency exchange, safe deposit lockers, online banking, and E-commerce services, cash management services including payroll, direct payment, quick pay, POS and collection services, remittance services, bank certificates, payment orders and procurement services.

Table 3.1 Product/Services of KBZ Bank

No.	Deposit Products	Credit Products	Transactional Products	Other Services
1	Current A/C	Normal Loan	Internet Banking	Gift Cheques
2	Saving Deposit A/C	Overdraft (OD)	Quick Pay	Payment Order(PO)
3	Fixed Deposit A/C	Hire Purchase (HP)	Direct Pay	Safe Deposit Locker
4	Call Deposit A/C	SME Loan	E-commerce	Balance Certificate
5	Future Plus A/C	Two Step Loan	Visa /Master Prepaid Cards	Payroll Services
6	Foreign Currency A/C	Credit Card	Domestic and International Remittance	Point of Sale (POS)
7	Explore Debit Card (MPU)	Trade Finance	KBZ Pay	Currency Exchange

Source: KBZ Bank, 2019

3.2.1 Deposit Products

Deposit Products includes Current Account which can be unlimited amount and frequency of deposits and withdrawals, auto link system with Savings Deposit Account allows the account holders to withdraw money from Savings Deposit Account by using cheques. Benefit of Current Account is that customer can check and make money

transaction easier. Current accounts have the privilege of applying for a Safe Deposit Locker for their value. Benefits of the current account are convenient and reliable for payments. The amount can be both delivered and withdrawn at any time without notice and a customer can transfer money from one account to another.

Saving Deposit Account is saving an account is safe to hold funds, earn interest income, the opportunity to withdraw without losing a normal interest in paying, get a MPU card when opening the savings bank, accessing ATM services and the account can easily facilitate commitments and payments. Link system allows us to link Saving Deposit Account and Current Account. By using an automatic networking system, you can easily withdraw funds from the Saving Deposit Account using a check.

Fixed Deposit Account which is also called a time deposit account. Time Deposit is ideal for the person who has excess money for a long time. The account is opened for a fixed amount of period by making a special amount and withdrawal is only allowed at the end of the period. Customers can deposit money for one month, three months, six months, nine months and twelve months.

Call Deposit Account accrues interest on a daily basis, based upon daily balance. Customers can make a deposit at any time of the month and still be eligible for interest. This account can be linked to current account. There is no limit to the numbers of withdrawals or deposit.

Future Plus Account is a kind of saving that can get more interest than normal Saving Deposit Account. Future Plus is one of KBZ Bank's product to give clients a special service like educational fees for children to buy a high price gifts, a car or a house, to celebrate a ceremony like wedding and donation to charity, for travelling and also other objectives too.

Foreign Currency Account is type of current Account which is suitable for local and international companies, employees of INGO, NGOs, travelling internationally for studies or hospitalizing, sailors and foreigners. Eligible currencies for foreign currency account are US Dollar, EURO and SG Dollar. International transfers to and from directly into this account can be made.

3.2.2 Card Services

The Explore Debit Card can be used as online payments, paying in city marts, shopping centers and restaurants without the carrying cash all the time. Customers can make cash withdrawals at any of KBZ's vast network of ATMs as well ATMs of other

banks. Withdrawals can be made at ATMs 24 hours a day. And also customers can make payments at E-commerce websites and get access to all of KBZ's latest online banking services.

KBZ Visa credit card is a kind of unsecured personal loan provided through a "plastic card" which can be used for payment of goods & services or cash withdrawal. There are two (2) types of Visa credit card issued by KBZ bank i.e Platinum & Classic cards with Pay Wave function. KBZ Visa Pay Wave is a contactless method of payment – the latest evolution in Visa payments. It is simple, secure and quick payment method.

The technology enables cardholders to 'tap' their card on a contactless POS terminal to make transactions up to the amount set by merchant's acquiring bank, rather than 'swiping or dipping' their card into POS terminals. The cards have a tiny antenna embedded into the chip which securely transmits payment instructions to and from a specially adapted card terminal. Customers can apply for any of the card based on their income eligibility.

UnionPay International (UPI) (previously known as China UnionPay (CUPI) is a leading payment card brand similar to other International card brands such as Visa, MasterCard and American Express. The UnionPay card is increasingly becoming one of the most important credit cards in Asia. The UnionPay merchant acceptance network extends to over 160 countries and at over 7,000 merchant acceptance in Myanmar.

There are two (2) type of cards issued by KBZ Bank to cater for it's diverse customer segment to spend now and pay later while enjoying the rewards & convenience of card services KBZ UPI Classic Card and KBZ UPI Platinum Card.

KBZ EXPLORE Prepaid Card is available in both VISA & MasterCard. KBZ Explore Prepaid Card is suitable for travelers to foreign countries, students going abroad for further studies and those who want to make online payments. This prepaid card is accepted worldwide, including online merchants and ATMs. You can easily check your card transactions and balance by logging into your KBZ online account. Apply for an instant prepaid card at selected branch only.

The cardholders can enjoy the discounts from many hotels, restaurants and shopping centers overseas depending on their types of cards. You can use the amount deposited in your card (after withholding USD 20 at least in your card) (maximum per day). You cannot transfer money between card accounts. The card embedded with new technology EMV Smart Chip can fully prevent the chances of your card information being cloned for fraud and illegal transactions. No Transaction Fee will be charged if

the card is used at any POS in foreign countries. You can visit the following website to check the transactions your prepaid card online at any time with no charge after card registration at KBZ bank.

3.2.3 Financing Products

To facilitate the development of business in the private sector in Myanmar, KBZ Bank has provided loans and advances to business in various industries such as manufacturing, trading, service, construction, transportation.

KBZ Bank has to follow the Central Bank's policy. The current policy of the Central Bank allows KBZ Bank to receive land and building, government bonds, saving deposit and mortgage and pledge as collateral to secure the loan. It involved SME Loan and Two Step Loan.

A typical term of loan and overdraft is one (1) year. It is thereafter renewable on a yearly basis. Loan interest is paid on the total amount approved and overdraft interest is paid on the amount used. 1 Year (In order to increase the payment period, you will need to reapply for the loan.

KBZ offers Myanmar citizens loans and overdrafts, in order to promote development, increase business growth and to develop working capital within the country. A typical term of loan is one (1) year to (4) years. It is thereafter renewable on a yearly basis. Loan interest is paid on the total amount approved and overdraft interest is paid on the amount used. These properties are accepted as collaterals: immovable properties, government bonds and securities, machinery, fixed deposits or savings deposits.

Hire Purchase service is eligible for individuals or organizations to hire purchase products by paying only 30% - 50% (down payment) at the beginning and paying the remaining by the product items over a period decided by the bank. The credit terms differ depending on goods purchased. Products/Items eligible for Hire Purchase are condominiums, computers and electronics, cell phones and other communication devices, automobiles and motorbikes, heavy machinery, agricultural tractor and machinery, medical equipment.

To reduce feasible risks among B2B and B2G, KBZ Bank will take responsibility for customers to issuing Bank Guarantee. Furthermore, Bid Bond/ Tender Guarantee, Performance Guarantee, Advance Payment Guarantee, StandBy LC (SBLC) and Shipping Guarantee can be applied.

3.2.4 Trade Finance Services

As Myanmar has Started to increasingly participate in the global trade, KBZ is the best partner in dealing with increased volumes of import and export. Having established a dedicated team for trade services, KBZ commits to deliver quick and efficient services that may be tailored to meet customers' needs the following is the list of available trade services. KBZ bank will facilitate to get Goods and Settlement for using LC of at sight and Usance. KBZ bank will Facilitate Shipment of Goods and Settlement for using LC of at sight and Usance'KBZ Bank will facilitate financial services when exporter present all documents after shipment.

3.2.5 Transactional Banking Services

KBZ Online Banking offers a great way for viewing your account balances & transactions, transferring money, and paying bills from the comfort of your home and office. It's simple, secure, and convenient to use anytime anywhere, giving you complete control over your finances. Customers can Check balances and view account statement Funds can be transferred (between own accounts and to other KBZ accounts), multiple accounts fund transfer. Set-up scheduled/ standing instructions for payments, Cheque status, stop or unblock cheque, Cheque book request. Utility payments like Pay Bills (Electricity bill), Mobile Top-up and DirectPay to pay for online can be done.

KBZ Quick Pay is a cash collection service serving as a medium between our corporate merchants and their clients. All funds collected by KBZ branches will be deposited directly to merchants' accounts open at KBZ bank in real time. Customers can bring the company's cash resources within control as quickly and efficiently as possible and deposit directly by cash (or) by KBZ cheque (or) account to account transfer from all KBZ Branches

E-commerce is a system for selling products and services on the websites by merchants so that VISA, Master (Debit/Credit) and MPU Card holders can buy those products and services from the websites. By using E-commerce, customers can buy products from the websites at any time, reduce other expenses and save time. For merchants, E-commerce enables them to market worldwide and increase the sales.

A payment gateway is a service that authenticates transactions between buyers and sellers online. When a buyer makes a purchase on a website, payment gateway checks the payment system of the buyer and authenticate the purchase. And payment

gateway facilitates the transfer of money to the merchant's bank account at a specified time. Thus, a payment gateway is a service that authenticates transactions between buyers and sellers online.

By using E-commerce, customers can buy products from the websites at any time, reduce other expenses and save time. For merchants, E-commerce enables them to market worldwide and increase the sales. We are processing to enable the use of MPU Card for E-commerce.

3.2.6 Domestic and International Remittance

KBZ Bank has the largest branch network in Myanmar with more than 491 branches covering all the 14 states. KBZ Bank is also connected to all the other local banks for remittance service using real time online network to transfer your funds. Contact your nearest branch for information on remittance service. The account holder can make withdrawals to the branch where the fund is being transferred.

To facilitate fast and secure transfer of funds, KBZ Bank offers international remittance service to students going abroad for the study, patients going abroad for medical treatment/check-up, foreigners and those working overseas.

Remittance Methods are inward remittance like worker's remittance, Western Union and commercial remittance. Outward Remittance are telegraphic transfer and other remittance

KBZ Payment Order helps you as an individual or organization to take care of taxation, billing and making payments. KBZ Payment Order is available at the nearest KBZ branch. Payment orders can be created at any KBZ branch. It is exchangeable to cash (or) transferrable to another account if unused. Your payment made reliable trustful with this Payment Order. (Cash deposit at the bank has been made prior to issuing PO)

Safe Deposit Box can be used to safely store your jewelry, important contracts, documents and other valuable possessions. Safe store your documents, valuable possessions and important contracts. Access your Safe Deposit Box at all times during our banking hours. Safe Deposit Boxes can only be opened with a Customer's Key. Different sizes for storage units are available. The deposit will be refunded upon returning the Customer's Key. If the key is lost or damaged, KBZ Bank will deduct the cost of the key from the deposit amount.

To request for Bank Balance Certificate for visa application process, a bank account holder must personally visit the branch where the account is opened, and if impossible to visit personally the branch, the account holder can send someone on your behalf with authorization letter including the name of that person, your National Registration Card (NRC), and your signature recorded in bank account.

In order to ensure that employees are paid on time, you offer a convenient payroll service. By using our service your employees can withdraw their monthly salary at our numerous ATMs, supported by the largest retail banking network across Myanmar. Your finance department can take comfort in knowing that all payments made will be transferred on time and with our detailed payroll report, you can easily reconcile your books and complete your monthly financial reports faster. Confidentiality of payment data assured and automated processes ensure funds are directly credited into accounts as the convenient and easy to use service.

The different types of POS services are offered by KBZ Bank. Merchant networks across all sectors of Retail, Hospitality and Travel are greatly dependent on the speed, flexibility and convenience of payment acceptance at point-of-sale (POS) terminals – the electronic device deployed at merchant outlets to accept major credit and debit cards.

It provides a range of best in class counter top and wireless POS terminals and merchant accounts for processing payments. Their tailored offerings are suitable for all business types, giving you the ability to begin or continue taking credit and debit card payments at the most convenient location for you.

Since Oct 2011, the Central Bank of Myanmar (CBM) allows selected private banks including KBZ to operate the following foreign currencies in order to provide the more efficient flows of foreign trade and investments for the local and international customer alike while ensuring our foreign exchange services can help manage currency risk for the customers. Available currencies are US Dollars (USD), Euro (EUR) and Singapore Dollar (SGD).

CHAPTER IV
ANALYSIS ON CUSTOMERS' ATTITUDE TOWARDS SME
BANKING SERVICES PROVIDED BY KBZ BANK

In this chapter, there are the several analyses on the customers' attitude towards SME banking services provided by KBZ bank. It is included the analyzing on the demographic profile of respondents, and analysis on customer's perception on Managers of SME Banking of KBZ bank.

4.1 Research Design

The survey is used to determine the customer attitude toward SME banking services of KBZ bank. Primary data is collected by conducting interview on 100 customer of SME banking services of KBZ with the use of structured questionnaire (see in Appendix). In this study, the occupations are asked by structured questionnaire at the month of September, 2019. The questionnaire has two main parts: profile of respondents and customer perception on SME banking Department. Five-point Likert Scale is used with strongly dissatisfied for 1, dissatisfied for 2, undecided or natural for 3, satisfied for 4, and strongly satisfied for 5.

4.2 Profiles of Respondents

The profiles of respondents were categorized by gender, age, education level, monthly income, type of their business doing with KBZ SME banking services.

Gender of Respondents

This is the describable on gender of respondents. Table (4.1) presents the respondents by gender.

Table (4.1) Gender of Respondents

Gender	No. of respondents	Percentage (%)
Male	47	47
Female	53	53
Total	100	100

Source: Survey data, 2019

From the result of the survey, it was found that survey included 47 numbers of male and 53 numbers of female. Regarding to the Participant rate, female includes highest portion with 53% in the study.

Age Group of Respondents

This is described the respondents by age. Ages of respondents are classified into five groups: under 25 years, 26-36 years, 37-47 years, 48-58 years, 58 years and above. Table (4.2) presents age distribution of respondents.

Table (4.2) Age group of respondents

Age (in Year)	Number	Percentage (%)
Under 25	4	4
26 – 36	23	23
37 – 47	43	43
48 – 58	29	29
58 and above	1	1
Total	100	100

Source: Survey Data, (2019)

Out of these age groups, age group of 37-47 years is the largest with 43 percent, followed by age group of 48-58 years with 29 percent, 26-36 years with 23 percent, under 25 years with 4 percent and above 58 years with 1 percent.

Education Level of Respondents

Respondents were requested to answer their education level. Table (4.3) state the result from the analysis of their education level.

Table (4.3) Education Level of Respondents

Education Level	No. of respondents	Percentage (%)
Under Graduate	14	14
Graduate	61	61
Post Graduate Diploma	6	6
Master Degree	16	16
Ph.D	3	3
Total	100	100

Source: Survey Data, (2019)

According to the result of the survey, it was found that 14 number of the respondents are under graduate, 61 number of respondents are graduated from the university and 6 numbers of respondents possessed post graduate diploma as well. There are 16 number of respondents have hold Master degree an 3 number of respondents got Ph.D degree among the customers.

Annual Income of Respondent

In this section, the following table (4.4) states the result of annual income of respondents are classified into four levels.

Table (4.4) Annual Income of Respondents

Annual Income (MMK in million)	No. of respondents	Percentage (%)
Between 5 to 15	39	26
Between 15 to 25	25	58
Between 25 to 35	23	16
Above 35	13	13
Total	100	100

Source: Survey Data, (2019)

According to data in table (4.4), respondents in the annual income of between MMK 5 to 15 million is 39% which is the largest group of all replies, the annual income group between MMK 15 to 23 million at 25% and the annual income group of between respondents between 25 to 35 million is the smallest values of replies as the 13%.

Type of Business of Respondents

In this part, the analysis on the types of business of respondents are described in Table (4.5).

Table (4.5) Types of business of respondents

Types of business	No of respondents	Percentage (%)
Manufacturing	25	25
Production	19	19
Service	26	26
Trading(Import/Export)	24	24
Other	6	6
Total	100	100

Source: Survey Data, (2019)

According to the result of the study, it was found that 25 respondents are from manufacturing industry, 19 respondents are from production industry, 26 respondents are from production industry, 24 respondents are from trading industry and 6 respondents are form other business industry.

4.3 Customers' banking practices with KBZ SME Banking

The second section is the analysis on the respondents on banking practices with KBZ SME Banking services. To find out this, it includes three sub analysis named analysis on the periods of SME Banking Services used with KBZ Bank, analysis on the types SME Banking Services used and analysis on the usage of SME Banking services provided by other banks in additional to KBZ Bank.

4.3.1 Years of Usage on KBZ SME Banking Services

Respondents are further requested to answer on the periods that they have been used the international payments. Table (4.6) represents the result obtained from the analysis on the periods that they have been used the SME Banking Services.

Table (4.6) Years of Usage on KBZ SME Banking Services

Years of usage	No. of respondents	Percentage (%)
1 to 2 year	42	42
Over 2 to 3 year	56	56

Over 3 to 4 year	2	2
Over 4 to 5 year	0	0
5 year above	0	0
Total	100	100

Source: Survey Data, (2019)

From the analysis of the study, it was found that there are 42 respondents who have been using SME Banking services of KBZ from 1 to 2 year, 56 respondents who have been using SME Banking Services of KBZ from over 2 to 3 year and 2 respondents who have been using SME Banking Services of KBZ but no respondents who have been using SME Banking Services of KBZ over 4 to 5 year and 5 years above respectively.

4.3.2 Types of SME Banking Services

The second analysis on the SME Banking Services of respondents is the analysis on the types of SME Banking Services. Table (4.7) represents the analysis on the respondents' currently usage of types of SME Banking Services.

Table (4.7) Types of SME Banking Services

Types of SME Banking Services	No. of respondents	Percentage (%)
Financing	42	42
CASA Account	28	28
Domestic and Foreign Remittance	20	20
Transactional Banking Products	10	10
Total	100	100

Source: Survey Data, (2019)

According to the table (4.7), it was stated that there are 42 respondents who have been using Financing of SME, 28 respondents of opening CASA account, 20 respondents of transmitting Domestic and Foreign remittance and 10 respondents of using transactional banking products. Most of the respondents are using mostly Financing as 42% and the less use service is transactional banking products 10% for their business.

4.3.3 Usage of SME Banking Services provided by KBZ Bank

Respondents are also required to answer that they have used other banks' SME Banking Services or not. Table (4.8) states the result from the classification of the use of another private commercial bank in addition to KBZ Bank.

Table (4.8) Respondents usage of other private banks in addition to KBZ Bank

Usage of KBZ Bank Services	No. of respondents	Percentage(%)
Yes	18	18
No	82	82
Total	100	100

Source: Survey data, 2019

In Table (4.8), 18 number of respondents are answering "YES", that means they are using other bank's SME Banking Services and 82 number of respondents are answering "NO", that means they are using only services of KBZ SME Banking Services.

4.4 Customer Perception on Relationship Managers of KBZ SME Banking Department.

In this section, there is the analysis of using 5 point Likert scale measurement on the customer perception on Relationship Managers of KBZ SME Banking Department with total 10 question sets. Table (4.9) represents the result from the analysis of customer perception on KBZ Bank's Relationship Managers with 5 point Likert Scale.

Table (4.9) Customer Perception on Relationship Managers of KBZ SME Banking Department

No.	Factor	Mean	Std. Dev
1	RMs are promptness in providing banking services.	3.73	0.95
2	RMs are consistently courteous with the knowledge to answer customer's question.	3.53	0.99
3	RMs are skillful in dealing with customer in caring and understanding their needs.	3.63	0.69
4	RMs are giving customers with individual attention.	3.80	0.63
5	RMs can consult suitable banking solutions to respective business nature.	3.94	0.67
6	RMs shows a sincere interest in solving it than in normal bank's customer when you have faced with financial services.	3.85	0.88
7	RMs are knowledgeable both in banking procedures and in business sectors.	3.65	1.25
8	RMs deals with customers in very polite and accountable manner.	4.02	0.86
9	RMs give acceptable and accuracy banking solutions to customers.	3.78	0.75
10	RMs have the best interests	3.74	0.81
	Overall Average	3.77	0.85

Source: Survey data, 2019

According to the customer perception, the overall mean average value is average 3.77 with standard deviation 0.85 is higher than the standard mean score 3, it can be said that the customers of KBZ Bank have higher perception or higher satisfaction toward the services of Relationship Managers while providing SME Banking Services. Among these factors, customer perception on dealing with customers in very polite and accountable manner is found that the highest mean score 4.02 with standard deviation 0.86 has also encountered very much higher than the standard mean score 3, respondents have greater perception on dealing with customers in polite and accountable manner by Relationship Managers of KBZ SME Banking Department. Regarding to the question of the Relationship Managers of KBZ SME Banking Department express the genuine concern on consistently courteous with the knowledge to answer customer's question obtained the mean score 3.53 with standard deviation 0.99 is found that the lowest mean score. But overall mean score for skillfulness, promptness, politeness, accuracy, providing quality of advice and well knowledge to customers and pay attention to customer services has encountered higher than the standard mean score 3, respondents have higher perception towards Relationship Managers in serving SME Banking services by KBZ Bank.

4.5 Analysis on Customer Attitude by Tri-Component Model

In this section, there is the analysis on the customer attitude on KBZ Bank's SME Banking Services. The level of customer attitude toward the SME Banking Services of KBZ Bank is analyzed by using of 5 point Likert measurement scales in previous section. In this analysis, there are analyzing into the customer attitude toward "affect" component, "behavior" component and "belief" component as follows.

4.5.1 Customer Attitude on Affect Component

Table (4.10) is the analysis on the customer attitude on affect function of using KBZ Bank SME Banking facilities. Analysis includes analyzing five questions as follow.

Table (4.10) Customer Attitude on the Affect Component

No.	Customer Attitude on Affect Component	Mean	ST Dev
1	The faster the response of RMs encourages me when choosing banking services of KBZ among services of other banks.	3.72	0.77
2	Having at least risks on using KBZ banking products encourages me choosing KBZ SME Banking Services.	3.82	0.85
3	Consistency in giving solutions of RMs encourages me choosing KBZ SME Banking Services.	3.81	0.95
4	Having variety of banking products forces me choosing KBZ SME Banking Services.	3.95	0.99
5	Detail and clear explanation of banking products by RMs making me sure to use KBZ SME Banking Services.	3.95	0.96
	Overall Average	3.85	0.75

Source : Survey Data, 2019.

According to Table (4.10), the overall customer attitude on Affect Component is at high level mean score 3.85 with standard deviation 0.75. KBZ Bank can serve SME Banking Services with good banking service and indicate that most of the customers have high expectation from Affect component dimension. Regarding to the effect the obtained the largest mean score value 3.95 with standard deviation 0.99 is encountered higher than the standard mean score 3, many of the respondents have higher expectation towards the effect of having variety of banking products forces customers choosing KBZ SME Banking Services among the other banks. Regarding to the effect the obtained the largest mean score value 3.95 with standard deviation 0.96 is encountered higher than the standard mean score 3, many of the respondents have higher expectation towards the effect of getting detail and clear explanations of banking products by RMs also forces customers choosing KBZ SME Banking services among the other banks. Regarding to the effect of having the faster the response of RMs encourages them when choosing SME Banking services of KBZ among services of other banks obtained the smallest mean score 3.81 with standard deviation 0.95 is higher the standard mean score 3, it can be assuming that many of the respondents are pleased on having the faster the response of RMs encourages them when choosing SME Banking services of KBZ among services of other banks.

4.5.2 Customer Attitude on Behavior Component

Table (4.11) is the analysis on the customer attitude on behavior function of using KBZ Bank's SME Banking services. Analysis includes analyzing five questions as follow;

Table (4.11) Customer Attitude on Behavior Component

Item	Customer Attitude on Behavior Component	Mean	ST Dev
1	I always use KBZ SME Banking Services among other banks due to more helpful in dealing with banking facilities in my business.	3.63	0.89
2	I use KBZ SME Banking Services among other banks due to its reputation than other banks.	3.67	0.84
3	I use KBZ SME Banking Services among other banks due to more trusty than other banks.	3.67	0.97
4	I use KBZ SME Banking Services among other banks due to responsibility of RMs.	3.72	0.93
5	I use KBZ SME Banking Services because I get all information that I need about banking services over others' banks.	3.89	0.89
	Overall Average	3.72	0.90

Source: Survey data, 2019

According to Table (4.11), the overall customer attitude on behavior component is at high level mean score 3.72 with standard deviation 0.90. Customer are using KBZ SME Banking services due to more helpful in dealing with banking facilities, better reputation and more trusty than other banks, responsibility of RMs and getting all information of banking services. Regarding to the question of customers want to use KBZ Bank SME Banking services compare with other banks obtained highest mean value 3.72 with standard deviation 0.90 has encountered higher than that of the standard mean score 3, it can be said that respondents are seem to be well-informed about required information to use KBZ Bank SME Banking Services. Regarding to the question of using KBZ Bank SME Banking services due to more helpful in dealing with banking facilities in my business obtained the less mean value 3.63 with standard deviation 0.89 has encountered higher than that of the standard mean score 3, respondents are pleased upon the customer service of RMs of KBZ SME Banking when using SME Banking facilities.

4.5.3 Customer Attitude on Cognitive Component

To analyze the attitude towards customer belief on the KBZ Bank's SME Banking Services, respondents were requested to answer total five questions. Table (4.12) shows the result from the analysis on the customer attitude on their belief function.

Table (4.12) Customer Attitude on Cognitive Component.

No.	Customer Attitude on Cognitive Component	Mean	ST Dev
1	KBZ SME Banking Services are more convenient, reliable, secure and useful than normal banking services at branch.	4.00	0.93
2	KBZ SME Banking can provide relevant banking services to SME customers around the country.	3.81	0.86
3	KBZ SME Banking can give prompt banking solutions to SME customers.	3.49	0.96
4	KBZ SME Banking RMs knows very well about both local and international banking practices.	3.71	0.99
5	KBZ SME Banking can give one stop banking services to SME customers by personalize assigned Relationship Managers.	3.86	0.85
	Overall Average	3.77	0.92

Source: Survey data, 2019.

Table (4.12), the analysis on the customer attitude on belief function, the obtained overall mean value is 3.77 with standard deviation 0.92 has encountered higher than that of standard mean score 3, it can be concluded that customers have positive believing towards the KBZ Bank's SME Banking Services. Regarding the table (4.12), the obtained the mean score 4 with standard deviation 0.93 has encountered the highest mean score, respondents have higher positive attitude towards SME Banking services provided by KBZ Bank. Respondents value that bank services are more convenient, reliable, secure and useful than normal banking services at branch. The obtained the smallest mean score 3.49 with standard deviation 0.96 is also higher than that of the standard mean score 3, it can be concluded that respondents believe that factor of KBZ SME Banking provide prompt banking solutions to SME customers.

4.6 Overall Tri-component of Customer Attitude

Table (4.13) is the analysis on the overall customer attitude on using KBZ Bank SME Banking services facilities based on the tri-component model. It shows that affect component was the most vital factor with mean score 3.85. Most customers identified that Relationship Managers of KBZ SME Banking Department can give promptness, detail and clear solutions of banking products and variety of banking products have at least risks when using. In this study, cognitive component is the second important factor with mean score 3.77 and standard deviation 0.92, most customer have positive beliefs upon bank services. This means that most customer identified personalize assigned Relationship Managers of KBZ SME Banking Department can give one stop banking solutions securely and usefully than normal banking services at branch. The last vital factor is behavior component for SME Banking services by the tri-component model was 3.72 mean score with standard deviation is 0.90, that means most customers identified KBZ SME Banking services are more helpful in dealing with banking facilities in their business and more trusty than other bank's services. The overall mean score 3, it can be said that many of the customers possess positive attitude.

Table (4.13) Overall Tri-component of Customer Attitude

No.	Tri Component	Mean	ST Dev
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1	Total Mean Average of Affect Component	3.85	0.75
2	Total Mean Average of Behavior Component	3.72	0.90
3	Total Mean Average of Cognitive Component	3.77	0.92
	Overall Average	3.78	0.86

Survey data, 2019

4.7 Correlation Analysis among Customer Perception, Affect component. Behavior component and Cognitive component factors about KBZ SME Banking services.

In this study, the affect, behavioral, cognitive and attitude on SME banking services of KBZ Bank had been surveyed. There are three independent variables; affect, behavioral and cognitive and one dependent variable; attitude towards using SME banking services of KBZ Bank.

To analyze the affect, behavioral, cognitive and attitude on SME banking services of KBZ Bank, Pearson's correlation coefficient is calculated. Table (4.18) demonstrates the correlation coefficient of affect, behavioral, cognitive and attitude on SME banking services

Table (4.18) Correlation Coefficient of the Affect, Behavioral, Cognitive and Attitude

	Attitude towards using SME Banking Services of KBZ
Affect	
Pearson Correlation	.239*
Sig.(2-tailed)	.017
Behavioral	
Pearson Correlation	.267**
Sig.(2-tailed)	.007
Cognitive	
Pearson Correlation	.000
Sig.(2-tailed)	.997

* Correlation is significant at the 0.05 level (1-tailed).

** Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Outputs

In table (4.18), it can be seen that customer attitude positively related to affect ($r=0.239$, $p<0.05$) and behavioral ($r=0.267$, $p<0.01$). The results show that there is a

positively relationship between customer attitude and affect at 0.05 significant levels and there is a positively relationship between customer attitude and behavioral at 0.01 significant levels. However, cognitive has no effects on the customer attitude toward SME Banking Services.

CHAPTER V

CONCLUSION

This study has focused on the customer attitude towards SME Banking services of KBZ Bank. The objectives of this study are to identify SME Banking services of KBZ Bank and to explore the customer attitude towards SME Banking services of KBZ Bank in Yangon. This chapter consists of three parts, first part is findings of the study, the second part includes suggestions and the last part states that needs for future research.

5.1 Findings

In this survey, 100 customers who are currently dealing business relationship with SME Banking services of KBZ Bank and randomly selected with the help of SME Banking Department of KBZ Bank. As a survey instrument, structured questionnaires were prepared to explore the customer attitude towards SME Banking services of KBZ Bank. Regarding to the analysis on the demographic profiles of respondents, it is found that there isn't too much difference between male and female respondents. Age maturity refers to changes and development in the brain structure. Respondents with highest degree level could also be assumed to understand the questions to answer more correctively. Analyzing types of business, manufacturing and service industries are included more among the total industries. These two industries are the main industries which drive Myanmar's SME sectors. Bank usage characteristics also states that most of organizations have been relationship for two to three years. Survey also states most of the respondents use financing services. Based on the result from the SME Banking services using other private banks showing that most of the customer are loyal the use of SME Banking services. So, KBZ SME Banking service must be acceptable response and promptness services.

By examining the customer attitude towards SME Banking services of KBZ Bank, the analysis started with analyzing the customers' perceptions on the Relationship Managers' performance upon their services. Analysis includes total ten question set and the result obtained from these answers of these questions of average mean score is 3.77, the customers of the KBZ Bank who are using SME Banking

services have high positive perception upon the service qualities by the Relationship Managers.

By examining the customer attitude on Affect Component is at high level mean score 3.85 with standard deviation 0.75. KBZ Bank can serve SME Banking Services with good banking service and indicate that most of the customers have high expectation from Affect component dimension. Most customers identified that Relationship Managers of KBZ SME Banking Department can give promptness, detail and clear solutions of banking products and variety of banking products have at least risks when using.

By examining the customer attitude on behavior component is at high level mean score 3.72 with standard deviation 0.90. Customer are using KBZ SME Banking services due to more helpful in dealing with banking facilities, better reputation and more trusty than other banks, responsibility of RMs and getting all information of banking services. This means most customers identified KBZ SME Banking services are more helpful in dealing with banking facilities in their business and more trusty than other bank's services.

By examining the analysis on the customer attitude on belief function, the obtained overall mean value is 3.77 with standard deviation 0.92 has encountered higher than that of standard mean score 3. This means that most customer identified personalize assigned Relationship Managers of KBZ SME Banking Department can give one stop banking solutions securely and usefully than normal banking services at branch.

By examining the tri component attitude model towards SME Banking services of KBZ Bank, it was found that affect component was the most vital factor. Most customer identified that faster response of RMs, least risks on using banking products, giving consistent solutions, detail and clear explanations of RMs and having variety of banking products make them still to choose KBZ SME Banking services even though other banks also offer the same products and services. The overall mean score is 3.85 with standard deviation 0.75, it can be said that many of the customer possess positive attitude towards KBZ Bank SME Banking services.

5.2 Suggestions

According to the result of observation, it could be recommended for and Relationship Managers of KBZ SME Banking department who serves SME business to maintain customers' good perception focusing on providing prompt and effective solutions to customers. And the bank also should periodically provide personal grooming, interpersonal skills, sales pitch training and respective products training to Relationship Managers accordingly. If so, Relationship Managers can attract customers and make more effective sales and provide better service. Furthermore, the bank should provide problem solving and sharing sessions for Relationship Managers weekly because problems and experiences faced by each Relationship Manager may vary according to cases. Doing like this, problem solving skills of Relationship Managers can improve. In addition, the result of customer attitude towards affect, behavior and cognitive component of KBZ SME Banking services, it is recommending to Relationship Managers for their strong willingness to help customers and Relationship Managers should learn more about both local and international banking practices. For products, bank should provide product package for each business industry to be easier for customers to choose banking products which is relevant for them. And for financing products, bank should provide many financing products like invoice financing, accepting machinery as collateral because most of SME Business customers have difficulties to give land and building as collateral to banks. As KBZ has many branches around the country, bank should provide SME Banking services across the branches to help SME Business much more than other banks. It may be its strength. And also bank should open One Stop SME Banking Centre not only in downtown area of Yangon but also in outermost area of Yangon.

In addition, the bank should always keep track on the performance of individual Relationship Managers especially in the areas of reliability, convenient, secure and problem solving. Relationship Managers should always show their willingness to help the customers and all RMs should have deep knowledge about product and services of own bank. So, the customers feel that they are taken care by all Relationship Managers.

5.3 Need for Future Research

This research is only emphasizing the two objectives: To identify SME Banking services of KBZ Bank and to explore the customer attitude towards SME Banking services of KBZ Bank in East Yangon. It is done by interviewing with responsible persons from KBZ Bank Ltd and sending questionnaires to 100 selected customers who are using SME Banking services of KBZ Bank. The constraint in here is that time limitation and some data are to be kept confidential and not meant for publishing so that not very accessible data could be revealed in this paper. As this study is made only in East Yangon, thus, it is somewhat limited in scope and it doesn't completely cover SME Banking services of KBZ Bank. Moreover, further researches should be conducted. So that, it is recommended to do future researches upon all area where SME Banking services of KBZ Bank touched. With better research and consumer knowledge in place, KBZ SME Banking will be able to help not only all SME business but also country's development which is depending on SME business.

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Appendix (A)

Questionnaire

Section (A) Analysis on Socio-Demographic Factors of Respondent

Please tick “√” in the box that best describes you.

1. Gender

Business Owner is Male

Business Owner is Female

2. Age

Less than 25 years

26 to 36 years

37 to 47 years

48 to 58 years

58 years and above

3. Education Level

Under Graduate

Graduated

Post Graduated Diploma

Master Degree

Ph.D

4. Monthly Income

- Less than MMK 5,000,000
- Between MMK 5,000,001-MMK 15,000,000
- Between MMK 15,000,001-MMK 25,000,000
- Between MMK 25,000,001-MMK 35,000,000
- Above MMK-35,000,000

5. Types of business

- Manufacturing
- Production
- Service
- Trading (Import/Export)
- Other

Section (B) Customers' Banking Practices with KBZ SME Banking

Please tick “√” in the box that best describes you.

6. How many does your company doing business in with KBZ SME Banking Department.

- 1 to 2 year
- Over 2 to 3 year
- Over 3 to 4 year
- Over 4 to 5 year
- 5 year above

7. Types of KBZ SME Banking Services that you have used are.....

- Financing
- CASA Account
- Domestic and Foreign Remittance
- Transactional Banking Products
- Card Products

8. Are you being used of SME Banking Service provided by other private banks in additional to KBZ bank?

- Yes
- No

Section (C) Customer's perception on Relationship Managers of KBZ SME Banking Department.

Please tick “√” on one answer.

1.Strongly Disagree, 2.Disagree, 3. Could not decide, 4. Agree, 5. Strongly Agree

Customer Attitude on Relationship Managers (RMs) of KBZ SME Banking Department

Q-No	Factor	1	2	3	4	5
9	RMs are promptness in providing banking services.					
10	RMs are consistently courteous with the knowledge to answer customer's question.					
11	RMs are skillful in dealing with customer in caring and understanding their needs.					
12	RMs are giving customers with individual attention.					
13	RMs can consult suitable banking solutions to respective business nature.					
14	RMs shows a sincere interest in solving it than in normal bank's customer when you have faced with financial services.					
15	RMs are knowledgeable both in banking procedures and in business sectors.					
16	RMs deals with customers in very polite and accountable manner.					
17	RMs give acceptable and accuracy banking solutions to customers.					
18	RMs have the best interests					

Section (D) Customer Attitude on KBZ SME Banking Services.

Please tick “√” on one answer.

Customer Attitude on Affect Component.

Q-No	Factor	1	2	3	4	5
19	The faster the response of RMs encourages me when choosing banking services of KBZ among services of other banks.					
20	Having at least risks on using KBZ banking products encourages me choosing KBZ SME Banking Services.					
21	Consistency in giving solutions of RMs encourages me choosing KBZ SME Banking Services.					
22	Having variety of banking products forces me choosing KBZ SME Banking Services.					
23	Detail and clear explanation of banking products by RMs making me sure to use KBZ SME Banking Services.					

Customer Attitude on Behaviors Component.

Q-No	Factor	1	2	3	4	5
24	I always use KBZ SME Banking Services among other banks due to more helpful in dealing with banking facilities in my business.					
25	I use KBZ SME Banking Services among other banks due to its reputation than other banks.					
26	I use KBZ SME Banking Services among other banks due to more trusty than other banks.					
27	I use KBZ SME Banking Services among other banks due to responsibility of RMs.					
28	I use KBZ SME Banking Services because I get all information that I need about banking services over others' banks.					

Customer Attitude on Cognitive Component.

Q-No	Factor	1	2	3	4	5
29	KBZ SME Banking Services are more convenient, reliable, secure and useful than normal banking services at branch.					
30	KBZ SME Banking can provide relevant banking services to SME customers around the country.					
31	KBZ SME Banking can give prompt banking solutions to SME customers.					
32	KBZ SME Banking RMs knows very well about both local and international banking practices.					
33	KBZ SME Banking can give one stop banking services to SME customers by personalize assigned Relationship Managers.					